



Introduction to the Police  
and Crime Commissioner's  
and Group Statement  
of Accounts

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**2022/23**

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OFFICE OF THE **POLICE & CRIME**  
**COMMISSIONER** NORTH WALES





## Introduction from the Police and Crime Commissioner

2022/23 has been a successful year for North Wales Police and my Office. It was the last year of Operation Uplift – the plan to increase police officer numbers by 20,000 nationally – and North Wales Police achieved the overall target of an additional 206 officers by the end of March 2023. In order to maintain this establishment, there are plans to recruit 138 new officers in 2023/24. Recorded crime fell by 5.9% during the financial year, compared to the previous year.

My office was successful in securing significant additional funding during the year. This included over £1.1m to support Safer Streets Fund projects in Holyhead, Flintshire and Wrexham; £240,000 from the Home Office for the roll out of a Domestic Violence Perpetrator Programme; and £288,000 from Welsh Government to support women's refuges.

My office launched a new website, which receives around 2,500 visitors each month, and we now have 600 subscribers for the new fortnightly OPCC newsletter.

The net revenue budget of £182.268m was approved unanimously by the Police and Crime Panel on 31 January 2022. There was an underspend of £6.290m during the year, very much linked to the timing of recruitment linked to Operation Uplift, but also thanks to budgets being well-managed by the force. This is an achievement to be proud of, especially given the significant savings that have had to be found each year since 2010. This underspend has been added to my reserves, and has been taken into account when setting the council tax for 2023/24. The Chief Constable and I can therefore move forward confidently, in the knowledge that the organisations we lead are financially sound as they can be in the current period of uncertainty.

**Andy Dunbobbin**

Police and Crime Commissioner



## Introduction from the Chief Finance Officer

The Code of practice on Local Government Accounting in the United Kingdom 2022/23 (CIPFA/LASAAC) provides us with guidance on how we should prepare our accounts to comply with International Financial reporting Standards, and also in line with legislation, which requires us to show the balance of taxpayers' funds (the Usable Reserves) at the end of the financial year.

While we must comply with these requirements in preparing our Statements of Accounts, for the purposes of setting council tax and monitoring income and expenditure we measure our financial performance in the year by comparing our budget with our outturn (actual income and expenditure within the year) and the impact on the usable reserves.

### At the end of the financial year, the Police and Crime Commissioner transferred £8.352m to Reserves:

Scheme	Opening Balance 1 April 2022	Movement in Reserve	Closing balance 31 March 2023
	£m	£m	£m
General Reserve	6.006	0.114	6.120
Earmarked Reserves	34.481	7.011	41.492
<b>Total Revenue Reserves</b>	<b>40.487</b>	<b>7.125</b>	<b>47.612</b>
Capital Receipts Reserve	2.350	1.227	3.577
<b>Total Usable Reserves</b>	<b>42.837</b>	<b>8.352</b>	<b>51.189</b>

The Police and Crime Commissioner is required to hold reserves. He is not allowed to set a budget which would leave the usable reserves overdrawn. A full list of these reserves and an explanation of the movements is published within the Narrative Report of the PCC & Group Statement of Accounts.

## Revenue Budget

Planned savings of £0.755m were delivered during the year, an impressive achievement when taking into account the savings that have had to be made since 2010. A total of £8.352m (net) was transferred to reserves at the end of March 2023, of which £6.290m relates to revenue underspend. This underspend has enabled us to mitigate future costs, by increasing the Energy and the ESN (the project to replace the Airwave radio system) reserves in particular, reducing the increases needed for these amounts in the revenue budget for 2023/24.

Revenue Expenditure	Revised Budget 2022/2023	Outturn (Actual) 2022/2023	Variance Over/ (Under)spend
	£m	£m	£m
Employee Pay Costs	155.630	152.218	(3.412)
Other Employee Costs	5.986	5.899	(0.087)
Non-Staff Running Costs	39.974	40.522	0.548
Capital Financing	5.470	5.594	0.124
PCC Community Safety Fund and Partnerships	8.731	8.672	(0.059)
Income and Recharges	(10.979)	(13.367)	(2.388)
Specific Grants	(23.380)	(24.396)	(1.016)
<b>Operating Expenditure</b>	<b>181.432</b>	<b>175.142</b>	<b>(6.290)</b>
Net transfer to Earmarked Revenue Reserves	1.232	7.522	6.290
Transfer from Earmarked Capital Reserve	(0.510)	(0.510)	-
Transfer to General reserve	0.114	0.114	-
<b>Net Expenditure</b>	<b>182.268</b>	<b>182.268</b>	<b>-</b>
<b>Financed By:</b>			
Government Grants	88.407	88.407	-
Precept (Council Tax)	93.861	93.861	-
<b>Net overall expenditure</b>	<b>182.268</b>	<b>182.268</b>	<b>-</b>



Significant variances include:

- **Employee costs – underspend £3.412m**  
Pay accounts for 72% of the expenditure budget. The underspend arose primarily because the full-year cost of additional officers for Operation uplift was budgeted for the whole financial year, but in practice recruitment took place throughout the year.
- **Non-staff running costs – overspend £0.548m**  
Energy costs spiked in 2022/23 resulting in an overspend of £0.797m in this budget. Steps have been taken to purchase energy in advance of winter 2023/24 to take account of current reductions in energy prices.

There were also additional costs on furniture and equipment in order to fully implement the workforce agility programme; however, there were savings in the Information Technology and Transport budgets, bringing the overall overspend in the area to £0.548m.

- **Income – additional income £2.388m**  
Investment income has increased in line with interest rates, and there has been significant income from Mutual Aid, particularly linked to Royal events and the Commonwealth Games. Mutual Aid income arises from our officers being seconded on a short-term basis to other police forces, often for the purposes of policing events.

Included in the above is the cost of the Office of the Police and Crime Commissioner. The revised budget for the year was £0.955m, and the outturn was £1.004m. The general overspend of £0.043m related mainly to the staffing budget and additional IT costs has been funded from the OPCC General Reserve, and a further £0.006m relating to legal costs was funded from the OPCC Legal Reserve.

## Capital Budget

The revenue expenditure table include the effect of capital expenditure during the year on the income and expenditure account and reserves. The capital programme comprises expenditure on assets with a useful life of more than one year, such as land, buildings, vehicles and some IT equipment. When assets are sold, receipts of more than £10,000 must be transferred to the Capital Receipts Reserve, and can be used only to fund the capital programme or to repay debt. (In contrast, the earmarked reserve called the Capital Reserve derives from revenue, and the Commissioner may transfer amounts between the general fund and any earmarked reserve as he sees fit; these reserves are reviewed regularly to ensure they are allocated suitably to deliver the Police and Crime Plan.)

The original capital programme for 2022/23 was £11.176m. After adjustments for slippage and reprofiling, the revised capital programme for the year was £7.036m. Outturn for the year was £6.890m.

Capital Expenditure	Revised Budget	Expenditure	Variance
	£m	£m	£m
Building Works	2.747	2.348	(0.399)
Vehicles and Other Equipment	1.706	1.609	(0.097)
Information technology and Equipment	2.583	2.933	0.350
<b>Total Capital Expenditure</b>	<b>7.036</b>	<b>6.890</b>	<b>(0.146)</b>
<b>Funding:</b>			
Revenue Contribution	2.276	3.502	1.226
Earmarked Reserve	1.482	0.510	(0.972)
Capital Receipts	0.426	0.417	(0.009)
Borrowing for Estates	2.176	1.790	(0.386)
Borrowing for Replacement Programme	0.676	0.671	(0.005)
<b>Total Capital Funding</b>	<b>7.036</b>	<b>6.890</b>	<b>(0.146)</b>

The Vehicle Commissioning Centre and Workshop was completed and became operational in the autumn. Enhancement works in the Control Room and the fitting out of the new Llanrwst Police Station on a shared site were completed early in 2023/24.

A substantial cross-cutting Digital and IT upgrade programme commenced in 2019/20, and continued through to 2022/23. This included implementation of personal issue laptops and body worn video equipment for officers who previously shared equipment. Critical programmes progressed during 2022/23 include the upgrade to the Command and Control system, National Enablement Programme (to bring all police forces onto the same versions of standard software, which enables them to work together more effectively), a mobile app, and a replacement programme for mobile phones. Many of these projects will continue in 2023/24.

## **Reconciliation of Funding Available and GAAP**

This introduction shows how the funding available to the Police and Crime Commissioner has been spent to provide services, in comparison to the budget. It is on this basis that the expenditure and income is managed on a day-to-day basis, and this reflects the funding position, which is required under legislation.

However, the primary accounting statements in the PCC & Group Statement of Accounts are prepared and presented in accordance with generally accepted accounting practices (GAAP), and show the accounting cost in year rather than the amount to be funded from taxation. There is then an adjustment between the accounting basis and funding basis under regulations.