



The Police and Crime  
Commissioner for  
South Yorkshire

# Statement of Accounts 2021/22



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The Statement of Accounts for the Police and Crime Commissioner for South Yorkshire Police for the year ended 31 March 2022 has been prepared and published in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code") issued by the Chartered Institute of Public Finance and Accountancy. The Code is based on International Financial Reporting Standards, as adapted for the UK public sector under the oversight of the Financial Reporting Advisory Body.

Sheffield Peace Gardens

# 1. Introduction



# Police and Crime Commissioner's Introduction

## **INTRODUCTION TO THE 2021/22 STATEMENT OF ACCOUNTS BY THE POLICE AND CRIME COMMISSIONER**

We thought that by the end of the financial year 2021/2022, we might be able to speak about life after coronavirus and returning to normal working life. But as the year progressed we realised that we would have to learn to live with the virus and there would be no return to the way we organised the world of work. As far as the latter goes, we are still working through the implications of more home working and more remote meetings. There have been gains and losses.

The gains may include savings on both office space and travel for many staff. The losses include the impact that some of this has had on people's mental health where they have not had regular in person contact with colleagues. As I write these words both the police and my staff are re-assessing the number of desks they need going forward and the way office space is configured. On the other hand the uplift in police numbers is bringing a need for greater accommodation.

What was remarkable during this year was the that although later versions of the virus were more infectious, the force was able to maintain a full service. The arrival of more students officers has helped but officers and staff seem to have risen to the occasion, determined that this vital public service should not fall over.

During the year the government continued to create new pots of funding and invite bids into them. This involved many staff – in my office, in the Violence Reduction Unit, in the Local Authorities and in the voluntary sector – having to work very hard and very fast to make the case for the funding and get the application forms into the relevant ministries by the very tight deadlines. It also involved those who received the funding being able to deliver the programmes within the financial year – and that too was a considerable ask, not least at a time of pandemic.

During the year, the government did announce that they would be committing to a three year Spending Review – and that was good news. At least we know what is the global sum available for policing for that period and this gives greater confidence in drawing up longer term plans.

We continue to be affected by so-called 'legacy' issues. We have to make contributions towards past mistakes by South Yorkshire police which have had a lasting and long-term impact on people. We have to compensate victims of the Hillsborough disaster and child sexual exploitation in Rotherham between 1997 and 2013 and we pay for the investigation by the National Crime Agency into those non-recent CSE cases as well. These claims and costs have to be carefully managed in consultation with the Home Office, and this will remain a feature of our activities in the coming financial year as well.

Demand on the force returned to the levels we saw before the lock-downs and restrictions and this placed great demands on the force. For this reason I felt that I had to raise the precept for 2022-2023 by the maximum permitted. But with inflation rising at an alarming rate, the force will have to make substantial savings in coming years if we are to balance the budget and not deplete our reserves to a point of peril.

Finally, I would like to thank those in my own office and those police staff who work on the finances and who have worked so productively together this year. They enable me to go to the people of South Yorkshire confident that we are providing a service that is effective and efficient and gives good value for money.

**Dr Alan Billings**

**Police and Crime Commissioner for South Yorkshire**

# Annual Governance Statement 2021/22

## INTRODUCTION

The Police and Crime Commissioner (PCC) and Chief Constable (CC) work to a Joint Corporate Governance Framework (JCGF) which determines how they and their respective organisations will do business together.

The JCGF reflects the principles of the CIPFA 'Delivering Good Governance in Local Government: Framework' and the associated 'Guidance Notes for Policing Bodies in England and Wales', both published in 2016 (the CIPFA / SOLACE Framework).

The CIPFA / SOLACE Framework requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

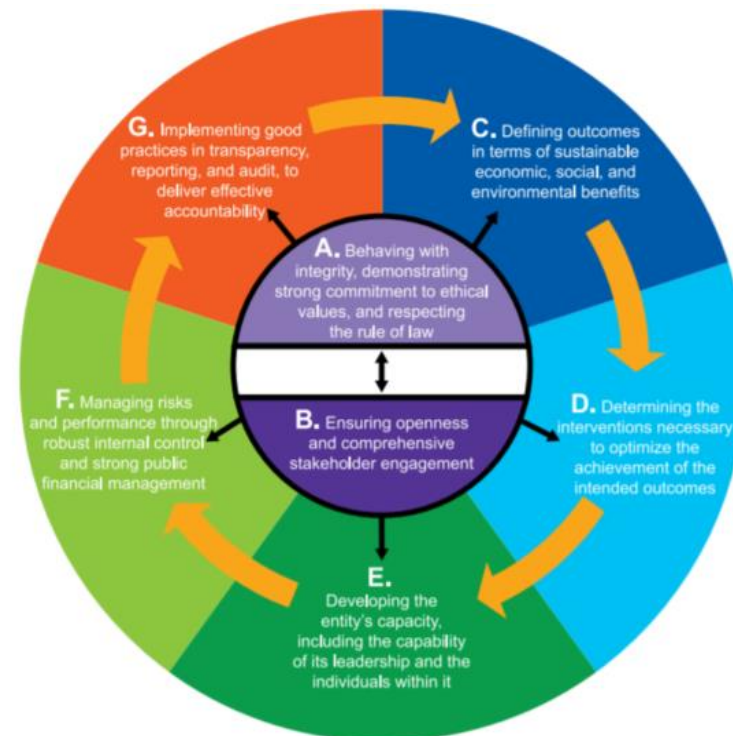
- their business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The system of internal control is a significant part of the JCGF, and is designed to manage and reduce risk to a reasonable level. It can, however, provide only reasonable and not absolute assurance of effectiveness. The system of internal control is a continuous process, designed to identify and prioritise risks to the achievement of the PCC's strategies, priorities and policies, to evaluate the likelihood and impact of those risks being realised, and to manage them economically, efficiently and effectively.

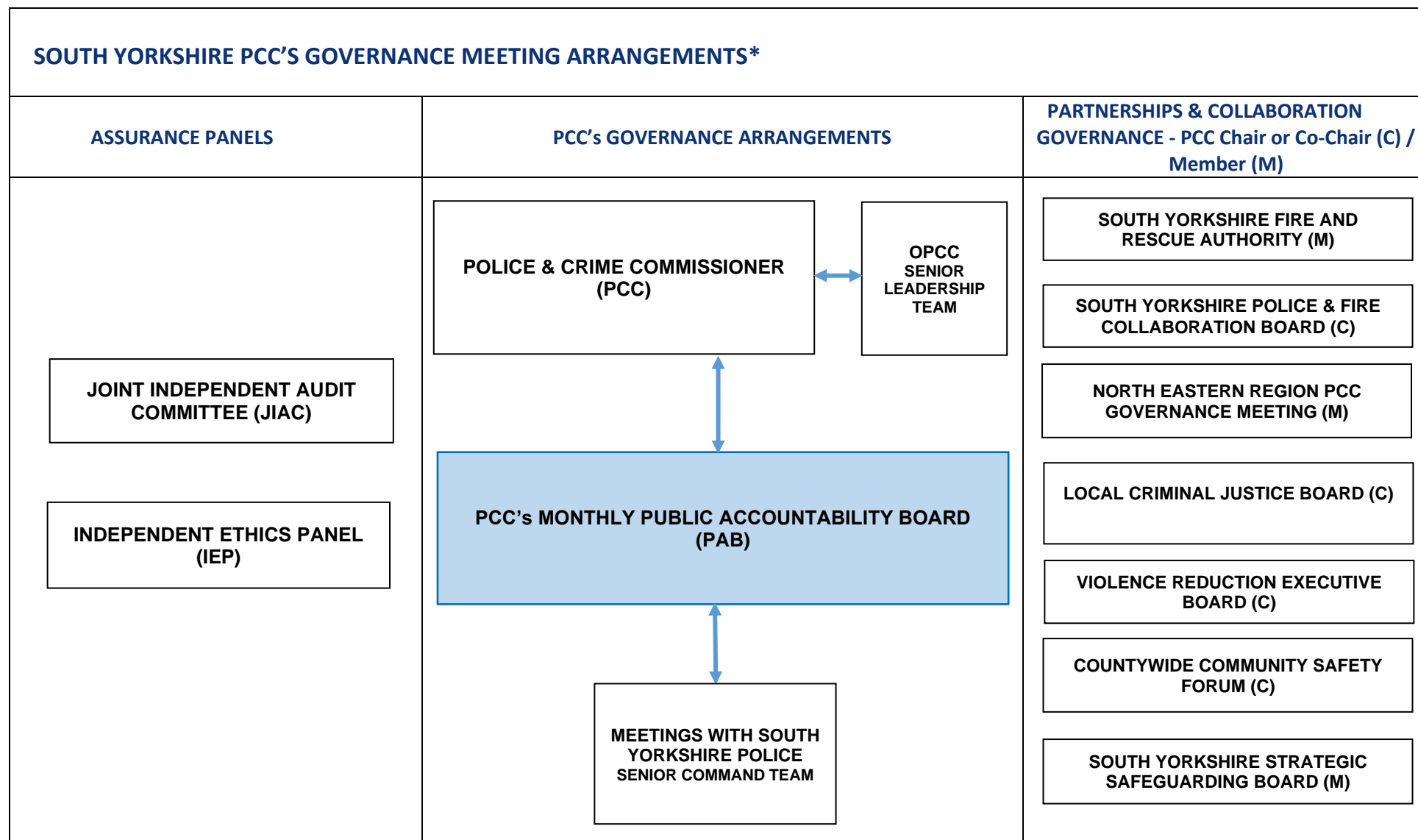
The PCC and CC each have responsibility for conducting, at least annually, a review of the effectiveness of their individual and joint governance arrangements. The reviews are informed by:

- consideration of the PCC's Assurance Framework for risk, governance and internal control;
- the work of Internal Audit;
- the work of the Joint Interdependent Audit Committee (JIAC);
- other assurance panels' activity;
- the managers within both the Office of the Police and Crime Commissioner (OPCC) and South Yorkshire Police (SYP);
- comments received from external auditors and other agencies and takes account of the improvements identified.

The diagram below illustrates the "core principles" underpinning the CIPFA/SOLACE Framework and how the various principles for good governance relate to each other. Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.



Annual Governance Statement (continued)



\*These arrangements are supported by other formal and informal meetings and activity

## Annual Governance Statement (continued)

### REVIEW OF EFFECTIVENESS

The annual review of the effectiveness of the PCC's arrangements for risk, governance and internal control (the Annual Governance Review (AGR)) is carried out by the PCC's Senior Leadership Team (SLT), in conjunction with the PCC. The AGR involves the consideration of information from a variety of sources, including the PCC's developing assurance framework and senior officer statements of assurance. The review determines, amongst other things, whether any 'significant governance issues' are identified.

One of the key assurance statements, in reviewing effectiveness, is the annual report and opinion of the Head of Internal Audit. The Head of Internal Audit reported to the PCC and JIAC a 'Reasonable' (positive) assurance opinion in relation to the governance, risk management and internal control framework.

The Local Code of Governance (the Local Code) forms part of the JCGF. The Local Code guides how the PCC and CC conduct business, in the best interests of the public, to make South Yorkshire a safe place to live, learn and work. It sets out how they govern both jointly and separately.

Work to update Financial Regulations is nearing completion so they more accurately reflect how the PCC and CC do business.

### SIGNIFICANT GOVERNANCE ISSUE

For the purposes of the AGR a 'significant governance issue' is defined as:

*'An issue requiring action necessary to avoid exposure to a substantial risk to the achievement of the objectives of the system under review.'*

### SIGNIFICANT GOVERNANCE ISSUES IDENTIFIED DURING THE 2021/22 ANNUAL REVIEW

It is pleasing to report that no new significant governance issues were identified in 2021/22.

### SIGNIFICANT GOVERNANCE ISSUE CARRIED FORWARD TO 2021/22

Issues carried forward for 2021/22 (from 2020/21 and before)	Summary of action taken
<p><b>IT collaboration between South Yorkshire and Humberside PCCs and CCs</b></p> <p>An internal audit review was commissioned following management concerns relating to the effectiveness of the corporate governance and financial management and control arrangements in place for the IT collaboration.</p> <p>The review identified significant weaknesses and gaps in the collaboration governance arrangements.</p>	<p>Revised leadership arrangements were put in place. A further internal audit review was undertaken and reported, in January 2021, a 'limited assurance with a positive direction of travel'.</p> <p>Humberside's ACO Resources (Senior Responsible Officer for the Joint Service) and Deputy Chief Constables (DCCs) in both forces discussed the reports and the IT governance arrangements. These discussions acknowledged the responsibilities of the PCCs in setting the strategic direction and collaborative budget, and their collective oversight and scrutiny of the collaborative function, including the management of risk and realisation of benefits. However, there were differences of opinion, which remain, as to the most efficient, effective and proportionate mechanisms for the governance of the IT collaboration.</p> <p>During June 2022, the CCs met and, following discussions with their respective PCCs, they have agreed to consider a range of options for the future delivery of the IT service during 2022/2023. In the meantime,</p>

## Annual Governance Statement (continued)

### SUMMARY FOR 2021/22

The OPCC has continued to progress and improve its governance arrangements during the year. Through monthly reporting, the OPCC Senior Leadership Team (SLT) considers with the PCC risk, governance and internal control matters. SLT works to identify and mitigate strategic risks, examine the progress made, and discharge issues and actions, where appropriate. Throughout 2021/22, updates were provided to the JIAC on a quarterly basis following SLT meetings.

2021/22 was the first full year of compliance with the CIPFA Financial Management Code. Following an in-depth review in 2020/21, the PCC and the CC were confident that both organisations were compliant, and a continuous improvement plan was determined. Work has been ongoing throughout the year to implement this plan.

Throughout the Covid-19 crisis, the OPCC followed Government guidelines, reviewed and implemented OPCC Business Continuity Plans, supported the workforce to enable agile and flexible working, and continued to offer a full spectrum of services throughout. A 'New Working Arrangements' Policy has been introduced which sets a permanent blended approach to working from home and office, irrespective of any future changes in Government guidance. Covid-19 is still part of regular SLT discussions.

Although the pandemic has provided us with opportunities to become more efficient – e.g., reduced travel time to meetings through greater use of virtual meetings and advancements in our technology as an office – there have been challenges. For instance, we have had to work harder to make connections in communications information and assurance, and there have been delays in the delivery of the Internal Audit Plan

We continue to scan the horizon, enabling the early identification of issues that may impact on our future governance arrangements. Current areas for monitoring and action include:

- The government's PCC Review, including the proposed changes to the Policing Protocol Order 2011 and improvements in the way PCCs work in partnership with others to fight crime and support victims, including giving PCCs a central role on Local Criminal Justice Boards
- The 'Levelling Up' agenda through the Mayoral Combined Authority, local authorities, and the PCC
- Fire Reform

The gaps and weaknesses identified by the above internal audit review into the IT service, along with the PCC's increasing questions about the efficiency and effectiveness of the collaborative activity within the North Eastern Region, led to the OPCC considering the soundness of the PCC's assurance arrangements regarding the IT collaboration and other collaborative activity generally. Regionally, the North Eastern Collaboration Board (NECB) agreed to dissolve, and to disband its supporting team, with effect from 31 March 2021. The NECB was replaced by a seven-PCC meeting, and the CCs' operational assurance boards remained. The OPCC is now discussing with others in the region, and with the Force, how governance and reporting arrangements should be improved for PCCs, although there are varying opinions on this issue. In summary, whilst collaboration in general does not present a significant governance issue at this time, the PCC's local governance arrangements are being reviewed with a view to improvement.

## Annual Governance Statement (continued)

### CONCLUSION

In the financial year 2022/23, we will continue to take steps to improve our governance arrangements, including our public reporting of these. We will monitor implementation and operation of these improvements through the PCC's SLT, during the course of the year, and feed this into the next AGR.



**Dr Alan Billings**

South Yorkshire Police and Crime Commissioner

01 December 2022



**Michelle Buttery**

Chief Executive and Solicitor

01 December 2022

Barnsley Town Hall



## 2. Written Statements



# Chief Finance Officer's Narrative Report

## 1. SOUTH YORKSHIRE AS A PLACE

South Yorkshire consists of the four local authority areas of Barnsley, Doncaster, Rotherham and Sheffield, covers 599 square miles and has a mixture of both urban and rural areas. The rivers running from the Pennines to the west of the county supported the steel manufacturing industry with Sheffield once being the undisputed iron, steel and cutlery capital of the world. The County has a number of areas of deprivation concentrated within what were, originally, the mining communities and some of the urban areas of the city and townships.

The County has a population of just over 1.4 million (Office for National Statistics 2020) with 11.9% from a minority ethnic background (Census 2011). The elderly population is expected to rise significantly over the next few years and the residential population is supplemented by university students and the large numbers who visit, socialise in, commute into, or travel through the County each year. The transport infrastructure includes major rail stations and an airport.

## 2. SOUTH YORKSHIRE POLICE AREA

SYP is the thirteenth largest of the forty-four forces in England, Wales and Northern Ireland. The Force is divided into four policing districts, which are co-terminus with the Metropolitan Boroughs. In addition, the Force has central departments that provide specialist support services such as Operational Support Unit and Crime Services which deal with threats posed by public disorder, firearms, child abuse and organised crime, whilst being responsible for planning around civil emergencies. These services, whilst less visible than front line policing, are integral to meeting the PCC's strategic policing priorities and the Force's operational objectives.

## 3. FINANCE DEPARTMENT

The OPCC and Force Finance Department continue to work together to produce financial information, which is of high quality, accurate, relevant and up to date to the various stakeholders.

This year has continued to be challenging due to the Covid-19 pandemic, and yet the year-end process has continued to be streamlined and completed within the statutory deadline.



**Sophie Abbott PG Dip (HRM), Assoc. CIPD, FCCA**  
**Chief Finance Officer,**

Section 151 Officer  
Office of Police and Crime Commissioner for South Yorkshire

01 December 2022

# About South Yorkshire



## Sheffield (population 589,214)

### Key Facts:

- Area of 142 square miles
- M1 Motorway
- Fourth largest city in England
- Major sporting venues including English Institute of Sport
- Major universities
- Meadowhall shopping centre

For more details on Sheffield visit the Council website at:

[www.sheffield.gov.uk](http://www.sheffield.gov.uk)

## Doncaster (population 312,785)

### Key Facts:

- Area of 219 square miles
- M18 Motorway and A1(M)
- Robin Hood Airport
- Frenchgate shopping centre
- Doncaster Racecourse
- The Dome leisure centre

For more details on Doncaster visit the Council website at:

[www.doncaster.gov.uk](http://www.doncaster.gov.uk)

## Rotherham (population 264,984)

### Key Facts:

- Area of 110 square miles
- M1 Motorway
- Parkgate shopping centre
- Magna Science Adventure

For more details on Rotherham visit the Council website at:

[www.rotherham.gov.uk](http://www.rotherham.gov.uk)

## Barnsley (population 248,071)

### Key Facts:

- Area of 127 square miles
- M1 Motorway, Dearne Valley Parkway (A630)
- Alhambra shopping centre
- Barnsley Civic Centre

For more details on Barnsley visit the Council website at:

[www.barnsley.gov.uk](http://www.barnsley.gov.uk)

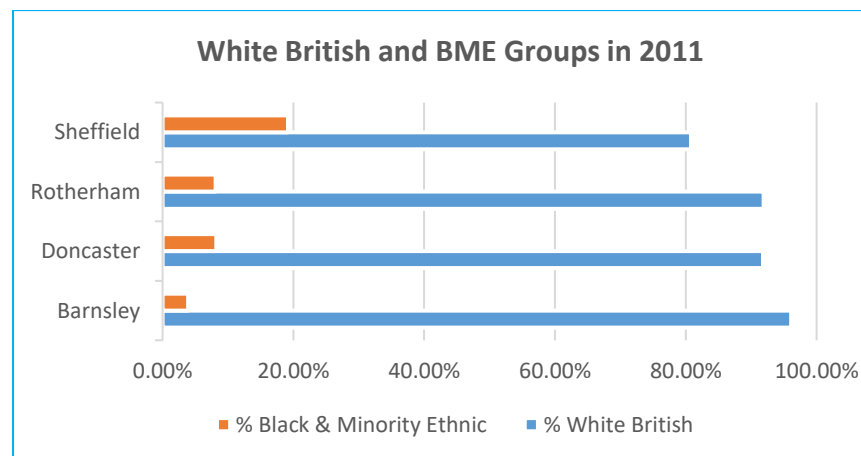
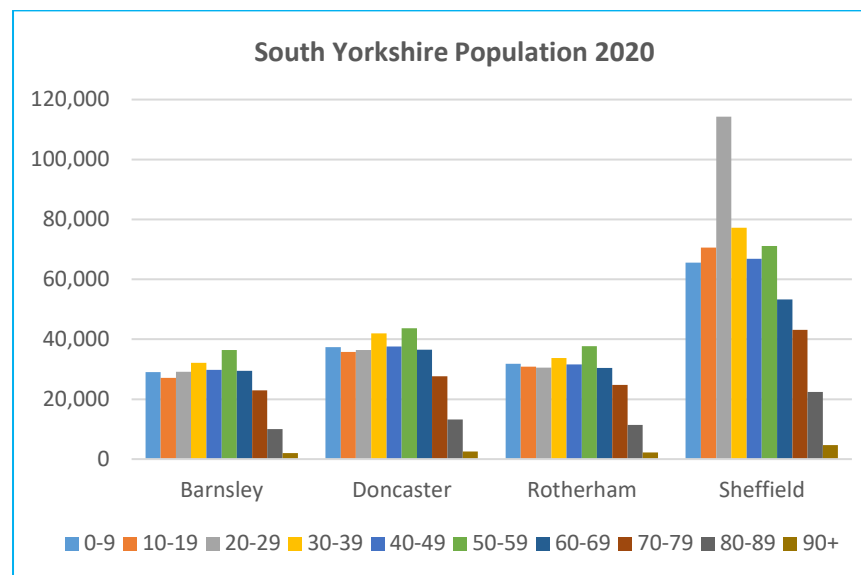
## About South Yorkshire (continued)

The mid 2020 population data for South Yorkshire as provided by the Office for National Statistics is as follows:

Age Groups	Barnsley	Doncaster	Rotherham	Sheffield	Total
0-9	29,057	37,405	31,836	65,606	163,904
10-19	27,097	35,792	30,837	70,633	164,359
20-29	29,112	36,378	30,542	114,276	210,308
30-39	32,167	41,969	33,752	77,188	185,076
40-49	29,739	37,626	31,606	66,910	165,881
50-59	36,390	43,717	37,651	71,108	188,866
60-69	29,418	36,469	30,406	53,279	149,572
70-79	22,983	27,690	24,756	43,117	118,546
80-89	10,060	13,195	11,420	22,446	57,121
90+	2,048	2,544	2,178	4,651	11,421
<b>Grand Total</b>	<b>248,071</b>	<b>312,785</b>	<b>264,984</b>	<b>589,214</b>	<b>1,415,054</b>

The total population for White British and Black & Minority Ethnic (BME) groups in 2011 (from Census) is as follows:

Area	Barnsley	Doncaster	Rotherham	Sheffield	Total
Total Population	231,221	302,402	257,280	552,698	1,343,601
% White British	96.1%	91.8%	91.9%	80.8%	88.1%
% Black & Minority Ethnic	3.9%	8.2%	8.1%	19.2%	11.9%



## Chief Finance Officer's Narrative Report (continued)

### 4. POLICE AND CRIME PLAN

Due to Covid-19, the PCC elections were postponed to May 2021. In turn, this necessitated the PCC to set out interim arrangements for the Police and Crime Plan. The Police and Crime Plan Priorities remained the same:

- ✓ Protecting Vulnerable People
- ✓ Tackling Crime and Anti-Social Behaviour
- ✓ Treating People Fairly

In setting the priorities, it is important that the PCC can monitor the progress of the police and partners in achieving them, and this is undertaken through the performance management framework, which uses a range of measures linked directly to the priorities of the plan and to certain national priorities that the PCC is required to publish information about. The high level measures are reported publicly each quarter.

The new 'Safer Streets, More Police' Police and Crime Plan (2022-2025) has now been published. Continuing with the same priorities, 'putting victims first', and 'showing value for money' being the underlying principles.

#### OUR PRIORITIES

##### 1. Protecting vulnerable people

Any of us might become vulnerable at any time in our lives, including due to being the victim of crime. Victim vulnerability needs to be recognised at the earliest opportunity so that the response can be tailored to meet victims' needs. Through the plan, the PCC wanted to ensure that we have a range of services in place to support victims, including the most vulnerable, and to obtain feedback in order to deliver effective victim led services that continually evolve to meet victim specific needs.

##### 2. Tackling crime and anti-social behaviour

Tackling crime and anti-social behaviour needs a high degree of partnership working between the police and other agencies to be effective. Police, Fire and Probation also have a duty to collaborate to keep people safe. Community Safety Partnerships (CSPs) are a key way in which partners across South Yorkshire work together to tackle crime and anti-social behaviour and to keep people safe.

The PCC asked the police to have an increased focus on those crimes that caused most anxiety in our communities. They included such neighbourhood crimes as residential and commercial burglary, vehicle crime, robbery, theft, hate crime and serious violence amongst others.

Neighbourhood policing relies on good partnership working with all local agencies including in Safer Neighbourhood Services where partners are co-located in the same building to address local priorities more effectively. Wider criminal justice partners come together in South Yorkshire as part of the Local Criminal Justice Board. The Violence Reduction Unit, continues to promote a public health approach to tackling violent crime with close partnership working between local authorities, the voluntary and charity sectors, health partners and others.

##### 3. Treating people fairly

As with the first priority of protecting vulnerable people, any of us may find ourselves victims of unfair treatment. This priority was about issues that concern the South Yorkshire Police (SYP) themselves as well as those that affect the public.

The PCC wanted to see better representation of women and those from minority ethnic groups and asked the Independent Ethics Panel to look at how SYP recruits, trains, promotes and retains officers and staff. There are also implications, in this priority, for the way different groups are treated within communities, and the Independent Ethics Panel was asked to work with the police in understanding why this is and what the effects and implications of it can be on both individuals and communities. The recommendations of Sheffield's Race Equality Commission were also to be considered, and how we could support implementation of those recommendations. Other priorities in this area included the use of force, policing protests and a fair complaints system.

#### VALUE FOR MONEY SERVICES

As the funding we receive is from government and local taxation, we must be able to demonstrate to local communities and taxpayers that the services provided are delivering value for money.

The PCC wanted to develop processes further, to demonstrate where value for money was being achieved, identify areas where improvements could be made, ascertain the main cost drivers and, where possible, links between finance and performance, as well as other sources of information.

The 2021/22 approved budget included a £2.6m saving plan, with £538,000 of this being re-invested into police officer recruitment, with further savings required to balance the budget in future years. The PCC asked that a co-ordinated savings programme be drawn up which aligned to our demands and priorities for the future services, scrutinised by the Joint Independent Audit Committee.

## Chief Finance Officer Narrative Report (continued)

### PERFORMANCE

#### Achievements 2021/22

##### 1. Protecting vulnerable people

- ✓ Continued to provide a range of victim support services including successfully gaining additional funding of over £1.53m during 2021/22 to support victims through the pandemic and as the nature of crime changed as covid restrictions eased.
- ✓ Made sure that vulnerable children and young people remained a priority including supporting the delivery of Child Matters training to over 4,500 people in South Yorkshire Police and with wider partners. Feedback has been positive and improvements in recording and quality of Force file submissions is already evident.
- ✓ Continued to increase accessibility to South Yorkshire Police through the introduction of more online reporting opportunities and a webchat facility
- ✓ Commissioned the Independent Sexual Violence Advocacy (ISVA) Service to offer practical help, advice and information for victims of rape and sexual abuse and their families. Once again, during the year we were successful in obtaining additional funding for the service ensuring continuing high quality support to victims as the Country came out of the pandemic.

- ✓ Continued to support the regional Adult Sexual Assault Referral Centre (SARC)
- ✓ Co-funded and/or co-commissioned domestic abuse services in each local authority area of South Yorkshire.
- ✓ Convened a Listening Event in February to give victims, charities, community groups, and support services the opportunity to share their views and experiences of Violence Against Women and Girls in order to strengthen contact between agencies and individuals and inform future work.
- ✓ Secured over £0.5 million of funding has been through the Safer Streets Fund part 3 aimed specifically at helping women and girls feel safer in public spaces. Following public consultation, most of the funding has been used across each of the 4 South Yorkshire districts to install innovative lighting and CCTV in a number of public parks. The remaining funding has been used to develop and launch a countywide communications and education campaign to target perpetrator behaviour and attitudes around violence against women and girls.
- ✓ Continued to support the work of the Youth Offending Teams across the County (£688,000) aiming to keep young people away from crime and re-offending.

##### 2. Tackling crime and anti-social behaviour

- ✓ Continuing to respond to the priorities for local people through holding a round table event focussing on road safety issues and ensuring a focus by SYP on retail crime through the introduction of a Retail Crime Lead within the force. SYP's off-road bike team were made part of the rural crime team and increased off road patrols in rural areas. New and innovative ways of tackling burglary were introduced including continued use of the problem-solving approach working in partnership and a pilot in Barnsley for officers to use GPS trackers to more effectively patrol burglary hot-spot areas.
- ✓ Continued to focus on providing an effective Neighbourhood Policing service including paving the way for an additional neighbourhood team in Doncaster and delivering an accredited Neighbourhood Policing Programme to over 400 officers and staff within SYP.
- ✓ Secured continued funding for the Violence Reduction Unit (VRU) to take a public health approach to violence prevention and reduction. The VRU was able to provide funding of almost £200,000 to partners in South Yorkshire to deliver intervention and prevention approaches to reducing violence.
- ✓ Continued to focus on the disruption of Organised Crime Groups through SYP's specialist Fortify Team which has seen some positive results of disruption work and investigations. This has led to significant numbers of arrests and the recovery of large amounts of drugs and assets.

## Chief Finance Officer Narrative Report (continued)

### 2. Tackling crime and anti-social behaviour (continued)

- ✓ There has been a continual focus on the key priorities for local communities: residential burglary, speeding vehicles and drugs offences including:
  - The roll out force wide of a Barnsley initiative (7 x 3 Burglary Reduction Plan) which directs burglary reduction activity across all district policing teams and the continued use of problem-solving approaches in key burglary hotspot areas together with the use of property marking with SmartWater resulting in a reduction of burglaries in those areas.
  - The holding of a Road Safety roundtable partnership event in January to look at how the public could be better informed about the different roles each partner in South Yorkshire plays in relation to road safety and to improve partnership working in this area.
  - Introducing the ability for the public to upload dashcam footage in relation to driver complaints through SYP's online reporting portal
  - Continual focus on SYP's Road casualty reduction work through Operation illuminate including drug and drink driving campaigns and the use of Highways England's HGV to give officers a high-level view of illegal mobile phone use by drivers which resulted in 43 drivers being dealt with.
  - Increasing the focus and disruption of the illegal growing of cannabis plants with one operation alone in Rotherham netting 9,000 cannabis plants with a potential street value of over £9m and targeted work in Barnsley netting 557 plants from just two cultivations.

### 3. Treating People Fairly

- ✓ Improved the scrutiny of stop and search through working closely with SYP's Stop and Search lead to introduce the ability of an external panel to view body worn video of actual stop and search encounters.
- ✓ Continued to successfully run the Independent Custody Visiting scheme despite restrictions in place limiting physical access to custody suites. The scheme has been instrumental in improving identifying vulnerable children and young people for referral to wider partnership services.
- ✓ Continued to use money taken directly from criminals to fund a local grant scheme, with over £140,000 being granted to local organisations in this way.
- ✓ The ongoing Covid-19 pandemic has proved challenging for everyone. The Force has successfully maintained law and order throughout, whilst continuing to protect the communities of South Yorkshire.
- ✓ Quickly started face to face engagement with local people and organisations as soon as restrictions allowed, whilst still retaining online engagement where organisations or communities found this to be beneficial.

- ✓ Worked in partnership with all criminal justice partners to ensure the effective process were considered and put in place to deal with the backlog of cases that had built up the wider criminal justice system because of the pandemic.
- ✓ continued to convene the Independent Ethics Panel (IEP) whose role is to contribute to the overall level of assurance around the ethical culture within South Yorkshire Police. The Panel provide specific assurance to me on equality and diversity and fair treatment issues.
- ✓ A continued focus on staff health and wellbeing.

Other achievements include:

- ✓ In year savings target exceeded by £0.12m. Achieved savings of £2.81m against a target of £2.69m (£2.81m full year effect).
- ✓ The Force's recruitment target for 2021/22 was 320 (business as normal, National Uplift and Precept Uplift). The Force exceeded this target and recruited 340 officers in total.

Further detail around performance will be available in the PCC's annual report which is due to be published in August.

## Chief Finance Officer's Narrative Report (continued)

### 5. FINANCIAL PERFORMANCE

#### CORE FUNDING

The 2021/22 Police Finance Settlement was announced in December 2020 with the Government increasing the grant by £9.4m to £215.6 (£206.2m in 2020/21). Additional funding was ringfenced, conditional on meeting the local police officer recruitment target set by the Home Office (£2.4m).

#### ADDRESSING FUTURE CHALLENGES

The Medium Term Resourcing Strategy has recently been updated, indicating that, for a variety of reasons, the Force expects to see increasing demand for services. To balance the budget and the gap, the Force has invested in a dedicated savings team to develop a plan to address this.

In terms of predications for long term funding, the funding settlement continues to be for one year, despite the three year Comprehensive Spending Review period.

The legacy issues for the Force which include Hillsborough and child sexual exploitation present significant financial challenges, particularly in the longer term. Plans to balance the budget are reviewed on a regular basis, in order to ensure that adequate savings plans are in place, and that income is maximised whilst delivering a high standard of service to the public.

#### 2021/22 COUNCIL TAX AND REVENUE SPENDING

The 2021/22 Finance Settlement also once again provided 'greater flexibility' to PCCs to raise their precept by an amount equivalent to £15 on a Band D property.

The PCC proposed that the council tax precept for 2021/22 be increased by the maximum level equivalent of £15 for Band D properties, in accordance with the funding assumptions set by the Home Office. This would represent an increase of 7.57% and would produce a Band D council tax of £213.04 (£198.04 in 2020/21). As 75% of South Yorkshire properties are in Band A and Band B, this would equate to annual increases of £10.00 and £11.66 respectively.

The increase in precept along with the £2.6m savings programme from the Chief Constable resulted in balanced budget after legacy costs. The PCC once again applied to the Home Office during 2021/22 for Special Grant funding to meet the estimated costs of legacy issues.

The General Reserve balance of £36.9m represents about 12.6% of the net revenue budget, which is deemed as more than a reasonable level (5%). However, there remains a significant risk associated with legacy costs and the outcome of the future Home Office Special Grant funding applications which could affect the level and adequacy of the reserves in future years.

With the inclusion of the collection fund deficit the approved budget requirement was £291,913 for 2021/22.

	£000	£000	%
<b>Budget Requirement</b>		<b>291,913</b>	
<b>Sources of Finance</b>			
DCLG Funding		(88,368)	
Police Grant		(116,996)	
Council Tax Freeze Grant		(1,269)	
Council Tax Support Grant		(9,591)	74.1
<b>Council Tax Income:</b>			
• Barnsley	(13,896)		
• Doncaster	(17,642)		
• Rotherham	(15,075)		
• Sheffield	(29,406)	(76,019)	
Collection Fund Deficit		330	25.9
<b>Total Financing</b>		<b>(291,913)</b>	<b>100</b>

## Chief Finance Officer's Narrative Report (continued)

### 5. FINANCIAL PERFORMANCE (CONTINUED)

#### FINANCIAL OUTLOOK

On the 28 February 2022, the PCC approved the budget and council tax precept for 2022/23. Accompanying this was the Workforce Strategy, the Medium Term Resource Strategy, Capital Programme and Reserves Strategy, which is to be followed for the forthcoming years.

The core funding for South Yorkshire amounts to £233.8m, a cash increase of 5.8% which covers the current cost of additional police officer uplift, national insurance increase and contribution towards pay inflation. Future funding of the police officer uplift, beyond the spending review period, remains uncertain. The pensions grant (£2.6m), council tax support and freeze grants continue at 'flat cash' rates, but the capital grant allocation (previously £0.3m) has now been abolished, and therefore PCCs are expected to fund all capital investment.

The funding settlement included provision to support an increase of police officer numbers of 202 by March 2023. Of this, the Home Office has retained £3.4m as 'ringfenced grant' with conditions. For our 2022/23 financial planning, the full value including the ringfenced grant element is assumed. This 'Uplift' grant now also includes regional and Organised Crimes Unit. The continued funding in 2022/23 for the 18 Violence Reduction Units has been announced, including £2.9m available for South Yorkshire, rising over three years, this being subject to a bid process.

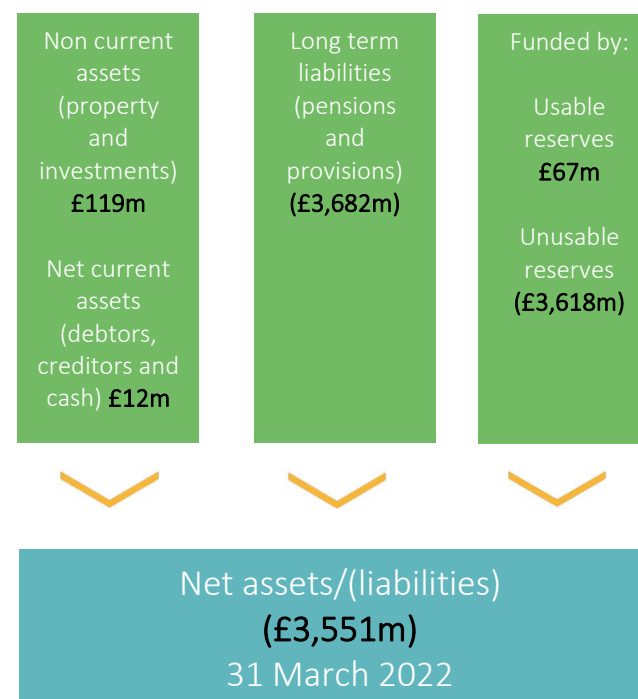
In preparing the MTRS, different scenarios were modelled to reflect various levels of precept and government grant. The impact of changes were examined in relation to cost assumptions such as pay inflation, along with investment and savings considerations.

The Home Office funding settlement gave the flexibility for PCCs to increase the precept on Band D properties by up to £10. Given the challenges facing the Force, the PCC determined to use this flexibility and agreed this increase to £223.04 for the year on a Band D property. This equates to an annual increase of £6.66 for a Band A property (13 pence a week).

After a £10 increase, the MTRS includes planned savings of £1.7m in 2022/23, with continuing savings plan for the whole of the MTRS period.

The issues concerning the legacy of Hillsborough and CSE in Rotherham remain and during the year there has been ongoing dialogue between the PCC and CC and the Home Office to try and agree a long term funding model. Separate reserves have been set aside to minimise the impact of legacy costs on our day to day expenditure.

The PCC maintains a strong balance sheet despite financial challenges. Total outstanding borrowing from the Public Works Loan Board (PWLb) as at 31 March 2022 is £32.5m compared with the PCC's underlying need to borrow (capital financing note 23) of £88.3m. This means that at some point in the future, the PCC is likely to need to borrow an additional £55.8m to ensure that the liquidity position is retained. The Group position is as follows:



## Chief Finance Officer's Narrative Report (continued)

### 5. FINANCIAL PERFORMANCE (CONTINUED)

#### REVENUE OUTTURN

The revenue outturn for the year was £288.557m, before movement on reserves. This represents an overall underspend of £4.4m (£7.5m including legacy costs) compared to the budget for 2021/22. The most significant variance are:

- The PCC has underspent by £1.2m compared to budget. This is mainly due to vacant posts within the OPCC, an unused legal provision, underspend on funding streams within Commissioning, which will be carried forward in the Commissioning Earmarked Reserve and underspend within capital financing costs due to the continuation of internal borrowing, as agreed in the Treasury Management Strategy.
- The Chief Constable underspent his delegated budget by £3.1m. Further information regarding this is included within the Chief Constable's Statement of Accounts.
- Information provided by the Force Legal Services Department indicates that the majority of costs relating to potential civil claims arising from the Hillsborough Inquests and Child Sexual Exploitation, are likely to fall on future financial years resulting in a £2.7m underspend in 2021/22. An underspend in relation to Operation Stovewood was £0.4m and has been carried forward in the Legacy Earmarked Reserve to such time that costs materialise.

The figures in the first table are not the same as the Comprehensive Income and Expenditure Statement due to presentational differences required by proper accounting practice. However, the contribution of £8.7m to Earmarked Reserves and £5.3m from General Reserves is reflected in the Movement on Reserves Statement.

The following table sets out the revised budget compared to the actual expenditure and grant and investment income in 2021/22. At the end of the financial year, the level of spending was less than budget.

	Revised Budget £'000	Outturn £'000	Variation £'000
Office of the PCC	2,078	1,619	(459)
Partnerships & Commissioning	3,343	2,685	(658)
Capital Financing Costs	2,401	2,288	(113)
Specific Grants	(46)	(38)	8
<b>Budgets under the control of the PCC</b>	<b>7,776</b>	<b>6,554</b>	<b>(1,222)</b>
Chief Constable	282,449	279,320	(3,129)
<b>Budget delegated to the Chief Constable</b>	<b>282,449</b>	<b>279,320</b>	<b>(3,129)</b>
Hillsborough Civil Claims	3,496	753	(2,743)
Child Sexual Exploitation Civil Claims	-	66	66
Operation Stovewood	2,308	1,864	(444)
<b>Total Legacy Issues</b>	<b>5,804</b>	<b>2,683</b>	<b>(3,121)</b>
<b>Total Combined Net Expenditure</b>	<b>296,029</b>	<b>288,557</b>	<b>(7,472)</b>
Contribution to/(from) Earmarked Reserves	(4,052)	8,684	12,736
Contribution to/(from) General Reserves	(64)	(5,328)	(5,264)
<b>Budget Requirement</b>	<b>291,913</b>	<b>291,913</b>	<b>0</b>

Revenue expenditure is reported in the Accounts under the Comprehensive Income and Expenditure Statement with a group deficit of £52.2m. The table below shows how the revenue outturn position varies from the Comprehensive Income and Expenditure Statement:

	£'000
Underspend as per budgeted outturn	(7,472)
Reserves in year	4,116
Overall movement of reserves	(3,356)
<b>Remove items included in budgeted outturn</b>	
Debt charges and impairment losses	(3,728)
Pension contributions	(46,281)
<b>Add items not charged to council tax</b>	
Interest payable (including pensions)	73,750
Accounting charges for assets, depreciation, impairment, holiday pay etc	108,462
<b>Remove items not charged to council tax</b>	
Top up grants, capital grants and other contributions	(51,582)
Re-measurement of net defined benefit liability re pensions	(25,070)
<b>Total deficit on Group Comprehensive Income and Expenditure Statement</b>	<b>52,195</b>

## Chief Finance Officer's Narrative Report (continued)

### 5. FINANCIAL PERFORMANCE (CONTINUED)

#### CAPITAL

The PCC has a five year capital programme to 2026/27 of around £106m. This investment will deliver a range of objectives, including:

- New and improved fit for purpose buildings and facilities;
- Efficient vehicles appropriate to policing needs;
- Improved equipment and technology infrastructure.

The PCC approved a capital programme of £25.7m for 2021/22. This was reviewed during the year and reduced to £21.0m. The final capital outturn amounts to £16.6m in 2021/22.

The 2021/22 capital expenditure is split as follows:

- £8.5m was spent on new property and improving existing buildings.
- £2.7m was spent on new vehicles purchased in accordance with the vehicle replacement programme.
- £5.4m was spent on information, communications and operational equipment, including joint projects with Humberside Police.

Examples of major schemes and spends are set out below:



£2.7m investment in new vehicles

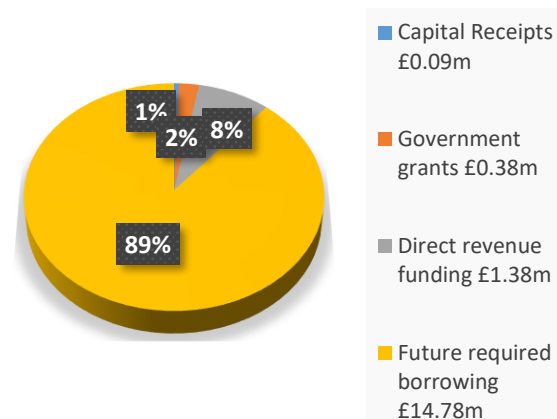


£5.4m spent on communications and operational equipment



£4.5m on new building Europa 3

#### Capital Funding 2021/22



## Chief Finance Officer's Narrative Report (continued)

### 6. WHO WORKS FOR SOUTH YORKSHIRE POLICE?

The staffing information for the Force and OPCC as at 31 March 2022 is as follows:

	Full Time Equivalent (FTE)	Number of employees
Police Officers	2,860	2,936
Police Community Support Officers	119	128
Police Staff	2,177	2,433
OPCC	31	32
<b>Total</b>	<b>5,187</b>	<b>5,529</b>

South Yorkshire Police employs approximately 5,500 staff in full-time and part-time positions.

In addition, the Force is supported by 125 Special Constables, 49 Police Cadets, 10 Police Cadet Leaders and 89 other volunteers.

### 7. COMMISSIONING

The PCC commissions or grant funds services and activities where there is a statutory responsibility, and in support of the delivery of the priorities and outcomes in the Police and Crime Plan. The Commissioning budget for 2021/22 was £8.4m with £5.1m being funded through external funding. The net underspend is £0.7m which will go into reserves for future activity.

Police and crime plan priorities and areas of focus are translated into funding streams under all commissioned activity sits. While some of the funding streams relate to the direct commissioning of services – e.g. relating to statutory responsibilities for victims' services – much of what is delivered is achieved by allocating resources through grants to a combination of local authorities, local organisations and community groups who must all work together, and with South Yorkshire Police to achieve outcomes:

- **Chief Constable's Budget** – amount to provide policing services to the communities of South Yorkshire.
- **Community Safety Fund** – local Community Safety Partnership activity, and countywide domestic abuse perpetrator programme.
- **Criminal Justice Fund** - grant contributions to drugs intervention programmes and youth offending services.
- **Victims of Crime Fund** – commissioned services such as Sexual Assault Referral Centre, Victim Support contract, Independent Sexual Violence Advocates contract, Restorative Justice Service contract and support for victims of Domestic Abuse.
- **Partnership Fund** – supports a policing contribution to local partnership board activity across the county, predominantly Safeguarding Children and Safeguarding Adults Boards.

- **One off Commissions** – issues and priorities that emerge during the year. For example in 2021/22 it continued to support the county strategic Modern Slavery Partnership in South Yorkshire and an analyst working to support a regional Rehabilitation Partnership Board.
- **Proceeds of Crime Act Community Grant Scheme** – supports community organisations and groups. Grant schemes are run throughout the year, using an application and assessment process to select activity.

### 8. PARTNERSHIP WORKING/COLLABORATION

The PCC and CC work recognise that in many cases the most effective and efficient way of meeting challenges and delivering against our strategies is by working in partnership with others. The PCC and Force collaborate at local, district, countywide, regional and national levels with a wide range of partners. These partners include; Local Authorities, Ambulance and NHS Trusts, Fire Services, other Police Forces and a range of other groups and organisations.

Key examples include Shared Services for IT and Legal Services with Humberside Police and Shared Services for Procurement and Forensics across the four Yorkshire and Humber Forces. Close working with public bodies and community groups also deeply underpins the force approach to Neighbourhood Policing.

## Chief Finance Officer's Narrative Report (continued)

### 9. TOP STRATEGIC RISKS FOR UPCOMING YEAR

The PCC's Senior Leadership Team (SLT) actively discusses and manages risk through its regular meetings. This includes reviewing the position with existing strategic risks, as well as considering any new risks. Discussions are informed by:

- the PCC's Assurance Framework (which highlights where there may be gaps or weaknesses in assurance that the OPCC Business Plan objectives are being achieved);
- Local Criminal Justice Board strategic risks that may impact on the PCC and/or delivery of the Police and Crime Plan; and
- Violence Reduction Unit strategic risks considered by the Violence Reduction Executive Board that may impact on the PCC and/or delivery of the Police and Crime Plan.

Strategic level risks are included in the PCC's Strategic Risk Register and reported to the Joint Independent Audit Committee (JIAC).

The PCC's Chief Executive & Solicitor (the Monitoring Officer), and South Yorkshire Police's (SYP's) Deputy Chief Constable meet as a Management Board, usually on a weekly basis. Periodically, Management Board discusses SYP related strategic risks and concerns that may impact on the PCC, as well as risks that may be common to both organisations.

Discussions regarding strategic risks and concerns also form part of regular liaison meetings between the PCC's Chief Finance Officer, Head of Governance and CC's Chief Finance Officer and SYP's Director of Resources.

Each strategic risk has: a clear description, an owner, a manager, a completion date and a quantification of the risk (both before and after taking account of controls and identified risk mitigations). As at the end of 2021/22, the strategic risks identified were:

Risk	Impact	Mitigation
<b>Organisational Control Framework – The need to mature and embed SYP's Organisational Infrastructure (OI) approach &amp; test its effectiveness as part of SYP's organisational control framework</b>	The need to mature and embed SYP's OI approach could limit the ability of the OPCC to take a 'risk-based' approach to assurance activity carried out on the PCC's behalf, meaning limited resources may not always be used to best effect in providing the PCC assurance that Police and Crime Plan priorities are being delivered and that his, and the CC's, statutory functions are being effectively discharged.	<p>Joint liaison meetings continue to be held, as part of business as usual, between SYP, OPCC and internal audit aimed at ensuring risk, governance or internal control matters are considered in the round.</p> <p>An internal audit review was undertaken during 21/22, and a reasonable assurance opinion given. The review did not identify any major gaps, errors or inaccuracies and assurance could therefore be provided that both the Chief Constable and the Police and Crime Commissioner can place reasonable reliance on the OI framework.</p> <p>The PCC also relies on the JIAC to assure him that SYP's OI is an effective organisational control framework, and to oversee the effective maturing and embedding of OI within SYP.</p>

## Chief Finance Officer's Narrative Report (continued)

Risk	Impact	Mitigation
<p><b>PCC Funding - Uncertainty of, and potential for insufficient finances to be available</b></p>	<p>Inability to commission delivery of the PCC's Police and Crime Plan and discharge his statutory responsibilities may impact on the ability to secure an efficient and effective police service for South Yorkshire's communities.</p>	<p><b>Funding:</b> Professional advice and support is provided to the PCC by the s.151 officer (the PCC's CFO).</p> <p>The PCC, Chief Executive and CFO are members of national professional bodies linked into the Home Office, who can influence and negotiation on a national basis. Lobbying is also undertaken in respect of key funding issues through for example, ministerial meetings. Separate meetings are held with Home Office Officials around legacy issues.</p> <p>Comprehensive scenario and risk planning is undertaken in order to ensure that budgets adequately underpin the assessment of need, are realistic, and enable key investment and spending decisions to take place effectively. Financial plans are projected out through a five-year period.</p> <p>Effective consultation is undertaken to support and inform the precept proposals.</p> <p><b>Expenditure:</b> The PCC's Chief Finance Officer reports monthly to the PCC's Planning and Efficiency Group (PEG), and key issues affecting the budget and financial performance are discussed at this meeting, along with risk mitigation. There is also separate quarterly reporting to the Police and Crime Panel, and JIAC on budget performance, including on SYP's savings plans.</p> <p><b>Officer uplift:</b> Project, risk and opportunity management arrangements are in place to achieve the recruitment of police officers, within budget, as part of the national Operation Uplift.</p>

## Chief Finance Officer's Narrative Report (continued)

Risk	Impact	Mitigation
	Inability to sustain short term funding which impacts on the Violence Reduction Unit (VRU) and Partnerships and Commissioning budget. This will likely impact on the ability to reduce levels of serious violence now and into the long term, and the services provided to victims.	<p>Regular meetings and discussions take place with the Home Office, and Ministry of Justice to understand the likelihood, timing and conditions of repeat funding.</p> <p>Scenario planning is undertaken for each area to understand the size and of potential financial risk, and this is considered within the budget setting process by the Senior Leadership Team, along with assessments of need and demand.</p> <p>Regular financial reporting to the OPCC senior leadership team, VRU executive and elected members boards includes forecasts of expenditure in externally funded areas.</p> <p>The VRU, funded through a Home Office grant, has been awarded increased funding for a multi-year period covering until the end of 2024/25. The Ministry of Justice, which provides a grant to the PCC with which to commission support services for victims, has also recently confirmed three-year funding arrangements.</p> <p>Ad-hoc external funding remains a risk, with significant amounts of money being received through this route, mainly from government. This additional funding, whilst welcome, impacts on the capacity of the OPCC to delivery on the new initiatives, as well as planned priorities, and can result in underspends within the OPCC budget, as the new funding is time bound. The Senior Leadership Team within the OPCC is monitoring the situation.</p>
<b>OPCC commissioning - Leading the Yorkshire and the Humber (YaTH) Adult Sexual Assault Referral Centre (SARC) Service</b>	Inability to negotiate / agree extension and /or re-commission a SARC service could result in a lack of, or reduced service, to vulnerable service users in South Yorkshire.	<p>Commissioning leads from the partnership of YatH PCCs and NHS (England) are working through a planned timetable with Regional Procurement.</p> <p>There is a Regional SARC Board maintaining oversight of the service and contractual arrangements.</p> <p>Updates are provided to the YatH PCCs and Chief Constables at their regular collaboration governance meetings. YatH PCC chief executives are also monitoring progress, discussing and escalating any concerns when appropriate.</p> <p>Regular SARC contract meetings continue, to ensure service levels are maintained during extension negotiations, the re-commissioning process and transition to a new contracted service.</p>

## Chief Finance Officer's Narrative Report (continued)

Risk	Impact	Mitigation
<p><b>IT collaboration between South Yorkshire and Humberside PCCs and Chief Constables (CCs)</b></p> <p>An internal audit review was commissioned following management concerns relating to the effectiveness of the corporate governance and financial management and control arrangements in place for the IT collaboration.</p> <p>The review identified significant weaknesses and gaps in the collaboration governance arrangements.</p>	<p>Weaknesses and gaps in the IT collaboration governance arrangements could lead to a failure to achieve strategic objectives and achieve value for money in this area.</p>	<p>The OPCC Partnerships and Commissioning Manager continues to convene a partnership Task and Finish Group which is progressing activity to secure the new SARC service. The task and finish group members report locally to their various senior leadership groups as required and together report to the Regional SARC Board, currently chaired by an Assistant Chief Constable in South Yorkshire.</p> <p>Revised leadership arrangements were put in place. A further internal audit review was undertaken and reported, in January 2021, a 'limited assurance with a positive direction of travel'.</p> <p>Humberside's ACO Resources (Senior Responsible Officer for the Joint Service) and Deputy Chief Constables (DCCs) in both forces discussed the reports and the IT governance arrangements. These discussions acknowledged the responsibilities of the PCCs in setting the strategic direction and collaborative budget, and their collective oversight and scrutiny of the collaborative function, including the management of risk and realisation of benefits. However, there were differences of opinion, which remain, as to the most efficient, effective and proportionate mechanisms for the governance of the IT collaboration.</p> <p>During June 2022, the CCs met and, following discussions with their respective PCCs, they have agreed to consider a range of options for the future delivery of the IT service during 2022/2023. In the meantime, regular updates will be provided to the South Yorkshire PCC at his Planning and Efficiency Group and to the JIAC.</p>

## Chief Finance Officer's Narrative Report (continued)

The following emerging risks are being closely monitored by the PCC and his SLT:

- Collaboration  
The gaps and weaknesses identified by the above internal audit review into the IT service, along with the PCC's increasing questions about the efficiency and effectiveness of the collaborative activity within the North Eastern Region, led to the OPCC considering the soundness of the PCC's assurance arrangements regarding the IT collaboration and other collaborative activity generally. Regionally, the North Eastern Collaboration Board (NECB) agreed to dissolve, and to disband its supporting team, with effect from 31 March 2021. The NECB was replaced by a seven-PCC meeting, and the CCs' operational assurance boards remained. The OPCC is now discussing with others in the region, and with the Force, how governance and reporting arrangements should be improved for PCCs, although there are varying opinions on this issue. In summary, whilst collaboration in general does not present a significant governance issue at this time, the PCC's local governance arrangements are being reviewed with a view to improvement.
- The Government's review of the role of PCCs, with the second part reported on 7 March 2022 (and review of the Policing Protocol)
- Health and wellbeing of OPCC staff
- The changing PCC and political landscape, including the Levelling Up White Paper, Mayoral models and Fire Reform
- Instability of political and officer leadership in Sheffield City Council and their financial deficit
- Conflict in the Ukraine and the current economic situation (including the impact on finance and procurement)
- Regional Procurement – leadership and capacity and capability to deliver
- PSD concerns and increase in complaint reviews
- Capacity to deliver against additional funding
- National measures (101 and CJ Scorecards)
- CSE - Publication of two reports into CSE in Rotherham – the Jenny Myers Report was published in May and the IOPC Op Linden Report into police handling of CSE between 1997 and 2013 is due to be published shortly
- Gap in Chief Officer Team (November)

For details in relation to the Force concerns, please review the Force Statement of Accounts.

## Chief Finance Officer's Narrative Report (continued)

### 10. EXPLANATION OF ACCOUNTING STATEMENTS

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by Her Majesty's Treasury.

The Statements reflect the current legislative framework, central to which is the Police Reform and Social Responsibility Act 2011.

Fundamentally, the PCC is responsible for the finances of the whole Group and controls the assets, the majority of liabilities and the reserves. The PCC receives all the income and funding and makes all payments from the PCC Police Fund. In turn, the Chief Constable has a duty to fulfil prescribed functions under the Police Reform and Social Responsibility Act 2011 within the annual budget set by the PCC in consultation with the Chief Constable.

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

The **Core Statements** are:

- **Comprehensive Income and Expenditure Statement:** this shows the cost for the year of providing services. The PCC receives all income which is, therefore, excluded from the Chief Constable's Statement.
- **Movement in Reserves Statement:** this shows the movement of reserves during the year, analysed between usable and unusable reserves. The Chief Constable has no usable reserves. Unusable reserves are those that have been created to reconcile the accounting entries required to comply with the Code with those that must be statutorily charged to the General Fund Balance for council tax setting purposes. These cannot be used to support local expenditure.
- **Balance Sheet:** this sets out the assets, liabilities and reserves of the PCC and Group as at 31 March each year.
- **Cash Flow Statement:** this summarises the movements in cash and cash equivalents during the year. It shows how cash and cash equivalents are used or generated in operating, investing and financing activities.

The **Supplementary Financial Statements** are:

- **Statement of Accounting Policies:** this sets out details of the accounting policies adopted in compiling the Statement of Accounts.
- **Police Pension Fund Account:** this sets out the position for the three Police Pension Scheme (1987, 2006 and 2015) Fund Accounts as at 31 March each year.
- **Annual Governance Statement:** this sets out the governance structures of the organisation and its key internal controls.

The Notes to these financial statements provide more detail about accounting policies and individual transactions.

# Independent Auditor's Report

## Report on the Audit of the Financial Statements

### Opinion on financial statements

We have audited the financial statements of the Police and Crime Commissioner for South Yorkshire (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2022 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 include the police pension fund financial statements comprising the Police Pension Fund Account and Notes. 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 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2022 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; 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, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General.

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 Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Police and Crime Commissioner and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Police and Crime Commissioner and the group.

In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the Chief Finance Officer with respect to going concern are described in the 'Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer for the financial statements' section of this report.

### Emphasis of Matter – contingent liability in respect of the Hillsborough disaster

We draw attention to Note 40 to the financial statements, which describes the existence of a contingent liability in respect of the Hillsborough disaster. As disclosed in note 40, management recognise the complexity of the scheme which is over a 30-year period. In management's opinion, it is therefore not possible to materially quantify the total likely payments in the statement of accounts. Our opinion is not modified in respect of this matter.

## Independent Auditor's Report (continued)

### Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Police and Crime Commissioner and group 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 Police and Crime Commissioner and the group obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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 in April 2020 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 Edition' 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 Police and Crime Commissioner, the other information published together with the financial statements in the Statement of Accounts, 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 issue a report 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 make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

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

### Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner and the Group 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 Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's and the group'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 there is an intention by government that the services provided by the Police and Crime Commissioner and the group will no longer be provided.

The Police and Crime Commissioner is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.

### 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.

## Independent Auditor's Report (continued)

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Police Reform and Social Responsibility Act 2011);

- We enquired of senior officers and the Police and Crime Commissioner and the Group, concerning the Police and Crime Commissioner and group's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and;
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Police and Crime Commissioner whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, risk of judgements derived by management with high estimation uncertainty and other fraud risks including fraudulent recognition of revenue and incompleteness of expenditure and associated liabilities. We determined that the principal risks were in relation to:
  - journal entries posted which met a range of criteria determined during the course of the audit, in particular, those posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement, and
  - accounting estimates made in respect of the valuation of liabilities in the Balance Sheet.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that the Chief Finance Officer has in place to prevent and detect fraud;
  - journal entry testing, with a focus on large and unusual manual journals which are at higher risk of manipulation in comparison to automatic system generated journals;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings and the valuation of the net defined pensions liability in the Balance sheet; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Our assessment of the appropriateness of the collective competence and capabilities of the Police and Crime Commissioner and group's engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the police sector
  - understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA, LASAAC and SOLACE
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:

## Independent Auditor's Report (continued)

- the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

### **Report on other legal and regulatory requirements - the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources**

### **Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Police and Crime Commissioner's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report.

We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

### **Responsibilities of the Police and Crime Commissioner**

The Police and Crime Commissioner 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.

### **Auditor's responsibilities for the review of the Police and Crime Commissioner'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 Police and Crime Commissioner 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 Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and

- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

### **Report on other legal and regulatory requirements - Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report.
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Police and Crime Commissioner for the year ended 31 March 2022.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

### **Use of our report**

This report is made solely to the Police and Crime Commissioner, 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.

## Independent Auditor's Report (continued)

Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Grady, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor

London

1 December 2022

# Statement of Responsibilities for the Statement of Accounts

## THE COMMISSIONER'S RESPONSIBILITIES

The Commissioner is required to:

- make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs, in line with statute this is the Section 151 Officer;
- manage his affairs to secure economic, efficient and effective use of resources and safeguard his assets; and
- approve the Statement of Accounts.

## THE CHIEF FINANCE OFFICER'S RESPONSIBILITIES

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

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

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent; and
- complied with the Local Authority Code 2021/22.

The Chief Finance Officer has also:

- kept proper, up to date accounting records; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities; and
- assessed the ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting on the assumption that the functions will continue in operational existence for the foreseeable future; and
- maintained such internal control which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

## APPROVAL OF STATEMENT OF ACCOUNTS

The Statement of Accounts was approved by the Police and Crime Commissioner for South Yorkshire.

**Dr Alan Billings**  
Police and Crime Commissioner for South Yorkshire

01 December 2022

**Sophie Abbott (HRM), Assoc. CIPD, FCCA**  
Chief Finance Officer,  
Section 151 Officer

01 December 2022



### 3. Core Financial Statements



# Comprehensive Income and Expenditure Statement

The **Comprehensive Income and Expenditure Statement (CIES)** shows the cost in the year of providing services for the Group in accordance with generally accepted accounting practices. PCCs raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and Expenditure Funding Analysis.

## Group

2020/21			2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
2,287	-	2,287	2,207	-	2,207
15,839	-	15,839	25,566	-	25,566
144,093	-	144,093	136,061	-	136,061
47,785	-	47,785	49,709	-	49,709
48,977	-	48,977	53,292	-	53,292
72,125	-	72,125	96,757	-	96,757
13,482	-	13,482	5,369	-	5,369
11,004	-	11,004	12,873	-	12,873
20,368	(53,412)	(33,044)	15,108	(51,393)	(36,285)
<b>375,960</b>	<b>(53,412)</b>	<b>322,548</b>	<b>396,942</b>	<b>(51,393)</b>	<b>345,549</b>
607	(485)	122	1,809	(294)	1,515
77,373	(149)	77,224	73,751	(106)	73,645
-	(331,686)	(331,686)	-	(343,495)	(343,495)
<b>453,940</b>	<b>(385,732)</b>	<b>68,208</b>	<b>472,502</b>	<b>(395,288)</b>	<b>77,214</b>
		831			51
		153,040			(25,070)
		<b>153,871</b>			<b>(25,019)</b>
		<b>222,079</b>			<b>52,195</b>
		<b>Total Comprehensive (Income) and Expenditure</b>			

## Comprehensive Income and Expenditure Statement (continued)

PCC

2020/21				2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
20,368	(53,412)	(33,044)	PCC	15,108	(51,393)	(36,285)
20,368	(53,412)	(33,044)	Cost of Services	15,108	(51,393)	(36,285)
363,845	-	363,845	Intra-group adjustment – funding provided by the PCC for financial resources consumed by the CC	376,463	-	376,463
384,213	(53,412)	330,801	Total Cost of Policing Services	391,571	(51,393)	340,178
607	(485)	122	Other Operating Expenditure <a href="#">Note 7</a>	1,809	(294)	1,515
1,569	(149)	1,420	Financing and investment income and expenditure <a href="#">Note 8</a>	1,622	(106)	1,516
-	(331,686)	(331,686)	Taxation and non-specific grant <a href="#">Note 9</a>	-	(343,495)	(343,495)
386,389	(385,732)	657	(Surplus) or deficit on Provision of Service	395,002	(395,288)	(286)
		831	(Surplus) or deficit on revaluation of Property, Plant and Equipment <a href="#">Note 19</a>			51
		530	Remeasurements of the net defined benefit liability <a href="#">Note 35</a>			(961)
		1,361	Other Comprehensive (Income) and Expenditure			(910)
		2,018	Total Comprehensive (Income) and Expenditure			(1,196)

# Movement in Reserves Statement

The **Movement in Reserves Statement** shows the movement in year of the different reserves held by the Group analysed into 'usable reserves' (those that can be applied to fund expenditure of reduce local taxation) and other 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing services, more details of which are shown in the Group Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The Net Increase/Decrease before the Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to and from earmarked reserves.

## Group

	General Fund Balance £'000	Earmarked Reserves £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 1 April 2020</b>	<b>24,653</b>	<b>31,165</b>	<b>-</b>	<b>55,818</b>	<b>(3,332,152)</b>	<b>(3,276,334)</b>
<b>Movement in Reserves during 2020/21</b>						
<b>Total Comprehensive Income and Expenditure</b>	<b>(68,208)</b>	<b>-</b>	<b>-</b>	<b>(68,208)</b>	<b>(153,871)</b>	<b>(222,079)</b>
Adjustments between accounting basis and funding basis under regulations <a href="#">Note 16</a>	76,750	-	-	76,750	(76,750)	-
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>	<b>8,542</b>	<b>-</b>	<b>-</b>	<b>8,542</b>	<b>(230,621)</b>	<b>(222,079)</b>
Transfers to/(from) Earmarked Reserves <a href="#">Note 17</a>	9,052	(9,052)	-	-	-	-
<b>Increase/(Decrease) in 2020/21</b>	<b>17,594</b>	<b>(9,052)</b>	<b>-</b>	<b>8,542</b>	<b>(230,621)</b>	<b>(222,079)</b>
<b>Balance at 31 March 2021 carried forward</b>	<b>42,247</b>	<b>22,113</b>	<b>-</b>	<b>64,360</b>	<b>(3,562,773)</b>	<b>(3,498,413)</b>
<b>Movement in Reserves during 2021/22</b>						
<b>Total Comprehensive Income and Expenditure</b>	<b>(77,214)</b>	<b>-</b>	<b>-</b>	<b>(77,214)</b>	<b>25,019</b>	<b>(52,195)</b>
Adjustments between accounting basis and funding basis under regulations <a href="#">Note 16</a>	80,570	-	-	80,570	(80,570)	-
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>	<b>3,356</b>	<b>-</b>	<b>-</b>	<b>3,356</b>	<b>(55,551)</b>	<b>(52,195)</b>
Transfers to/(from) Earmarked Reserves <a href="#">Note 17</a>	(8,684)	8,684	-	-	-	-
<b>Increase/(Decrease) in 2021/22</b>	<b>(5,328)</b>	<b>8,684</b>	<b>-</b>	<b>3,356</b>	<b>(55,551)</b>	<b>(52,195)</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>36,919</b>	<b>30,797</b>	<b>-</b>	<b>67,716</b>	<b>(3,618,324)</b>	<b>(3,550,608)</b>

## Movement in Reserves Statement (continued)

PCC

	General Fund Balance £'000	Earmarked Reserves £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 1 April 2020	24,653	31,165	-	55,818	44,721	100,539
Movement in Reserves during 2020/21						
Total Comprehensive Income and Expenditure	(657)	-	-	(657)	(1,361)	(2,018)
Adjustments between accounting basis and funding basis under regulations <a href="#">Note 16</a>	9,199	-	-	9,199	(9,199)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	8,542	-	-	8,542	(10,560)	(2,018)
Transfers to/(from) Earmarked Reserves <a href="#">Note 17</a>	9,052	(9,052)	-	-	-	-
Increase/(Decrease) in 2020/21	17,594	(9,052)	-	8,542	(10,560)	(2,018)
Balance at 31 March 2021 carried forward	42,247	22,113	-	64,360	34,161	98,521
Movement in Reserves during 2021/22						
Total Comprehensive Income and Expenditure	286	-	-	286	910	1,196
Adjustments between accounting basis and funding basis under regulations <a href="#">Note 16</a>	3,070	-	-	3,070	(3,070)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	3,356	-	-	3,356	(2,160)	1,196
Transfers to/(from) Earmarked Reserves <a href="#">Note 17</a>	(8,684)	8,684	-	-	-	-
Increase/(Decrease) in 2021/22	(5,328)	8,684	-	3,356	(2,160)	1,196
Balance at 31 March 2022 carried forward	36,919	30,797	-	67,716	32,001	99,717

# Balance Sheet

The **Balance Sheet** shows the values of assets and liabilities recognised by the Group and the PCC.

The net assets/(liabilities) (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories.

The first category of reserves is usable reserves, that is, those reserves that may be used to provide services, subject to the need to retain a prudent level of reserves and subject to any statutory limitations on their use, (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that are not able to be used to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2021				31 March 2022	
Group	PCC			Group	PCC
£'000	£'000			£'000	£'000
101,926	101,926	Property, Plant and Equipment	<a href="#">Note 19</a>	112,432	112,432
7,994	7,994	Intangible Assets	<a href="#">Note 20</a>	6,940	6,940
<b>109,920</b>	<b>109,920</b>	<b>Long-Term Assets</b>		<b>119,372</b>	<b>119,372</b>
695	695	Assets Held for Sale	<a href="#">Note 25</a>	-	-
361	361	Inventories	<a href="#">Note 26</a>	1,951	1,951
30,532	32,960	Short-Term Debtors	<a href="#">Note 27</a>	31,619	32,847
41,025	41,025	Cash and Cash Equivalents	<a href="#">Note 28</a>	34,567	34,567
<b>72,613</b>	<b>75,041</b>	<b>Current Assets</b>		<b>68,137</b>	<b>69,365</b>
(1,500)	(1,500)	Short-Term Borrowing	<a href="#">Note 21</a>	(1,500)	(1,500)
(31,733)	(27,945)	Short-Term Creditors	<a href="#">Note 29</a>	(33,339)	(30,153)
(16,410)	(16,410)	Provisions	<a href="#">Note 30</a>	(5,921)	(5,921)
(2,529)	(2,529)	Revenue Grants Receipt in Advance	<a href="#">Note 31</a>	(14,766)	(14,766)
(106)	(106)	Capital Grants Receipt in Advance	<a href="#">Note 31</a>	(151)	(151)
<b>(52,278)</b>	<b>(48,490)</b>	<b>Current Liabilities</b>		<b>(55,677)</b>	<b>(52,491)</b>
(2,361)	(2,361)	Long-Term Provisions	<a href="#">Note 30</a>	(2,487)	(2,487)
(32,444)	(32,444)	Long-Term Borrowing	<a href="#">Note 21</a>	(31,005)	(31,005)
(3,593,863)	(3,145)	Other Long-Term Liabilities	<a href="#">Note 32</a>	(3,648,948)	(3,037)
<b>(3,628,668)</b>	<b>(37,950)</b>	<b>Long-Term Liabilities</b>		<b>(3,682,440)</b>	<b>(36,529)</b>
<b>(3,498,413)</b>	<b>98,521</b>	<b>Net Assets/(Liabilities)</b>		<b>(3,550,608)</b>	<b>99,717</b>
64,360	64,360	Usable Reserves	<a href="#">Note 33</a>	67,716	67,716
(3,562,773)	34,161	Unusable Reserves	<a href="#">Note 34</a>	(3,618,324)	32,001
<b>(3,498,413)</b>	<b>98,521</b>	<b>Total Reserves</b>		<b>(3,550,608)</b>	<b>99,717</b>

# Cash Flow Statement

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the PCC and Group during the reporting period.

The Statement shows how cash and cash equivalents are generated and used by classifying cash flows as operating, investing or financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCC and Group are funded by way of taxation and grant income or from the recipients of services provided.

Investing activities represent the extent to which cash outflows have been made for resources, which are intended to contribute to future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing by the PCC).

The prior year comparative figures on the Adjusted net cash flows from Operating Activities line have been restated due to a casting/arithmetic error in the prior year accounts.

31 March 2021			31 March 2022		
Group	PCC		Group	PCC	
£'000	£'000		£'000	£'000	
68,208	657	Net (surplus)/deficit on the provision of services	77,214	(286)	
(85,232)	(17,681)	Adjustments to net (surplus)/deficit on the provision of services for non-cash movements	(88,405)	(10,905)	
(1,042)	(1,042)	Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities	(1,357)	(1,357)	
<b>(18,066)</b>	<b>(18,066)</b>	<b>Adjusted net cash flows from Operating Activities</b>	<b>(12,548)</b>	<b>(12,548)</b>	<a href="#">Note 36</a>
10,322	10,322	Investing Activities	16,013	16,013	<a href="#">Note 37</a>
2,956	2,956	Financing Activities	2,993	2,993	<a href="#">Note 38</a>
<b>(4,788)</b>	<b>(4,788)</b>	<b>Net Increase or decrease in cash and cash equivalents</b>	<b>6,458</b>	<b>6,458</b>	
(36,237)	(36,237)	Cash and cash equivalents at the beginning of the period	(41,025)	(41,025)	
<b>(41,025)</b>	<b>(41,025)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>(34,567)</b>	<b>(34,567)</b>	<a href="#">Note 28</a>

## 4. Notes to the Accounts



# Note 1 Accounting Policies

## GENERAL PRINCIPLES

The Statement of Accounts summarises the transactions of the PCC and the Group for the 2021/22 financial year and its position at the year-end of 31 March 2022. The term 'Group' is used to indicate the transactions and policies of the PCC and the Chief Constable of South Yorkshire Police. The PCC is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a 'going concern' basis.

Further accounting policies can be found throughout these accounts with the notes to which they relate.

## PCC AND CC RELATIONSHIP

The PCC and the Chief Constable are both required to prepare their own statutory accounts. The South Yorkshire Group position, which reflects the consolidated position of both the PCC and the Chief Constable, is included within the PCC's Statement of Accounts.

The PCC is the holder of the Police Fund and all payments for the Group are made by the PCC from the Fund. The PCC is also the recipient of all funding, including government grant, precepts and other income that is paid into the Fund. The Comprehensive Income and Expenditure Statement for the PCC therefore includes all income received.

The Comprehensive Income and Expenditure Statement for the Chief Constable includes all the costs of operational policing. An intra-group adjustment is included in both the PCC's and Chief Constable's Comprehensive Income and Expenditure Statement to reflect the funding provided by the PCC for financial resources consumed by the Chief Constable.

All assets, liabilities and reserves are held by the PCC and are therefore included within the PCC's Balance Sheet except for those relating to pensions and accrued employee benefits, which form part of the Chief Constable's Balance Sheet. Since the PCC has control over non-current assets, and therefore retains the long-term risks and rewards of ownership, the charges to revenue for their use is included in the PCC's Comprehensive Income and Expenditure Statement, analysed over the relevant service lines.

## 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 and services 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 in the Balance Sheet.
- Income is credited to the Comprehensive Income and Expenditure Statement in the year in which it is earned.
- Fees, charges and rents due for services provided are accounted for as income at the date that the relevant goods or services are provided.
- Interest payable on borrowings and receivable on investments is accounted for as expenditure or income respectively on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure has been recognised but cash has not yet been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is reduced and a charge made to revenue for the income that might not be collected.
- Accruals are recognised where the value exceeds £5,000.

## Note 1 Accounting Policies (continued)

### CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and demand deposits. Cash equivalents are short-term highly liquid investments that mature in no more than three days or less and that are readily convertible to known amounts of cash with low risk of change in value.

In the Balance Sheet and the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the PCC's cash management.

### CHANGES IN ACCOUNTING POLICIES

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

### CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Services are debited with the depreciation, revaluation, impairment losses and amortisation to record the real cost of holding non-current assets during the year. The PCC is not required to raise council tax to cover these, however, the PCC is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the PCC in accordance with statutory guidance).

### EMPLOYEE BENEFITS

Transactions relating to employee benefits are included in the financial statements of either the PCC or the Chief Constable according to where the direction and control of those employees lies. Short-term employee benefits are those due to be settled within 12 months of the year-end. They include salaries, paid annual leave, flexitime and other non-monetary benefits such as cars. They are recognised as an expense in the year in which employees render service.

### ESTIMATES AND ERRORS

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

### EXCEPTIONAL ITEMS

When items of income and expenditure are material, their nature and amount is disclosed separately, either in the Comprehensive Income and Expenditure Statement or in the Notes to the Accounts, depending on how significant the items are to an understanding of PCC's performance.

### FOREIGN CURRENCY TRANSLATION

Where the PCC has entered into a transaction using a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was made.

### PRIOR PERIOD ADJUSTMENTS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### RESERVES

The PCC sets aside amounts for specific future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain other reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and they do not represent usable resources for the PCC.

### REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset is charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement.

## Note 1 Accounting Policies (continued)

Where the PCC has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer from the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement then reverses out the amounts charged so there is no impact on the level of council tax.

### VALUE ADDED TAX

Income and expenditure excludes amounts related to VAT, as all VAT collected is payable to the Her Majesty's Revenue and Customs and all VAT is recoverable from them. The PCC is responsible for the submission of a single VAT return covering all of the transactions for the Group.

## Note 2 Accounting standards issued but not yet adopted

At the balance sheet date the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- Annual Improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes 4 changed standards:
  - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
  - IAS 37 (Onerous contracts) – clarifies the intention of the standard
  - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
  - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- The implementation of IFRS 16 Leases has been deferred by CIPFA/LASAAC until 1 April 2024 in response to pressures on LA finance teams as a result of the Covid-19 pandemic. The introduction of the new standard is anticipated not to have a significant impact on the gross assets and liabilities of the Group. The estimated impact of adopting the new standard will be disclosed in the 2023/24 accounts.

## Note 3 Assumptions made about the future and other major sources of estimation uncertainty

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

The items in the PCC's and Group Balance Sheet as at 31 March 2022 for which there is a significant risk of material adjustment in forthcoming years are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property	<p>The valuation date of properties was the 31st March 2022.</p> <p>Although the valuation date is 2 years after the Covid-19 pandemic, there is a risk that properties are valued at a higher or lower figure after 31st March 2022.</p>	<p>Many of the properties are valued as specialist properties, which are valued on depreciated replacement cost (DRC) basis.</p> <p>The valuer has included in the report that there are no material valuation uncertainty clauses for Covid-19. There are, and continue to be, some influences of Covid-19 that are affecting some parts of the property market, but it is difficult to say whether these are specifically Covid-19 related or now just changing market conditions.</p> <p>It is estimated that the amount would change by £8.9m on the overall gross value of land and buildings if the valuation moved up or down by 10%.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions is extremely volatile as it 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>Actuaries are engaged to provide the PCC with expert advice about the assumptions to be applied for each of its pension schemes.</p>	<p>Whilst the effects on the net pensions liability of changes in individual assumptions can be measured, the assumptions interact in complex ways.</p> <p>During 2021/22, the Actuaries advised that the net pensions liability has decreased by approximately £25m as a result of estimates being revised and updating financial and demographic assumptions. This is reported on the Group Income and Expenditure Statement and further information is provided in the pensions note.</p>

### Note 3 Assumptions made about the future and other major sources of estimation uncertainty (continued)

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Assets – LGPS	In relation to the LGPS pension scheme, there is additional uncertainty over the valuations of the property investments. There is a risk that properties are valued at a higher or lower figure after 31st March 2022.	<p>The professional valuers commissioned by the LGPS fund to the value directly held property as at 31 March 2022 have provided the following commentary.</p> <p><i>The main impacts of the Covid-19 pandemic, and subsequent lockdowns, on these accounting figures can be summarised as follows:</i></p> <ul style="list-style-type: none"> <li>• <i>Asset returns and values have followed the market movements prompted by the pandemic and lockdowns, among other factors, which will therefore affect the asset share value;</i></li> <li>• <i>Bond yields and inflation expectations have also followed market movements, which will therefore affect the value placed on the obligations;</i></li> <li>• <i>For life expectancy assumptions:</i> <ul style="list-style-type: none"> <li>(a) <i>Baseline longevity tables have not been updated due to the lack of relevant mortality data and analysis from the period of the pandemic for the Fund or Employer;</i></li> <li>(b) <i>Future longevity trends assumption for Covid-19 specifically have not been amended as the data is not yet available to make an evidence-based assessment on the pandemic's impact on long term longevity.</i></li> </ul> </li> </ul>

### Note 3 Assumptions made about the future and other major sources of estimation uncertainty (continued)

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
		<p><i>The effect of the Ukraine war on the accounting position is quite small. In summary:</i></p> <ul style="list-style-type: none"> <li><i>In the immediate aftermath of the invasion, there was a significant fall in the Fund's asset values. However, over the remainder of March 2022, the Fund's assets will have broadly recovered to similar levels to before the invasion.</i></li> <li><i>Some LGPS Funds had direct Russian investment exposure which may have been written down, however these typically very small proportions (&lt;0.2%) of a Fund's overall assets.</i></li> <li><i>The accounting assumptions (bond yields and inflation) are based on market expectations at 31 March 22, which were shaped by all global events including the war in Ukraine, and will therefore affect the value placed on the obligations.</i></li> </ul>
Pension Assets and Liability Values – LGPS	The roll-forward process used by actuaries to allocate assets and liabilities is a less accurate calculation method than the full asset and liability allocation exercise performed at each triennial actuarial valuation.	This process has a potential inaccuracy of up to 2% - 3% per year since the latest triennial valuation date (31 March 2019). This means that as at 31 March 2022 there is a 6% - 9% maximum potential inaccuracy in the accounting results. In respect of the LGPS liabilities, this could be a maximum potential inaccuracy of £59.3m, and the LGPS assets could be a maximum potential inaccuracy of £43.3m.

## Note 4 Critical judgements in applying accounting policies

In applying the accounting policies laid out in [Note 1](#), the PCC and CC are required to make certain judgements about transactions or those involving uncertainty about future events. The critical judgement made in the Statement of Accounts is as follows:

- There is a high degree of uncertainty about the future levels of funding for the PCC and the impact of future legacy costs such as civil claims in relation to the Hillsborough Inquests / Claims and CSE, work being undertaken in conjunction with the National Crime Agency to investigate historic allegations of CSE (Operation Stovewood) and the events that took place at Orgreave.
- The Statement of Accounts are prepared on a going concern basis. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The concept is that the OPCC and Chief Constable will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations. The Force is reliant on the connected relationship between the OPCC and the Force. It assumes that the OPCC will continue to discharge its liabilities in the normal course of its business in order for the Force to continue as a going concern.

- A judgement has been made of the expenditure allocated between the PCC and the Chief Constable to reflect the financial resources of both bodies.
- Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargent legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

Past service costs were included in the 2018/19, 2019/20 and 2020/21 and the 2021/22 service cost allows for the higher expected cost of accrual under McCloud.

Further background and disclosures in relation to the McCloud/Sargeant approach are included in Note 35.

- A management judgement has been made in relation to the treatment of Hillsborough claims and in particular whether to raise a provision for the remaining claims not yet settled under the agreed compensation scheme for the higher tier claims. The majority of these 114 claims have not yet been received. Each claim is required to set out the basis of compensation sought under the scheme. There are many differing categories of damage to be considered. The scheme is complex and requires each claim to be reviewed and assessed taking account of the evidence provided. Compounding this, many claims will span a 30 year period. It is almost impossible to allocate figures on these as each has to be quantified in relation to multiple factors including general damages, loss of earnings, non-personal injury losses and aggravated damages. It is therefore not possible at this stage to materially quantify the total likely payments in the Statement of Accounts. The reason for this is due to the lack of information currently available, as the majority of remaining claims have not yet been received and it is not possible, at this stage, to estimate the likely total cost with material accuracy. These claims have therefore not been provided for within the financial statements and have instead been disclosed as a contingent liability in Note 40.

## Note 5 Material items of Income and Expense

The Comprehensive Income and Expenditure Statement includes costs incurred of £12.873m during 2021/22 relating to CSE. Special grant funding has been received of £10.564m, which is included in the Group Comprehensive Income and Expenditure Statement.

In addition, costs of £5.369m relating to Hillsborough were incurred during 2021/22. Special grant funding has been received of £4.265m, which is included in the Group Comprehensive Income and Expenditure Statement.

## 4.1. Notes supporting the Comprehensive Income and Expenditure Statement



# Note 6 Additional Segmental Analysis

## Deputy Chief Constable

2020/21				2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
2,847	-	2,847	Professional Standards	3,127	-	3,127
803	-	803	Corporate Communications	951	-	951
10,768	-	10,768	Performance & Governance	18,913	-	18,913
1,421	-	1,421	Legal Services	2,575	-	2,575
<b>15,839</b>	<b>-</b>	<b>15,839</b>	<b>Deputy Chief Constable Total</b>	<b>25,566</b>	<b>-</b>	<b>25,566</b>

## Assistant Chief Constable (Local Policing)

2020/21				2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
22,019	-	22,019	Barnsley	21,736	-	21,736
33,219	-	33,219	Doncaster	32,766	-	32,766
25,140	-	25,140	Rotherham (including Community Safety)	25,359	-	25,359
53,266	-	53,266	Sheffield	51,115	-	51,115
10,449	-	10,449	Criminal Justice Administration & CJU	5,085	-	5,085
<b>144,093</b>	<b>-</b>	<b>144,093</b>	<b>Assistant Chief Constable (Local Policing) Total</b>	<b>136,061</b>	<b>-</b>	<b>136,061</b>

## Assistant Chief Constable (Crime)

2020/21				2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
32,743	-	32,743	Crime Services	34,032	-	34,032
15,042	-	15,042	Regional & Collaboration (Non Lead)	15,677	-	15,677
<b>47,785</b>	<b>-</b>	<b>47,785</b>	<b>Assistant Chief Constable (Crime) Total</b>	<b>49,709</b>	<b>-</b>	<b>49,709</b>

## Note 6 Additional Segmental Analysis (continued)

### Assistant Chief Constable (Operational Support)

2020/21			2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
29,043	-	29,043	31,429	-	31,429
19,934	-	19,934	21,863	-	21,863
<b>48,977</b>	<b>-</b>	<b>48,977</b>	<b>53,292</b>	<b>-</b>	<b>53,292</b>
Assistant Chief Constable (Operational Support) Total					

### Director of Resources

2020/21			2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
3,625	-	3,625	4,169	-	4,169
12,985	-	12,985	14,305	-	14,305
13,175	-	13,175	14,732	-	14,732
(101)	-	(101)	4,638	-	4,638
13,835	-	13,835	26,233	-	26,233
2,415	-	2,415	3,029	-	3,029
2,311	-	2,311	3,605	-	3,605
9,843	-	9,843	13,766	-	13,766
1,542	-	1,542	1,335	-	1,335
12,495	-	12,495	10,945	-	10,945
<b>72,125</b>	<b>-</b>	<b>72,125</b>	<b>96,757</b>	<b>-</b>	<b>96,757</b>
Director of Resources Total					

## Note 7 Other Operating Income and Expenditure

Other operating income and expenditure reported includes all sales and gains/losses generated from in year disposals of non-current assets.

2020/21 £'000	2021/22 £'000
122 (Gains) / Losses on the disposal of non-current assets	239
- (Gains) / Losses on the disposal of intangibles	1,276
<b>122 Total PCC and Group</b>	<b>1,515</b>

## Note 8 Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes interest receivable and payable on the investment portfolio.

It also includes the interest element of the pension fund liability.

IFRS 9 Financial Instruments has been implemented in relation to impairment allowance for doubtful debts to recognise the expected credit loss.

2020/21 Group £'000	2020/21 PCC £'000		2021/22 Group £'000	2021/22 PCC £'000
1,511	1,511	Interest payable and similar charges	1,554	1,554
(149)	(149)	Interest receivable and similar income	(106)	(106)
75,857	58	Pensions interest cost and expected return on pensions assets	72,174	68
5	-	Impairment allowance for doubtful debts	23	-
<b>77,224</b>	<b>1,420</b>	<b>Total</b>	<b>73,645</b>	<b>1,516</b>

## Note 9 Taxation and Non-Specific Grant Income

This note consolidates all non-specific grants and contributions receivable.

IFRS 15 Revenue from Contracts with Customers has been reviewed and there are no material revenue streams within the scope of the new standard.

<b>2020/21</b>		<b>2021/22</b>
<b>£'000</b>		<b>£'000</b>
(70,717)	Council tax income	(77,868)
(9,591)	Council tax support funding	(9,591)
(84,638)	Department of Communities and Local Government funding (Revenue Support grant and Non Domestic Rates)	(89,637)
(109,306)	Home Office police grant	(116,997)
(2,594)	Home Office police pension additional funding	-
(53,853)	Home Office pension grant	(49,022)
(987)	Capital grants and contributions	(380)
<b>(331,686)</b>	<b>Total PCC and Group</b>	<b>(343,495)</b>

# Note 10 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants and council tax) in comparison with those consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposed between the districts, services and departments.

## Group

2020/21			2021/22		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
2,015	272	2,287	1,895	312	2,207
2,502	345	2,847	2,605	522	3,127
752	51	803	821	130	951
9,666	1,102	10,768	16,332	2,581	18,913
1,351	70	1,421	2,496	79	2,575
14,271	1,568	15,839	22,254	3,312	25,566
18,170	3,849	22,019	17,788	3,948	21,736
27,554	5,665	33,219	26,883	5,883	32,766
20,989	4,151	25,140	21,045	4,314	25,359
44,021	9,245	53,266	41,911	9,204	51,115
9,506	943	10,449	4,533	552	5,085
120,240	23,853	144,093	112,160	23,901	136,061
28,310	4,433	32,743	28,816	5,216	34,032
14,625	417	15,042	15,216	461	15,677
42,935	4,850	47,785	44,032	5,677	49,709
25,027	4,016	29,043	26,813	4,616	31,429
18,026	1,908	19,934	18,994	2,869	21,863
43,053	5,924	48,977	45,807	7,485	53,292

**Note 10 Expenditure and Funding Analysis (continued)**

2020/21				2021/22		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
			Director of Resources:			
3,435	190	3,625	Corporate Finance	3,896	273	4,169
12,696	289	12,985	Facilities Management	13,861	444	14,305
12,635	540	13,175	Information Technology	13,921	811	14,732
(254)	153	(101)	Vehicle Fleet Management	4,385	253	4,638
12,134	1,701	13,835	People and Organisational Development	22,073	4,160	26,233
2,183	232	2,415	Business Change & Innovation	2,629	400	3,029
2,097	214	2,311	Regional & Collaboration (Lead)	3,299	306	3,605
5,809	4,034	9,843	Non Devolved	8,419	5,347	13,766
1,301	241	1,542	Secondments	1,086	249	1,335
10,987	1,508	12,495	Grants	9,539	1,406	10,945
63,023	9,102	72,125	Director of Resources	83,108	13,649	96,757
13,455	27	13,482	Hillsborough Inquests / Claims	5,317	52	5,369
11,001	3	11,004	CSE / Operation Stovewood	12,868	5	12,873
(39,813)	6,769	(33,044)	PCC	(38,884)	2,599	(36,285)
<b>270,180</b>	<b>52,368</b>	<b>322,548</b>	<b>Cost of Services</b>	<b>288,557</b>	<b>56,992</b>	<b>345,549</b>
(278,722)	24,382	(254,340)	Other income and expenditure	(291,913)	23,578	(268,335)
<b>(8,542)</b>	<b>76,750</b>	<b>68,208</b>	<b>(Surplus) or Deficit</b>	<b>(3,356)</b>	<b>80,570</b>	<b>77,214</b>
55,818			Opening General Fund	64,360		
8,542			Less/Plus Surplus or (Deficit) on General Fund in Year	3,356		
<b>64,360</b>			<b>Closing General Fund at 31 March</b>	<b>67,716</b>		

## Note 10 Expenditure and Funding Analysis (continued)

PCC

2020/21				2021/22		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
(39,813)	6,769	(33,044)	PCC	(38,884)	2,599	(36,285)
<b>(39,813)</b>	<b>6,769</b>	<b>(33,044)</b>	<b>Net Cost of Service</b>	<b>(38,884)</b>	<b>2,599</b>	<b>(36,285)</b>
309,993	53,852	363,845	Intra-group adjustment – funding provided by the PCC for financial resources consumed by the CC	327,441	49,022	376,463
(278,722)	(51,422)	(330,144)	Other income and expenditure	(291,913)	(48,551)	(340,464)
<b>(8,542)</b>	<b>9,199</b>	<b>657</b>	<b>(Surplus) or Deficit</b>	<b>(3,356)</b>	<b>3,070</b>	<b>(286)</b>
55,818			Opening General Fund	64,360		
8,542			Less/Plus Surplus or (Deficit) on General Fund in Year	3,356		
<b>64,360</b>			<b>Closing General Fund at 31 March</b>	<b>67,716</b>		

## Note 10 Expenditure and Funding Analysis (continued)

Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts:

Group

2020/21					2021/22			
Adjustments for Capital Purposes £'000	Net change for the Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000		Adjustments for Capital Purposes £'000	Net change for the Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
-	272	-	272	Senior Command Team	-	318	(6)	312
				Deputy Chief Constable:				
-	423	(78)	345	Professional Standards	-	520	2	522
-	62	(11)	51	Corporate Communications	-	114	16	130
-	1,167	(65)	1,102	Performance & Governance	-	2,421	160	2,581
-	60	10	70	Legal Services	-	94	(15)	79
-	1,712	(144)	1,568	Deputy Chief Constable	-	3,149	163	3,312
				Assistant Chief Constable (Local Policing):				
-	3,809	40	3,849	Barnsley	-	4,019	(71)	3,948
-	5,639	26	5,665	Doncaster	-	5,960	(77)	5,883
-	4,131	20	4,151	Rotherham (including Community Safety)	-	4,385	(71)	4,314
-	9,232	13	9,245	Sheffield	-	9,354	(150)	9,204
-	1,027	(84)	943	Criminal Justice Administration & CJU	-	680	(128)	552
-	23,838	15	23,853	Assistant Chief Constable (Local Policing)	-	24,398	(497)	23,901
				Assistant Chief Constable (Crime):				
-	4,479	(46)	4,433	Crime Services	-	5,231	(15)	5,216
-	417	-	417	Regional & Collaboration (Non Lead)	-	461	-	461
-	5,896	(46)	4,850	Assistant Chief Constable (Crime)	-	5,692	(15)	5,677
				Assistant Chief Constable (Operational Support):				
-	4,068	(52)	4,016	Operational Support Unit	-	4,671	(55)	4,616
-	1,877	31	1,908	Atlas Communications	-	2,949	(80)	2,869
-	5,945	(21)	5,924	Assistant Chief Constable (Operational Support)	-	7,620	(135)	7,485

## Note 10 Expenditure and Funding Analysis (continued)

2020/21				2021/22			
Adjustments for Capital Purposes £'000	Net change for the Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000	Adjustments for Capital Purposes £'000	Net change for the Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
<u>Director of Resources:</u>							
-	169	21	190	-	323	(50)	273
-	268	21	289	-	444	-	444
-	499	41	540	-	857	(46)	811
-	146	7	153	-	259	(6)	253
-	1,425	276	1,701	-	4,185	(25)	4,160
-	240	(8)	232	-	411	(11)	400
-	216	(2)	214	-	312	(6)	306
-	4,080	(46)	4,034	-	5,338	9	5,347
-	241	-	241	-	249	-	249
-	1,508	-	1,508	-	1,406	-	1,406
-	8,792	310	9,102	-	13,784	(135)	13,649
-	27	-	27	-	52	-	52
-	3	-	3	-	5	-	5
6,645	102	22	6,769	2,419	188	(8)	2,599
<b>6,645</b>	<b>45,587</b>	<b>136</b>	<b>52,368</b>	<b>2,419</b>	<b>55,206</b>	<b>(633)</b>	<b>56,992</b>
497	22,004	1,881	24,382	2,582	23,152	(2,156)	23,578
<b>7,142</b>	<b>67,591</b>	<b>2,017</b>	<b>76,750</b>	<b>5,001</b>	<b>78,358</b>	<b>(2,789)</b>	<b>80,570</b>
<b>Difference between the General Fund surplus or deficit and the CIES surplus or deficit</b>							

## Note 10 Expenditure and Funding Analysis (continued)

### PCC

2020/21					2021/22			
Adjustments for Capital Purposes £'000	Net change for the Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000		Adjustments for Capital Purposes £'000	Net change for the Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
6,645	102	22	6,769	PCC	2,419	188	(8)	2,599
<b>6,645</b>	<b>102</b>	<b>22</b>	<b>6,769</b>	<b>Net Cost of Services</b>	<b>2,419</b>	<b>188</b>	<b>(8)</b>	<b>2,599</b>
-	53,852	-	53,852	Intra-group adjustment – funding provided by the PCC for financial resources consumed by the CC	-	49,022	-	49,022
497	(53,795)	1,876	(51,422)	Other income and expenditure	2,582	(48,954)	(2,179)	(48,551)
<b>7,142</b>	<b>159</b>	<b>1,898</b>	<b>9,199</b>	<b>Difference between the General Fund surplus or deficit and the CIES surplus or deficit</b>	<b>5,001</b>	<b>256</b>	<b>(2,187)</b>	<b>3,070</b>

## Note 10 Expenditure and Funding Analysis (continued)

### Adjustments for Capital purposes

This column adds in depreciation and impairment and revaluation gains and losses in the service line. For other operating expenditure, it adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets. For financing and investment income and expenditure, it adjusts for the statutory charges for capital financing and investment i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices. For taxation and non-specific grant income and expenditure, capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### Net change for the pensions adjustments

This column adjusts for the net change for the renewal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services, this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs. For financing and investment income and expenditure, this adjusts for the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

### Other differences

Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute. For services, this represents removal of the annual leave accrual adjustment. For financing and investment income and expenditure the other differences column recognises adjustments to General Fund for the timing differences for premiums and discounts and financial instruments. The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and Non-Domestic Rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, as any difference will be brought forward in future surpluses or deficits on the Collection Fund. The impairment allowance for doubtful debts is also included here.

# Note 11 Subjective Analysis

Expenditure for the Group and PCC, split by type rather than by district, service and department:

<b>2020/21</b>	<b>2020/21</b>		<b>2021/22</b>	<b>2021/22</b>
<b>Group</b>	<b>PCC</b>		<b>Group</b>	<b>PCC</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
285,550	1,983	Employee Costs	310,990	1,999
9,240	49	Premises Costs	9,439	29
5,006	2	Transport Costs	6,724	2
32,168	431	Supplies and Services Costs	27,236	560
33,944	7,851	Agency	36,534	7,878
10,051	10,051	Capital Charges & Impairment of Assets	6,019	4,640
(53,411)	(53,411)	Income	(51,393)	(51,393)
<b>322,548</b>	<b>(33,044)</b>	<b>Cost of Services</b>	<b>345,549</b>	<b>(36,285)</b>
-	363,845	Intra-Group Adjustment	-	376,463
<b>322,548</b>	<b>330,801</b>	<b>Net Cost of Policing Services</b>	<b>345,549</b>	<b>340,178</b>

# Note 12 Officers' Remuneration (including Termination Benefits and Members' Allowances)

The remuneration of senior employees, defined as those who are members of the Senior Command Team, those holding statutory posts, or those whose remuneration is £150,000 or more per year.

2020/21	Salary, Fees and Allowances £	Expenses £	Benefits in Kind £	Other Payments £	Total Remuneration £	Pension Contribution £	Total £
Police and Crime Commissioner	85,000	-	-	-	85,000	-	85,000
Chief Executive and Solicitor (1)	121,653	-	-	-	121,653	18,370	140,023
Chief Finance & Commissioning Officer	88,399	-	-	-	88,399	13,348	101,747
Chief Constable – S Watson	168,874	-	9,053	-	177,927	-	177,927
Deputy Chief Constable – M Roberts	139,458	-	9,148	-	148,606	42,254	190,860
Assistant Chief Constable – CS, CJAD & Custody – T Forber	118,009	-	6,642	-	124,651	36,583	161,234
Assistant Chief Constable – BCI & Atlas Communications – L Poultney	118,009	-	9,972	-	127,981	36,583	164,564
Assistant Chief Constable – Local Policing & Ops Support – D Hartley	120,729	-	-	-	120,729	36,583	157,312
Director of Resources (2)	2,032	-	-	-	2,032	327	2,359
Director of Resources (3)	95,807	-	-	-	95,807	15,225	111,032
Chief Finance Officer (4)	81,533	-	-	-	81,533	13,127	94,660

## Notes

- (1) Chief Executive and Solicitor £94,038 + £27,615 (combined role)
- (2) Leaving date 6<sup>th</sup> April 2020
- (3) Start date 6<sup>th</sup> April 2020
- (4) New role to include the S151 duties

## Note 12 Officers' Remuneration (including Termination Benefits and Members' Allowances) (continued)

2021/22	Salary, Fees and Allowances £	Expenses £	Benefits in Kind £	Other Payments £	Total Remuneration £	Pension Contribution £	Total £
Police and Crime Commissioner	85,000	-	-	-	85,000	-	85,000
Chief Executive and Solicitor (1)	122,904	-	-	-	122,904	18,558	141,462
Chief Finance & Commissioning Officer	87,981	-	-	-	87,981	13,285	101,266
Chief Constable – S Watson (2)	27,124	-	957	-	28,081	-	28,081
Chief Constable – L Poultney (3)	125,352	-	6,818	-	132,170	39,234	171,404
Deputy Chief Constable – L Poultney (3)	24,416	-	1,301	-	25,717	7,226	32,943
Deputy Chief Constable – T Forber (4)	120,801	-	9,406	-	130,207	37,076	167,283
Deputy Chief Constable – M Roberts (5)	10,572	-	425	-	10,997	2,727	13,724
Assistant Chief Constable – Local Policing & CJAD – T Forber (4)	14,742	-	1,323	-	16,065	4,570	20,635
Assistant Chief Constable – Crime Services – L Poultney (3)	9,935	-	1,379	-	11,314	3,080	14,394
Assistant Chief Constable – Crime Services (6)	97,097	-	-	-	97,097	25,487	122,584
Assistant Chief Constable – Local Policing & CJAD (7)	82,913	-	-	-	82,913	25,474	108,387
Assistant Chief Constable – Ops Support & Atlas Communications – D Hartley (8)	79,661	-	-	-	79,661	20,565	100,226
Director of Resources	102,648	-	-	-	102,648	16,327	118,975
Chief Finance Officer	85,227	-	-	-	85,227	13,722	98,949

### Notes

- (1) Chief Executive and Solicitor £95,005 + £27,899 (combined role).
- (2) Leaving date 17<sup>th</sup> May 2021.
- (3) ACC until 23<sup>rd</sup> April 2021, DCC from 24<sup>th</sup> April to 13<sup>th</sup> June 2021, CC from 14<sup>th</sup> June 2021.
- (4) ACC until 14<sup>th</sup> May 2021, temporary DCC from 15<sup>th</sup> May to 13<sup>th</sup> June 2021, DCC from 14<sup>th</sup> June 2021.
- (5) Leaving date 24<sup>th</sup> April 2021.
- (6) Start date 10<sup>th</sup> May 2021.
- (7) Start date 24<sup>th</sup> June 2021.
- (8) Retired 21<sup>st</sup> October 2021, returned and resumed post on 24<sup>th</sup> January 2022 for 20 hours per week.

## Note 12 Officers' Remuneration (including Termination Benefits and Members' Allowances) (continued)

Employees (both police officers and staff), of the PCC and the CC, including the senior employees identified in the previous table and termination packages, receiving more than £50,000 remuneration for the year (excluding employer's pension contributions but including taxable expenses) were paid the following amounts:

A number of employees work in shared services with other regional forces. Disclosure of such employees is made in the accounts of the force that holds the employment contract of those individuals.

2020/21 Number	£	2021/22 Number
248	50,000 - 54,999	295
162	55,000 – 59,999	175
70	60,000 – 64,999	86
30	65,000 – 69,999	32
11	70,000 – 74,999	13
6	75,000 – 79,999	14
7	80,000 – 84,999	8
12	85,000 – 89,999	9
6	90,000 – 94,999	5
3	95,000 – 99,999	2
-	100,000 – 104,999	2
-	105,000 – 109,999	1
-	110,000 – 114,999	-
-	115,000 – 119,999	-
3	120,000 – 124,999	1
1	125,000 – 129,999	-
-	130,000 – 134,999	-
-	135,000 – 139,999	-
-	140,000 – 144,999	-
1	145,000 – 149,999	1
-	150,000 – 154,999	-
-	155,000 – 159,999	-
-	160,000 – 164,999	-
-	165,000 – 169,999	1
-	170,000 – 174,999	-
1	175,000 – 179,999	-
<b>561</b>		<b>645</b>

## Note 12 Officers' Remuneration (including Termination Benefits and Members' Allowances) (continued)

### EXIT PACKAGES

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

2020/21					2021/22			
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	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
			£'000					£'000
-	5	5	49	£0 - £20,000	-	5	5	23
-	-	-	-	£20,001 - £40,000	-	-	-	-
-	-	-	-	£40,001 - £60,000	-	-	-	-
-	-	-	-	£60,001 - £80,000	-	-	-	-
-	-	-	-	£80,001 - £100,000	-	-	-	-
-	-	-	-	£100,001 - £120,000	-	-	-	-
-	-	-	-	£120,001 - £140,000	-	-	-	-
-	-	-	-	£140,001 - £160,000	-	-	-	-
-	5	5	49	Total	-	5	5	23

### TERMINATION BENEFITS

Termination benefits are payable following a decision by the Force to terminate an officer's employment before their normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. Costs are charged on an accruals basis to the respective service line in the Comprehensive Income and Expenditure Statement at the earlier of when the Force can no longer withdraw the offer of the benefits or when the Force recognises costs for a restructuring.

During 2021/22, there were 5 staff whose contracts were terminated as part of the voluntary early release scheme / exit package at a cost of £0.02m compared to 5 employees at a cost of £0.05m in 2020/21 all relating to police staff. There were no compulsory redundancies in 2020/21 and 2021/22.

### MEMBERS' ALLOWANCES

The Joint Independent Audit Committee (JIAC) members were paid allowances of £13,092 for all members in total in 2021/22 (£11,844 in 2020/21). The Independent Ethics Panel members were paid allowances of £8,534 in 2021/22 (£22,744 in 2020/21). All expenditure is included in the Group accounts.

## Note 13 External Audit Fees

The PCC and Group has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and non-audit services provided by the external auditors:

2020/21 Group £'000	2020/21 PCC £'000		2021/22 Group £'000	2021/22 PCC £'000
78	49	Fees payable with regard to external audit services carried out by the appointed auditor for the year	85	56
8	6	Fees due relating to prior years	20	13
		PSAA rebate		
-	-	Fees payable in respect of other services provided during the year – IAS charges/CSE/empower review	-	-
<b>86</b>	<b>55</b>		<b>105</b>	<b>69</b>

# Note 14 Grant Income

Grants are recognised as income when there is a reasonable assurance that the grant or contribution will be received and also subject to complying with conditions attached have been satisfied. Grants and contributions may have conditions that require funding to be returned if not met. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

The PCC credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in the year:

2020/21 £'000	2021/22 £'000
<b>Credited to Taxation and Non Specific Grant Income</b>	
(84,638) DCLG funding (Revenue Support Grant / National Non Domestic Rates)	(89,637)
(9,591) Council Tax support funding	(9,591)
(109,306) Police Grant	(116,997)
(2,594) Home Office police pension additional funding	-
(53,853) Home Office Pension Grant	(49,022)
(287) Home Office Capital Grant	(287)
(700) Other capital grants	(93)
<b>(260,969) Total</b>	<b>(265,627)</b>

The PCC has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding provider if not met. These have been split between short term current liabilities and long term liabilities where the projects will not take place and the funding will not be used within the coming 12 months. The balances at the year-end are shown within the balance sheet notes.

2020/21 £'000	2021/22 £'000
<b>Credited to Services</b>	
(9,423) Stovewood Special Grant	(10,564)
(11,408) Hillsborough Civil Costs	(4,265)
(2,667) Victims Support Services (MOJ)	(2,887)
- Police Pension	(2,594)
(3,656) Operation Uplift	(2,522)
- Council Tax Support Grant	(1,752)
(1,736) Violent Reduction Unit	(1,527)
(345) Apprenticeship Levy	(1,449)
(1,689) Serious Violence Crime	(1,175)
(751) National ARV Uplift	(709)
(709) Disclosure & Barring Service	(659)
- Safer Street Funding – Violence Against Women & Girls	(534)
(480) Dedicated Security Posts	(488)
- Safer Streets Funding - Dearne	(399)
- CSE Inquiry	(374)
(321) Prevent Strategy Delivery	(320)
(293) Meadowhall	(313)
(264) Barnsley Town Centre Team	(246)
(233) Beat Team	(233)
- DA Stalking Adolescent Perpetrator	(168)
(129) Netic Cyber Crime	(145)
- DA Perpetrator Programme 2 Fund	(143)
(752) Home Office Loan Charge Grant	(137)
(90) Sheffield IOM & DIP	(120)
(101) Sheffield University Grant	(116)
(1,463) Artful Mike Enforcement – Wider Pressures Funding	-
(661) Artful Mike Enforcement – Surge Funding	(95)
(637) PCC Project Safer Streets Funding	(3)
(271) Barnsley PCSOs	-
(200) Problem Solving and Crime Prevention – Safer Streets	(70)
(183) PCC Project Perpetrator Programme Funding	-
(905) Other Miscellaneous Grants	(1,028)
<b>(39,367) Total</b>	<b>(35,035)</b>

# Note 15 Regional Working

The PCC and Chief Constable engage with other Yorkshire and Humber region PCCs and Chief Constables to deliver a number of services on a regional basis. The Regional Collaboration Programme was developed to bring opportunities across many policing activities whilst retaining local identify and accountability.

Since September 2013, a lead force model was adopted for each functional area of regional collaboration, with the Regional Collaboration Board retaining responsibility for the governance arrangements. South Yorkshire is lead force for Regional Procurement and during 2014/15 took lead force responsibility for Regional Stores. It provides all financial administration necessary to ensure that the costs are properly captured and fully recharged to the four participating PCCs and Chief Constables. Regional Firearms ceased from 1 April 2021 and the balance of funds returned to the forces.

The lead force arrangements have been reviewed against IFRS 11 on Joint Arrangements and it has been determined that they fall outside the scope of a joint operation.

The summary position for these services is detailed in the memorandum below.

2020/21				2021/22			
Stores £'000	Procurement £'000	Firearms £'000		Stores £'000	Procurement £'000	Firearms £'000	
323	2,127	39	Staff costs	359	1,823	-	
127	28	-	Premises related expenses	171	32	-	
9	7	-	Transport related expenses	13	4	-	
27	72	-	Supplies and services	35	40	-	
<b>486</b>	<b>2,234</b>	<b>39</b>	<b>Expenditure</b>	<b>578</b>	<b>1,899</b>	-	
-	(317)	-	Other reimbursed income	(9)	(59)	-	
(546)	(2,123)	(36)	Contributions (see below)	(601)	(2,006)	-	
-	-	-	Previous underspends utilised	-	-	-	
<b>(546)</b>	<b>(2,440)</b>	<b>(36)</b>	<b>Income</b>	<b>(601)</b>	<b>(2,065)</b>	-	
(60)	(206)	3	(Under)/overspends in year	(32)	(166)	-	
(64)	(64)	(65)	Previous (under)/overspend not utilised	(124)	(270)	-	
(124)	(270)	(62)	Balance c/f in current liabilities	(156)	(436)	-	
<u>Contributions</u>							
(124)	(390)	(11)	Humberside Police	(139)	(369)	-	
-	(325)	(9)	North Yorkshire Police	-	(309)	-	
(174)	(541)	(16)	South Yorkshire Police	(194)	(513)	-	
(248)	(866)	-	West Yorkshire Police	(268)	(815)	-	
-	(1)	-	Durham Police	-	-	-	
<b>(546)</b>	<b>(2,123)</b>	<b>(36)</b>	<b>Total</b>	<b>(601)</b>	<b>(2,006)</b>	-	

## Note 15 Regional Working (continued)

The governance of the regional programme is undertaken by a Regional Collaboration Board headed by the four PCCs and attended by their Chief Executives and the Chief Constables.

The table shows the contributions made in 2021/22 by the South Yorkshire PCC, to those services for which other regional forces are the lead force:

Regional Service	Lead Force Responsibility	2021/22 Contribution £'000
Underwater/Marine	Humberside Police	120
External Forensics	West Yorkshire Police	2,568
Scientific Support	West Yorkshire Police	5,302
Collision Investigation Unit	West Yorkshire Police	738
Technical Support Unit	West Yorkshire Police	2,046
Prison Intelligence Unit	West Yorkshire Police	14

## Note 15 Regional Working (continued)

The PCC has collaborative working arrangements with Humberside PCC for the joint service of Information Technology (IT). The ventures has a collaboration agreement under Section 22A of the Police Act 1996 covering the main responsibilities. The costs are shared based on the total size of the respective force budgets, assessed using a measure of “net revenue expenditure” (NRE).

The joint collaboration arrangement with Humberside PCC is treated as a joint operation under IFRS 11, with only South Yorkshire PCC’s share of income and expenditure being recognised in the Group Comprehensive Income and Expenditure Statement and only its share of jointly procured fixed assets in the Balance Sheet.

The summary position for these services is detailed in the memorandum below:

<b>2020/21</b>		<b>2021/22</b>
<b>Information Technology</b>		<b>Information Technology</b>
<b>£'000</b>		<b>£'000</b>
6,496	Staff costs	6,287
4	Premises related expenses	3
71	Transport related expenses	118
6,709	Supplies and services	7,051
-	Third party costs	-
<b>13,280</b>	<b>Expenditure</b>	<b>13,459</b>
(13,280)	Contributions (see below)	(13,459)
-	Other income	-
<b>(13,280)</b>	<b>Income</b>	<b>(13,459)</b>
<b>Deficit/(Surplus) in year</b>		
<u>Contributions</u>		
(5,703)	Humberside Police	(5,792)
(7,577)	South Yorkshire Police	(7,667)
<b>(13,280)</b>	<b>Total</b>	<b>(13,459)</b>
<b>42.95%</b>	Humberside Police % share of costs	<b>43.03%</b>
<b>57.05%</b>	South Yorkshire Police % share of costs	<b>56.97%</b>

Meadowhall shopping centre



## 4.2. Notes supporting the Movement in Reserves Statement



# Note 16 Adjustments between Accounting Basis and Funding Basis under regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Group within the year to the resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure, in accordance with proper accounting practice.

## Group

2020/21	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation of non-current assets	7,181				(7,181)
Revaluation losses on Property, Plant and Equipment	238				(238)
Amortisation of intangible assets	2,632				(2,632)
Capital grants and contributions applied	(987)				987
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to CIES	607				(607)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Statutory provision for the financing of capital investment	(2,188)				2,188
Capital expenditure charged against the General Fund Balance	-				-
Capitalised insurance settlements	-				-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	(320)		320		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-		(320)		320

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

2020/21	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(22)				22
<b>Adjustments primarily involving the Pension Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	165,178				(165,178)
Employer's pension contributions and direct payments to pensioners payable in the year	(97,586)				97,586
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	1,876				(1,876)
<b>Adjustments primarily involving the Accumulated Absence Account:</b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	141				(141)
<b>Total Adjustments</b>	<b>76,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,750)</b>

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

PCC

2020/21	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation of non-current assets	7,181				(7,181)
Revaluation losses on Property, Plant and Equipment	238				(238)
Amortisation of intangible assets	2,632				(2,632)
Capital grants and contributions applied	(987)				987
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to CIES	607				(607)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Statutory provision for the financing of capital investment	(2,188)				2,188
Capital expenditure charged against the General Fund Balance	-				-
Capitalised insurance settlements	-				-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	(320)		320		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-		(320)		320

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

2020/21	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(22)				22
<b>Adjustments primarily involving the Pension Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	360				(360)
Employer's pension contributions and direct payments to pensioners payable in the year	(200)				200
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	1,876				(1,876)
<b>Adjustments primarily involving the Accumulated Absence Account:</b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	22				(22)
<b>Total Adjustments</b>	<b>9,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,199)</b>

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

### Group

2021/22	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation of non-current assets	6,188				(6,188)
Revaluation losses on Property, Plant and Equipment	(1,661)				1,661
Amortisation of intangible assets	1,491				(1,491)
Capital grants and contributions applied	(380)				380
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to CIES	1,809				(1,809)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Statutory provision for the financing of capital investment	(967)				967
Capital expenditure charged against the General Fund Balance	(1,379)				1,379
Capitalised insurance settlements	-				-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	(91)		91		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-		(91)		91

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

2021/22	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(10)				10
<b>Adjustments primarily involving the Pension Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	173,662				(173,662)
Employer's pension contributions and direct payments to pensioners payable in the year	(95,304)				95,304
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(2,179)				2,179
<b>Adjustments primarily involving the Accumulated Absence Account:</b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(609)				609
<b>Total Adjustments</b>	<b>80,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(80,570)</b>

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

PCC

2021/22	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation of non-current assets	6,188				(6,188)
Revaluation losses on Property, Plant and Equipment	(1,661)				1,661
Amortisation of intangible assets	1,491				(1,491)
Capital grants and contributions applied	(380)				380
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to CIES	1,809				(1,809)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Statutory provision for the financing of capital investment	(967)				967
Capital expenditure charged against the General Fund Balance	(1,379)				1,379
Capitalised insurance settlements	-				-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	(91)		91		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-		(91)		91

## Note 16 Adjustments between Accounting Basis and Funding Basis under regulations (continued)

2021/22	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(10)				10
<b>Adjustments primarily involving the Pension Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	462				(462)
Employer's pension contributions and direct payments to pensioners payable in the year	(206)				206
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(2,179)				2,179
<b>Adjustments primarily involving the Accumulated Absence Account:</b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(7)				7
<b>Total Adjustments</b>	<b>3,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,070)</b>

# Note 17 Transfer to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

Earmarked Reserves	1 April 2020	Transfers Out	Transfers In	31 March 2021	Transfers Out	Transfers In	31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Insurance Reserve	10,985	-	1,129	12,114	(6,762)	-	5,352
Devolved Budget Reserve	1,601	(283)	-	1,318	-	162	1,480
Capital Reserve	7,484	(7,484)	-	-	-	-	-
Redundancy Reserve	16	-	2	18	-	2	20
Commissioning Reserve	1,622	-	280	1,902	-	659	2,561
Revenue Grants Reserve	3	(1)	1,463	1,465	-	-	1,465
Legacy Reserve	7,336	(6,128)	4,088	5,296	(5,804)	18,675	18,167
Fracking Reserve	1,000	(1,000)	-	-	-	-	-
Transitional Funding Reserve	1,118	(1,118)	-	-	-	-	-
Council Tax Support Reserve	-	-	-	-	-	1,752	1,752
<b>Total</b>	<b>31,165</b>	<b>(16,014)</b>	<b>6,962</b>	<b>22,113</b>	<b>(12,566)</b>	<b>21,250</b>	<b>30,797</b>
<b>Net Transfer in/(out)</b>		<b>(9,052)</b>			<b>8,684</b>		

## Note 17 Transfer to/from Earmarked Reserves (continued)

The **Insurance Reserve** represents sums set aside to fund future potential liabilities under current insurance arrangements.

The **Devolved Budget Reserve** is allocated to the Chief Constable to carry forward underspend up to the approved limits to fund expenditure in the following year. For 2021/22, this includes a small amount set aside for the OPCC.

The **Capital Reserve** was set aside in previous years to support the PCC's future capital investment programme. This was released and transferred to the General Reserve in 2020/21.

The **Redundancy Reserve** represents sums set aside relating to future potential redundancy liabilities.

The **Commissioning Reserve** is set aside for underspends on commissioning to be carried forward to be spend in future financial years.

The **Revenue Grants Reserve** relates to the treatment of revenue grants in accordance with the Code. There may be a mismatch between spending and income. In order to address this, any grant which has not been used to fund related expenditure is contributed to this reserve and used to fund expenditure when it is incurred in future years.

The **Legacy Reserve** represents underspends set aside to fund future potential liabilities in relation to Hillsborough and Child Sexual Exploitation.

The **Fracking Reserve** was set aside to fund future potential liabilities. This was released and transferred to the General Reserve in 2020/21.

The **Transitional Funding Reserve** was set aside to fund future change programmes and reviews. This was released and transferred to the General Reserve in 2020/21.

The **Council Tax Support Reserve** was set aside from income received in 2021/22, which may be required in future years for deficits on the council tax.

Cannon Hall



## 4.3. Notes supporting the Balance Sheet



# Note 18 Revaluations

The PCC carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. Carter Jonas undertook valuations on behalf of the PCC in 2021/22 for operational property.

Assets are carried in the Balance Sheet using the following measurement bases:

- Specialised operational properties – current value, but because of their specialist nature are measured at depreciated replacement cost which is used as an estimate of current value;
- Non-specialised operational properties – current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV).

The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). The valuations also reflected the needs of IFRS 13, to value surplus properties at fair value utilising a market value basis at three different levels. The valuer has stated there are no material valuation uncertainty clauses for Covid. As an essential emergency services organisation, predominantly financed by government funding, the immediate impact is less also than for many organisations. The majority of the portfolio is measured at depreciated replacement cost which is less impacted on property and labour markets. The majority of the properties have been revalued during the year.

The progress at 31 March 2022 of the PCC's rolling programme for the revaluation of non-current assets was:

	Land & Buildings £'000	Vehicles & Equip £'000	Surplus £'000	Under Construction £'000	Intangible £'000	Total £'000
Carried at historical cost	1,284	47,534	-	295	17,198	66,311
Valued in:						
• Current Year	72,317	-	1,312	-	-	73,629
• 2020/21	15,763	-	340	-	-	16,103
• 2019/20	-	-	-	-	-	-
• 2018/19	53	-	-	-	-	53
• 2017/18 and earlier	-	-	-	-	-	-
<b>Total Cost or Valuation</b>	<b>89,417</b>	<b>47,534</b>	<b>1,652</b>	<b>295</b>	<b>17,198</b>	<b>156,096</b>

# Note 19 Property, Plant and Equipment

## Recognition

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

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

Property, plant and equipment is recognised where the initial cost or value exceeds £10,000 except for all vehicles where there is an asset life of over 1 year.

## Measurement

Assets are initially measured at cost, comprising the purchase price and any costs directly attributable to bringing the asset into working condition for its intended use. The PCC does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are then carried in the Balance Sheet at current value. For non-specialised assets, this is determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, fair value is assumed to be at least equal to the cost of replacing that service potential. In this situation, the assets are measured at depreciated replacement cost (DRC).

This method is defined by RICS as 'the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation'. The RICS Building Cost Information Service (BCIS) provides cost and price data which is utilised to calculate the DRC valuation.

Exceptions to this are:

- non-property assets that have short useful lives and/or low values which are measured at depreciated historical cost basis as a proxy for fair value,
- assets under construction which are measured at historical cost,
- surplus assets, which are measured at Fair Value using a Market Value basis.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reverses Statement.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement when they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of the revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains),
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

## Impairment

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

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance (up to the amount of the accumulated gains),
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

## Note 19 Property, Plant and Equipment (continued)

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

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life, such as freehold land, and assets that are not yet available for use (assets under constructions).

Depreciation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by a qualified valuer;
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of each asset.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based

on their depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continued use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and the fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received from disposals in excess of £10,000 are categorised as capital receipts and are required to be credited to the Capital Receipts Reserve as part of the Movement in Reserves Statement. The Capital Receipts Reserve can only be used to either finance new capital investment or reduce the PCC's borrowing requirement and when sums are utilised for this purpose they are transferred to the Capital Adjustment Account.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## Note 19 Property, Plant and Equipment (continued)

Movement in the PCC and Group balances in 2020/21.

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation:</b>					
<b>At 1 April 2020</b>	<b>83,041</b>	<b>43,622</b>	<b>436</b>	<b>678</b>	<b>127,777</b>
Additions	1,528	6,691	3	429	8,651
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(2,063)	-	(240)	-	(2,303)
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(1,026)	-	-	-	(1,026)
Derecognition - disposals	-	(3,190)	-	-	(3,190)
Derecognition - other	-	(8)	-	-	(8)
Assets reclassified (to)/from Held for Sale	-	-	-	-	-
Other reclassifications and movements in cost or valuation	(579)	282	814	(517)	-
<b>At 31 March 2021</b>	<b>80,901</b>	<b>47,397</b>	<b>1,013</b>	<b>590</b>	<b>129,901</b>
<b>Accumulated Depreciation and Impairment:</b>					
<b>At 1 April 2020</b>	<b>(533)</b>	<b>(25,190)</b>	<b>-</b>	<b>-</b>	<b>(25,723)</b>
Depreciation charge	(2,159)	(4,994)	(28)	-	(7,181)
Depreciation written out to the Revaluation Reserve	1,444	-	28	-	1,472
Depreciation written out to the Surplus / Deficit on the Provision of Services	788	-	-	-	788
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-
Derecognition - disposals	-	2,669	-	-	2,669
Assets reclassified (to)/from Held for Sale	-	-	-	-	-
Other reclassifications and movements in depreciation and impairment	-	-	-	-	-
<b>At 31 March 2021</b>	<b>(460)</b>	<b>(27,515)</b>	<b>-</b>	<b>-</b>	<b>(27,975)</b>
<b>Net Book Value</b>					
At 31 March 2021	80,441	19,882	1,013	590	101,926

## Note 19 Property, Plant and Equipment (continued)

Movement in the PCC and Group balances in 2021/22.

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation:</b>					
<b>At 1 April 2021</b>	<b>80,901</b>	<b>47,397</b>	<b>1,013</b>	<b>590</b>	<b>129,901</b>
Additions	8,541	6,167	1	279	14,988
Revaluation increases / (decreases) recognised in the Revaluation Reserve	1,177	-	145	-	1,322
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(1,202)	-	(252)	-	(1,454)
Derecognition - disposals	-	(6,539)	-	-	(6,539)
Derecognition - other	-	(65)	-	-	(65)
Assets reclassified (to)/from Held for Sale	-	-	745	-	745
Other reclassifications and movements in cost or valuation	-	574	-	(574)	-
<b>At 31 March 2022</b>	<b>89,417</b>	<b>47,534</b>	<b>1,652</b>	<b>295</b>	<b>138,898</b>
<b>Accumulated Depreciation and Impairment:</b>					
<b>At 1 April 2021</b>	<b>(460)</b>	<b>(27,515)</b>	<b>-</b>	<b>-</b>	<b>(27,975)</b>
Depreciation charge	(2,080)	(6,302)	(31)	-	(8,413)
Depreciation written out to the Revaluation Reserve	1,229	-	66	-	1,295
Depreciation written out to the Surplus / Deficit on the Provision of Services	435	-	11	-	446
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-
Derecognition - disposals	-	6,006	-	-	6,006
Derecognition - other	-	2,225	-	-	2,225
Assets reclassified (to)/from Held for Sale	-	-	(50)	-	(50)
Other reclassifications and movements in depreciation and impairment	-	-	-	-	-
<b>At 31 March 2022</b>	<b>(876)</b>	<b>(25,586)</b>	<b>(4)</b>	<b>-</b>	<b>(26,466)</b>
<b>Net Book Value</b>					
At 31 March 2022	88,541	21,948	1,648	295	112,432

At 31 March 2022, the PCC had entered into a number of contracts for the construction, enhancement or purchase of Property, Plant and Equipment at an estimated cost of £10.109m. These contracts included £2.585m for vehicle purchases, £0.324m for intangibles, £1.887m for equipment and £5.313m relating to buildings. Similar commitments at 31 March 2021 were £2.930m.

## Note 20 Intangible Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the PCC, such as software licences, are capitalised when it is expected that future economic benefit of service potential will flow to the PCC for more than one year. Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and the PCC will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset.

Intangible assets are measured initially at cost. The depreciable amount of the intangible asset balance is subsequently amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising from the disposal of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation and gain or losses on disposal are not permitted to have an impact on the General Fund Balance and are reversed out in the Movement in Reserves Statement to the Capital Adjustment Account and the Capital Receipts Reserve (for sale proceeds greater than £10,000).

The movement on Intangible Asset balances for the PCC and Group during the year is as follows:

2020/21				2021/22			
Internally Generated	Other	Assets under construction	Total	Internally Generated	Other	Assets under construction	Total
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>							
2,811	13,314	180	16,305	• Gross carrying amount	3,424	16,016	-
(1,900)	(6,914)	-	(8,814)	• Accumulated amortisation	(2,276)	(9,170)	-
<b>911</b>	<b>6,400</b>	<b>180</b>	<b>7,491</b>	<b>Net carrying amount at 1 April</b>	<b>1,148</b>	<b>6,846</b>	<b>-</b>
<b>2021/22</b>							
<b>Additions</b>							
573	-	-	573	• Internal development	224	-	224
-	2,585	-	2,585	• Purchases	-	1,505	-
-	-	-	-	Disposals	(364)	(3,591)	-
-	(23)	-	(23)	Derecognition	-	(16)	-
40	140	(180)	-	Reclassifications/Other changes	341	853	-
-	-	-	-	Amortisation write off on disposal	101	2,578	-
(376)	(2,256)	-	(2,632)	Amortisation for the period	(492)	(2,193)	-
<b>1,148</b>	<b>6,846</b>	<b>-</b>	<b>7,994</b>	<b>Net carrying amount at 31 March</b>	<b>958</b>	<b>5,982</b>	<b>-</b>
<b>Comprising:</b>							
3,424	16,016	-	19,440	• Gross carrying amount	3,284	13,914	-
(2,276)	(9,170)	-	(11,446)	• Accumulated amortisation	(2,326)	(7,932)	-

## Note 21 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another. The definition is broad and covers instruments used in treasury management including the borrowing and lending of money and the making of investments. However, it also extends to include such items as trade receivables (debtors) and trade payables (creditors) but excludes statutory obligations.

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

### *Financial Instruments Balances*

The borrowing and investments disclosed in the PCC and Group Balance Sheets are made up of the following categories of financial instruments:

31 March 2021 Current £'000	31 March 2021 Long – Term £'000		31 March 2022 Current £'000	31 March 2022 Long – Term £'000
<b>Cash and Cash Equivalents</b>				
41,025	-	Amortised Cost	34,567	-
<b>41,025</b>	<b>-</b>	<b>Total Cash and Cash and Equivalents</b>	<b>34,567</b>	<b>-</b>
<b>Debtors</b>				
1,836	-	Financial assets carried at contract amounts	2,124	-
<b>1,836</b>	<b>-</b>	<b>Total Debtors</b>	<b>2,124</b>	<b>-</b>
<b>Borrowing</b>				
(1,500)	(32,444)	Financial liabilities at amortised cost	(1,500)	(31,005)
<b>(1,500)</b>	<b>(32,444)</b>	<b>Total Borrowing</b>	<b>(1,500)</b>	<b>(31,005)</b>
<b>Creditors</b>				
(5,381)	-	Financial liabilities carried at contract amount	(6,910)	-
<b>(5,381)</b>	<b>-</b>	<b>Total Creditors</b>	<b>(6,910)</b>	<b>-</b>

## Note 21 Financial Instruments (continued)

### *Financial Liabilities*

Financial liabilities are recognised in the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the PCC has, this means that the amount presented in the Balance Sheet is the outstanding principal payable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains or losses on the repurchase or early settlement of borrowings are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of the transaction. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The PCC has a policy of spreading the gain or loss over the term of the replacement loan. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### *Financial Assets*

To meet code requirements, financial assets are classified based on the business model for holding the financial assets and their cashflow characteristics.

The PCC's business model is to hold investments to collect contractual cash flows. The PCC has financial assets classified as amortised cost which are assets that have fixed or determinable payments but are not quoted in an active market. Loans and receivables are recognised in the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective interest rate for the instrument. For the loans that the PCC has made, this means that the amount in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and the interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year according to the loan agreement.

## Note 21 Financial Instruments (continued)

### Financial Instrument Income, Expense, Gains and Losses

The income, expense, gains and losses recognised in the PCC and Group Comprehensive Income and Expenditure Statements in relation to Financial Instruments are made up as follows:

The figures included in the table exclude the interest expense that does not relate to financial liabilities at amortised cost.

### Fair Value of Assets and Liabilities carried at Amortised Cost

Financial Liabilities and Financial Assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. Public Works Loan Board (PWLB) borrowing has been calculated by preparing a discounted cashflow based on the published new loan rates for PWLB borrowing as at 31<sup>st</sup> March 2022.

The fair value is higher than the carrying amount for Financial Liabilities because the PCC's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates currently available for similar loans at the Balance Sheet date. The commitment to pay interest at above the current market rate increased the amount that the PCC would have to pay if the lender requested or agreed to early repayment of the loans.

The fair value comparisons are completed by Link.

2020/21			2021/22		
Financial Liabilities at Amortised Cost	Financial Assets: Loans and Receivables	Total	Financial Liabilities at Amortised Cost	Financial Assets: Loans and Receivables	Total
£'000	£'000	£'000	£'000	£'000	£'000
Surplus or (Deficit) on the Provision of Services					
(1,549)	-	(1,549)	(1,573)	-	(1,573)
-	149	149	-	106	106
(1,549)	149	(1,400)	(1,573)	106	(1,467)
(1,549)	149	(1,400)	(1,573)	106	(1,467)
Net Income / Expense					
Net Gain / (Loss) for the year					
31 March 2021			31 March 2022		
Carrying amount	Fair value		Carrying amount	Fair value	
£'000	£'000		£'000	£'000	
33,944	43,694	Financial liabilities - Borrowing	32,505	39,418	

## Note 22 Nature and Extent of Risk

The PCC and Group's activities expose both to a variety of financial risks:

- **Credit Risk** – the possibility that other parties might fail to pay amounts due,
- **Liquidity Risk** – the possibility that the PCC and Group might not have funds available to meet its commitments to make payments,
- **Market Risk** – the possibility that financial loss might arise for the PCC and Group as a result of changes in such measure as interest rates movement.

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

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice,

- by the adoption of a Treasury Policy Statement and treasury management clauses within financial regulations,
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
  - the PCC's overall borrowing,
  - the maximum and minimum exposures to fixed and variable rates,
  - the maximum and minimum exposures to the maturity structure of its debt,
  - the maximum annual exposures to investments maturing beyond a year.
- by approving an Investment Strategy for the forthcoming year setting out the criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be approved before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy Statement, which outlines the detailed approach to managing risk in relation to the PCC's financial instrument exposure and can be found on the PCC's website. Actual performance is also reported mid-year and after the end of the financial year.

A Service Level Agreement is in place with Doncaster Council's Treasury Team that implements PCC policies to undertake day to day treasury services. Independent professional advice is also procured through Link Asset Services. There are principles for overall risk management, as well as policies covering specific areas, such as interest rate, credit risk and the investment of surplus cash.

### CREDIT RISK

Credit risk arises from the lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the PCC's customers. The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum criteria set by the PCC. The Annual Investment Strategy also imposes maximum amounts and time limits in respect of each financial institution. The key areas of the Investment Strategy are that the minimum criteria for investment are based on the creditworthiness service provided by the sector.

Deposits with institutions were limited to a maximum of £30m for UK banks and societies, £30m with any one banking group and £15m with any other counterparty in the Annual Investment Strategy for 2021/22.

## Note 22 Nature and Extent of Risk (continued)

The PCC does not generally allow credit for customers. The total value of trade debtors at 31 March 2022 is £2.187m (£1.885m at 31 March 2021) of which £1.890m (£1.108m at 31 March 2021) is past its due date, analysed as follows:

The PCC has a historical experience of default of 1.0% in debtors, which equates to a risk of uncollectability of £19k.

## LIQUIDITY RISK

The PCC, through in conjunction with the Doncaster Treasury Team, has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. As the PCC has access to borrow from the Public Works Loans Board (PWLB), there is no significant risk that the PCC will be unable to raise finance to meet his commitments under financial instruments. Instead, the risk is that the PCC will be bound to replenish a significant proportion of his borrowings at a time of unfavourable interest rates.

The PCC therefore has safeguards in place to ensure that a significant proportion of his borrowing does not mature for repayment at any one time in the future, which reduces the financial impact of re-borrowing at a time of unfavourable interest rates.

The average rate payable by the PCC is 4.1% with rates ranging from 1.6% to 5.1%. The Amortised Cost of the loans, including loans outstanding for less than one year is £32.505m.

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

<b>31 March 2021 £'000</b>	<b>31 March 2022 £'000</b>
571 Less than 3 Months	1,407
143 3 to 6 Months	75
150 6 to 12 Months	112
244 Over 12 Months	296
<b>1,108 Total</b>	<b>1,890</b>

The maturity analysis of loans outstanding more than one year to PWLB is:

<b>31 March 2021 £'000</b>	<b>31 March 2022 £'000</b>
Maturing within:	
7,086 >1 to 5 years	6,921
9,154 >5 to 10 years	11,819
14,780 >10 to 20 years	10,780
1,600 >20 to 30 years	3,050
1,450 >30 to 40 years	-
<b>34,070 Total</b>	<b>32,570</b>

## Note 22 Nature and Extent of Risk (continued)

### MARKET RISK

#### *Interest Rate Risk*

The PCC is not exposed to specific risk in terms of interest movements as both borrowings and investments are fixed rates. The PCC manages his exposure to fluctuations in interest rates with a view to containing its costs within approved budgets within the arrangements set out in its Treasury Management Statement.

The PCC received investment interest of £0.105m for the financial year with an average rate of 0.19%.

#### *Price Risk*

The PCC does not invest in equity shares on the markets and therefore not at significant risk to price movements.

#### *Foreign Exchange Risk*

The PCC has no financial assets or liabilities in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

## Note 23 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are utilised by the PCC, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the PCC that has yet to be financed.

2020/21		2021/22
£'000		£'000
64,994	Opening Capital Financing Requirement	74,476
<b>Capital Investment</b>		
8,643	Property, Plant and Equipment	14,922
3,135	Intangible Assets	1,713
<b>Sources of Finance</b>		
(320)	Capital receipts	(91)
(987)	Government grants and contributions	(380)
Sums set aside from revenue:		
-	• Direct revenue contributions	(1,379)
(989)	• Minimum Revenue Provision	(967)
74,476	Closing Capital Financing Requirement	88,294
<b>Represented by:</b>		
9,482	Increase / (Decrease) in underlying need to borrow	13,818

# Note 24 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 land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

## The PCC as a Lessee

### Finance Leases

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

Lease payments under finance leases are apportioned between:

- a charge for the acquisition of the interest in the Property, Plant and Equipment – applied to write down the lease liability,
- a finance charge, which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

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

The PCC currently has two properties, which have been acquired under finance leases, which are carried out as Property, Plant and Equipment in the Balance Sheet with the following net amounts:

31 March 2021 £'000	31 March 2022 £'000
3,911 Land and Buildings	4,101
<b>3,911 Total</b>	<b>4,101</b>

The PCC acquired the lease of one property for 999 years and paid £1.8m in 2008 with an ongoing charge of £200 per annum. In 2011, the PCC acquired the lease of land for 999 years, paying £0.125m with no annual charge.

## Operating Leases

Rentals payable under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefiting from the use of the leased Property, Plant and Equipment. Charges are made on a straight line basis over the term of the lease, even if this does not match the pattern of payments (for example there is a rent-free period at the commencement of the lease).

The PCC currently has operating leases for some properties and equipment. The future minimum lease payments due under non-cancellable leases in future years are:

31 March 2021 £'000	31 March 2022 £'000
367 Not later than one year	392
1,528 Later than one year and less than five years	1,227
743 Later than five years	262
<b>2,638 Total</b>	<b>1,881</b>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.427m in 2021/22 (£0.367m in 2020/21).

## The PCC as a Lessor

### Finance Leases

The PCC has not granted any finance leases.

## Operating Leases

The PCC does not currently have any operating leases.

## Note 25 Assets Held for Sale

2020/21 £'000	2021/22 £'000
783 Group and PCC Balance outstanding at start of the year	695
- Assets newly qualified as held for sale	-
- Revaluation losses	-
- Assets declassified as held for sale	(695)
(88) Assets sold	-
695 Total Group and PCC Balance outstanding at end of year	-

## Note 26 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using an average costing formula.

2020/21					2021/22			
Consumable Stores	Vehicle Maintenance Spares	Uniform	Total		Consumable Stores	Vehicle Maintenance Spares	Uniform	Total
£'000	£'000		£'000		£'000	£'000	£'000	£'000
126	150	-	276	Balance at 1 April	116	245	-	361
-	-	-	-	Transfer of stock	-	-	2,094	2,094
754	96	-	850	Purchases	799	-	1,436	2,235
(764)	-	-	(764)	Recognised as an expense in the year	(715)	(73)	(1,944)	(2,732)
-	(1)	-	(1)	Written off balances	(4)	(2)	(1)	(7)
116	245	-	361	Balance at 31 March	196	170	1,585	1,951

Uniform stock transferred from West Yorkshire Police on 26 July 2021 with a carrying balance of £2.094m.

## Note 27 Debtors

31 March 2021 £'000 Group	31 March 2021 £'000 PCC		31 March 2022 £'000 Group	31 March 2022 £'000 PCC
15,453	15,453	Central government bodies	17,535	17,535
7,685	7,685	Other local authorities	6,670	6,670
5	5	NHS bodies	6	6
7,389	7,389	Other entities and individuals	7,408	7,408
-	2,428	Intra company adjustment	-	1,228
<b>30,532</b>	<b>32,960</b>	<b>Total</b>	<b>31,619</b>	<b>32,847</b>

The intra company adjustment is due to a difference of £1.228m for the upfront payment of deficit pension relating to 2022/23 financial year. This is owed from the Force to the PCC, the overall group is aligned.

## Note 28 Cash and Cash Equivalents

31 March 2021 £'000	31 March 2022 £'000
27 Cash held by the PCC	19
173 Bank current accounts	1,294
40,825 Call and money market fund investments	33,254
<b>41,025 Total Group and PCC</b>	<b>34,567</b>

Cash that is seized by the Force because it is suspected of either having been used, or intended for use, for the purpose of crime, is held pending a court decision as to whether it should be returned or awarded under a forfeiture order to the Force or the Treasury. This seized cash is held in trust for third parties by the PCC and is therefore excluded from the Balance Sheet. The sum held at 31 March 2022 is £2.314m (£2.244m 31 March 2021).

In addition, the Force holds funds in relation to found property and prisoner property and is therefore excluded from the Balance sheet. The sum held at 31 March 2022 is £2.409m (£1.813m 31 March 2021).

## Note 29 Creditors

31 March 2021 £'000 Group	31 March 2021 £'000 PCC		31 March 2022 £'000 Group	31 March 2022 £'000 PCC
8,128	8,128	Central government bodies	8,674	8,674
8,593	8,593	Other local authorities	6,651	6,651
3	3	NHS bodies	-	-
3	3	Public corporation and trading funds	19	19
15,006	11,218	Other entities and individuals	17,995	14,809
<b>31,733</b>	<b>27,945</b>	<b>Total</b>	<b>33,339</b>	<b>30,153</b>

# Note 30 Provisions

Provisions are recognised where an event has taken place that gives the PCC a legal or constructive obligation that probably requires settlement by transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. For instance, the PCC may be involved in a court case that could eventually result in the making of a settlement of the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the PCC becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking account of relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Provisions are reviewed at the end of each financial year and where it becomes less probable that a transfer of economic benefits will now be required, or a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service.

The table below sets out the provisions for 2021/22.

	Balance at 1 April 2021	Additional provisions made in the year	Amounts used in the year	Unused amounts reversed in the year	Balance at 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Insurance	2,338	1,179	(586)	-	2,931
Statutory Redundancy	18	2	-	-	20
Legal Claims	16,415	3,392	(13,299)	(1,051)	5,457
<b>Total Group and PCC</b>	<b>18,771</b>	<b>4,573</b>	<b>(13,885)</b>	<b>(1,051)</b>	<b>8,408</b>

Provisions are shown in the Balance Sheet according to when they are utilised. When they will be used within a year they appear as Current Liabilities. Where provisions will not be used within a year they will appear as Long-Term Liabilities. Short-Term Provisions amount to £5.921m and Long-Term Provisions £2.487m.

## Insurance Provision

The PCC provides a degree of self-insurance through his insurance provision. Under insurance policies, the PCC has to meet a proportion of each claim up an individual claim maximum and total maximum level each year. A contribution to the provision is made from revenue to fund this uninsured liability, in accordance with advice from the PCC's insurance brokers. Payments are then made directly from the provision when claims are settled over the next few years.

## Statutory Redundancy

A provision has been made for Statutory Redundancy in relation to the Local Criminal Justice Board.

## Legal Claims

A provision has been made for new legal claims and an adjustment to reduce the provision within 2020/21.

# Note 31 Grants Received in Advance

The PCC has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding provider if not met. These have been split between short term current liabilities and long term liabilities where the projects will not take place and the funding will not be used within the coming 12 months. The balances at the year-end are as follows:

## Current Liabilities

31 March 2021 £'000	31 March 2022 £'000
<b>Revenue Grants Receipts in Advance</b>	
(572) Hillsborough Civil Costs	(11,652)
(1,400) CSE Inquiry	(1,137)
- Stovewood CSE	(1,059)
(289) Local Resilience Forum	(413)
- ESN Control Room	(103)
- Rotherham – Child Matters 2	(100)
- Victim and Witness Care Funding	(93)
- Pension Remedy Fund	(75)
(95) Artful Mike – Surge Funding	-
(58) Dedicated Security Posts	-
(45) Doncaster Suicide Prevention Officer	(14)
(70) Other miscellaneous revenue grants	(120)
<b>(2,529) Total Group and PCC</b>	<b>(14,766)</b>

31 March 2021 £'000	31 March 2022 £'000
<b>Capital Grants Receipts in Advance</b>	
(106) OSU Safety Camera Partnership	(13)
- IT Sepura Devices	(138)
<b>(106) Total Group and PCC</b>	<b>(151)</b>

## Note 32 Other Long-Term Liabilities

31 March 2021 £'000 Group	31 March 2021 £'000 PCC		31 March 2022 £'000 Group	31 March 2022 £'000 PCC
3,593,863	3,145	Pensions Liability	3,648,397	2,486
-	-	Partnership Funding	551	551
3,593,863	3,145	Total	3,648,948	3,037

### Pensions Liability

The Pensions Liability represents the net position of retirement liabilities and the pension scheme assets and is normally matched by the Pensions Reserve. However, for this financial year, there is a difference of £1.274m for the group (£0.05m for PCC) due to the upfront payment of deficit pension relating to 2022/23 financial year. At the end of this period the liabilities and pension reserve will re-align.

## Note 33 Usable Reserves

Movements in the PCC and Group usable reserves are detailed below:

	<b>1 April 2021 £'000</b>	<b>Movement in Year £'000</b>	<b>31 March 2022 £'000</b>
Earmarked Reserves	22,113	8,684	30,797
General Reserves	42,247	(5,328)	36,919
<b>Total</b>	<b>64,360</b>	<b>3,356</b>	<b>67,716</b>

## Note 34 Unusable Reserves

<b>31 March 2021 £'000 Group</b>	<b>31 March 2021 £'000 PCC</b>		<b>31 March 2022 £'000 Group</b>	<b>31 March 2022 £'000 PCC</b>
15,774	15,774	Revaluation Reserve	15,366	15,366
20,390	20,390	Capital Adjustment Account	15,737	15,737
(10)	(10)	Financial Instrument Adjustment Account	-	-
1,285	1,285	Collection Fund Adjustment Account	3,464	3,464
(3,829)	(41)	Accumulated Absences Account	(3,220)	(34)
(3,596,383)	(3,237)	Pension Reserve	(3,649,671)	(2,532)
<b>(3,562,773)</b>	<b>34,161</b>	<b>Total</b>	<b>(3,618,324)</b>	<b>32,001</b>

## Note 34 Unusable Reserves (continued)

### Revaluation Reserve

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

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

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

2020/21 £'000		2021/22 £'000
17,077	Balance at 1 April	15,774
-	Prior year adjustment	(2,669)
416	Upward revaluations of assets	3,939
(1,247)	Downward revaluations of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(1,321)
(831)	Surplus of deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(51)
(460)	Difference between fair value depreciation and historical cost depreciations	(357)
(12)	Accumulated gains on assets sold or scrapped	-
(472)	Amount written off to the Capital Adjustment Account	(357)
15,774	Group and PCC Balance at 31 March	15,366

## Note 34 Unusable Reserves (continued)

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings to the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the PCC as finance for the costs of acquisition, construction and enhancement. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

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

2020/21 £'000		2021/22 £'000
27,081	<b>Balance at 1 April</b>	20,390
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(7,181)	• Charges for depreciation and impairment of non-current assets	(6,188)
(238)	• Revaluation losses on Property, Plant and Equipment	(1,008)
-	• Prior year revaluation adjustment	2,669
(2,632)	• Amortisation of Intangible Assets	(1,491)
(607)	• Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,809)
<b>(10,658)</b>		<b>(7,827)</b>
472	Adjusting amounts written out of the Revaluation Reserve	357
<b>(10,186)</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(7,470)</b>
	- Capitalised insurance settlements	-
	Capital financing applied in the year:	
320	• Use of the Capital Receipts Reserve to finance new capital expenditure	91
987	• Capital grants, contributions and donations credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	380
-	• Application of grant to capital financing from the Capital Grants Unapplied Account	-
2,188	• Statutory provision for the financing of capital investment charged against the General Fund	967
-	• Capital expenditure charged against the General Fund	1,379
<b>3,495</b>		<b>2,817</b>
<b>20,390</b>	<b>Group and PCC Balance at 31 March</b>	<b>15,737</b>

## Note 34 Unusable Reserves (continued)

### Financial Instruments Adjustment Account

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

The PCC uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund balance to the Account in the Movement in Reserves Statement. Over time the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on council tax. For the PCC, this period is the term of the replacement loan.

2020/21 £'000	2021/22 £'000
(32) Balance at 1 April	(10)
- Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	-
22 Proportion of premiums incurred in previous financial years to be charged against the General Fund	10
Balance in accordance with statutory requirements	
22 Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in accordance with statutory requirements	10
(10) Group and PCC Balance at 31 March	-

## Note 34 Unusable Reserves (continued)

### Collection Fund Adjustment Account

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

2020/21		2021/22
£'000		£'000
3,161	Balance at 1 April	1,285
(1,876)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	2,179
1,285	Group and PCC Balance at 31 March	3,464

## Note 34 Unusable Reserves (continued)

### Accumulated Absences Account

An accrual is made for the cost of holiday entitlements and other forms of leave, such as time off in lieu, earned by the employee but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. An accrual is charged to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement and then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year which the holiday absence occurs.

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

2020/21	2020/21		2021/22	2021/2022
£'000	£'000		£'000	£'000
Group	PCC		Group	PCC
(3,688)	(19)	Balance at 1 April	(3,829)	(41)
		Settlement or cancellation of accrual made at the end of preceding year	609	7
(141)	(22)	Amounts accrued at the end of the current year		
(141)	(22)	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	609	7
(3,829)	(41)	Group and PCC Balance at 31 March	(3,220)	(34)

## Note 34 Unusable Reserves (continued)

### Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

Post employment benefits are accounted for in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees. The amounts included represent accrued years of service, 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 employers' contributions to pension funds are made or eventually direct pensions are paid.

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 PCC 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.

2020/21 £'000 Group	2020/21 £'000 PCC		2021/22 £'000 Group	2021/22 £'000 PCC
(3,375,751)	(2,547)	<b>Balance at 1 April</b>	<b>(3,596,383)</b>	<b>(3,237)</b>
(153,040)	(530)	Actuarial gains or (losses) on the pensions assets and liabilities	25,070	961
(165,178)	(360)	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	(173,662)	(462)
100,106	292	Employer's pensions contributions and direct payments to pensioners payable in the year	94,058	160
(2,520)	(92)	Past service deficit paid in advance	1,246	46
<b>(3,596,383)</b>	<b>(3,237)</b>	<b>Group and PCC Balance at 31 March</b>	<b>(3,649,671)</b>	<b>(2,532)</b>

# Note 35 Defined Benefit Pension Schemes

## PENSION SCHEMES

Employees of the PCC and Chief Constable participate in the following pension schemes:

- The 1987, 2006 and 2015 Police Pension Schemes (PPS) for police officers are unfunded schemes, which means that there is no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The PCC is required by legislation to operate a Pension Fund with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The former Police Authority set up a Pension Fund on 1 April 2006 from which pensions payments are made and into which contributions, from the PCC and employees, are received. The PCC then received a top-up grant from the Government equal to the sum by which the amount payable for pensions from the Pension Fund exceeds the amount receivable from the PCC into the Pension Fund. The Pension Fund is shown separately in the Accounts. The latest Career Average Revalued Earnings (CARE) pension scheme was introduced on 1 April 2015 moves away from the 'final salary' arrangement of the 1987 and 2006 schemes, and is as a result of Lord Hutton's independent review of public service pensions.
- The Local Government Pension Scheme (LGPS) for police staff, administered by the South Yorkshire Pensions Authority, is a funded scheme, which means that the PCC and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

## POST EMPLOYMENT BENEFITS

The schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work. They are accounted for in accordance with the requirements for defined benefits schemes, based on the principle that an organisation should account for retirement benefits as they are accrued, even though they may be paid many years into the future.

Injury awards are payable irrespective of whether a police officer is a member of the Pension Scheme and tax rules from 1 April 2006 prevent injury awards from being part of pension scheme regulations. Injury awards have been moved into a separate Police Compensation Scheme (PCS) and under the pensions financial arrangements they must be paid from the PCC's operating account and not the Pension Fund Account. The injury awards have been accounted for as part of the pensions adjustments and information relating to these injury awards are disclosed separately in the following notes.

## ASSETS AND LIABILITIES

A pensions asset or liability is recognised in the Balance Sheet, made up of the net position of retirement liabilities and pension scheme assets. Retirement liabilities are measured on an actuarial basis using the projected unit method, by assessing 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 and estimations of projected earnings for current employees. Pension scheme assets (LGPS only) attributable to the PCC and included at their fair value.

There is currently a net pensions liability and this is matched in the Balance Sheet by a Pensions Reserve.

The change in net pensions liability during the year is analysed into several components:

- current service cost – the increase in liabilities as a result of service earned by employees in the current year. This is charged across the Districts and Departments within the CIES.
- past service cost – the increase in liabilities arising from current year decisions, the effect of which relates to service earned in earlier years. This is charged across the Districts and Departments within the CIES.
- net interest on the net defined benefit liability – the change during the period in the net defined benefit liability that arises from the passage of time. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. This is charged to the Financing and Investment Income and Expenditure line within the CIES.

## Note 35 Defined Benefit Pension Schemes (continued)

- Remeasurements comprising:
  - the return on plan assets (LGPS only) – this excludes amounts included in net interest on the net defined benefit liability and is 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 made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid / benefits paid – cash paid as the employer's contribution by the PCC either to LGPS or directly to pensioners to reduce the scheme assets.

Statutory provisions require that the amount charged to the General Fund Balance is that payable to pensions funds rather than that calculated under accounting standards. This means that an appropriation to or from the Pensions Reserve is done within the Movement in Reserves Statement to replace the notional sums for retirement benefits with the actual pensions costs. The negative balance on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flow rather than as benefits are earned by employees.

### McCloud/Sargeant ruling on the Police Pension scheme

The cost of benefits accruing in the year ending 31 March 2022 (the Current Service Cost) is based on a standard contribution rate of 71.2% of pensionable pay in the Police Pension Scheme 1987, 58.9% of pensionable pay in the New Police Pension Scheme 2006 and 87.5% of pensionable pay in the Police Pension Scheme 2015 as determined at the start of the year. Employees pay contributions based on their current salary. The standard contribution rate for the 2015 Scheme includes an allowance for the "better of" benefits which have been projected to be accrued by members eligible for McCloud remedy in the year ending 31 March 2022.

For the avoidance of doubt the employers' share of the Current Service Cost determined for this purpose of this exercise is not the same as the actual rate of contributions payable by employers, which was determined based on the methodology and the financial and demographic assumptions adopted for the funding of the scheme.

The pensionable payroll for the financial year 2021/22 was £99.5 million (derived from contributions payable by employers over the year). Based on this information the accruing cost of pensions in 2021/22 (the Current Service Cost), including the Injury Benefit Scheme, is assessed to be £87.8 million. The Current Service Cost includes an allowance for the "better of" McCloud/Sargeant benefits accrued by affected members during 2021/22.

## Note 35 Defined Benefit Pension Schemes (continued)

### Transactions relating to Post Employment Benefits

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

#### PCC only

2020/21 £'000	Pension Schemes PCC only (LGPS)	2021/22 £'000
<b>Comprehensive Income and Expenditure Statement</b>		
<b>Cost of Services</b>		
302	• Current service cost	394
-	• Past service cost	-
-	• Curtailments	-
<b>Financing and Investment Income and Expenditure</b>		
58	• Net interest expense	68
<b>360</b>	<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>462</b>
<b>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		
Remeasurement of the net defined benefit liability comprising:		
(900)	• Return on plan assets (excluding the amount included in the net interest expense)	(473)
-	• Actuarial gains and losses arising on changes in demographic assumptions	-
1,554	• Actuarial gains and losses arising on changes in financial assumptions	(505)
(124)	• Experience gains and losses	17
<b>890</b>	<b>Total post employment benefit charged to the Comprehensive Income and Expenditure Account</b>	<b>(499)</b>
<b>Movement in Reserves Statement</b>		
(360)	• Reversal of net charges to Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(462)
<b>Actual amount charged against the General Fund Balance for pensions in the year</b>		
200	• Employer's contribution payable	160
-	• Retirement benefits payable to pensioners	-
-	• Additional contribution to Police Pension Fund Account to balance deficit	-

## Note 35 Defined Benefit Pension Schemes (continued)

### Group

2020/21						Pension Schemes Group (including PCC)						2021/22					
PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000							PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000
<b>Comprehensive Income and Expenditure Statement</b>																	
<i>Cost of Services</i>																	
7,270	160	59,410	1,580	20,679	89,099	• Current service cost						3,250	80	69,460	1,700	26,998	101,488
-	-	-	-	222	222	• Past service cost						-	-	-	-	-	-
-	-	-	-	-	-	• Curtailments						-	-	-	-	-	-
<i>Financing and Investment Income and Expenditure</i>																	
63,830	2,080	4,700	1,150	4,097	75,857	• Net interest expense						58,360	2,480	5,380	1,120	4,834	72,174
<b>71,100</b>	<b>2,240</b>	<b>64,110</b>	<b>2,730</b>	<b>24,998</b>	<b>165,178</b>	<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>						<b>61,610</b>	<b>2,560</b>	<b>74,840</b>	<b>2,820</b>	<b>31,832</b>	<b>173,662</b>
<b>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>																	
Remeasurement of the net defined benefit liability comprising:																	
-	-	-	-	(66,228)	(66,228)	• Return on plan assets (excluding the amount included in the net interest expense)						-	-	-	-	(32,913)	(32,913)
-	-	-	-	-	-	• Actuarial gains and losses arising on changes in demographic assumptions						-	-	-	-	-	-
287,700	18,350	39,960	4,720	110,468	461,198	• Actuarial gains and losses arising on changes in financial assumptions						(34,800)	(2,610)	(6,430)	(570)	(34,508)	(78,918)
(181,730)	11,140	(61,130)	(90)	(10,120)	(241,930)	• Experience gains and losses						36,600	(400)	48,460	560	1,541	86,761
<b>177,070</b>	<b>31,730</b>	<b>42,940</b>	<b>7,360</b>	<b>59,118</b>	<b>318,218</b>	<b>Total post employment benefit charged to the Comprehensive Income and Expenditure Account</b>						<b>63,410</b>	<b>(450)</b>	<b>116,870</b>	<b>2,810</b>	<b>(34,048)</b>	<b>148,592</b>
<b>Movement in Reserves Statement</b>																	
(71,100)	(2,240)	(64,110)	(2,730)	(24,998)	(165,178)	• Reversal of net charges to Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code						(61,610)	(2,560)	(74,840)	(2,820)	(31,832)	(173,662)
<b>Actual amount charged against the General Fund Balance for pensions in the year</b>																	
3,474	76	25,717	-	12,146	41,413	• Employer's contribution payable						2,014	86	29,068	-	11,098	42,266
-	-	-	2,320	-	2,320	• Retirement benefits payable to pensioners						-	-	-	2,770	-	2,770
90,536	(166)	(36,517)	-	-	53,853	• Additional contribution to Police Pension Fund Account to balance deficit						91,546	(46)	(42,478)	-	-	49,022

## Note 35 Defined Benefit Pension Schemes (continued)

### Pensions Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the PCC and Group obligation in respect of its defined benefit plans is as follows:

#### PCC only

31 March 2021 £'000	Pension Schemes PCC only (LGPS)	31 March 2022 £'000
9,325	Present value of defined benefit obligation	9,462
(6,180)	Fair value of plan assets	(6,976)
3,145	Net liability arising from defined benefit obligation	2,486

#### Group

2020/21						Pension Schemes Group (including PCC)		2021/22					
PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000			PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000
2,962,910	124,070	227,890	56,510	655,118	4,026,498	Present value of defined benefit obligation		2,932,760	123,580	358,170	56,550	659,070	4,130,130
-	-	-	-	(432,635)	(432,635)	Fair value of plan assets		-	-	-	-	(481,733)	(481,733)
2,962,910	124,070	227,890	56,510	222,483	3,593,863	Net liability arising from defined benefit obligation		2,932,760	123,580	358,170	56,550	177,337	3,648,397

## Note 35 Defined Benefit Pension Schemes (continued)

### Reconciliation of the Movements in Fair Value of the Plan Assets

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy.

Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

### PCC and Group

2020/21		Pension Schemes PCC and Group	2021/22	
LGPS PCC £'000	LGPS Group £'000		LGPS PCC £'000	LGPS Group £'000
4,452	350,081	Opening fair value of scheme assets at 1 April	6,180	432,635
115	8,499	Interest income	132	9,153
900	66,228	Remeasurement (gains) and losses – return on plan assets	473	32,913
292	14,666	Contributions from employer	160	10,983
87	4,275	Contributions from employees into the scheme	91	4,444
339	(10,785)	Benefits paid	(60)	(8,395)
(5)	(329)	Administration expenses	-	-
6,180	432,635	Closing fair value of scheme assets at 31 March	6,976	481,733

## Note 35 Defined Benefit Pension Schemes (continued)

### Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

#### PCC only

31 March 2021 £'000	Pension Schemes PCC only (LGPS)	31 March 2022 £'000
6,999	Opening present value of scheme liabilities at 1 April	9,325
297	Current service cost	394
173	Interest cost	200
87	Contributions from Scheme participants	91
	Remeasurement (gains) and losses:	
-	• actuarial gains/losses arising from changes in demographic assumptions	-
1,554	• actuarial gains/losses arising from changes in financial assumptions	(505)
(124)	• experience gains and losses	17
-	Past service cost	-
339	Benefits paid	(60)
9,325	Closing balance at 31 March	9,462

#### Group

2020/21						Pension Schemes Group (including PCC)	2021/22					
PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000		PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000
2,879,850	92,250	174,150	51,470	528,112	3,725,832	Opening present value of scheme liabilities at 1 April	2,962,910	124,070	227,890	56,510	655,118	4,026,498
7,270	160	59,410	1,580	20,350	88,770	Current service cost	3,250	80	69,460	1,700	26,998	101,488
63,830	2,080	4,700	1,150	12,596	84,356	Interest cost	58,360	2,480	5,380	1,120	13,987	81,327
1,790	240	11,370	-	4,275	17,675	Contributions from Scheme participants	820	300	13,810	-	4,444	19,374
						Remeasurement (gains) and losses:						
-	-	-	-	-	-	• actuarial gains/losses arising from changes in demographic assumptions	-	-	-	-	-	-
287,700	18,350	39,960	4,720	110,468	461,198	• actuarial gains/losses arising from changes in financial assumptions	(34,800)	(2,610)	(6,430)	(570)	(34,508)	(78,918)
(181,730)	11,140	(61,130)	(90)	(10,120)	(241,930)	• experience gains and losses	36,600	(400)	48,460	560	1,541	86,761
-	-	-	-	222	222	Past service cost	-	-	-	-	-	-
(95,800)	(150)	(570)	(2,320)	(10,785)	(109,625)	Benefits paid	(94,380)	(340)	(400)	(2,770)	(8,510)	(106,400)
-	-	-	-	-	-	Curtailments	-	-	-	-	-	-
2,962,910	124,070	227,890	56,510	655,118	4,026,498	Closing balance at 31 March	2,932,760	123,580	358,170	56,550	659,070	4,130,130

## Note 35 Defined Benefit Pension Schemes (continued)

### Local Government Pension Scheme Assets

2020/21				LGPS Pension Scheme PCC and Group		2021/22			
PCC only £'000	PCC only %	Group £'000	Group %			PCC only £'000	PCC only %	Group £'000	Group %
				Equites					
35	0.6	2,420	0.6	• Other quoted (active markets)		17	0.2	1,159	0.2
35	0.6	2,420	0.6			17	0.2	1,159	0.2
				Debt Securities					
336	5.4	23,567	5.4	• Corporate Bonds (non-investment grade)		1	0.0	52	0.0
121	2.0	8,477	2.0	• UK Government		41	0.6	2,874	0.6
304	4.9	21,266	4.9	• Other		348	5.0	24,034	5.0
761	12.3	53,310	12.3			390	5.6	26,960	5.6
				Private Equity					
552	8.9	38,678	8.9	• All		684	9.8	47,219	9.8
552	8.9	38,678	8.9			684	9.8	47,219	9.8
				Real Estate					
533	8.6	37,292	8.6	• UK property		588	8.4	40,601	8.4
9	0.2	596	0.2	• Overseas Property		9	0.1	648	0.1
542	8.8	37,888	8.8			597	8.5	41,249	8.5
				Investment funds and unit trusts					
2,982	48.2	208,732	48.2	• Equities		3,251	46.6	224,463	46.6
832	13.5	58,219	13.5	• Bonds		1,253	18.0	86,528	18.0
397	6.4	27,854	6.4	• Infrastructure		576	8.3	39,797	8.3
-	-	-	-	• Other		130	1.9	8,985	1.9
4,211	68.1	294,805	68.1			5,210	74.8	359,773	74.8
				Cash and cash equivalents					
79	1.3	5,534	1.3	• All		78	1.1	5,373	1.1
79	1.3	5,534	1.3			78	1.1	5,373	1.1
6,180	100.0	432,635	100.0	Total scheme assets Group and PCC		6,976	100.0	481,733	100.0

## Note 35 Defined Benefit Pension Schemes (continued)

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependent on assumptions about mortality rates, employee turnover and salary levels etc. The liabilities of the Police Pension and Compensation Schemes have been assessed by the Government Actuary's Department (GAD). The LGPS fund liabilities have been assessed by Mercer, using estimates based on the latest full valuation of the scheme as at 31 March 2019.

The LGPS Actuary has now changed to Hymans Robertson and a full valuation of the scheme will be undertaken as at 31 March 2022 and used for the 2022/23 disclosures.

2020/21			2021/22		
PPS	LGPS		PPS	LGPS	
£'000	£'000		£'000	£'000	
<b>Mortality Assumption:</b>					
Longevity at 65 for future pensioners (in years)					
23.7	24.0	• Men	23.8	24.1	
25.3	27.2	• Women	25.4	27.3	
Longevity at 65 for current pensioners (in years)					
22.0	22.5	• Men	22.1	22.6	
23.7	25.3	• Women	23.8	25.4	
<b>Financial Assumptions</b>					
2.00%	2.10%	Rate for discounting scheme liabilities	2.65%	2.70%	
2.40%	2.70%	Rate of inflation (CPI for GAD / RPI for LGPS)	3.00%	3.65%	
2.40%	2.80%	Rate of increase in pensions	3.00%	3.20%	
3.65%	2.70%	Rate of CARE revaluation	4.25%	3.65%	
4.15%	3.95%	Rate of increase in salaries (long term)	4.75%	4.20%	

## Note 35 Defined Benefit Pension Schemes (continued)

### Impact on the Defined Benefit Obligation in the Schemes

The sensitivity analyses in the following tables have been provided by the Actuaries and have been determined based on reasonably possible changes in assumptions occurring at the end of the reporting period. They assume for each change that the assumption analysed changes while other assumptions remain constant. 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, that is on the 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.

PPS Assumption Group	Increase / (Decrease)			PCS £'000
	1987 £'000	2006 £'000	2015 £'000	
Longevity – increase by one year	102,000	4,000	11,000	2,000
Rate of increase in salaries – increase by 0.5%	20,000	8,000	-	-
Rate of increase in pension – increase by 0.5%	224,000	12,000	61,000	4,000
Rate of discounting scheme liabilities – increase by 0.5%	(249,000)	(19,000)	(55,000)	(4,000)

LGPS Assumption	Increase / (Decrease)	
	PCC only £'000	Group £'000
Longevity – increase by one year	378	26,362
Rate of increase in salaries – increase by 0.1%	47	3,012
Rate of increase in pension – increase by 0.1%	159	11,241
Rate of discounting scheme liabilities – decrease by 0.1%	208	14,399

### Impact on the Cash Flows

The objectives of the LGPS is to keep employers' contributions at as constant a rate as possible. The strategy agreed by the Pension Authority with the Actuary is to achieve a funding level of 100% over the next 14 years. The next triennial valuation is due on 31 March 2022 with an effective date of 1 April 2023. The contributions in respect of the police pension schemes are determined by the Government.

The liabilities show the underlying commitments that the PCC has in the long run to pay employment benefits. The total Group liability of £3,648.4m has a substantial impact on the net worth of the PCC as recorded in the Balance Sheet, resulting in a negative overall balance of £3,550.6m.

However, statutory arrangements for funding the deficit mean that the financial position of the PCC remains manageable:

- the deficit on the LGPS will be made good by increased contributions as assessed by the scheme actuary.
- the actual payment costs of normal retirement is met by the police pension schemes, based in part on the Force contributing a fixed percentage amount on officer salary costs to the Home Office.

The total contribution expected to be made to the LGPS by the PCC in the year to 31 March 2023 is £0.17m, a total of £11.64m for the Group. Expected contributions for the Police Pensions in the year to 31 March 2023 are £31.92m.

The weighted average duration of the defined benefit obligation for scheme members is:

- LGPS – 22 years
- PPS 1987 – 18 years
- PPS 2006 – 34 years
- PPS 2015 – 34 years.

Doncaster Sheffield Airport

# Robin Hood Airport

## 4.4. Notes supporting the Cash Flow Statement



# Note 36 Cash Flows from Operating Activities

The adjustments to the net surplus or deficit on the provision of services for non-cash movements include the following items:

2020/21			2021/22		
£'000 Group	£'000 PCC		£'000 Group	£'000 PCC	
68,208	657	Net (surplus)/ deficit on the provision of services	77,214	(286)	
(7,181)	(7,181)	Depreciation	(6,188)	(6,188)	
(238)	(238)	Impairment and valuations	1,661	1,661	
(2,632)	(2,632)	Amortisation	(1,491)	(1,491)	
5,079	5,198	(Increase) / decrease in creditors	(1,606)	(2,208)	
(2,927)	(499)	Increase / (decrease) in debtors	1,087	(113)	
85	85	Increase / (decrease) in inventories	1,590	1,590	
(1,679)	(1,679)	(Increase) / decrease in revenue grants in advance	(12,237)	(12,237)	
(607)	(607)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(1,809)	(1,809)	
987	987	Capital grants applied	380	380	
(11,046)	(11,046)	Movement in provisions	10,363	10,363	
-	-	Movement in long term liabilities	(551)	(551)	
(67,592)	(160)	Movement in pensions liability	(78,358)	(256)	
2,519	91	Movement in pensions reserve	(1,246)	(46)	
320	320	Proceeds from sale of Property, Plant and Equipment and Intangible Assets	91	91	
(1,511)	(1,511)	Interest paid	(1,554)	(1,554)	
149	149	Interest received	106	106	
<b>(18,066)</b>	<b>(18,066)</b>	<b>Adjusted net cash flows from operating activities</b>	<b>(12,548)</b>	<b>(12,548)</b>	

## Note 37 Cash Flows from Investing Activities

2020/21 £'000	2021/22 £'000
11,778 Purchase of Property, Plant and Equipment and Intangible Assets	16,635
(320) Proceeds from sale of Property, Plant and Equipment and Intangible Assets	(91)
(987) Capital grants	(380)
- Other receipts from investing activities	(45)
- Other payments for investing activities	-
(149) Interest received	(106)
<b>10,322 Net cash flows from investing activities for Group and PCC</b>	<b>16,013</b>

## Note 38 Cash Flows from Financing Activities

2020/21 £'000	2021/22 £'000
- Cash receipts of short and long-term borrowing	-
(55) Other receipts from financing activities	(61)
1,500 Repayments of short and long-term borrowing	1,500
- Other payments for financing activities	-
1,511 Interest paid	1,554
<b>2,956 Net cash flows from financing activities for Group and PCC</b>	<b>2,993</b>

## 4.5. Other notes



# Note 39 Related Party Transactions

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

## CENTRAL GOVERNMENT

Central Government has significant influence over the general operations of the PCC. It is responsible for providing the statutory framework within which the PCC operates. It provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the PCC has with other parties (e.g. Council Tax bills). Grants received from Government departments are set out in the analysis in [Note 14](#).

## OFFICERS

Certain senior officers within the OPCC and Senior Command Team might also be in a position to influence significantly the policies of the PCC. No material related party transactions have been identified following consultation with relevant officers.

## OTHER PUBLIC BODIES (SUBJECT TO COMMON CONTROL BY CENTRAL GOVERNMENT)

There are direct relationships between the PCC/CC and other PCCs/CCs within the Yorkshire and Humber region in respect of Regional Collaboration arrangements. Details are disclosed in [Note 15](#) to the financial statements.

# Note 40 Contingent Liabilities

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

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in this note.

The PCC has the following contingent liabilities:

- The former Police Authority insurance company, MMI Limited, ceased trading in September 1992 and a 'Scheme of Arrangement' was agreed in case of insolvency, involving a claw back of claims paid. Since this time the PCC has only been notified on two occasions by the Scheme Administrators of levies due. A payment of £1.5m (15%) was paid in 2012/13 and a payment of £1m (10%) was paid in 2015/16.

Both payments had been set aside in the Earmarked Insurance Reserve and there remains a further 10% for any potential future levies, of which none were payable in 2021/22. The adequacy of the reserve will continue to be reviewed annually, as will the position of the scheme by the Scheme Administrators. The maximum future liability remains at approximately £7.6m.

- Hillsborough Civil Claims – a number of civil claims arising from the day of the disaster itself have been issued against SYP. In addition a larger number of civil claims have been notified which cite misfeasance in a public office (allegations in relation to the preparation of police witness statements). In 2013 an application for special grant funding was submitted which included provision for civil claims (this element was not quantified). Details of quantum has been submitted to the Home Office in relation to a proportion of the claims and these have been included in the 2021/22 Statement of Accounts as a provision.

In relation to the remaining claims, these continue to be received and will be submitted to the Home Office once potential liability and quantum is more certain, although the Home Office has been regularly updated on the position. Therefore no provision has been made in the 2021/22 Statement of Accounts in relation to the applications as, under IAS 37, not knowing value of the claims means we are unable to make a reliable estimate of likely costs that are materially accurate. The reason for this is due to the complexity of the scheme which is over a 30 year period along with an almost impossible scenario to quantify claims due to multiple factors. Circa 114 claims are yet to be settled. The majority of these 114 claims have not yet been received. Each claim is required to set out the basis of compensation sought under the scheme. There are many differing categories of damage to be considered. The scheme is complex and requires each claim to be reviewed and assessed taking account of the evidence provided. Compounding this, many claims will span a 30 year period.

It is almost impossible to allocate figures on these as each has to be quantified in relation to multiple factors including general damages, loss of earnings, non –personal injury losses and aggravated damages. It is therefore not possible at this stage to materially quantify the total likely payments in the Statement of Accounts.

- CSE Claims – during the year the number of claimants that have notified a claim with SYP has increased. There are currently 56 claims that have been settled and 11 claims where a provision has been made.
- The Chief Constable of South Yorkshire, along with other Chief Constables and the Home Office, currently has 87 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. During 2021/22, all forces have been advised by the Home Office that this will be managed centrally and no financial liability to SYP.

There are around 1100 SYP claims under the 'Pennington' claims. These claims have been stayed until at least December 2022 with no update expected until early 2023. There is no anticipated financial burden on SYP with expectation to be funded by the Home Office and managed centrally for all forces.

# Note 41 Events after the reporting period

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

- those that provide evidence of conditions that existed at the end of the reporting period – the 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, indicating the nature of the events and their estimated financial effect.

There have been no adjusting or non-adjusting events after the balance sheet date.



## 5. Police Pension Fund Account and notes



# Note 42 Police Pension Fund Account and Notes

2020/21		2021/22	
£'000	£'000	£'000	£'000
<b>Contributions Receivable</b>			
<i>From the PCC</i>			
(29,212)	• Normal	(30,856)	
(320)	• Early Retirements	(296)	
(12,612)	<i>Officers' Contributions</i>	(13,283)	
(42,144)		(44,435)	
(850)	<b>Transfers in from Other Schemes</b>	(1,718)	
<b>Benefits Payable</b>			
77,788	• Pensions	79,388	
18,523	• Commutations and lump sum retirement benefits	15,445	
244	• Death benefits	250	
96,555		95,083	
<b>Payments to and on account of leavers</b>			
51	• Refunds of contributions	92	
241	• Transfers out to other Schemes	-	
292		92	
53,853	<b>Net Amount Payable for the year</b>	49,022	
(53,853)	Additional Contribution from the PCC (via Home Office)	(49,022)	
-	Additional Contribution from the PCC	-	
-	<b>Net Amount Payable / Receivable for Year</b>	-	

31 March 2021		31 March 2022	
£'000		£'000	
<b>Current Assets</b>			
-	• Amount owing from General Fund	186	
-	• Year end creditors	(186)	
-	<b>Total</b>	-	

## Note 42 Police Pension Fund Account and Notes (continued)

The Police Pension Fund Account is operated in accordance with the Police Pension Fund Regulations 2007 (SI 2007 No 1932), which specifies the amounts that must be paid into and out of the Fund. The Chief Constable administers the Fund Account on behalf of the PCC although no cash is transacted by the Chief Constable, with all payments and receipts being made by the PCC.

An employer's contribution is paid into the fund, together with contributions from employees who are members of the Police Pensions Schemes. The contribution rates are based on percentages of pensionable pay, as determined nationally by the Government and subject to triennial revaluation by the Government Actuary's Department. The current contribution rates are:-

- 1987 Scheme = 45.25% to 46.05% (31.00% for the employer and 14.25% to 15.05% for employees),
- 2006 Scheme = 42.00% to 43.75% (31.00% for the employer and 11% to 12.75% for employees),
- 2015 Scheme = 43.44% to 44.78% (31.00% for the employer and 12.44% to 13.78% for employees).

The actuarial valuation has set the employer contribution rate for all three police pension scheme from 1 April 2019 at 31.0% of pensionable pay.

On 31<sup>st</sup> March 2022, the 1987 & 2006 Scheme were closed which means that from 1<sup>st</sup> April 2022, there is only the 2015 pension scheme which is open.

Payments are also made into the Fund in respect of ill health retirements.

The schemes are unfunded which means that there are no investment assets built up to meet pensions payments. The Pension Fund Account is therefore balanced to nil each year by a transfer from the PCC's General Fund, which then receives a top-up grant from the Government if contributions are insufficient to meet the defined pensions benefits payable. Any surpluses on the Fund are repayable to the Government.

The accounting policies adopted for the Pension Fund follow those set out in the Statement of Accounting Policies ([Note 35](#)). However, the Net Assets Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date. These are dealt with within the Group Financial Statements in accordance with the applications of International Accounting Standard 19 – Retirement Benefits.

Sheffield Cathedral

## 6. Glossary and contacts



# Glossary of Terms

## ACCOUNTING POLICIES

The rules and practices adopted that determine how the transactions and events are reflected in the accounts.

## ACCRUALS

The concept that income and expenditure is recognised as it is earned or incurred, not as cash is received or paid.

## ACTUARIAL GAINS AND LOSSES

The change in actuarial deficits or surpluses that arise because either events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses), or because the actuarial assumptions have changed.

## AMORTISATION

The writing down of an asset over a period of time in order to charge the revenue account for the usage of the asset.

## ANNUAL GOVERNANCE STATEMENT

The annual governance statement is a statutory document that explains the processes and procedures in place to enable functions to be carried out effectively.

## ASSETS

Items of worth, which are measurable in monetary terms. Current assets are ones that change in value on a day to day basis whereas fixed assets are assets, which yield benefit to the PCC for a period of more than one year.

## BUDGET

A statement defining in financial terms the PCC's plans over a specified period. The budget is prepared as part of the process for setting the precept.

## CAPITAL EXPENDITURE

Spending on the acquisition of assets or spending which adds to and not merely maintains the value of an existing asset. Payments for the acquisition, construction, enhancement or replacement of assets such as land, buildings and computer equipment.

## CAPITAL FINANCING REQUIREMENT

This measures the underlying need to borrow for capital purposes.

## CAPITAL RECEIPTS

Proceeds from the disposal of land or other capital assets, which may be used to reduce debt or to finance capital expenditure, but cannot be used to support revenue expenditure.

## CIPFA (CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTING)

The accounting body that provides accounting guidance to the public sector. The guidance provided by CIPFA is defined as proper accounting practice and has statutory backing.

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

A statement which details the total income received and expenditure incurred during a year in line with IFRS reporting as required by the Code.

## CONTINGENT ASSET

An asset arising from past events, whereby its existence can only be confirmed by one or more uncertain future events not wholly within the control.

## CONTINGENT LIABILITY

A possible liability at the balance sheet date which will only be confirmed following the outcome of uncertain future events.

## CREDITOR

Amounts owed by the PCC for works done and goods or services received for which actual payments have not been made as at 31 March.

## CURRENT SERVICE COST (PENSIONS)

This measures the increase in the present value of pension liabilities generated in the financial year by employees. It is an estimate of the true economic cost of employing people in the financial year, earning service that will eventually entitle them to the receipt of a lump sum and pension when they retire.

## DEBTOR

Amounts due to the PCC for works done and goods or services supplied for which actual payments had not been received as at 31 March.

## Glossary of Terms (continued)

### DEFINED BENEFIT PENSION SCHEME

Retirement benefits are defined independently of the contributions payable and benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

### DEPRECIATION

The measure of the wearing out, consumption or other reduction in the useful life of a fixed asset arising from age, wear and tear, deterioration or obsolescence.

### earmarked RESERVES

Amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

### EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities, which need to be disclosed separately by virtue of their size or incidence to give a fair representation in the accounts.

### EXPECTED RETURN ON ASSETS (PENSION)

This is a measure of the average rate of return expected on the investment assets held by the scheme for the year. It is not intended to reflect the actual realised return on the scheme, but a longer-term measure, based on the value of assets at the start of the year and an expected return factor.

### FINANCE LEASE

A lease that transfers all the risks and rewards of ownership of a fixed asset to the lessee. Assets held in this way by the PCC appear on the PCC's Balance Sheet and are accounted for as property, plant and equipment.

### FINANCIAL INSTRUMENT

This is any contract that gives rise to a financial asset of one entity and a financial liability of another. The term covers both financial assets such as loans receivable and liabilities such as borrowings.

### GENERAL FUND BALANCE

The General Fund Balance is the description given in the Code to those reserves held by the PCC that are not earmarked for specific purposes and is more commonly described as General Reserves.

### GOVERNMENT GRANTS

Assistance by Government and inter-governmental agencies and similar bodies in the form of cash or transfers of assets to a PCC in return for past or future compliance with certain conditions relating to the activities of the PCC.

### GROSS BOOK VALUE

The value of an asset before deducting depreciation and impairment.

### IMPAIRMENT

A reduction in the value of a fixed asset below its carrying amount on Balance Sheet.

### INTANGIBLE FIXED ASSETS

These are fixed assets such as software licences that do not have physical substance, but are identifiable and controlled through legal or custody rights.

### INTEREST COSTS (PENSIONS)

The expected increase in the present value of liabilities during the year as they move one year closer to being paid.

### LIABILITIES

Amounts due to individuals or organisations, which will have to be paid at some point in the future. Current liabilities are usually payable within one year of the balance sheet date.

### MINIMUM REVENUE PROVISION

The statutory minimum amount that must be set aside from revenue each year to repay debt. A prudent level is set by the PCC.

### NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, that is their historical or current value less the cumulative amounts provided for depreciation.

### OPERATING LEASE

A lease where substantially all the risks and rewards of ownership of a fixed asset remain with the lessor.

### OUTTURN

Actual income and expenditure for the financial year.

## Glossary of Terms (continued)

### **PAST SERVICE COST (PENSIONS)**

These costs represent the increase in liabilities arising from decisions taken in the current year to improve retirement benefits, but whose financial effect is derived from years of service earned in earlier years.

### **PRECEPT**

An amount of money levied by one body (the precepting body) which is collected by another authority (the collecting authority) as part of the council tax. The PCC is the precepting body and the four South Yorkshire District Councils are the collecting authorities.

### **PRIOR YEAR ADJUSTMENT**

A material adjustment applicable to prior years arising from changes in accounting policies or correction of fundamental errors.

### **PROVISIONS**

Sums set aside to cover a liability that is likely to be incurred, but the amounts or date on which the cost will arise is uncertain.

### **PRUDENTIAL CODE**

Local authorities are required to comply with the Prudential Code for Capital Finance in Local Authorities, published by CIPFA, in order to ensure that their capital investment plans are prudent, affordable and sustainable.

### **PUBLIC WORKS LOAN BOARD**

A Government controlled agency that provides a source of borrowing for public authorities.

### **RESERVES**

An amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

### **REVENUE EXPENDITURE**

Expenditure on day to day running costs incurred by the PCC in the provision of services.

### **TREASURY MANGEMENT**

The management of the PCC's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

# Acronyms and Abbreviations

<b>ACPO</b>	Association of Chief Police Officers
<b>AGS</b>	Annual Governance Statement
<b>BME</b>	Black and Minority Ethnic
<b>CARE</b>	Career Average Revalued Earnings
<b>CC</b>	Chief Constable
<b>CFR</b>	Capital Financing Requirement
<b>CIES</b>	Comprehensive Income and Expenditure Statement
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>CPI</b>	Consumer Price Index
<b>CPS</b>	Crown Prosecution Service
<b>CSE</b>	Child Sexual Exploitation
<b>CSP</b>	Community Safety Partnership
<b>CSR</b>	Comprehensive Spending Review
<b>DCLG</b>	Department of Communities and Local Government
<b>EUV</b>	Existing Use Value
<b>FTE</b>	Full Time Equivalent
<b>GAD</b>	Government Actuaries Department
<b>HMICFRS</b>	Her Majesty's Inspector of Constabulary and Fire & Rescue Services
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards
<b>JIAC</b>	Joint Independent Audit Committee
<b>LASAAC</b>	Local Authority (Scotland) Accounts Advisory Committee
<b>LCJB</b>	Local Criminal Justice Board
<b>LGPS</b>	Local Government Pension Scheme
<b>MOJ</b>	Ministry of Justice
<b>MRP</b>	Minimum Revenue Provision
<b>MTRS</b>	Medium Term Resource Strategy
<b>NRE</b>	Net Revenue Expenditure
<b>ONS</b>	Office for National Statistics

<b>OPCC</b>	Office of the Police and Crime Commissioner
<b>PAB</b>	Public Accountability Board
<b>PCC</b>	Police and Crime Commissioner
<b>PCS</b>	Police Compensation Scheme
<b>PEEL</b>	Police Effectiveness, Efficiency and Legitimacy
<b>PPS</b>	Police Pension Schemes
<b>PWLB</b>	Public Works Loans Board
<b>RICS</b>	Royal Institution of Chartered Surveyors
<b>SCT</b>	Senior Command Team
<b>SOLACE</b>	Society of Local Authority Chief Executives and Senior Managers
<b>SYP</b>	South Yorkshire Police

# Contact Information

This document gives details of PCC's Annual Accounts and is available along with more information about finances on its website at [www.southyorkshire-pcc.gov.uk](http://www.southyorkshire-pcc.gov.uk)

## **CONTACT FOR FURTHER INFORMATION:**

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