



The Police and Crime
Commissioner for
South Yorkshire

Statement of Accounts 2022/23



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The Statement of Accounts for the Police and Crime Commissioner for South Yorkshire Police for the year ended 31 March 2023 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 2022/23 ("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.

1. Introduction



Police and Crime Commissioner's Introduction

INTRODUCTION TO THE 2022/23 STATEMENT OF ACCOUNTS BY THE POLICE AND CRIME COMMISSIONER

This will be the last introduction I write to the Annual Statement of Accounts because this in my final year as Police and Crime Commissioner (PCC). My term ends in May 2024.

It will also perhaps be the last year that a PCC writes an introduction, since the elected mayor of South Yorkshire has signalled his intention to seek government approval to transition the governance of policing into the Mayoral Combined Authority from 2024.

Having been first elected in 2014, I look back over almost a decade. During that time, South Yorkshire police (SYP) have made remarkable progress. In 2014, when I was first elected, they were still reeling from the Jay Report. Professor Alexis Jay said the force had turned a blind eye to the many hundreds of girls that had been groomed and abused in Rotherham between 1997 and 2013. This was followed by the equally damning verdicts of the inquests into the Hillsborough football disaster of 1989: the force was found responsible for those who died. It was hardly a surprise when in 2016 Her Majesty's Inspectors said the force 'required improvement' and it went into special measures.

Steadily, that improvement has been made, starting with Chief Constable Stephen Watson. By the time he left to become Chief Constable for Greater Manchester, it was rated 'good' overall and 'outstanding' for its ethical leadership. When I appointed Lauren Poultney as Chief Constable in 2021, I said her task was to maintain that progress, which has happened. In the report by His Majesty's Inspectors published in March 2023, the force was rated 'good' in 5 of the categories inspected, 'outstanding' in 3 and 'adequate' in 1.

During my time, I have kept the same three priorities for the force as set out in the Police and Crime Plan. They are:

- Protecting vulnerable people
- Tackling crime and anti-social behaviour
- Treating people fairly

But within the priorities, this year there have been some particular focuses – such as violence against women and girls, doing more about rural crime, tackling serious violence, we made successful bids for government funding for some of these priorities, often involving partners. Safer Streets funding, for example, allowed local authorities, in areas of crime and anti-social behaviour, to install better lighting in parks or CCTV where there was a vibrant night-time economy.

Above all, the force has been re-building the neighbourhood teams that were a casualty of the years of austerity and cuts.

This has been made possible by the increase in police numbers. The government committed to restore the 20,000 officers that had been lost since 2010 and we were given a local target. Throughout 2022/23, therefore, there has been a steady recruitment of student officers, enabling us to meet and exceed the target by the required date. In order to avoid financial penalties the total number of officers in SYP must not fall below 3039 in coming months and years. This is requiring as great a focus on retention as on recruitment.

Serious violence has continued to blight the county. In order to bear down on this the government gave SYP additional funding – Grip funding. This has enabled the police to undertake extra patrolling in violence hot spots. There is research evidence to show that regular, high visibility patrolling for limited amounts of time each day has the effect of reducing crime.


I am pleased to say that during the financial year, one thing that I had hoped would happen did happen: real improvement in the way my office worked with the force to bring together the priorities of the Police and Crime Plan, the Force Management Statement required by Her Majesty's Inspectorate and the force's internal management processes.

Police and Crime Commissioner's Introduction (continued)

But during the course of 2022/23, the finances were impacted by steep rises in inflation, which continue to loom large as we enter the financial year 2023/24. The force will need to make substantial savings in future years and in order to meet these targets; a priority based budgeting exercise will be embarked on.

Finally, I thank all those staff who have worked throughout the year to enable us to balance the budget, deliver an effective and efficient service and provide good value for the people of South Yorkshire. I especially thank Sophie Abbott and Efe Erüero in my office and Jackie Bland and Debbie Carrington in SYP.

As we look forward, the financial situation for policing looks very challenging. Considerable savings will need to be made if budgets are to balance in future years. I wish everyone well in that endeavour, though I will not be here to offer encouragement.



Dr Alan Billings
Police and Crime Commissioner for South Yorkshire

Annual Governance Statement

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).

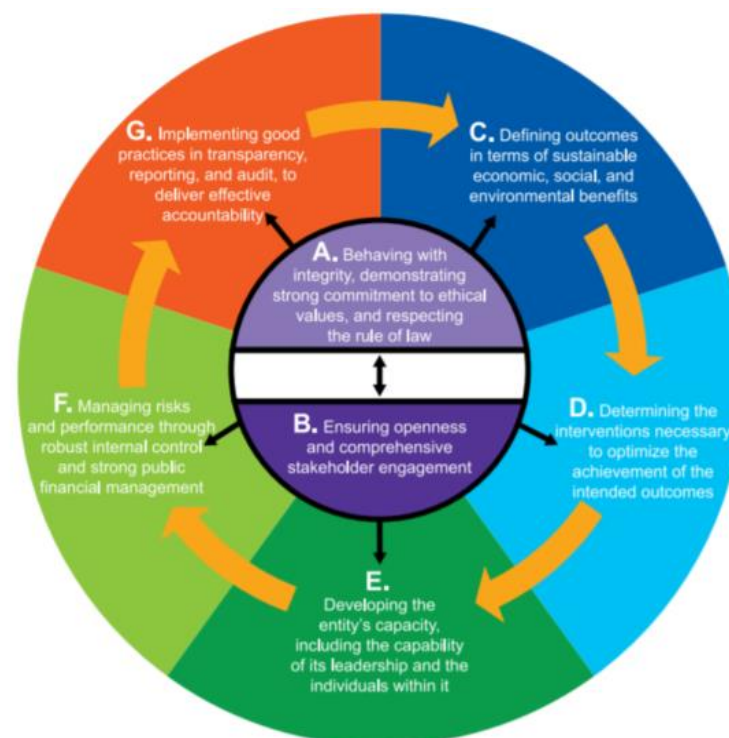
The CIPFA / SOLACE Framework requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

- 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.

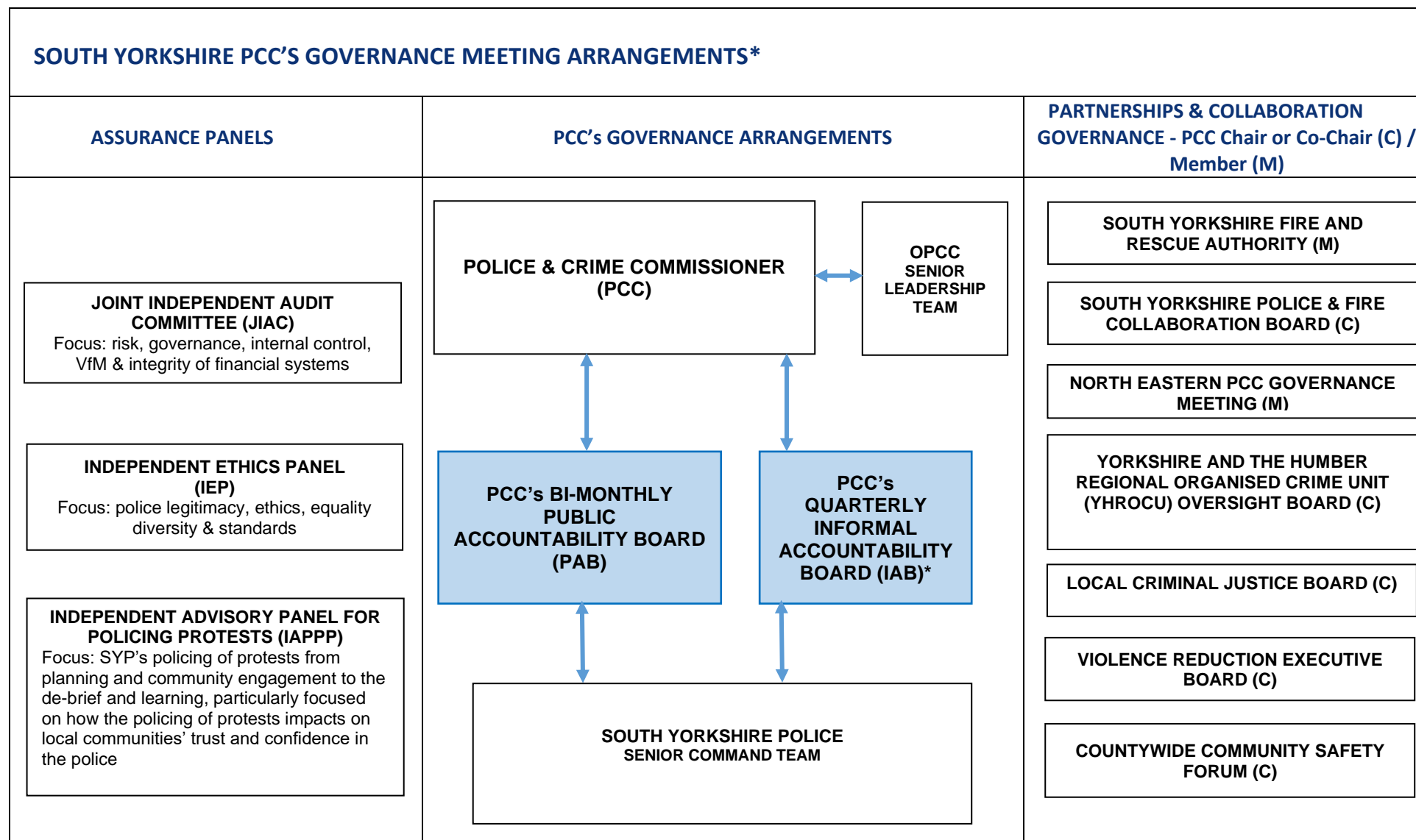
The system of internal control is a significant part of the JCGF and is designed to manage and reduce risk to a reasonable level. It can, however, provide only reasonable and not absolute assurance of effectiveness. The system of internal control is a continuous process, designed to identify and prioritise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

As two distinct corporations sole, 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 Independent Audit Committee (JIAC); other assurance panels' activity; and the managers within both the Office of the Police and Crime Commissioner (OPCC) and South Yorkshire Police (SYP). It is also informed by the comments received from external auditors and other agencies, taking 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)



*Formed April 2023 to allow the PCC more informal and detailed discussion with senior officers and staff on issues requiring a greater level of assurance

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 Joint Corporate Governance Framework (JCGF). It 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 the JCGF has continued throughout 2022/2023 resulting in a set of improved governance arrangements that more accurately reflect how the PCC and CC do business.

SIGNIFICANT GOVERNANCE ISSUE - DEFINITION

For the purposes of the annual review, 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

During the financial year 2019/20, a significant governance issue was identified in relation to the IT collaboration between South Yorkshire and Humberside PCCs. This significant governance issue has continued to prevail although it is expected to be resolved during 2023/2024.

During 2022/2023, another issue arose within the Yorkshire and the Humber (YatH) region about the future of the Regional Procurement collaborative function. This has led to further concerns generally around the effectiveness of the governance arrangements for all force-to-force collaborative activity.

Significant work has been undertaken to address these concerns and we are now satisfied that effective processes are in place. SYP's Collaboration Effectiveness Board has been cited as a source of assurance for the PCC on all collaborations SYP is involved in. The OPCC has offered support to SYP in improving assurance information about the efficiency and effectiveness of all collaborative functions, and ensuring the PCC receives sufficient notice of, and information about, annual budget requirements for these functions.

In relation to IT & Procurement, the collaborative partners will consider a range of option for future delivery in 2023/2024. The PCC will take steps to ensure adequate risk, governance and control arrangements are in place for whatever options are pursued.

SUMMARY

The OPCC has continued to progress and improve its governance arrangements during the year. Through monthly reporting, the OPCC Senior Leadership Team (SLT) considers risk, governance and internal control matters. SLT works to identify and mitigate strategic risks, examine the progress made, and make recommendations to discharge issues where appropriate. Throughout 2022/23, updates were provided to the Joint Independent Audit Committee on a quarterly basis.

Annual Governance Statement (continued)

The PCC and the CC are confident that they are compliant with the CIPFA Financial Management Code and it will remain an area of continuous improvement.

During 2022/23, the OPCC reviewed, tested and updated its OPCC Business Continuity Plan (BCP) and the PCC's Security Arrangements. An internal audit review provided a 'reasonable' assurance opinion regarding the robustness and effectiveness of those arrangements.

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

- PCC Review, including the Government's review of the Policing Protocol Order 2011 and improvements in the way PCCs work in partnership with others to fight crime and support victims, including the PCCs a central role in the criminal justice system;
- The changing political landscape, including the Levelling Up agenda involving the Mayoral Combined Authority, and Fire Reform;
- Trust and confidence in policing given the national picture

This includes the changing political landscape and since the 31st March 2023, the Mayor has consulted the four South Yorkshire Local Authority Leaders and with their approval and the support of the PCC, have confirmed with Government they are supportive of a transfer of PCC functions in 2024.

CONCLUSION

In the financial year 2023/24, we will address the identified significant governance issues and continue to take steps to improve our governance arrangements, including our public reporting of these.

We will monitor implementation and operation of these improvements during the course of the year, through the PCC's SLT and feed this into the next annual review.



Dr Alan Billings *Alan Billings*
South Yorkshire Police and Crime Commissioner
20 December 2023



Michelle Buttery
Chief Executive and Solicitor
20 December 2023

A handwritten signature in purple ink, appearing to read 'Michelle Buttery'.



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 1.37 million (Office for National Statistics 2021) with 10.0% from a minority ethnic background (Census 2021). 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.

2. SOUTH YORKSHIRE POLICE AREA

SYP is the sixteenth largest of the forty-four forces in England, Wales and Northern Ireland (from Government Statistics for Police Workforce September 2022). 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

His Majesty's Inspectors published their assessment in March 2023, and the force was rated 'good' in five of the categories inspected, 'outstanding' in three and 'adequate' in one, cementing a pattern of continuous improvement.

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 economic circumstances, 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

20 December 2023

About South Yorkshire



Sheffield (population 554,401)

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

* per population data Office for National Statistics 2021

Doncaster (population 308,705)

Key Facts:

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

For more details on Doncaster visit the Council website at:

www.doncaster.gov.uk

Rotherham (population 266,183)

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

Barnsley (population 244,893)

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

About South Yorkshire (continued)

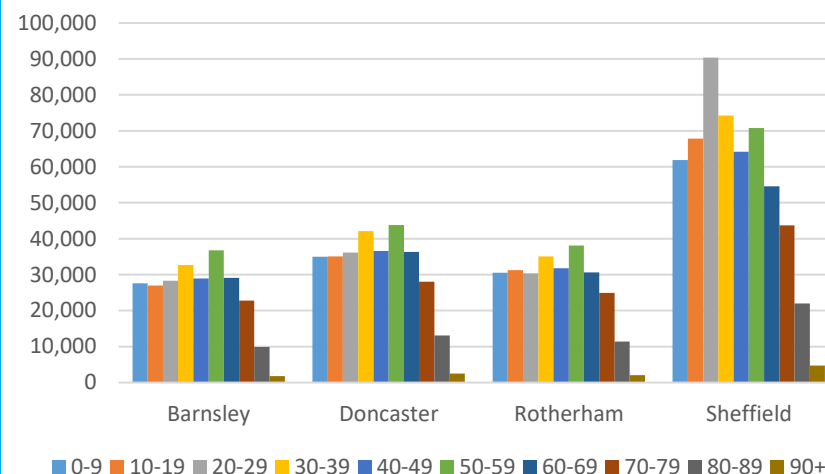
The mid 2021 population data for South Yorkshire as provided by the Office for National Statistics is as follows:

Age Groups	Barnsley	Doncaster	Rotherham	Sheffield	Total
0-9	27,631	34,999	30,527	61,927	155,084
10-19	26,943	35,062	31,298	67,860	161,163
20-29	28,325	36,132	30,336	90,339	185,132
30-39	32,656	42,145	35,077	74,275	184,153
40-49	28,971	36,619	31,798	64,195	161,583
50-59	36,783	43,836	38,100	70,824	189,543
60-69	29,097	36,307	30,592	54,551	150,547
70-79	22,764	28,036	24,974	43,727	119,501
80-89	9,897	13,058	11,438	22,011	56,404
90+	1,826	2,511	2,043	4,692	11,072
Grand Total	244,893	308,705	266,183	554,401	1,374,182

The total population for White British and Black & Minority Ethnic (BME) groups in 2021 (from Census) is as follows:

Area	Barnsley	Doncaster	Rotherham	Sheffield	Total
Total Population	244,572	308,104	265,806	556,523	1,375,005
% White British	96.9%	93.1%	91.0%	79.1%	90.0%
% Black & Minority Ethnic	3.1%	6.9%	9.0%	20.9%	10.0%

South Yorkshire Population 2021



White British and BME Groups in 2021



Chief Finance Officer's Narrative Report (continued)

4. POLICE AND CRIME PLAN

The Police and Crime Plan (working together for a safer South Yorkshire) has been updated recently for the Police and Crime Commissioner's last year in office. The Police and Crime Plan Priorities remained the same (Protecting Vulnerable People, Tackling Crime and Anti-Social Behaviour, Treating People Fairly) but with a focus on areas such as violence against women and girls, doing more about rural crime, tackling serious violence.

As well as these priorities, there are four fundamental, underpinning principles: putting victims first, improving public trust and confidence in the police, demonstrating value for money and supporting sustainability.

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.

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.

The PCC asked the police to have an increased focus violence against women and girls, domestic abuse and tackling the exploitation of children and adults, and fraud and cyber crime.

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. Key focuses of the police and crime plan include neighbourhood crimes and policing, drugs supply and demand and organised crime and serious violence.

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, and a partnership violence response strategy is now in place.

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 has asked the Independent Ethics Panel to work with the police in understanding whether different groups within communities are treated differently in their interactions with the police, or they believe they are, why this happens, and the implications for individuals, communities and levels of trust and confidence in the police.

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 2022/23 approved budget included a £1.7m saving plan, 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. The need for these savings continues throughout the MTRS period, with considerable savings required to balance the budget moving forward.

Chief Finance Officer Narrative Report (continued)

PERFORMANCE

Achievements 2022/23

There have been a number of significant achievements in the OPCC group throughout the year, re-inforcing our focus on continuous improvement.

This year the Force received the strongest set of grades that it has ever achieved from the HMICFRS PEEL inspection with three 'outstandings', five 'goods' and one 'adequate' with innovative practice identified in several areas.

The national police officer uplift programme has been implemented successfully in South Yorkshire, the total officer headcount rising to 3,113 as of 31 March 2023 compared against 2,477 when the Uplift Programme commenced. The force has exceeded the National Uplift Target (3,039 officers) and recruited sufficient officers to also cover precept commitments, which has required significant investment in supporting areas across the force. The force has also provided officers to support regional Counter Terrorism Policing (CTPNE) as well as meet the additional National Uplift Target to provide officers to the Yorkshire and Humber Regional and Organised Crime Unit (YH-ROCU) within the total volumes. Meeting these national targets has secured the initial provision of funding for the force.

Other achievements for the OPCC and Force include the following:

1. Protecting vulnerable people

- ✓ Continued to provide a range of victim support services including successfully gaining additional funding of over £7.37m during 2022/23 to support victims and survivors.
- ✓ Supported over 55,700 victims through PCC commissioned victim services.
- ✓ Continued to provide grant funding to community projects supporting the objectives of the police and crime plan. 34 community grants were given, valued at £309,000.
- ✓ 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.
- ✓ Scoped work around violence against women and girls (VAWG) provision across the partnership landscape, identifying gaps in provision for women subject to sexual violence.
- ✓ The PCC has worked with the Force around online reporting and additional access services for the public and victims.

- ✓ A 'Right Care, Right Person' initiative was launched in March 2023 aimed at ensuring that health calls for service are responded to by the most appropriate agency and the force is working with partners to ensure that vulnerable people are given the most appropriate care and support at the earliest opportunity.

2. Tackling crime and anti-social behaviour

- ✓ The force recorded 159,693 investigations in 2022 (Jan to Dec) compared with 141,930 in 2021 (Jan to Dec), an increase of 12%.
- ✓ The force continues to deliver improvements in reducing the waiting time for the public. On average, 999 call answering times have reduced by three seconds. This improvement means that the force is now answering 81 per cent of 999 calls within 10 seconds.
- ✓ The force has reviewed and improved its forecasting for future incident and crime demand. This includes exploring how other external variables can refine the analysis of crime patterns and trends and building this in to existing tools and techniques.
- ✓ Secured funding for the next three years for the Violence Reduction Unit (VRU) to take a public health approach to violence prevention and reduction.

Chief Finance Officer Narrative Report (continued)

- ✓ Approximately 1,900 people tested positive for opiates in custody and were referred on to local drug treatment services commissioned by the PCC with other partners.
 - ✓ 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.
 - ✓ Looked at a whole system approach for Women and Girls in or at risk of entering the Criminal Justice System and defined a Blueprint of ambition for South Yorkshire.
 - ✓ A countywide substance misuse conditional caution has been introduced as an early intervention.
 - ✓ A countywide community sentence treatment requirements service has been introduced, addressing Drug Alcohol and Mental Health treatment, launched with support of the Local Criminal Justice Board and the PCC has co-commissioned independent evaluation of this service.
- ### 3. Treating People Fairly
- ✓ Hosted a number of listening events with partners, communities and other stakeholders which will be used to improve services. These events include race disproportionality, violence against women and girls, road safety and rural crime.
 - ✓ Continued work on embedding the Police Race Action Plan to get a true understanding of what can be delivered which will have a positive impact. This work is starting to accelerate after a steady start and supports the work on legitimacy throughout delivery, from the service provided to victims through the investigative process, to single instance stop and search encounters.
 - ✓ Continued to successfully run the Independent Custody Visiting scheme. 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 £237,000 being granted to local organisations in this way.
 - ✓ 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 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 £1.16m. Achieved savings of £2.92m against a target of £1.76m (£2.37m full year effect).
 - ✓ The force was named Public Sector Organisation of the Year in the first-ever South Yorkshire Sustainability Awards, where South Yorkshire Police was able to showcase its five-year sustainability strategy. This includes targets under a number of priority areas including health and wellbeing, reducing inequalities, improving quality education, responsible production and consumption, and climate action.
- Further detail around performance will be available in the PCC's annual report which is due to be published in September.

Chief Finance Officer's Narrative Report (continued)

5. FINANCIAL PERFORMANCE

CORE FUNDING

The 2022/23 Police Finance Settlement was announced in December 2021 with the Government increasing the grant by £18.2m to £233.8m (£215.6m in 2021/22).

ADDRESSING FUTURE CHALLENGES

The Medium Term Resource 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. The Force has also committed to undertake a Priority Based Budgeting process in 2023/24 as part of the wider Savings and Efficiencies Programme.

In terms of predictions 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 non-recent 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.

2022/23 COUNCIL TAX AND REVENUE SPENDING

The 2022/23 Finance Settlement once again provided 'greater flexibility' to PCCs to raise their precept by an amount equivalent to £10 on a Band D property.

The PCC proposed that the council tax precept for 2022/23 be increased by the maximum level equivalent of £10 for Band D properties, in accordance with the funding assumptions set by the Home Office. This represented an increase of 4.69% and produced a Band D council tax of £223.04 (£213.04 in 2021/22). As 75% of South Yorkshire properties are in Band A and Band B, this equated to annual increases of £6.67 and £7.78 respectively.

The increase in precept along with the £1.7m savings programme from the Chief Constable resulted in a balanced budget after legacy costs. The PCC once again applied to the Home Office during 2022/23 for Special Grant funding to meet the estimated costs of legacy issues.

The General Reserve balance of £43.5m represents about 14.0% of the net revenue budget, which exceeds prudent levels (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.

The approved budget requirement was £311,132 for 2022/23.

	£000	£000	%
Budget Requirement		311,132	
Sources of Finance			
DCLG Funding		(93,248)	
Police Grant		(123,718)	
Council Tax Freeze Grant		(1,269)	
Council Tax Support Grant		(9,591)	73.2
Council Tax Income:			
• Barnsley	(14,851)		
• Doncaster	(18,870)		
• Rotherham	(15,937)		
• Sheffield	(31,964)	(81,622)	
Collection Fund Surplus		(1,684)	26.8
Total Financing		(311,132)	100

Chief Finance Officer’s Narrative Report (continued)

5. FINANCIAL PERFORMANCE (CONTINUED)

FINANCIAL OUTLOOK

On the 27 February 2023, the PCC approved the budget and council tax precept for 2023/24. Accompanying this was 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 £228.6m, with an additional £9.5m for pensions and ringfenced uplift grants, which total £238.1m. The provisional settlement was in line with the previous CSR announcement i.e., a ‘flat cash’ settlement adjusted for police uplift targets and changes to national insurance levies, the overall increase being 3.4%. The funding settlement continues to be for one year, despite the three year comprehensive spending review (CSR) period.

The pensions grant (£2.6m), council tax support and freeze grants continue at ‘flat cash’ rates. There is no allocation for capital investment, so this has to be funded locally. The ringfenced police uplift grant has been doubled to £6.9m to protect policing numbers.

The Violence Reduction Unit received a multi-year grant from the Home Office for the period 2022/23 to 2024/25. Whilst there was a significant increase in this funding (from £1.6m in 2021/22 to £2.9m in 2022/23, £2.2m in 2023/24 and £2.1m in 2024/25), there was an expectation of an increasing match funding contribution which is an additional call on resources (10% in 2023/24, 15% in 2024/25 and 20% in 2025/26).

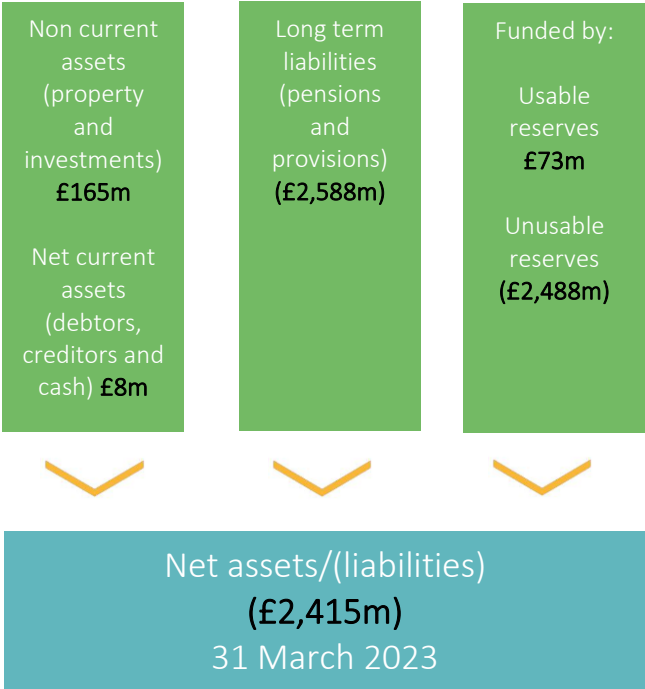
In preparing the MTRS, different scenarios were modelled to reflect various levels of precept and government grant. The impact of changes were examined in relation to cost assumptions such as pay inflation, along with investment and savings considerations.

The Home Office funding settlement gave the flexibility for PCCs to increase the precept on Band D properties by up to £15. Given the challenges facing the Force, the PCC determined to use this flexibility and agreed this increase to £238.04 for the year on a Band D property. This equates to an annual increase of £10.00 for a Band A property (19 pence a week).

After a £15 increase, the MTRS includes planned reserves of £5.8m in 2023/24, with a continuing savings plan and use of reserves for the whole of the MTRS period.

The issues concerning the legacy of Hillsborough and non-recent CSE in Rotherham remain and during the year there has been ongoing dialogue between the PCC, 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 2023 is £31.1m compared with the PCC’s underlying need to borrow (capital financing note 23) of £96.8m. This means that at some point in the future, the PCC is likely to need to borrow an additional £65.7m 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 £305.764m, before movement on reserves. This represents an overall underspend of £2.3m (£5.3m including legacy costs) compared to the budget for 2022/23. The most significant variance are:

- The PCC has underspent by £2.3m compared against budget. This is mainly due to capital financing cost underspends arising from a healthy cash flow resulting from increased grants and payments in advance. This has afforded us the ability to continue with internal borrowing, in line with the approved the Treasury Management Strategy, temporarily negating the need for long term borrowing. Some of these funding streams related to the partnerships and commissioning budget, and unused balances will be carried forward in the Commissioning Earmarked Reserve and underspend in future years.
- The Chief Constable's outturn was within the budget allocated with a small underspend. 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 £2.4m underspend in 2022/23. An underspend in relation to Operation Stovewood was £0.6m 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 £1.2m from Earmarked Reserves and £6.6m to 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 2022/23. 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	2,045	1,907	(138)
Partnerships & Commissioning	3,343	2,613	(730)
Capital Financing Costs	2,491	1,080	(1,411)
Specific Grants	(40)	(56)	(16)
Budgets under the control of the PCC	7,839	5,544	(2,295)
Chief Constable	297,851	297,824	(27)
Budget delegated to the Chief Constable	297,851	297,824	(27)
Hillsborough Civil Claims	2,806	543	(2,263)
Child Sexual Exploitation Civil Claims	188	90	(98)
Operation Stovewood	2,412	1,763	(649)
Total Legacy Issues	5,406	2,396	(3,010)
Total Combined Net Expenditure	311,096	305,764	(5,332)
Contribution to/(from) Earmarked Reserves	(5,406)	(1,206)	4,200
Contribution to/(from) General Reserves	5,442	6,574	1,132
Budget Requirement	311,132	311,132	0

Revenue expenditure is reported in the Accounts under the Comprehensive Income and Expenditure Statement with a group surplus of £1,135.3m. The table below shows how the revenue outturn position varies from the Comprehensive Income and Expenditure Statement:

	£'000
Underspend as per budgeted outturn	(5,332)
Reserves in year	(36)
Overall movement of reserves	(5,368)
Remove items included in budgeted outturn	
Debt charges and impairment losses	(6,212)
Pension contributions	(47,932)
Add items not charged to council tax	
Interest payable (including pensions)	98,064
Accounting charges for assets, depreciation, impairment, holiday pay etc	53,497
Remove items not charged to council tax	
Top up grants, capital grants and other contributions	(52,585)
Re-measurement of net defined benefit liability re pensions	(1,174,772)
Total deficit on Group Comprehensive Income and Expenditure Statement	(1,135,308)

Chief Finance Officer's Narrative Report (continued)

5. FINANCIAL PERFORMANCE (CONTINUED)

CAPITAL

The PCC has a five year capital programme to 2027/28 of around £106m. This investment will deliver a range of capital assets, 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 £24.9m for 2022/23. This was reviewed during the year and reduced to £18.6m. The final capital outturn amounts to £13.4m in 2022/23.

The 2022/23 capital expenditure is split as follows:

- £3.5m was spent on improving existing buildings.
- £2.4m was spent on new vehicles purchased in accordance with the vehicle replacement programme.
- £7.5m was spent on information, communications and operational equipment, including joint projects with Humberside Police.

Examples of major schemes and spends are set out below:



£2.4m investment in new vehicles



£0.5m on Rotherham Police Station

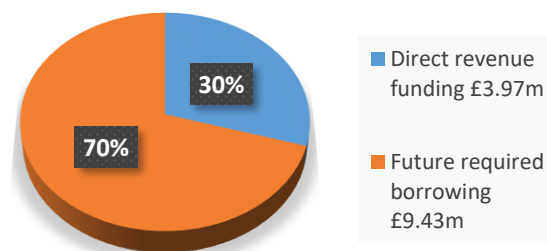


£7.5m spent on communications and operational equipment



£1.8m on Ecclesfield Police Station

Capital Funding 2022/23



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 2023 is as follows:

	Full Time Equivalent (FTE)	Number of employees
Police Officers	3,043	3,114
Police Community Support Officers	103	110
Police Staff	2,259	2,520
OPCC	33	34
Total	5,438	5,778

South Yorkshire Police employs approximately 5,800 staff in full-time and part-time positions.

In addition, the Force is supported by 80 Special Constables, 91 Police Cadets and 97 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 gross Commissioning budget for 2022/23 was £8.0m with £4.7m 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 Boards.

- **One off Commissions** – issues and priorities that emerge during the year.
- **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 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 are 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.

There is also a joint governance group comprising the above officers, which meets on a monthly basis to discuss overarching risks and concerns.

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 2022/23, the strategic risks identified were:

Risk	Impact	Mitigation
OPCC Capacity – increase in workload demand over the last two years for the OPCC due to increases in PCC functions and responsibilities or volume	<ol style="list-style-type: none"> 1. Inability of the OPCC to be able to deliver the objectives of its delivery plan which includes supporting the PCC's statutory responsibilities and those of the Chief Executive and Chief Finance Officer. 2. Achieving PCC's Required Service Standard. 	<p>Controls have been put in place to monitor any new demands and the impact on workload.</p> <p>The terms of reference for the new OPCC Planning and Efficiency Group (PEG) have been agreed and these include the consideration of any emerging priorities/ issues that may impact on the delivery of the agreed OPCC delivery plan.</p>
PCC Funding - uncertainty of, and potential for insufficient, finances to be available	<p>This has two key implications for the PCC:</p> <ol style="list-style-type: none"> 1. 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 2. 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 and the services provided to victims. 	<p><u>Mitigation re impact 1:</u></p> <p>Funding:</p> <p>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>

Chief Finance Officer's Narrative Report (continued)

Risk	Impact	Mitigation
		<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>Government funding announcements were in line with expectations, however, the remaining risk around the ability to achieve the savings required in the proposed MTRS is considerable. This risk should reduce once firmer savings plans have been worked through in more detail and implementation times agreed.</p> <p>Work has begun in Force on priority based budgeting, with an external contractor (PWC) assisting with the training of staff, and the process. The work is still in the first stages, having only commenced four weeks ago. Regular updates are given through the planning and efficiency group (PEG). OPCC staff attend the savings board, and are to be trained in the PBB process. The process is in its infancy, and the savings required to balance the budget are still yet to be identified and realised.</p> <p>Expenditure:</p> <p>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>Officer uplift:</p> <p>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
		<p><u>Mitigation re impact 2:</u> 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>

Chief Finance Officer's Narrative Report (continued)

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

- 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 national and local political and officer leadership in the four Local Authorities 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
- Professional Standards Department (PSD) concerns and increase in complaint reviews
- Capacity to deliver against additional funding
- National measures (101 and CJ Scorecards)
- Impact and fragility of the Criminal Justice System
- Impact on policing due to national strike action
- Pay Awards
- Legacy support from the Home Office
- Impact of Right Care, Right Person Initiative
- Trust and Confidence in the Police

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

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Independent Auditor’s Report (continued)

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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 2022/23.

The Chief Finance Officer has also:

- kept proper, up to date accounting records;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- 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

20 December 2023



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

20 December 2023



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

2021/22			2022/23		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
2,207	-	2,207	2,272	-	2,272
13,053	-	13,053	12,088	-	12,088
152,839	-	152,839	150,955	-	150,955
49,709	-	49,709	59,655	-	59,655
31,429	-	31,429	29,971	-	29,971
17,598	-	17,598	18,320	-	18,320
96,757	-	96,757	99,023	-	99,023
5,369	-	5,369	3,975	-	3,975
12,873	-	12,873	12,357	-	12,357
15,108	(51,393)	(36,285)	19,313	(57,677)	(38,364)
396,942	(51,393)	345,549	407,929	(57,677)	350,252
1,809	(294)	1,515	581	(175)	406
73,751	(106)	73,645	98,064	(1,219)	96,845
-	(343,495)	(343,495)	-	(363,717)	(363,717)
472,502	(395,288)	77,214	506,574	(422,788)	83,786
		51			(44,322)
		(25,070)			(1,174,772)
		(25,019)			(1,219,094)
		52,195			(1,135,308)
		Total Comprehensive (Income) and Expenditure			

Comprehensive Income and Expenditure Statement (continued)

PCC

2021/22				2022/23		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
15,108	(51,393)	(36,285)	PCC	19,313	(57,677)	(38,364)
15,108	(51,393)	(36,285)	Cost of Services	19,313	(57,677)	(38,364)
376,463	-	376,463	Intra-group adjustment – funding provided by the PCC for financial resources consumed by the CC	403,907	-	403,907
391,571	(51,393)	340,178	Total Cost of Policing Services	423,220	(57,677)	365,543
1,809	(294)	1,515	Other Operating Expenditure	581	(175)	406
1,622	(106)	1,516	Financing and investment income and expenditure	1,551	(1,219)	332
-	(343,495)	(343,495)	Taxation and non-specific grant	-	(363,717)	(363,717)
395,002	(395,288)	(286)	(Surplus) or deficit on Provision of Service	425,352	(422,788)	2,564
		51	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(44,322)
		(961)	Remeasurements of the net defined benefit liability			(2,805)
		(910)	Other Comprehensive (Income) and Expenditure			(47,127)
		(1,196)	Total Comprehensive (Income) and Expenditure			(44,563)

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
Balance at 1 April 2021	42,247	22,113	-	64,360	(3,562,773)	(3,498,413)
Movement in Reserves during 2021/22						
Total Comprehensive Income and Expenditure	(77,214)	-	-	(77,214)	25,019	(52,195)
Adjustments between accounting basis and funding basis under regulations Note 16	80,570	-	-	80,570	(80,570)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	3,356	-	-	3,356	(55,551)	(52,195)
Transfers to/(from) Earmarked Reserves Note 17	(8,684)	8,684	-	-	-	-
Increase/(Decrease) in 2021/22	(5,328)	8,684	-	3,356	(55,551)	(52,195)
Balance at 31 March 2022 carried forward	36,919	30,797	-	67,716	(3,618,324)	(3,550,608)
Movement in Reserves during 2022/23						
Total Comprehensive Income and Expenditure	(83,786)	-	-	(83,786)	1,219,094	1,135,308
Adjustments between accounting basis and funding basis under regulations Note 16	89,154	-	-	89,154	(89,154)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	5,368	-	-	5,368	1,129,940	1,135,308
Transfers to/(from) Earmarked Reserves Note 17	1,206	(1,206)	-	-	-	-
Increase/(Decrease) in 2022/23	6,574	(1,206)	-	5,368	1,129,940	1,135,308
Balance at 31 March 2023 carried forward	43,493	29,591	-	73,084	(2,488,384)	(2,415,300)

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 2021	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 Note 16	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 Note 17	(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
Movement in Reserves during 2022/23						
Total Comprehensive Income and Expenditure	(2,564)	-	-	(2,564)	47,127	44,563
Adjustments between accounting basis and funding basis under regulations Note 16	7,932	-	-	7,932	(7,932)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	5,368	-	-	5,368	39,195	44,563
Transfers to/(from) Earmarked Reserves Note 17	1,206	(1,206)	-	-	-	-
Increase/(Decrease) in 2022/23	6,574	(1,206)	-	5,368	39,195	44,563
Balance at 31 March 2023 carried forward	43,493	29,591	-	73,084	71,196	144,280

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 2022				31 March 2023	
Group	PCC			Group	PCC
£'000	£'000			£'000	£'000
112,432	112,432	Property, Plant and Equipment	Note 19	159,225	159,225
6,940	6,940	Intangible Assets	Note 20	6,347	6,347
-	-	Asset related to LGPS Pension Scheme	Note 35	0	0
119,372	119,372	Long-Term Assets		165,572	165,572
-	-	Assets Held for Sale	Note 25	-	-
1,951	1,951	Inventories	Note 26	2,051	2,051
31,619	32,847	Short-Term Debtors	Note 27	44,958	44,958
34,567	34,567	Cash and Cash Equivalents	Note 28	26,296	26,296
68,137	69,365	Current Assets		73,305	73,305
(1,500)	(1,500)	Short-Term Borrowing	Note 21	(3,000)	(3,000)
(33,339)	(30,153)	Short-Term Creditors	Note 29	(34,159)	(31,178)
(5,921)	(5,921)	Provisions	Note 30	(8,725)	(8,725)
(14,766)	(14,766)	Revenue Grants Receipt in Advance	Note 31	(19,650)	(19,650)
(151)	(151)	Capital Grants Receipt in Advance	Note 31	(151)	(151)
(55,677)	(52,491)	Current Liabilities		(65,685)	(62,704)
(2,487)	(2,487)	Long-Term Provisions	Note 30	(2,726)	(2,726)
(31,005)	(31,005)	Long-Term Borrowing	Note 21	(28,072)	(28,072)
(3,648,948)	(3,037)	Other Long-Term Liabilities	Note 32	(2,557,694)	(1,095)
(3,682,440)	(36,529)	Long-Term Liabilities		(2,588,492)	(31,893)
(3,550,608)	99,717	Net Assets/(Liabilities)		(2,415,300)	144,280
67,716	67,716	Usable Reserves	Note 33	73,084	73,084
(3,618,324)	32,001	Unusable Reserves	Note 34	(2,488,384)	71,196
(3,550,608)	99,717	Total Reserves		(2,415,300)	144,280

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).

31 March 2022			31 March 2023		
Group	PCC		Group	PCC	
£'000	£'000		£'000	£'000	
(77,214)	286	Net surplus/(deficit) on the provision of services	(83,786)	(2,564)	
88,466	10,966	Adjustments to net (surplus)/deficit on the provision of services for non-cash movements	90,405	9,183	Note 36
		Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities			
1,357	1,357		261	261	Note 36
12,609	12,609	Adjusted net cash flows from Operating Activities	6,880	6,880	
(16,013)	(16,013)	Investing Activities	(12,171)	(12,171)	Note 37
(3,054)	(3,054)	Financing Activities	(2,980)	(2,980)	Note 38
(6,458)	(6,458)	Net Increase or decrease in cash and cash equivalents	(8,271)	(8,271)	
41,025	41,025	Cash and cash equivalents at the beginning of the period	34,567	34,567	
34,567	34,567	Cash and cash equivalents at the end of the reporting period	26,296	26,296	Note 28

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 2022/23 financial year and its position at the year-end of 31 March 2023. 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 2022/2023, 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. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant 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.

Note 1 Accounting Policies (continued)

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.

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:

- **IFRS 16 Leases.** 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. The monetary impact cannot be calculated at this present time as a project has just commenced and this is in the early stages.
- **Definition of Accounting Estimates (Amendments to IAS 8)** issued in February 2021.
- **Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)** issued in February 2021.
- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)** issued in May 2021.
- **Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)** issued in May 2020.

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 2023 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	The valuation date of properties was the 31st March 2023.	Many of the properties are valued as specialist properties, which are valued on depreciated replacement cost (DRC) basis.
	The UK has been experiencing its highest rate of inflation for nearly 40 years with the Bank of England raising interest rates, the highest rate in 14 years.	It is estimated that the amount would change by £13.5m on the overall gross value of land and buildings if the valuation moved up or down by 10%.
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 2022/23, the Actuaries advised that the net pensions liability has decreased by approximately £1,174.7m as a result of estimates being revised and updating financial and demographic assumptions and adjustment of the LGPS asset ceiling. 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 Liabilities – LGPS	In relation to the LGPS pension scheme, there is additional uncertainty over the high inflationary environment.	<p>The professional valuers commissioned by the LGPS fund to the value directly held property as at 31 March 2023 have provided the following commentary.</p> <p><i>The CARE, deferred pensioner and pensioner obligations in the LGPS are increased each April in line with the previous September's rate of CPI, and the April 2023 Pension Increase Order of 10.1% has been applied to the obligations within the 31 March 2023 closing balance sheet figures.</i></p> <p><i>The Accounting Standard prescribes quite narrowly how the inflation assumption should be derived from market information at the year-end date. Therefore, the current period of high inflation is somewhat allowed for insofar as it is captured in long-term market expectations as at 31 March 2023. However, we have adjusted our assumption to recognise that the 2024 Pension Increase Order is currently expected to be higher than the single CPI assumption set for accounting purposes.</i></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
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 estimation uncertainty of +/-2% of the underlying position for each year since the latest triennial valuation date (31 March 2022). This means that, as at 31 March 2023 there is a 2% potential estimation uncertainty in the accounting results. In respect of the LGPS liabilities, this could be a maximum potential estimation uncertainty of £8.8m, and the LGPS assets could be a maximum potential estimation uncertainty of £9.2m. These figures are based on the £19m asset position prior to the adjustment for the asset ceiling of nil.
Pension Assets - LGPS	The Level 3 private equity investments.	The assessed valuation range is 12%, which based on assets of £115m equates to a variation of £13.8m. These figures are based on the £19m asset position prior to the adjustment for the asset ceiling of nil.

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 judgements made in the Statement of Accounts are 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. If the funding levels reduce and/or withdraw, this would impact the amount required to be self-funded and ultimately impact on reserves.
- 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. Liabilities relating to salaries and pensions of the police officers and staff are judged to be the responsibility of the Chief Constable and are recognised in the Balance Sheet of the Chief Constable.
- 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 116 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 except for a provision for the legal costs and a small interim damages payment and have instead been disclosed as a contingent liability in Note 40.

- The original valuation from the actuary for the LGPS pension scheme calculated an asset of £19m. It is the view of management that there is no asset benefit to the Group and an adjustment to the IAS 19 calculation has been made to a net asset of nil. Further background and disclosures in relation to this approach are included in Note 35.

Note 5 Material items of Income and Expense

The Comprehensive Income and Expenditure Statement includes costs incurred of £12.357m during 2022/23 relating to CSE. Special grant funding has been received of £9.990m, which is included in the Group Comprehensive Income and Expenditure Statement.

In addition, costs of £3.975m relating to Hillsborough were incurred during 2022/23. Special grant funding has been received of £3.077m, 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

2021/22				2022/23			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	
3,127	-	3,127	Professional Standards	3,107	-	3,107	
951	-	951	Corporate Communications	1,068	-	1,068	
6,400	-	6,400	Performance & Governance	4,280	-	4,280	
2,575	-	2,575	Legal Services	3,633	-	3,633	
13,053	-	13,053	Deputy Chief Constable Total	12,088	-	12,088	

Assistant Chief Constable (Local Policing)

2021/22				2022/23			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	
21,736	-	21,736	Barnsley	20,970	-	20,970	
32,766	-	32,766	Doncaster	33,546	-	33,546	
25,359	-	25,359	Rotherham (including Community Safety)	25,834	-	25,834	
51,115	-	51,115	Sheffield	50,465	-	50,465	
21,863	-	21,863	Force Control Room	20,140	-	20,140	
152,839	-	152,839	Assistant Chief Constable (Local Policing) Total	150,955	-	150,955	

Assistant Chief Constable (Crime)

2021/22				2022/23			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	
34,032	-	34,032	Crime Services	40,545	-	40,545	
15,677	-	15,677	Regional & Collaboration (Non Lead)	19,110	-	19,110	
49,709	-	49,709	Assistant Chief Constable (Crime) Total	59,655	-	59,655	

Note 6 Additional Segmental Analysis (continued)

Assistant Chief Constable (Operational Support)

2021/22				2022/23		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
31,429	-	31,429	Operational Support Unit	29,971	-	29,971
31,429	-	31,429	Assistant Chief Constable (Operational Support) Total	29,971	-	29,971

Assistant Chief Constable (CJAD, CJU & Custody)

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
5,085	-	5,085	Criminal Justice Administration & CJU	5,807	-	5,807
12,413	-	12,413	Custody	12,513	-	12,513
17,598	-	17,598	Assistant Chief Constable (CJAD, CJU & Custody) Total	18,320	-	18,320

Assistant Chief Officer (Resources)

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
4,169	-	4,169	Corporate Finance	4,633	-	4,633
14,305	-	14,305	Facilities Management	16,256	-	16,256
14,732	-	14,732	Information Technology	13,659	-	13,659
4,638	-	4,638	Vehicle Fleet Management	5,285	-	5,285
26,233	-	26,233	People and Organisational Development	26,283	-	26,283
3,029	-	3,029	Business Change & Innovation	3,326	-	3,326
3,605	-	3,605	Regional & Collaboration (Lead)	4,750	-	4,750
13,766	-	13,766	Non Devolved	12,378	-	12,378
1,335	-	1,335	Secondments	729	-	729
10,945	-	10,945	Grants	11,724	-	11,724
96,757	-	96,757	Assistant Chief Officer (Resources) Total	99,023	-	99,023

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.

2021/22 £'000	2022/23 £'000
239 (Gains) / Losses on the disposal of non-current assets	406
1,276 (Gains) / Losses on the disposal of intangibles	-
1,515 Total PCC and Group	406

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.

2021/22 Group £'000	2021/22 PCC £'000		2022/23 Group £'000	2022/23 PCC £'000
1,554	1,554	Interest payable and similar charges	1,480	1,480
(106)	(106)	Interest receivable and similar income	(1,219)	(1,219)
72,174	68	Pensions interest cost and expected return on pensions assets	96,588	71
23	-	Impairment allowance for doubtful debts	(4)	-
73,645	1,516	Total	96,845	332

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 standard.

2021/22		2022/23
£'000		£'000
(77,868)	Council tax income	(82,237)
(9,591)	Council tax support funding	(9,591)
(89,637)	Department of Communities and Local Government funding (Revenue Support grant and Non Domestic Rates)	(94,517)
(116,997)	Home Office police grant	(123,718)
-	Home Office police pension additional funding	-
(49,022)	Home Office pension grant	(53,654)
(380)	Capital grants and contributions	-
(343,495)	Total PCC and Group	(363,717)

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 purposes between the districts and departments.

Group

2021/22			2022/23		
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
1,895	312	2,207	2,052	220	2,272
2,605	522	3,127	2,747	360	3,107
821	130	951	959	109	1,068
5,484	916	6,400	3,976	304	4,280
2,496	79	2,575	3,541	92	3,633
11,406	1,647	13,053	11,223	865	12,088
17,788	3,948	21,736	18,549	2,421	20,970
26,883	5,883	32,766	29,584	3,962	33,546
21,045	4,314	25,359	22,848	2,986	25,834
41,911	9,204	51,115	44,520	5,945	50,465
18,994	2,869	21,863	17,819	2,321	20,140
126,621	26,218	152,839	133,320	17,635	150,955
28,816	5,216	34,032	36,154	4,391	40,545
15,216	461	15,677	18,498	612	19,110
44,032	5,677	49,709	54,652	5,003	59,655
26,813	4,616	31,429	26,919	3,052	29,971
26,813	4,616	31,429	26,919	3,052	29,971
4,533	552	5,085	5,127	680	5,807
10,848	1,665	12,513	11,272	1,241	12,513
15,381	2,217	17,598	16,399	1,921	18,320

Note 10 Expenditure and Funding Analysis (continued)

2021/22				2022/23		
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
			Assistant Chief Officer (Resources):			
3,896	273	4,169	Corporate Finance	4,327	306	4,633
13,861	444	14,305	Facilities Management	15,841	415	16,256
13,921	811	14,732	Information Technology	12,962	697	13,659
4,385	253	4,638	Vehicle Fleet Management	5,045	240	5,285
22,073	4,160	26,233	People and Organisational Development	23,488	2,795	26,283
2,629	400	3,029	Business Change & Innovation	2,993	333	3,326
3,299	306	3,605	Regional & Collaboration (Lead)	4,454	296	4,750
8,419	5,347	13,766	Non Devolved	8,849	3,529	12,378
1,086	249	1,335	Secondments	641	88	729
9,539	1,406	10,945	Grants	10,809	915	11,724
83,108	13,649	96,757	Assistant Chief Officer (Resources)	89,409	9,614	99,023
5,317	52	5,369	Hillsborough Inquests / Claims	3,927	48	3,975
12,868	5	12,873	CSE / Operation Stovewood	12,352	5	12,357
(38,884)	2,599	(36,285)	PCC	(44,489)	6,125	(38,364)
288,557	56,992	345,549	Cost of Services	305,764	44,488	350,252
(291,913)	23,578	(268,335)	Other income and expenditure	(311,132)	44,666	(266,466)
(3,356)	80,570	77,214	(Surplus) or Deficit	(5,368)	89,154	83,786
64,360			Opening General Fund	67,716		
3,356			Less/Plus Surplus or (Deficit) on General Fund in Year	5,368		
67,716			Closing General Fund at 31 March	73,084		

Note 10 Expenditure and Funding Analysis (continued)

PCC

2021/22				2022/23		
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
(38,884)	2,599	(36,285)	PCC	(44,489)	6,125	(38,364)
(38,884)	2,599	(36,285)	Net Cost of Service	(44,489)	6,125	(38,364)
327,441	49,022	376,463	Intra-group adjustment – funding provided by the PCC for financial resources consumed by the CC	350,253	53,654	403,907
(291,913)	(48,551)	(340,464)	Other income and expenditure	(311,132)	(51,847)	(362,979)
(3,356)	3,070	(286)	(Surplus) or Deficit	(5,368)	7,932	2,564
64,360			Opening General Fund	67,716		
3,356			Less/Plus Surplus or (Deficit) on General Fund in Year	5,368		
67,716			Closing General Fund at 31 March	73,084		

Note 10 Expenditure and Funding Analysis (continued)

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

Group

2021/22				2022/23				
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
-	318	(6)	312	Senior Command Team	-	216	4	220
				<u>Deputy Chief Constable:</u>				
-	520	2	522	Professional Standards	-	354	6	360
-	114	16	130	Corporate Communications	-	108	1	109
-	870	46	916	Performance & Governance	-	491	(187)	304
-	94	(15)	79	Legal Services	-	98	(6)	92
-	1,598	49	1,647	Deputy Chief Constable	-	1,051	(186)	865
				<u>Assistant Chief Constable (Local Policing):</u>				
-	4,019	(71)	3,948	Barnsley	-	2,483	(62)	2,421
-	5,960	(77)	5,883	Doncaster	-	3,973	(11)	3,962
-	4,385	(71)	4,314	Rotherham (including Community Safety)	-	3,004	(18)	2,986
-	9,354	(150)	9,204	Sheffield	-	6,028	(83)	5,945
-	2,949	(80)	2,869	Force Control Room	-	2,320	1	2,321
-	26,667	(449)	26,218	Assistant Chief Constable (Local Policing)	-	17,808	(173)	17,635
				<u>Assistant Chief Constable (Crime):</u>				
-	5,231	(15)	5,216	Crime Services	-	4,365	26	4,391
-	461	-	461	Regional & Collaboration (Non Lead)	-	612	-	612
-	5,692	(15)	5,677	Assistant Chief Constable (Crime)	-	4,977	26	5,003
				<u>Assistant Chief Constable (Operational Support):</u>				
-	4,671	(55)	4,616	Operational Support Unit	-	3,046	6	3,052
-	4,671	(55)	4,616	Assistant Chief Constable (Operational Support)	-	3,046	6	3,052
				<u>Assistant Chief Constable (CIAD, CJU & Custody):</u>				
-	680	(128)	552	Criminal Justice Administration & CJU	-	686	(6)	680
-	1,551	114	1,665	Custody	-	1,130	111	1,241
-	2,231	(14)	2,217	Assistant Chief Constable (CIAD, CJU & Custody)	-	1,816	105	1,921

Note 10 Expenditure and Funding Analysis (continued)

2021/22				2022/23			
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>Assistant Chief Officer (Resources):</u>							
-	323	(50)	273	-	305	1	306
-	444	-	444	-	421	(6)	415
-	857	(46)	811	-	716	(19)	697
-	259	(6)	253	-	244	(4)	240
-	4,185	(25)	4,160	-	2,767	28	2,795
-	411	(11)	400	-	332	1	333
-	312	(6)	306	-	279	17	296
-	5,338	9	5,347	-	3,530	(1)	3,529
-	249	-	249	-	88	-	88
-	1,406	-	1,406	-	915	-	915
-	13,784	(135)	13,649	-	9,597	17	9,614
-	52	-	52	-	48	-	48
-	5	-	5	-	5	-	5
2,419	188	(8)	2,599	5,935	202	(12)	6,125
2,419	55,206	(633)	56,992	5,935	38,766	(213)	44,488
2,582	23,152	(2,156)	23,578	666	42,934	1,066	44,666
5,001	78,358	(2,789)	80,570	6,601	81,700	853	89,154
Difference between the General Fund surplus or deficit and the CIES surplus or deficit							

Note 10 Expenditure and Funding Analysis (continued)

PCC

2021/22					2022/23			
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
2,419	188	(8)	2,599	PCC	5,935	202	(12)	6,125
2,419	188	(8)	2,599	Net Cost of Services	5,935	202	(12)	6,125
-	49,022	-	49,022	Intra-group adjustment – funding provided by the PCC for financial resources consumed by the CC	-	53,654	-	53,654
2,582	(48,954)	(2,179)	(48,551)	Other income and expenditure	666	(53,583)	1,070	(51,847)
5,001	256	(2,187)	3,070	Difference between the General Fund surplus or deficit and the CIES surplus or deficit	6,601	273	1,058	7,932

The value of the pension transaction is accounted for as an adjustment between accounting and funding basis for the PCC which from the PCC's perspective is straight funding to the PCC. This is not an adjustment between the accounting and funding basis per the Code. The rationale for making this adjustment early in the PCC is that it avoids a further adjustment in the group accounts making a transfer from usable to unusable reserves which may impair understanding to readers.

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 and department:

2021/22	2021/22		2022/23	2022/23
Group	PCC		Group	PCC
£'000	£'000		£'000	£'000
310,990	1,999	Employee Costs	312,534	2,328
9,439	29	Premises Costs	11,265	48
6,724	2	Transport Costs	5,720	7
27,236	560	Supplies and Services Costs	29,036	470
36,534	7,878	Agency	38,439	9,463
6,019	4,640	Capital Charges & Impairment of Assets	10,935	6,997
(51,393)	(51,393)	Income	(57,677)	(57,677)
345,549	(36,285)	Cost of Services	350,252	(38,364)
-	376,463	Intra-Group Adjustment	-	403,907
345,549	340,178	Net Cost of Policing Services	350,252	365,543

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

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

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

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

2022/23	Salary, Fees and Allowances £	Expenses £	Benefits in Kind £	Other Payments £	Total Remuneration £	Pension Contribution £	Total £
Police and Crime Commissioner	88,300	-	-	-	88,300	-	88,300
Chief Executive and Solicitor (1)	125,487	-	-	-	125,487	18,948	144,435
Chief Finance & Commissioning Officer	89,829	-	-	-	89,829	13,564	103,393
Chief Constable – L Poultney	168,021	-	-	-	168,021	52,086	220,107
Deputy Chief Constable – T Forber	139,213	-	-	-	139,213	43,032	182,245
Assistant Chief Constable – Local Policing & Force Control Room	112,388	-	-	-	112,388	34,703	147,091
Assistant Chief Constable – Crime Services	112,993	-	-	-	112,993	30,826	143,819
Assistant Chief Constable – Ops Support	66,209	-	-	-	66,209	-	66,209
T/Assistant Chief Constable – Crime Services (2)	49,014	-	-	-	49,014	15,001	64,015
T/Assistant Chief Constable – Technology Based Savings and Efficiencies (3)	23,179	-	-	-	23,179	7,167	30,346
T/Assistant Chief Constable - Local Policing, CJAD, Custody & Force Control Room (4)	40,227	-	-	-	40,227	12,471	52,698
Assistant Chief Officer - Resources (5)	117,841	-	-	-	117,841	18,437	136,278
Chief Finance Officer	89,829	-	-	-	89,829	14,462	104,291

Notes

- (1) Chief Executive £97,001 and Solicitor £28,486 (combined role).
- (2) T/Assistant Chief Constable from 1st August 2022 to 13th January 2023 to provide cover for ACC's attending Strategic Command Courses.
- (3) T/Assistant Chief Constable from 13th January 2023 to 31st March 2023 as part of a 6 month additional role.
- (4) T/Assistant Chief Constable from 5th September 2022 to 13th January 2023 to provide cover for ACC's attending Strategic Command Courses.
- (5) Post title changed from Director of Resources to Assistant Chief Officer (Resources).

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.

2021/22 Number	£	2022/23 Number
295	50,000 - 54,999	337
175	55,000 – 59,999	230
86	60,000 – 64,999	95
32	65,000 – 69,999	32
13	70,000 – 74,999	27
14	75,000 – 79,999	11
8	80,000 – 84,999	11
9	85,000 – 89,999	7
5	90,000 – 94,999	3
2	95,000 – 99,999	3
2	100,000 – 104,999	2
1	105,000 – 109,999	-
-	110,000 – 114,999	2
-	115,000 – 119,999	1
1	120,000 – 124,999	-
-	125,000 – 129,999	1
-	130,000 – 134,999	-
-	135,000 – 139,999	1
-	140,000 – 144,999	-
1	145,000 – 149,999	-
-	150,000 – 154,999	-
-	155,000 – 159,999	-
-	160,000 – 164,999	-
1	165,000 – 169,999	1
-	170,000 – 174,999	-
-	175,000 – 179,999	-
645		764

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:

2021/22					2022/23			
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	23	£0 - £20,000	-	3	3	7
-	-	-	-	£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	23	Total	-	3	3	7

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 2022/23, there were 3 staff whose contracts were terminated as part of the voluntary early release scheme / exit package at a cost of £0.01m compared to 5 employees at a cost of £0.02m in 2021/22. There were no compulsory redundancies in 2021/22 and 2022/23.

MEMBERS' ALLOWANCES

The Joint Independent Audit Committee (JIAC) members were paid allowances of £13,197 for all members in total in 2022/23 (£13,092 in 2021/22). The Independent Ethics Panel members were paid allowances of £10,737 in 2022/23 (£8,534 in 2021/22). The Independent Advisory Panel on Policing Protests (IAPPP) members were paid allowances of £964 in 2022/23 (£0 in 2021/22 as not existing). 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:

2021/22 Group £'000	2021/22 PCC £'000		2022/23 Group £'000	2022/23 PCC £'000
85	56	Fees payable with regard to external audit services carried out by the appointed auditor for the year	98	70
20	13	Fees due relating to prior years	(6)	(5)
(23)	(16)	Redmond review audit fees grant	(24)	(16)
82	53		68	49

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:

2021/22 £'000	2022/23 £'000
Credited to Taxation and Non Specific Grant Income	
(89,637) DCLG funding (Revenue Support Grant / National Non Domestic Rates)	(94,517)
(9,591) Council Tax support funding	(9,591)
(116,997) Police Grant	(123,718)
(49,022) Home Office Pension Grant	(53,654)
(287) Home Office Capital Grant	-
(93) Other capital grants	-
(265,627) Total	(281,480)

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.

2021/22 £'000	2022/23 £'000
Credited to Services	
(10,564) Stovewood Special Grant	(9,990)
(2,522) Operation Uplift	(3,404)
(2,887) Victims Support Services (MOJ)	(3,377)
(4,265) Hillsborough Civil Costs	(3,077)
(1,527) Violent Reduction Unit	(2,879)
(2,594) Police Pension	(2,594)
(1,449) Apprenticeship Levy	(2,539)
- Police Pension Pay Award	(1,765)
(1,175) Serious Violence Crime	(1,092)
(709) National ARV Uplift	(751)
(659) Disclosure & Barring Service	(700)
(311) Project Perpetrator Programmes	(517)
(374) CSE Inquiry	(509)
- Safer Streets 4	(498)
(313) Meadowhall	(354)
(246) Barnsley Town Centre Team	(243)
(233) Beat Team	(233)
- Local Resilience Forum (LRF)	(195)
(145) Netic Cyber Crime	(143)
- NLEDS	(131)
(137) Home Office Loan Charge Grant	(130)
(116) Sheffield University Grant	(115)
(120) Sheffield IOM & DIP	(112)
(1,752) Council Tax Support Grant	-
(534) Safer Street Funding – Violence Against Women & Girls	-
(488) Dedicated Security Posts	-
(399) Safer Streets Funding - Dearne	-
(320) Prevent Strategy Delivery	-
(95) Artful Mike Enforcement – Surge Funding	-
(70) Problem Solving and Crime Prevention – Safer Streets	-
(3) PCC Project Safer Streets Funding	-
(1,028) Other Miscellaneous Grants (individual grants less than £0.1m)	(826)
(35,035) Total	(36,174)

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.

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.

2021/22			2022/23		
Stores	Procurement		Stores	Procurement	
£'000	£'000		£'000	£'000	
359	1,823	Staff costs	365	1,774	
171	32	Premises related expenses	143	30	
13	4	Transport related expenses	5	15	
35	40	Supplies and services	86	40	
578	1,899	Expenditure	599	1,859	
(9)	(59)	Other reimbursed income	-	(48)	
(601)	(2,006)	Contributions (see below)	(642)	(2,028)	
-	-	Previous underspends utilised	-	-	
(610)	(2,065)	Income	(642)	(2,076)	
(32)	(166)	(Under)/overspends in year	(43)	(217)	
(124)	(270)	Previous (under)/overspend not utilised	(156)	(436)	
(156)	(436)	Balance c/f in current liabilities	(199)	(653)	
<u>Contributions</u>					
(139)	(369)	Humberside Police	(147)	(364)	
-	(309)	North Yorkshire Police	-	(305)	
(194)	(513)	South Yorkshire Police	(206)	(506)	
(268)	(815)	West Yorkshire Police	(289)	(853)	
(601)	(2,006)	Total	(642)	(2,028)	

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 2022/23 by the South Yorkshire PCC, to those services for which other regional forces are the lead force:

Regional Service	Lead Force Responsibility	2022/23 Contribution £'000
Underwater/Marine	Humberside Police	127
Scientific Support	West Yorkshire Police	5,731
Technical Support Unit including ROCU	West Yorkshire Police	2,703
External Forensics	West Yorkshire Police	2,431
Collision Investigation Unit	West Yorkshire Police	852
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:

2021/22		2022/23
Information Technology		Information Technology
£'000		£'000
6,287	Staff costs	5,698
3	Premises related expenses	1
118	Transport related expenses	64
7,051	Supplies and services	6,189
-	Third party costs	-
13,459	Expenditure	11,952
(13,459)	Contributions (see below)	(11,952)
-	Other income	-
(13,459)	Income	(11,952)
Deficit/(Surplus) in year		
<u>Contributions</u>		
(5,792)	Humberside Police	(5,128)
(7,667)	South Yorkshire Police	(6,824)
(13,459)	Total	(11,952)
43.03%	Humberside Police % share of costs	42.91%
56.97%	South Yorkshire Police % share of costs	57.09%

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

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
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
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)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
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	-				-
Adjustments primarily involving the Capital Receipts Reserve:					
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
Adjustments primarily involving the Financial Instruments Adjustment Account:					
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
Adjustments primarily involving the Pension Reserve:					
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
Adjustments primarily involving the Collection Fund Adjustment Account:					
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
Adjustments primarily involving the Accumulated Absence Account:					
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
Total Adjustments	80,570	-	-	-	(80,570)

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
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
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)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
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	-				-
Adjustments primarily involving the Capital Receipts Reserve:					
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
Adjustments primarily involving the Financial Instruments Adjustment Account:					
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
Adjustments primarily involving the Pension Reserve:					
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
Adjustments primarily involving the Collection Fund Adjustment Account:					
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
Adjustments primarily involving the Accumulated Absence Account:					
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
Total Adjustments	3,070	-	-	-	(3,070)

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

Group

2022/23	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation of non-current assets	9,053				(9,053)
Revaluation losses on Property, Plant and Equipment	(1,082)				1,082
Amortisation of intangible assets	2,961				(2,961)
Capital grants and contributions applied	-				-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to CIES	581				(581)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	(946)				946
Capital expenditure charged against the General Fund Balance	(3,966)				3,966
Capitalised insurance settlements	-				-
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	-		-		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-		-		-

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

2022/23	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	-				-
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	183,286				(183,286)
Employer's pension contributions and direct payments to pensioners payable in the year	(101,586)				101,586
Adjustments primarily involving the Collection Fund Adjustment Account:					
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	1,070				(1,070)
Adjustments primarily involving the Accumulated Absence Account:					
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	(217)				217
Total Adjustments	89,154	-	-	-	(89,154)

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

PCC

2022/23	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation of non-current assets	9,053				(9,053)
Revaluation losses on Property, Plant and Equipment	(1,082)				1,082
Amortisation of intangible assets	2,961				(2,961)
Capital grants and contributions applied	-				-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to CIES	581				(581)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	(946)				946
Capital expenditure charged against the General Fund Balance	(3,966)				3,966
Capitalised insurance settlements	-				-
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	-		-		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-		-		-

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

2022/23	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	-				-
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	508				(508)
Employer's pension contributions and direct payments to pensioners payable in the year	(235)				235
Adjustments primarily involving the Collection Fund Adjustment Account:					
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	1,070				(1,070)
Adjustments primarily involving the Accumulated Absence Account:					
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	(12)				12
Total Adjustments	7,932	-	-	-	(7,932)

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 2021	Transfers Out	Transfers In	31 March 2022	Transfers Out	Transfers In	31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Insurance Reserve	12,114	(6,762)	-	5,352	(1,340)	-	4,012
Devolved Budget Reserve	1,318	-	162	1,480	(426)	-	1,054
Redundancy Reserve	18	-	2	20	-	2	22
Commissioning Reserve	1,902	-	659	2,561	(273)	-	2,288
Revenue Grants Reserve	1,465	-	-	1,465	(1,463)	-	2
Legacy Reserve	5,296	(5,804)	18,675	18,167	(5,406)	5,461	18,222
Council Tax Support Reserve	-	-	1,752	1,752	-	-	1,752
Invest to Save Reserve	-	-	-	-	-	1,252	1,252
Operational Direct Activity Reserve	-	-	-	-	-	987	987
Total	22,113	(12,566)	21,250	30,797	(8,908)	7,702	29,591
Net Transfer in/(out)		8,684				(1,206)	

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. From 2021/22, this includes a small amount set aside for the OPCC.

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 **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.

The **Invest to Save Reserve** is a new reserve in 2022/23, set aside to fund non recurrent costs such as Priority Based Budgeting (PBB) work to enable future recurrent savings.

The **Operational Direct Activity Reserve** is a new reserve in 2022/23, set aside for underspends to be reinvested in future costs. This relates to activity in relation to Proceeds of Crime Act (POCA) and Safety Camera & Ticketing Processing (SCTP).

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 current value is revalued at least every five years. NPS Property Consultants Ltd were successful in the 5 year tender for the contract and undertook valuations on behalf of the PCC in 2022/23.

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.

All the properties have been revalued during the year.

The progress at 31 March 2023 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	1,220	46,337	-	236	15,617	63,410
Valued in:						
• Current Year	134,665	-	1,261	-	-	135,926
• 2021/22	-	-	-	-	-	-
• 2020/21	-	-	-	-	-	-
• 2019/20	-	-	-	-	-	-
• 2018/19 and earlier	-	-	-	-	-	-
Total Cost or Valuation	135,885	46,337	1,261	236	15,617	199,336

Change in estimates

Property and buildings – there has been a change in estimates in relation to the valuations for land and buildings from the previous year in line with the IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The explanation is a result of changes in 3 areas which include obsolescence, professional fees and external areas. Obsolescence is due to a more detailed review of the estate, ensuring all buildings are brought up to a modern high standard, rationalising the estate as part of Smarter Ways of Working and future capital programme. The professional fees are towards the higher end as there are a limited number of professional service firms in the market for construction and design management that would be to the police body specification. The changes in the external areas reflect the detailed inspections completed and the improvements in our estate in relation to security, car parks and areas for staff.

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.

Leasehold assets within Land & Buildings

Where there are tenant leasehold improvements, these are capitalised and depreciated over a straight line basis with an appropriate asset life considering the life of the lease.

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
Cost or Valuation:					
At 1 April 2021	80,901	47,397	1,013	590	129,901
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)	-
At 31 March 2022	89,417	47,534	1,652	295	138,898
Accumulated Depreciation and Impairment:					
At 1 April 2021	(460)	(27,515)	-	-	(27,975)
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	-	-	-	-	-
At 31 March 2022	(876)	(25,586)	(4)	-	(26,466)
Net Book Value					
At 31 March 2022	88,541	21,948	1,648	295	112,432

* The £2.225m derecognition – other, related to a comprehensive review of assets with a NBV of zero. The majority of these assets, had asset lives extended, which resulted in depreciated being written back. The process to do this on the asset system was agreed by CIPFA and to not distort the actual depreciation charge for the current year.

Note 19 Property, Plant and Equipment (continued)

Movement in the PCC and Group balances in 2022/23.

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation:					
At 1 April 2022	89,417	47,534	1,652	295	138,898
Additions	3,478	7,459	-	113	11,050
Revaluation increases / (decreases) recognised in the Revaluation Reserve	42,428	-	(216)	-	42,212
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	639	-	(94)	-	545
Derecognition – disposals	(53)	(8,824)	(81)	-	(8,958)
Derecognition – other	(24)	(3)	-	(1)	(28)
Assets reclassified (to)/from Held for Sale	-	-	-	-	-
Other reclassifications and movements in cost or valuation	-	171	-	(171)	-
At 31 March 2023	135,885	46,337	1,261	236	183,719
Accumulated Depreciation and Impairment:					
At 1 April 2022	(876)	(25,586)	(4)	-	(26,466)
Depreciation charge	(2,296)	(6,712)	(45)	-	(9,053)
Depreciation written out to the Revaluation Reserve	2,081	-	29	-	2,110
Depreciation written out to the Surplus / Deficit on the Provision of Services	523	-	14	-	537
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-
Derecognition - disposals	15	8,357	6	-	8,378
Derecognition - other	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-
Other reclassifications and movements in depreciation and impairment	-	-	-	-	-
At 31 March 2023	(553)	(23,941)	-	-	(24,494)
Net Book Value					
At 31 March 2023	135,332	22,396	1,261	236	159,225

At 31 March 2023, 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 £12.966m. These contracts included £2.272m for vehicle purchases, £6.424m for intangibles, £1.026m for equipment and £3.244m relating to buildings. Similar commitments at 31 March 2022 were £10.109m.

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:

2021/22				2022/23			
Internally Generated	Other	Assets under construction	Total	Internally Generated	Other	Assets under construction	Total
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at start of year							
3,424	16,016	-	19,440	• Gross carrying amount	3,284	13,914	- 17,198
(2,276)	(9,170)	-	(11,446)	• Accumulated amortisation	(2,326)	(7,932)	- (10,258)
1,148	6,846	-	7,994	Net carrying amount at 1 April	958	5,982	- 6,940
Additions							
224	-	-	224	• Internal development	357	-	1,366 1,723
-	1,505	-	1,505	• Purchases	-	646	- 646
(364)	(3,591)	-	(3,955)	Disposals	(1,811)	(2,138)	- (3,949)
-	(16)	-	(16)	Derecognition	-	(1)	- (1)
341	853	-	1,194	Reclassifications/Other changes	-	-	- -
101	2,578	-	2,679	Amortisation write off on disposal	1,811	2,138	- 3,949
(492)	(2,193)	-	(2,685)	Amortisation for the period	(518)	(2,443)	- (2,961)
958	5,982	-	6,940	Net carrying amount at 31 March	797	4,184	1,366 6,347
Comprising:							
3,284	13,914	-	17,198	• Gross carrying amount	1,830	12,421	1,366 15,617
(2,326)	(7,932)	-	(10,258)	• Accumulated amortisation	(1,033)	(8,237)	- (9,270)

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.

IFRS 9 Financial Instruments is adopted and there however the impact on the Financial Statements is minimal due to the use of only simple financial instruments. There have not been any reclassifications of financial assets or financial liabilities as a result of IFRS 9.

The financial liabilities held by the Group disclosed at fair value have been classified as Level 2: principal value adjusted to reflect the spread between the contracted interest rate and the prevailing open market rate available on similar borrowing at the balance sheet date. Trade creditors are based on the invoiced amounts.

The nature and type of Financial Instruments held by the Group are not significant in relation to the overall financial position of the Group.

There are some amounts within debtors on the balance sheet that do not meet the definition of financial instruments totalling £25.271m (£20.320m for Group and £21.548m for PCC in 2021/22) compromising local taxation debtors, prepayments, payroll and amounts owed in respect of VAT. Similar with creditors, totalling £14.351m for Group and £11.370m for PCC (£13.280m for the Group and 10.094m for the PCC in 2021/22) compromising receipts in advance, payroll creditors, Council Tax and other amounts payable in relation to VAT.

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 2022 Current £'000	31 March 2022 Long – Term £'000		31 March 2023 Current £'000	31 March 2023 Long – Term £'000
Cash and Cash Equivalents				
34,567	-	Amortised Cost	26,296	-
34,567	-	Total Cash and Cash Equivalents	26,296	-
Debtors				
11,299	-	Financial assets carried at contract amounts (amortised cost)	13,283	-
11,299	-	Total Debtors	13,283	-
Borrowing				
(1,500)	(31,005)	Financial liabilities at amortised cost	(3,000)	(28,072)
(1,500)	(31,005)	Total Borrowing	(3,000)	(28,072)
Creditors				
(20,059)	-	Financial liabilities carried at contract amount (amortised cost)	(19,808)	-
(20,059)	-	Total Creditors	(19,808)	-

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 31st March 2023.

The fair value disclosed closely equates 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 equal to rates currently available for similar loans at the Balance Sheet date. The fair value disclosed has fallen year on year due to an increase in interest rates and whereas previously the PCC's fixed rates were above prevailing market rates, these are now similar.

The fair value comparisons are completed by Link.

2021/22			2022/23		
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					
(1,573)	-	(1,573)	(1,480)	-	(1,480)
-	106	106	-	1,219	1,219
(1,573)	106	(1,467)	(1,480)	1,219	(261)
(1,573)	106	(1,467)	(1,480)	1,219	(261)

Financial liabilities and financial assets held by the authority are carried in the balance sheet at amortised cost. The fair values calculated are as follows:

31 March 2022		31 March 2023	
Carrying amount	Fair value	Carrying amount	Fair value
£'000	£'000	£'000	£'000
32,505	38,018	31,072	31,121

Cash, short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

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 (unlimited with Debt Management Office), £30m with any one banking group and £15m with any other counterparty in the Annual Investment Strategy for 2022/23.

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 2023 is £2.679m (£2.187m at 31 March 2022) of which £2.220m (£1.890m at 31 March 2022) is past its due date, analysed as follows:

The PCC has a historical experience of default of 0.20% in debtors, which equates to a risk of uncollectability of £5k. An impairment allowance / bad debts is included within trade debtors totalling £0.07m (same in 2021/22) that relate to trade debtors where there is a risk of uncollected amounts. Non-trade debtors are debtors due from the Home Office/Central Government and therefore there is no risk around uncollectable debts.

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 the 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 4.3% with rates ranging from 1.6% to 5.1%. The Amortised Cost of the loans, including loans outstanding for less than one year is £31.072m.

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

31 March 2022 £'000		31 March 2023 £'000
1,407	Less than 3 Months	1,377
75	3 to 6 Months	435
112	6 to 12 Months	129
296	Over 12 Months	279
1,890	Total	2,220

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

31 March 2022 £'000		31 March 2023 £'000
	Maturing within:	
6,921	>1 to 5 years	4,740
11,819	>5 to 10 years	14,400
10,780	>10 to 20 years	7,380
3,050	>20 to 30 years	3,050
-	>30 to 40 years	-
32,570	Total	29,570

Note 22 Nature and Extent of Risk (continued)

MARKET RISK

Interest Rate Risk

The PCC manages its risk in terms of interest movements as both borrowings and investments are fixed rates. For instance, a rise in a variable or fixed rates would have the following effects:

- Borrowings at fixed rates – the fair value of the liabilities borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise

The PCC manages the 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 £1.198m for the financial year with an average rate of 2.06%.

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.

2021/22		2022/23
£'000		£'000
74,476	Opening Capital Financing Requirement	88,294
Capital Investment		
14,922	Property, Plant and Equipment	11,022
1,713	Intangible Assets	2,368
Sources of Finance		
(91)	Capital receipts	-
(380)	Government grants and contributions	-
Sums set aside from revenue:		
(1,379)	• Direct revenue contributions	(3,966)
(967)	• Minimum Revenue Provision	(946)
88,294	Closing Capital Financing Requirement	96,772
Represented by:		
13,818	Increase / (Decrease) in underlying need to borrow	8,478

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 2022 £'000	31 March 2023 £'000
4,101 Land and Buildings	4,078
4,101 Total	4,078

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 2022 £'000	31 March 2023 £'000
287 Not later than one year	444
391 Later than one year and less than five years	114
- Later than five years	-
678 Total	558

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.710m in 2022/23 (£0.427m in 2021/22).

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

2021/22 £'000	2022/23 £'000
695 Group and PCC Balance outstanding at start of the year	-
- Assets newly qualified as held for sale	-
- Revaluation losses	-
(695) Assets declassified as held for sale	-
- Assets sold	-
- 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.

2021/22					2022/23			
Consumable Stores	Vehicle Maintenance Spares	Uniform	Total		Consumable Stores	Vehicle Maintenance Spares	Uniform	Total
£'000	£'000		£'000		£'000	£'000	£'000	£'000
116	245	-	361	Balance at 1 April	196	170	1,585	1,951
-	-	2,094	2,094	Transfer of stock	-	-	-	-
799	-	1,436	2,235	Purchases	845	-	3,689	4,534
(715)	(73)	(1,944)	(2,732)	Recognised as an expense in the year	(886)	(69)	(3,473)	(4,428)
(4)	(2)	(1)	(7)	Written off balances	(7)	-	1	(6)
196	170	1,585	1,951	Balance at 31 March	148	101	1,802	2,051

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

Note 27 Debtors

31 March 2022 £'000 Group	31 March 2022 £'000 PCC		31 March 2023 £'000 Group	31 March 2023 £'000 PCC
17,535	17,535	Central government bodies	24,171	24,171
6,670	6,670	Other local authorities	5,148	5,148
6	6	NHS bodies	-	-
7,408	7,408	Other entities and individuals	15,639	15,639
-	1,228	Intra company adjustment	-	-
31,619	32,847	Total	44,958	44,958

Note 28 Cash and Cash Equivalents

31 March 2022 £'000	31 March 2023 £'000
19 Cash held by the PCC	19
1,294 Bank current accounts	2,296
33,254 Short term deposits with banks and building societies	23,981
34,567 Total Group and PCC	26,296

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 2023 is £2.882m (£2.314m 31 March 2022).

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 2023 is £2.607m (£2.409m 31 March 2022).

Note 29 Creditors

31 March 2022 £'000 Group	31 March 2022 £'000 PCC		31 March 2023 £'000 Group	31 March 2023 £'000 PCC
8,674	8,674	Central government bodies	8,341	8,341
6,651	6,651	Other local authorities	8,548	8,548
-	-	NHS bodies	46	46
19	19	Public corporation and trading funds	1	1
17,995	14,809	Other entities and individuals	17,223	14,242
33,339	30,153	Total	34,159	31,178

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 2022/23.

	Balance at 1 April 2022	Additional provisions made in the year	Amounts used in the year	Unused amounts reversed in the year	Balance at 31 March 2023
	£'000	£'000	£'000	£'000	£'000
Insurance	2,931	3,102	(1,762)	-	4,271
Statutory Redundancy	20	2	-	-	22
Legal Claims	5,457	3,673	(1,386)	(586)	7,158
Total Group and PCC	8,408	6,777	(3,148)	(586)	11,451

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 £8.725m and Long-Term Provisions £2.726m.

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. The provision can fluctuate year on year due to number of cases and materiality of the value.

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 made in previous years.

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 2022 £'000	31 March 2023 £'000
Revenue Grants Receipts in Advance	
(11,652) Hillsborough Civil Costs	(17,667)
(1,137) CSE Inquiry	(628)
(413) Local Resilience Forum	(453)
- Drug Testing on Arrival	(184)
(100) Rotherham – Child Matters 2	(100)
- NLEDs	(94)
(75) Pension Remedy Fund	(75)
(103) ESN Control Room	(73)
(1,059) Stovewood CSE	(72)
(93) Victim and Witness Care Funding	(58)
- Drugs Test on Arrest	(54)
(14) Doncaster Suicide Prevention Officer	-
(120) Other miscellaneous revenue grants	(192)
(14,766) Total Group and PCC	(19,650)

31 March 2022 £'000	31 March 2023 £'000
Capital Grants Receipts in Advance	
(13) OSU Safety Camera Ticketing Processing	(13)
(138) IT Sepura Devices	(138)
(151) Total Group and PCC	(151)

Note 32 Other Long-Term Liabilities

31 March 2022 £'000 Group	31 March 2022 £'000 PCC		31 March 2023 £'000 Group	31 March 2023 £'000 PCC
3,648,397	2,486	Pensions Liability	2,556,559	-
551	551	Partnership Funding	1,095	1,095
3,648,948	3,037	Total	2,557,694	1,095

Note 33 Usable Reserves

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

	1 April 2022 £'000	Movement in Year £'000	31 March 2023 £'000
Earmarked Reserves	30,797	(1,206)	29,591
General Reserves	36,919	6,574	43,493
Total	67,716	5,368	73,084

Note 34 Unusable Reserves

31 March 2022 £'000 Group	31 March 2022 £'000 PCC		31 March 2023 £'000 Group	31 March 2023 £'000 PCC
15,366	15,366	Revaluation Reserve	59,155	59,155
15,737	15,737	Capital Adjustment Account	9,669	9,669
-	-	Financial Instrument Adjustment Account	-	-
3,464	3,464	Collection Fund Adjustment Account	2,394	2,394
(3,220)	(34)	Accumulated Absences Account	(3,003)	(22)
(3,649,671)	(2,532)	Pension Reserve	(2,556,599)	-
(3,618,324)	32,001	Total	(2,488,384)	71,196

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.

2021/22		2022/23
£'000		£'000
15,774	Balance at 1 April	15,366
(2,669)	Prior year adjustment	-
3,939	Upward revaluations of assets	47,264
(1,321)	Downward revaluations of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(2,942)
(51)	Surplus of deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	44,322
(357)	Difference between fair value depreciation and historical cost depreciations	(432)
-	Accumulated gains on assets sold or scrapped	(101)
(357)	Amount written off to the Capital Adjustment Account	(533)
15,366	Group and PCC Balance at 31 March	59,155

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.

2021/22 £'000		2022/23 £'000
20,390	Balance at 1 April	15,737
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(6,188)	• Charges for depreciation and impairment of non-current assets	(9,053)
(1,008)	• Revaluation gain/loss on Property, Plant and Equipment	1,082
2,669	• Prior year revaluation adjustment	-
(1,491)	• Amortisation of Intangible Assets	(2,961)
(1,809)	• 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	(581)
(7,827)		(11,513)
357	Adjusting amounts written out of the Revaluation Reserve	533
(7,470)	Net written out amount of the cost of non-current assets consumed in the year	(10,980)
	- Capitalised insurance settlements	-
	Capital financing applied in the year:	
91	• Use of the Capital Receipts Reserve to finance new capital expenditure	-
380	• Capital grants, contributions and donations credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	-
-	• Application of grant to capital financing from the Capital Grants Unapplied Account	-
967	• Statutory provision for the financing of capital investment charged against the General Fund	946
1,379	• Capital expenditure charged against the General Fund	3,966
2,817		4,912
15,737	Group and PCC Balance at 31 March	9,669

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.

The transactions relating to financial instruments ceased 31 March 2022.

2021/22 £'000	2022/23 £'000
(10) Balance at 1 April	-
- Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	-
10 Proportion of premiums incurred in previous financial years to be charged against the General Fund	-
Balance in accordance with statutory requirements	-
10 Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in accordance with statutory requirements	-
- 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.

2021/22		2022/23
£'000		£'000
1,285	Balance at 1 April	3,464
2,179	Amount by which council tax income credited/charged to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,070)
3,464	Group and PCC Balance at 31 March	2,394

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.

2021/22	2021/22		2022/23	2022/23
£'000	£'000		£'000	£'000
Group	PCC		Group	PCC
(3,829)	(41)	Balance at 1 April	(3,220)	(34)
609	7	Settlement or cancellation of accrual made at the end of preceding year	217	12
		Amounts accrued at the end of the current year		
609	7	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	217	12
(3,220)	(34)	Group and PCC Balance at 31 March	(3,003)	(22)

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.

2021/22	2021/22		2022/23	2022/23
£'000	£'000		£'000	£'000
Group	PCC		Group	PCC
(3,596,383)	(3,237)	Balance at 1 April	(3,649,671)	(2,532)
25,070	961	Actuarial gains or (losses) on the pensions assets and liabilities	1,174,772	2,805
		Reversal of items relating to retirement benefits debited or credited to the		
(173,662)	(462)	Surplus or Deficit on the Provision of Services in the Comprehensive	(183,286)	(508)
		Income and Expenditure Statement		
94,058	160	Employer's pensions contributions and direct payments to pensioners	100,312	189
		payable in the year		
1,246	46	Past service deficit paid in advance	1,274	46
(3,649,671)	(2,532)	Group and PCC Balance at 31 March	(2,556,599)	-

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 Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures we expect the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period.

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22, an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window is closed, all McCloud related liabilities have moved for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liabilities are held within the legacy scheme where benefits are expected to be paid from. This has led to a past service cost of £37m added to the 1987 Scheme and a past service cost of £3m in the 2006 Scheme. As these liabilities are no longer held within the 2015 Scheme we have a past service gain of £40m.

Note 35 Defined Benefit Pension Schemes (continued)

Asset related to LGPS Pension Scheme

IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction is considered to be relevant to SYP group entities for the first time in 2022-23 since this is the first year that a net LGPS pension asset has been reported by management's actuary.

The backdrop for the LGPS asset reported for the first time is an increase in the discount rate assumption and a decrease in the rate of pension increase (CPI) assumption. This has led to an increase in the real discount rate and improvement in the LGPS balance sheet position. It should be noted that IAS 19 requires the discount rate assumption to be based on that of holding solely high-quality corporate bonds which is not representative of the asset-mix held by South Yorkshire Pension Fund's asset portfolio. Therefore, the IAS 19 asset position reported may not be a true representation of the underlying funding position, which is understood to be more closely related to the level of future contributions.

The original IAS 19 calculations from the actuary indicated a net pension asset of £19m prior to the asset ceiling adjustment. Management's actuary has produced an IFRIC14 asset ceiling calculation based on the assumption that the LGPS scheme regulations require a minimum level of contributions to continue to be paid over the lifetime of the scheme, referred to as a minimum funding requirement.

It has also been assumed that secondary contributions relating to past service, defined as benefits accrued at the balance sheet date, will continue to be paid at a rate of 0.9% of pensionable payroll over the remaining lifetime of the LGPS scheme, which management regards as a prudent assumption. Primary contributions (future service) have been assumed to be payable in perpetuity in line with minimum funding requirement principles. IFRIC 14 has considered any future economic benefits available from the improved LGPS IAS 19 accounting position and whether these support the recognition of an asset.

The computation indicates an asset ceiling of -£11m (indicative liability) which has been capped at £nil in line with IFRIC 14 principles. The calculated position is considered appropriate on the grounds that this is the first year that a pension asset has existed and there is a degree of uncertainty as to the sustainability of this position. By adopting no asset/no liability accounting position, significant fluctuations between an asset and liability can be prevented in coming years until a greater understanding of any economic benefits available from the net pension asset can be obtained. SYP will also observe experience across the local government sector in terms of appropriately accounting for the substance of the LGPS net pension asset and capture relevant experience in future LGPS pension estimates, as appropriate.

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

2021/22 £'000	Pension Schemes PCC only (LGPS)	2022/23 £'000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services</i>		
394	• Current service cost	437
-	• Past service cost	-
-	• Curtailments	-
<i>Financing and Investment Income and Expenditure</i>		
68	• Net interest expense	71
462	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	508
Other post employment benefit charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
(473)	• Return on plan assets (excluding the amount included in the net interest expense)	419
-	• Actuarial gains and losses arising on changes in demographic assumptions	215
(505)	• Actuarial gains and losses arising on changes in financial assumptions	(4,833)
17	• Experience gains and losses	1,290
-	Adjustment to recognise pension asset ceiling of nil	104
(499)	Total post employment benefit charged to the Comprehensive Income and Expenditure Account	(2,297)
Movement in Reserves Statement		
(462)	Reversal of net charges to Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(508)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>		
160	• Employer's contribution payable	189
-	• Retirement benefits payable to pensioners	-
-	• Additional contribution to Police Pension Fund Account to balance deficit	-

Note 35 Defined Benefit Pension Schemes (continued)

Group

2021/22						2022/23					
PPS 1987 £'000	PPS 2006 £'000	PPS 2015 £'000	PCS £'000	LGPS £'000	Total £'000	Pension Schemes Group (including PCC)					
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
Comprehensive Income and Expenditure Statement											
Cost of Services											
3,250	80	69,460	1,700	26,998	101,488	• Current service cost	-	-	58,290	1,440	26,968
-	-	-	-	-	-	• Past service cost	37,490	2,840	(40,330)	-	-
-	-	-	-	-	-	• Curtailments	-	-	-	-	-
Financing and Investment Income and Expenditure											
58,360	2,480	5,380	1,120	4,834	72,174	• Net interest expense	76,900	3,310	9,900	1,490	4,988
61,610	2,560	74,840	2,820	31,832	173,662	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	114,390	6,150	27,860	2,930	31,956
Other post employment benefit charged to the Comprehensive Income and Expenditure Statement											
Remeasurement of the net defined benefit liability comprising:											
-	-	-	-	(32,913)	(32,913)	Return on plan assets (excluding the amount included in the net interest expense)	-	-	-	-	28,682
-	-	-	-	-	-	• Actuarial gains and losses arising on changes in demographic assumptions	(25,700)	(5,280)	(21,880)	70	4,272
(34,800)	(2,610)	(6,430)	(570)	(34,508)	(78,918)	• Actuarial gains and losses arising on changes in financial assumptions	(865,840)	(60,130)	(190,990)	(13,730)	(306,140)
36,600	(400)	48,460	560	1,541	86,761	• Experience gains and losses	189,310	1,430	14,900	(660)	57,494
-	-	-	-	-	-	• Adjustment to recognise pension asset ceiling of nil	-	-	-	-	19,420
63,410	(450)	116,870	2,810	(34,048)	148,592	Total post employment benefit charged to the Comprehensive Income and Expenditure Account	(587,840)	(57,830)	(170,110)	(11,390)	(164,316)
Movement in Reserves Statement											
(61,610)	(2,560)	(74,840)	(2,820)	(31,832)	(173,662)	• Reversal of net charges to Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(114,390)	(6,150)	(27,860)	(2,930)	(31,956)
Actual amount charged against the General Fund Balance for pensions in the year											
2,014	86	29,068	-	11,098	42,266	• Employer's contribution payable	(412)	(2)	32,910	-	11,832
-	-	-	2,770	-	2,770	• Retirement benefits payable to pensioners	-	-	-	2,330	-
91,546	(46)	(42,478)	-	-	49,022	• Additional contribution to Police Pension Fund Account to balance deficit	99,802	212	(46,360)	-	-

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 2022 £'000	Pension Schemes PCC only (LGPS)	31 March 2023 £'000
9,462	Present value of defined benefit obligation	6,773
(6,976)	Fair value of plan assets	(6,773)
2,486	Net liability / (surplus) arising from defined benefit obligation	-

Group

2021/22						Pension Schemes Group (including PCC)						2022/23					
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
2,932,760	123,580	358,170	56,550	659,070	4,130,130	Present value of defined benefit obligation						2,245,530	65,540	201,510	42,830	441,483	2,996,893
-	-	-	-	(481,733)	(481,733)	Fair value of plan assets						-	-	-	-	(440,294)	(440,294)
2,932,760	123,580	358,170	56,550	177,337	3,648,397	Net liability / (surplus) arising from defined benefit obligation						2,245,530	65,540	201,510	42,830	1,189	2,556,599

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

2021/22		Pension Schemes PCC and Group	2022/23	
LGPS PCC £'000	LGPS Group £'000		LGPS PCC £'000	LGPS Group £'000
6,180	432,635	Opening fair value of scheme assets at 1 April	6,976	481,733
132	9,153	Interest income	191	13,101
473	32,913	Remeasurement (gains) and losses – return on plan assets	(510)	(42,836)
160	10,983	Contributions from employer	189	11,734
91	4,444	Contributions from employees into the scheme	115	4,776
(60)	(8,395)	Benefits paid	(84)	(8,794)
-	-	Administration expenses	-	-
-	-	Adjustment to recognise pension asset ceiling of nil	(104)	(19,420)
6,976	481,733	Closing fair value of scheme assets at 31 March	6,773	440,294

Note 35 Defined Benefit Pension Schemes (continued)

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

PCC only

31 March 2022 £'000	Pension Schemes PCC only (LGPS)	31 March 2023 £'000
9,325	Opening present value of scheme liabilities at 1 April	9,462
394	Current service cost	437
200	Interest cost	262
91	Contributions from Scheme participants	115
	Remeasurement (gains) and losses:	
-	• actuarial gains/losses arising from changes in demographic assumptions	215
(505)	• actuarial gains/losses arising from changes in financial assumptions	(4,833)
17	• experience gains and losses	1,199
-	Past service cost	-
(60)	Benefits paid	(84)
9,462	Closing balance at 31 March	6,773

Group

2021/22						Pension Schemes Group (including PCC)						2022/23					
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	Opening present value of scheme liabilities at 1 April		2,932,760	123,580	358,170	56,550	659,070	4,130,130				
3,250	80	69,460	1,700	26,998	101,488	Current service cost		-	-	58,290	1,440	26,968	86,698				
58,360	2,480	5,380	1,120	13,987	81,327	Interest cost		76,900	3,310	9,900	1,490	18,089	109,689				
820	300	13,810	-	4,444	19,374	Contributions from Scheme participants		-	-	14,560	-	4,776	19,336				
						Remeasurement (gains) and losses:											
-	-	-	-	-	-	• actuarial gains/losses arising from changes in demographic assumptions		(25,700)	(5,280)	(21,880)	70	4,272	(48,518)				
(34,800)	(2,610)	(6,430)	(570)	(34,508)	(78,918)	• actuarial gains/losses arising from changes in financial assumptions		(865,840)	(60,130)	(190,990)	(13,730)	(306,140)	(1,436,830)				
36,600	(400)	48,460	560	1,541	86,761	• experience gains and losses		189,310	1,430	14,900	(660)	43,340	248,320				
-	-	-	-	-	-	Past service cost		37,490	2,840	(40,330)	-	-	-				
(94,380)	(340)	(400)	(2,770)	(8,510)	(106,400)	Benefits paid		(99,390)	(210)	(1,110)	(2,330)	(8,892)	(111,932)				
-	-	-	-	-	-	Curtailments		-	-	-	-	-	-				
2,932,760	123,580	358,170	56,550	659,070	4,130,130	Closing balance at 31 March		2,245,530	65,540	201,510	42,830	441,483	2,996,893				

Note 35 Defined Benefit Pension Schemes (continued)

Local Government Pension Scheme Assets

2021/22				LGPS Pension Scheme PCC and Group		2022/23			
PCC only £'000	PCC only %	Group £'000	Group %			PCC only £'000	PCC only %	Group £'000	Group %
Equites									
17	0.2	1,159	0.2	• Other quoted (active markets)		1	0.0	36	0.0
17	0.2	1,159	0.2			1	0.0	36	0.0
Debt Securities									
1	0.0	52	0.0	• Corporate Bonds (non-investment grade)		-	0.0	9	0.0
41	0.6	2,874	0.6	• UK Government		26	0.4	1,711	0.4
348	5.0	24,034	5.0	• Other		400	5.8	26,771	5.8
390	5.6	26,960	5.6			426	6.2	28,491	6.2
Private Equity									
684	9.8	47,219	9.8	• All		730	10.6	48,844	10.6
684	9.8	47,219	9.8			730	10.6	48,844	10.6
Real Estate									
588	8.4	40,601	8.4	• UK property		573	8.4	38,349	8.4
9	0.1	648	0.1	• Overseas Property		9	0.1	576	0.1
597	8.5	41,249	8.5			582	8.5	38,925	8.5
Investment funds and unit trusts									
3,251	46.6	224,463	46.6	• Equities		3,107	45.2	207,664	45.2
1,253	18.0	86,528	18.0	• Bonds		1,149	16.7	76,819	16.7
576	8.3	39,797	8.3	• Infrastructure		690	10.0	46,123	10.0
130	1.9	8,985	1.9	• Other		126	1.8	8,431	1.8
5,210	74.8	359,773	74.8			5,072	73.7	339,037	73.7
Cash and cash equivalents									
78	1.1	5,373	1.1	• All		66	1.0	4,381	1.0
78	1.1	5,373	1.1			66	1.0	4,381	1.0
Adjustment to recognise asset ceiling of nil						(104)		(19,420)	
6,976	100.0	481,733	100.0	Total scheme assets Group and PCC		6,773	100.0	440,294	100.0

Note 35 Defined Benefit Pension Schemes (continued)

Basis for Estimating Assets and Liabilities

Assets in the Net Assets Statement are classified into 3 levels, according to the quality and reliability of information used to determine fair values. Level 3 assets are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Having analysed historical data and current market trends and consulted with independent investment advisors, the Actuary has determined that the valuation methods of Assets valued at Level 3 are likely to be accurate within certain ranges. The approximate changes in value of Assets valued at Level 3 are shown in the table below however, it should be noted that this is illustrative only and not necessarily indicative of the actual effects that would be experienced.

Total assets with SYPA as at 31 March 2023 are valued at £2,535m. SYP holds approximately 4.53% of the scheme's assets (taken from Deloitte's letter of assurance produced in 2021/22). Therefore, SYP holds private equity investments £115m. A change of 12% shown in SYPA's accounts as the estimation range equates to £13.8m.

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 Hymans Robertson and a full valuation of the scheme has been undertaken as at 31 March 2022 and used for the 2022/23 disclosures.

2021/22			2022/23	
PPS	LGPS		PPS	LGPS
£'000	£'000		£'000	£'000
Mortality Assumption:				
Longevity at 65 for future pensioners (in years)				
23.8	24.1	• Men	23.5	21.5
25.4	27.3	• Women	25.0	25.2
Longevity at 65 for current pensioners (in years)				
22.1	22.6	• Men	21.9	20.5
23.8	25.4	• Women	23.5	23.7
Financial Assumptions				
2.65%	2.70%	Rate for discounting scheme liabilities	4.65%	4.75%
3.00%	3.65%	Rate of inflation (CPI for GAD / RPI for LGPS)	2.60%	3.20%
3.00%	3.20%	Rate of increase in pensions	2.60%	2.95%
4.25%	3.65%	Rate of CARE revaluation	3.85%	2.95%
4.75%	4.20%	Rate of increase in salaries (long term)	3.85%	3.55%

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	58,000	1,000	4,000	1,000
Rate of increase in salaries – increase by 0.5%	15,000	4,000	-	1
Rate of increase in pension – increase by 0.5%	152,000	5,000	31,000	3,000
Rate of discounting scheme liabilities – increase by 0.5%	(153,000)	(9,000)	(26,000)	(4,000)

LGPS Assumption	Increase / (Decrease)	
	PCC only £'000	Group £'000
Longevity – increase by one year	271	17,659
Rate of increase in salaries – increase by 0.1%	31	1,396
Rate of increase in pension – increase by 0.1%	121	8,226
Rate of discounting scheme liabilities – decrease by 0.1%	150	9,488

Impact on the Cash Flows

The objectives of the LGPS is to keep employers' contributions at as constant a rate as possible. The next triennial valuation is due on 31 March 2025 with an effective date of 1 April 2026. 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 £2,556.5m has a substantial impact on the net worth of the PCC as recorded in the Balance Sheet, resulting in a negative overall balance of £2,415.3m.

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

- 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 2024 is £0.24m, a total of £13.22m for the Group. Expected contributions for the Police Pensions in the year to 31 March 2024 are £34.19m.

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

- LGPS – 21 years
- PPS 1987 – 15 years
- PPS 2006 – 30 years
- PPS 2015 – 29 years.

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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 and adjustments for investing and financing cash movements include the following items:

2021/22			2022/23	
£'000 Group	£'000 PCC		£'000 Group	£'000 PCC
6,188	6,188	Depreciation	9,053	9,053
(1,661)	(1,661)	Impairment and valuations	(1,082)	(1,082)
1,491	1,491	Amortisation	2,961	2,961
1,606	2,208	Increase / (decrease) in creditors	820	1,025
(1,087)	113	(Increase) / decrease in debtors	(13,339)	(12,111)
(1,590)	(1,590)	(Increase) / decrease in inventories	(100)	(100)
12,237	12,237	Increase / (decrease) in revenue grants in advance	4,884	4,884
1,809	1,809	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	581	581
(380)	(380)	Capital grants applied	-	-
(10,363)	(10,363)	Movement in provisions	3,043	3,043
551	551	Movement in long term liabilities	544	544
78,358	256	Reversal of IAS 19 adjustments net of cash contributions	81,700	273
1,246	46	Movement in pensions reserve – past service deficit paid in advance	1,274	46
61	61	Write down of PWLB premium loans	66	66
88,466	10,966	Adjustments for non cash movements from operating activities	90,405	9,183

2021/22		2022/23	
£'000 Group	£'000 PCC	£'000 Group	£'000 PCC
(91)	(91)	Proceeds from sale of Property, Plant and Equipment and Intangible Assets	-
1,554	1,554	Interest paid	1,480
(106)	(106)	Interest received	(1,219)
1,357	1,357	Adjustments for investment and financing cash movements from operating activities	261

Note 37 Cash Flows from Investing Activities

2021/22 £'000	2022/23 £'000
(16,635) Purchase of Property, Plant and Equipment and Intangible Assets	(13,390)
91 Proceeds from sale of Property, Plant and Equipment and Intangible Assets	-
380 Capital grants	-
45 Other receipts from investing activities	-
- Other payments for investing activities	-
106 Interest received	1,219
(16,013) Net cash flows from investing activities for Group and PCC	(12,171)

Note 38 Cash Flows from Financing Activities

2021/22 £'000	2022/23 £'000
- Cash receipts of short and long-term borrowing	-
- Other receipts from financing activities	-
(1,500) Repayments of short and long-term borrowing	(1,500)
- Other payments for financing activities	-
(1,554) Interest paid	(1,480)
(3,054) Net cash flows from financing activities for Group and PCC	(2,980)

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 2022/23. 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 2022/23 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 2022/23 Statement of Accounts in relation to the applications except for a small interim damages payment and legal costs. In relation to damages 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 116 claims are yet to be settled. The majority of these 116 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 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 were 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 are currently stayed. 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.

The current Police and Crime Commissioner (PCC), Dr Alan Billings, is due to step down from his role at the end of his term of office in May 2024.

In June 2023, the Mayor of South Yorkshire presented a proposal to transfer the PCC functions to the Mayor of South Yorkshire, and this was agreed by the four South Yorkshire district leaders (and supported by the PCC, the Home Office and the Department for Levelling Up, Housing and Communities (DLUHC)).

This means that the PCC election in South Yorkshire will be cancelled for May 2024. The term of office of the current Mayor will be reduced (the Mayoral election is not due until 2026) and a Mayoral election will be held on 2 May 2024. The candidates for Mayor will be campaigning on the basis that they will perform PCC functions as well as the other South Yorkshire Mayoral responsibilities.

The Home Office and DLUHC are currently working together on the statutory instrument required for the transfer, with plans for this to be laid in parliament on December 18th 2023, to come in to force in March 2024.

Once approved in parliament, this means that in May 2024 all PCC functions will legally transfer to the South Yorkshire Mayoral Combined Authority exercisable by the Mayor only, and all PCC property, rights and liabilities will transfer to the South Yorkshire Mayoral Combined Authority (SYMCA). Staff currently working in the Office of the Police and Crime Commissioner (OPCC) will become employees of SYMCA, and the role of PCC will be abolished in South Yorkshire.

This transfer of functions, property, rights and liabilities (including staffing) will take effect on 7 May 2024 when the new elected Mayor takes the PCC Oath.



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5. Police Pension Fund Account and notes



Note 42 Police Pension Fund Account and a Net Assets Statement

2021/22		2022/23	
£'000	£'000	£'000	£'000
Contributions Receivable			
<i>From the PCC</i>			
(30,856)	• Normal	(32,351)	
(296)	• Early Retirements	(579)	
(13,283)	<i>Officers' Contributions</i>	(13,913)	
(44,435)		(46,843)	
(1,718)	Transfers in from Other Schemes	(679)	
Benefits Payable			
79,388	• Pensions	83,144	
15,445	• Commutations and lump sum retirement benefits	17,495	
250	• Death benefits	204	
95,083		100,843	
Payments to and on account of leavers			
92	• Refunds of contributions	172	
-	• Transfers out to other Schemes	161	
92		333	
49,022	Net Amount Payable for the year	53,654	
(49,022)	Additional Contribution from the PCC (via Home Office)	(53,654)	
-	Additional Contribution from the PCC	-	
-	Net Amount Payable / Receivable for Year	-	

31 March 2022		31 March 2023	
£'000		£'000	
Current Assets			
186	• Amount owing from General Fund	(6,403)	
(186)	• Year end creditors	-	
-	• Pensions paid in advance	6,403	
-	Total	-	

Note 42 Police Pension Fund Account and a Net Assets Statement (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:-

- 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 the police pension scheme from 1 April 2019 at 31.0% of pensionable pay.

On 31st March 2022, the 1987 & 2006 Scheme were closed which means that from 1st 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.

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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

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

PAB	Public Accountability Board
PCC	Police and Crime Commissioner
PCS	Police Compensation Scheme
PEEL	Police Effectiveness, Efficiency and Legitimacy
PPS	Police Pension Schemes
PWLB	Public Works Loans Board
QPR	Quarterly Performance Review
RICS	Royal Institution of Chartered Surveyors
SCT	Senior Command Team
SOLACE	Society of Local Authority Chief Executives and Senior Managers
SYP	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

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