



**STATEMENT
OF ACCOUNTS
2017/18**





The Chief Constable for Cumbria
Constabulary

Statement of Accounts 2017/18

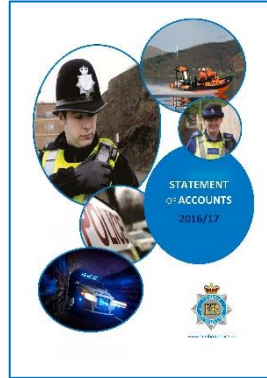
About this Publication

This publication contains the single entity financial statements for the Chief Constable for Cumbria Constabulary. All funding for the Constabulary comes from the Police 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 2017/18 is available on the Constabulary's website at www.cumbria.police.uk

The corresponding accounts for the Police 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 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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The Chief Constable for Cumbria Constabulary

Statement of Accounts 2017/18

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The Joint CFO Introduction.

For a quick highly summarised version of this statement of accounts please read the next 17 pages. The full story starts on page 20, please read that too.

Please see page 29 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 2017/18 financial year. This financial statement sets out the single entity statements of the Chief Constable for Cumbria Constabulary. The Police 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 2018. 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. This is the third year that the statement has incorporated a narrative statement, which has replaced the Chief Finance Officer introduction. The narrative statement 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 statement 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 (PRSA 2011). The PRSA 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 PRSA 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 Queen'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 PRSA 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. 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 Assistant Chief Constable who are responsible for a portfolio of functions within the organisation.

Operational policing is split into two commands which report to the Assistant Chief Constable. The Territorial

Policing command is responsible for neighbourhood policing, response, management of calls for service and criminal justice. Territorial policing is structured in three geographic areas, which are supported by shared specialist policing resources such as roads policing, dogs and firearms.

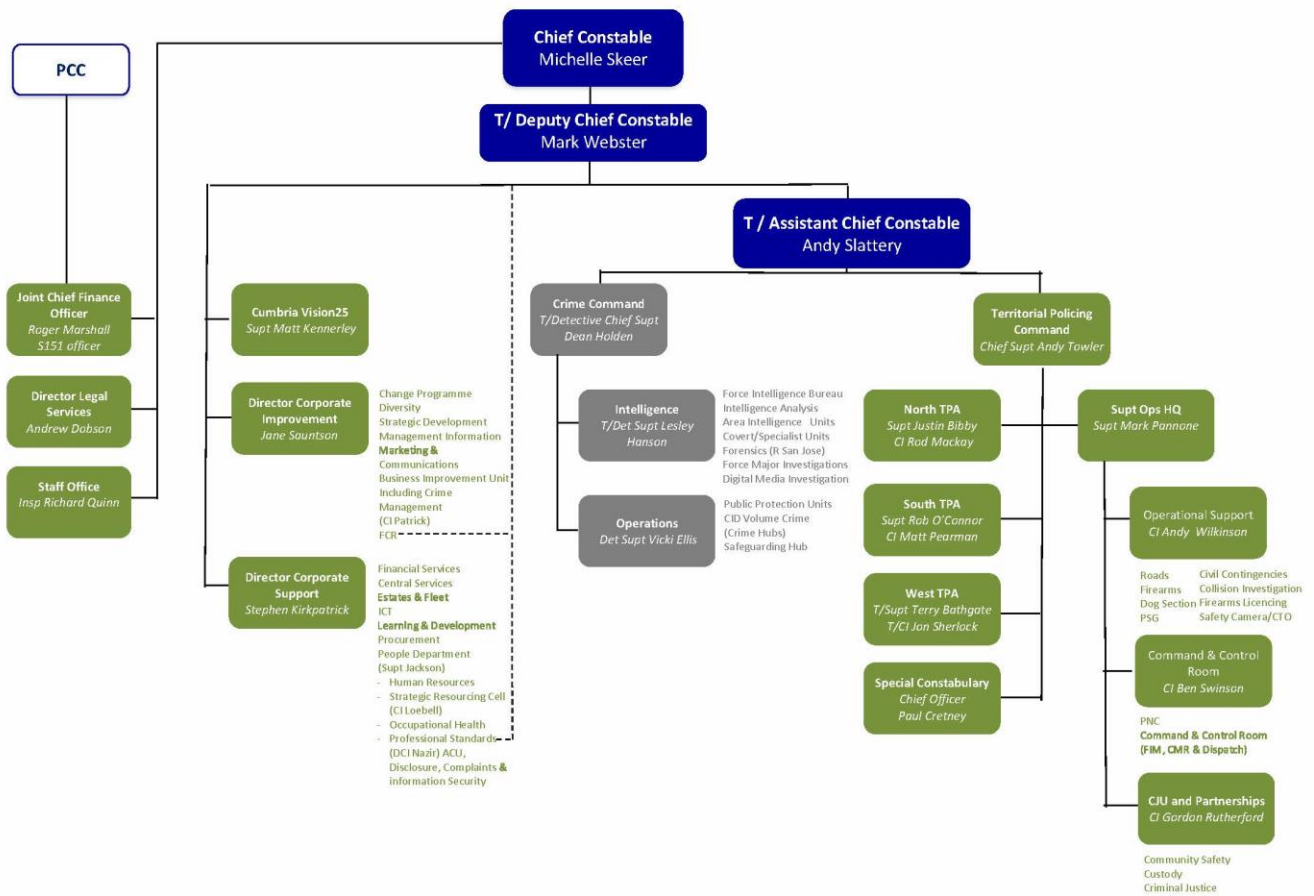
The Crime Command is responsible for investigating crime and includes specialist units for gathering intelligence, major crime investigation, countering serious and organised crime, public protection and scientific support.

There are also two support directorates both of which report to the Deputy Chief Constable. The Corporate Support Directorate includes finance, people, estates, fleet, learning & development, ICT and central services. In overall terms, the Corporate Support directorate aims to provide cohesive and integrated support for operational policing.

The Corporate Improvement Directorate includes a number of corporate functions including strategic development, business improvement unit, marketing and communications and responsibility for coordinating the Constabulary's change programme. Legal Services is a small specialist function, which operates independently from the main directorate structure and provides legal advice to the Chief Constable and Commissioner.

Joint Chief Finance Officer Narrative Report

A diagram showing the Constabulary's organisational structure is shown below:



Strategic Objectives

For 2017/18, the Chief Constable determined the strategic direction for the Constabulary, which is 'Keeping Cumbria Safe'. Following consultation with a range of stakeholders, the annual review of the Constabulary's Strategic Assessment (based on operational intelligence), performance results, recommendations from independent inspections and audits and a review of the organisation's strategic risks, the Chief Constable developed the 'BIG 6' priorities for reducing 'threat, risk and harm' and tackling our communities' concerns as follows:

- Engaging with communities and engaging with partners.
- Preventing crime, road casualties and anti-social

behaviour.

- Managing offenders.
- Managing calls for service.
- Protecting vulnerable people and communities.
- Investigating crime, caring for victims and bringing offenders to justice.

The Commissioner approved these key objectives and incorporated them into his Police & Crime Plan to complement his aims.

Chief Constable's Report

In terms of crime and disorder, Cumbria remains one of the safest places to live, work and visit in England and Wales. Levels of anti-social behavior in particular have shown a marked decline within the county over recent years. The public of Cumbria remain

overwhelmingly supportive of the service we provide as demonstrated by consistently high user satisfaction levels.

Nevertheless, there are no grounds for complacency. Over the past couple of years, there has been a noticeable shift in the profile of offences being recorded by police, with an increase in the complexity of crime, which in turn requires more resources to investigate. To ensure that we understand and can respond effectively in an ever changing world we continually review our demand.

The rapid advances in digital technology is a double edged sword allowing policing systems and processes to be developed and made more effective, but it also a facilitator of crime and requires new skillsets from policing if it is to be countered effectively. In relation to digital innovation in policing Cumbria is recognised nationally as being at the leading edge in rolling out mobile technology to its officers and staff with the objective of improving their productivity.

Each year the Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy). In 2017/18, the Constabulary were graded good in respect of all three elements. We will continue to work with HMICFRS to address the small number of areas, which were identified as areas for improvement.

Our financial position looks brighter. The combination of the Government's decision to maintain police grant for 2018/19 and 2019/20 in conjunction with the increased flexibility afforded to Police and Crime Commissioner's and the decision to defer any changes to the police funding formula until at least 2020/21

allows us to plan for the future with a greater degree of financial assurance. Nevertheless, there is still a need for the Constabulary to operate as efficiently as possible and deliver savings to balance the budget over the medium term.

In order to plan for an uncertain future I have established a Cumbria 2025 Plan, which seeks to bring together business and change planning into a single cohesive plan, which is aligned to the national policing vision. This will continue to be developed during 2018/19 under the leadership of the Deputy Chief Constable.

In summary, despite the challenges, I have established an effective working relationship with the Commissioner and look forward to continuing to work with partners across the county to deliver on our core mission of Keeping Cumbria Safe.

2017/18 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 2017/18 grant settlement, the Commissioner's overall budget and the level of Council Tax levied are provided in the Commissioner's combined financial statements.

Of critical importance was the Chancellor's decision in the Comprehensive Spending Review of 2015 to add policing to those services which are protected from

worst effects of funding reductions, as the Government continues to address the national budget deficit. As a consequence of this decision, Cumbria received a relatively favourable grant settlement in 2017/18, despite this, the allocation of formula grant of £58.710m represented a reduction of £0.833m compared with the previous year. When this was consolidated with a 1.91% increase in council tax precept agreed by the Commissioner there was an overall increase in funding of £0.5m, which contributed to offsetting the impact of pay rises and inflation on the cost of providing policing services.

Business Activity

In addition to the day to day work of Protecting the People of Cumbria, the Constabulary, through its change programme and business strategies, has sought to identify savings and innovative ways to increase the productivity of its officers and staff. During 2017/18, the following changes have been made to enhance services:

- Undertook extensive demand analysis for operational staff and a 'day in the life' study for sergeants with the aim of understanding the workload and pressures faced by officers and improving working practices.
- Strengthened arrangements for crime recording including the development of a crime management action plan and training for 900 officers.
- Procured and commenced implementation of the 'SAFE' command and control system, which will deliver significant benefits within the Constabulary's control room.

- Continued the implementation of the action plan for the Command and Control Room with the aim of improving response 999 and 101 response.
- Piloted the implementation of 'Local Focus Hubs', which will bring together neighbourhood policing, problem solving and community safety functions and provide collaborative opportunities with other agencies in a one stop shop.
- Implemented crime hubs, which have increased capacity and resilience by bring together crime investigation and public protection functions.
- Rolled out the first phase of the replacement crime intelligence system 'Red Sigma'.

Performance

Summary Budget and Outturn

The Chief Constable's budget amounting to £111.6m is based upon the funding agreement with the Commissioner.

The table below shows the summary budget for 2017/18 as set on 22 February 2017, the revised budget (taking into account budget changes made during the year) and the provisional outturn position (subject to audit).

Summary Budget & Provisional Outturn	Base Budget 2017/18 £000s	Revised Budget 2017/18 £000s	Provisional Outturn 2017/18 £000s	(Under)/Overspend 2017/18 £000s
Police Officers	77,868	78,704	80,104	1,400
PCSOs	3,070	3,071	3,010	(61)
Police Staff	20,000	20,186	19,544	(642)
Other Employee	1,637	2,112	2,016	(96)
Transport	2,222	2,157	2,006	(151)
Supplies & Services	9,293	9,545	9,288	(257)
Third party Related	2,199	2,212	2,184	(28)
Total Expenditure	116,289	117,987	118,152	165
Income	(4,682)	(6,344)	(6,550)	(206)
Total Constabulary	111,607	111,643	111,602	(41)

The presentation above 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 £102.58m, which is broken down into Police Officers £77.87m, PCSO's £3.07m, Police Staff £20.00m and other employee costs of £1.64m. The remainder of the budget relates to non-staff costs including, transport costs of £2.22m and supplies/other costs of £11.49m. Income of £4.68m, 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 outturn position for 2017/18, compared to the revised budget is an underspend of £0.041m.

During the year the police pay budget, in particular, came under significant pressure through a combination of:

- Maintaining police officer numbers in the context of the decision to defer the implementation of a new police funding formula.
- The award nationally of a 1% bonus over and above the Government's public sector pay cap of 1% pay increases, which had been budgeted.
- Provision of additional overtime partially to provide public re-assurance following the terrorist attacks in London and Manchester.

Interim forecasts during the financial year indicated that the Constabulary could be overspent by around £1m, principally due to the additional cost of police pay.

In the event, a combination of pro-active management of budgets, difficulties in recruiting to some specialist police staff posts and a change in the accounting treatment of the Government's apprenticeship levy meant the Constabulary's overall expenditure came in very close to budget.

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 £5.254m

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in 2017/18 are shown in the financial statements of the Commissioner. The principal component of this expenditure was £3.2m on ICT related schemes, including £1.9m on a new command and control system, which will be further developed in 2018/19. A further £1.6m was expended on the cyclical replacement of the vehicle fleet. The remaining capital expenditure largely related to enhancement of the estate. Overall capital expenditure was lower than budgeted, however, this was largely attributable to slippage on the construction of a new Eden Deployment Centre, which is commencing in early 2018/19.

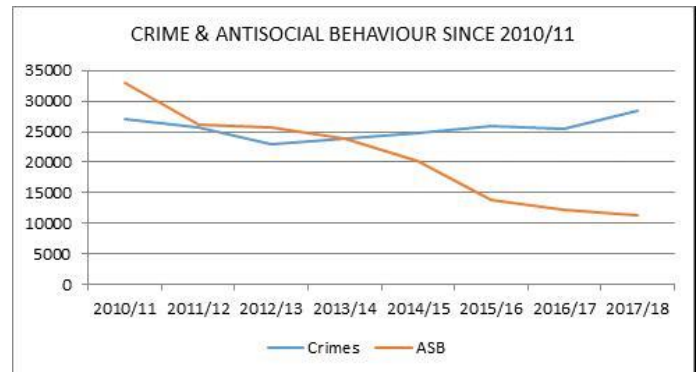
Organisational Performance

The Constabulary operates a comprehensive framework of performance measures to ensure it is meeting its objectives and support the Commissioner in delivering his Police and Crime Plan. The following section provides a summary of performance in relation to crime, incidents and other outcomes for 2017/18.

- Crime increased by 3,098 offences, which represented a 12% increase, but was largely attributable to improved crime reporting and recording.
- Violent crime has increased by 28% (2,032 offences). This mirrors the national picture where 42 out of 43 forces are reporting an increase, and again reflects improved crime recording practices. We remain lower than average for violent crime per head of population compared with a group of similar forces.
- We set out to increase reporting of rape and sex offences and this increased by 31% (319 offences). Of our rape cases 193 (45.5%) are historic of which

122 involved victims who were children at the time the offence took place.

- Overall theft offences have increased by 2% (175 offences). This includes increases in theft from a person (+1 offence), shoplifting (+30 offences), burglary (+59 offences) offset by a slight reduction in motor vehicle thefts (-2 offences).
- We perform better than our Most Similar Forces Group average and have the 3rd lowest volume of crime nationally.
- We have delivered a further 8.5% reduction in Anti-Social Behaviour, which has reduced to 11,247 incidents over the year.



- Domestic abuse incidents increased by 188 or 2.7% indicating greater public confidence in reporting.
- Cumbria performed significantly better than North West region and national averages for guilty pleas at first hearing and effective trials – and we exceed the targets set for us.
- We perform well for user satisfaction with 88% of people using our services being satisfied with the overall experience.
- 83% of people in Cumbria say they have confidence in their police service, which is 4% better than the national average.

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The table below summarises the Constabulary's performance indicators.

	Number of Crimes 2017/18	% Change from previous year
All Crime	28,526	12%
Violence against the person	9,306	28%
Homicide	3	-25%
Violence with injury	3,959	19%
Assault - cause serious harm	119	25%
Assault with injury	3,809	18%
Other violence with Injury	31	121%
Violence without injury	5,344	36%
Assault without injury	3,644	31%
Assault without injury on a Constable	217	42%
Harassment	1,228	50%
Other violence without injury	255	36%
Rape and sexual offences	1,337	31%
Robbery	95	30%
Theft offences	9,220	2%
Burglary	2,062	3%
Vehicle offences	1,170	0%
Criminal damage and arson offences	5,140	1%
Drugs offences	852	-3%
Public order offences	1,762	21%

During 2017/18, all forces were subject to a PEEL (Police Effectiveness Efficiency and Legitimacy) inspection by Her Majesty's Inspector of Constabulary Fire and Rescue Services (HMICFRS). Cumbria was rated as good for all aspects of efficiency, effectiveness and legitimacy. Areas inspected included:

- Preventing crime and tackling anti-social behavior.
- Crime investigation and reducing re-offending.
- Protecting vulnerable people.
- Tackling serious and organised crime.
- Use of resources.
- Planning future demand.
- Treating people it serves fairly.
- Ethical behavior of the workforce
- Treating the workforce with fairness and respect.

In addition, the Constabulary received positive feedback from HMICFRS in relation to two thematic inspections during the year in relation to child protection and modern slavery.

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.

During 2017/18, the Constabulary built on the People Strategy established in 2016/17, 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

Initiatives under the People Strategy in 2017/18 included development of talent management processes to better recognise and reward staff for their work and the promotion of citizens in policing, with particular emphasis on engagement with young people through the mini police.

At the 31st March 2018 the Constabulary employed:

- 1106 Officers
- 97 PCSOs
- 586 Police staff

(all expressed in full time equivalents)

During 2017/18, a strategic decision was taken to maintain the officer establishment at 1,125 FTE in the context of the announcement of a delay in implementing a new police funding formula. Originally, flexibility had been built into the workforce plan in preparation for the introduction of formula changes in

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2018/19, which could have impacted adversely on the Constabulary's resources. Over 2017/18 the numbers of officers and PCSOs were maintained close to the establishment. Police staff vacancies were higher than anticipated, with particular difficulties in recruiting to specialist ICT roles. The budget for 2018/19 includes provision for 25 additional officers to work in local policing roles. The numbers of PCSO and police staff posts are expected to be broadly maintained during the forthcoming year.

The table below provides a breakdown of the Constabulary workforce (expressed in full time equivalents (FTE)) by gender.

Actual Employees as at 31 March 2018	CC		Total FTE
	Male FTE	Female FTE	
Directors/Chief Officers	6.5	2.0	8.5
Senior Managers	9.0	6.0	15.0
All Other Employees	934.4	831.3	1,765.7
Total CC Employees	949.9	839.3	1,789.2

During 2017/18, the percentage of contracted hours lost due to sickness was 3.56% for officers and 3.06% for staff, both of which exceed the Constabulary's target of 3%, but have reduced from 2016/17. An attendance action plan is in place with a wide range of actions to pro-actively manage sickness.

A Wellbeing Strategy has been put in place, with the aim of promoting and encouraging health and wellbeing at work. Work on promoting and improving well-being during 2017/18 included the:

- Provision of a psychological screening programme to identify mental health issues for staff in stressful roles at an early stage.

- Roll-out of trained well-being advocates to signpost help and support staff,
- A repeat of the staff well-being survey in conjunction with Durham University.

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 has three objectives:

- 1) To provide an equitable, responsive and appropriate service to all communities in Cumbria, encouraging and supporting the reporting of crime, appropriate use of services and promotion of health and well-being.
- 2) To engage with communities and stakeholders internally and externally, improving communication and building confidence and trust in the public sector in Cumbria, to ensure that all communities have a voice. Embedding equality into everyday business and processes to ensure all staff contribute to meeting these objectives.
- 3) Building an inclusive and supportive working environment that encourages development, progression and retention of staff. Creating a culture where all staff feel valued and where people want to work.

Whilst Cumbria generally has a low level of hate crime compared to other forces both nationally and in the north west, the latest figures for hate crime show an annual increase of 103 crimes, which represents an increase of 32.7%,. This indicates that the public have increased confidence in reporting such crimes.

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 2017/18, particular training resource was directed to:

- Crime recording.
- Vulnerability
- Stop and search for sergeants.
- File quality and disclosure.
- Development of a leadership and skills course for sergeants.

The training plan was delivered through a strategic training collaboration with Lancashire Police, which has delivered benefits through increased capacity to deliver training and cost reductions.

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.

A cultural survey of all officers and staff, undertaken in partnership with academia, has identified areas that the Constabulary can focus on to build the resilience of its workforce and will be developed through the People Strategy.

In relation to 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. Where applicable BREEAM energy efficiency targets of a minimum of very good are set.

Procurement of sustainable goods and services is encouraged with targets set for local labour and supply of materials. Tender evaluation considers whole life costing, including running costs for the life of the building and a sustainability / environmental assessment.

Other measures to improve energy efficiency include:

- Regular monitoring of consumption.
- A force wide building management system which is used to monitor and control mechanical building services.
- A programme of introducing low energy technology, including LED lighting and low emission air conditioning across the estate.
- Use of video conferencing to reduce travel between sites.

For many years the Constabulary has operated a recycling policy.

The Constabulary operates a diesel fleet with this strategy being continually reviewed as technology advances. The use of electric vehicles has been trialed and will continue to be monitored as this technology develops. The fleet includes vehicles of many different types, which are required to perform a number of roles. Each role has specific targets for omissions and the purchasing criteria for new vehicles dictates that they must be within these limits. 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 county, reducing downtime and transportation. Parts are bought locally and make use of the wider local supply chain where possible.

Staff are encouraged to make use of public transport via travel plans and promote car sharing and supporting cycle to work schemes.

The Financial Statements

This section of the financial summary provides an explanation of the various parts of the financial statement. 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

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 25 of the full statement of accounts.

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The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2017/18 £000s	Gross Income 2017/18 £000s	Net Expenditure 2017/18 £000s
Cost of Police Services	99,634	(355)	99,279
Funding Provided by PCC to CC	0	(105,851)	(105,851)
Cost of Services	99,634	(106,206)	(6,572)
Financing Costs and Investment Income	37,304	(3,328)	33,976
(surplus)/deficit on the provision of services	136,938	(109,534)	27,404
Other comprehensive income and expenditure			(88,822)
Total Comprehensive income and expenditure			(61,418)

The statement shows that the gross cost of providing policing services amounted to £99.634m in 2017/18. 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.

In addition, the CIES also records a number of technical adjustments including 'financing costs & investment income' £33.976m and 'other comprehensive income & expenditure' net income of £88.822m. 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 surplus of £61.418m 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 underspend of £0.041m.

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 34.

Movement in Reserves Statement

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 26 in the full statement of accounts.

The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2017 £000s	Movements 2017/18 £000s	Balance 31/03/2018 £000s
Police Pensions Reserve	(1,243,120)	55,450	(1,187,670)
LGPS Pensions Reserve	(45,878)	5,869	(40,009)
Accumulated Absences Reserve	(2,849)	99	(2,750)
Total Reserves	(1,291,847)	61,418	(1,230,429)

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 Chief Constable's negative reserves in relation to the Police and 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 2017/18, the overall negative balance on both the police

and local government pensions schemes have reduced, 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 £3.0m to meet unplanned risks and earmarked reserves of £19.9m for specific revenue and capital purposes. During 2017/18, a total of £1.4m has been drawn down from the Commissioner's earmarked reserves to fund revenue and planned capital expenditure in the year.

The Balance Sheet

The Balance Sheet shows the value as at the balance sheet date (31 March 2018) of the Chief Constable's assets and liabilities.

The table below sets out the summary balance sheet for the Chief Constable.

Summary Balance Sheet	Balance	Balance
	31/03/2017	31/03/2018
	£000s	£000s
Current assets	11,338	14,690
Current Liabilities	(12,852)	(16,042)
Long Term Liabilities	(1,290,333)	(1,229,077)
Net Assets	(1,291,847)	(1,230,429)
Unusable Reserves	(1,291,847)	(1,230,429)
Total reserves	(1,291,847)	(1,230,429)

The Chief Constable's current assets (£14.7m) 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 (£16.0m) 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 (£1,229m) 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 27 in the full statement of accounts.

The Chief Constable's 2017/18 balance sheet shows a combined pensions deficit of £1,228m (£1,289m in 2016/17) 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

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 28 of the full statement of accounts.

Joint Chief Finance Officer Narrative Report

The table below provides a summary of the cash flow statement:

Summary Cash Flow Statement	Cash flows 2016/17 £000s	Cash flows 2017/18 £000s
Cash & Cash Equivalents 1 April	0	0
Net (Surplus)/Deficit on the provision of services	23,572	27,404
Adjustments for non-cash movements	(23,572)	(27,404)
Net cash flows from operating activities	0	0
Cash & Cash Equivalents 31 March	0	0

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 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.

A summary of the pension fund is shown below.

Summary Police Pension Fund	Pension Fund A/C 2016/17 £000s	Pension Fund A/C 2017/18 £000s
Contributions - Employer	(8,133)	(8,194)
Contributions - Officers	(5,179)	(5,185)
Contributions - Other	(419)	(357)
Benefits Payable	32,390	35,724
Other Payments	27	32
Net Amount Payable	18,686	22,020
Contribution from Home Office	(17,590)	(20,918)
Additional Funding Payable by the Constabulary (2.9%)	(1,096)	(1,102)
Net Amount Payable	0	0

The statement identifies contributions made in 2017/18 totaling £13.74m. The pension benefits that are payable from the fund, together with other payments amounted to £35.76m. The balance between contributions and pensions' benefits paid of £20.92m has been funded by the Home Office. The full pensions fund accounts and note can be found on pages 50-51 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 of the Chief Constable can be found in (Annex D) of this Statement of Accounts on pages AGS 1-22 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 2018. This has primarily arisen as a result of positive action on behalf of the Constabulary to reduce costs in the context of potential future reductions in government funding. A reserves policy has 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.

Looking forward, the 2018/19 grant settlement was better than anticipated:

- Preserving formula grant at its 2017/18 level for both 2018/19 and 2019/20.
- Giving commissioner's the flexibility to increase council tax levels by a maximum of

£12 pa for a band D property, which will apply for 2018/19 and 2019/20.

- Delaying any changes to the Police Funding Formula to the next comprehensive spending review in 2020/21.

Following public consultation the Commissioner set the council tax precept for 2018/19 at the maximum level, which represented an increase of 5.42%. Whilst the increase in funding is welcome, it does not represent a real increase in resources as both pay and prices are forecast to increase at 2% over the duration of the medium term financial forecast to 2021/22, following the removal of the Government's public sector pay cap of 1%.

The Constabulary's budget is set in the context of a four year medium term financial forecast (MTFF) to 2021/22, which assumes continuing funding restraints and cost pressures arising from the implementation of new technology including the new Emergency Services Network, proposed professionalisation of police training and pensions changes. Based on the MTFF, savings will be required to balance the budget from 2020/21, which will rise to £3.7m by 2021/22.

The Commissioner and Chief Constable recognise that, having already delivered £25m of savings since 2010, future savings will be hard won. They continue to work towards developing and implementing organisational changes that will seek to address the future gap between expenditure and income and consider the level of savings highlighted in the MTFF to be achievable.

In light of the financial outlook 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.

Risks

The primary 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.

The Constabulary's highest scoring strategic risk relates to the potential reduction in service delivery, safety and ultimately public confidence, which could result from a significant loss of funding through the new police funding formula or increase in costs as a result of removal of the public sector pay cap. A separate, but associated risk in relation to the capacity to deliver Vision 2025 is also included on the risk register.

The threat to performance and additional cost implications of implementing the Emergency Services Network, which is a national system to replace the force's radio communications, continues to be recognised in the risk register and is likely to remain until the project is implemented.

Other strategic risks recognise the potential impact of constant change on performance across the organisation, the continued challenge of answering 999 and non emergency calls within a reasonable time period and the increasing threats from acts of terrorism and digital crime.

Wherever possible the Constabulary actively mitigates and manages its strategic risks.

Change Programme

The Constabulary's change programme remains pivotal in identifying and delivering potential savings and now forms an integral part of the Cumbria 2025 vision project to ensure that a holistic approach to service delivery linked to changing service demand is adopted.

Planned work streams to generate savings include:

- Realising benefits from investments in digital technology to improve the efficiency of both operational and business systems and processes.
- Extending the concept of consolidation of operational resources into hubs, including locality based multi-agency working, with the aim of improving productivity and capacity.
- Realising workforce efficiencies.
- Exploiting opportunities for collaboration with other partners.

Acknowledgements

The financial statements were originally authorised for issue by me as Joint Chief Finance Officer, on 24 May 2018. Following completion of the audit, they were re-authorised by me on 19 July 2018 and were formally approved by the Chief Constable on 19 July 2018.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis Deputy Chief Finance Officer, Lorraine Holme, and the wider finance team in again achieving the closure of accounts and the publication of these statements against challenging deadlines and complex changes in the financial reporting standards.

Roger Marshall

Joint Chief Finance Officer

The accounts present a true and fair view of the position of the Chief Constable for Cumbria Constabulary as at 31 March 2018 and its income and expenditure for the year there ended.

Roger Marshall CPFA

Joint Chief Finance Officer

Date: 19 July 2018

Michelle Skeer QPM

The Chief Constable for Cumbria Constabulary

Date: 19 July 2018

Responsibilities for the Statement of Accounts

1 The Chief Constable's Responsibilities

The Chief Constable is accountable to the Police and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police and Crime Commissioner. The Chief Constable 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 Joint 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 Joint 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 2018.



Independent auditor's report to the Chief Constable for Cumbria Constabulary

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Chief Constable for Cumbria Constabulary (the 'Chief Constable') for the year ended 31 March 2018 which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and Annexes A, B, C and D and include the Police Officer Pension Fund Account comprising the Police Officer Pension Fund Account, Pension Fund Net assets and Liabilities and the notes to financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2018 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Joint Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Joint Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Chief Constable's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report

Other information

The Joint Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, the Joint Chief Officer Narrative Report and Annex D - the Annual Governance Statement, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Chief Constable obtained in the course of our work including that gained through work in relation to the Chief Constable's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resources or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Chief Constable gained through our work in relation to the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, the Joint Chief Finance Officer Narrative Report and Annex D - Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice we are required to report to you if:

- we have reported a matter in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have made a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have exercised any other special powers of the auditor under the Local Audit and Accountability Act 2014.

We have nothing to report in respect of the above matters.

Independent Auditor's Report

Responsibilities of the Chief Constable and the Joint Chief Finance Officer for the financial statements

As explained more fully in the Responsibilities for the Statement of Accounts, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Joint Chief Finance Officer. The Joint Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18, which give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Joint Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the Chief Constable.

The Chief Constable is Those Charged with Governance.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements - Conclusion on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Responsibilities of the Chief Constable

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

Independent Auditor's Report

Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of the Chief Constable in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Robin Baker
for and on behalf of Grant Thornton UK LLP, Appointed Auditor
Royal Liver Building
Liverpool
L3 1PS

To be dated

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)	Notes	CC	CC	CC	CC	CC	CC
		2016/17 Gross Expenditure re-stated £000s	2016/17 Gross Income re-stated £000s	2016/17 Net Expenditure re-stated £000s	2017/18 Gross Expenditure £000s	2017/18 Gross Income £000s	2017/18 Net Expenditure £000s
Cost of Policing and Crime Services	#	92,676	(364)	92,312	99,634	(355)	99,279
Funding Provided by PCC to CC		0	(105,327)	(105,327)	0	(105,851)	(105,851)
Cost of Policing and Crime Services		92,676	(105,691)	(13,015)	99,634	(106,206)	(6,572)
Financing and Investment Income and Expenditure							
Net Interest on the net defined benefit liability (asset)	Annex C	40,430	(3,843)	36,587	37,304	(3,328)	33,976
		40,430	(3,843)	36,587	37,304	(3,328)	33,976
(Surplus) or Deficit on Provision of Services		133,106	(109,534)	23,572	136,938	(109,534)	27,404
Remeasurement of the net defined pension benefit liability/asset	Annex C			227,431			(88,822)
Other Comprehensive Income and Expenditure				227,431			(88,822)
Total Comprehensive Income and Expenditure				251,003			(61,418)

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 2017/18 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2017/18									
	Note	Balance at 1 April 2017	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	Increase/ (decrease) in 2017/18	Balance at 31 March 2018
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves									
Chief Constable's Constabulary Fund	-	0	(27,404)	0	(27,404)	27,404	0	0	0
Total Usable Reserves		0	(27,404)	0	(27,404)	27,404	0	0	0
Unusable Reserves									
Chief Constable's Police Pension Reserve	14a	(1,243,120)	0	78,700	78,700	(23,250)	55,450	55,450	(1,187,670)
Chief Constable's LGPS Pension Reserve	14a	(45,878)	0	10,122	10,122	(4,253)	5,869	5,869	(40,009)
Chief Constable's Accumulated Absences Account	14b	(2,849)	0	0	0	99	99	99	(2,750)
Total Unusable Reserves		(1,291,847)	0	88,822	88,822	(27,404)	61,418	61,418	(1,230,429)
Total Reserves		(1,291,847)	(27,404)	88,822	61,418	0	61,418	61,418	(1,230,429)

The comparative figures for 2016/17 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2016/17									
	Note	Balance at 1 April 2016	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	Increase/ (decrease) in 2016/17	Balance at 31 March 2017
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves									
Chief Constable's Constabulary Fund	-	0	(23,572)	0	(23,572)	23,572	0	0	0
Total Usable Reserves		0	(23,572)	0	(23,572)	23,572	0	0	0
Unusable Reserves									
Chief Constable's Police Pension Reserve	14a	(1,012,460)	0	(208,210)	(208,210)	(22,450)	(230,660)	(230,660)	(1,243,120)
Chief Constable's LGPS Pension Reserve	14a	(25,536)	0	(19,221)	(19,221)	(1,121)	(20,342)	(20,342)	(45,878)
Chief Constable's Accumulated Absences Account	14b	(2,848)	0	0	0	(1)	(1)	(1)	(2,849)
Total Unusable Reserves		(1,040,844)	0	(227,431)	(227,431)	(23,572)	(251,003)	(251,003)	(1,291,847)
Total Reserves		(1,040,844)	(23,572)	(227,431)	(251,003)	0	(251,003)	(251,003)	(1,291,847)

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 2017	31 March 2018
		£000s	£000s
Inventories		253	232
Short Term Debtors (amounts owed to CC by PCC re CC share of external Debtors)	10	4,435	4,268
Short Term Debtors (amounts owed to CC by employees re accumulated absences)	10	85	118
Short Term Debtors (funding balance owed to CC by PCC)	10	6,565	10,072
Current Assets		11,338	14,690
Short Term Creditors (amounts owed by CC to PCC re share of external creditors)	11	(5,231)	(8,674)
Short Term Creditors (amounts owed by CC to employees re accumulated absences)	11	(2,933)	(2,868)
Short Term Creditors (funding balance due from CC to PCC)	11	(4,688)	(4,500)
Current Liabilities		(12,852)	(16,042)
Provisions	12	(1,335)	(1,398)
Other Long Term Liabilities			
Pensions liability - Police	Annex C	(1,243,120)	(1,187,670)
Pensions liability - LGPS	Annex C	(45,878)	(40,009)
Long Term Liabilities		(1,290,333)	(1,229,077)
Net Assets		(1,291,847)	(1,230,429)
Unusable Reserves			
Pensions Reserve - Police	14a	(1,243,120)	(1,187,670)
Pensions Reserve - LGPS	14a	(45,878)	(40,009)
Accumulated Absences Account	14b	(2,849)	(2,750)
		(1,291,847)	(1,230,429)
Total Reserves		(1,291,847)	(1,230,429)

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 2016/17 £000s	CC 2017/18 £000s
	Net (Surplus) or Deficit on the provision of services	23,572	27,404
	Adjustment to net surplus or deficit on the provision of services for non-cash movements	(23,572)	(27,404)
	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)	(23,571)	(27,503)
	Debtors - Adjustment re CC Share of Debtors	86	(134)
	Debtors - Adjustment re Balance of Funding due from PCC to CC	352	3,507
	Creditors - Adjustment re CC Share of Creditors	413	(3,378)
	Creditors - Adjustment re Balance of Funding due from CC to PCC	(62)	188
	Stock - Change in Balance Sheet	(15)	(21)
	Provisions - Change in Balance Sheet	(775)	(63)
	Adjustment to net surplus or deficit on the provision of services for non-cash movements	(23,572)	(27,404)

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 2017/18 will be highlighted, whilst the comparatives for 2016/17 (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 52-54. 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 55-58).

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex A (pages 55 to 58), 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 Joint Chief Finance Officer on **19 July 2018**. 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 2018, 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 2018 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
Provisions	The Chief Constable has made a provision of £279k for the settlement of insurance liabilities for a number of eventualities which are not covered by external insurers. The provision is based on an actuarial estimate but it is not yet certain that all valid claims have yet been received by the Chief Constable.	An increase over the forthcoming year of 10% in either the number of claims received or the estimated average settlement would each have the effect of adding £28k to the provision needed.
	The Chief Constable has made a provision of £1,119k in relation to the potential cost of legal claims against the Constabulary which are currently ongoing.	An increase over the forthcoming year of 10% in either the number of claims received or the estimated average settlement would each have the effect of adding £112k to the provision needed.
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>	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 61-70.

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 2017/18 and comparatives for 2016/17 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 2016/17 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 2017/18 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	57,980	(13,260)	44,720	57,842	(9,570)	48,272
PCSO Pay & Allowances	2,674	(21)	2,653	3,011	(388)	2,623
Police Staff Pay & Allowances	19,550	265	19,815	19,409	3,485	22,894
Other Employee Budgets	3,856	0	3,856	2,875	0	2,875
Premises Related Expenditure	5,274	0	5,274	5,285	0	5,285
Transport Related Expenditure	3,166	0	3,166	2,807	0	2,807
Supplies & Services Expenditure	10,851	0	10,851	11,846	0	11,846
Third Party Related Expenditure	1,254	0	1,254	1,445	0	1,445
Technical Accounting Adjustments	(1)	1	0	99	(99)	0
Non distributed costs	417	0	417	1,018	0	1,018
Termination Payments	306	0	306	214	0	214
Funding Provided by PCC to CC	(105,327)	0	(105,327)	(105,851)	0	(105,851)
Net Cost of Services	0	(13,015)	(13,015)	0	(6,572)	(6,572)
Other Income and Expenditure	0	36,587	36,587	0	33,976	33,976
(Surplus)/Deficit on the Provision of Services	0	23,572	23,572	0	27,404	27,404

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 (as detailed in note 6) to arrive at the amounts in the Comprehensive Income and Expenditure Statement (page 25). The relevant transfers between reserves are explained in the Movement in Reserves Statement (page 26).

The figures for 2017/18 and comparatives for 2016/17 are shown in the table below:

Note to the Expenditure and Funding Analysis (CC)	CC 2016/17			CC 2017/18		
	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis	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
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	(13,260)	0	(13,260)	(9,570)	0	(9,570)
PCSO Pay & Allowances	(21)	0	(21)	(388)	0	(388)
Police Staff Pay & Allowances	265	0	265	3,485	0	3,485
Technical Accounting Adjustments	0	1	1	0	(99)	(99)
Net Cost of Services	(13,016)	1	(13,015)	(6,473)	(99)	(6,572)
Other Income and Expenditure	36,587	0	36,587	33,976	0	33,976
(Surplus)/Deficit on the Provision of Services	23,571	1	23,572	27,503	(99)	27,404
Further Analysis of Adjustments						
Police - Interest on Liabilities	35,710	0	35,710	32,820	0	32,820
Police - Reverse Employer Contributions	(27,860)	0	(27,860)	(31,240)	0	(31,240)
Police - Current Service Cost	14,600	0	14,600	20,870	0	20,870
Police - Curtailment/Settlement	0	0	0	800	0	800
LGPS - Interest on Liabilities	4,720	0	4,720	4,484	0	4,484
LGPS - Return on Plan Assets	(3,843)	0	(3,843)	(3,328)	0	(3,328)
LGPS - Curtailment/Settlement	417	0	417	218	0	218
LGPS - Reverse Employer Contributions	(3,856)	0	(3,856)	(2,871)	0	(2,871)
LGPS - Current Service Cost	3,683	0	3,683	5,750	0	5,750
Accumulated Absences Account Adj	0	1	1	0	(99)	(99)
Total Adjustments	23,571	1	23,572	27,503	(99)	27,404

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. The analysis was a revised presentation from 2016/17 and replaces what was previously reported in the “subjective analysis” included as part of the technical annex in previous versions of the Statement of Accounts.

Expenditure and Income	CC 2016/17 £000s	CC 2017/18 £000s
Expenditure		
Police Pay & Allowances	57,980	57,842
PCSO Pay & Allowances	2,674	3,011
Police Staff Pay & Allowances	19,550	19,409
Other Employee Costs	3,856	2,875
Premises Related Costs	5,274	5,285
Transport Related Costs	3,166	2,807
Supplies & Services	10,851	11,846
Third Party Payments	1,254	1,445
Technical Accounting Adjustments	(1)	99
Non Distributed Costs	417	1,018
Termination Payments	306	214
Funding Between PCC & CC	(105,327)	(105,851)
Total Expenditure	0	0
Income		
Income from Fees & Charges	0	0
Income from Grant & Contributions	0	0
Total Income	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 2017/18 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	27,503	(23,250)	(4,253)	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	14b	(99)	0	0	99
Total Adjustments		27,404	(23,250)	(4,253)	99

The comparative figures for 2016/17 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	23,571	(22,450)	(1,121)	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	14b	1	0	0	(1)
Total Adjustments		23,572	(22,450)	(1,121)	(1)

Notes to the Accounts

8 Audit Fees

In 2017/17 the [Chief Constable](#) incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

External Audit Fees	CC	CC
	2016/17 £000s	2017/18 £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.	15	15
Other Services		
Fees payable in respect of <i>other services</i> provided by Grant Thornton during the	12	0
Total External Audit Fees for Year	27	15

The table above includes fees paid in relation to ‘other services’. The fees payable in 2016/17 related to an annual contract (starting in 2014/15) for the provision of specialist VAT and Tax advice plus a one off piece of consultancy work undertaken on a VAT health check and work associated with the development of a VAT manual. There are no such ‘other services’ fees for 2017/18. These fees relate to both the Commissioner and the Constabulary.

The above table shows the gross fees payable to the external auditor during the year. In 2017/18 a rebate of audit fees of £2k was received from Public Sector Audit Appointments.

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 59 to 60.

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 2018 with comparative information for the previous year is set out in the table below:

Short-term Debtors	CC	
	As at 31 March	
	2017	2018
	£000s	£000s
Balance Owed from PCC re CC Share of External Debtors		
- Police pensions prepayment	2,243	2,353
- Prepayments/Payments in Advance	2,192	1,915
	4,435	4,268
Balance Owed from Employees (re accumulated Absences)	85	118
Balance Owed from PCC re Balance of Funding	6,565	10,072
Total Debtors	11,085	14,458

11 Short-term Creditors

An analysis of the amounts owed by the [Chief Constable](#) as at 31 March 2018 with comparative information for the previous year is set out in the table below:

Short-term Creditors	CC	
	As at 31 March	
	2017	2018
	£000s	£000s
Balance Owed to PCC re CC Share of External Creditors		
- Central Government Bodies	(1,869)	(2,010)
- Other Police/Local Authorities	(208)	(1,207)
- NHS Bodies	(907)	(1,053)
Other Entities and Individuals		
- Goods & Services	(2,247)	(4,404)
	(5,231)	(8,674)
Balance owed to Employees (re accumulated absences)	(2,933)	(2,868)
Balance owed to PCC re balance of Funding	(4,688)	(4,500)
Total Creditors	(12,852)	(16,042)

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 2018 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 £100k per event (this figure was £25k until 1 November 2014 when the policy excess was increased from £25k to £100k) are retained by the Chief Constable and met internally. The provision for insurance liabilities is subject to an actuarial review on a bi-ennial 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.

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 2018.

Provisions	Balance as at 01/04/17	Additional Provisions Made 2017/18	Amounts Used in 2017/18	Unused Amounts Reversed in 2017/18	Balance as at 31/03/18
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(484)	(145)	43	307	(279)
Legal Claims	(851)	(331)	13	50	(1,119)
Total Provisions	(1,335)	(476)	56	357	(1,398)

The comparative information for year ended 31 March 2017 is as follows:

Provisions	Balance as at 01/04/16	Additional Provisions Made 2016/17	Amounts Used in 2016/17	Unused Amounts Reversed in 2016/17	Balance as at 31/03/17
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(484)	(44)	44	0	(484)
Legal Claims	(76)	(800)	(43)	68	(851)
Total Provisions	(560)	(844)	1	68	(1,335)

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 61 to 70.

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 Reserve 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		CC	
	LGPS Pensions		Police Pensions	
	2016/17 £000s	2017/18 £000s	2016/17 £000s	2017/18 £000s
Balance at Start of Year	(25,536)	(45,878)	(1,012,460)	(1,243,120)
Remeasurement of the net defined pension benefit liability/asset	(19,221)	10,122	(208,210)	78,700
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	(4,977)	(7,124)	(50,310)	(54,490)
Employer's pension contributions and direct payments to pensioners payable in the year.	3,856	2,871	27,860	31,240
Balance at End of Year	(45,878)	(40,009)	(1,243,120)	(1,187,670)

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 2016/17 £000s	CC 2017/18 £000s
Balance at Start of Year	(2,848)	(2,849)
Settlement or cancellation of accrual made at the end of the preceeding year	2,848	2,849
Amounts accrued at the end of the current year	(2,849)	(2,750)
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	(1)	99
Balance at End of Year	(2,849)	(2,750)

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
	2016/17	2017/18
	£000s	£000s
Basic Allowance	16	15
Travel and Subsistence	7	8
	23	23

The above table includes expenses for the four appointed members of the Joint Audit and Standards Committee, the four appointed members of the Ethics and Integrity Panel 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 and Crime Commissioners website at: <https://cumbria-pcc.gov.uk/finance-governance/allowances/>.

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 less than £150,000 but 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.



Notes to the Accounts

The table below gives the information for 2017/18 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Termination Pay & Compensation for loss of office	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable (A)	1	141	7	0	0	0	3	151	0	151
Deputy Chief Constable (A) / Chief Constable (B)	2	118	7	0	0	0	3	128	25	153
Temporary Assistant Chief Constable (A)	3	50	2	0	6	0	2	60	11	71
Assistant Chief Constable (A) / Temporary Deputy Chief Constable (B)	4	82	5	0	0	27	0	114	17	131
Temporary Assistant Chief Constable (B)	5	85	3	0	0	1	3	92	18	110
Joint Chief Finance Officer	6	71	0	0	0	0	0	71	11	82
Director of Corporate Support		82	0	0	0	0	0	82	10	92
Director of Corporate Improvement		82	0	0	0	0	0	82	12	94
Chief Superintendent - Territorial Policing	7	86	2	0	0	1	3	92	18	110
Superintendent - Head of People		75	1	0	0	1	0	77	17	94
Temporary Chief Superintendent - Crime Command	8	56	2	0	0	1	2	61	11	72
Temporary Chief Superintendent - Territorial Policing	9	78	2	0	0	1	3	84	16	100
Director of Legal Services		73	1	0	0	1	0	75	11	86
Total Chief Constable		1,079	32	0	6	33	19	1,169	177	1,346

Notes:

- Chief Constable (A) retired from the Constabulary on 31/03/18.
- Deputy Chief Constable (A) became Temporary Chief Constable w.e.f. 03/03/18 and Chief Constable (B) from 01/04/18.
- Temporary Assistant Chief Constable (A) was T/ACC w.e.f. 01/01/17 to 30/06/17, reverting to Chief Superintendent on 01/07/17 until retirement on 18/10/17.
- Assistant Chief Constable (A) was appointed on 01/07/17 and was subsequently promoted to Temporary Deputy Chief Constable 03/03/18.
- Temporary Assistant Chief Constable (B) was appointed on 03/03/18, prior to this occupied the position of Chief Superintendent – Crime Command.
- The Chief Constable's Chief Finance Officer became the Joint Chief Finance Officer w.e.f. 31/05/17.
- Chief Superintendent – Territorial Policing was previously Chief Superintendent Operational Benefits Delivery until 18/06/17.
- Temporary Chief Superintendent – Crime Command was appointed on 05/06/17 and was subsequently promoted to Temporary Chief Superintendent on 03/03/18.
- Temporary Chief Superintendent – Territorial Policing was in post until 18/06/17 and then reverted to the role of Superintendent Operational Support.

Notes to the Accounts

The table below gives the comparative information for 2016/17 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Termination Pay & Compensation for loss of office	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 Chief Constable										
Chief Constable		140	7	0	0	0	3	150	0	150
Deputy Chief Constable		114	8	0	0	0	3	125	24	149
Assistant Chief Constable	1	84	0	(1)	4	0	2	89	18	107
Temporary Assistant Chief Constable	2	88	4	(1)	0	1	3	95	19	114
Chief Superintendent (A)	3	12	0	0	0	0	0	12	3	15
Chief Superintendent (B)		83	2	0	0	1	3	89	18	107
Chief Superintendent (C)	4	79	3	0	0	1	3	86	17	103
Temp. Chief Superintendent (A)	5	40	2	0	2	0	1	45	8	53
Temp. Chief Superintendent (B)	6	74	2	0	0	1	3	80	16	96
Chief Inspector PSD	7	55	1	0	0	1	1	58	12	70
Head of PSD - Superintendent	8	15	0	0	0	0	0	15	3	18
Director of Legal Services		73	1	0	0	1	0	75	9	84
Director of Corporate Support		81	0	(1)	0	0	0	80	10	90
Director of Corporate Improvement		81	1	0	0	0	0	82	10	92
CC Chief Finance Officer		67	0	0	0	0	0	67	8	75
Total CC		1,086	31	(3)	6	6	22	1,148	175	1,323

Notes:

- 10 The ACC left Cumbria Constabulary on 08/01/2017.
- 11 The Temporary ACC was appointed to the role with effect from 01/01/2017.
- 12 Chief Superintendent (A) left Cumbria Constabulary on 22/05/2016.
- 13 Chief Superintendent (C) became Crime Commander on 01/10/2016.
- 14 Temporary Chief Superintendent (A) left Cumbria Constabulary on 30/09/2016.
- 15 Temporary Chief Superintendent (B) was appointed to Temporary Chief Superintendent Territorial Policing on 01/01/2017.
- 16 Chief Inspector PSD ceased the role of Head of Professional Standards Department (PSD) on the 16/01/2017 and was replaced by Superintendent PSD.
- 17 Superintendent PSD became Head of Professional Standards Department w.e.f. 16/01/2017.

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	2016/17			2017/18		
	CC Police Staff	CC Snr Police Officers	CC Total	CC Police Staff	CC Snr Police Officers	CC Total
£50,000 to £54,999	4	0	4	3	0	3
£55,000 to £59,999	1	0	1	2	2	4
£60,000 to £64,999	1	0	1	4	0	4
£65,000 to £69,999	3	0	3	0	0	0
£70,000 to £74,999	1	0	1	2	0	2
£75,000 to £79,999	0	1	1	0	0	0
£80,000 to £84,999	2	1	3	2	0	2
£85,000 to £89,999	0	1	1	0	2	2
£90,000 to £94,999	0	2	2	1	0	1
£95,000 to £99,999	0	0	0	0	0	0
£100,000 to £104,999	0	0	0	0	0	0
£105,000 to £109,999	0	0	0	0	1	1
£110,000 to £114,999	0	0	0	0	0	0
£115,000 to £119,999	0	1	1	0	0	0
£120,000 to £124,999	0	0	0	0	1	1
£125,000 to £129,999	0	0	0	0	0	0
£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	1	1
Total	12	7	19	14	7	21

In 2017/18 the remuneration for 96 Police Officers (74 in 2016/17) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000.

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	
	2016/17 Headcount	2017/18 Headcount	2016/17 Headcount	2017/18 Headcount	2016/17 Headcount	2017/18 Headcount	2016/17 £000's	2017/18 £000's
£0-£20,000	0	0	4	1	4	1	39	16
£20,001 - £40,000	0	0	0	1	0	1	0	30
£40,001 - £60,000	0	1	2	0	2	1	109	44
£60,001 - £80,000	0	0	2	0	2	0	150	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	1	0	1	0	129
Total	0	1	8	3	8	4	298	219

During 2017/18 the contracts of a small number of employees were terminated incurring termination payments amounting to £214k (£306k in 2016/17). This amount is made up exit packages paid and accrued in 2017/18.

The exit packages paid in 2017/18 amount to £219k (£298k in 2016/17). The exit packages can be further split into compensation for loss of employment £131k (£144k in 2016/17) and enhanced pension benefits £88k (£154k in 2016/17). The redundancies are as a result of the Constabulary's change programme. 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 2017/18 and those agreed for individuals in 2017/18 but paid in 2018/19 for which an accrual was made in the 2017/18 accounts.

During 2017/18 an amount of -£5k arose as a result of a number of amounts that had been accrued in the 2016/17 accounts for which the final settlement during 2017/18 was slightly lower. These amounts are not included in the above table in 2017/18 as the exit packages for those individuals are included in the 2016/17 column. The figure shown on the face of the Expenditure and Funding Analysis (page 32) for 2017/18 is made up of the exit packages paid in the year of £219k (per the table above) minus £5k in respect of these differences in accruals.

During 2016/17 an amount of £8k arose as a result of a number of amounts that had been accrued in the 2015/16 accounts for which the final settlement during 2016/17 was slightly higher. These amounts are not included in the above table in 2016/17 as the exit packages for those individuals are included in the 2015/16 column. The figure shown on the face of the Expenditure and Funding Analysis (page 32) for 2016/17 is made up of the exit packages paid in the year of £298k (per the table above) plus £8k in respect of these differences in accruals.

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 and Crime Commissioner

The Police 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 2017/18 financial year.

19.d Other Public Bodies

The Chief Constable's transactions with the Cumbria Local Government Pension Scheme (administered by County Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex C) pages 61-70.

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 Regional Firearms Policy, Northwest Strategic Automatic Number Plate Recognition (ANPR), Regional Emergency Services Network (ESN) and the Regional Specialist Capability Programme.
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Protected Persons Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team.
- The PCC for Lancashire – Learning & Development Collaboration.
- Cumbria County Council – Shared Internal Audit Service.

Notes to the Accounts

20 Contingent Liabilities

Pension Challenge

The Chief Constable of Cumbria, along with other Chief Constables and the Home Office, currently has 146 claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the transitional provisions in the Police Pension Regulations 2015. Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations. In the case of the Judiciary claims the claimants were successful and in the Firefighters case the respondents were successful. Both of these judgements are subject to appeal, the outcome of which may determine the outcome of the Police claims. The Tribunal has yet to set a date for a preliminary or substantive Police hearing. Legal advice suggests that there is a strong defence against the Police claims. The quantum and who will bear the cost is also uncertain, if the claims are partially or fully successful. For these reasons, no provision has been made in the 2017/18 Accounting Statements.

Accounting Policy - Contingent Liabilities

A contingent liability arises where an event has taken place that gives a possible obligation which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled. Contingent liabilities also arise in circumstances where a [provision](#) would otherwise be made but it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised on the Balance Sheet but disclosed in a note to the accounts.

21 Accounting Standards that have been Issued but have not yet been Adopted

For 2017/18 the following accounting policy changes that need to be reported relate to:

- IFRS 9 Financial Instruments.
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers.
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses.
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.

In the Financial Statements for 2018/19, the effect of the changes will be assessed and where necessary, the comparative figures restated.

Notes to the Accounts

22 Prior Period Adjustment

There are no prior period adjustments in relation to the 2017/18 Statement of Accounts, the 2016/17 comparative figures are as reported in the 2016/17 Statement of Accounts.

Accounting Policy - Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

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

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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



Police Officer Pension Fund Account

Police Officer Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2017/18 financial year together with comparative information for 2016/17.

Police Officer Pension Fund Account		CC 2016/17 £000s	CC 2017/18 £000s
Contributions Receivable			
Employer			
- Contributions (21.3% of Pensionable Pay in 2017/18 and 2016/17)		(8,133)	(8,194)
Officers' Contributions			
- 1987 Scheme Member Contributions (see narrative for rates)		(2,276)	(1,881)
- 2006 Scheme Member Contributions (see narrative for rates)		(77)	(102)
- 2015 Scheme Member Contributions (see narrative for rates)		(2,826)	(3,202)
		(13,312)	(13,379)
Transferees in from Other Schemes		(130)	(197)
Capital Equivalent charge for ill-health schemes		(289)	(160)
		(419)	(357)
Benefits Payable			
Recurrent Pensions		25,902	27,076
Commutations and Lump Sums		6,414	8,491
Other (Scheme Pays)		74	157
		32,390	35,724
Payments to and on Account of Leavers			
Refund of Contributions		27	25
Transfer out to other schemes		0	7
		27	32
Net Amount Payable for the Year		18,686	22,020
Additional Contribution from the Police & Crime Commissioner		(17,590)	(20,918)
Additional Funding Payable by the Constabulary (2.9%)		(1,096)	(1,102)
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 2018.

Pension Fund Net Assets & liabilities		CC 2016/17 £000s	CC 2017/18 £000s
Current Assets			
Pensions Benefits paid in advance		2,243	2,295
Current Liabilities			
Amount due to the Police & Crime Commissioner		(2,243)	(2,295)
		0	0

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 Pensions 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. Members' contribution rates for 2017/18 and 2016/17 were between 11% and 12.75% for the 2006 scheme and between 14.25% and 15.05 for the 1987 scheme.

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 will 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 will either be fully protected in those schemes, transfer to the new 2015 scheme on 1 April 2015, or will transfer on different tapering dates in the future subject to individual circumstances around age and length of service remaining. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2017/18 and 2016/17.

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 27). 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 61-70).

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 21.3% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. In addition the Constabulary is required to make an additional contribution to the police pension fund account which equates to 2.9% of pensionable pay to fund the difference between the pension fund deficit and the amount of top up grant received from the Home Office. 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.

Budget

A statement of the Police and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police 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 for Cumbria Constabulary.

CFO

The Joint 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 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 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 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 and Crime Commissioner's revenue budget to finance the cost of capital projects.

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

Her 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 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.

PCC

The Police 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.

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.

Glossary of Terms

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 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 and Crime Commissioner for Cumbria.

TPA

Territorial Policing Area.

Annex A - Statement of Accounting Policies

1 General Principles

The Statement of Accounts summarises the financial transactions for the 2017/18 financial year and the financial position at the 31 March 2018. The Police 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 2017/18 (the Code) and the Service Reporting Code of Practice 2017/18 (SERCOP), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The Police 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 30 to 49). 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 PCC/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 fulfillment 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 6 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 West Cumbria [TPA](#) HQ 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 Heritage Assets

There are a small number of items that fall under the definition of [heritage assets](#). Due to their diverse nature and lack of historical cost information, specialist valuations would be required in order to obtain a reliable estimated value to include in the accounts. The cost of obtaining such valuations would outweigh the benefits gained and therefore no values are included in the balance sheet.

Annex A - Statement of Accounting Policies

14 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.

15 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.

16 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her 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 2017 £000s	31 March 2018 £000s
Financial Assets		
Debtors		
Financial assets carried at contract amounts	4,445	7,915
Total Financial Assets	4,445	7,915
Financial Liabilities		
Creditors		
Financial liabilities carried at contract amounts	(7,293)	(10,665)
Total Financial Liabilities	(7,293)	(10,665)

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.

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 receivable (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 loans and receivables and 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 2017), 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 2018 no actual 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 Cumbria County 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 2017/18 the Chief Constable made a contribution of 15.4% of pensionable pay. The past service contribution made in 2016/17 of £1,431k represented a three year contribution which was made with the aim of reducing future contributions after the next actuarial review. The contribution rate was last reviewed in March 2016 with a revised rate for employers contributions of 15.4% being applicable from April 2017.

- **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 there is an employer's contribution rate set by the Home Office (21.3% of pensionable salary for 2015/16 and 2016/17 (previously 24.2%)), which is charged to the Comprehensive Income and Expenditure Statement. In addition the Constabulary is required to make an additional contribution to the Police Pension Fund Account which equates to 2.9% of pensionable pay to fund the difference between the contributions calculated with the current and previous rates. The pension contribution rates were last reviewed in March 2012.

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 50-51). 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 CI&ES	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	
	2016/17 £000s	2017/18 £000s	2016/17 £000s	2017/18 £000s	2016/17 £000s	2017/18 £000s	2016/17 £000s	2017/18 £000s	2016/17 £000s	2017/18 £000s	2016/17 £000s	2017/18 £000s
Comprehensive Income and Expenditure Statement												
<i>Cost of Services</i>												
<i>Service cost comprising:</i>												
• Current service cost	3,683	5,750	0	0	8,060	8,810	220	440	6,320	11,620	18,283	26,620
• Past service costs	0	0	0	0	0	800	0	0	0	0	0	800
• (Gain)/loss from settlements/curtailments	417	218	0	0	0	0	0	0	0	0	417	218
<i>Financing and Investment Income and Expenditure</i>												
• Net interest expense	839	1,127	38	29	34,090	30,610	1,170	1,330	450	880	36,587	33,976
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	4,939	7,095	38	29	42,150	40,220	1,390	1,770	6,770	12,500	55,287	61,614
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)	(14,418)	(1,645)	0	0	0	0	0	0	0	0	(14,418)	(1,645)
• Actuarial (gains) and losses arising on changes in demographic assumptions	(1,523)	0	(5)	0	(22,790)	(36,720)	0	(1,570)	0	(2,340)	(24,318)	(40,630)
• Actuarial (gains) and losses arising on changes in financial assumptions	40,068	(8,555)	171	(25)	210,780	30,570	15,620	3,580	8,410	970	275,049	26,540
• Experience (gains) and losses on liabilities	(5,060)	0	(110)	0	(3,470)	(66,350)	40	(6,710)	(380)	(130)	(8,980)	(73,190)
• Administration expenses	98	103	0	0	0	0	0	0	0	0	98	103
Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure	19,165	(10,097)	56	(25)	184,520	(72,500)	15,660	(4,700)	8,030	(1,500)	227,431	(88,822)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	24,104	(3,002)	94	4	226,670	(32,280)	17,050	(2,930)	14,800	11,000	282,718	(27,208)
<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.	(4,939)	(7,095)	(38)	(29)	(42,150)	(40,220)	(1,390)	(1,770)	(6,770)	(12,500)	(55,287)	(61,614)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>												
• Employers' contributions payable to the scheme	3,794	2,809	62	62	0	0	0	0	0	0	3,856	2,871
• Retirements benefits payable to pensioners	0	0	0	0	30,590	34,550	10	(100)	(2,740)	(3,210)	27,860	31,240
Total amount charged against the Police Fund Balance for pensions in the year	3,794	2,809	62	62	30,590	34,550	10	(100)	(2,740)	(3,210)	31,716	34,111

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 2018 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	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Present value of the defined benefit obligation	(171,301)	(171,407)	(1,136)	(1,078)	(1,167,410)	(1,100,580)	(49,930)	(47,100)	(25,780)	(39,990)
Fair value of plan assets	126,559	132,476	0	0	0	0	0	0	0	0
Net liability arising from defined benefit obligation	(44,742)	(38,931)	(1,136)	(1,078)	(1,167,410)	(1,100,580)	(49,930)	(47,100)	(25,780)	(39,990)

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 £1.228b (£1.289b in 2016/17) 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 £1.230b (£1.292b in 2016/17).

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.

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	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at Start of Year	(130,972)	(171,301)	(1,104)	(1,136)	(971,330)	(1,167,410)	(32,890)	(49,930)	(8,240)	(25,780)
Current service cost	(3,683)	(5,750)	0	0	(8,060)	(8,810)	(220)	(440)	(6,320)	(11,620)
Interest cost	(4,682)	(4,455)	(38)	(29)	(34,090)	(30,610)	(1,170)	(1,330)	(450)	(880)
Contributions by Scheme Participants	(1,052)	(1,112)	0	0	(2,280)	(1,920)	(80)	(100)	(2,830)	(3,170)
Remeasurement gains and (losses):			0	0						
- Arising from changes in demographic assumptions	1,523	0	5	0	22,790	36,720	0	1,570	0	2,340
- Arising from changes in financial assumptions	(40,068)	8,555	(171)	25	(210,780)	(30,570)	(15,620)	(3,580)	(8,410)	(970)
- Experience gains/(losses)	5,060	0	110	0	3,470	66,350	(40)	6,710	380	130
Past service cost	0	0	0	0	0	(800)	0	0	0	0
Gains/(losses) on curtailment	(417)	(218)	0	0	0	0	0	0	0	0
Benefits Paid/Transfers	2,990	2,874	62	62	32,870	36,470	90	0	90	(40)
Balance at End of Year	(171,301)	(171,407)	(1,136)	(1,078)	(1,167,410)	(1,100,580)	(49,930)	(47,100)	(25,780)	(39,990)

The liabilities under both the LGPS and Police Pension Schemes have decreased during 2017/18. The Principal reason for this reduction is in relation to a change in financial assumptions by the scheme actuaries.

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 69).

[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	
	2016/17	2017/18	2016/17	2017/18
	£000s	£000s	£000s	£000s
Balance at Start of Year	106,540	126,559	0	0
Interest Income	3,843	3,328	0	0
Remeasurements - Gains and (Losses)	14,418	1,645	0	0
Administration Expenses	(98)	(103)	0	0
Employer Contributions	3,794	2,809	62	62
Contributions by Scheme Participants	1,052	1,112	0	0
Benefits Paid	(2,990)	(2,874)	(62)	(62)
Balance at End of Year	126,559	132,476	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 County Council Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

LGPS Asset Breakdown	Quoted Y/N	CC 2016/17		CC 2017/18	
		£000s	%	£000s	%
Equities					
UK Quoted	Y	16,326	12.90%	16,824	12.70%
Global Quoted	Y	25,438	20.10%	28,351	21.40%
UK Equity Pooled	N	1,266	1.00%	1,457	1.10%
Overseas Equity Pooled	N	21,262	16.80%	19,209	14.50%
Bonds					
UK Corporate Bonds	Y	7,973	6.30%	7,816	5.90%
Overseas Corporate Bonds	Y	380	0.30%	398	0.30%
UK Government Indexed Pooled	N	24,679	19.50%	23,183	17.50%
Property					
UK	N	8,859	7.00%	8,478	6.40%
Property Funds	N	3,923	3.10%	3,842	2.90%
Alternatives					
Private Equity Funds	N	3,164	2.50%	3,179	2.40%
Infrastructure Funds	N	7,467	5.90%	8,478	6.40%
Real Estate Debt Funds	N	1,139	0.90%	795	0.60%
Private Debt Funds	N	633	0.50%	2,915	2.20%
Healthcare Royalties	N	0	0.00%	530	0.40%
Cash					
Cash Accounts	Y	3,923	3.10%	7,021	5.30%
Net Current Assets	N	127	0.10%	0	0.00%
		126,559	100.00%	132,476	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. William M Mercer, 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 2018. 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 2017/18 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 2.55% for Police and 2.70% for LGPS are appropriate.

Annex C – Technical Annex – Pension Disclosures

The principal assumptions used by the actuary have been:

Actuarial Assumptions	LGPS		Police Scheme	
	2016/17	2017/18	2016/17	2017/18
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
- Men	23.1	23.2	23.2	22.6
- Women	25.7	25.8	25.2	24.2
Longevity at 65 for future pensioners:				
- Men	25.4	25.5	25.2	24.5
- Women	28.4	28.5	27.3	26.1
Rate of Inflation (CPI)	2.30%	2.10%	2.35%	2.30%
Rate of increase in salaries	3.80%	3.60%	1.00%	4.30%
Rate of increase in pensions	2.30%	2.20%	2.35%	2.30%
Rate of Revaluation for CARE Pensions	-	-	3.60%	3.55%
Rate for discounting scheme liabilities	2.60%	2.70%	2.65%	2.55%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example assume that life expectancy increases or 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)	3,242	111	88
Rate of Inflation (increase by 0.1%)	3,793	169	103
Rate of Increase in Salaries (increase by 0.1%)	684	0	19
Rate for Discounting Scheme Liabilities (increase by 0.1%)	(3,713)	(162)	(66)

Annex C – Technical Annex – Pension Disclosures

Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police	CC	Police
	Pensions 1987 Scheme £000s	Pensions 2006 Scheme £000s	Pensions 2015 Scheme £000s
Assumption Sensitivity			
Longevity (1 Year increase in life expectancy)	27,000	1,000	1,000
Rate of Increase in Pensions (increase by 0.5%)	81,000	4,000	8,000
Rate of Increase in Salaries (increase by 0.5%)	11,000	4,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(103,000)	(8,000)	(7,000)

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 16 years. Funding levels are monitored on an annual basis. The next triennial valuation will take place during 2019/20 based on the position at 31 March 2019. Any change in contribution rates as a result of this valuation will be applicable from 1 April 2020.

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 2019 are £2,936k. Expected contributions for the Police Pension Scheme in the year to 31 March 2019 are £9,726k.

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	2016/17 Years	2017/18 Years
Pensions Scheme		
Local Government Pension Scheme - CC	22	22
Police Pension -1987 Scheme	20	19
Police Pension -2006 Scheme	37	32
Police Pension -2015 Scheme	39	33



The Chief Constable for Cumbria Constabulary
Annual Governance Statement 2017/18



The Chief Constable for Cumbria Constabulary

Summary Annual Governance Statement 2017/18

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Chief Constable for 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.

In discharging this overall responsibility, the Chief Constable is 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 that are in place to support the overall arrangements that are in place for fulfilling the Chief Constable's functions. This 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, 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 organisation 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 and Standards Committee against CIPFA guidance.

The following paragraphs constitute the Annual Governance Statement, demonstrating how the Chief Constable has complied with the governance framework, set out within the Code, to meet 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.

Michelle Skeer

Chief Constable

19 July 2018

Roger Marshall

Joint Chief Finance Officer

Signatures have been removed for the purposes of publication on the website

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Ethics and Integrity & Respecting the Rule of Law

During 2017/18 the Constabulary took 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 organisation. The priorities of the Constabulary's Professional Standards Department are shaped by a Strategic Assessment, which seeks to predict future risks as a basis for developing a control strategy. The Strategic Assessment was refreshed in 2017 and has highlighted a number of priorities including vulnerable association, domestic / neighbourhood issues, abuse of authority for sexual gain, vetting, information security, misuse of force systems and use of social media.

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 PASS newsletters, which provide guidance on matters of integrity. Subjects covered in 2017/18 have included handling of detainees in custody, data protection, warnings regarding off duty behaviour, appropriate use of social media and the security of CS gas spray.

During 2017/18 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) conducted a Legitimacy inspection of the Constabulary as part of the force's PEEL Inspection, this covered the conduct and behaviour of the force. The report graded

Cumbria as good and made minor recommendations for improvement in relation to identifying the needs of complainants and talent management.

During 2017/18 refresher training on the Code of Ethics has been provided to managers and cascaded to all officers and staff.

The number of intelligence reports into the anti-corruption unit has remained steady, however, most of these relate to self-referrals, indicating that officers and staff are responding to prevention guidance from PSD.

In relation to complaints, during 2017/18 the number of complaint allegations and cases have significantly reduced. This can be attributed to a new 'There and Then' process, which seeks to achieve early resolution of expression of dissatisfaction. This has resulted in swift outcomes for complainants, generally accompanied with the appropriate apology for any shortcomings. Feedback from complainants has been positive, and the reduced caseloads have resulted in a better service for those complainants involved in lengthy and complex investigations. When compared to most similar forces, both the level of complaints (expressed per officer) and the percentage of those complaints upheld, remain below the national average.

In the interests of openness and transparency, police gross misconduct hearings are now held in public. Four public misconduct hearings took place in 2017/18, three officers were dismissed from the force and one was concluded as no further action. All such hearings will continue to be presided over by a legally qualified chair. The outcomes of misconduct hearings are now publicised on the Constabulary website.

The Ethics and Integrity Panel continue to provide independent oversight for the OPCC and Constabulary in relation to standards, ethics and integrity. During 2017/18 the Panel carried out three thematic inspections in relation to the Performance Discretion Framework, the use of Stop and Stop/Search, body worn cameras and special constabulary recruitment. The Panel also reviews 'Quality of Service and Policing Issues' raised by members of the public including public complaints, police misconduct and staff misconduct cases. The Panel's work is reported to the Commissioner's Public Accountability Conference on a quarterly basis. 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.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

To support transparency and ensure that the Chief Constable's vision is clearly communicated, the Chief Officer Group have held strategy days for senior management and road shows across county, which were open to all officers and staff. This has been supported by a range of communications across the force through various mediums including the internal intranet site and noticeboards. As part of development of Cumbria Vision 2025, officers and staff across the organisation have been engaged via focus groups, so that their ideas and feedback can be included in the final product.

Engaging Effectively with Institutional Stakeholders

The Constabulary works closely with the Office of the Police and Crime Commissioner (OPCC) through formal mechanisms (such as Public Accountability Conferences and Collaborative Board meetings) and informally through one to one meetings with senior staff from both organisations.

The Constabulary recognises that working with partners can deliver a more effective policing service to the public and meet the aims of the Commissioner's Police and Crime Plan. Accordingly, the Constabulary actively participates in a range of partnership activities and functions in collaboration with other agencies, both at a strategic and tactical level. Examples include:

- the Local Resilience Forum (major incident planning)
- the CRASH partnership (road safety)
- the Safer Cumbria Action Board
- the Local Safeguarding Board (child protection)
- Community Safety Partnerships
- The Cumbria Alcohol Board (countering alcohol abuse)
- Combating anti-social behaviour
- County Council
- Further development of links with criminal justice and mental health agencies and other blue-light partners.
- Established 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.

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 citizens 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 service users. During the year, the Constabulary consulted with the public to find out their priorities, how confident they felt, how they would like to be engaged and their areas of concern. These informed the development of the Constabulary's and Commissioner's plans.

The Constabulary has developed a marketing and communications strategy aimed at establishing clear channels of communication with all sections of the community, providing crime prevention and safety advice as well as information about services. Access to information has been developed to include community messaging and all social media. The Constabulary's e-community has grown and is now at more than 190,000 followers.

Engagement with the public is pivotal to the work of Neighbourhood Policing Teams (NPTs) in determining local priorities. This is achieved through Community Engagement Plans, which detail contact with all stakeholders particularly those that are hard to reach or with protected characteristics. The Community Engagement Strategy includes:

- Clear communications with schools
- Attendance at Town Council meetings
- Holding community/partnership meetings
- Police Desks
- Use of web and social media
- Specific engagement plans for the 15 geographical areas, which are available on the intranet for officers and on the website for the public.
- Publication of local crime and performance data on the Constabulary's website to aid transparency.

These arrangements are supported by a toolkit, which is available to officers.

Specific initiatives in relation to diversity and equality and hate crime provide cross cutting engagement support across all areas of activities.

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.

The Constabulary has carried out a staff engagement exercise, working with academia to assess the well-being and culture of the force. The results have informed the development of a plan of action linked to the Well-Being Strategy.

The Constabulary has improved its internal communications strategy, adopting a tiered approach based on priorities and aligning with training and internal inspection to ensure that all officers and staff have the information they need to provide the best service for the public.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

The Chief Constable determined the strategic direction for the Constabulary, which is *'Keeping Cumbria Safe'*. Following consultation, the Chief Constable developed

the Plan on a Page. This plan outlined the Constabulary's BIG 6 priorities:

- Engaging with communities and working with partners
- Preventing crime, road casualties and antisocial behaviour
- Managing offenders
- Managing calls for service
- Protecting vulnerable people and communities
- Investigating crime, caring for victims and bringing offenders to justice

Under each of the BIG 6 priorities, there is an improvement plan, with each key function or specialism within those priorities led by a Professional Lead.

The Commissioner approved these key objectives and incorporated them into his Police & Crime Plan to complement his aims.

In addition, a Plan on a Page identifies what will be done to support officers and staff to deliver the best service possible, explains our policing style and the Chief Constable's Leadership Standards.

The Plan on a Page shows how everyone in the organisation contributes to the overall aim of *Keeping Cumbria Safe* and improves knowledge and

understanding by linking strategic objectives to operational and business daily activity on the ground and maintaining performance.

Sustainable economic, social and environmental benefits

During 2017/18 significant work has been done to develop a local policing Vision 2025. Cumbria Vision 2025 will complement the Constabulary's priorities by bringing together demand prediction and reduction, business planning and change in a single plan aligned to the national policing vision. The Vision aims to build on achievements to date and provide a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 2020s. Cumbria Vision 2025 has five key themes:

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

and will encapsulate overarching principles of inclusivity, collaboration and delivering efficiencies. It is intended that business planning and governance will be organised around the core themes, which will each be headed by a business lead and supported by a detailed action plan.

During 2017/18 the Commissioner incorporated the Constabulary's budget proposals into his 2018/19 budget in the context of a medium term financial forecast (MTFF) covering four years to 2021/22.

The 2018/19 grant settlement provided flat formula grant funding for 2018/19 and 2019/20 and greater flexibility to increase council tax. Following public consultation the budget was agreed including funding to:

- Recruit 25 additional officers in local policing.
- Maintain officer and PCSO numbers in other operational areas.
- Increase armed policing.
- Increase protection from cyber and digital crime.
- Improve ways to contact the police.

The proposed Home Office review of the police funding formula has been deferred until the next spending review period from 2020/21, which has afforded a greater level of short term budget certainty. Nevertheless, the current MTFF indicates that further savings of £3.7m will be required to balance the budget by 2021/22. A major theme of each of the Cumbria Vision 2025 work-streams is to develop savings options and realise business benefits, particularly in areas where investment in new technology has been made.

During 2017/18, the Business Improvement Unit undertook extensive demand analysis to inform the financial and work plans for future years and to allocate resources to the priority areas. Demand has continued to increase and become more complex.

During 2017/18 the Constabulary has continued to develop its business planning aligned to the MTFF. Refreshed strategies in relation to people, ICT, fleet, estates and procurement have been produced and agreed by the Commissioner.

Innovative development of mobile and digital technology to increase the productivity of officers, continued to be delivered during 2017/18 including the first phase of replacement of the crime intelligence system with 'Red Sigma' and improvements to mobile working in conjunction with national programmes. Procurement has been completed for body worn video, replacement of control room systems and business systems (HR & Finance), which will be progressed in 2018/19. The ICT department has also been re-structured during 2017/18 to better meet user needs.

In relation to Estates, plans have been approved for a new deployment centre for the Eden Neighbourhood Policing, which will also include hostel and conferencing facilities.

During 2017/18 the fleet replacement programme has also been reviewed with the aim of identifying efficiencies.

Following the development of the People Strategy, initiatives in 2017/18 have included:

- Provision of a psychological screening programme that enables early identification of mental ill health issues for those in stressful roles, supported by trained advocates to provide practical help.
- Signed up to a 'Better Health at Work Scheme' with health partners and trained 'Wellbeing Advocates' who's role is to signpost help and support for our staff
- Developed talent management processes to better ensure that staff are rewarded and recognised for their work.
- Encouraged greater involvement of citizens in policing through the introduction of mini-police and police cadets to engage with young people and enhanced focus on recruitment of police specials.
- Undertook a follow up well-being survey of officers and staff, in conjunction with Durham University. The results of this work will be used to inform future actions to promote the well-being of staff.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning Interventions

The Chief Officer Group is the Constabulary's strategic decision making forum. In the last 12 months key decisions have included considering and approving:

- Demand reviews
- Business strategies
- Financial updates (including the budget proposal)
- Governance documents
- Business cases in relation to operational and support functions and investment in ICT systems.

All decisions support delivery of the Chief Constable's vision. Decisions are minuted and subject to scrutiny by the Commissioner. To improve communication and transparency all COG decisions are published on the internal website, which can be viewed by all officers and staff. Members of the Chief Officer Group have also attended meetings of the Police and Crime Panel to provide context to Commissioner's precept proposal.

Determining Interventions & Optimising Outcomes

The Constabulary worked with the Office of the Police and Crime Commissioner (OPCC) to develop the performance framework. This set of measures and targets supports 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 has been reported to the Commissioner every quarter at the Public Accountability Conference.

Performance for all crime types, antisocial behaviour, road collisions, user satisfaction and productivity is monitored on a monthly and corrective action taken to address exceptions.

This is supported by thematic reports for specific areas of activity, which are discussed at the Commissioner's Public Accountability Conference. Reports in 2017/18 included domestic abuse, child sexual exploitation, sexual offences, anti-social behaviour and reducing reoffending.

Overall, the Constabulary performs well and user satisfaction levels are consistently high.

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.

Every day, officers in each Territorial Policing Area hold a Daily Management Meeting, which identifies the crimes and incidents that have occurred over the previous 24 hours and any vulnerable or high profile incident. A supporting force-wide Daily Operational Review Meeting ensures that resources are directed to meet strategic priorities across the county.

As part of the Constabulary's work on managing demand, the principles of THRIVE (threat, harm, risk, investigative opportunity, vulnerability and engagement) have been introduced within the communications room when grading calls for service and, as part of the National Decision Making Model, deciding whether to deploy officers to incidents.

During 2017/18 the Constabulary has put in place systems and procedures to comply with the new requirements regarding the granting and monitoring of bail contained in the Police and Crime Act 2017.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the Entity's capacity & leadership

The key functions and roles of the Chief Constable and the Police 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 Queen's Peace are set out in various Police Acts. Both the Chief Constable and Commissioner are statutorily required to employ a Chief Finance Officer.

Following a restructure within the OPCC, the Commissioner and Chief Constable have agreed to a shared Chief Finance Officer arrangement. A protocol and range of safeguards have been put in place to handle potential conflicts of interest arising from the joint role. A

review of the operation of the Joint Chief Finance Officer arrangement has been conducted and aligned to the CIPFA statement on the Role of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues.

The Constabulary has used HMICFRS Value for Money profiles and Police Objective Analysis to inform its Change 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, in general, the VFM work has shown the Constabulary to benchmark well, although, in some instances costs may appear to be relatively high when measured per head of population. This is principally attributable to the logistics of providing an effective policing service over such a geographically sparse county.

Developing the Capability of Individuals within the entity

The Constabulary's annual training plan was developed in early 2017/18 in conjunction with operational leadership teams in the context of best practice guidance from the National Police Chief's Council.

The training plan was delivered through a strategic training collaboration with Lancashire Police, which has delivered benefits through:

- Increased capacity to deliver training, which has been particularly beneficial to accommodate the increased level of recruitment.
- Reduced costs.
- Harmonisation of course content based on best practice across the forces.

During the year force-wide training has been delivered to all frontline officers to increase workforce skills and operational capabilities in key areas:

- Crime Recording
- Vulnerability
- File Quality and Disclosure
- Stop and Search for Sergeants

Newly appointed Sergeants have attended a development course designed specifically to equip them with the skills they need to effectively manage and develop their teams as new leaders, widening their thinking and understanding of what it means to be a leader in the organisation responsible not only for their own skills development but for that of their team. A programme for newly appointed Inspectors is in development and will be rolled out during 2018/19.

A team of ICT trainers have been appointed to co-ordinate delivery of training for the force's major IT projects, to ensure the workforce has the skills they need to use the new systems in their roles. These include:

- Body Worn Video
- Red Sigma
- Office 365

The force has been successful in becoming an Employer Provider for Apprenticeships, this enables the force to recoup some of the apprenticeship levy paid to the government by working in collaboration with the Education Skills Funding Agency (ESFA) and local education providers. An apprenticeship strategy has been agreed which sets out the constabulary's commitment to identify skills gaps and increase the capabilities both of our current and future workforce.

During 2017/18 additional resource was secured to develop the Interim Performance Development & Review (PDR) system. Throughout the forthcoming period additional work will be undertaken to roll out a strengths-based approach to PDR conversations. PDR is based on the national College of Policing model focusing on personal responsibility for development built around a central competency framework (including individual objectives). A suite of continuing professional development resources and events have been delivered,

allowing all employees to take responsibility for developing themselves in their own time and at their own pace using a variety of methods.

Core Principle F: Managing risks and performance through robust internal controls and strong public sector management.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

The Constabulary has a risk management strategy, which stresses that it is the responsibility of all officers and staff to identify and manage risk.

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.

During 2017/18, specific risks associated with the potential reduction in funding as a result of future funding constraints, the introduction of the Emergency Services Network and the Constabulary's capacity to implement

change have continued to feature prominently on the Constabulary's strategic risk register. Emerging strategic risks in relation to terrorist threat, digital crime and control room response times have also been recognised.

Managing performance

A strategy entitled – *'Performance management in Cumbria Constabulary'* *Managing our resources to improve outcomes for the people of Cumbria'* outlines is embedded within the Constabulary. This is achieved mainly through the use of:

- Strategic briefings to senior management at Joint Tasking and Co-ordination Group meetings, including a high level performance matrix, detailed root cause analysis and recommended actions to take.
- Performance as a standing item on all senior management team meetings.
- Specific focus on performance in relation to protecting vulnerable people.
- Performance Development Conferences every four months, where all functions are held accountable for performance including crime, sickness and data quality
- Reviewing performance at Strategy Days.
- An information strategy and performance dashboard to support the BIG 6 priorities, showing demand, productivity and outcome data ambitions

- Accessible daily performance figures.
- An individual officer performance dashboard and performance meetings every 15 weeks.
- An interim formal performance development and review (PDR) process for all officers and staff, in accordance with College of Policing guidance. This is an annual process and determines the competence of individual officers and staff, based on the Police Professional Framework.

The Constabulary has a 'Delivering Excellence' Strategy, which aims to embed continuous improvement across the Constabulary and has three 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

During 2017/18 the role of the Constabulary's Business Improvement Unit to provide reassurance to Chief Officers:

- that priorities and recommendations from inspection bodies are being progressed through reality checking.
 - Systems and processes are working effectively.
- has been widened to incorporate the delivery of change.

The key work undertaken in 2017/18 has been in relation to understanding demand for operational staff supported by a 'Day in the Life' study for sergeants. This has shown that crimes are both increasing in complexity and the time taken to deal with them, which is putting increased pressure on operational resources. The results of the demand review are being used pro-actively to

- Improve working practices, policies and procedures, which have created efficiencies and provided opportunities to re-distribute resources to high risk areas.
- Improve supervision through training to sergeants.

Other significant pieces of work undertaken by the unit in 2017/18 in support of the Delivering Excellence Strategy have included:

- Developed and implemented a Crime Management Action Plan, which has increased resources, strengthened internal working practices and provided training to 900 officers.
- Conducted a 'Keep Me Safe Audit' to ensure that officers are adhering to safeguarding practices, providing individual feedback where necessary.
- Monitored delivery of the business improvement plan, with 82% of actions completed.
- Implemented a stalking and harassment action plan.

- Undertaken a Joint Emergency Services Inter-operability Programme inspection.
- Undertaken mental health response reality testing, providing feedback to officers.

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. 87% of audits in 2017/18, including all those relating to finance, were graded as providing either substantial or reasonable assurance. Two audits in relation to offender management and procurement received only partial assurance. In both areas robust management action plans have put in place to address the recommendations made.
- The Chief Internal Auditor's overall opinion that the Chief Constable's frameworks for governance, risk and internal control are reasonable and that controls are generally working effectively in practice
- Action plans to respond to recommendations, the implementation of which is monitored by the Audit and Standards Committee.
- An Audit and Standards Committee, which is self assessed against CIPFA guidance, and is judged as being highly effective in its role.

Managing Data

During 2017/18 arrangements for managing data have been strengthened as follows:

- Core information security and records management strategies have been reviewed and updated.
- Greater clarity on the identification and responsibilities of information asset owners and reporting to the force Senior Information Risk Owner has been provided (SIRO).
- Implemented the amended Government Security Classification with training provided to staff.
- Undertook a deep dive security review in conjunction with an authorised partner.
- Responded to emerging cyber threats.
- Established a unit to review retention and disposal of information in compliance with MOPI.
- Produced an action plan for compliance with forthcoming General Data Protection Legislation.

Strong public financial management

Strong financial management provides a framework for all business decision making and planning within the Constabulary. This includes the Joint 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.

The Constabulary's unaudited financial statements for 2016/17 were released in May, with the final version published in July, thus meeting new deadlines for financial reporting ahead of schedule. The External Auditor's Audit Findings report noted the accounts were prepared to a very high standard and were supported by excellent working papers.

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

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.

During 2017/18 work has been undertaken to improve the presentation of these reports to make them more accessible and readable for members of the public.

The external auditor's opinion for the 2016/17 financial year was that the Chief Constable's Financial Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The auditors further confirmed in their Annual Audit Letter that the Chief Constable had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

Assurance & Effective Accountability

During 2017/18 the Constabulary has been inspected by HMICFRS and received reports on police efficiency, effectiveness and legitimacy (known as PEEL). There are four grades that can be achieved - outstanding, good, requires improvement and inadequate.

The Constabulary has been rated as good for all aspects efficiency, effectiveness and legitimacy. Areas inspected included:

- Preventing crime & tackling ASB
- Investigation crime and reducing re-offending
- Protecting Vulnerable People

- Tackling serious and organised crime
- Understand Demand
- Use of Resources
- Planning future demand
- Treating people it serves fairly
- Work force behaves ethically
- Treats workforce fairness and respect

During 2017/18 HMICFRS also undertook two thematic inspections. With regard to a national Child Protection re-inspection, the findings were that there is a strong a strong commitment to protecting children and improving practices within the force and evidence of strong leadership and oversight by senior management. It was also recognised that since 2016 the Constabulary has reviewed its public protection structures, systems, process, and invested extra resources in child protection, which has made a significant improvement in how it recognises and responds to child sexual exploitation, and child protection investigations. In relation to the HMICFRS inspection entitled ‘Stolen freedom: the policing response to modern slavery and human trafficking’, Cumbria was identified as having a number of areas of best practice, around the way it raises awareness amongst officers, through a concerted communications and awareness campaign, which has been proactively tested through audit and assessment. The Constabulary

was also identified as an example of effective safeguarding and investigation.

During 2017/18 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 CFOs annual review of internal audit.
- The Head of Internal Audit and Commissioner’s CFO 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 and Standards Committee against CIPFA guidelines.
- Monitoring of the implementation of actions in response to HMICFRS, internal and external audit recommendations through the Joint Audit and Standards Committee.
- Management assurances in respect of financial systems and processes.
- The CFO’s fraud risk assessment.

All of the sources above indicated that systems and processes are operating effectively and have raised no significant concerns.

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.						
CPA/1	Embed the delivery plans for vetting enhancement, the abuse of authority for sexual gain and the Code of Ethics	Head of People	<p>The Constabulary has progressed significantly with the implementation of all three plans:</p> <p>VETTING UPDATE 1/5/18</p> <p>The Delivery Plan for Vetting has continued to be progressed throughout 2017/18 period. Significant reductions in outstanding vetting checks have been made, and all outstanding checks for Officers, PCSOs, Special Constables are now at zero. There are 50 staff checks outstanding. This work is anticipated to be completed in 30th September 2018.</p> <p>A review of the current position in respect of the Constabulary's level of compliance with the Vetting Code of Practice has also been undertaken and the Constabulary intend to permanently increase the vetting team establishment by 0.7FTE as a means of sustaining the existing service improvements, as well as enhancing operations in line with new regulations.</p> <p>CODE OF ETHICS & AASG update 1/5/18</p> <p>Code of Ethics training (incorporating AASG and Data protection) has been delivered all across the constabulary, along with repeated Need to Know Campaign messages. Relationships with partners have been built to assist in seeking out corruption, and further investment has been to enhance the recently built anti corruption portal, which provides greater capacity for the force to pro-actively protect its assets. Whilst significant progress has been made in this arena, this will be a continually evolving programme of works, and additional investment in the anti-corruption capability and capacity will be made over 2018/19.</p>	31st March 2018	initial action complete - enhancements in provision will be made throughout 2018/19	⚙️ Completed
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.						
CPB/1	Develop an external communications strategy for 2017/18 to support delivery of operational policing and its outcomes, including effective demand reduction activity.	Director of Corporate Improvement	This action is complete. The strategy is reviewed every month at Force Tasking and Coordination to align with local and national themes	31st March 2018		⚙️ Completed
CPB/2	Deliver the internal programme of communications to support performance, standards, integrity and operational effectiveness.	Director of Corporate Improvement	The Internal Communications programme, now re-vamped, streamlined and aligned with training, is being delivered. Changes are coordinated via FSDB	31st March 2018		⚙️ Completed
CPB/3	The Constabulary's internal website will continue to be developed in particular to improve the access and search capability which will make it easier for officers and staff to access the information they need.	Director of Corporate Improvement	The new internal website has been launched. It aims to direct officers and staff to the information they require as efficiently as possible.	31st March 2018		⚙️ Completed
CPB/4	A review of the policy management arrangements will be undertaken with a view to streamlining the process, the products and their accessibility.	Director of Corporate Improvement	A draft proposal has been prepared following significant research. This will require further consultation and approval.	31st March 2018	31st July 2018	⚙️ Ongoing (original timescale exceeded)

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation Date	Status
CPB/5	As part of openness and transparency about decision making within the Constabulary, a Chief Officer Group decision log will be placed on the intranet and made available to all officers and staff. In particular, decisions about people and finance will be made available to relevant practitioners to speed up the processes required to deliver agreed actions.	Joint Chief Finance Officer	A COG decision log from January 2017 has been published. To further aid transparency of decision making it has been agreed that in most cases the associated papers will also be published and there will be greater publicity regarding the availability of the log.	30th June 2017		☀ Completed
CPB/6	The Constabulary will continue to develop its internet site to enhance accessibility and relevance to the public and media.	Director of Corporate Improvement	Minor changes to the website have been made during the year to include easier access to services and an improved search facility. The Chief Officer team has signalled its intention to participate in a NPCC sponsored website which can be used by all Constabularies. This provides an iterative search for the public (which will support demand management) and will be included in the action plan for 2018-19.	31st March 2018		☀ Completed
CPB/7	On behalf of the Commissioner, the Constabulary will undertake a survey to find out the public's key policing priorities to support the PCC's Police and Crime Plan and the Constabulary's Strategic Assessment.	Director of Corporate Improvement	The survey was completed, results analysed and presented to the Chief Officer Group and Public Accountability Conference in early December. The results will be used to inform future strategic planning.	31st October 2017	31st December 2017	☀ Completed
CPB/8	The Constabulary will review the Independent Advisory Group arrangements at strategic and local level with a view to strengthening their impact.	Director of Corporate Improvement	This work has been started but will continue into 2018/19.	31st March 2018	30th June 2018	☀ Ongoing (original timescale exceeded)
CPB/9	The Constabulary will improve the Citizens Panel to expand the number of people on and the representation of all types of communities. (The Citizens Panel is a large group of people who have volunteered to be consulted on a range of police issues.)	Director of Corporate Improvement	The Panel data has been kept up to date as required but further expansion will not now take place as responses to surveys via our website increase year on year and now make up almost 50% of the total engagement from the public. The Constabulary will continue to promote responses from underrepresented groups via the Diversity Manager and other specialist posts in the local areas. Paper surveys using the Citizens Panel will also continue for those on the Panel who have expressed that preference.	31st March 2018		☀ Completed

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation Date	Status
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits						
CPC/1	Develop a forward looking corporate plan to 2025 that encompasses all change activities across the Constabulary. This includes changes to operational working, workforce and people, collaborations, ICT, fleet and estate as well as change to deliver savings and continuous improvement activities. The plan will underpin our recruitment, succession, training and development plans and will be supported by a comprehensive communications programme.	Deputy Chief Constable	Critical to the success and ambition of the CV25 Strategy is the inclusion and engagement of staff and key stakeholders in its design. Initial consultation took place during the July PDC's. This was followed by Focus Groups, led by Supt Kennerley, involving Officers and staff throughout June, July & August, along with one-to-one meetings with senior managers and key stakeholders (some external). At the end of August CC and DCC visited all three areas to engage with Sgts/DS's and Insp/DI's, before the Strategy Day on 6th September, which included those who took part in the focus groups. A joint CC & OPCC Strategy session was held on 11th September and a final Constabulary strategy day takes place on the 23rd November for practitioners, both staff and officers, facilitated by Chief Officers. Chief Officer Roadshows were held in all areas in early October. All this activity will culminate in a final Cumbria Vision 25 overall plan, complimented with a robust delivery plan being agreed at the joint strategy day between the Constabulary and the OPCC in December as part of the budget setting process.	30th September 2017		Completed
CPC/2	Review the governance arrangements to ensure effective delivery of the 2025 plan, making recommendation for improvement where appropriate.	Deputy Chief Constable	Formal governance for CV25 will be provided through the Force Strategic Delivery Board Chaired by DCC and attended by ACC, Crime and TP Commanders, Directors, Chief Finance Officer and Superintendents, with Executive representation from the OPCC.	30th September 2017		Completed
	Continue to develop the Demand Reduction Strategy including:-					
CPC/3	Continue to develop the annual process to evaluate resource allocation to ensure that resources are aligned to demand, threat, risk and harm.	Director of Corporate Improvement	Completed and utilised for 17/18 resource allocation. Further work will be done as part of Force Management Statement (FMS) preparedness. Final discussion for 2018/19 is scheduled for May 2018	31st March 2018		Completed
CPC/4	Extend the use of Vulnerable Locations Indexing approach to multi agency working across the county.	Director of Corporate Improvement	This work has now been subsumed into a wider project to implement Local Focus Hubs in each District Council Area, which will provide opportunities for collaboration with other agencies. A superintendent has been appointed to lead this work.	31st March 2018	30th September 2018	Ongoing (original timescale exceeded)
CPC/5	Develop the Blue Light collaboration by working with fire and ambulances services to trail the five tactical operational strands of work .	Superintendent North	Work is ongoing in relation to BlueLight collaboration with fire and ambulance. See specific actions CPD/3, .4, 5, 6 & 7 below.	31st March 2018	see individual timelines below.	Ongoing (original timescale exceeded)

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation Date	Status
CPC/6	Continue to deliver the MACAC pilot programme to deliver improved outcomes for people with mental health problems who come into contact with the police	Superintendent Operational Support	The three key strands in the MACAS pilot programme, namely a) A 24/7 single point of access for professional to access information from specialist mental health practitioners b) The provision of respite beds at Carleton Clinic c) The 'Lighthouse' place of safety are all now in place. An evaluation will take place at end of the financial year.	31st March 2018		☀ Completed
CPC/7	The People Strategy (2017-20) and associated action plan will be delivered.	Head of People	The People Department was established in April 2017, and has been focussed on delivering in line with the strategy and action plan. Key areas under current development are Talent Management (attraction, recruitment and retention), Business Futures (incorporating resource planning, skills capture, sickness management) the launch of wellbeing advocates (governed via the Better Health at Work scheme - currently working towards the Bronze award), sign up to the MIND MH at work delivery plan, staff term and conditions & reward and recognition review, positive action to encourage underrepresented groups, development of the Constabulary PDR, grievance and performance management and the development of the Citizens in Policing programme. The People action plan has just been reviewed, all actions updated and will be migrated into the CCIP master plan. Extension required to facilitate the full implementation of the PDR, talent management programme. Performance, capability and wellbeing are monitored and discussed at weekly workforce bronze and silver meetings, which are attended by senior managers from all departments. These were introduced in April 2018 as a result of an overall change to the Constabulary's governance structure as a response to the Policing Vision and Cumbria Vision 2025. Further extension is anticipated at the point of next review in order to reflect longer term strategic workforce 2025 programme (managed through the Gold board), Business Futures implementation, and the development of PEQF / apprenticeship levy	31st March 2018	30th September 2018	☀ Ongoing (original timescale exceeded)
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.						
CPD/1	Review our performance management arrangements, making recommendations for improvement where appropriate.	Director of Corporate Improvement	Minor changes have been made in 2018/19. A performance management framework based around a balanced scorecard approach will be developed to support the Vision 2025 governance structure. This work has been delayed due to capacity in the Business Improvement Directorate.	30th September 2017	30th September 2018	☀ Ongoing (original timescale exceeded)
CPD/2	Work with the new Police and Crime Commissioner to develop performance management arrangements to hold the Chief Constable to account effectively.	Director of Corporate Improvement	Completed - Accountability Framework has been approved and is operational	30th September 2017		☀ Completed

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation Date	Status
	Develop the delivery plan for the tactical operations for Blue Light Collaboration. This includes:					
CPD/3	Emergency Medical Response pilot in Walney and Wigton	Superintendent North	The terms of reference and operating framework have been agreed but implementation has been delayed following withdrawal of Fire Brigade's Union support for trials pending national pay negotiations.	30th September 2017	31st March 2019	⚙️ Ongoing (original timescale exceeded)
CPD/4	Forced Entry/Concern for safety memorandum of Understanding between fire, ambulance and police	Superintendent North	Start delayed as FBU have asked for specific police training. Training needs assessment now being completed.	30th September 2017	31st March 2019	⚙️ Ongoing (original timescale)
CPD/5	RESIP Joint Emergency Services Interoperability Programme Incident Command Vehicle - joint branding and management of vehicles that will have the capability to be forward command points in an incident.	Superintendent North	Vehicles now in operation and available for deployment throughout the county.	30th September 2017		⚙️ Completed
CPD/6	Urgent Care desk - NWS support to Police Officers at the scene to triage any medical aspects of an incident	Superintendent North	MOU agreed, NWS agreed to a trial with GMP only. If successful this will be rolled out to other forces.	30th September 2017	31st March 2019	⚙️ Ongoing (original timescale exceeded)
CPD/7	Tri-Service Officer pilot	Superintendent North	Legal agreement reached between Constabulary and County Council and agreement to go live expected imminently.	30th September 2017	30th June 2018	⚙️ Ongoing (original timescale exceeded)
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.						
CPE/1	Embed a formal performance development and review (PDR) process for all officers and staff during 2017/18, in accordance with College of Policing guidance.	Deputy Chief Constable	A formal Performance Development Review has been implemented and utilised by officers and staff during 2017/18. This is complimented by the 15 week review. An updated version of the Kalidus system that manages PDR will be introduced during 2018 which will further enhance the Constabulary's approach to performance and talent management.	31st December 2017		⚙️ Completed
CPE/2	The Constabulary will work with academia and, using good practice from other organisations, will develop an action plan based on the information from the cultural survey which will be incorporated into the Well-Being Strategy.	Director of Corporate Improvement	The survey has been completed and a report of the findings presented to COG. Staff have attended a workshop to identify best practice with other forces. Work is on-going with academia to communicate the results and develop an action plan to deal with the issues raised.	31st December 2017	31st July 2018	⚙️ Ongoing (original timescale exceeded)

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation Date	Status
CPE/3	During 2017/18 the Apprenticeship Levy will be introduced across England & Wales which will result in a 0.5% levy be paid by Cumbria Constabulary into a digital Apprenticeship account. As a result of this an Apprenticeship framework is being devised which will promote the use of apprenticeships within the Constabulary including leadership, initial learning skills and technical development.	Head of Learning & Development	A new apprenticeship manager post has been recruited. An apprenticeship strategy was produced and approved by the Chief Officer Group in March. The next steps will be to develop an action plan to support training of officers, PCSOs and staff in the context of the new College of Policing PEQF requirements.	31st March 2018		Completed
CPE/4	Significant training programmes will be delivered in 2017/18 in support of the new Intelligence System Red Sigma and a focus on Vulnerability (Mental Health). In addition there is continuing focus on new entrant training for recruits.	Head of Learning & Development	Planned training programmes have been delivered including Red Sigma, Stop and search for frontline officers and supervisors, criminal justice including disclosure, Police Works and the new S28 CJA. In a change of priority crime recording was delivered rather than mental health, which will now be delivered in 2018/19.	31st March 2018		Completed
CPE/5	A formal protocol for the identification and handling of conflicts of interest in relation to the joint CFO role will be put in place.	PCC Chief Executive	Completed and discussed at JASC and Police and Crime Panel.	30th June 2017		Completed
CPE/6	A formal review of the effectiveness of the Joint CFO role will be undertaken against the CIPFA standard on the role of the CFO.	PCC Chief Executive	Completed a report has been produced for the May meeting of the Joint Audit and Standards Committee, which concludes that the arrangement is operating effectively.	31st March 2018	30th June 2018	Completed
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.						
CPF/1	Review and refresh the audit and improvement plan every quarter, reporting to Force Strategic Delivery Board on outcomes and successes from Quality Counts. This will incorporate a programme of Crime Data Integrity audits, that will be improved by extending their scope and frequency, with learning and feedback to officers and supervisors so that quality and performance can be enhanced.	Director of Corporate Improvement	Completed - this is now part of business as usual.	31st March 2018		Completed
CPF/2	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Director of Corporate Improvement	This work has been delayed due to capacity constraints in the Business Improvement Directorate but will be delivered to support the Business Support theme within Vision 2025.	31st March 2018	31st December 2018	Ongoing (original timescale exceeded)

Appendix A – Update on 2017/18 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2018	Implementation by	Revised Implementation Date	Status
CPF/3	Further develop the Business Intelligence Strategy to inform future ICT developments, improve the information available to managers for effective decision making, to support improvements in services for the public and, develop and improve the dashboards available to officers and staff.	Director of Corporate Improvement / Director of Corporate Support	The business case has been developed and presented to COG. Further work is being undertaken to provide further assurance in relation to the vision and VFM.	31st March 2018	30th September 2018	⚙️ Ongoing (original timescale exceeded)
CPF/4	Finalise the delivery of training on the financial regulations, financial rules and procurement regulations.	Joint Chief Finance Officer	A training package has been developed and training delivered. Two small groups have yet to receive training due to diary commitments, but will be delivered at the next update of the regulations and rules in autumn 2018.	30th September 2017	31st December 2017	✅ Completed

Appendix B – 2018/19 Development and Improvement Plan

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	Complete outstanding vetting checks to ensure compliance with new enhanced vetting requirements and ensure arrangements are sustainable.	Head of People	30th September 2018
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.			
CPB/1	Evaluate the requirements and implement the Single On-Line Home external website in conjunction with the National Police Chiefs Council to improve public contact and access to services.	Director of Corporate Improvement	30th June 2019 subject to adoption by the national project.
CPB/2	Hold engagement and consultation events within the Constabulary in relation to Vision 2025	Director of Corporate Improvement	31st March 2019
CPB/3	Complete the review of policy management arrangements and make recommendations for streamlining the process, the products and their accessibility.	Director of Corporate Improvement	31st July 2018
CPB/4	The Constabulary will review the Independent Advisory Group arrangements at strategic and local level with a view to strengthening their impact.	Director of Corporate Improvement	30th June 2018
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits			
CPC/1	Develop and deliver a detailed action plan for the Vision 2025 strategy.	Deputy Chief Constable	31st March 2019
CPC/2	Embed revised meetings and governance arrangements in support of Vision 2025	Director of Corporate Improvement	30th September 2018
CPC/3	Implement Local Focus Hubs across the County including agreed objectives, governance, performance framework and developing collaboration opportunities.	Superintendent - West	30th September 2018

Appendix B – 2018/19 Development and Improvement Plan

Ref	Action	Lead Officer	Implementation by
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.			
CPD/1	Embed changes to the scope of the Business Improvement Unit's role to deliver change and business benefits.	Director of Corporate Improvement	31st March 2019
CPD/2	Incorporate the production of Force Management Statements into business planning and re-align processes to drive benefits.	Director of Corporate Improvement	30th September 2018
CPD/3	Undertake further analysis of current and future demand to inform strategic business planning.	Director of Corporate Improvement	31st March 2019
CPD/4	Plan and implement actions to demonstrate increased visibility to communities.	Deputy Chief Constable / Director of Corporate Improvement	31st March 2019
CPD/5	Re-design business processes in relation to the Control Room as part of the implementation of the Safe system to deliver business benefits.	Superintendent - Organisational Business Delivery	30th September 2019
CPD/6	Roll out and provide training for Body Worn Video for Officers	Superintendent - Organisational Business Delivery	31st July 2018
CPD/7	In conjunction with the OPCC and other stakeholders, plan, evaluate and implement initiatives to improve emergency services inter-operability, including urgent care desk, tri service officers brought forward from 2017/18	Superintendent -North	31st March 2019

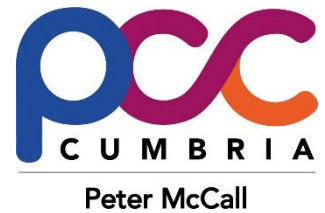
Appendix B – 2018/19 Development and Improvement Plan

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	Implement the College of Policing PDR process and provide associated training.	Head of People	31st March 2019
CPE/2	Evaluate the requirements and prepare an action plan in relation to the introduction of the College of Policing PEQF requirements.	Head of Learning and Development	31st December 2018
CPE/3	Develop and begin implementing the action plan supporting the Apprenticeship Strategy	Apprenticeship Manager	31st March 2019
CPE/4	Develop an action plan arising from the Well-Being survey.	Head of People	31st July 2018
CPE/5	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	30th September 2018
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.			
CPF/1	Develop the balanced scorecard approach to performance management and embed this within the Vision 2025 governance arrangements.	Director of Corporate Improvement	30th September 2019
CPF/2	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Director of Corporate Improvement	31st March 2019
CPF/3	Work with the OPCC to develop a revised public accountability framework.	Director of Corporate Improvement	31st March 2019
CPF/4	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Head of People	31st December 2018
CPF/5	Further develop the Business Intelligence Strategy to inform future ICT developments, improve the information available to managers for effective decision making, to support improvements in services for the public and, develop and improve the dashboards available to officers and staff.	Director of Corporate Improvement / Director of Corporate Support	31st March 2019



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Joint Audit & Standards Committee



Title: Police and Crime Commissioner's Annual Report 2017-2018

Date: 19 July 2018

Agenda Item No: 14

Originating Officer: Communications and Media Officer

Executive Summary:

This report presents the text for the Police and Crime Commissioner's second Annual Report, covering the period from 1 April 2017 to the 31st March 2018. The Annual Report is consistent with last year's format and has been written with accessibility in mind, so that a member of the public can easily understand how the Commissioner has carried out his functions and what his key achievements have been so far.

Recommendation:

That Committee Members consider the Annual Report.

1. Detail

- 1.1. The Police Reform and Social Responsibility Act (2011) requires Police and Crime Commissioners to produce an Annual Report for each financial year. The report must cover how the Commissioner has carried out his statutory functions, such as setting the budget, developing a Police and Crime Plan and holding the Chief Constable to account.

The Annual Report for Cumbria's Commissioner therefore highlights key areas of work undertaken in the time period, as well as details of priorities for the future in the Police and Crime Plan. The report includes:

- A summary of accountability and statutory duties, including the role of the Public Accountability Board, Joint Audit and Standards Committee, Ethics and Integrity Panel, and the Police and Crime Panel;
- For each of the eight main objectives in the Police and Crime Plan, a summary of progress to date.
- Sections on: Partnership Working, Commissioning and Funding, and Monitoring the Plan.

- 1.2. The Annual Report has been set out in a way, and to a level of detail, which aims to be interesting and informative for the general public and is consistent with last year's format. Whilst this version is currently in text format, once finalised it will be produced with plenty of images and graphics to break up the text and make it a more accessible read.
- 1.3. It is proposed to publish the Annual Report on the Commissioner's website and to print a limited number of copies which would be available on request and can be distributed at surgeries, events and to partners.
- 1.4. This approach builds on the experience of what worked well last year and is felt to provide the best value for money. The option to obtain a translated version of the Annual Report will be made to enable non-English speakers to read it, and Braille and large print versions will also be offered. Printed copies will be sent on request to those not able to access it online.
- 1.5. It is intended that a media release will be issued when the Annual Report has been approved.

2. Supplementary information

- 2.1 The Annual Report is appended to this covering report. The Panel is invited to ask questions about the content of the Annual Report.

3. Implications

- 3.1 Financial
The cost of printing the Annual Report has been included in the OPCC budget
- 3.2 Legal
The Police and Crime Commissioner has a statutory responsibility to produce an Annual Report.
- 3.3 Risk
None
- 3.4 HR / Equality
None

Annual Report 2017 - 2018

Foreword by Peter McCall

I am very pleased to present my Annual Report for 2017-2018, and I hope you enjoy reading it.

I would like to begin by saying how proud I am of Cumbria Constabulary, its officers, PCSOs, police staff, and volunteers, for continuing to keep the county safe during what has been another challenging year in terms of finances and demands for service. So, a big thank you to all.

I would also like to take this opportunity to record my thanks to our many partners who also work with us in our communities, and without whom we would not be able to achieve what we have.

Since my last annual report, there have been changes in the Chief Officer team. In March this year we said farewell to Chief Constable Jerry Graham, when he retired after 32 years police service, the last nine of which were here in Cumbria. Then following a rigorous selection process, we warmly welcomed Mrs Michelle Skeer, formerly Deputy Chief Constable as his successor. Mrs Skeer has a wealth of valuable experience having been part of Cumbria Constabulary for more than 28 years. I very much look forward to working with Mrs Skeer and her Chief Officer team, and monitoring their progress on delivery of the Police and Crime Plan.

In this Report you can read about the progress I have made against the objectives of the Police and Crime Plan, including how we are tackling YOUR priorities. I also explain how I have held the Chief Constable to account, and met my statutory duties.

One particular highlight for me this year that I would like to mention here, is the mandate that I received through my public consultation in January 2018 to increase the council tax precept. I know that increasing council tax is never popular and it was a hard decision for me to make, but I believe strongly that your safety and security is more important to me.

The additional money that we will receive through the 5.4% increase in council tax will contribute to the funding of an additional 25 police officers who will be visible and present in your local communities helping to tackle the issues that are important to you, including anti-social behaviour and road safety.

We will also be able to maintain our PCSO numbers and bolster our armed officer resource, and improve the protection of our children from abuse especially online grooming and exploitation. Greater protection for us all from new digital crime trends such as online crime and fraud will be something else I will be able to provide resources for, thanks to the additional funds. Throughout the year I will provide regular updates to demonstrate what progress I am making in these areas.

Looking ahead, whilst our financial position will remain challenging, we will also start to reap the benefits from earlier investment in technology such as the improvements to the Communications Centre, the roll-out of body worn video cameras, and increased use of mobile technology. This will improve communication with the public and should help reduce waiting time on 101.

Finally, a great thing about writing my Annual Report is that it not only provides the perfect opportunity to explain to you how I am fulfilling my statutory duties, but I hope also it provides a good insight into the breadth and depth of how I have engaged with, and listened to, you the people of Cumbria. I hope too, that this Annual Report will illustrate what difference you have made in keeping your communities safe.

I often say that my vision is 'We - Not They', and I am really grateful that so many people have bought into this vision, we are really seeing this start to happen on the ground now and to see the positive effect – so thank you!

Peter McCall

Police and Crime Commissioner for Cumbria

Further Information

You can find much more information about how I am carrying out my role on my website www.cumbria-pcc.gov.uk or you can also contact my office on 01768 217734 or email commissioner@cumbria-pcc.gov.uk

Accountability and Statutory

Holding the Chief Constable to Account

A significant statutory part of my role as Police and Crime Commissioner is to hold the Chief Constable to account for policing services on behalf of the public of Cumbria. There are a number of ways that I do this. I hold regular Public Accountability Conferences which meet in public, where members of the public and media representatives are invited to attend. At these meetings I scrutinise the Constabulary's performance in all aspects of policing services. I also meet the Chief Constable weekly, to discuss any significant or emerging issues. This year, I have held 10 PACs.

You can read the Minutes and Papers from these meetings on my website. <https://cumbria-pcc.gov.uk/your-pcc/public-meetings/>

Police and Crime Panel

The Police and Crime Panel's role is to scrutinise the Police and Crime Commissioner and to see how I am carrying out my responsibilities. As well as questioning me on my progress on how I am delivering against my Police and Crime Plan and holding the Chief Constable to account, the Panel scrutinises my proposed council tax. The Panel is also a useful forum to hear alternative views and I am keen to work with the Panel using their mixed experience and expertise for the benefit of the public. Further information is available on the Panel's website at <http://cumbriapcp.org.uk>

Joint Audit and Standards Committee

The Joint Audit and Standards Committee has been established to check that I have the right financial and governance systems and controls in place. You can find further information on my website. <https://cumbria-pcc.gov.uk/finance-governance/budget-finance/joint-audit-and-standards-committee/>

Internal Audit

I have an agreed Audit Plan in place with our Internal Auditors, who undertake an annual risk assessment and use it to prepare a risk-based audit plan, targeting resources at the areas identified as highest risk to myself and the Office of the Police and Crime

Commissioner, and the Chief Constable. This then allows Internal Audit to give an overall opinion on systems of risk management, internal control and governance. Their core purpose is to provide Senior Management, the Joint Audit and Standards Committee and the Public Accountability Conference with independent, objective assurance that their respective organisations have adequate and effective systems of risk management, internal control and governance. Further information and Internal Audit plans and reports can be seen on my website. <https://cumbria-pcc.gov.uk/finance-governance/>

External Auditors

The External Auditors, currently Grant Thornton, provide an independent 'opinion' of the Statement of Accounts based on their statutory audit. I am pleased to say that they issued an 'unqualified audit opinion' for the 2016-2017 accounts, and considered that the accounts had been properly prepared in accordance with the Code of Practice on Local Authority Accounting. They also commented that 'the PCC and Chief Constable have proper arrangements in place for ensuring they plan finances effectively to support its strategic functions and their arrangements for ensuring informed decision making'. They also concluded that we have proper arrangements in place for acting in the public interest through demonstrating and applying the principles of good governance.

Ethics and Integrity Panel

The Independent Ethics and Integrity Panel, formed jointly with the Chief Constable in 2015, continues to ensure high standards of integrity and ethical working within both the Office of the Police and Crime Commissioner and the Constabulary. A key aim of the Panel is that it will provide openness and accountability to the public. The Panel which comprises local, independent members report to the Public Accountability Conference on a quarterly basis, summarising the areas of activity they have undertaken, the recommendations they have made and the actions taken in response to those recommendations. You can read the meeting minutes and associated papers on my website. <https://cumbria-pcc.gov.uk/what-we-do/ethics-integrity-panel/>

Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS)

Inspection Reports

I very much welcome the professional, independent scrutiny provided by HMICFRS, who decide on the areas of activity to be inspected based on their assessment of what is in the public interest. Their considerations include risks to the public, the integrity of policing, service quality and public concerns. The evidence they gather is used to drive improvements in the service provided to the public.

These thematic inspections consider subjects in depth, identifying problems and good practice, and providing detailed judgments in relation to specific aspects of policing. However, even when the findings of thematic inspections are viewed together, they cannot provide a rounded assessment of every aspect of what police forces do. To fill this gap, in 2015 HMIC started to undertake a broader type of inspection, known as Police Efficiency, Effectiveness and Legitimacy assessments (PEEL), alongside the thematic inspections described above.

One of the highlights for me this year was in February 2018 when we received a national report from HMICFRS on police leadership, in which Cumbria Constabulary are praised for best practice in a number of areas.

As part of its annual PEEL inspection, HMICFRS inspectors examined the degree to which leadership is understood within policing, how forces work to develop leadership, and how well leadership is displayed by a force. Leadership is inspected at all ranks and grades. This was excellent news and rewarding to know that the hard work and leadership of Cumbria Police has been recognised for best practice no less than three times in this national report covering all forces in England and Wales.

This latest report confirms previous ones in the last two years grading Cumbria Police as 'Good' across the board and highlights examples of excellent leadership in a number of areas, namely: Developing a focus on wellbeing; improving promotion selection processes; and most importantly understanding vulnerability and how to deal with this, including investigations.

Regarding 'Understanding Vulnerability', the Report uses the force as an example of good practice, stating they 'found senior leaders communicating their strategy of protecting vulnerable people in many ways', citing the recent 'Keep me Safe' project. The project has

a multi-stranded approach to ensure that everyone, officers, staff, volunteers, know their responsibilities around safeguarding.

In terms of developing a focus on wellbeing, the Report highlights a number of positive examples, citing the regular Wellbeing Board chaired by the DCC, and the 'valuing individuals' group. Supervisors that the assessors spoke to said they were actively encouraged to do what they can to maintain a better work-life balance, for instance, ensuring they take their allocated rest day.

Whilst there is always more to be done and the Force can never afford to be complacent, it is absolutely right that they have credit and recognition where it is due. This report is produced by the experts who inspect every force in the country, it is therefore a great testimony to the hard work, dedication and professionalism of every member for Cumbria Constabulary to be recognised in these important areas.

All HMICFRS reports are published on their website: www.hmic.gov.uk and all of my responses to HMICFRS can be read on my website. <https://cumbria-pcc.gov.uk/your-pcc/hmic-reports/>

Setting the Policing Budget

I have set a balanced budget for 2017-2018, and approved the police precept with the welcome support of the Chief Constable and Police and Crime Panel. I have agreed revenue funding of £111.5m for the Chief Constable. Details of the revenue and capital budget and the advice I received from my Chief Finance Officer can be viewed in the reports set out on my website. <https://cumbria-pcc.gov.uk/finance-governance/budget-finance/>

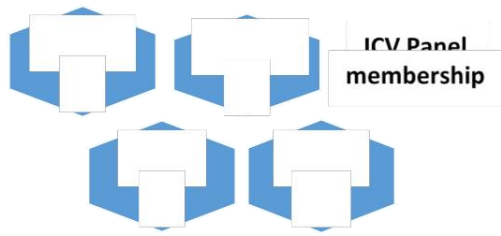


Another of my statutory duties is to ensure that an independent custody visitor scheme runs properly and I oversee its operation, helping to ensure that detainees in police custody are treated appropriately. I believe it also provides reassurance to the public that this is the case.



As well as the ICV Scheme, we also run an Animal Welfare Scheme, although there is no statutory requirement to do so. A panel, currently made up of eight volunteers drawn from the ranks of the ICV scheme, makes visits to the dog section at Police Headquarters.

The Independent Custody Visiting Scheme is made up of volunteers who live or work in Cumbria. They make unannounced visits to Police Stations to check on the welfare and wellbeing of people in police custody. There are currently four panels of up to 12 volunteers each across Cumbria, in Barrow, Kendal, North Cumbria and West Cumbria.



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Police and Crime Plan Objectives

- 1. Your Priorities for Cumbria (Green)**
- 2. A Visible and Effective Police Presence (Pink)**
- 3. Tackle Crime and Anti-social Behaviour (Red)**
- 4. Ensure Offenders Face a Consequence for their Crime (Grey)**
- 5. Always Put Victims First (Yellow)**
- 6. Focus our Police on Online and Sexual Crime (turquoise)**
- 7. Spend Your Money Wisely (orange)**
- 8. Supporting Young People (Purple)**

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1. Your Priorities for Cumbria (Green)

Working with the local community, the Police and partner agencies to:

- ✓ Get feedback from members of the public across the county to understand what they think the Police's priorities should be;
- ✓ Support and enable community groups to prevent and tackle crime and disorder in their area.

'Get feedback from members of the public across the county to understand what they think the Police's priorities should be'

This first objective in my Police and Crime Plan very much demonstrates the ethos of the Police and Crime Commissioner role. It is about public engagement, and listening to what people have to say, and acting on it where I can. In other words – 'You Said – We Did'.

Why do I engage with the public of Cumbria?
To provide a voice for the public in policing and to ensure that local people's views are considered in deciding on police priorities. (Objective 1 of Police and Crime Plan)
To seek the views of the public when determining the level of council tax precept.
Provide opportunities for people to raise issues, share views, and express their satisfaction or dissatisfaction with the police.
To raise public awareness of role of PCC.
To improve the public's understanding of the PCC role
To build and develop relationships between the PCC, public, partners, private sector, volunteers, third sector, and under-represented groups
To recognise and respect the various cultures (protected characteristics) and diversity of communities and other factors that influence how different members of the public will engage

So, what have I done this year?

- ✓ I have used the results of the public consultation on setting the council tax precept to influence and set the budget for financial year 2018-2019.

- ✓ I also reported back to the public on the progress of the Police and Crime Plan, through the publication of this Annual Report.
- ✓ Where people raise issues or concerns, they are logged as 'Quality of Service or Policing Issues' (QSPI). This is so that where action is required, cases can be tracked and trends can be identified.
- ✓ From the feedback received through various methods of engagement, four main recurring QSPI themes emerged: Concerns about police resources/visibility/level of service; Car parking/anti-social driving issues/speeding; Performance of non-emergency service 101; concerns around anti-social behaviour.

Below is a summary of the four themes, and the figures relate to how many instances that these concerns have been raised during the period of this Report.

Top Four QSPI Issues (1 Jan 2017 – 31 March 2018)	No
Police Resources / Police Service	73
Car Parking / Driving Issues	46
Performance of non-emergency 101	23
Anti-Social Behaviour	23

And what have I done about the things you have told me?

The table below summarises what action or activity has taken place in response to what the public have had to say, and what outcomes have been achieved.

You said...	How....	What we did.....
What you considered the priorities for the police in Cumbria to be.	<ul style="list-style-type: none"> • Survey • Surgeries • Correspondence 	<p>With my office, I developed the Police and Crime Plan following a large scale public consultation when the Commissioner took up office in June 2016. Each year, through my Annual Report, I summarise how I am fulfilling my duties and what progress is being made against the objectives and priorities in the Police and Crime Plan.</p> <p>I also provide regular updates to the Police and Crime Panel, setting out what progress is being made against the Police and Crime Plan.</p>

<p>What you would be willing to pay for police through the police precept.</p>	<ul style="list-style-type: none"> • Survey • Surgeries • Correspondence 	<p>I launched a public consultation on how much more residents would be prepared to pay for policing services in the county. I prefaced this by offering to fund more visible policing, increasing officer numbers and maintaining PCSO numbers.</p> <p>The public consultation resulted in 72% of those who took part in the survey (1500) being in favour of the proposal to increase council tax precept by 5.42%. This was subsequently ratified by the Police and Crime Panel on 23 January 2018, and the budget was agreed at the Commissioner’s Public Accountability Conference on 14 February 2018.</p>
<p>You have concerns about police resources, visibility, level of service.</p>	<ul style="list-style-type: none"> • Correspondence • Surgeries • Public meetings • Local council meetings • Social media • Surveys 	<p>Police visibility and lack of resources is an area of concern that is raised with me most often, and as a result, I responded by pledging to increase officer numbers, and maintain PCSO numbers.</p> <p>In terms of concerns over the quality and level of service when members of the public have had contact with Cumbria Constabulary, my office regularly analyse the information it has received, enabling the identification of any trends or patterns. This process also enables the OPCC, Constabulary and Professional Standards Department, to identify and share any organisational learning from the cases.</p> <p>In all cases received during this report period, I was able to provide advice or information, or acted as the conduit through which the Constabulary resolved the issue with the individual. I believe This helps to demonstrate to the public that it is worth raising concerns with me, and that by identifying systemic shortfalls in service delivery, it is possible to improve services.</p>

<p>You have concerns about car parking, anti-social driving, speeding.</p>	<ul style="list-style-type: none"> • Surgeries • Correspondence • Telephone calls • Local council meetings 	<p>In response to this, I have also pledged to put more resources into tackling anti-social behavior and road safety. To that end, I am in regular contact with ACC Webster, who led the Constabulary’s road safety week in November. I am currently in discussion with the force about providing more funding for road safety initiatives.</p> <p>By sharing the information from the OPCC the Constabulary has been able to pinpoint areas of greatest concern to local communities and where necessary work with them and partner organisations to improve driving throughout Cumbria.</p> <p>I was able to fund a number of ‘speedwatch’ initiatives, empowering local communities to help prevent speeding in their areas. I am now in the process of extending this further, with Neighbourhood Watch volunteers.</p> <p>I have also funded the road safety charity Brake who support victims of road traffic accidents and offers specialist services.</p>
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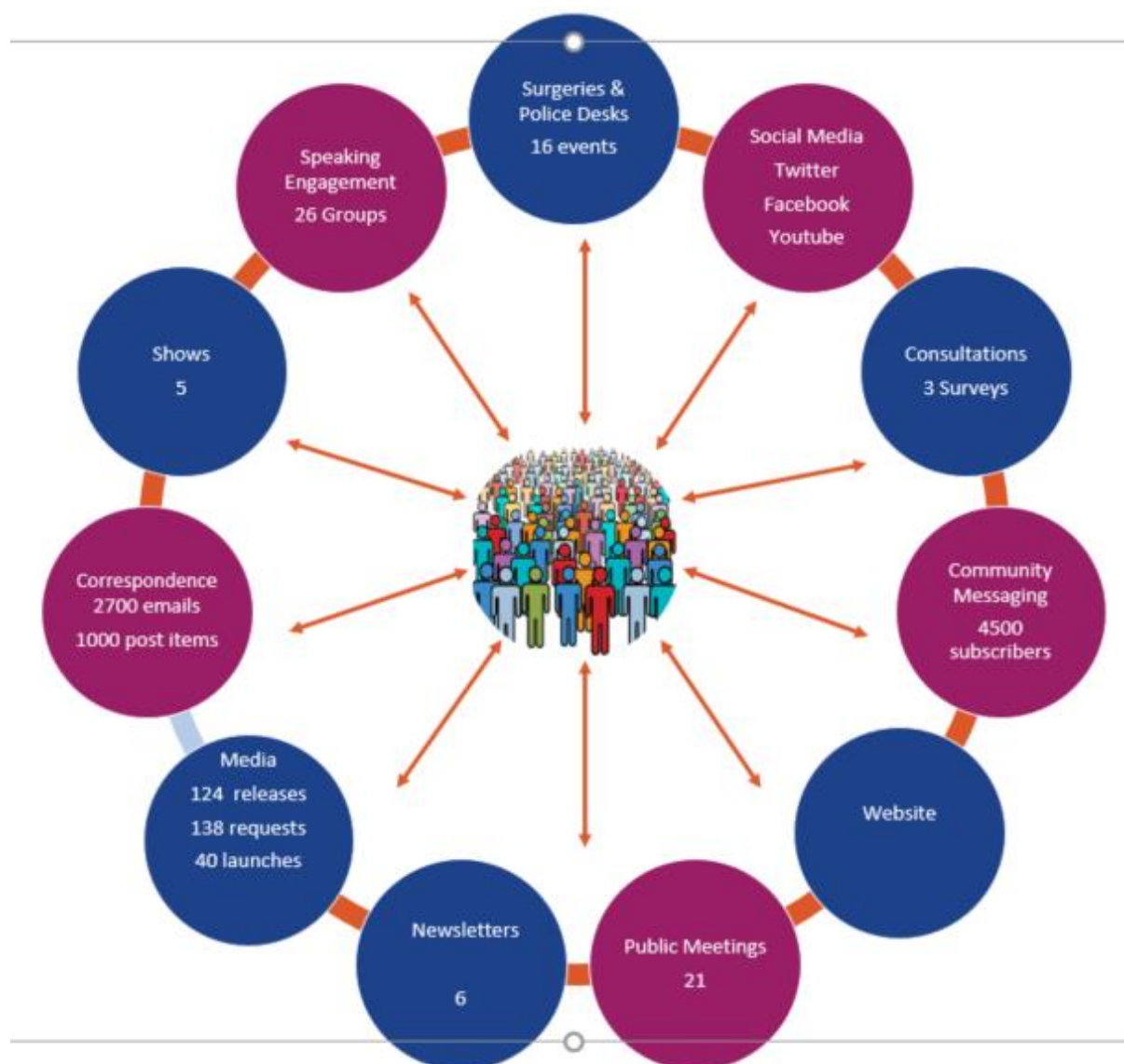
<p>You have concerns around the performance of the non-emergency 101 service</p>	<ul style="list-style-type: none"> • Letters • Telephone calls • Surgeries • Local council meetings • Surveys 	<p>This has been quite a high profile issue this year, and one that I have raised at my one-to-one meetings with the Chief Constable. I am pleased to say that as a result, a number of improvements and processes have been implemented. For instance:</p> <p>I now receives weekly performance updates from the Constabulary and in general terms the situation is improving and non-emergency calls are being answered within 3-5 minutes (on average).</p> <p>Through improved external constabulary communications, the public have been made aware of other methods to report non-emergencies. The force also put out a regular update on performance times for emergency and non-emergency calls.</p> <p>In recognition that this aspect of police service is of concern to the public, I also pledged that through the increased police precept funding that I want to support the constabulary in finding ‘smarter’ ways of reporting crimes etc.</p> <p>In this respect, I am pleased to report that work has commenced on a new integrated communications system that will replace several systems currently used with a single software application, and bring many improvements and benefits to the public. These include:</p> <ul style="list-style-type: none"> • Integration of numerous programmes already in use resulting in a reduction of repetitive keying – delivering a quicker response for the public. • The single application means information supplied by the public is more secure. • Greater public contact methods including social media for people to engage with police. • Superior live-time reporting allows for resources to be deployed effectively and increases visibility.
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- Improved situational awareness by effective capturing and sharing of information to officers on the ground.
- Enhanced data that will improve intelligence available for officers

This is an exciting development, and I am looking forward to seeing the first phase of the development going live in the spring of 2019.

<p>You have concerns about anti-social behaviour in your communities.</p>	<ul style="list-style-type: none"> • Surgeries • Local council meetings • Public meetings • correspondence • Telephone calls 	<p>I have put a lot of effort this year into speaking to the public about such issues, and have attended a number of local meetings in response to a spike in reports of anti-social behaviour in various areas of the county.</p> <p>Both myself and local officers have attended these meetings to demonstrate commitment to finding resolutions and improving relationships, and provide reassurance. Where specific incidents were raised, these were passed to the Constabulary, via the Chief Constable's office for the matter to be dealt with.</p> <p>On each occasion the individual incidents were looked at with various solutions being put in place via the local problem solving team and individual officers with a view to looking at longer term solutions.</p> <p>For instance, an issue with anti-social behaviour was identified within Wigton and specific measures implemented to deal with matters was put in place. There was a targeted operation for six weeks with oversight from the policing area Superintendent.</p> <p>Another approach has been for me to promote my vision of 'we – not they', and empower local communities to find solutions themselves. To this end I have funded numerous community projects through my Community and Property funds to help prevent anti-social behaviour, more of which you can read about in this Annual Report.</p> <p>I also funded additional police inspector posts within the territorial policing areas via my Community Fund. This has enabled a restructuring of the local policing teams and the areas they cover, allowing better coverage and monitoring of many issues including anti-social behaviour.</p>
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How have I engaged with the public?



‘Support and enable community groups to prevent and tackle crime and disorder in their area’ – ‘we – not they’.

I have continued to empower local communities to help tackle the issues in their local areas. I’m always impressed with the dedication and drive of the people who want to champion their causes and projects, and again this year have provided funding of over £180,000 for various projects from my Community Fund and Property Fund. Both funds have a fairly strict set of criteria based on what the project will deliver in terms of addressing priorities in my Police and Crime Plan, and applicants need to be able to demonstrate how they will

achieve this. Here is a summary of what I funded this year, and you can read more about some of these projects throughout this Report.

Community Fund

Phoenix Youth Project	£9,545
Our Place Youth Club	£4,500
Youth Engagement Service	£3,998
Summer Splash	£9,500
West Cumbria Domestic Violence Support	£9,375
Garden Life	£10,000
Skelton Brownies	£9,085
Cowran Care	£9,980
Greenwich Leisure	£10,000

Property Fund

Estuary Youth	£1,722
Kirkby Thore School	£2,500
Drop Zone Youth Projects	£2,500
1st Windermere Sea Scout Group	£1,500

Impact Housing	£900
Netherhall Rugby Football Club	£2,500
Pride in North Cumbria	£2,500
Highfield Community Centre	£1,380
People First	£2,500
Urban Extreme	£1,866
Country Watch Eden/NFU	£2,000
Allerdale Girls Football Club	£2,500
1st Wigton Baden Powell Scouts	£2,500
1127 (Kendal) Squadron RAF Air Cadets	£2,500
Whicham Parish Council	£500
Cockermouth Titan's Rugby League Youth Team	£1,500
Brough Parish Council	£2,500
Wath Brow Hornets ARLFC Youth Section	£2,491
Chofhs Youth Group	£1,968
Cleator Moor Celtic Football Club	£2,376
Dalton Detachment, Cumbria Army Cadet Force	£2,500
West Cumbria Care and Support	£2,408
Maryport Education Settlement	£2,500
Cleator Cricket Club	£1,860

Keswick Judo Club	£2500
Castletown U10 Girls Football Club	£915
Temple Sowerby Victory Hall	£943
Crusaders Football Club	£2500
Howgill – Millom Childrens Centre	£1000

A full list of the funds available and what grants have been awarded can be found in on my website at: <https://cumbria-pcc.gov.uk/what-we-do/funding/>

2. A Visible and Effective Police Presence (Pink)

Working with the local community, the Police and partner agencies to:

- ✓ Look at how we provide visible uniformed policing in our communities;
- ✓ Make sure the Police are engaged in our local communities to understand local issues;

Make sure the Police understand and are tackling the types of crimes which are affecting people today;
- ✓ Collaborate with other forces and agencies in specialist areas;
- ✓ Make improvements in the areas which recent inspections of the Police found could be done better;
- ✓ Make sure the Police are ready to deal with threats which develop in or affect a wider area than Cumbria, including civil emergencies/ natural disasters, terrorism, cyber-attacks, organised crime and public order.

A significant part of my statutory role is to oversee the performance of Cumbria Constabulary, and holding the Chief Constable to account for the delivery of effective policing in the county on behalf of the public. I have demonstrated this over the last year, in a number of ways.

Look at how we provide visible uniformed policing in our communities;

Wherever I go in the county – a very strong message I receive from the public is that they want more visible policing in their communities. So, I am really pleased to be able to report good progress in this area. With the support of the public through my public consultation on the police precept, I have been able to pledge to recruit an additional 25 police officers – who will be deployed across the county to enhance the neighbourhood policing teams. Coupled with my promise to retain the level of Police Community Support Officers (PCSO) at 95, I feel this will really bolster police visibility.

In addition to this, I am very proud to report that we have now have our own 'Mini Police' force in Cumbria. Mini Police aims to increase trust and confidence within both the young people and communities.

This was launched in the spring, and over the summer, 28 Cumbrian schools will work with the police to run the programme, which will be delivered by their local PCSOs.

This will involve structured lessons – the first being on water safety, ahead of the school holidays – progressing on to community engagement activities, such as speed watch, visiting local care homes, and improving run down play areas.

It's a great way to increase engagement, not just with the children themselves, but experience in other areas show that this naturally leads to engagement with their parents and carers, which will in turn indirectly allow for greater engagement with the wider community.

The children I have met so far have impressed me with their enthusiasm and I am looking forward to seeing the scheme develop in the county.

And to complete the picture, we have also launched a volunteer Police Cadet scheme, which will provide another invaluable scheme which aims to:

- To promote a practical understanding of policing amongst all young people.
- To encourage the spirit of adventure and good citizenship.

- To support local policing priorities through volunteering and give young people a chance to be heard.
- To inspire young people to participate positively in their communities

I'm really looking forward to seeing this develop further over this next year.

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<p>Make sure the Police are engaged in our local communities to understand local issues</p>	<p>This is a very important area of work, because if we don't know what the local issues are, then we will not be able to address them. Through my Public Accountability Conference, the Force are able to explain to me how they go about engaging with their communities, for instance, through holding regular drop-in sessions, attending local events, involving local people in operations and schemes such as Farm Watch, Shop Watch etc.</p> <p>In order to test out how effective this is, I welcome the fact that the Force carry out an annual consultation – jointly with my office – which asks questions around what the local concerns are, as well as feelings of safety, level of confidence and satisfaction with the Police. The Force then report back to me to discuss the results and any follow up actions.</p> <p>I also get assurance in this area through reports from HMICFRS, who regularly assess all aspects of policing, including public perceptions, satisfaction levels, police efficiency, effectiveness and legitimacy.</p>
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<p>Make sure the Police understand and are tackling the types of crimes which are affecting people today;</p>	<p>I have continued to examine crime levels and public satisfaction regularly, as well as monitoring police performance in a range of areas; regular performance reviews at Public Accountability Conferences, alongside audits and visits to departments, have allowed me to scrutinise whether the Constabulary is operating effectively, efficiently, with integrity and promoting equal opportunities, both in engaging the public and as an employer.</p> <p>In terms of crime levels this year, crime has increased by 12% over the last 12 months to 31 March 2018. This equates to 3,144 more crimes being recorded, at a time when anti-social behaviour has dropped by 8.5%.</p> <p>In particular, two categories that have seen significant increases:</p> <ul style="list-style-type: none">• Violence against the person rose by 28%, a proportion of this relates to domestic abuse• Sexual Offences (rape and other sexual offences) rose by 32%. <p>These are areas that we have all worked incredibly hard to give victims the confidence to come forward and report, and I take from this that the message is being heard by victims and vulnerable people.</p> <p>Of course, any rise in crime is naturally a concern but on this occasion the increase of 12% in reported crimes is neither a surprise or unwelcome. Nationally, there has been an increasing trend in reported crime increasing.</p> <p>More accurate reporting of offences has also contributed to many of the rises, and again, this is to be welcomed. That said, I am not complacent and do not just accept that all rises in crime can be accounted for in this way, we must look to identify and tackle the underlying issues. This is what I expect from the Force, and I regularly challenge them to provide me with reassurance about this.</p>
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<p>Collaborate with other forces and agencies in specialist areas;</p>	<p>I continue to take advantage of opportunities to collaborate with others. For example, this year I co-funded the North West Regional Co-ordinator for Crimestoppers, and since then, statistical data for 2017-2018 has indicated there has been a 19.1% increase in the number of calls received by Crimestoppers for Cumbria. And from this, actionable information has increased by 8.1%, goods recovered for this period equated to £1,100 and drug seized equated to £22, 160.</p> <p>The Regional Manager has worked closely with Titan on a North West pilot campaign for 'County Lines' and delivered a campaign in West Cumbria which reached over 35,000 people and resulted in Cumbria Police seeing a significant increase in community intelligence from the area.</p> <p>This year has seen developments in the area of 'blue light collaboration' - you can read about this in the section 'How We Will Work – Working in Partnership' further on in this Report.</p>
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<p>Make improvements in the areas which recent inspections of the Police found could be done better</p>	<p>I also oversee areas that have been identified by Her Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS) as requiring improvement. Following each inspection, HMICFRS produce a report that summarises their assessment of Cumbria Constabulary, and specifies any recommendations or areas for improvement.</p> <p>This year, as part of its annual PEEL inspection, HMICFRS's Efficiency programme, inspectors assessed Cumbria Constabulary's performance in the following areas: Preventing crime and tackling anti-social behaviour; investigating crime and reducing re-offending; protecting vulnerable people; tackling serious and organised crime.</p> <p>I am delighted to report that they were deemed as 'good' in all four key areas. This is a great achievement, and a resoundingly positive testament to all officers, staff and volunteers for their efforts. These reports are important as they enable me to be assured on behalf of the people of Cumbria that our Police Force is performing well, as judged by the independent national inspectorate.</p> <p>Whilst there is always more to be done and the force can never afford to be complacent, it is absolutely right that they have credit and recognition where it is due. This report is produced by HMICFRS, the experts who inspect every force in the country, it is therefore a great testimony to the hard work, dedication and professionalism of every member for Cumbria Constabulary to be recognised in these important areas.</p>
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<p>Make sure the Police are ready to deal with threats which develop in or affect a wider area than Cumbria, including civil emergencies/ natural disasters, terrorism, cyber-attacks, organised crime and public order</p>	<p>Regrettably we are in a climate of an increase in threats to our safety from many sources, and we need to have a police force that are equipped to deal not just with existing threats, but those that are emerging, such as an increase in cyber-attacks. In recognition of this, and to provide reassurance to the public that I take this seriously, I have pledged to increase the number of armed officers available to protect and respond to any potential terror threat or dangerous individuals in Cumbria. This is very important, as I know that in the summer of 2017 when additional armed officers were deployed in the county in response to the terror attacks in the UK and abroad, feedback from the public was that they felt reassured by this.</p> <p>In terms of my assurance that the Force are able to manage civil emergencies and natural disasters, I saw this first hand earlier this year. As some of you may know, in March 2018 Cumbria was hit fairly hard by ‘The Beast from the East’, with heavy snowfall – up to twelve feet in some areas, affecting many parts of the county, leaving some residents in more rural areas isolated and in need of supplies and medical assistance. I cannot praise Cumbria Police, staff and volunteers highly enough for their excellent response. The Force, along with other emergency services, the Army, Royal Air Force, and other partners, worked tirelessly to help keep the county going and keep people safe.</p> <p>I am not just talking about front line officers either, but the ‘back-office’ staff and volunteers too, who used innovative communications tools to keep the public informed as the situation developed. With many staff not able to get in to the office, the mobile technology that was rolled-out over the last year came into its own, and most were able to operate on a ‘business as usual’ basis.</p>
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3. Tackle Crime and Anti-social Behaviour (Red)

Working with the local community, the Police and partner agencies to:

- ✓ Tackle domestic abuse early on to stop people suffering;
- ✓ Address hate crime and make it clear it will not be tolerated;
- ✓ Address crime which affects people in rural parts of the county;
- ✓ Be proactive in tackling anti-social behaviour;
- ✓ Make it easy and effective to report crime and anti-social behaviour;
- ✓ Tackle alcohol and substance misuse, including new psychoactive substances;
- ✓ Focus on serious and organised crime;
- ✓ Target speeding and dangerous driving;
- ✓ Protect the vulnerable and elderly from crime, such as online crime.

<p>Tackle domestic abuse early on to stop people suffering;</p>	<p>This year we have made good progress in raising awareness and tackling the issue of domestic abuse. I have funded a number of projects specifically to address this, for example:</p> <p>Turning the Spotlight on Domestic Abuse (Victim Support) Turning the Spotlight is an innovative programme that takes a preventative and holistic approach to working with perpetrators, victims and their families, using restorative principals to prevent and reduce incidents of domestic abuse. The project has received 351 referrals since its implementation in 2015.</p> <p>Following the success of this programme, in October 2017 I decided to commit further funding of £585,878 over two and a half years, to support a further tranche, and Victim Support were selected to deliver the programme following a competitive procurement exercise.</p> <p>Victim Support have worked in partnership with Craft, a specialist consultancy organisation to develop a Healthy Relationships, Parenting and Partner Support course that will be offered alongside one to one support for those who are experiencing issues within their relationship.</p> <p>Since then, 48 perpetrators and 25 partners have attended Healthy Relationships' courses, along with 33 attending the parenting sessions.</p> <p>I have seen for myself what a difference this Programme can make. In November 2017 I attended one of Victim Support and Craft's</p>
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<p>Address hate crime and make it clear it will not be tolerated;</p>	<p>Hate-Crime in all its forms simply will not be tolerated in Cumbria and I am committed to doing more to encourage people to come forward and report hate crime, although I know in some circumstances how difficult this can be. By spreading the message I am hopeful that awareness will be raised and I encourage all victims to have the confidence to come forward so that we can help.</p> <p>To that end, I funded and commissioned a number of projects.</p> <p>For instance, I funded the not-for-profit production company, Alter Ego, to deliver an educational play called 'Feel the Hate' in secondary schools across Cumbria.</p> <p>I went to see the play in October 2017 at the Furness Academy, and I must say that I found the performance immensely powerful and hard hitting. Judging by the reactions of the young people watching, I am confident that the messages hit home.</p> <p>I funded Carlisle MENCAP to design, produce and deliver a DVD on 'Mate Crime', which was officially launched on 20th March 2018. The film produced by 'Independence Studio', an animation and art studio run by Carlisle MENCAP is designed to empower disabled people to come forward and report if they have been a victim of, or witnessed incidents of hate crime.</p> <p>I was really keen to support this project, as they do such vital work in our community to raise awareness of issues like Mate Crime. This is one of the cruellest forms of hate crime and one which people with learning disabilities are particularly vulnerable to. We want people to know how to avoid being caught up in it and how to report it, and this film will help do that.</p> <p>I also funded the 'Triple A Project' to design, produce and deliver a DVD on Autism Awareness. The DVD - 'All About Autism' – is a training film for police, which aims to raise awareness and promote understanding of autism, and was the result of a successful partnership project with Cumbria Police, produced by University of Cumbria. The funding also enabled Triple A Project to reinstate the Autism Alert Card, which will also be launched at this event.</p> <p>Triple A Project's application for funding highlighted to me that there is a high degree of vulnerability within the autistic</p>
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community, particularly young adults, who as well as being susceptible to becoming victims of exploitation and hate-crime, are also at higher risk of becoming perpetrators of criminal and anti-social behaviour.

I have also commissioned **Sodex CRC Rate Care** for twelve months to deliver Values, Attitudes and Behaviour courses. The two interventions, Rights and Responsibilities, is a skills based intervention for perpetrators of hate crime. Values, Attitudes and Behaviour aims to prompt insight and behaviour change and is intended for those who exhibit hate-based behaviours and attitudes.

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Address crime which affects people in rural parts of the county;

Cumbria is defined by HMICFRS as '98% rural and mountainous, with 150 miles of coastline, geographically isolated and with a sparse population.' Given this, 'rural crime' is clearly an important area to tackle, and I am pleased to have been able to fund a number of community projects that aim to address local issues.

I believe this is not something the police alone can tackle, so it is good to see joint initiatives such as 'Country Watch West' which was set up between Cumbria Constabulary and the National Farmers Union. The scheme uses social media to appeal for information, raise awareness and provide alerts to farmers. It is good to see new and innovative ways to prevent and tackle crime, and this is a great example of how we can work together for the benefit of the community. Building on the success of this, there are now similar schemes in other areas of the county.

However, 'rural crime' is not only about sheep worrying, farm machinery theft and deer poaching, it is any crime or anti-social behaviour experienced by people living in sparsely populated areas. This is why I am so keen to extend visible neighbourhood policing right across the county – in both urban and rural areas.

What I regularly hear when I visit the smaller villages in the county, is that there are feelings of vulnerability often due to the distances that would need to be covered in the event of an emergency.

Whilst the volume of crime in rural areas is very often lower than in urban locations, its consequences can be equally impactful and profoundly undermine feelings of personal safety.

Providing services across large, sparsely populated geographical areas can also be more costly than in urban areas, and as resources come under even greater pressure, this is becoming even more challenging. It is vital that the voice of the countryside is heard and the personal, social and economic costs of crime and anti-social behaviour are fully understood and acted upon. This is why I signed up to the National Rural Crime Network, who are doing a lot of research in this area, and have just launched a new survey. It is now three years since the last National Rural Crime Survey revealed the huge cost of crime to rural communities – both financial, at £800 million per year, and fear, with chronic under-reporting, anger and frustration at the police and government.

<p>Be proactive in tackling anti-social behaviour; Make it easy and effective to report crime and anti-social behaviour;</p>	<p>Although this year’s crime statistics suggest that anti-social behaviour is down by -8.5%, with youth anti-social behaviour down by -9.5%, it does not mean we are complacent and I have continued to invest in schemes which provide diversionary, positive and healthy activities for younger people. In fact this year I have provided funding over approximately £200,000 to youth projects. For example:</p> <p>I funded Phoenix Youth Project to provide youth work sessions in the deprived areas of Cleator Moor, Frizington and Moor Row. 520 young people aged 8 to 19 have engaged in the sessions. The project included the delivery of awareness raising workshops including drugs and alcohol abuse, sex and relationships, anti-social behaviour and risk taking behaviours. The project also involved young people getting involved in community tasks including helping to run community fun days, garden projects and litter picks. I have had some great feedback, for instance:</p> <p><i>“I have learnt to work with others and gaining a new ASDAN qualification will help my CV.”</i></p> <p><i>“I know how to be inspired by different people and know I can do anything when I put my mind to it.”</i></p> <p><i>“It has given me more confidence, I will be able to talk to more people.”</i></p> <p>I am very encouraged by the statistics that indicate that for the period of April 2017 to March 2018, youth anti-social behaviour has decreased by -25% in the Copeland area when compared to the previous year. When comparing a 3 year average there has been a -15% decrease since my commitment to fund youth-based provision in the Copeland area.</p> <p>Experience shows that there is often a link between alcohol/drugs and those committing anti-social behavior, so I was keen to fund the Youth Engagement Service (South Lakeland) CIC, to deliver 22 New Psychoactive Substances workshops during the summer 2017. The workshops were delivered to 350 young people. The outcomes of the project included young people gaining an understanding of the difference between drugs and different substances, their</p>
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effects and the dangers associated with them. Feedback from young people was encouraging and included:

'I didn't know that there were that many drugs.'

'I learnt that smoking cannabis when I am a teenager can lead to problems when I am older.'

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<p>Focus on serious and organised crime;</p>	<p>I was pleased to read the results of HMICFR Effectiveness Inspection of Cumbria Constabulary in 2017, in that it concluded that the Force is effective at tackling serious and organised crime. It has a good understanding of both local and national threats from organised crime, including newer threats such as modern slavery and cyber-crime.</p> <p>The Inspectors also found that the Force has made progress in the way it manages organised crime groups. However, the Force is not complacent, and continues to work hard to prevent serious and organised crime, and to deter people who are at risk of being drawn into organised criminal activity.</p> <p>I was reassured of this at a recent Public Accountability Conference, when I was provided with a detailed presentation on what steps the Force are taking to tackle this area.</p> <p>I heard that in regard to Organised Crime Groups (OCG) there were currently 54 groups with 19 classified as active and 35 as archived; usually due to police intervention or disruption. In the North West region Cumbria represented less than 3% of OCG's in the region. The Constabulary used a tiered response to OCG's using the regions response group TITAN.</p> <p>I was pleased to hear that there had recently been a number of successful prosecutions within the south of the county seeing a total of 150 years imprisonment for many drugs gangs.</p> <p>Overall I was reassured that the Force are taking a very proactive stance regarding serious and organised crime, and are making good progress.</p>
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Target speeding and dangerous driving;	<p>This is an issue that came through strongly as one of the top four concerns of the public, and as explained under 'Objective 1', I am committed to do what I can in terms of providing funding and resources to tackle this.</p> <p>For example I have agreed to fund three new speed laser devices to increase and support the existing Neighbourhood Watch Scheme county-wide. Example of the success of the projects can be evidenced in the Carlisle area where 15 Community Speed Watch Schemes have been launched in the city and the surrounding area. 768 initial warning letters and 58 final warning letters have been issued by police since its inception.</p>
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<p>Protect the vulnerable and elderly from crime, such as online crime.</p>	<p>Increasingly people live their lives online whether it be through their mobile phone, tablet or computer. This is changing the way that criminals target people. This is why I am committed to help people stay safe online, as cyber-crime is a key threat to individuals, businesses and our communities alike.</p> <p>In June 2017 I funded and launched a three-year cyber-proficiency programme, with 'Get Safe Online' who are specialists in the field of cyber security. They will work with the three Community Safety Partnerships to deliver the programme across the county.</p> <p>You can read more about this under 'Objective 6', but suffice to say that so far more than 400 people have engaged in the cyber-proficiency sessions held throughout the county. Having attended one myself, I can say with authority how good the sessions are, and can echo the positive feedback we have had from some of the participants:</p> <p><i>'Well worth doing.'</i></p> <p><i>'Extremely informative, learned how easy it is to become a victim.'</i></p> <p><i>'An enjoyable, professional and well-presented session.'</i></p> <p><i>'Surprised at how much I learnt, I thought I was relatively 'tech-savvy.'</i></p> <p><i>'Brilliant, I was so unaware of loads of stuff.'</i></p> <p><i>'Learnt a lot.'</i></p> <p><i>'Hugely informative.'</i></p> <p><i>'Excellent information, brilliant presentation.'</i></p> <p><i>'Excellent presentation, easy to understand.'</i></p>
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4. Ensure Offenders Face a Consequence for their Crime (Grey)

Working with the local community, the Police and partner agencies to:

- ✓ Manage offenders in the community after release from prison or a court sentence;
- ✓ Give victims the chance to meet with or write to the person who committed the crime so they can explain the impact it has had (restorative justice);
- ✓ Make sure the Police give victims the opportunity to say how an offender should make amends for lower level crime (Community Remedy).

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<p>Manage offenders in the community after release from prison or a court sentence;</p>	<p>Through the Public Accountability Conferences I am kept fully and regularly briefed by the Force on how offenders are managed in the community. Effective Integrated Offender Management is key, and is a shared responsibility amongst partners and other agencies within the county. The vision for offender management in Cumbria is to proactively manage any locally identified offender, who is problematic to any community or section of a community, through a multi-agency partnership approach. This approach involves engaging with offenders to take responsibility and ownership of their behaviour and the impact it has on the community.</p> <p>One great example of this is a project I have funded in Barrow-in-Furness, known as The Well. So far, more than 700 people have been supported indirectly and 300 ex-offenders through The Well's Mutual Aid Facilitation project. The project uses community recovery champions to work with people to aid recovery from abstinence. Levels of drug use are high amongst offenders, with the highest levels found amongst the most prolific offenders. 47% of adults are reconvicted within one year of release. For those serving sentences of less than 12 months this increases to 58%. The project aimed to reduce the risk of offenders re-offending by targeting their drug and alcohol abuse issues.</p> <p><i>'We have throughout the duration of the project tried to inspire the belief that recovery from offending and substance/alcohol misuse is possible' Dave Higham, CEO The Well</i></p> <p><i>"I feel so fortunate, fortunate to be here and to have my family back in my life. Three months ago my son hated me and wouldn't talk to me. He couldn't even look at me. Now he runs and hugs me each time he visits on family night. All my kids do! I'm so blessed". – David G</i></p>
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<p>Give victims the chance to meet with or write to the person who committed the crime so they can explain the impact it has had (restorative justice);</p>	<p>What I hear when I am out and about is that many of you would like to see more use of restorative processes involving victims and offenders, to give victims a voice in the way the police deal with lower level offences and anti-social behaviour. The restorative justice process can provide victims with a degree of closure which they have had direct control over and have helped to facilitate. Going through the restorative justice meeting has also been proven to have more impact on an offender than a prison sentence or a court punishment alone. The offender can see the consequences of their actions, leading them to make changes in their future behaviour.</p> <p>This year I am encouraged to report that we have had over 80 referrals into the Restorative Justice Hub which is commissioned through my office and is run by not-for-profit company, 'Remedi'. Of these, 45 victim and offender conferences were held, and 44 indirect interventions were carried out.</p> <p>These referrals came from police, Probation, National Offender Managers, and Victim Support. Of these, 96% of victims who received the service indicated they felt safer and/or at least satisfied with the service they have received.</p> <p>By offering Restorative Justice those that have been affected by crime will feel that they have a voice in the criminal justice process and as a result feel that they have been empowered to take control of the situation. They will be able to ask questions and gain answers from the person who committed the crime that they otherwise might never have had the opportunity to do. The Restorative Justice process can be a great way of dealing with offences to the benefit of both the victim and the community. It also provides police officers with the flexibility to deal with a variety of offences effectively.</p>
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<p>Make sure the Police give victims the opportunity to say how an offender should make amends for lower level crime (Community Remedy).</p>	<p>The use of Community Remedy by officers is now embedded within the force. Offering and discussing the Community Remedy with a victim is not optional, it is mandatory and now forms part of their decision making process when considering any 'out of court disposal.'</p> <p>Officers have a 'menu' of options that are discussed with the victim:</p> <ul style="list-style-type: none"> * Reparation <ul style="list-style-type: none"> (1) The offender can be requested to pay for or repair damage or clean graffiti – non enforceable, voluntary, therefore to utilise the perpetrator must be willing. * Restorative <ul style="list-style-type: none"> (1) Facilitated face to face meeting between victim and offender. (2) A written or verbal communication and apology from the offender to the victim * Rehabilitation <ul style="list-style-type: none"> (1) Referral to an intervention programme (Youth Triage) (2) Referral to an outreach programme (Alcohol Misuse) (3) Other programmes that may be commissioned by the OPCC <p>So that I am able to have visibility of how this is used in practice, we have an 'Out of Court Disposal Scrutiny Panel' established in 2013 and chaired by my Office.</p> <p>The aim of the Panel is to independently review a selection of anonymised cases that have been resolved by use of an out of court disposal, to assess how appropriate and consistent with policy it has been used.</p>
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5. Always Put Victims First (Yellow)

Working with the local community, the Police and partner agencies to:

- ✓ Support and give funds, where possible, to organisations offering help and support services to victims of crime, including enhanced services for more serious crimes and vulnerable victims;
- ✓ Listen to and stand up for the rights of victims;
- ✓ Make sure that agencies who work with victims of crime meet national standards (the national Code of Practice for Victims of Crime);
- ✓ Make it quicker and easier to get people who are having a mental health crisis to be taken to a place of safety and a suitable service so they get help quickly and police officers do not have to spend as much time doing this.

<p>Support and give funds, where possible, to organisations offering help and support services to victims of crime, including enhanced services for more serious crimes and vulnerable victims;</p>	<p>Putting victims first is at the heart of my role, and I have a significant, statutory responsibility for commissioning local support services for victims of crime, as well as a wider responsibility for victim's referral and assessment services.</p> <p>To facilitate this, I receive a grant from the Ministry of Justice. In 2017/2018 this grant is £583,761.</p> <p>To help understand where there may be any gaps in services, or to know what areas I should be targeting, my Victims Advocate consults with victims and other stakeholders to get their feedback which shapes and supports the commissioning of services for victims.</p> <p>Taking account of this, this year I have commissioned Victim Support to deliver a Victim Referral Service in Cumbria. The aim of the service is to ensure that all victims of crime (regardless of crime type) are offered support in compliance with the Victims Code of Practice. The service provides a Victim Support line with access to emotional support, emergency information and referral onward to local services.</p> <p>Through the Accountability and Performance Management Framework I have commissioned the Force with developing a modern day slavery problem profile. The findings showed that labour exploitation in car washes was frequently reported and that sexual exploitation had increased. The need to raise awareness and knowledge was evident in order to address the issue in Cumbria, which is why I funded a Multi-Agency 'Modern Day Slavery' event on the 25th May 2017. The conference highlighted the risks of slavery, people trafficking and forced labour to local businesses and professionals as well as explaining the signs to look for.</p> <p>The outcome from the event raised a number of further considerations that partners need to respond to. Namely:</p> <ul style="list-style-type: none"> • Education and awareness of all partners. • Ensuring our statutory obligations are adhered to under the MSA 2015. • Draw on the resources and specialist experience of third sector members in tackling the issue head on. • Assist in the preparation and coordination of reactive operations ensuring partners are fully prepared to fulfil our obligations.
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<p>Listen to and stand up for the rights of victims;</p>	<p>This last year, my Victim’s Advocate has continued to champion the cause for victims, and importantly, help drive up standards.</p> <p>A number of areas for improvement were identified and will be taken forward by the Safer Cumbria Victims and Witnesses Group:</p> <ul style="list-style-type: none">• To improve the recording of Victim Personal Statements.• Ensure robust needs assessments are completed.• Provide timely updates to victims on the progress of their case.• Improve consistency with onward referral to support services.
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Make sure that agencies who work with victims of crime meet national standards (the national Code of Practice for Victims of Crime);

This is a really important objective, as sadly, too often in the past we have heard about the poor service some victims and witnesses have received, and in Cumbria we wanted to do what we could to mitigate against this.

As a result, I am pleased to report that last year saw the introduction of the Victims Quality Assessment Framework (QAF), which was developed with support from my office, Safer Cumbria and Victim Support.

The QAF provides a tool to evaluate compliance with the Victims' Code in Cumbria with the aim of continually driving improvements in the way criminal justice agencies meet their obligations under the Code.

The first audit has now been completed and showed encouraging results: nine of the ten entitlements measured are between 90% and 100% compliant.

Helpfully, a number of areas for improvement were identified and will be taken forward by the Safer Cumbria Victims and Witnesses Group:

- To improve the recording of Victim Personal Statements.
- Ensure robust needs assessments are completed.
- Provide timely updates to victims on the progress of their case.
- Improve consistency with onward referral to support services.

The benefits identified from the development of the framework were:

- Greater understanding of victim experiences.
- Highlighted gaps within current service delivery.
- Provided a vehicle for driving change and improvements in services for victims.

I also ensure that the Force is meeting its statutory duties under the Victims Code by holding the Chief Constable to

account through the Accountability and Performance Management Frameworks. During the first quarter of 2017/2018, I held the Force to account through a Public Accountability Conference focused on victims of crime.

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Make it quicker and easier to get people who are having a mental health crisis to be taken to a place of safety and a suitable service so they get help quickly and police officers do not have to spend as much time doing this.

This is such an important objective because sadly, poor mental health affects a significant number of people within our county. In Cumbria, one in six people have a common mental health disorder, with around 70,770 people aged 16+ year with a common mental health disorder. Rates of suicide in Cumbria are higher than the national average, and self-harming in both men and women has doubled since 2007.

Coupled with this are the changes in community mental health services and crisis support, leading to the situation where the police are increasingly likely to be the first point of contact when someone is unable to cope.

In order to help tackle this, my office along with partners from Cumbria Constabulary, NHS Cumbria Clinical Commissioning Group, Cumbria NHS Foundation Trust and Cumbria County Council, put together a bid to the Home Office to develop and embed a Multi-agency Crisis Assessment Centre (MACAS) that would improve the pathway for people experiencing a mental health crisis.

The MACAS provides a 24/7 single point of access telephone line (SPA) for the benefit of emergency services and the public, and through the Lighthouse Hub it provides a 72 hour assessment and support for people experiencing a mental health related crisis and/or requiring use of the Mental Health Act to protect people from harm so that they get the help needed in a timely manner.

I am really pleased to report that this service is proving invaluable, with the following statistics demonstrating this:

- Between Jan to April 2018 = 6519 calls were received
- 71% of calls were handled (4628)
- Majority of calls were handled between 0 to 15 seconds (57.3%) only 6% were handled over 10 minutes. (page 24)
- There were 944 referrals in total, 52.0% were crisis referrals, 26.2% were liaison referrals, and 21.8% were home treatment referrals.

- MACAS has successfully evolved over time and felt to have many benefits for a wide range of stakeholders.
- The programme offered a more therapeutic intervention, backed up by effective inter-agency relations and systems.
- -28% reduction in the use of Custody as a place of safety
- Cases dealt with after implementation of MACAS were significantly more likely to take less than 4 hours (69.4%) when compared to the period prior to the implementation of MACAS (35.4%)

Importantly, the feedback from officers and professionals around the service has been positive, for instance:

Police Officers have highlighted the 24 hour access as 'invaluable', including the SPA team's access to information and the ability to make arrangements over the phone was also highlighted as a positive and valuable service.

The service has also provided good engagement between police and other partners, who see this as bridging the gap between officers and mental health professionals, this multi-agency approach was considered to reduce the demand on police officers.

The ability to share information between agencies was acknowledged as having multiple benefits and the service was praised for its prompt service.

"The police have now got a means for getting information that they couldn't previously get so.... That informs decisions, so we're getting better at decision making."

"It's actually created a far smoother pathway for the police that means yes you can still resort to your 136 powers but there are alternatives available."

"Being able to put concrete plans in place so you can give that bit more reassurance to the patient that actually this is what the plan is and this is what we're going to do.... It does help them. A good outcome for the patient."

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6. Focus our Police on Online and Sexual Crime (Turquoise)

Working with the local community, the Police and partner agencies to:

- ✓ Help members of the public to be aware of the risk of online crimes and keep themselves safe online;
- ✓ Prevent grooming, child sexual exploitation and sexual abuse;
- ✓ Make sure the Police have up-to-date information on crimes committed using a computer or computer network and that they are able to deal with this;
- ✓ Support services for victims of sexual crime, including child sexual exploitation and encourage more people to come forward.

<p>Help members of the public to be aware of the risk of online crimes and keep themselves safe online;</p>	<p>In my Annual Report last year I told you about the cyber-proficiency programme I have funded for three years. I commissioned 'Get Safe Online', who are specialists in the field of cyber security, to work with the Police and Community Safety Partnerships (CSP) to deliver this initiative across the county.</p> <p>The cyber-proficiency programme provides a range of resources such as materials for a monthly campaign, targeting a different subject area each month. For instance: staying safe on social media, advice to parents on how to protect their children from cyber bullies and online sexual exploitation, protecting your devices, how to avoid holiday-fraud, ticket-fraud and auto-fraud. There will also be campaigns aimed at businesses, and advice on best practice for using emails.</p> <p>As well as the monthly campaigns, which will be run jointly between the Constabulary and my Office, there will also be cyber-proficiency training sessions throughout the county, the delivery of which will be coordinated through the three Community Safety Partnerships and focusing on vulnerable groups.</p> <p>There will also be two 'live' events a year, and a business-orientated event each year too.</p> <p>This year I can report that x people have attended the training sessions, we have held two community events and one business focused event. We have had some excellent feedback on the training events.</p>
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<p>Prevent grooming, child sexual exploitation and sexual abuse;</p>	<p>Keeping our young people safe is of paramount importance, and I will continue to invest in schemes aimed at safeguarding our youngsters from sexual crime. Which is why I have funded for the third year running, the powerful production of 'Chelsea's Choice', delivered by not-for-profit organisation AlterEgo Creative Solutions. Whenever I have seen it I am struck by how impactful it is, and the youngsters in the audience are almost spell-bound by the excellent story telling of the dangers of falling prey to grooming online.</p> <p>During this last year, the play was delivered in schools across the county and had an extremely positive impact. More than 5,400 students saw the play, and of those surveyed, almost 99% said they had a far better understanding of the issues involved, and what was involved in the 'grooming process'. That is reassuring to hear, and demonstrates the need to get these messages out there. In addition to that, almost 98% said that they now understood that boys, as well as girls, can be victims of grooming and sexual exploitation too.</p> <p>I have also funded the Brathay Trust to deliver a 6-month intervention programme with weekly group sessions for participants aged between 12 to 17 years who have been assessed as being vulnerable to child sexual exploitation. The programme aims to improve understanding of what a healthy non-coercive relationship looks like; how to decrease the risk of being vulnerable to child sexual exploitation and knowledge about where to go if they need help. 82% of those who engaged in the programme reported they were more able to recognize a healthy relationship and 88% felt they had a greater ability to sort out problems they might face.</p> <p>I met some of the youngsters during a visit earlier this year, and was really impressed with those I met at Brathay Hall, and very interested to hear about the programme and what it is achieving for them. As I have said before, tackling CSE is high up on my list of priorities, which is why I was happy to provide funding for this innovative programme. Any initiative that helps our youngsters to stay safe is to be welcomed.</p> <p>Another project I was pleased to support was for Skelton Brownies in partnership with Barnardos, to deliver CSE awareness raising sessions to Girl Guide, Brownies and Scout leaders across Cumbria. I went along to one of their training events, and was impressed by the content of the sessions which aimed to increase awareness and</p>
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knowledge around the risk of CSE in young people, grooming techniques and educating young people around the difference between healthy relationships and those that seek to exploit them.

So far the training has enabled these groups to engage with in excess of 4000 girls and boys aged 8 to 15 years from diverse socio-economic backgrounds.

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<p>Make sure the Police have up-to-date information on crimes committed using a computer or computer network and that they are able to deal with this;</p>	<p>As part of my Accountability Performance Management Framework I am able to monitor how the Constabulary are managing online crime.</p> <p>In recognition of this growing area of crime, I also pledged as part of my council tax consultation, that additional funding would allow me to provide the Force with the resources to enable greater protection for us all from new digital crime trends.</p>
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<p>Support services for victims of sexual crime, including child sexual exploitation and encourage more people to come forward.</p>	<p>In terms of providing services for victims of sexual crime, I continue to fund, with partners, the Bridgeway Sexual Assault Support Services.</p> <p>During its first year more than 400 people used the service. The dedicated 24/7 support service aims to help men, women and children in Cumbria who have been raped or sexually assaulted either recently or in the past.</p> <p>Between January 2017 - December 2017 The Bridgeway service supported a total of 259 people who accessed the service during this time, with the break down as follows:</p> <ul style="list-style-type: none"> • 39% of clients were under 18 years of age. • 57% of clients were referred by the Police. • 153 examinations were offered to clients <p>Clients were referred to a multitude of agencies for follow-on support. These included the sexual health service, mental health services, domestic violence agencies, the client's GP, and hospital for further care.</p> <p>Going forward, I have worked with Cumbria County Council to commission Victim Support to deliver an Integrated Independent Domestic and Sexual Abuse Crisis Support Service to operate across the county providing support to high risk victims of domestic abuse and victims of rape and serious sexual assault. The new service, which commences on 1 May 2018, will also have a 24 hour-a-day support line meaning that people affected by domestic or sexual abuse will always be able to get in touch for support or information. The service will include specialist support for children and young people who are victims of serious sexual assaults. The service will work as part of the network of services provided through The Bridgeway for sexual assault victims.</p>
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7. Spend Your Money Wisely (Orange)

Working with the local community, the Police and partner agencies to:

- ✓ Fight hard to protect the budget for policing Cumbria;
- ✓ Stand up for Cumbria having its own police force;
- ✓ Represent what Cumbria needs with national Government;
- ✓ Make sure the Police are working as efficiently as possible;
- ✓ Look at how we can work with the Fire Service to make services better.

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Fight hard to protect the budget for policing Cumbria;

This year, our financial position remains challenging. However, in February the budget was set, and aims to provide the Chief Constable with an expenditure budget of £121.636m. This provides for 1145 police officers which represents an increase of 25 compared to 2017-2018, and 95 PCSO's, which represents maintenance of the number of the established posts compared to 2017-2018.

This is made possible due to an increase in the council tax police precept of 5.42%, which amounts to an increase of £11.97 per annum for a band D property and takes the total police element of the precept at band D to £232.74. The decision to do this was taken after a county-wide public consultation, and feedback from the Chief Constable and the Police and Crime Panel.

I also looked to my own office to see what efficiencies could be made, and in September 2017 I took the opportunity to restructure my senior team on the retirement of my Chief Executive. Therefore, as an interim arrangement the statutory role of Chief Executive and Monitoring Officer has been shared by two existing members of staff saving approximately £81,000 over the next 12 months.

This saving is on top of the saving that I made earlier in the year with combining the role of the Chief Finance Officer for my Office with the Constabulary. We now have a joint Chief Finance Officer.

<p>Stand up for Cumbria having its own police force;</p>	<p>I have made no secret of the fact that I wish to ensure that Cumbria Constabulary remains an independent Force. That said, it does not mean that I will not consider collaboration with other forces where appropriate and where this is in the best interest for Cumbria.</p> <p>For example this is already happening, in that we have a shared agreement with Lancashire Constabulary to provide learning and development packages and training for both forces. This collaboration can achieve savings of more than £300k for Cumbria per annum. These savings are achieved through reductions in management and training delivery, the removal of duplication of functions between two learning and development departments, achieving economies of scale and sharing of best practice.</p>
<p>Represent what Cumbria needs with national Government;</p>	<p>I continue to represent Cumbria at a regional and national level to fight for a fairer funding formula for rural forces.</p> <p>I have written to and spoken with the Policing Minister about the challenges that the previous proposed funding formula changes would have meant for Cumbria, and urged him to take into account the complexities we face here for future reviews. I have also sought assurance that no force should worse off on account of the revised formula.</p>

Make sure the Police are working as efficiently as possible;

As I mentioned earlier, when Cumbria Constabulary was assessed by HMICFRS on how efficient it is in keeping people safe and reducing crime, it was rated as Good overall, and specifically, in these areas:

- its understanding of demand;
- its use of resources to manage demand;
- its planning for future demand

That said, we are not complacent, and I will continue to scrutinise the Force's performance.

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Look at how we can work with the Fire Service to make services better

As part of a statutory requirement from the Home Office, I have been reviewing a number of options of working closer with fire and rescue service.

Following consultation with the Chief Constable, Leader of the County Council, Chief Fire Officer and members of the Police and Crime Panel, I am now going to move forward with voluntary collaboration.

I believe this is a very positive step, and I am looking forward to working with the fire and rescue service to deliver even greater efficiency for the residents of Cumbria. The overriding aim of the collaboration will be public safety and ensuring that our communities are kept safe and secure.

The collaboration model that we want to move forward to will be looking for greater interaction at the frontline and this could be across skills or resources. In conjunction with the key partners we will be setting a number of deliverable targets to improve services to the public and at the same time balancing the challenging financial situation.

8. Supporting Young People (Purple)

Working with the local community, the Police and partner agencies to:

- ✓ Set up a Youth Commission to get young people's feedback and engage them in helping to prevent and fight crime;
- ✓ Improve how the Police interact with young people;
- ✓ Support activities which provide positive opportunities for young people or which prevent young people from turning to a life of crime.

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<p>Set up a Youth Commission to get young people’s feedback and engage them in helping to prevent and fight crime;</p> <p>Improve how the Police interact with young people;</p>	<p>Last year you may recall that I was really pleased to report that in March 2017 I achieved one of my key priorities, in that I launched the Cumbria Youth Commission (CYC). I have always said that I really believe in working with young people to prevent crime and I saw the development of a Youth Commission as a great way to achieve this.</p> <p>The CYC provides young people in Cumbria with a unique opportunity to work alongside me and my officers, allowing them to jointly address issues important to them. This excellent and innovative programme enables the young people to be involved in producing and developing solutions they feel will best meet their needs. Additionally, through involvement the young people will have a springboard to develop interpersonal and life skills to enhance their future opportunities.</p> <p>One year on and I am delighted to report some really good progress. I joined partners on Tuesday 19 December, to hear what the youth commissioners had found out during their first year, and what their recommendations are.</p> <p>The event in December was their opportunity to let us know what their first year’s findings were, and I must say I was really impressed by what I heard from them. They delivered a thoroughly professional presentation of their findings, and their passion to want to make a difference really shone through.</p> <p>We heard some great, innovative ideas which make so much sense, in terms of helping to improve engagement and break down barriers between young people and the police and other public authorities and agencies. I am sure I speak on behalf of the many partners who were there, that there are many ideas which can be taken forward, and indeed, pledges were made across the board to look at implementing these. Here is a summary of what they plan to take forward from the issues identified:</p> <p>Underage Drinking: Need to Develop Accessible Local Services – The CYC will be working with CADAS to review and advise on the development of the CADAS website to ensure it is appropriate and accessible to young people who need information about drugs/alcohol services. This will support</p>
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part of the recommendation to provide a strong online service. The CYC will also be advising and working with CADAS looking at the best means of communication and reaching young people, what information CADAS should be presenting to young people/students.

Mental Health (Workshops) - The CYC are working on piloting Mental Health workshops with some schools. The plan is to conduct this piece of work as a pilot, gather feedback and establish if this is an effective method of addressing and raising awareness of mental health in young people with the potential to roll this out across the county.

Bullying: Update Police Website - Following Police attendance at the Multi-Agency Youth Commission Event in December 2017. Cumbria Constabulary have updated their website to reflect the recommendations made by the Youth Commission.

For this coming year, the CYC have identified these four themes to work on:

1. Drink driving
2. Abusive Relationships
3. Child Exploitation
4. New Psychoactive Substances

You can read their first report on my website [here](#).

You can also watch a video made by a local journalist [here](#).

<p>Support activities which provide positive opportunities for young people or which prevent young people from turning to a life of crime.</p>	<p>For a second year, I have provided funding through my Community and Property Funds, to provide these positive opportunities. As examples, I have funded the following:</p> <p>Wigton Youth Station: Funded £10,000 from the Community Fund for 'You Can't Catch Me' project. The programme is delivering twice weekly session and workshops to encourage dialogue and increase knowledge of the impacts of crime. The sessions to date have delivered awareness raising on drugs misuse, child sexual exploitation, knife-crime and gang culture. The young people are able to participate and express their concerns through group work, presentations and evaluating their learning journey.</p> <p>Following a number of recent anti-social behaviour incidents in the town, representatives from the community invited the Commissioner to visit the Youth Station and hear what the youngsters there had to say about the issues, and what they feel might be done to help tackle them.</p> <p>I was really keen to show that I take these concerns very seriously, and reassure the public that I do listen to them. I was more than happy to accept an invitation to meet and listen to the youngsters at the Youth Station and demonstrate how I believe my mantra of 'we, not they' can work in practice.</p> <p>Garden Life: Funded £10,000 from Community Fund. This is a great project, teaching real skills and the discipline of the workplace. I went to visit a group in October last year and I was really impressed by the attitude of the participants on the project who are clearly well motivated by practical work and taking a great pride in what they are doing.</p> <p>The project is also making a real contribution to the local community by keeping what would otherwise be an eyesore patch of waste ground well cultivated and tidy, and by passing their produce on to local foodbanks and hostels. Some of the young men were looking to establish their own gardening businesses and I have since heard that two small businesses have been set up by students with DWP support and students will be training towards City and Guilds Level commencing 2018.</p>
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So far there have been thirty-plus referrals received from Youth Offending Service, Children Services, Schools and Job Centre for 2017. The Community Centre can provide opportunities for up to 30 young people weekly giving 420 hours per week job training, making work ready and potentially employable by local companies or alternatively starting their own business.

“The Garden Life team have been an invaluable help with getting our young people to open up, become willing to learn and work outside their current routines” Support Worker, Barnardos.

“Garden Life is a one stop shop for helping troubled young people pay back to the community they have wronged, to learn new skills, make new friends and gain in vocational confidence” Youth Offending Service.

Summer Splash: Funded £10,000 from the Community Fund.

The main aim of the programme was to reduce anti-social behaviour, and when comparing April 2017 to March 2018 youth related anti-social behaviour decreased by -14%.

The total attendance for the Summer Splash was 1401 children and young people from Upperby, Botcherby, Brampton, Raffles, Morton, Longtown and Petheril Bank area of Carlisle. Following success of the project there are plans to expand the programme to cover more communities in Carlisle and the surrounding area. The eventual aim is to roll the programme out city wide, year on year, run and funded by and existing multi-agency partnership.

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How We Will Work: Working in Partnership (Blue)

As I said in my foreword, we would not be able to do what we do, and achieve what we have, without effective partnership working. Therefore I need to support and influence a wide range of partners and stakeholders to focus on the issues that local people are telling me are important. For example, in recent months I have:

- ✓ Chaired Safer Cumbria Partnership;
- ✓ Lobbied government on future funding;
- ✓ Commissioned numerous projects across the county to support delivery of the Police and Crime Plan;
- ✓ Secured funding to support and ensure the sustainability of the Bridgeway Sexual Assault Referral Unit for the next 2 years;
- ✓ Established governance arrangements to take forward Blue Light collaboration;
- ✓ Commissioned an Integrated IDSVAs crisis service with Cumbria County Council.

As Commissioner, I do not deliver services but will support and try to influence others to focus on the issues which local people are telling me are important. My partnership working will have several key aims:

- Preventing crime and anti-social behaviour;
- Developing joined-up and appropriate support for victims;
- Reducing reoffending;
- Improving victims' experience of reporting to the police and the court process;
- Overseeing Cumbria Police working with other forces in the North West of England.

In terms of how I am delivering on this, there are a number of notable examples which I would like to share.

Community Safety Partnerships (CSP) continue to play a key role in helping us to deliver services and I continue to provide them with funding to support work which addresses crime and safety issues in their local areas, and helps tackle the priorities in the Police and Crime Plan.

This year I have provided funding for the first of a three-year package, including the funding for a Coordinator post, £20k for each of the three areas, and £15k for the Bar Watch/Best Bar None project.

Other examples of effective partnership working include:

In last year's Annual Report, I talked about the work we are doing with **Project Nova**. This is a charity funded by the Forces Employment Charity 'RFEA' and 'Walking with the Wounded', and aims to reduce reoffending by HM Forces Veterans in crisis, through closely supported diversionary activities and guidance back into housing, employment or education as appropriate. Referral into Nova is by way of Custody embedded NHS Liaison and Diversion Teams.

Within the first 12 months of our involvement with the Project, 37 ex-forces personnel have been referred to the service, the majority of which are male. Approximately two thirds of those that have been referred have engaged and gone on to access support from Project Nova.

The type of support provided has been across the county and has included:

- Help with finding employment or training to access employment;
- Support with family relationships;
- Help with access to alcohol and drug and mental health services;
- Support with accessing various schemes for ex-force personnel to build self-confidence.

In addition, eight training sessions have been held for custody staff, and cell stencils have been put in place in custody suites in Cumbria, to highlight the service.

How We Will Work: Commissioning and Funding (Blue)

With funds I receive from Government, I also commission services in support of my statutory duties and to support my Police and Crime Plan. This includes services which support victims, examples of which I have covered under Objective 5: Always Put Victims First.

I also make funding available to partner agencies or the public to support the priorities in this Police and Crime Plan.

In addition, I have three open grant schemes available at present:

- **Community Fund**- For community, charitable and voluntary groups, to support them to deliver a change within their community which benefits local people and supports the Police and Crime Plan;
- **Innovation Fund**- To support innovative projects to pilot new ways of working with at-risk groups to reduce offending and re-offending and address the issues of domestic and sexual abuse;
- **Police and Crime Commissioner's Property Fund**- This distributes funds accumulated in the Police Property Fund as a result of the disposal of property coming into the possession of the police. Police officers or staff must make the application on behalf of a community or local group for projects which support the Police and Crime Plan.

During the last year, I've been encouraged to see a good number of quality applications for all of the various grant schemes I have available, and would like to continue to encourage local groups to come forward as these projects make a real difference to people's lives. This is so important as it is local people who know what works best in their own communities and I want to work with and empower them to make a difference in their own neighbourhood where we can.

The total amounts I have paid out for each of the Funds during the financial year 2017-2018 is summarised below.

Throughout this Annual Report there are many examples of the funding awards I have made. However, you can read the full breakdown of funds that have been awarded during

financial year 2017-2018 on my website at: <https://cumbria-pcc.gov.uk/what-we-do/funding/>

	PCC FUNDING			
	PCC BUDGET	VICTIMS SERVICES GRANT	HOME OFFICE INNOVATION FUND	TOTAL EXPENDITURE
Commissioned Services				
Community Fund	77,295			77,295
Innovation Fund	117,407			117,407
Partnership Fund	744,961			744,961
Victims Services Fund	1,004	583,762		584,766
Prevention Fund	18,164			18,164
Mental Health Assessment Centre Project	7,860		1,863,475	1,871,335

How We Will Work: Monitoring my Police and Crime Plan (Blue)

I said in my Plan that I would use a number of ways to check on how Cumbria Police is performing. Below I have set out what these methods are, and provided examples of how I have monitored the Plan.

<i>How will I check on how Cumbria Police are performing?</i>	<i>For example.....</i>
Regular meetings with the Chief Constable to discuss current issues and areas for improvement.	Most weeks I meet the Chief Constable for a one-to-one to discuss any significant or emerging issues. In addition to that, I regularly receive briefings and updates on significant operational matters from other members of the Chief Officers team.
An update every three months from the Police on crime levels, satisfaction and other data and a focus on themes from this Plan at regular Public Accountability Conferences (PAC)	During the period of this report, I have held PACs in April, May, June, July, August, October, November, December 2017, and February and March 2018. In most cases, there have been representatives from the local media present, as well as members of the public. You can read the papers on my website here: https://cumbria-pcc.gov.uk/your-pcc/public-meetings/

Speaking to local people and getting feedback on their experience of policing in Cumbria and issues that concern them;

This year, I have carried out extensive public engagement and spoke to many people at numerous events.

I have continued to hold public surgeries and drop-in events across a wide range of locations and venues in Cumbria. Specifically, I have held surgeries in Longtown, Cleator Moor, Windermere, Alston, Carlisle (Youth Zone), Dalston, Wigton, Ambleside, Keswick, Aspatria, Appleby, Cockermouth, Shap, Frizington, and Carlisle.

I continue to receive many requests to speak to a diverse range of groups about my role, for example this year my speaking engagements have included the Penrith Probus club, Newton Rigg Society, Mungrisedale Church, Maryport Ladies Club, Westmorland WI, Carlisle businesses at a cyber-awareness event, Cumbria Neighbourhood Watch conference, Independent Custody Visitors Conference, Great Clifton Residents Association, Mencap Hate Crime Conference, Cockermouth Mountain Rescue, University of the 3rd Age in Ulverston.

I also took part in a number of events including a DVD launch at Triple A Project (autism awareness), Mencap (hate crime), Diverse Cumbria Awards.

I visited a number of schools for instance Cockermouth School on Internet Safety Day, Appleby Grammer for 'Chelsea's Choice, the Furness Academy for 'Feel the Hate'.

In terms of shows, this year I attended the Cumberland Show, Westmorland Show, Cumbria Pride event, Carlisle Unity Festival, Appleby Fair and the Skelton Show.

As in previous years, a joint consultation exercise with the Chief Constable was carried out over the summer to find out how safe the residents of Cumbria say they feel.

Considering public surveys to see what respondents feel about their safety and the police service;

Each year I carry out a joint consultation exercise with the Chief Constable to find out how safe the residents of Cumbria say they feel, and to help me understand what they think about their police force.

It is very reassuring that respondents say they continue to feel safe in their own home, their neighbourhood and their nearest town centre, particularly during the day. Respondents also continue to have high levels of confidence in Cumbria Police and believe it is doing an “excellent”, “good” or “fair” job in the area where they live.

Speeding vehicles continues to be the top local concerns expressed by respondents, followed by “their home broken into” and “dangerous driving”.

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<p>A Victims' Consultation Group, where the members from across the county talk about their experience of the criminal justice system and give views on new proposals;</p>	<p>The Victim's Consultation Group continue to provide a valuable insight into have a number of subjects during this year, including: Update</p> <ul style="list-style-type: none"> • How to get broader engagement from victims of crime? • Feedback on the use of Out of Court Disposals • Cumbria Victim and Witness Taskforce Victims Charter
<p>Working with partners to understand what is and is not working well;</p>	<p>Partner meetings are held regularly to review contracts and outcomes, and deal with any areas that need attention.</p>

DR

Meetings with HMIC after their inspections to understand what is working well and where the Police need to improve

I have met with HMICFRS inspectors a number of times throughout the last year, and have found the meetings informative and constructive. This year's reports were:

- State of Policing 24.4.17
- Police Efficiency and Legitimacy (2016) 18.4.17
- Child Protection 20.9.17
- Abuse of Power 5.10. 17
- Modern Slavery 24.10.17
- PEEL Efficiency 8.11.17
- PEEL Legitimacy 12.12.17
- PEEL Police Leadership 9.2.18
- PEEL Efficiency Report 22.3.18

My response to all HMICFRS Reports can be read on my website here:

<https://cumbria-pcc.gov.uk/your-pcc/hmic-reports/>

Reviews by:

- Our Internal Audit service and external financial audits which give valuable feedback and make recommendations on governance and financial processes against an agreed audit plan;
- The Joint Audit and Standards Committee, which provides independent assurance in respect of my own and the Police's organisational governance;
- The Ethics Panel, which checks on how complaints are handled and how the Police are making sure they have high standards of behaviour and treat people fairly;
- An Independent Custody Visitor Scheme, which involves volunteers checking on the welfare of people held in police custody through unannounced spot checks. The Animal Welfare Scheme looks at how police dogs are being treated.

All papers for these meetings and reports can be found at the relevant links below:

<https://cumbria-pcc.gov.uk/finance-governance/budget-finance/internal-audit/>

<https://cumbria-pcc.gov.uk/finance-governance/budget-finance/joint-audit-and-standards-committee/>

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

<https://cumbria-pcc.gov.uk/what-we-do/custody-visiting/>

Further Information

You can find much more information about how I am carrying out my role on my website

www.cumbria-pcc.gov.uk

You can also contact my office on 01768 217734 or email [commissioner@cumbria-](mailto:commissioner@cumbria-pcc.gov.uk)

pcc.gov.uk

If you would like this information in Braille, audio, large print, easy read or in another language, please contact the Police and Crime Commissioner's office.

DR



Peter McCall



Joint Audit and Standards Committee Annual Report 2017/18

Foreword of the Committee Chair

Welcome to the 2017/18 Annual Report of the Joint Audit and Standards Committee (JASC). The committee is an independent body that provides assurance to the Commissioner and Chief Constable on their arrangements for governance. The committee achieves this by undertaking a wide range of reviews against an annual work programme. Through providing support and challenge the committee aims to improve and add value to those areas of governance within its remit.

During the course of the 2017/18 financial year, committee members have considered over 82 reports covering matters of governance including 14 internal audit reviews and the Commissioner and Chief Constable’s Statement of Accounts. Our work included undertaking a substantive review of key elements of the governance framework, challenging and monitoring the approach to risk management, making key recommendations regarding its improvement and scrutinising the effectiveness of arrangements to secure value for money.

In addition the committee has contributed to the assurance arrangements following the introduction of the Joint Chief Finance Officer, making a number of recommendations to ensure a robust approach to assessing the ongoing effectiveness of the arrangement.

The review of the committee’s work for 2017/18 has concluded that the committee meets the CIPFA criteria for being highly effective. In previous years the review highlighted scope for improvement in one area within the committee’s core functions and this was in the area of promoting reporting and accountability. Measures put in place for 2017/18 to enable the committee to consider the draft statement of accounts before they were audited to enhance performance in this area.

For 2018/19 the committee has prepared an action plan to help ensure that the work of the committee is proactive in focusing on new and emerging issues of governance. We will look to explore ways to strengthen partnership

working with the police and crime panel and the ethics and integrity panel and to support and monitor the PCC and Constabulary plans to address the more stringent funding environment.

In presenting this annual report, the committee wishes to thank the Commissioner and Chief Constable’s officers and appointed auditors for

their support. I hope you will find this report informative, and that the information it provides supports a wider understanding of the contribution made by the committee to the Commissioner and Chief Constable’s arrangements for governance.

Fiona Daley

Joint Audit and Standards Committee Chair

The PCC for Cumbria, Peter McCall said *“The committees specialist knowledge and flexibility to provide in depth scrutiny as necessary, gives me, on behalf of the public, additional assurance of the appropriate performance and accountability of the Constabulary”*.

The Chief Constable, Michelle Skeer said *“The independence, complimentary skills and conscientious approach of the committee to their role facilitates robust scrutiny and challenge which contributes to the Constabulary achieving its objectives”*.



Joint Audit and Standards Committee Summary Review of Effectiveness 2017/18



Background

The purpose of an audit committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance process.

The **Joint audit and Standards Committee** (JASC) is made up of four independent appointed members and they provide this assurance role for both the Police and Crime Commissioner for Cumbria (PCC) and the Chief Constable for Cumbria Constabulary.

The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the role of the committee and also recommends that an annual review of effectiveness against

these guidance principles is undertaken. This document summarises the findings of the review for the 2017/18 financial year, the review document in full can be found on the PCC website at:

<https://cumbria-pcc.gov.uk/wp-content/uploads/2018/05/JASC-Review-of-Effectiveness-2017-18.pdf?x96409>

Annual Review 2017/18

The review of the committee and its functions using the CIPFA guidance concluded that the committee meets the standard described by CIPFA as “highly effective in its operation”. The review provides a 1-5 score (with 5 being highest) against a number of criteria. The committee has scored 5 in all categories. In previous years in one category a score of 4 was achieved (promoting reporting and

accountability), measures put in place for 2017/18 whereby the committee received and commented on the draft statement of accounts before they were audited has seen that score increase to 5.

The JASC annual work profile is mapped against the CIPFA guidance to ensure all requirements are covered. The annual work programme arranged by meeting and by assurance format is provided in the full report, together with the role profile of committee chair and members, attendance at meetings and the terms of reference.

The remainder of this report provides a summary of the individual categories included in the assessment.

Core Committee Functions

Promoting the principles of good governance and annual governance statement

The JASC address governance principles in the course of regular business rather than as a once a year exercise. CIPFA notes the importance of the committee to make things better not just review what has happened in the past. The annual work programme (provided in detail in the full report) includes arrangements for cyclical review of governance documents and all material governance arrangements.

During the year members have again contributed to the assurance arrangements for the introduction of the Joint Chief Finance Officer to ensure a robust approach to assessing the on-going effectiveness of the arrangements. Specifically, members have requested a number of regular updates to be provided during this first year of operation. In addition, members have made a number of

contributions to the narrative within corporate governance documents that improves their overall accessibility to users and strengthens or clarifies internal controls. This has included feedback to improve wording within the arrangements for anti-fraud and corruption.

Contributing to the development of an effective control environment and supporting the quality and independence of internal audit

JASC has a clear role in relation to oversight of the internal audit function. JASC review the audit charter and audit plan on an annual basis. JASC also receive all audit reports at the point at which they are finalised, members will then select those reports that they wish to be discussed in more detail at the following meeting. During the year members have given specific focus to audit reports covering a diverse range of subjects including; digital file preparation, the use of stingers, information security, offender management, use of force,

treasury management, fleet, firearms licensing, business improvement unit, 5 and 15 week performance reviews and follow up audits on business continuity. Increased levels of scrutiny result in improvements to the control environment and provide assurances on the effective implementation of audit recommendations.

The committee meet annually and independently with the Head of Internal audit (HIA) and also receive the HIA annual report and opinion. JASC also monitor the performance of internal audit against agreed indicators on a regular basis. An update on progress against all medium and high level audit recommendations is provided to 4 of the 5 meetings in the year.

Supporting arrangements for the governance of risk and effective arrangements to manage risk

The Home Office Financial Management Code of Practice directs committees to advise the Commissioner and Chief Constable on the adoption of appropriate risk management arrangements. JASC consider the risk management strategies and risk registers of the PCC and Constabulary on a regular basis. JASC has a lead member for risk who provides input and advice on risk management strategies prior to consideration by the full committee.

Assurance frameworks and assurance planning

The committee works within an assurance based programme of work which aligns to the terms of reference. The work programme ensures that assurance activity is planned and delivered efficiently and effectively. The assurance framework includes receiving assurances from chief officers, management, internal and external auditors.

Supporting the development of robust arrangements for value for money (VFM)

CIPFA guidance notes that it is the statutory responsibility of the Chief Constable to secure VFM, the Commissioner holds the Chief Constable to account for this responsibility. The role of JASC is to support both the Commissioner and Chief Constable to fulfil their responsibilities. The JASC role focuses on the arrangements to ensure VFM and the progress in achieving VFM. The work includes how VFM performance is evaluated as part of the annual governance statements and consideration of the external audit opinion with regards to VFM. The committee also receive a number of VFM reports including an analysis of the HMICFRS VFM profiles. In addition, the format of internal audit reports specifically identify any VFM implications of audits.

Helping to implement values of good governance and countering fraud and corruption

CIPFA guidance states that the committee is to have oversight of the counter-fraud strategy, assessing whether it meets recommended practice, governance standards and complies with legislation. JASC has a good understanding of the level of fraud risk to which the organisation is exposed and implications for the wider control environment. The JASC undertakes a cyclical review of the counter fraud strategy including associated codes of conduct on ethical behaviour. On an annual basis the committee receives a report from the OPCC on the effectiveness and monitoring of arrangements for anti-fraud and corruption within the OPCC. In addition as part of the process for reviewing the annual statement of accounts the committee receives the Commissioner's and Chief Constable's letter of management assurance to the external auditor which include a full fraud risk assessment. Members further support their understanding

by their review of all audit reports which provide an understanding of internal controls that are in place and how these are working.

External audit and inspection

The JASC role includes receiving and considering the work of the external auditor. Cyclical reports included in the annual work programme cover the annual report and a mid-year update report. In addition the JASC have a private meeting with the external auditor once a year. External audit are represented at each of the JASC meetings and fully engage with any discussions where appropriate. Where external audit reports include recommendations an update on these is monitored at 4 of the 5 meetings during the year.

Promoting effective public reporting, partnership governance and accountability

The CIPFA guidance focusses on the role of the committee in relation to financial reporting and governance and specifically on the work of the committee in relation to the statement of accounts. The work on the statement of accounts includes reviewing consistency between the Joint Chief Finance Officer's introduction/foreword, the financial statements and the committee's own understanding of the financial challenges and risks facing the organisation. Consideration is also given to the accessibility and overall readability of the statements. The financial statements are accompanied on the agenda by a report from the Joint Chief Finance Officer that consolidates key areas of assurance on the financial statements and explains any key changes. Best practice requires the financial statements to be reviewed prior to audit and for this reason in previous years a score of 4 out of 5 was given as the draft financial statements were not finalised to achieve this standard. As

an improvement for 2017/18, the committee received the draft statement of accounts for 2016/17 to review prior to audit and this has seen the score increase to 5.

Wider Committee Functions

Ethical Values and Treasury Management

In relation to ethical values, guidance acknowledges the role of the committee in promoting high standards and that the committee may take on the role of a standards committee. Evidence in support of this requirement is provided within core functions assessment under good governance and countering fraud and corruption. The committee also consider the annual report of the Ethics and Integrity Panel and consider the implications of their finding for the overall systems of governance within the Constabulary.

With regards to treasury management, the committee ensures effective scrutiny of the treasury management strategy and policies.

Scrutiny involves developing an understanding of treasury matters and receiving quarterly activity reports to support this. The JASC receive a treasury management briefing directly from the Commissioner's treasury advisors, Arlingclose, on an annual basis in addition to the quarterly activity reports and annual strategy statement. Members have requested for 2018/19 a further development session on treasury management and prudential indicators to supplement information provided annually by the Commissioner's treasury advisors, Arlingclose Ltd.

Independence and accountability

The CIPFA guidance includes a position statement that covers key features that should be evidenced within audit committees. Outside this statement, arrangements should reflect local circumstances. The committee is fully compliant with the requirements of the CIPFA guidance.

Membership and Effectiveness

CIPFA recognises that membership composition and operation are a key factor in achieving the characteristics of a good audit committee. The JASC has four members appointed through a recruitment process.

The members come from a range of backgrounds with a wide skillset. A number of development activities are included within the workplan which includes a corporate update at every meeting and members are supported in attending national events relevant to their role.

During 2017/18 there have been no changes to the membership of the committee. The most recent appointee to the committee started in September 2016 and the appointment further strengthened the committee.

Plans for 2018/19

As part of the review a number of areas of development have been identified for 2018/19 which include working with the Commissioner to help improve the focus on outcomes and ways in which the committee's work might contribute help more effective monitoring of the 2016-2020 Police and Crime Plan. The committee are also looking to explore ways to strengthen partnership working with the police and crime panel and the ethics and integrity panel, to support and challenge any new governance arrangements and to support and monitor the PCC and Constabulary plans to address the more stringent funding environment.

A brief introduction to the current committee members is provided below:

Fiona Daley – Fiona joined the committee in November 2012 and took over as chair of the committee in April 2015.

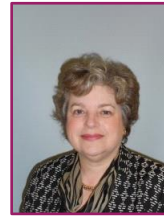


Fiona comes to the OPCC with a strong public sector audit background. Having worked for the Audit Commission for more than 20 years in a variety of roles, including being appointed District Auditor, Fiona then went on to senior financial management and leadership roles. As well as being a member of the Joint Audit and Standards Committee Fiona has a portfolio of other appointments including working for the Local Government Association on setting up a successor body to the Audit Commission; sitting as an independent appointments panel member for the Judicial Appointment Commission; an accountant member of the Financial Reporting Council's disciplinary panel and; chair of a local charity.

Jack Jones – Jack joined the committee in November 2012.



Jack has spent his whole career working within the finance sector, including South Lakeland District Council where he was Treasurer/Director of Finance. As a result, Jack has brought with him experience of working in local government as well as a sound understanding of financial management and relevant technical knowledge. Jack is currently working part time as responsible finance officer for a Cumbrian Town Council.



Fiona Moore – Fiona joined the committee in April 2015.

Fiona, a solicitor by profession, has considerable experience working in Criminal Justice based organisations most recently in a Head of Governance role in the Ministry of Justice. Fiona is Deputy Chairman of Two Castles Housing Association and Chair of Governors of Windermere C of E Primary School. Fiona has served on a number of Committees in a range of roles and as a member of the Two Castles Audit Committee.



Malcolm Iredale – Malcolm joined the committee in September 2016.

Malcolm trained and worked in an English Local Authority before moving to Scotland to work as a Local Government Auditor - both external and internal, including Police Authorities. He then spent over 20 years in the Highlands as a Director of Finance in both Local Government and the NHS, with a particular interest in the delivery of public services in remote and rural areas. He has subsequently undertaken procurement roles at both local and national level, and now serves as a Trustee of a local charity.