

**NORTH WALES POLICE & CRIME COMMISSIONER
GROUP STATEMENT OF ACCOUNTS
2022 – 2023**

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Narrative Report

Group Accounts – Narrative Report by the Chief Finance Officer, Kate Jackson

INTRODUCTION

This Narrative Report provides a commentary around how resources have been used by the organisation to achieve its desired outcomes. It is subject to independent scrutiny by our appointed external auditors and our aim is to produce a report that is fair, balanced and understandable.

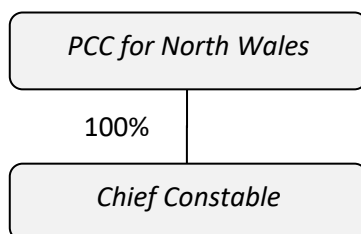
To that end the Narrative Report starts by clarifying the responsibilities of the Police and Crime Commissioner with sections on the organisation's Strategic Priorities, Operational and Financial Performance, Future Outlook and important content relating to the main Statement of Accounts which follows within this report.

GOVERNANCE & RESPONSIBILITIES

The Police Reform and Social Responsibility Act 2011 introduced the role of Police and Crime Commissioners in England and Wales with the new structure being implemented in 2012-2013

In principle, the Act established both the Police and Crime Commissioner and the Chief Constable as corporations sole, each deemed a separate legal entity that can employ staff, enter into contracts and take part in legal proceedings. The Police and Crime Commissioner has the responsibility to secure the maintenance of an efficient and effective police force and will commission the delivery of this from the Chief Constable. The Act has also established Police and Crime Panels for each policing area whose role is to hold the Police and Crime Commissioners to account for their decisions and actions.

In practice the two corporations sole are required to prepare their own statutory single entity Statement of Accounts, in accordance with the Code of Practice on Local Authority Accounting and relevant International Financial Reporting Standards. The Police and Crime Commissioner is also required to produce a set of Group Accounts. The Police and Crime Commissioner is identified as the holding organisation, and the Chief Constable is deemed a wholly owned subsidiary. A more detailed review of the governance arrangements in place is included later in this document in the form of the Annual Governance Statement but the nature of the group's structure is set out within the legislation and the preparation of the group accounts is in accordance with statutory accounting practice.



The Statement of Accounts for 2022-2023 provides a picture of the financial position at 31 March 2023 and a summary of the income and expenditure in the year to 31 March 2023.

NORTH WALES STRATEGIC PRIORITIES

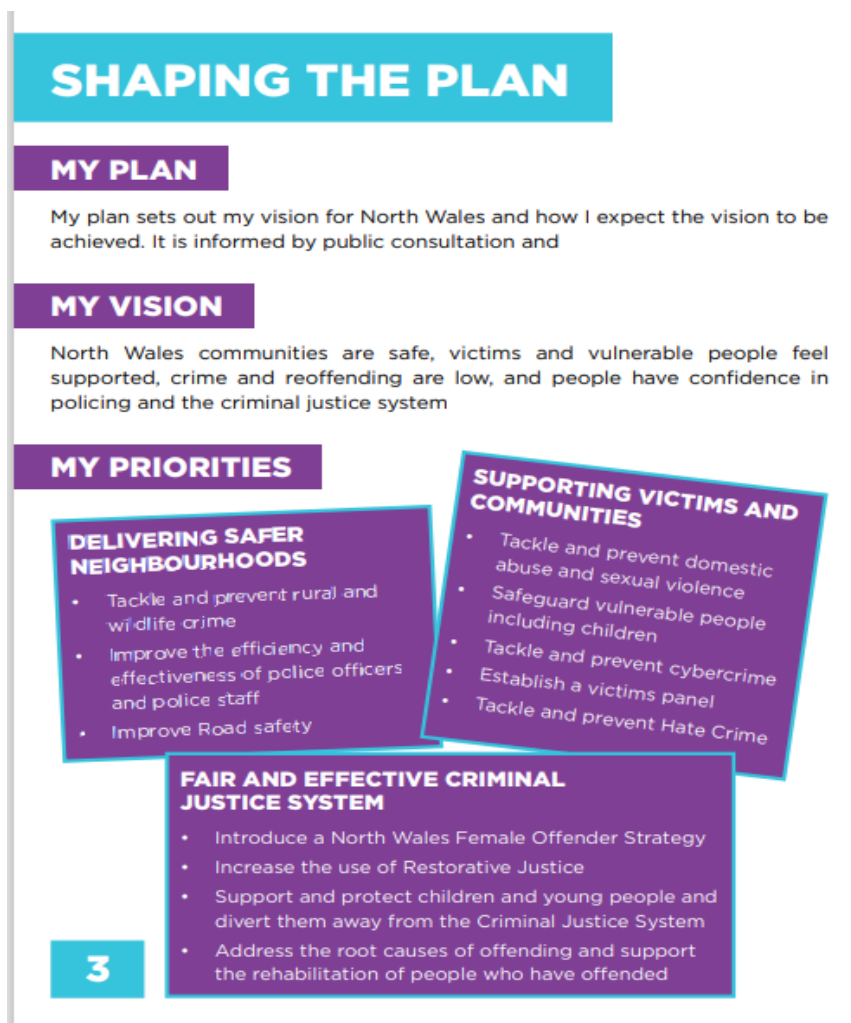
North Wales is regarded as one of the most beautiful places to live and visit in the UK.

With a population of over 700,000, the North Wales force area covers an area of 6,300 square kilometres extending from Bronington in the East to Aberdaron in the West and from Cemaes Bay in the North to Aberdyfi in the South.

The Force area covers the six geographic counties of North Wales, namely Gwynedd, Anglesey, Conwy, Denbighshire, Flintshire and Wrexham and is serviced by a single Health Board, Betsi Cadwaladr University Health Board and by the North Wales Fire and Rescue Service and Authority. The area is also serviced by the National Probation Trust and the Welsh Ambulance Service Trust.

North Wales encompasses both urban and rural areas including three cities, the Snowdonia National Park, two significant ports (Holyhead in Anglesey and Mostyn in Flintshire), expanding industrial regions and numerous busy towns, many of which attract a high volume of tourists during the summer months.

The Police and Crime Commissioner (PCC) Andy Dunbobbin was elected in May 2021. The PCC revised the Police and Crime Plan and set the priorities as summarised below. The full plan is available on the PCC's website.



The Covid-19 pandemic has been a significant factor in events since January 2020, although the effect of the pandemic on day-to-day policing reduced in 2022-23. However, as part of the COVID response plan a further five focus points in order to deal with the emergency situation, which were set out early in 2020-2021, remained in place in 2022-2023. These were:

1. Ensuring the Chief Constable has sufficient resources to respond to the emergency;
2. Ensuring, on behalf of our communities, that the police respond in ways that are necessary, sufficient, proportionate and ethical (holding to account);
3. Facilitating effective partnership working among agencies and groups working in community safety and criminal justice;
4. Commissioning services, particularly for victims of crime, and providing grants for policing and harm reduction purposes;
5. Ensuring that the long-term health of North Wales Police is protected by monitoring the organisation's recovery planning and activity beyond the Covid-19 emergency.

With the overall priorities set by the PCC, the Chief Constable's Delivery Plan sets out the specific actions North Wales Police will take to deliver these priorities. Of note is the importance of partnership working to tackle them.

All priority areas present issues beyond policing and an effective response can be delivered only in partnership as reflected in the graphic below:



The Chief Constable's 'plan on page' for 2022-2023 is outlined below:

OUR VISION -

Making North Wales the **safest** place in the UK

HEDDLU
GOGLEDD CYMRU
NORTH WALES
POLICE

PRIORITIES

PREVENT CRIME

PURSUE OFFENDERS

PROTECT THE PUBLIC

OUR FOCUS - How we deliver:

PEOPLE	PREVENTION	INNOVATION
Representative with great wellbeing and development	Adopt a preventative mindset across the whole organisation	Create an environment that supports innovation in our workplace
<ul style="list-style-type: none"> Attract a talented workforce which is representative of our communities Provide an outstanding wellbeing offer Support people to reach their full potential 	<ul style="list-style-type: none"> Problem solve issues with our partners Continue to develop our early intervention approach with our partner Work with partners to prevent re offending 	<ul style="list-style-type: none"> Maximise opportunities through digital and agility to allow our people to work effectively Improve accessibility for our communities Use data to help us to adapt to the changing demands our organisation faces

VALUE FOR MONEY - Efficient and effective use of resources

OUR EXPECTATIONS

<p style="margin: 0;">One Team Approach</p>	<p style="margin: 0;">Victims First at the Heart of What We Do</p>	<p style="margin: 0;">Do the Right Thing</p>
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WE ARE NORTH WALES POLICE

During the year, given the arrival of the new Chief Constable at the end of October 2022, the plan on a page developed with the key outcomes of focus for the force being to:

- Increase Trust, Confidence and Legitimacy
- Provide Excellent Service Delivery and
- Being Fit for the Future

OPERATIONAL PERFORMANCE

The Statement of Accounts is primarily focused upon the financial performance for the year; however, it is also important to consider key objectives and performance set out in the Police and Crime Plan 2021-2024. The priorities in the plan have been developed in response to the areas of greatest threat, risk and harm facing North Wales following an extensive consultation process. Despite the unique circumstances for much of this period the force faced as a result of the Covid-19 pandemic, the force retained its focus on value for money as it pursued its wider approach to service delivery.

Vision and Priorities 2022-2023

The vision for North Wales Police in 2022-2023 remained to 'Make North Wales the safest place in the UK,' although the introduction of the new Chief Constable in October 2022 has led to the evolution of this vision to become 'Make North Wales the safest place in the UK to live, work and visit'.

To deliver this vision, the following priority areas were identified. The first six areas are included in the PCC's Police and Crime Plan 2021-24. An additional PCC priority to tackle and prevent hate crime was included as part of force High Impact Crime priority area.

- Cyber Crime
- Rural Crime
- Domestic Abuse
- Sexual Abuse
- Exploitation of Vulnerable People
- Road Safety
- High Impact Crime including Serious Violence
- Violence Against Women and Girls (VAWG)
- Serious Organised Crime
- Preventative Policing
- Contact Handling and Response

Demand

2022-2023 saw no further COVID19 lockdown periods or restrictions. However the key areas of demand were:

- Recorded notifiable offences in 2022-2023 saw a 6% reduction over the previous financial year, although remained 6% above pre-COVID levels as seen in 2019-2020. A significant proportion of the increased recorded crime over 2019-2020 levels has been due to increases in Stalking and Harassment offences, following an emphasis on effective recording practices.
- The number of domestic abuse offences has fallen by 6% in the last year, whilst remaining significantly higher (+25%) than prior to COVID. Domestic stalking and harassment offences has fallen in comparison with 2021-2022 but remains higher than prior to COVID.
- Hate Crime and VAWG offences have also seen reductions over the previous financial year.
- A similar level of demand of sexual offences was recorded in comparison to 2021-2022.
- The longer term downward trend in Residential Burglary continued in 2022-2023, with recorded offences 9% below the previous fiscal year, and 39% lower than in 2019-2020.
- Indicative England and Wales Police Recorded Crime data to February 2023 has NWP in a minority of forces recording year on year reductions in recorded crime.
- Demand in relation to 999 calls also increased and has remained at a higher level.
- Non-emergency telephone contact has reduced in comparison to the pre-COVID period, with a greater volume of non-emergency contact coming via digital methods such as webchat and email.
- Transport related events remained at a similar level to previous years, excluding the reduced volume in 2020-2021 due to lockdown restrictions.
- Fatal Road Traffic Collisions occurrences saw higher volumes in 2022-2023, compared to the previous year and also the 2019-2020 total. The increased level in the latest financial year was driven by an unusually high volume recorded in April 2022, with volumes across the rest of the year in line with previous fiscal years.

National Performance Measures

During 2021-2022 the Home Office introduced a set of national performance measures against which they will hold the Police Service as a whole accountable. The measures include homicide, drug related crime, cyber crime, domestic abuse and neighbourhood crime. The intention is for a reduction in these measures as compared with the pre-covid baseline of July 2019. Performance is managed through a series of meetings within the Home Office involving the Policing Minister and the Home Secretary. The measures are reported on to the public by the Police and Crime Commissioner.

Forces' data relating to these national performance measures are due to be made available to members of the public during 2023-2024 in a more accessible manner through the public facing Digital Crime and Performance Pack.

Public safety and confidence

The annual public confidence survey was run in early 2023 and included questions about the public perception of policing and confidence levels.

- Respondents were asked how confident in general they are in North Wales Police. 86% of respondents expressed confidence in the police force, with just over a quarter (29%) very confident in North Wales Police. Although still high, perceptions have substantially decreased since 2020 in regard to the confidence respondents hold in North Wales Police in general (86% compared to 93%)
- Nine in ten respondents feel safe from crime and disorder in North Wales Police, and four in five respondents also feel that North Wales is safer compared to other areas around the UK, both similar findings compared to the 2020 survey.
- Nine in ten respondents agreed that they are treated with respect by the police when in any form of contact with them, the highest level of agreement in terms of police perceptions.
- 74% also agreed that they treat everyone fairly regardless of who they are.
- Perceptions are lowest however in regard to dealing with minor crimes, where just 58% agree that the police can be relied upon to deal with them. 61% also agree that the police deal with things that matter in the community, and 63% agreed that they can be relied upon when needed.

There has been significant, and at times very different, demand placed on the police service over recent years (including whilst under COVID restrictions) as well as dealing with the threats in crimes of terrorism, sexual exploitation and cyber-crime. Due to the PCC Elections in May 2021 resulting in a new PCC for North Wales, a new PCC Police and Crime Plan was published part way through the year in September 2021. As a result, the North Wales Police priorities were reviewed and adopted in December 2021. This resulted in the addition of priorities for Rural Crime and Cyber Crime. In addition, a Violence Against Women and Girls priority was introduced by North Wales Police. The Police and Crime Commissioner produces an Annual Report to detail performance for the year which can be found [here](#).

CORPORATE RISK

A Joint Risk Management Framework is shared by the Police and Crime Commissioner and Chief Constable to identify, evaluate and manage the risks faced by the respective organisations. The framework defines the steps that are required to gain the necessary understanding to support effective decision making.

Under the scrutiny of the Joint Audit Committee the Force has developed its risk management framework over recent years. Over the course of the year the corporate risk registers have tracked the emergence of new risks, the treatment and termination of existing risks and also any changes in the risk level occurring over the course of the year. The risk management framework itself has also been the subject of an annual review which included revisiting the Force's Risk Appetite statement.

Risk and Issues that were subject to particular scrutiny via the audit committee during the year included the Force Management Statement; Sustainability and Decarbonisation; various Digital and Information Technology aspects; Communication Strategy; Forensic Collision Investigation and the Forensic Collision Investigation Network; Attracting Staff and ICT resilience.

During the year the issue of Financial Risk was also considered and scrutinised by the Joint Audit Committee. This was from the perspective of ensuring there were sufficient financial resources to deliver the appropriate services to our community but also from the perspective of ensuring that the Force made the best use of the finances it had available, managed and limited any variances and sought to ensure the delivery of Value for Money. A key consideration for the Force when managing its financial risk is striking an appropriate balance between supporting the PCC in keeping precept increases to a minimum for local households whilst also ensuring that the force has the finances it needs to deliver on its operational priorities. Over the past two years the revenue reserves of the Force have increased significantly by £18.2 primarily due to underspends against its budget as it has looked to recruit the Officers and Staff it needs make the most of its Uplift funding allocations. Whilst this increase in reserves is positive in terms of positioning the force to deal with unforeseen financial events in future at a time of uncertainty, it is also an important consideration when setting future North Wales Police & Crime Commissioner Group Statement of Accounts 2022-2023

budgets and it is recognised that such large underspends should not become the norm. These issues are explored further in the Financial Performance section to follow which include an analysis of the underspends that occurred against the Revenue and Capital budgets during the 2022-23 financial year.

FINANCIAL PERFORMANCE

2022-2023 Budget

The Police and Crime Commissioner operated with a Net Revenue Budget of £182.268m for 2022-2023, which was formally agreed at a meeting of the Police and Crime Panel on 31 January 2022. This equated to a 5.14% increase to the base revenue budget from the previous financial year, comprising:

- Increase in precepts of 4.65%;
- Increase in Government funding of 5.65%, all of which was directed to increase officer numbers via Operation Uplift.

The CFO delivered a presentation and report for the panel outlining the precept proposal which was subject to scrutiny in the meeting. The precept proposal was approved unanimously.

The increase in Government Grants was directed towards recruiting, training, infrastructure and pay for an additional 82 Police Officers (Operation Uplift) in 2022-2023 to be used to fund future Uplift costs. The total increase of 206 additional officers was met in March 2023. From 1 April 2023 this higher establishment figure will be maintained. The additional funding for these officers was allocated by the Home Office in 2022-2023, this could not be committed to other recurring cost as it will be needed to fund the increased establishment, and this resulted in an overall under spend in this area for 2022-23.

2022-2023 Net Revenue Outturn & Net Transfer to Reserves

The precept proposal agreed on the 31 January 2022 utilised realistic assumptions deemed appropriate based on the information available at the time. This was noted in the HMICFRS inspection during the year. This took account of funding anticipated from sources other than the precept and the expenditure plans for the year and also the strength of the Force's balance sheet in terms of its Reserves (which then strengthened further due to underspends in the final quarter through to 31 March 2022). When setting the budget and the associated Precept proposal, consideration is also given to uncertainty and whether contingency budgets are required. Held centrally, by Corporate Finance, assumptions for 2022-23 were to include a contingency budget of £0.4m for Operational Major Incidents and a further £0.4m for Other Contingency and Inflation to provide for unplanned events that occur over the course of the Financial Year. This equates to 0.4% of the overall budget. With a view to keeping the annual contingency budget to a minimum, earmarked reserves are also used by the force to give the Force further ability to respond to changing circumstances or demands. Alongside the centrally held contingency budget, this removes the need to build contingencies into every individual budget.

Variances against budget will occur in any dynamic environment. As stated in the financial risk section of this report the level of revenue underspend that occurred in 2022-23 (whilst being well understood, and lower than in 2021-2022) was higher than would normally be expected. However, pay and non-pay inflation was highly volatile during 2022-23 which required some close monitoring and management during the year to assist in minimising the impact where possible.

The overall underspend was primarily driven by the final Uplift recruitment phase and was largely identified and quantified from the first quarter of the financial year. The capacity of the Force recruitment and training teams meant that Officers were brought into the force in 4 broadly equal tranches. Actual net operating expenditure for 2022-2023 was an outturn of £175.142m resulting in a net transfer to Group revenue reserves of £7.125m which is 3.9% of the Net Revenue Budget of £182.268m. As the underspend was known during the planning process £6m additional commitments were made as part of the Medium Term Financial Plan which managed the risk of future costs and volatility in the energy markets. The total transfer to reserves is £7.125m, was allocated as below:

	£m
Earmarked Reserves	6.530
Regional and National Collaborations	0.481
General Reserves	<u>0.114</u>
Net Transfer to Group Reserves	<u>7.125</u>

The overall net movement in Earmarked reserves (including the national and local partnerships where North Wales Police acts as the host force) is summarised below:

	£m	£m
Earmarked Reserves at 31 March 2022		34.481
Planned Movements	1.325	
Applied use of earmarked reserves	-0.973	
Additional amounts earmarked MTFP	6.000	
Final end of year other movements	0.092	
Partnerships and Collaborations	0.481	
OPCC Reserves	0.086	
Net Movement		7.011
Earmarked Reserves at 31 March 2023		41.492

Further context for the Earmarked reserve net movement of £7.011m was:

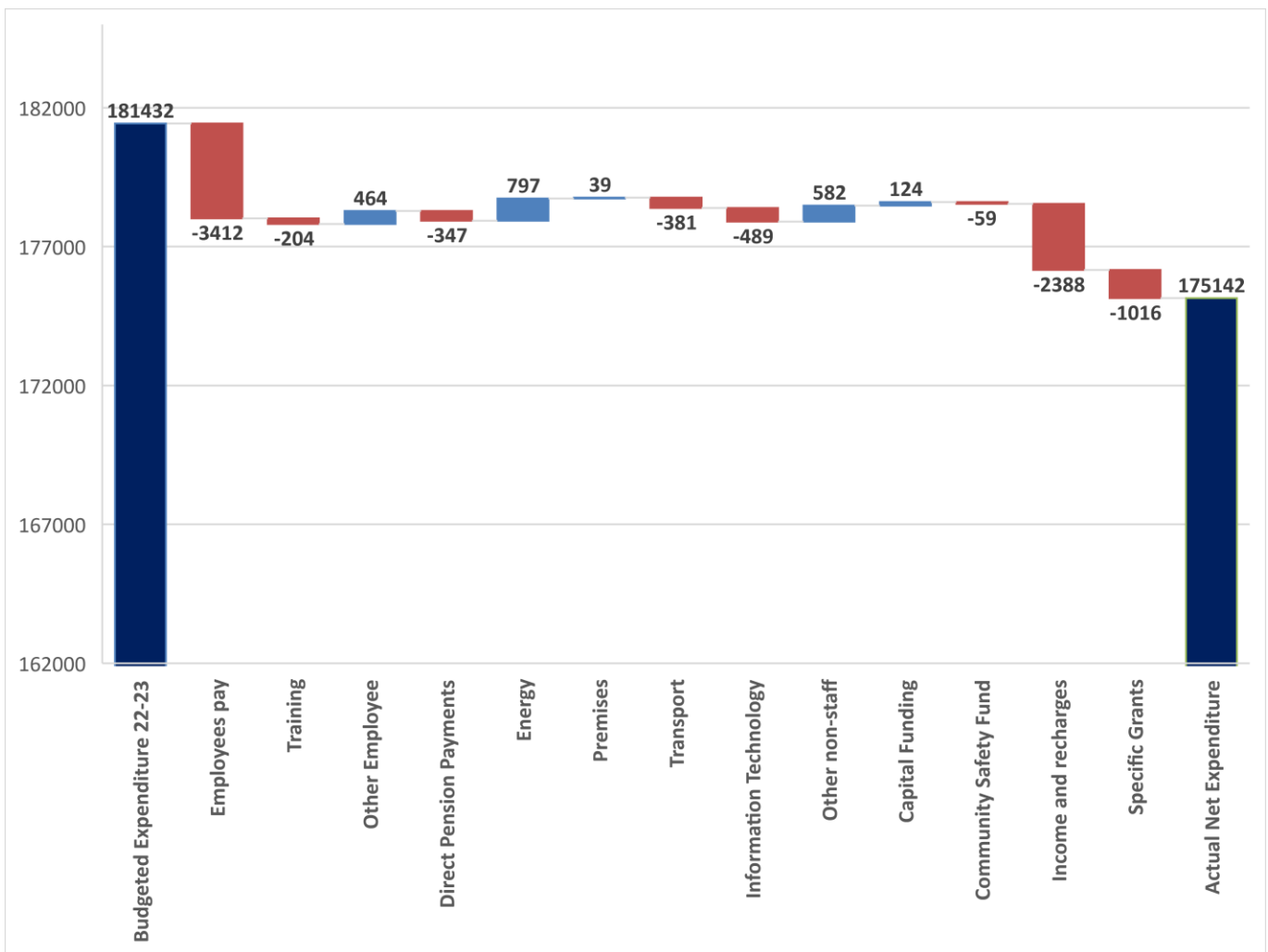
- £1.325m being a planned and committed net movement of earmarked reserves including contributions to the Uplift reserve (£0.216m) and Emergency Services Network (ESN) reserve (£1.350m) and planned use of PFI (-£0.241m);
- £0.973m being the use of earmarked reserves, namely the Estate Maintenance Reserve (£0.463m) and Capital Reserve (£0.510m)
- £6.000m being the planned contribution set out in the MTFP to the Energy Reserve (£2.000m), Sustainability Reserve (£2.000m) and the ESN Reserve (£2.000m), dealing with the exceptional inflationary pressure for utilities, the need to invest in line with the Force's sustainability strategy and the need to provide for future ESN costs respectively.
- £0.092m being the additional contribution to the Management of Change Reserve (£0.045m) and Police Education Qualification Framework (PEQF) Reserve (£0.047m)
- £0.481m related to contributions to earmarked reserves relating to the Forensic Collision Investigation Network and Minerva which North Wales Police host on behalf of all Policing areas, and other local and regional partnerships;
- £0.086m Reserves directly related to the OPCC;

In addition to the above £3.027m has been transferred to the ESN reserve from the Uplift Reserve (£1.144m) and the Management of Change Reserve (£1.883m) as planned in the MTFP. This creates a total reserve for ESN of £7.285m and moves the management of future investment cost from the revenue budget to the balance sheet. As this national project has been delayed it was no longer sustainable, affordable or necessary to maintain an annual revenue budget of £1.350m; however, the risk of future significant costs needed to be mitigated.

The increase to the General Reserve of £0.114m represents the planned amount which, together with the additional contribution in 2021-2022 to ensure the General Reserve is maintained at the minimum level of 3% of net revenue budget throughout the next four years based on current assumptions.

Analysis of Outturn v Total Budgeted Operational Expenditure

Operating expenditure for the year increased by 6.12% on prior year to £175.142m (2021-2022: £165.037m), however despite this overall, there was still a £6.290m underspend variance to budgeted operating expenditure of £181.432m. This variance is further explained first graphically and then also line by line below.



	£'000	£'000
Employees pay underspend		-3,412
Training	-204	
Other Employee	464	
Direct Pension Payments	<u>-347</u>	
Employee other underspend		-87
Energy	797	
Premises	39	
Transport	-381	
Information Technology	-489	
Other non-staff	<u>582</u>	
Total non-staff underspend		548
Capital Funding		124
Community Safety Fund		-59
Additional income and recharges		-2,388
Additional Specific Grants Received		-1,016
Total revenue underspend		-6,290

The outturn spend and financing is in the table below with further explanation of the key variances following:

ACTUAL 2021-2022 £m	REVENUE EXPENDITURE	BUDGET 2022-2023 £m	ACTUAL 2022-2023 £m	VARIANCE + (-) £m
143.824	EMPLOYEE PAY COSTS	155.630	152.218	-3.412
5.270	OTHER EMPLOYEE COSTS *	5.986	5.899	-0.087
35.710	NON STAFF RUNNING COSTS	39.974	40.522	0.548
5.258	CAPITAL FINANCING	5.470	5.594	0.124
8.897	PCC COMMUNITY SAFETY FUND, PARTNERSHIPS and COLLABORATION	8.731	8.672	-0.059
-11.837	INCOME AND RECHARGES	-10.979	-13.367	-2.388
-22.085	SPECIFIC GRANTS	-23.380	-24.396	-1.016
165.037	OPERATING EXPENDITURE	181.432	175.142	-6.290
8.303	TRANSFERS TO/-FROM EARMARKED RESERVES (REV)	1.232	7.522	6.290
-0.564	TRANSFERS TO/-FROM EARMARKED RESERVES (CAP)	-0.510	-0.510	0.000
0.589	TRANSFER TO/-FROM GENERAL RESERVE	0.114	0.114	0.000
-1.282	TRANSFER FROM INCOME IN ADVANCE	0.000	0.000	0.000
1.282	ADDITIONAL TRANSFER TO EARMARKED RESERVE	0.000	0.000	0.000
173.365	NET EXPENDITURE	182.268	182.268	0.000
	FINANCED BY:			
83.677	TOTAL GRANTS	88.407	88.407	0.000
89.688	COUNCIL TAX PRECEPT	93.861	93.861	0.000
173.365	TOTAL FINANCING	182.268	182.268	0.000

*Includes direct pension payments, training and all other employee costs

Further Analysis of Revenue Outturn – Underspend £6.290m

Primary reasons for the underspend outlined above were:

Employee pay costs – Underspend £3.412m

Pay costs for officers and staff is the largest single item in the budget, accounting for 72% of the expenditure budget. The main underspend was on Police Pay (£4.169m). This underspend was due to agreed growth from Operation Uplift being implemented over the course of the year, whereas the budget allowed for officers to be in place throughout the whole period. The increase in Uplift officers was actively managed to ensure that it was achieved as soon as possible without compromising on the quality or standards of the recruitment and training processes. Establishment was attained in March 2023.

The underspend in this area due to the recruitment profile was identified early in the year and was made available to meet additional policing demand over the busy summer period with overtime being considered where deemed to be an appropriate tool to ensure that the Force continued to service the operational demand that it faced. Key decisions in this area were overseen by the Chief Officer lead ensuring value for money was a key consideration. Staff pay was over budget by £0.283m as additional temporary staff were also employed (including £1.450m of agency costs). As a result of the above overtime was overspent by £0.624m due to additional mutual aid work and additional requirements due to extra bank holidays, increased football policing costs and COVID abstractions at the beginning of the year. The balance was due to an underspend on allowances. Ultimately, the key driver of underspend was due to Uplift officers progressing through the recruitment pipeline and the Force managed this position by using other tools such as overtime to ensure it delivered an appropriate service to its communities. Whilst this use of overtime offered additional flexibility for the force, given the Uplift officers have now been recruited its use in the future will need to be closely managed to ensure that the Force lives within its financial means.

Other employee costs – Underspend £0.087m

Although the overall figure is relatively low, the variances within the categories are more significant.

- **Training – Underspend £0.204m**

Although there was a significant increase in expenditure from the previous year (+32%), there was an overall underspend of £0.204m. An element of this relates to PEQF (Police Education Qualifications Framework) costs

which has been reserved for future activity, while the balance was across all codes including associated expenses, which remain lower than before Covid as more courses are held online. The actual training delivered was carefully prioritised and managed over the course of the year despite the underspend to ensure the force retained the appropriate skill level in critical areas.

- **Other Employee – Overspend £0.464m**

The main element in this category is the increase in provision for known employee and public liability cases. Cases have been averaging at 46 over the last 5 years, but increased to 62 in 2022-2023. There has also been an increase in high costs cases. The cases themselves continued to be managed and overseen by the Legal Services department with regular monitoring reported into the Strategic Executive Board and Joint Audit Committee.

- **Direct Pension Payments – Underspend £0.347m**

The underspend is due to fewer officer Ill Health Retirement cases than budgeted (average of seven per year, there were two during 2022-2023) occurring during the year. For each Ill Health Retirement, the cost is twice the officer's salary, which is paid to the Pension account from the Revenue account, but the force progresses these as merited by the circumstances using a balance sheet reserve to manage any significant variations in volume. Regardless of the amount spent the appropriate cases were progressed over the course of the financial year.

Non Staff running costs – Total Overspend £0.548m

The main variances are analysed below:

- **Energy – Overspend £0.797m**

Energy costs spiked in 2022-2023 resulting in the overspend. Given the increases in cost the Force reviewed its commercial strategy, engaging with experts in the field to develop its purchasing strategy with a view to securing Value for Money. This has resulted in steps being taken to purchase energy earlier for the winter 2023-2024 in order to take advantage of current reductions in the energy market.

- **Other Building Costs – Overspend £0.039m**

Some additional unplanned maintenance work in the last quarter. The budget and costs include planned maintenance work funded from reserves of £0.463m

- **Transport Costs – Underspend £0.381m**

Vehicle running costs were underspent by £0.174m due to reduced tyre costs, fuel prices reducing in the second half of the year and low accident repair which also resulted in low claim rebate on insurance. £0.049m saving on Car and Travel allowances remained at a lower level due to use of technology and there was £0.086m underspend on the National Police Air Support contract.

- **Information Technology – Underspend £0.489m**

The underspend is due to a number of development projects which have not as yet been fully implemented. Of significance is the Mobile App work stream offering new functionality for officers at the point of service. This progressed over the course of the year but was not completed and is likely to be commissioned in 2023-24.

- **Other non-staff including contingencies – Overspend £0.582m**

There was additional spend on equipment and furniture as agility was fully implemented. Collaboration projects incurred additional costs due to Forensic Toxicology dual running and Niche regional upgrade.

PCC Community Safety, Partnership and Collaboration – Underspend £0.059m, the underspend related to the balance on the Community Safety Fund. Projected variances were identified early in the year on the expenditure headings enabling budgets to be flexed to meet demand.

Capital Funding – Additional revenue contribution of £0.124m to fund capital expenditure, the majority of which related to additional income received for specific capital projects.

Income - Additional income £2.388m

Significant items driving the variance include:

- **Secondments and other recharges income - £0.360m** in excess of the budget due to additional secondments during the year with any secondments being considered alongside the needs of the force.
- **Investment Income £0.604m** in excess of budget due to additional interest income due to higher rates and balances being relatively high. These returns were achieved without compromising the Force's risk appetite in this area.
- **Other income - £1.424m** in excess of the budget. A major contributor was Mutual Aid income from a number of smaller operations, and also larger deployments for Royal events and the Commonwealth Games. Whilst certain elements of income recovered are offset by the additional expenditure incurred by the Force, in some instances

this is not the case and charging guidance provides for cost recovery that goes beyond just the incremental costs incurred by the force. Where this occurs beyond the planning assumptions made at the start of the Financial Year it adds to the overall level of underspend against budget outturn by the Force. Additional income was also received for events, training, use of custody facilities by other agencies and a one-off refund of rates. Whilst the resources provided through mutual aid were significant, the local operational impact for substantial deployments is considered at Chief Officer level prior to agreement to ensure local services aren't compromised through the provision.

Additional grant income - £1.016m

Several additional grants or increased final payments for existing grants were received during the year, the majority in Q3 and Q4. For example – Ports Grant £0.147m; PCSOs £0.195m; POCA £0.340m; LEDS Adoption £0.148m; Substance Misuse £0.158m and other movements £0.028m.

Office of the Police & Crime Commissioner – Net Underspend £0.156m

Included within the relevant headings 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 and was funded from the OPCC General Reserve and a further £0.006m related to legal costs and was funded from the OPCC Legal Reserve. There was also an underspend of £0.017m on Checkpoint, together with a £0.118m underspend on the Community Safety fund which were added to the respective reserves.

The Office of the Police and Crime Commissioner is responsible for commissioning services to support the Police and Crime Plan which amounted to £5.831m in 2022-2023. This was funded from the Commissioner's Community Safety budget and grants including Ministry of Justice grant to support victims of crime, and from Welsh Government for the VAWDASV programme. This expenditure was administered by the Office of the Police and Crime Commissioner during the financial year.

Forensic Collision Investigation Network FCIN

North Wales Police has agreed to host the FCIN in order to enable the accreditation of collision investigations nationally. All Policing areas in England and Wales have signed a collaboration agreement which includes the funding of the FCIN. 2022-2023 was the third year for FCIN, and during the year an independent review of the programme was concluded. Contributions exceeded costs by £0.441m, this amount has been set aside within the reserves to fund future FCIN costs governed by the FCIN National Board. The overall aim of the programme remained unchanged despite the delays in expenditure, although the independent review will result in some changes to the delivery model of the programme.

Further Analysis of Capital Financing

The Force's Capital programme is focussed on ensuring that its efficiency and effectiveness is sustainable into the future, allowing it to refresh and renew its assets at the appropriate times. Over recent years the force has had an ambitious and challenging capital programme and whilst much has been delivered, the general pattern has been for elements of the programme to be deferred to following years. Whilst this picture is not uncommon for the public service sector, these deferrals of spend do potentially defer the benefit associated with those programmes into the following years as well.

The original Capital Budget for 2022-23 was approved as part of the Capital Strategy in March 2022 at £11.176m. Once final figures for 2021-22 were known the Programme was reviewed to include carry forward figures from 2021-22 and then re-profiled to reflect anticipated activity. Taking these into account, a revised estimate of £9.375m was set. This process also took account of the underspends seen in recent financial years against the Capital budget set. Whilst these underspends were driven by a range of factors (including elements beyond the Force's control) the Force was also mindful that the Capital budget set for 2022-23 needed to be realistic and deliverable.

Quarterly reviews and re-profiles were conducted with Q2 revised estimate of £8.849 and Q3 of £8.799m and final Estimate of £7.036m as part of the Capital Strategy figures agreed in March 2023. The final spend was £6.890m. Whilst this differs significantly to the original planned figure of £11.176m, the reality is that a number of important areas have been progressed and moved forwards over the course of the financial year. Capital expenditure remains challenging in all areas with general issues being planning delays, inflation affecting tendered costs and supply chain issues. This means that the underspend against the budget has been primarily driven by delays to delivery rather than schemes coming in at a lower cost than anticipated. Indeed certain schemes – particularly in construction – have experienced significant inflationary pressure over the course of 2022-23.

A summary is given below with the variance column analysing the difference between the Revised Budget and Actual outturn:

Description	Original Estimate (MTFP & Cap Strat Mar 22) £000	Revised Estimate 2022-23 Q1 £000	Revised Estimate 2022-23 Q2 £000	Revised Estimate 2022-23 Q3 £000	Revised Estimate 2022-23 (Cap Strat Mar 23) £000	Outturn 2022-23 £000	Variance 2022-23 £000	Variance from Original £000
Capital Expenditure:								
Total Building Works	4,452	3,612	2,797	2,747	2,747	2,348	-399	-2,104
Total Vehicles and Other Equipment	2,480	2,732	2,732	2,732	1,706	1,609	-97	-871
Total Information Technology and Equipment	4,244	3,031	3,320	3,320	2,583	2,933	350	-1,311
Total Capital Expenditure	11,176	9,375	8,849	8,799	7,036	6,890	-146	-4,286
Funding:								
Home Office Grant	123	0	0	0	0	0	0	-123
Revenue Contribution	2,054	2,176	2,181	2,181	2,276	3,502	1,226	1,448
Earmarked Reserves	2,352	2,941	2,820	2,820	1,482	510	-972	-1,842
Capital Receipts	336	576	426	426	426	417	-9	81
Borrowing for Estates	3,469	2,861	2,321	2,271	2,176	1,790	-386	-1,679
Borrowing for replacement programme	2,842	821	1,101	1,101	676	671	-5	-2,171
Total Funding	11,176	9,375	8,849	8,799	7,036	6,890	-146	-4,286

Key elements of the capital programme driving the figures are outlined below:

- **Building and Estates Work** – 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 a new Llanrwst Police Station on a shared site were completed early in 2023-2024. The Holyhead new Police Station Project is progressing to tender stage following a value for money (VFM) review due to anticipated increased costs, and upgrading work in Caernarfon Police Station has progressed to contract stage following a VFM review due to higher than expected tendering costs.
- **Vehicles and Equipment** - Vehicle replacement has continued to be extremely challenging in 2022-2023. A combination of the final national contract (and pricing) being agreed later than expected caused a backlog, supply issues due to a number of reasons resulted in considerable slippage into 2022-2023 with a level of uncertainty on delivery dates continuing. These issues continued during 2022-2023. However, 51 vehicles were delivered with a further 24 arriving in April 2023 leaving only 30 of the backlog remaining, which is an improvement on the overall position. Again, despite the delays to the procurement of vehicles the force continues to operate a well maintained, effective fleet with generally high availability figures for its core fleet.
- **IT and Communications** – A substantial cross-cutting Digital and IT upgrade programme commenced in 2019-2020 and continued through to 2022-2023. This included implementation of personal issue laptop and personal-issue body worn video equipment for officers who previously shared equipment (now completed), national projects, and other smaller upgrades and developments within the Force's infrastructure. A number of critical workstreams have continued to progress over 2022-2023 including the areas of upgrading the Force's Command & Control system, NEP, a Mobile App and the replacement programme for mobile phones. Many of these works will continue in 2023-2024. Whilst some of the delays in expenditure have caused a coinciding delay to the ultimate realisation of the benefits expected from the works, the delays are generally well understood and well managed and in other areas progress has resulted in incremental benefits of improved efficiency, effectiveness and risk reduction.

More generally the force continues to monitor and scrutinise its business change programme and the associated capital expenditure, reporting on progress and key variances routinely through the force governance.

RECONCILIATION OF FUNDING AVAILABLE & GAAP

The earlier sections of this report show how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year have been spent to provide services in comparison with the original budget. It is on this basis that the expenditure and income is managed on a day-to-day basis.

However, the primary statements that follow within the Statement of Accounts are prepared and presented in accordance with generally accepted accounting practices and show the accounting cost in year rather than the amount to be funded from taxation. The differences are detailed in Note 7. Adjustment between accounting basis and funding basis under regulations.

RESERVES, PROVISIONS, SOURCES of INCOME & BORROWING:

Reserves - Overall, it is recognised that the Reserves of the Force have increased significantly over the last two Financial Years primarily driven by the increase in Revenue reserves of £16.7m driven by the financial underspends that occurred over this period. The net effect of this has been to strengthen the force's balance sheet and to improve its overall standing in terms of its Financial Resilience. Whilst the level of underspend seen over this period is higher than historical run rates, the Force has considered the most appropriate Earmarking of these reserves to ensure that the Force delivers Value for Money and can facilitate the management of risk and investment in infrastructure in the future as appropriate. Furthermore this strengthened Balance Sheet will also need to be considered when establishing the most appropriate financial plans for 2023-24 and beyond. The reserve movement and year end balances outlining where they ultimately settle at 31/03/2023 are shown in the table below:

Movement in Reserves 2022-2023	Balance at 31/03/2022 £m	Transfers Out 22-23 £m	Transfers In 22-23 £m	Total Movement 22-23 £m	Transfer between £m	Balance at 31/03/2023 £m
General Reserve	6.006	0.000	0.114	0.114	0.000	6.120
Earmarked Reserves						
Capital Reserve	3.810	-0.510	0.000	-0.510	0.000	3.300
Pensions ill health reserve	0.975	0.000	0.000	0.000	0.000	0.975
PFI Reserve	2.918	-0.241	0.000	-0.241	0.000	2.677
Major Incident Reserve	2.435	0.000	0.000	0.000	0.000	2.435
Insurance Reserve	1.561	0.000	0.000	0.000	0.000	1.561
Estates Security and Maintenance	1.604	-0.463	0.000	-0.463	0.000	1.141
Management of Change Reserve	8.427	0.000	0.045	0.045	-1.883	6.589
Training Reserve	0.650	0.000	0.000	0.000	0.000	0.650
Uplift Reserve	4.403	0.000	0.216	0.216	-1.144	3.475
ESN Reserve	0.908	0.000	3.350	3.350	3.027	7.285
COVID Reserve	0.284	0.000	0.000	0.000	0.000	0.284
PEQF Reserve	0.575	0.000	0.047	0.047	0.000	0.622
Energy Reserve	0.800	0.000	2.000	2.000	0.000	2.800
Sustainability Reserve	0.000	0.000	2.000	2.000	0.000	2.000
Neighbourhood Policing Reserve	1.282	0.000	0.000	0.000	0.000	1.282
Partnerships Balances Reserve	0.952	-0.016	0.126	0.110	0.000	1.062
FCIN Reserve	1.615	-0.051	0.492	0.441	0.000	2.056
Minerva	0.294	-0.070	0.000	-0.070	0.000	0.224
PCC's Community Safety Fund	0.581	0.000	0.118	0.118	0.000	0.699
Checkpoint (OPCC)	0.030	0.000	0.017	0.017	0.000	0.047
Legal Reserve (OPCC)	0.106	-0.006	0.000	-0.006	0.000	0.100
Office of the PCC	0.271	-0.043	0.000	-0.043	0.000	0.228
Total Earmarked Reserves	34.481	-1.400	8.411	7.011	0.000	41.492
Total Revenue Reserves	40.487	-1.400	8.525	7.125	0.000	47.612
Capital Receipts Reserve	2.350	-0.417	1.644	1.227	0.000	3.577
Total all reserves	42.837	-1.817	10.169	8.352	0.000	51.189

Usable Reserves – these are available for future expenditure (further details are in Notes 7 and 8).

The Police and Crime Commissioner's reserves are required to meet any unforeseen events, fund the revenue and capital plans of the Force and Office of the Police and Crime Commissioner over forthcoming periods, and to facilitate changes and developments that are required to improve efficiency and effectiveness and meet new demands.

Significant savings delivered over the last 12 years of £39m mean that any 'low hanging fruit' has been long since picked, and any further savings become harder to deliver and at increased risk of affecting service delivery. Furthermore, the continued uncertainty over government funding and large-scale national projects being implemented also adds to a context where the force must be prudent in the management of its finances. The Police and Crime Commissioner continues to implement the budget strategy to deliver the required savings over the period and as part of this £0.755 million savings were identified and delivered during 2022-2023 with the planning process balancing the proposals against the levels of risk that they created.

As part of the strategy, the level of reserves and provisions currently held is considered prudent and the general reserve has been increased to £6.120 million to maintain it within the acceptable range of 3% to 5% as defined in the Medium Term Financial Plan covering the next 4 years.

There were several movements within the reserves during 2022-23. Key elements in 2022-2023 to comment on in relation to Reserves and other long-term funding are listed below:

Capital Reserve – planned use of £0.510m towards capital funding.

Pension III Health Reserve - not used in 2022-2023.

PFI Reserve – the Police and Crime Commissioner has a PFI scheme for the Divisional headquarters in St. Asaph. The funding for this scheme continues to be partially met from government grants, with the remainder funded by the revenue budget and an earmarked reserve. Details of the scheme and liability can be seen in Note 31. This is a planned contribution of £0.241m offsets the annual reduction in grant.

Major Incident Reserve – not used in 2022-2023.

Insurance Reserve – a review was independently conducted during 2021-2022, there are no changes in 2022-2023.

Estates Security and Maintenance – established to cover the costs relating to the Estates Condition Survey carried out in 2018-2019 and any other unforeseen significant estates works. Expenditure of £0.463m funded in 2022-2023.

Management of Change – planned withdrawal transfer of £1.883m to the ESN reserve and a contribution of £0.045m from final balances.

Training Reserve –The reserve is considered to be at the right level to deal with the training backlog following the reduction in training due to COVID during 2020-2021 and 2021-2022, no additional funding was required in 2022-2023.

Uplift Reserve – the Home Office strongly advised that any uncommitted Uplift funding should be put to one side to fund future recruitment, training of probationers, and infrastructure. £0.216m contribution as planned and a transfer of £1.144m to the ESN reserve as set out in the MTFP.

Emergency Service Network (ESN) Reserve – planned contribution of £3.350m to fund the ESN implementation and transfer of £3.027m to move the risk of future costs to the balance sheet.

Neighbourhood Policing Grant – In place to manage short-notice changes to grant conditions relating to Police Community Support Officers (PCSOs) or other one-off Neighbourhood Policing requirements.

COVID reserve – Not used in 2022-2023, balance can be considered for re purposing during 2023-2024.

Police Education Qualifications Framework (PEQF) – probationers commenced with the PEQF qualifications from September 2020. As the numbers of Probationers increase due to Operation Uplift so too do the associated costs where there will be a peak in 2023-2024. By creating the reserve, this can be used to fund the peak in costs, so that a budget increase is not required. Contribution of £0.047m in 2022-2023.

Energy Reserve –reserve set up to mitigate the risk of volatility in energy prices. Planned contribution of £2m to mitigate the expected peak in costs over the next two years.

Sustainability Reserve -reserve set up to invest to improve sustainability and reduce costs.

Partnership balances - a number of partnerships and regional collaborations where balances are held, which will be used to fund future expenditure. Net contribution of £0.110m.

FCIN – the Force has agreed to host the Forensic Collision Investigation Network in order to facilitate national accreditation of Forensic Collision Investigation work. Contributions exceeded costs by £0.441m during the year, with this amount being set aside within the reserves to fund future FCIN costs governed by the FCIN Management Board.

Minerva (a partnership between 26 UK police forces and Niche Technology) – North Wales Police agreed to host the partnership from 2021-2022. Planned use of £0.070m.

Community Safety Fund – contribution of £0.118m balancing the contributions and costs of the various commissioned work by the PCC.

Checkpoint Reserve - £0.017m added to fund the future replacement of vehicles.

OPCC Legal Reserve – £0.006 used in 2022-2023.

OPCC Reserve –£0.043m used in 2022-2023.

Capital Receipts Reserve - this can be used only to fund capital expenditure; Proceeds from the sale of land at Llay and Conwy Police Stations were added, as well as the sale of 4 Vehicles with proceeds of over £10k totalling £1.644m. £0.417m of the reserve was used to finance the Capital Programme.

Full details of the capital expenditure and financing are shown in Appendix A.

Pensions impact on Reserves

The Police and Crime Commissioner has a negative reserve on the Balance Sheet arising from the treatment of IAS 19 Employee Benefits. This relates to the Police Officers’ Pension Schemes and the Police Staff Local Government Pension Scheme liabilities/assets. This amounts to a net deficit of £1.355 billion as at 31 March 2023. The Police Officer Pension Schemes are unfunded, and the amount shown in the reserve of £1.356 billion represents the amount that would be required to have a fully funded scheme - this liability is underwritten by the Home Office. The Police Staff Local Government Scheme does have a fund to finance future liabilities, and the reserve shown of (£0.001) billion reflects the reported surplus in the fund as at the end of March 2023. Further details are shown in Note 34 in the accounts. The Police Pension Scheme was subject to actuarial revaluation in 2020 and the Police Staff Local Government Scheme subject to actuarial revaluation in 2022, the results of these have been incorporated within the Statement of Accounts.

Capital Balances & Reserves:

The following table provides a summary of the capital balances and reserves held by the Police and Crime Commissioner. There is a significant increase in the Unusable Capital Reserves which are detailed in Note 20. This is as a result of a change in valuation method for those buildings which are considered to be specialised in nature and is due to a change in the guidance for valuers. These adjustments that are made in the balance sheet to reflect the difference between General Accepted Accounting Practice (GAAP) and statutory provisions and are not available to be used:

CAPITAL BALANCE AND RESERVES	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
	01/04/2022		31/03/2023
	£'000	£'000	£'000
USABLE CAPITAL RESERVES			
Capital Receipts Reserve	2,350	1,227	3,577
UNUSABLE CAPITAL RESERVES			
Revaluation Reserve	20,513	18,721	39,234
Capital Adjustment Account	19,555	14,087	33,642

During the year the Police and Crime Commissioner reviewed asset valuations of 19 properties within the portfolio.

Provisions

PROVISIONS	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
	£'000	£'000	£'000
INSURANCE FUND	654	619	1,273

Further breakdown is shown in Note 18. The amounts shown are for known liability claims.

Sources of Income

The Comprehensive Income and Expenditure account shows where the Police and Crime Commissioner’s money comes from and what it is spent on. The majority of his income was received from Government Grants and the precept, which is raised locally and is collected by the Unitary Authorities along with their council tax.

The following are the levels of the Police share of the Council Tax that were set during the 2021-2022 and 2022-2023 financial years:

Band	A	B	C	D	E	F	G	H	I
2021-2022	203.70	237.65	271.60	305.55	373.45	441.35	509.25	611.10	712.95
2022-2023	211.20	246.40	281.60	316.80	387.20	457.60	528.00	633.60	739.20

Borrowing

No long-term or short-term borrowing was taken out in 2022-2023. The total of loans outstanding at the end of the financial year was £8.406 million (2021-2022 £8.908 million).

FUTURE OUTLOOK

The uncertainty surrounding the level and potential impact of the future funding settlements in the Police Service mandates the need to continue to ensure that we maintain a stable financial platform and continue to review and transform our services. The war in Ukraine, impacts of COVID, the current high levels of inflation and a potential future review of the Police Funding Formula heighten the current levels of uncertainty further.

Over the past two years the Force has significantly strengthened its balance sheet. The level of underspend has meant that the Revenue reserves of the force have increased by £16.7m over this period. This has improved the Force's position in terms of its financial resilience at a time of ongoing financial uncertainty. Whilst this is positive from the perspective of the Force being able to manage future service delivery demands it is also acknowledged that the level of recent underspends and the associated strengthening of reserves needs to be carefully considered when determining funding requirements in future planning cycles.

A careful balance needs to be struck between having the financial agility to adapt to cost pressures associated with employee pay, new operational demands, complex challenges such as accreditation; and other uncertainties (such as Police Pension contributions) and the need to keep council tax pressures on local households to a minimum.

The Medium Term Financial Plan sets out the financial requirements over the 2023-2028 period. It links the Police and Crime Plan priorities to the financial strategy and can be found on the Police and Crime Commissioner's Website.

The Police and Crime Commissioner and Chief Constable are committed to ensuring that the police service in North Wales is fit for purpose and provides value for money to the people of North Wales. An essential part of this is the requirement for adequate reserves, in order to meet forthcoming challenges and ultimately protect front line services. Having a sustainable financial platform is vitally important for future service delivery. The Strategic planning process also has a critical role to play in ensuring that resources are allocated to the areas that matter most to meeting the demands that the organisation faces, in an effective way that delivers Value for Money in the process.

Despite the revenue underspend in 2022-23, significant elements of this are non-recurring with spends returning to 'on budget' once appropriate resources are put in place for future years. A significant element of this was to recruit up to a new higher police establishment which was achieved in March 2023. Inflationary pressures which were in double digits for significant parts of 2022-23 will also have a bearing on the future cost base. The cost of living crisis experienced during 2022-23 also generates greater uncertainty with regard to potential pay inflation and the impact that this could have on the Force's future costs in this area. Furthermore, the planning model aims to strive for value for money on a continuous basis, ensuring that each service area reviews its position and efficiency with the knowledge that contingency budgets are held at force level, should unplanned events transpire in year. This will remain a critical element of the planning process as the Force seeks to mitigate the financial pressures it faces.

The 2023-2024 Budget was set by the Police and Crime Commissioner, and approved by the Police and Crime Panel on 30 January 2023, at £188.959 million. This represented a 5.14% Council Tax increase, a 0.35% increase in Government Base Grant funding and an overall net increase of 3.68% compared to the 2022-2023 budget of £182.268 million. Savings of £3.753m and temporary funding of £2.362m were required to balance the budget with pay and non-pay inflation running at 7.13%. Phase 3 of the Government's Operation Uplift which will increase officer numbers by 20,000 nationally and by 206 in North Wales was completed in March 2023. Investments in growth were limited due to the inflationary pressure North Wales Police & Crime Commissioner Group Statement of Accounts 2022-2023

but have been made in delivering safer neighbourhoods, supporting victims and communities, and a fair and effective criminal justice system. The Chief Finance Officer delivered a presentation and report to the Police and Crime Panel outlining the precept proposal, which was subject to scrutiny in the meeting. The precept proposal was approved unanimously.

During the last quarter of 2019-2020 Coronavirus spread internationally resulting in the UK entering lockdown on 23 March 2020. The impact of the 2019-2020 and 2020-2021 accounts and activities were significant, the impact on 2022-2023 is much less, while positive changes in working practices yielding efficiencies have been maintained and incorporated as business as usual. The Ukraine crisis also had a bearing on pricing and supply chains in 2022-2023. Increased political and economic instability has pushed inflation to higher rates than expected. Interest rates have increased significantly in 2022-2023, this has had a positive financial effect because borrowing rates for loans in place are fixed and investment income has increased. Additional disclosures are included where appropriate.

The future financial plans for the force and indeed the future precept proposals put forward will be based on a consideration of all of these factors to ensure that a financial plan that is stable and sustainable is ultimately achievable although the recent inflationary pressures experienced, combined with the conclusion of Operation Uplift create a very different financial context for the force when compared to the one recently experienced.

ACCOUNTING POLICIES

Changes in accounting policies are made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the financial position or financial performance.

COLLABORATION with OTHER BODIES

Police and Crime Commissioners are encouraged to explore areas where they might collaborate on the delivery of services, either with other police forces or on a local level with other public bodies.

To that end the Police and Crime Commissioner is working closely with the other Welsh Forces and the North West Region to explore areas for collaboration. Consideration is given to the potential cost, benefits, risks and opportunities that each collaboration represents, and to aid this process the All Wales Collaboration Programme has established a dedicated productivity and efficiency work stream which holds a remit to ensure that collaboration in this area delivers value for money.

The Force has been hosting the national Forensic Collision Investigation Network (FCIN) since 2020-2021. This is a significant collaboration between all policing areas in Wales and England with an aim to attain accreditation and ensure the highest standards in collision investigation nationally. The FCIN was a significant area of work for the Force in its host force capacity during 2022-2023 and has featured as a risk on the Force Risk Register during 2022-23. It will remain a challenging undertaking for the force headed into the future.

On 1 April 2021 lead responsibility for Minerva, a collaboration made up of 27 Minerva member forces based upon their common use of the Niche Records Management System (NicheRMS365), was passed to the Police and Crime Commissioner for North Wales. The force continued to fulfil this lead responsibility during 2022-23.

Details of all current collaboration arrangements are shown in Note 39.

EVENTS AFTER THE REPORTING PERIOD

At the time that the Statement of Accounts were submitted to the Police and Crime Commissioner on the 7 December 2023, all material adjusting or non-adjusting events which would be required to be included in the Statement of Accounts have been reflected under Note 6.

GROUP STATEMENT OF ACCOUNTS

The group accounts present a detailed picture of the financial affairs of the group, Police and Crime Commissioner and Chief Constable and comprise:

- **Group Statement of Responsibilities** (Page 21).

This sets out the responsibilities of the Police and Crime Commissioner and the Chief Finance Officer in respect of the Statement of Accounts and confirms that the accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting.

- **Expenditure and Funding Analysis** (Page 22).

This shows how annual expenditure is used and funded from resources (government revenue support grant, council tax precept and business rates) by the Police and Crime Commissioner and the Group in comparison with those resources consumed or earned by the Police and Crime Commissioner and the Group in accordance with generally accepted accounting practice. It also shows how this expenditure is allocated for management accounting purposes. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

- **Comprehensive Income and Expenditure Statement** (Page 24).

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practice rather than the amount to be funded from taxation. The Police and Crime Commissioner raises taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

- **Group Movement in Reserves Statement** (Page 25).

This statement shows the movement in the year on the different reserves held by the Police and Crime Commissioner, analysed into usable reserves (those that can be applied to fund expenditure) and other (principally technical accounting) unusable reserves.

- **Group Balance Sheet** (Page 26).

This shows the carrying values as at the Balance Sheet date of the assets and liabilities recognised by the Police and Crime Commissioner. The net assets of the Police and Crime Commissioner (assets less liabilities) are matched by the reserves held by the Police and Crime Commissioner.

- **Group Cash Flow Statement** (Page 27).

This statement shows the changes in cash and cash equivalents of the Police and Crime Commissioner during the year.

- **Group Notes to the Statements** (Pages 28 to 65).

These are all the explanatory notes which explain in more detail a number of items relating to the primary statements.

- **Police Pension Fund Account** (Page 66).

This details the transactions relating to Police Pension income and expenditure.

- **Group Statement of Accounting Policies** (Page 67).

This statement supports the accounts and details the specific principles, rules and practices applied by the Police and Crime Commissioner in preparing and presenting the financial statements.

These accounts have been produced in accordance with the accounting standards which currently apply to local policing bodies. Where this produces a conflict with the underlying legal requirement to produce accounts showing taxpayers' funds, relevant adjustments have been made in accordance with the CIPFA code of practice. A schedule of these adjustments can be found in Note 7 "Adjustments between Accounting Basis and Funding Basis under Regulations".

Statement of Responsibilities for the Group Statement of Accounts

The purpose of this statement is to set out the responsibilities of the Police and Crime Commissioner and the Chief Financial Officer in respect of the Statement of Accounts.

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required:-

- * to make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Chief Finance Officer,
- * to manage his affairs to secure economic, efficient and effective use of resources and safeguard his assets,
- * to approve the group statement of accounts.

I approve this Statement of Accounts for the year ended 31 March 2023.



Andy Dunbobbin Police and Crime Commissioner for North Wales

Date: 7 December 2023

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Group Statement of Accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'). In preparing this Statement of Accounts, the Chief Finance Officer has:

- * selected suitable accounting policies and then applied them consistently,
- * made judgments and estimates that were reasonable and prudent,
- * complied with the Code of Practice.

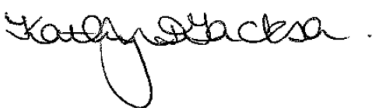
The Chief Finance Officer has also:

- * kept proper accounting records which were up to date,
- * taken reasonable steps for the prevention and detection of fraud and other irregularities.

CHIEF FINANCE OFFICER'S CERTIFICATE

The statement of accounts has been prepared in accordance with the requirements of the Local Government Accounts and Audit (Wales) Regulations 2014 and reflects the format and content of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2022-2023 and the Service Reporting Code of Practice.

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Police and Crime Commissioner and the Group at the reporting date and of its income and expenditure for the year ended 31 March 2023. The audit certificate appears on pages 113 to 116.



Kate Jackson (Chief Finance Officer)

Date: 7 December 2023

Group Expenditure and Funding Analysis 2022-2023

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year has been used in providing services in comparison with those resources consumed or earned by the Police and Crime Commissioner in accordance with generally accepted accounting practice. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2022-2023	GROUP			PCC			CC		
	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policing Services	198,296	-11,392	186,904	-22,324	-13,735	-36,059	220,620	2,343	222,963
Net Cost of Services before intra group transfer	198,296	-11,392	186,904	-22,324	-13,735	-36,059	220,620	2,343	222,963
Intra Group Transfer	0	0	0	220,620	0	220,620	-220,620	0	-220,620
Net Cost of Services	198,296	-11,392	186,904	198,296	-13,735	184,561	0	2,343	2,343
Other Income and Expenditure	-205,421	51,635	-153,786	-205,421	-133	-205,554	0	51,768	51,768
SURPLUS(-)/DEFICIT(+) ON PROVISION OF SERVICES	-7,125	40,243	33,118	-7,125	-13,868	-20,993	0	54,111	54,111
Opening General Fund Balance *	-40,487								
Add surplus(-)/deficit(+) on General Fund balance in year	-7,125								
CLOSING GENERAL FUND BALANCE *	-47,612								

* Usable Revenue Reserves

Group Expenditure and Funding Analysis 2021-2022

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Police and Crime Commissioner (i.e. government grants and council tax) for the year has been used in providing services in comparison with those resources consumed or earned by Police and Crime Commissioners in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2021-2022	GROUP			PCC			CC		
	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between accounting and funding basis (Note 24)	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policing Services	184,591	13,912	198,503	-20,826	53	-20,773	205,417	13,859	219,276
Net Cost of Services before intra group transfer	184,591	13,912	198,503	-20,826	53	-20,773	205,417	13,859	219,276
Intra Group Transfer	0	0	0	205,417	0	205,417	-205,417	0	-205,417
Net Cost of Services	184,591	13,912	198,503	184,591	53	184,644	0	13,859	13,859
Other Income and Expenditure	-194,201	39,306	-154,895	-194,201	-130	-194,331	0	39,436	39,436
SURPLUS(-)/DEFICIT(+) ON PROVISION OF SERVICES	-9,610	53,218	43,608	-9,610	-77	-9,687	0	53,295	53,295
Opening General Fund Balance *	-30,877								
Add surplus(-)/deficit(+) on General Fund balance in year	-9,610								
CLOSING GENERAL FUND BALANCE *	-40,487								

* Usable Revenue Reserves

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Police and Crime Commissioner raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2021-2022				2022-2023		
GROUP	PCC	CC		GROUP	PCC	CC
£000	£000	£000		£000	£000	£000
70,986	0	70,986	Police Officers	75,124	0	75,124
41,382	532	40,850	Support Staff	45,018	655	44,363
67,950	93	67,857	Pensions	57,497	111	57,386
1,240	0	1,240	Allowances	1,260	0	1,260
1,778	5	1,773	Indirect Employees Expenses	2,864	3	2,861
6,580	1	6,579	Premises	8,021	7	8,014
2,575	4	2,571	Transport Expenses	2,861	10	2,851
23,506	183	23,323	Supplies and Services	24,761	247	24,514
9,623	0	9,623	Third Party Payments	11,478	0	11,478
170	72	98	Support Services *	417	76	341
6,074	6,074	0	Depreciation, amortisation and impairment	-7,298	-7,298	0
0	5,553	-5,553	PCC expenditure on grants and initiatives	0	5,831	-5,831
-71	0	-71	Uncompensated absences accrual	602	0	602
231,793	12,517	219,276	Gross Operating Expenditure	222,605	-358	222,963
-33,290	-33,290	0	Income	-35,701	-35,701	0
198,503	-20,773	219,276	COST OF SERVICES	186,904	-36,059	222,963
0	205,417	-205,417	Commissioning Cost (intra group transfer)	0	220,620	-220,620
198,503	184,644	13,859	NET COST OF SERVICES	186,904	184,561	2,343
-6	-6	0	Other Operating Expenditure (Note 9)	-133	-133	0
40,363	927	39,436	Financing & investment income and expenditure (Note 10)	51,921	153	51,768
-21,763	-21,763	0	Home Office Grant Payable towards the cost of retirement benefit	-23,306	-23,306	0
-173,489	-173,489	0	Taxation & Non-specific grant income (Note 11)	-182,268	-182,268	0
43,608	-9,687	53,295	SURPLUS(-)/DEFICIT(+) ON PROVISION OF SERVICES	33,118	-20,993	54,111
227	227	0	(Surplus) or deficit on revaluation of PPE	-23,994	-23,994	0
-65,673	0	-65,673	Actuarial (gains) / losses on pension assets / liabilities	-704,867	0	-704,867
0	0	0	Adjustment of pension surplus/asset ceiling	56,161	0	56,161
-65,446	227	-65,673	Other Comprehensive Income and Expenditure	-672,700	-23,994	-648,706
-21,838	-9,460	-12,378	TOTAL COMPREHENSIVE INCOME & EXPENDITURE	-639,582	-44,987	-594,595

*This includes agency staff costs of £1.45m (2021-22 £1.47m)

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Police and Crime Commissioner, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Movement in Reserves Statement shows how the movements in year of the Police and Crime Commissioner's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practice, and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/(Decrease) line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Police and Crime Commissioner Reserves £000
Balance at 31 March 2021	30,877	2,084	0	32,961	-1,930,317	-1,897,356
<u>Movement in reserves during 2021-2022</u>						
Comprehensive Expenditure and Income	-43,608	0	0	-43,608	65,446	21,838
Adjustments between accounting basis & funding basis under regulations (Note 7)	53,218	266	0	53,484	-53,484	0
Net increase (+)/decrease (-) in 2021-2022	9,610	266	0	9,876	11,962	21,838
Balance at 31 March 2022 carried forward	40,487	2,350	0	42,837	-1,918,355	-1,875,518
<u>Movement in reserves during 2022-2023</u>						
Comprehensive Expenditure and Income	-33,118	0	0	-33,118	672,700	639,582
Adjustments between accounting basis & funding basis under regulations (Note 7)	40,243	1,227	0	41,470	-41,470	0
Net increase (+)/decrease (-) in 2022-2023	7,125	1,227	0	8,352	631,230	639,582
Balance at 31 March 2023 carried forward	47,612	3,577	0	51,189	-1,287,125	-1,235,936

1: The general fund balance includes those reserves that are specifically earmarked as set out in Note 8.

Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Police and Crime Commissioner. The net assets of the Police and Crime Commissioner (assets less liabilities) are matched by the reserves held by the Police and Crime Commissioner. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Police and Crime Commissioner may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may be used only to fund capital expenditure or repay debt). The second category of reserves are those that the Police and Crime Commissioner is not able to use to provide services. This category of reserves includes reserves that record unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that record timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Chief Constable	Police & Crime Commissioner	Group		Chief Constable	Police & Crime Commissioner	Group
2021-2022				2022-2023		
£000	£000	£000		£000	£000	£000
0	57,149	57,149	Land & Properties	0	93,572	93,572
0	9,783	9,783	Vehicles, Plant, Furniture and Equipment	0	11,166	11,166
1,950,063	0	0	Long-term Debtors to PCC (note 34)	1,354,866	0	0
1,950,063	66,932	66,932	Long Term Assets (note 12)	1,354,866	104,738	104,738
0	19,856	19,856	Short Term Investments (note 36)	0	24,566	24,566
0	1,135	1,135	Assets Held for Sale (note 16)	0	0	0
394	0	394	Inventories (note 13)	343	0	343
1,332	11,646	12,978	Short Term Debtors (note 14)	5,332	15,667	20,999
9,657	0	0	Intra Group Transfer	10,223	0	0
0	10,280	10,280	Cash and Cash Equivalents (note 15)	0	5,418	5,418
11,383	42,917	44,643	Current Assets	15,898	45,651	51,326
0	-533	-533	Short Term Borrowing (note 36)	0	-531	-531
-18,017	-1,225	-19,242	Short Term Creditors (note 17)	-19,185	-995	-20,180
0	-951	-951	Short Term Finance Lease (note 31)	0	-1,031	-1,031
-1,726	-7,931	0	Intra Group Transfer	-5,675	-4,548	0
0	-31	-31	Provisions (note 18)	0	-44	-44
-19,743	-10,671	-20,757	Current Liabilities	-24,860	-7,149	-21,786
0	-623	-623	Provisions (note 18)	0	-1,229	-1,229
0	-1,950,063	0	Long Term Creditor	0	-1,354,866	0
0	-8,375	-8,375	Long Term Borrowing (note 36)	0	-7,875	-7,875
0	-7,275	-7,275	Long Term Finance Lease (note 31)	0	-6,244	-6,244
-1,950,063	0	0	Other long-term liabilities (note 34)	-1,354,866	0	0
0	0	-1,950,063	Liability Related to Defined Pension Scheme (note 34)	0	0	-1,354,866
-1,950,063	-1,966,336	-1,966,336	Long Term Liabilities	-1,354,866	-1,370,214	-1,370,214
-8,360	-1,867,158	-1,875,518	Net Assets	-8,962	-1,226,974	-1,235,936
			Financed By:			
0	42,837	42,837	Usable Reserves (notes 7 & 8)	0	51,189	51,189
-8,360	-1,909,995	-1,918,355	Unusable Reserves (note 20)	-8,962	-1,278,163	-1,287,125
-8,360	-1,867,158	-1,875,518	Total Reserves	-8,962	-1,226,974	-1,235,936

Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Police and Crime Commissioner during the reporting period. The statement shows how the Police and Crime Commissioner generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Police and Crime Commissioner are funded by way of taxation and grant income or from the recipients of services provided by the Police and Crime Commissioner. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Police and Crime Commissioner's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Police and Crime Commissioner.

2021-2022 £000		2022-2023 £000
43,608	Net surplus (-) or deficit (+) on the provision of services	33,118
-57,493	Adjust net surplus (-) or deficit (+) on the provision of services for non-cash movements (Note 21)	-41,309
450	Adjust for items included in the net surplus (-) or deficit (+) on the provision of services that are investing and financing activities	1,644
-13,435	Net cash flows from Operating Activities (Note 21)	-6,547
17,644	Investing activities (Note 22)	9,956
1,379	Financing Activities (Note 23)	1,453
5,588	Net increase (-) or decrease (+) in cash and cash equivalents	4,862
15,868	Cash and cash equivalents at the beginning of the reporting period (note 15)	10,280
10,280	Cash and cash equivalents at the end of the reporting period (Note 15)	5,418

Notes to the Group Statement of Accounts

1. Restatement of previous years Statements

There are no changes that require the restatement of the previous year's Statements.

2. Accounting Standards that have been issued but have not yet been adopted

The Code requires the Police and Crime Commissioner to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The following changes will be required from 1 April 2023 :-

- 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.

None of these amendments will have a significant effect on the Statement of Accounts.

3. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in the Statements, the Police and Crime Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:-

There remains uncertainty around proposed changes to the Police funding in the medium term. There are plans in place to balance the budget in future years as set out in the medium-term financial plan; however, it is not certain whether the current levels of funding will be sufficient in order to meet the resources required over the period of the medium-term financial plan (MTFP) and therefore annual cycles of organisational planning will take place in line with the Financial Strategy contained in the MTFP.

4. 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 Police and Crime Commissioner where the exact amount is not yet known. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Items within the Group Balance Sheet as at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming year are as follows:

Item	Uncertainties	Effect if Actual results Differ from Assumptions
Pensions Liability	Estimation of the net liability/asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension funds' assets. A firm of consulting actuaries is engaged to provide the Police and Crime Commissioner with expert advice about the assumptions to be applied.	The effects on the net pension liability/asset of changes in individual assumptions can be measured. The impact of increase or decrease in the assumptions e.g. increase or decrease in the discount rate is set out in Note 34.

5. **Material Items of Income and Expenditure**

All applicable material items of income and expenditure are shown on the face of the Comprehensive Income and Expenditure Statement.

6. **Events after the Balance Sheet Date**

Material events taking place after the reporting date but prior to the financial statements being authorised for issue are reflected in the financial statements and notes. Where events taking place provided information about conditions existing at 31 March 2023 the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

7. **Adjustment 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 Police and Crime Commissioner in the year to reflect the difference between General Accepted Accounting Practice (GAAP) and statutory provisions.

General Fund Balance:

The General Fund Balance is the statutory fund into which all the receipts of a Police and Crime Commissioner are required to be paid, and out of which all liabilities of the Police and Crime Commissioner are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which the liabilities and payments should impact on the General Fund Balance which is not necessarily in accordance with proper accounting practice. The General Fund Balance, therefore, summarises the resources that the Police and Crime Commissioner is statutorily empowered to spend on services or capital investment (or the deficit of resources that the Police and Crime Commissioner is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that are yet to be applied for these purposes at the year end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Police and Crime Commissioner has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or for the financial year in which this can take place.

2022-2023	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments to Revenue Resources:				
Pensions costs (transferred to (or from) the pensions reserve	53,509	0	0	-53,509
Charges for depreciation and impairment of non-current assets	-7,298	0	0	7,298
Revaluation losses on Property, plant and equipment	0	0	0	0
Capital grants and contributions applied	0	0	0	0
Holiday Pay (transferred to the accumulated absences account)	602	0	0	-602
Financial Instruments (transferred to the FIAA)	0	0	0	0
Reversal of entries included in the SDPS in relation to capital expenditure (charged to the CAA).	1,511	0	0	-1,511
Total Adjustments to Revenue Resources	48,324	0	0	-48,324
Adjustments between Revenue and Capital Resources:				
Transfer of Non-Current Asset sale proceeds from revenue to the capital receipts reserve	-1,644	1,644	0	0
Statutory provision for repayment of debt	-2,425	0	0	2,425
Capital expenditure financed from revenue balances	-4,012	0	0	4,012
Total Adjustments between Revenue and Capital Resources	-8,081	1,644	0	6,437
Adjustments to Capital Resources:				
Application of capital grants to finance capital	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	-417	0	417
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	0	-417	0	417
Total Adjustments	40,243	1,227	0	41,470

2021-2022	Usable Reserves			Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments to Revenue Resources:				
Pensions costs (transferred to (or from) the pensions reserve	53,366	0	0	-53,366
Charges for depreciation and impairment of non-current assets	6,074	0	0	-6,074
Revaluation losses on Property, plant and equipment	0	0	0	0
Capital grants and contributions applied	-124	0	0	124
Holiday Pay (transferred to the accumulated absences account)	-71	0	0	71
Financial Instruments (transferred to the FIAA)	0	0	0	0
Reversal of entries included in the SDPS in relation to capital expenditure (charged to the CAA).	320	0	0	-320
Total Adjustments to Revenue Resources	59,565	0	0	-59,565
Adjustments between Revenue and Capital Resources:				
Transfer of Non-Current Asset sale proceeds from revenue to the capital receipts reserve	-326	326	0	0
Statutory provision for repayment of debt	-2,737	0	0	2,737
Capital expenditure financed from revenue balances	-3,284	0	0	3,284
Total Adjustments between Revenue and Capital Resources	-6,347	326	0	6,021
Adjustments to Capital Resources:				
Application of capital grants to finance capital	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	-60	0	60
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	0	-60	0	60
Total Adjustments	53,218	266	0	-53,484

8. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet expenditure in 2022-2023. The net movement in 2022-2023 was £7.011m increase.

Reserve:	Balance at 31 March 2021 £'000	Transfers Out 2021-2022 £'000	Transfers In 2021-2022 £'000	Balance at 31 March 2022 £'000	Transfers Out 2022-2023 £'000	Transfers In 2022-2023 £'000	Transfer Between 2022-2023 £'000	Balance at 31 March 2023 £'000
Capital Reserve	3,002	-192	1,000	3,810	-510	0	0	3,300
Pensions ill health reserve	975	0	0	975	0	0	0	975
PFI Reserve	3,106	-188	0	2,918	-241	0	0	2,677
Major Incident Reserve	2,435	0	0	2,435	0	0	0	2,435
Insurance Reserve	1,173	0	388	1,561	0	0	0	1,561
Estates Security and Maintenance	1,892	-288	0	1,604	-463	0	0	1,141
Management of Change Reserve	6,976	-653	2,104	8,427	0	45	-1,883	6,589
Training Reserve	600	0	50	650	0	0	0	650
Uplift Reserve	1,577	0	2,826	4,403	0	216	-1,144	3,475
Emergency Service Network	158	0	750	908	0	3,350	3,027	7,285
COVID and COVID Recovery	597	-313	0	284	0	0	0	284
PEQF	325	0	250	575	0	47	0	622
Energy Reserve	0	0	800	800	0	2,000	0	2,800
Sustainability Reserve	0	0	0	0	0	2,000	0	2,000
Neighbourhood Policing Reserve	0	0	1,282	1,282	0	0	0	1,282
Partnerships Balances Reserve	733	-24	243	952	-16	126	0	1,062
FCIN	1,080	-101	636	1,615	-51	492	0	2,056
Minerva	0	0	294	294	-70	0	0	224
Commissioners Community Safety Fund	508	0	73	581	0	118	0	699
Checkpoint (OPCC/LPS)	16	0	14	30	0	17	0	47
Legal Reserve (OPCC)	106	0	0	106	-6	0	0	100
Office of the Police & Crime Commissioner Reserve	201	0	70	271	-43	0	0	228
	25,460	-1,759	10,780	34,481	-1,400	8,411	0	41,492

9. Other Operating Expenditure

	2022-2023 £000	2021-2022 £000
Gains (-)/losses(+) on the disposal of non-current assets	-133	-6
	-133	-6

10. Financing and Investment Income and Expenditure

	2022-2023 £000	2021-2022 £000
Interest payable and similar charges	857	943
Pension interest cost and expected return on pensions assets	51,768	39,436
Interest receivable and similar income	-704	-16
	51,921	40,363

11. Taxation and Non-Specific Grant Incomes

Council Tax Income:	2022-2023 £000	2021-2022 £000
Denbighshire County Council	-12,875	-12,387
Wrexham County Borough Council	-17,001	-16,363
Isle of Anglesey County Council	-10,151	-9,639
Gwynedd Council	-17,017	-15,854
Conwy County Borough Council	-16,163	-15,576
Flintshire County Council	-20,654	-19,869
Non-Domestic Rates Income	-253	-12,235
Non-ringfenced government grants	-88,154	-71,442
Capital Grants and contributions	0	-124
	-182,268	-173,489

12. Property, Plant and Equipment

Movements in 2022-2023	Land & Building Inc. PFI £000	Masts & Sites £000	Plant & Equipment £000	Vehicles £000	Total Operational Assets £000	Surplus Assets (Non- Operational)* £000	Assets under construction £000	Total Non- Operational £000	Total Non- Current Assets £000
<u>Cost or Valuation</u>									
At 1 April 2022	77,547	100	23,388	10,035	111,070	400	4,177	4,577	115,647
Additions	287	0	1,682	1,528	3,497	0	3,392	3,392	6,889
Revaluation Increases (+)/decreases (-) recognised in the Revaluation Reserve	23,068	0	0	0	23,068	-30	0	-30	23,038
Revaluation Increases (+)/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	11,515	0	0	0	11,515	0	0	0	11,515
Derecognition - disposals	-272	0	0	-1,250	-1,522	0	0	0	-1,522
Derecognition - other	0	0	-576	0	-576	0	0	0	-576
Other movements in cost or valuation	3,334	0	1,192	0	4,526	0	-4526	-4,526	0
Assets reclassified (to)/from held for sale									
At 31 March 2023	115,479	100	25,686	10,313	151,578	370	3,043	3,413	154,991
<u>Accumulated Depreciation and Impairment</u>									
At 1 April 2021	-22,450	-100	-19,412	-6,753	-48,715	0	0	0	-48,715
Depreciation Charge	-906	0	-1,672	-1,391	-3,969	0	0	0	-3,969
Depreciation written out to the Revaluation Reserve	957	0	0	0	957	0	0	0	957
Impairment losses (-)/reversals (+) recognised in the Surplus/Deficit in the Provision of Services	-248	0	0	0	-248	0	0	0	-248
Derecognition - disposals	-8	0	0	1,154	1,146	0	0	0	1,146
Derecognition - other #		0	576	0	576	0	0	0	576
At 31 March 2023	-22,655	-100	-20,508	-6,990	-50,253	0	0	0	-50,253
<u>Net Book Value</u>									
At 31 March 2023	92,824	0	5,178	3,323	101,325	370	3,043	3,413	104,738
At 31 March 2022	55,097	0	3,976	3,282	62,355	400	4,177	4,577	66,932

this relates to the derecognition of historical assets

Movements in 2021-2022	Land & Building Inc. PFI	Masts & Sites	Plant & Equipment	Vehicles	Total Operational Assets	Surplus Assets (Non-Operational) *	Assets under construction	Total Non-Operational	Total Non-Current Assets
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Cost or Valuation</u>									
At 1 April 2021	78,554	100	22,319	9,868	110,841	711	3,311	4,022	114,863
Additions	24	0	1,112	650	1,786	0	2,452	2,452	4,238
Revaluation Increases (+)/decreases (-) recognised in the Revaluation Reserve	-661	0	0	0	-661	0	0	0	-661
Revaluation Increases (+)/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	-1,381	0	0	0	-1,381	0	0	0	-1,381
Derecognition - disposals	0	0	-43	-1,055	-1,098	-311	0	-311	-1,409
Derecognition - other	-3	0	0	0	-3	0	0	0	-3
Other movements in cost or valuation	1,014	0	0	572	1,586	0	-1,586	-1,586	0
At 31 March 2022	77,547	100	23,388	10,035	111,070	400	4,177	4,577	115,647
<u>Accumulated Depreciation and Impairment</u>									
At 1 April 2021	-22,390	-100	-16,600	-6,457	-45,547	0	0	0	-45,547
Depreciation Charge	-932	0	-2,855	-1,338	-5,125	0	0	0	-5,125
Depreciation written out to the Revaluation Reserve	436	0	0	0	436	0	0	0	436
Impairment losses (-)/reversals (+) recognised in the Surplus/Deficit in the Provision of Services	432	0	0	0	432	0	0	0	432
Derecognition - disposals	4	0	43	1,042	1,089	0	0	0	1,089
At 31 March 2022	-22,450	-100	-19,412	-6,753	-48,715	0	0	0	-48,715
<u>Net Book Value</u>									
At 31 March 2022	55,097	0	3,976	3,282	62,355	400	4,177	4,577	66,932
At 31 March 2021	56,164	0	5,719	3,411	65,294	711	3,311	4,022	69,316

* these include 2 small Police Stations which are no longer operational, but which do not reach the specific criteria for Assets Held for Sale (Note 16).

Depreciation

The following useful lives rates have been used in the calculation of depreciation:

Other Land and Buildings 35-60 years
Vehicles, Plant, Furniture and Equipment 3-10 years

Capital Commitments

As at 31 March 2023, the Police and Crime Commissioner was contractually committed to capital works on Land and Buildings which amounted to £0.492million, which related to the refurbishment of the SARC (Sexual Assault Referral Centre) building in Colwyn Bay. For the Command and Control System Upgrade (Plant and Equipment) there is an outstanding commitment of £0.725million. There are also 54 vehicles which have been individually ordered but not delivered at the Balance Sheet date.

Effects of Changes in Estimates

There were no material changes to the method of estimation.

Revaluations

A rolling programme of valuations is undertaken to ensure that all properties are revalued once within the statutory 5-year cycle. 2022-2023 is the second year of the second 5-year cycle.

Operational properties were valued using Net Realisable Value in Existing Use and Depreciated Replacement Cost (DRC). Non-operational properties were valued using Fair Value where available. The valuation also included a review of the useful lives of the assets. The change in useful life has had no material financial effect on the accounts.

However for the 2022-2023 financial year of reporting there has been a re-categorisation of assets in terms of valuation method – some assets have moved from an existing use value to a depreciated replacement cost method of valuation due to a combination of factors. These include a perception by audit firms and their senior valuers that there is a limited to no market for these properties and therefore the local government body (PCC) is the only likely occupier, and the current RICS consultation showed a consensus that DRC should be used for assets that are tailored to a local government body.

The valuation was undertaken by an independent valuer, Mr G.S.C. Harbord MA MRICS IRRV (Hons) of Wilks Head & Eve Chartered Surveyors. The 2022-2023 report consistently states that ‘as at the commentary date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our commentary is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation –Global Standards’.

13. Inventories

	HQ Stores		Other Stores		Total 2022-2023 £000
	2022-2023 £000	2021-2022 £000	2022-2023 £000	2021-2022 £000	
Balance held at start of year	273	254	121	280	394
Purchases	476	529	347	224	823
Recognised as an expense in the year	-491	-510	-383	-383	-874
Written off balances	0	0	0	0	0
Balance held at year end	258	273	85	121	343

14. Debtors

	2022-2023 £000	2021-2022 £000
Amounts falling due in one year -		
Trade Receivables	10,769	7,562
Prepayments	5,332	1,332
Other receivable amounts	4,898	4,084
	20,999	12,978

15. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

	2022-2023 £000	2021-2022 £000
Bank Current Accounts	-18	-6
Cash held by the Police and Crime Commissioner	40	40
Short Term Deposits with Banks /Building Societies	5,396	10,246
	5,418	10,280

16. Assets Held for Sale

The assets which are held for sale by the Police and Crime Commissioner are surplus police properties. The balance brought forward from 2021-2022 relates to the sale of land at the Llay Police facility site which was sold in 2022-2023.

	Current		Non-Current	
	2022-2023 £000	2021-2022 £000	2022-2023 £000	2021-2022 £000
Balance outstanding at start of year	1,135	1,135	0	0
Assets newly classified as held for sale:	0	0	0	0
Property, Plant and Equipment	0	0	0	0
Revaluation gains	0	0	0	0
Assets sold	-1,135	0	0	0
Balance outstanding at year-end	0	1,135	0	0

17. Creditors

	2022-2023 £'000	2021-2022 £'000
Amounts falling due in one year -		
Trade payables	8,646	7,819
Other payables	11,534	11,423
	20,180	19,242

18. Provisions

The Police and Crime Commissioner has made provision in the accounts for two purposes:

a) Injury and Damage Compensation Claims Provision

The injury compensation claims relate to personal injuries sustained where the Police and Crime Commissioner is alleged to be at fault. Provision is made for those claims where it is deemed probable that the Police and Crime Commissioner will have to make a settlement, based on past experience of court decisions about liability and the amount of damages payable. The Police and Crime Commissioner may be reimbursed by its insurers, but until claims are actually settled, no income is recognised as the insurers will reimburse amounts only above the excess amounts, which are £100,000 for incidents prior to 1 April 2018, £150,000 for incidents between 1 April 2018 to 31 March 2019, £250,000 for incidents between 1 April 2019 to 31 March 2021 From 1st April 2021 onwards the excess is £400,000.

b) Other Provisions

The Other Provisions are in respect of employment cases and other managed risks.

	Injury and Damage Compensation Claims £000	Other Provisions £000	Total £000
Balance at 1 April 2022	616	38	654
Additional Provisions made in 2022-2023	927	21	948
Amounts Used in 2022-2023	-112	0	-112
Unused Amounts Reversed in 2022-2023	-217	0	-217
Balance at 31 March 2023	1,214	59	1,273

Within the total of £1.273 million, £0.044 million relates to short term provisions and £1.229 million relates to long-term provisions.

19. Usable Reserves

Movements in the Police and Crime Commissioner's usable reserves are detailed in the Movement in Reserves Statement and Notes 7 and 8.

20. Unusable Reserves

	2022-2023 £000	2021-2022 £000
Revaluation Reserve	43,061	20,513
Capital Adjustment Account	33,642	19,555
Pensions Reserve	-1,354,866	-1,950,063
Accumulated Absences Account	-8,962	-8,360
Total Unusable Reserves	-1,287,125	-1,918,355

Revaluation Reserve

The Revaluation Reserve contains the unrealised gains recorded by the Police and Crime Commissioner arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised

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

	2022-2023 £000	2021-2022 £000
Balance at 1 April	20,513	21,155
Upward revaluation of assets	43,380	249
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-19,385	-475
	44,508	20,929
Surplus (-) or deficit (+) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	0	0
Difference between fair value depreciation and historical cost depreciation	-183	-198
Accumulated gains on assets sold or scrapped	-1,264	-218
Amount written off to the Capital Adjustment Account	0	0
Balance at 31 March	43,061	20,513

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 Account is debited with the cost of acquisition, construction or enhancement; as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Police and Crime Commissioner as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Police and Crime Commissioner.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, except for those involving the Revaluation Reserve.

	2022-2023 £000	2021-2022 £000
Balance at 1 April	19,555	19,329
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation and impairment of non-current assets	7,418	-6,074
Revenue expenditure funded from capital under statute	-120	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-1,512	-320
	5,786	-6,394
Adjusting amount written out of the Revaluation Reserve	1,447	415
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	417	60
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	0	124
Capital Expenditure charged in year to the General Fund	4,012	3,284
Statutory provision for the financing of capital investment charged against the General Fund balances	2,425	2,737
	8,301	6,620
Balance at 31 March	33,642	19,555

Pensions 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. The Police and Crime Commissioner accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Police and Crime Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore show a substantial shortfall in the benefits earned by past and current employees and the resources the Police and Crime Commissioner has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2022-2023 £000	2021-2022 £000
Balance at 1 April	-1,950,063	-1,962,371
Remeasurements of the net defined benefit liability(-)/asset (+)	704,867	65,674
Adjustment of pension surplus/asset ceiling	-56,161	0
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-106,170	-104,188
Employer's pension contributions and direct payments to pensioners payable in the year	52,661	50,822
Balance at 31 March #	-1,354,866	-1,950,063

this Reserve includes the balance for both Pension Schemes (LGPS £934k and Police Pension Scheme -£1,355,800k)

Deferred Capital Receipts Reserve

The Police and Crime Commissioner has no deferred capital receipts.

Accumulated Absences Account

The Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March 2023. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2022-2023 £'000	2021-2022 £'000
Balance at 1 April	-8,360	-8,431
Settlement or cancellation of accrual made at the end of the preceding year	0	71
Amounts accrued at the end of the current year	-602	0
	-8,962	-8,360
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	0	0
Balance at 31 March	-8,962	-8,360

21. Cash Flow Statements - Adjustment on Provision of Services for Non-cash movement, investing and financing activities and total Cash Flow from Operating Activities

Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2022-2023 £000	2021-2022 £000
Interest received	-619	-9
Interest paid	825	908
Total	206	899

Adjustments on the Provision of Services for Non-cash movements:	2022-2023 £000	2021-2022 £000
Depreciation, impairments and downward valuations	7,298	-6,074
Net increase (-)/decrease (+) in revenue creditors	-938	-569
Net increase (+)/decrease(-) in revenue debtors	8,021	2,859
Net increase (+)/decrease(-) in inventories	-51	-140
Pension liability	-53,509	-53,366
Contributions to(-)/from (+) provisions	-619	117
Carrying amount of non-current assets sold (PPE, Inv. Prop, Intangibles)	-1,511	-320
Total Non-Cash Movement	-41,309	-57,493

Adjustments on the Provision of Services for items that are investing and financing activities:	2022-2023 £000	2021-2022 £000
Capital Grants credited to surplus(-)/deficit (+) on provision of services	0	124
Proceeds on sale of PPE and investment and intangibles	1,644	326
Total	1,644	450

Net Cash Flow from Operating Activities Total	-6,547	-13,435
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22. Cash Flow Statement - Investing Activities

	2022-2023 £000	2021-2022 £000
Purchase of PPE and Intangible Assets	6,890	4,238
Proceeds from sale of PPE and Intangible Assets	-1,644	-326
Proceeds from short-term and long-term investments	0	0
Purchase of short-term investments	4,710	13,856
Capital Grants	0	-124
Net Cash Flows from Investing Activities	9,956	17,644

23. Cash Flow Statement - Financing Activities

	2022-2023 £000	2021-2022 £000
Cash receipts of short-term and long-term borrowing	0	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	951	877
Repayment of short-term and long-term borrowing	502	502
Net Cash Flows from Financing Activities	1,453	1,379

24. Notes to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2022-2023				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note a) £'000	Net change for the Pensions Adjustments (Note b) £'000	Other Adjustments (Note c) £'000	Total Adjustments £'000
Police & Crime Commissioner	-13,735	0	0	-13,735
Chief Constable	0	1,741	602	2,343
Net Cost of Service	-13,735	1,741	602	-11,392
Other income and expenditure from the Expenditure Funding Analysis	-133	51,768	0	51,635
Difference between the General Fund surplus/deficit and the Comprehensive Income and Expenditure Statement surplus/deficit on the provision of services	-13,868	53,509	602	40,243

Adjustments between Funding and Accounting Basis 2021-2022				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note a) £'000	Net change for the Pensions Adjustments (Note b) £'000	Other Adjustments (Note c) £'000	Total Adjustments £'000
Police & Crime Commissioner	53	0	0	53
Chief Constable	0	13,930	-71	13,859
Net Cost of Service	53	13,930	-71	13,912
Other income and expenditure from the Expenditure Funding Analysis	-130	39,436	0	39,306
Difference between the General Fund surplus/deficit and the Comprehensive Income and Expenditure Statement surplus/deficit on the provision of services	-77	53,366	-71	53,218

Note a: Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;

Financing and investment income and expenditure – the statutory charges for capital financing 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;

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.

Note b: Net change for pension adjustments

Net change for the removal 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** – the net interest on the defined benefit liability is charged to the CIES.

Note c: Other adjustments

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts;

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 NDR 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, and any difference will be brought forward in future Surpluses or Deficits on the General Fund.

25. Members' Allowances

Audit Committee’s costs have been shared equally between the Police and Crime Commissioner and the Chief Constable.

As at the end of March 2023 there were a total of 5 members.

	2022-2023		2021-2022	
	£000	Number of Members	£000	Number of Members
Allowances	11	5	12	5
Expenses	1		0	
	12		12	

Further information on members’ paid allowances can be found at www.northwales-pcc.gov.uk.

26. Officers' Remuneration

The following table sets out the remuneration disclosures for Relevant Police Officers (defined as the Chief Constable and any Senior Police Officers and staff with a full-time salary of more than £150,000 per year or other relevant officers with a salary above £60,000). Within the tables below the Chief Constable, Deputy Chief Constable, Assistant Chief Constable and Director of Finance and Resources are charged to the Chief Constable's Accounts. The Police and Crime Commissioner, Deputy Police and Crime Commissioner, Chief Executive Officer and Chief Finance Officer costs are charged to the Police and Crime Commissioner's Accounts. Other Senior Police Officers (above the rank of Superintendent) and Senior Employees (designated office holder of a local government body) are included within the Remuneration Banding table. The amounts for the Officers and Staff below have been fully charged within the Comprehensive Income and Expenditure account.

Chief Constable C Foulkes retired on 14/10/2022 which resulted in a period of transition until the new Chief Constable Amanda Blakeman was appointed on 31/10/2022.

2022-2023	Notes:	Salary (including fees & allowances)	Expense Allowance	Other Expenses	Benefits in kind	Total remuneration excluding pension contributions	Pension contributions	Total remuneration including pension contributions
Post Holder:		£	£	£	£	£	£	£
Chief Constable - C. Foulkes	1	96,482	0	0	4,335	100,817	26,309	127,126
Chief Constable - R. Debicki	2	24,051	0	0	1,142	25,193	7,456	32,649
Chief Constable - A. Blakeman	3	68,392	13,641	0	517	82,550	20,723	103,273
Deputy Chief Constable	4	107,299	0	0	6,047	113,346	32,509	145,855
Deputy Chief Constable	5	19,890	0	0	1,142	21,032	5,280	26,312
Assistant Chief Constable	6	90,752	120	0	3,741	94,613	28,133	122,746
Assistant Chief Constable	7	17,031	0	0	5,120	22,151	4,599	26,750
Director of Finance & Resources		105,126	333	0	8,304	113,763	19,974	133,737
Police & Crime Commissioner		73,142	0	0	0	73,142	13,897	87,039
Deputy Police and Crime Commissioner		49,407	315	0	0	49,722	9,387	59,109
Chief Executive Officer of the Police & Crime Commissioner		89,763	499	0	0	90,262	17,055	107,317
Chief Finance Officer of the Police & Crime Commissioner	8	46,117	76	0	0	46,193	8,787	54,980

Note 1: The post holder (C.Foulkes) held this post from 01/04/2022 to 14/10/2022

Note 2: The post holder (R.Debicki) held this post for an interim period from 03/09/2022 to 30/10/2022 (see also Note 4)

Note 3: The post holder (A.Blakeman) held this post from 31/10/2022 to 31/03/2023

Note 4: The post holder (R.Debicki) held this post from 01/04/2022 to 02/09/2022 and from 31/10/2022 to 31/03/2023

Note 5: The post holder held this post for an interim period from 03/09/2022 to 30/10/2022 (see also Note 6)

Note 6: The post holder held this post from 01/04/2022 to 02/09/2022 and from 31/10/2022 to 31/03/2023

Note 7: The post holder held this post for an interim period from 03/09/2022 to 30/10/2022

Note 8: The Chief Finance Officer works part time (the full time equivalent salary is £77,076)

2021-2022								
Post Holder:	Notes:	Salary (including fees & allowances)	Expense Allowance	Other Expenses	Benefits in kind	Total remuneration excluding pension contributions	Pension contributions	Total remuneration including pension contributions
		£	£	£	£	£	£	£
Chief Constable - C. Foulkes		157,409	0	0	7,693	165,102	48,797	213,899
Deputy Chief Constable		126,080	0	0	6,497	132,577	38,331	170,908
Assistant Chief Constable	1	60,232	40	0	2,792	63,064	18,068	81,132
Assistant Chief Constable	2	48,169	0	0	2,199	50,368	12,003	62,371
Assistant Chief Constable	3	13,514	0	0	795	14,309	4,189	18,498
Director of Finance & Resources		102,961	297	0	8,143	111,401	19,563	130,964
Police & Crime Commissioner	4	8,253	529	0	0	8,782	1,568	10,350
Police & Crime Commissioner	5	63,147	0	0	0	63,147	11,998	75,145
Deputy Police and Crime Commissioner	6	21,727	28	0	0	21,755	4,128	25,883
Chief Executive Officer of the Police & Crime Commissioner		87,914	30	0	0	87,944	16,704	104,648
Chief Finance Officer of the Police & Crime Commissioner	7	44,325	0	0	0	44,325	8,422	52,747

Note 1: The post holder held this post from 01/04/2021 to 26/09/2021

Note 2: The post holder held this post from 13/09/2021 to 13/02/2022

Note 3: The post holder held this post from 14/02/2022 to 31/03/2022

Note 4: The post holder held this post from 01/04/2021 to 12/05/2021

Note 5: The post holder held this post from 13/05/2021 to 31/03/2022

Note 6: The post holder held this post from 27/09/2021 to 31/03/2022

Note 7: The Chief Finance Officer works part time, full time equivalent salary is £73,875

2022-2023

The Police and Crime Commissioner's and Chief Constable's other employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Bands	Number of Employees 2022-2023	Number of Employees 2021-2022
£60,000 - £64,999	37	24
£65,000 - £69,999	18	15
£70,000 - £74,999	5	7
£75,000 - £79,999	7	5
£80,000 - £84,999	4	6
£85,000 - £89,999	5	5
£90,000 - £94,999	3	0
£95,000 - £99,999	1	3
£100,000 - £104,999	2	0

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

Exit packages 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	
	2021-2022 No.	2022-2023 No.	2021-2022 No.	2022-2023 No.	2021-2022 No.	2022-2023 No.	2021-2022 £000	2022-2023 £000
£ 0 - £20,000	2	0	6	5	8	5	61	55
£ 20,001 - £40,000	2	0	0	0	2	0	50	0
£ 40,001 - £60,000	0	0	0	0	0	0	0	0
£ 60,001 - £80,000	0	0	0	1	0	1	0	65
£ 80,001 and above	0	0	0	0	0	0	0	0

* The Total number of exit packages no longer include Police Officer Ill Health retirement costs (2021-22 figures revised for comparative purposes)

Median Pay Ratio

The median pay ratio for the Police and Crime Commissioner compares the full-time equivalent remuneration of the Chief Executive to the full time equivalent median remuneration of the staff employed by the Police and Crime Commissioner. The median pay ratio for the Chief Constable compares the remuneration of the Chief Constable to the full time equivalent median remuneration of the staff employed by the Chief Constable.

	2022-2023	2021-2022
Chief Executive's pay	89,763	87,914
Median pay of the Police & Crime Commissioner's staff	37,860	36,369
Median pay ratio:	2.4	2.4
Chief Constable's pay	178,389	165,102
Median pay of the Chief Constable's staff	35,542	33,611
Median pay ratio:	5.0	4.9

27. External Audit Costs

The Police and Crime Commissioner has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims:

	2022-2023			2021-2022		
	Group	PCC	CC	Group	PCC	CC
	£000	£000	£000	£000	£000	£000
Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor	88	44	44	83	41.5	41.5
Total	88	44	44	83	41.5	41.5

The above represents payments made within the financial year 2022-2023. The agreed strategy fee for the audit year November 2022 to October 2023 was £100,023 for 2022-2023.

28. Grant Income

The Police and Crime Commissioner credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022-2023.

Credited to Taxation and Non-specific Grant Income	2022-2023 £0	2021-2022 £0
Home Office Capital Grant	0	124
Home Office Police Grant and Floor Grant	71,894	61,154
Revenue Support Grant	16,260	10,288
Share of Non-domestic Rates Grant	253	12,235
Total	88,407	83,801

Credited to Services	2022-2023 £0	2021-2022 £0
CRB Criminal Records	855	761
Speed Reduction	1,486	1,338
Community Support Officers Welsh Government	4,360	3,891
School Liaison Programme	404	397
PFI Grant	1,140	1,192
Cyber Grant	158	158
DA Perpetrator Grant	104	0
Special Branch Grant	674	0
Proceeds of Crime Acts	492	306
Security Grants	2,289	2,323
LEDS Adoption Funding	148	0
HO Pay Award Grant	721	0
PCC Safer Streets Grant	1,001	1,065
Neighbourhood Policing Grant	0	1,282
Drug Intervention Programme (DIP)	478	478
Victims Commissioning/Services	3,081	2,815
Officer Uplift Grant	1,391	1,114
Pension Grant	1,582	1,582
Police Apprenticeship Grant	492	204
PCC Substance Misuse Grant	158	0
Other Grants	145	266
Within cost of services in Comprehensive Income & Expenditure Statement	21,159	19,172

29. Related Parties

There are no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers.

The son of the Chief Finance Officer is employed as an Audit Apprentice by Audit Wales. Audit Wales has made arrangements to ensure this does not present a conflict of interest for either the Office of the Police and Crime Commissioner or Audit Wales.

The Police and Crime Commissioner charges Denbighshire County Council, Abergele Town Council, North Wales Joint Branch Board, Tunnel and Network Services and Victim Support in respect of joint occupancy of buildings.

The Chief Constable is a trustee of both PACT (North Wales Police and Community Trust) and DangerPoint. The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the profile of community safety, significantly minimise the fear of crime and thus enhance the quality of life throughout North Wales. For 2022-2023 this equated to £28,100 donated from the fund to PACT contributing towards meeting the costs of the Fund administration of £49,085.62.

The Police and Crime Commissioner and Chief Constable participate in a partnership with HMPPS and provide funding to support the 'Dechrau Newydd' project in North Wales. This dual partnership is to reduce drug related offending and deaths through community provision and support.

Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members' declarations of interests can be found on the Office of the Police and Crime Commissioner's website www.northwales-pcc.gov.uk

30. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and the PFI contract), 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 held by the Police and Crime Commissioner, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Police and Crime Commissioner that has yet to be financed. The CFR is analysed in the second part of this note.

	2022-2023 £000	2021-2022 £000
Opening Capital Financing Requirement	28,000	29,966
Capital Investment		
Property, Plant and Equipment	6,770	4,239
Intangible Assets	0	0
Revenue Expenditure funded from Capital under Statute	120	0
Sources of Finance		
Capital Receipts	-417	-60
Government Grants and other contributions	0	-124
Sums set aside from revenue	-510	-564
Direct revenue contributions	-3,502	-2,720
MRP Principal	-2,425	-2,737
Closing Capital Financing Requirement	28,036	28,000

Explanation of Movements in year

	2022-2023 £000	2021-2022 £000
Increase (+)/decrease (-) in underlying need to borrow (unsupported by government financial assistance)	987	-1,089
Assets acquired under finance leases	0	0
Assets acquired under PFI/PPP contracts	-951	-877
Increase (+)/decrease(-) in Capital Financing Requirement	36	-1,966

31. Leases

Finance Lease including Private Finance Initiative (PFI)

The PFI contract was signed in September 2002. The contract provides a serviced facility comprising a Divisional Headquarters, Police Station, Custody Block and a Scientific Support and Major Incident block in the St Asaph Business Park. The facility became operational in March 2004. The contract lasts for 25 years, and there are options available to take ownership of the building when the contract expires for no additional charge. The contract provides for a review of pricing in relation to the service charge element to be carried out at 5 yearly intervals. The Force was awarded notional credit approval of £19.623 million for the scheme, which results in £36.7 million of additional revenue funding over the life of the contract. The contracted commitment on the remaining life of the contract is £18.560 million (2021-2022 £20.738 million).

Value of asset held for PFI

The PFI Asset has been assessed under current accounting requirements and is included as part of the Police and Crime Commissioner's Asset portfolio on the Balance Sheet (see Note 12). The asset was revalued as at 31 March 2023 as part of the Asset Portfolio. The table below summarises the movement in the PFI asset value.

PFI	£000
Gross Value as at 31 of March 2022	18,454
Cumulative Depreciation to 31.3.2022	-3,004
Depreciation 2022-2023	-335
Depreciation written out on revaluation 2022-23	816
Total Depreciation to 31.3.2023	-2,523
Net Revaluation increase/(decrease) 2022-23	11,990
Net Book Value as at 31 of March 2023	27,921

Value of Liability

PFI	£000
Value as at 31 of March 2022	8,226
Capital Repayment	-951
Net Value as at 31 of March 2023	7,275

Total payments to be made over the life of the contract

PFI	£000
Amount due within 1 year	3,168
Due within 2 to 5 years	12,921
Due within 6 to 10 years	2,471
Total	18,560

Operating Leases

Rentals paid under agreements for rental properties totalled £0.205m in 2022-23. The future minimum lease payments due under non-cancellable leases in future years are:

Rental Agreements	£000
Amount due within 1 year	157
Due within 2 to 5 years	274
Due within 6 to 10 years	36
Total	467

32. Impairment Losses

The Code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and Other Comprehensive Income and Expenditure. These disclosures are consolidated in Note 12 reconciling the movement over the year in the Property, Plant and Equipment and Intangible Asset balances.

33. Termination Benefits

The Police and Crime Commissioner utilised the following regulations in respect of termination benefits:

- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) and
- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

and terminated the contracts of a number of employees in 2022-2023 incurring costs of £0.120 million (2021-2022 £0.111 million) as disclosed in note 26.

34. Defined Benefits Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Police and Crime Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire the Police and Crime Commissioner has a commitment to make the payments (for those benefits) and to disclose them at the time employees receive their future entitlement.

The Police and Crime Commissioner participates in two pension schemes:

- The Local Government Pension Scheme for Police Staff and the Office of the Police and Crime Commissioner is administered by Gwynedd Council. This is a funded defined benefit final salary scheme, meaning that the Police and Crime Commissioner and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities to investment assets. The Police and Crime Commissioner and Chief Constable are one scheduled body within the LGPS and are not split in the accounts.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Gwynedd Council. Policy is determined in accordance with the Pensions Fund regulations. The investment managers of the fund are appointed by the committee.

The principal risks to the Police and Crime Commissioner of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (e.g. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amounts required by statute as described in the accounting policies note.

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which the liabilities are recognised when awards are made.

- The Police Pension Scheme for Police Officers. This is an unfunded defined benefit final salary scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year is less than the amounts payable, the Police and Crime Commissioner must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is

met by central government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Police and Crime Commissioner who then must repay the amount to central government.

Transactions Relating to Post-Employment Benefits:

The Police and Crime Commissioner recognises the cost of retirement 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 we are required to make against council tax is based on the cash payable in the year, so the real cost of employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The Chief Constable of North Wales, along with other Chief Constables and the Home Office, currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

Aarons & Ors

Government Legal Department settled the injury to feelings claims for Aarons & Ors on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent. Therefore no liability in respect of compensation claims is recognised in these accounts.

Penningtons

As at 31 March 2023, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Remedy:

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.

The main elements of the Act are:

- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations

The impact of a change in scheme liabilities arising from the McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2024-2025 (delayed from 2023-2024), although this timetable is still subject to change.

The impact on annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a policing body to maintain a police pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount

required to meet the deficit is then paid by the Secretary of State to the Police and Crime Commissioner in the form of a central government top-up grant.

With regard to the LGPS, when the benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual membership data and actual employer level cashflow data, ultimately for cash contribution setting purposes. The 31 March 2022 funding valuations for English and Welsh LGPS Funds were concluded by 31 March 2023.

The accounting balance sheet position as at 31 March 2023, and the projected charge to the CIES for 2023/24, are therefore based on a new rollforward from the 2022 funding valuation. This differs to the balance sheet position as at 31 March 2022 and the charge to the CIES for 2022/23, which were based on a rollforward from the 2019 funding valuation. **This 'step change' can lead to sizeable asset and obligations 'remeasurement experience' items in the reconciliation of the balance sheet from 31 March 2022 to 31 March 2023.**

Recognition of surplus (Net asset) - the Accounting Standard imposes a limit on the maximum amount of surplus which can be recognised on the Employer's balance sheet. As this is the first year that a surplus has been recognised the actuaries have carried out a further calculation to assess the net asset restriction based on the remaining future working lifetime of active staff and the present value of accruing service cost less the value of cash contributions i.e. the asset ceiling. The Employer is therefore limited to recognising only the value of the asset ceiling of £934k on its balance sheet as opposed to the total surplus of £57,095k.

The following transactions have been made in the Comprehensive Income and Expenditure Account (CIES) and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Police Pension Scheme		Total
	2022-2023 £000	2021-2022 £000	2022-2023 £000	2021-2022 £000	2022-2023 £000
Comprehensive Income and Expenditure Statement					
<i>Cost of Services:</i>					
<i>Service cost comprising:</i>					
Current Service Cost	-18,874	-19,680	-35,320	-45,070	-54,194
Past Service Gains (-)/Losses (+)	-208	-2	0	0	-208
<i>Financing and investment income and expenditure</i>					
Net interest expense	-1,858	-2,146	-49,910	-37,290	-51,768
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	-20,940	-21,828	-85,230	-82,360	-106,170

	Local Government Pension Scheme		Police Pension Scheme		Total
	2022-2023 £000	2021-2022 £000	2022-2023 £000	2021-2022 £000	2022-2023 £000
<i>Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>					
Unfunded Benefits Contributions	109	110	0	0	109
Transfers In	0	0	-290	-340	-290
Police Pension top-up grant receivable	0	0	23,306	21,763	23,306
<i>Actual amount charged against the General Fund balance for pensions in the year:</i>					
Employer's contributions payable to scheme	7,712	7,102	0	0	7,712
Retirement benefits payable to pensioners	0	0	21,824	22,187	21,824
<i>Employer's pension contributions and direct payments to pensioners payable in the year</i>	7,821	7,212	44,840	43,610	52,661
<i>Remeasurement of the net defined benefit liability comprising:</i>					
Return on plan assets (excluding the amount included in the net interest expense)	-10,688	18,579	0	0	-10,688
Actuarial gains(+) and losses (-) arising on changes in demographic assumptions	9,686	1,834	28,940	0	38,626
Actuarial gains (+) and losses (-) arising on changes in financial assumptions	153,317	31,383	648,080	24,410	801,397
Other experience gains (+) and losses (-)	-20,058	-652	-104,410	-9,880	-124,468
Changes in asset ceiling	-56,161	0	0	0	-56,161
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Account	76,096	51,144	572,610	-14,530	648,706
Movement in Reserves Statement					
Reversal of net charges made to the Surplus or Deficit for the Provision of post-employment benefits	-13,119	14,616	-40,390	-38,750	-53,509

Pensions Assets and Liabilities Recognised in the Balance Sheet.

The amount included in the balance sheet arising from the Police and Crime Commissioner's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme		Police Pension Scheme		Total
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Present value of the defined benefit obligation	234,690	352,010	1,355,800	1,888,020	1,590,490
Fair value of plan assets	-291,785	-289,967	0	0	-291,785
Sub-total	-57,095	62,043	1,355,800	1,888,020	1,298,705
Other movement in the liability (+)/asset (-) (if applicable)	56,161	0	0	0	56,161
Net (Asset) / Liability arising from the defined benefit obligation	-934	62,043	1,355,800	1,888,020	1,354,866

Reconciliation of the Movement in the Fair Value of the Scheme (Plan) Assets

	Local Government Pension Scheme	
	31 March 2023 £000	31 March 2022 £000
Opening fair value of the scheme assets	289,967	261,100
Interest income	8,048	5,399
Remeasurement gain (+)/loss (-):		
- the return on plan assets, excluding the amount included in the net interest expense	-10,688	18,579
- Other (if applicable)	-1,343	0
Contribution from employers	7,712	7,102
Contributions from employees	2,695	2,478
Benefits paid	-4,606	-4,691
Closing fair value of the scheme assets	291,785	289,967

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

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Opening balance at 1 April	352,010	359,671	1,888,020	1,863,800
Current service cost	18,874	19,680	35,320	45,070
Interest cost	9,906	7,545	49,910	37,290
Contributions from scheme participants	2,695	2,478	8,170	7,960
Remeasurement gains (-) and losses (+):				
- Actuarial gains/losses arising from changes in demographic assumptions	-9,686	-1,834	-28,940	0
- Actuarial gains/losses arising from changes in financial assumptions	-153,317	-31,383	-648,080	-24,410
- Other experience gains/losses	18,715	652	104,410	9,880
- Changes due to asset ceiling	56,161	0	0	0
Past service costs	208	2	0	0
Transfers In	0	0	290	340
Benefits paid	-4,606	-4,691	-53,300	-51,910
Liabilities extinguished on settlements (where applicable)	-109	-110	0	0
Closing balance at the 31 March	290,851	352,010	1,355,800	1,888,020

Local Government Pension Scheme assets comprised:

	Local Government Pension Scheme 2022-2023			Local Government Pension Scheme 2021-2022		
	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000
Cash and cash equivalents	911	0	911	904	0	904
Sub-total	911	0	911	904	0	904
Property: <i>By type:</i>						
UK Property	0	24,048	24,048	0	24,869	24,869
Overseas Property	0	0	0	0	0	0
Sub-total	0	24,048	24,048	0	24,869	24,869
Private Equity:						
UK and overseas	0	18,369	18,369	0	16,341	16,341
Sub-total	0	18,369	18,369	0	16,341	16,341
Other Investment Funds and unit trusts:						
Equities	0	181,645	181,645	0	184,282	184,282
Infrastructure	0	8,284	8,284	0	5,668	5,668
Other	0	58,528	58,528	0	57,903	57,903
Sub-total	0	248,457	248,457	0	247,853	247,853
Totals	911	290,874	291,785	904	289,063	289,967

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Local Government Pension Scheme liabilities have been estimated by Hymans Robertson and the Police Pension Scheme liabilities have been estimated by the Government Actuary's Department. These are both independent actuary organisations, estimates for the Local Government Pension Scheme being based on the latest full valuation of the scheme as at 31 March 2022.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions used. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. This assumes if one assumption changes, all the other assumptions will remain constant. The estimation in the sensitivity analysis has followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

2022-2023	Local Government Pension Scheme		Police Pension Scheme	
	Increase in assumption £000	Decrease in assumption £000	Increase in assumption £000	Decrease in assumption £000
Longevity (increase (+) or decrease (-) in 1 year)	9,388	-9,388	33,000	-33,000
Rate of inflation (increase (+) or decrease (-) by 0.5%)	22,520	-22,520	104,000	-104,000
Rate of increase in salaries (increase (+) or decrease (-) by 0.5%)	4,050	-4,050	13,000	-13,000
Rate of increase in pensions (increase (+) or decrease (-) by 0.5%)	22,520	-22,520	103,000	-103,000
Rate for discounting scheme liabilities (increase (-) or decrease (+) by 0.5%)	-26,195	26,195	-104,000	104,000

Asset and Liability Matching (ALM) Strategy

The pensions committee of Gwynedd Council does not have an asset and liability matching strategy (ALM). Responsibility for the Fund's risk management strategy rests with the pensions committee. The Pension Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to pay pensions. The Administering Authority has produced a Funding Strategy Statement in conjunction with the Fund's Actuaries, which states how solvency and risk will be managed in relation to liabilities. The Strategy was reviewed and updated following the actuarial valuation in 2022 and has taken an overall view of the level of risk inherent in the investment policy set out in the Investment Strategy Statement published under Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, (the investment regulations) and the funding policy set out in the Statement. These documents continue to be reviewed to ensure that the overall risk profile remains appropriate.

Impact on the Police and Crime Commissioner's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Gwynedd Council has agreed a strategy with the scheme's actuary to achieve a funding level of at least 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation will be completed during 2025-2026 to be implemented from April 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pensions Scheme in England and Wales and the other main existing public service schemes change the benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Police and Crime Commissioner anticipates paying £7.590 million contributions to the scheme in 2023-2024.

The weighted average duration of the defined benefit obligation for the Local Government Pension Scheme is 22.0 years 2022-2023, (26.0 years 2021-2022). The weighted average for the Police Pension Scheme is 17.0 years, 2022-2023, (21.0 years 2021-2022).

35. Contingent Liabilities

The Police and Crime Commissioner has the sum of £2.834 million reserved for insurance purposes (previously £2.215 million), which is made up of £1.561 million held in the Insurance Reserve (Note 8) and £1.273 million held in the Insurance Provision (Note 18). The Insurance Reserve (Note 8) includes £0.117 million related to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £1.444 million for additional areas of insurance in relation to claims 'Incurred but not reported' (IBNR), 'Incurred but not enough reported reserves (provisions)' IBNER and recommended additional sums.

Note 34 details a number of Pension related legal cases that may lead to future liabilities, these are not repeated here.

There are no other known contingent liabilities as at 31 March 2023.

36. Financial Instruments including Nature and Extent of Risks Arising

(a) Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Police and Crime Commissioner represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Police and Crime Commissioner. All of the Police and Crime Commissioner's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders,
- short-term loans from other local authorities,
- overdraft with HSBC bank,
- lease payables including Private Finance Initiative contracts detailed in note 31, and
- trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Police and Crime Commissioner that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Police and Crime Commissioner. All financial assets held by the Police and Crime Commissioner during the year are measured at amortised cost (where cash flows are solely payments of principal and interest, and the Police and Crime Commissioner's business model is to collect those cash flows) comprising:

- cash in hand,
- bank current and deposit accounts with HSBC bank,
- fixed term deposits with banks and building societies, and
- trade receivables for goods and services provided.

Financial assets held at amortised cost are shown net of a loss allowance (where material) reflecting the statistical likelihood that the counterparty will be unable to meet their contractual commitments to the Police and Crime Commissioner.

(b) Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long Term		Short Term	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	£000	£000	£000	£000
Loans at amortised cost:				
- Principal sum borrowed	7,875	8,375	500	500
- Accrued interest	0	0	31	33
Total Borrowing *	7,875	8,375	531	533
Loans at amortised cost:				
- Bank overdraft	0	0	0	0
Total Cash Overdrawn	0	0	0	0
Liabilities at amortised cost:				
- PFI arrangements	6,244	7,275	1,031	951
Total Other Long-term Liabilities	6,244	7,275	1,031	951
Liabilities at amortised cost:				
- Trade payables	0	0	20,180	20,524
Included in Creditors	0	0	20,180	20,524
Total Financial Liabilities	14,119	15,650	21,742	22,008

* The total short-term borrowing includes principal repayments due within 12 months on long-term borrowing.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long Term		Short Term	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	£000	£000	£000	£000
<i>At amortised cost:</i>				
- Principal	0	0	24,500	19,850
- Accrued interest	0	0	66	6
- Loss allowance	0	0	0	0
Total Investments	0	0	24,566	19,856
<i>At amortised cost:</i>				
- Principal	0	0	5,399	10,280
- Accrued interest	0	0	19	0
- Loss allowance	0	0	0	0
Total Cash and Cash Equivalents	0	0	5,418	10,280
<i>At amortised cost:</i>				
- Trade receivables	0	0	21,015	12,993
- Loss allowance	0	0	-16	-15
Included in Debtors	0	0	20,999	12,978
Total Financial Assets	0	0	50,983	43,114

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset against each other where the Police and Crime Commissioner has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The table below shows those instruments that have been offset on the balance sheet.

	31.3.2023			31.3.2022		
	Gross assets (liabilities) £000	(Liabilities) assets set off £000	Net position on balance sheet £000	Gross assets (liabilities) £000	(Liabilities) assets set off £000	Net position on balance sheet £000
Trade receivables	20,999	0	20,999	12,978	0	12,978
Bank accounts in credit	5,436	-18	5,418	10,287	-7	10,280
Total financial assets	26,435	-18	26,417	23,265	-7	23,258
Trade payables	-20,180	0	-20,180	-20,524	0	-20,524
Bank accounts in debit	-18	18	0	-7	7	0
Borrowings	-8,406	0	-8,406	-8,908	0	-8,908
PFI arrangements	-7,275	0	-7,275	-8,226	0	-8,226
Total financial liabilities	-35,879	18	-35,861	-37,665	7	-37,658

(c) Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities	Financial Assets		
	Amortised Cost £000	Amortised Cost £000	2022-2023 Total £000	2021-2022 Total £000
Interest expense	856	0	856	940
Impairment losses	1	0	1	3
Losses from changes in fair value	51,768	0	51,768	39,436
Fees paid	0	0	0	0
Interest payable and similar charges	52,625	0	52,625	40,379
Interest income	0	-704	-704	-16
Interest and investment income	0	-704	-704	-16
Net impact on surplus/deficit on provision of services	52,625	-704	51,921	40,363

(d) Financial Instruments - Fair Values

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2023, using the following methods and assumptions:

- Loans borrowed by the Police and Crime Commissioner have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service and interest charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

	Fair Value Level	Balance Sheet 31.3.2023 £000	Fair Value 31.3.2023 £000	Balance Sheet 31.3.2022 £000	Fair Value 31.3.2022 £000
Financial liabilities held at amortised cost:					
Long-term loans from PWLB	2	8,375	6,429	8,875	7,963
Lease payables and PFI liabilities	2	7,275	6,124	8,226	7,452
Total		15,650	12,553	17,101	15,415
Liabilities for which fair value is not disclosed *		20,211		20,557	
Total Financial Liabilities		35,861		37,658	
<i>Recorded on balance sheet as:</i>					
Short-term creditors		20,180		20,524	
Short-term borrowing		531		533	
Other short-term liabilities		1,031		951	
Long-term borrowing		7,875		8,375	
Other long-term liabilities		6,244		7,275	
Total Financial Liabilities		35,861		37,658	

* The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is lower than their balance sheet carrying amount because the inherent interest rate within the PFI unitary charge is higher than the current market rates available as at the Balance Sheet date.

	Fair Value Level	Balance Sheet 31.3.2023 £000	Fair Value 31.3.2023 £000	Balance Sheet 31.3.2022 £000	Fair Value 31.3.2022 £000
Financial assets held at amortised cost:					
Corporate Bond	1	0	0	0	0
Total		0	0	0	0
Assets for which fair value is not disclosed *		50,983		43,114	
Total Financial Assets		50,983		43,114	
<i>Recorded on balance sheet as:</i>					
Short-term debtors		20,999		12,978	
Short-term investments		24,566		19,856	
Cash and cash equivalents		5,418		10,280	
Total Financial Assets		50,983		43,114	

* The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

e) Financial Instruments - Risks

The Police and Crime Commissioner complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2017.

In line with the Treasury Management Code, the Police and Crime Commissioner approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the

parameters for the management of risks associated with financial instruments. The Police and Crime Commissioner also approves Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Welsh Government's Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield.

The main risks covered are:

- *Credit Risk*: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Police and Crime Commissioner.
- *Liquidity Risk*: The possibility that the Police and Crime Commissioner might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Treasury Investments

The Police and Crime Commissioner manages credit risk by ensuring that treasury investments are placed only with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Police and Crime Commissioner has received independent investment advice.

A limit of £10m of the total portfolio can be invested with the HSBC as the Police and Crime Commissioner's contracted bankers, and £4m limit is placed on the amount of money that can be invested with other single counterparties (other than the UK government). No more than £5m in total can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Police and Crime Commissioner's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating *	31.3.2023		31.3.2022	
	Long-term £000	Short-term £000	Long-term £000	Short-term £000
UK Government	0	24,500	0	19,850
AAA	0	0	0	0
AA+	0	0	0	0
AA	0	0	0	0
AA-	0	2,362	0	5,387
A+	0	3,015	0	4,858
A	0	0	0	0
A-	0	0	0	0
Total Investments	0	29,877	0	30,095

* as per Fitch published long-term rating @ 31.3.2023

The current account is held with HSBC who are rated AA-.

Credit Risk: Trade Receivables

The following analysis summarises the Police and Crime Commissioner's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

	31.3.2023		31.3.2022	
	Trade receivables	Lease receivables	Trade receivables	Lease receivables
	£000	£000	£000	£000
Neither past due nor impaired	7,063	0	6,161	0
Past due < 3 months	2,424	0	1,144	0
Past due > 3 months	1,266	0	241	0
Individually impaired	16	0	16	0
Total Receivables	10,769	0	7,562	0

Loss allowances on trade receivables have been calculated by reference to the Police and Crime Commissioner's historic experience of default. Receivables are determined to be credit-impaired where they are 90 or more days past due. Loss allowances are eventually written off on a case by case basis to the Surplus or Deficit on the Provision of Services.

Liquidity Risk

The Police and Crime Commissioner has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Police and Crime Commissioner will be unable to raise finance to meet its commitments. There is however the risk of the need to refinance a significant proportion of borrowing at a time of unfavourably high interest rates.

The maturity analysis of financial instruments is as follows shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payments) figures:

31.03.2023 Discounted	< 1 yr £000	1-2 yrs £000	2-5 yrs £000	5-10 yrs £000	10-20 yrs £000	TOTAL £000
Borrowing	500	500	1,500	2,500	3,375	8,375
Trade payables	20,211	0	0	0	0	20,211
Lease payables	1,031	1,118	3,961	1,165	0	7,275
Financial liabilities	21,742	1,618	5,461	3,665	3,375	35,861
Liquidity risk	-50,983	0	0	0	0	-50,983
Net liquidity risk	-29,241	1,618	5,461	3,665	3,375	-15,122

31.03.2023 Undiscounted	< 1 yr £000	1-2 yrs £000	2-5 yrs £000	5-10 yrs £000	10-20 yrs £000	TOTAL £000
Borrowing	601	595	1,748	2,788	3,515	9,247
Trade payables	20,211	0	0	0	0	20,211
Lease payables	1,692	1,685	5,018	1,244	0	9,639
Financial liabilities	22,504	2,280	6,766	4,032	3,515	39,097
Liquidity risk	-50,983	0	0	0	0	-50,983
Net liquidity risk	-28,479	2,280	6,766	4,032	3,515	-11,886

31.03.2022 Discounted	< 1 yr £000	1-2 yrs £000	2-5 yrs £000	5-10 yrs £000	10-20 yrs £000	TOTAL £000
Borrowing	500	500	1,500	2,500	3,875	8,875
Trade payables	19,275	0	0	0	0	19,275
Lease payables	951	1,031	3,649	2,595	0	8,226
Financial liabilities	20,726	1,531	5,149	5,095	3,875	36,376
Liquidity risk	-43,114	0	0	0	0	-43,114
Net liquidity risk	-22,388	1,531	5,149	5,095	3,875	-6,738

31.03.2022 Undiscounted	< 1 yr £000	1-2 yrs £000	2-5 yrs £000	5-10 yrs £000	10-20 yrs £000	TOTAL £000
Borrowing	608	601	1,766	2,819	4,061	9,855
Trade payables	19,275	0	0	0	0	19,275
Lease payables	1,699	1,692	5,037	2,910	0	11,338
Financial liabilities	21,582	2,293	6,803	5,729	4,061	40,468
Liquidity risk	-43,114	0	0	0	0	-43,114
Net liquidity risk	-21,532	2,293	6,803	5,729	4,061	-2,646

Market Risks: Interest Rate Risk

The Police and Crime Commissioner is exposed to risk in terms of its exposure to interest rate movements on borrowings and investments. Movements in interest rates have a complex impact on the Police and Crime Commissioner. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. At 31 March 2023, 100% (2022: 100%) of net principal borrowed (i.e. borrowing net of investments) was exposed to fixed rates and 0% (2022: 0%) to variable rates.

Market Risks: Price Risk

The Police and Crime Commissioner does not invest in equity shares and therefore is not subject to any price risk (i.e. the risk that the Police and Crime Commissioner will suffer a loss as a result of adverse movements in the price of the financial instrument).

Market Risks: Foreign Exchange Risk

The Police and Crime Commissioner has no financial assets or liabilities denominated in foreign currency therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

37. Partnership Schemes

The Police and Crime Commissioner is involved in partnership work with DangerPoint Ltd and Police and Community Trust (PACT). Details of PACT and DangerPoint accounts are available upon request.

38. Funds

The Police and Crime Commissioner administers the following funds for the purposes stated –

	31.3.2023 £000	31.3.2022 £000
Police Property Act Fund (Proceeds from confiscated property for distribution to charities)	4	10
Misuse of Drugs Fund (Seized monies from Drugs enquiries used to finance expenditure in combating drugs)	143	134
	147	144

39. Jointly Controlled Operations/Collaboration

The Police and Crime Commissioner was party to a number of collaborations (both regional and national) during 2022-23. CIPFA guidance on accounting for collaboration has been considered in determining the nature of the relationships and, as most arrangements have joint control through a strategic management board, it is considered that most are correctly classified as joint operations. Some arrangements are of a collaborative nature but are classified as third-party payments. Others involve officers from individual forces carrying out duties on a regional basis but funded by a lead force from grants made by the Home Office, other agencies or are self-funded from fees and charges.

The following collates the arrangements into:

- a) Collaboration – Joint Operations
- b) Collaboration – Third Party payments
- c) Collaboration – Grant/self-funded

a) Collaboration – Joint Operations

Minerva

The Minerva Programme was created in 2013 as a collaboration of 10 UK police forces based upon their common use of the Niche Records Management System (NicheRMS365). It had been identified that the RMS was highly configurable locally and as such, there were no common data standards for its use. In addition, UK forces were often making opposing requests for change to the system, activity that created silos of data with massively reduced opportunities for data sharing both between forces and with national systems (PND etc.). The initial aims of the Minerva Programme were to promote best practice between member forces and to create an agreed approach to the use of the RMS.

In 2017, the then 23 Minerva members forces approved an increase in the resource level and committed to a new strategy to develop/manage new NicheRMS365 functionality and to further drive convergence to enable data sharing. The new Minerva Delivery Team (MDT – 10 staff seconded from member forces) commenced this work in 2018.

There are now 27 Minerva member forces as every force in England, Wales and Northern Ireland using NicheRMS365 has chosen to become a Minerva member. At the Minerva Annual General Meeting in September 2021, the Minerva Strategic Plan 2021-26 was approved by member forces. That strategy fully supports agreed national drivers (e.g. the National Policing Digital Strategy 2020-2030) and aims to ensure the ability to effectively share data as Minerva forces consider migration to cloud services.

Responsibility for Minerva was passed from PCC for Sussex to PCC for North Wales on 1 April 2021. As part of the handover a reserve of £331K was transferred across.

In 2021-2022 an amount of £37k was drawn from reserves, reducing the reserve balance to £294K.

The budgeted expenditure agreed for 2022-2023 by the Minerva Management Board was £676k with the funding met by a combination of forces contribution of £571.5K for those forces party to the Section 22a Collaboration Agreement with an amount of £104.5k to be drawn from reserves. The budget was inclusive of costs such as staff, consultants, travel, IT, other non-staff etc.

Actual expenditure has come in slightly below at £642K versus the overall budget, mainly due to lower staff costs than anticipated, which necessitates a movement of £70k from reserves. As a result, the reserve balance has reduced to £224K. The program is committed to running down the reserve over the next 3 years. Force contributions are to remain constant while increased costs are forecast for the next financial year due to additional staff and an anticipated increase in staff costs.

All the expenditure and income relating to Minerva activities are coded separately on our ledger which have been derecognised reflecting our share of income and expenditure, with the North Wales Police funding contribution for 2022-2023 being £20k (2021-2022 being £20k).

2021-22		2022-23		
Net Expenditure £'000	Functions	Expenditure £'000	Income £'000	Net Expenditure £'000
20	Minerva	20	0	20
20	Total	20	0	20

Forensic Collision Investigation Network (FCIN)

Forensic Collision Investigation is a highly specialist area of policing, involving a small number of scientific and technical staff who provide a significant public service through the investigation of death and serious, often life changing, injuries on our roads.

In 2020-2021 the responsibility for the Forensic Collision Investigation Network (FCIN) was transferred from West Mercia Police to North Wales Police. The FCIN moved out of the Specialist Capabilities Programme to the 'Host Force' model with the primary objective being that all collision investigation activities comply with national forensic standards. The police service decided that this should be delivered through a networked approach underpinned by a Section 22a Collaboration Agreement.

As at the end of the Financial Year 2021-2022 the Force held a total of £1,615k in earmarked reserve on behalf of FCIN.

The budgeted expenditure agreed for 2022-2023 by the FCIN Management Board was £3,901k with the funding met by a combination of forces contribution of £2,659k for those forces party to the Section 22a Collaboration Agreement with an amount of £1,242k to be drawn from reserves. The budget was set to meet the cost of scientific development and roll out of the FCIN network to meet the accreditation deadline as set by the Forensic Science Regulator. The budget was inclusive of costs such as staff, consultants, scientific validation, competency testing, other non-staff etc.

The national challenge of forensic ISO accreditation, set before all Forces by the Forensic Science Regulator is not to be underestimated. The goal of the Programme and service has always been to support and provide the skills, scientific research, and ongoing quality management to support the upgrade in service required to meet the FSR codes and standards.

The first service pilot accreditation undertaken in 2021 gave the programme some fundamental areas to look at as a whole policing service, including how best a national service could look to operate within a single

accreditation and the challenges that come with holding central accreditation without centralised authority and operational control.

Two independent reviews on science and delivery were undertaken which highlighted a number of options inclusive of cost; either to continue as is, strip back services to core science and skills testing only, or alternatively to work with Forces in partnership to assist their accreditation journeys whilst giving Forces back the control of the accreditation itself.

The final option was chosen by the National Police Chiefs Council as their preference, which required the reconfiguration of the FCIN service and team, keeping all the key elements of the networked approach whilst assisting Forces in understanding the requirements for which they will be accountable.

The pause in the programme while the reviews and stakeholder engagement were undertaken coupled with challenges in sourcing sufficient specialist skills contributed to an underspend of £1,683k versus the overall budget which did not necessitate a movement of £1,242k from reserves. There is £441k underspend versus the force contributions alone, with underspends primarily made up of staff and staff related costs as well as savings accruing from a pause in the programme.

This £441k underspend versus force contributions is set aside in earmarked reserves as per Note 8 Transfers to/from Earmarked Reserves taking the overall level of reserves to £2,056k. The options as set out in the reviews contained the budget for both FY23/24 and indicative budgets for the following two years. The proposal is that £1,425k will be drawn from reserves over the next three years to mitigate force contributions with a reserve of £631k in place to meet the requirement of the FCIN to help achieve the accreditation deadline and more specifically around costs such as resource costs, accreditation activities and competency testing.

All the expenditure and income relating to the FCIN activities are coded separately on our ledger which have been derecognised reflecting our share of income and expenditure, with the North Wales Police funding contribution for 2022-2023 being £34k (2021-2022 being £42k).

2021-2022		2022-2023		
Net Expenditure £'000	Functions	Expenditure £'000	Income £'000	Net Expenditure £'000
42	Forensic Collision Investigation Network	34	0	34
42	Total	34	0	34

North West Collaborative Arrangements

The North West Regional Organised Crime Unit (NWROCU) was established in April 2009 bringing together the six regional police forces in collaboration to tackle serious and organised crime across the North West with Merseyside as lead force. It encompasses the work of a number of teams with Uplift 1 and 2 being its portion of the additional 20,000 police officers in England and Wales. The amount reflected in North Wales Police accounts in 2022-2023 is £1,232k (£893k in 2021-2022) with the breakdown by function as follows:

2021-2022 Net Expenditure £'000	Functions	2022-2023		
		Expenditure £'000	Income £'000	Net Expenditure £'000
209	Regional Crime Unit	242	-1	241
49	Prisoner Intelligence	87	-32	55
13	Regional Intelligence Unit	32	-14	18
197	Technical Surveillance Unit	205	-14	191
170	Confidential Unit	186	-6	180
6	Operational Security Officer	12	-7	5
118	UCA	257	-136	121
56	Uplift Year 1	216	0	216
0	Uplift Year 2	121	0	121
75	Business Support	113	-29	84
893	Total	1,471	-239	1,232

The following joint operations have Cheshire as lead force:

The North West Joint Underwater Search Unit serves the areas of Cheshire, Greater Manchester, Merseyside, Lancashire, Cumbria and North Wales with the overall expenditure being met by those forces.

The NW Armed Policing Collaboration was formed in 2012 with six member forces. Since this time the region has been operating under a single interim College of Policing (CoP) Firearms Training Licence having previously operated under six full training licences. Lancashire left the Collaboration on 31 March 2018.

The Armed Policing Alliance provides armed officers to both Cheshire and North Wales in a fully integrated joint force team since its inception in 2014. It is an armed policing alliance that serves the areas of Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces.

The Dog Alliance provides dog handlers to both Cheshire and North Wales and provides a range of police dogs skills to both Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces.

2021-2022 Net Expenditure £'000	Functions	2022-2023		
		Expenditure £'000	Income £'000	Net Expenditure £'000
68	Joint Underwater Search Unit	84	-8	76
59	North West Armed Policing	95	-34	61
3,256	Armed Policing Alliance	3,240	-91	3,149
713	Dogs Alliance	916	-3	913
4,096	Total	4,335	-136	4,199

Telecommunication Single Point of Contact (Telecomm SPOC) Collaboration

The Telecomm SPOC collaboration Section 22 agreement between North Wales Police and Cheshire Constabulary is for a 24/7 telecommunications single point of contact service for the acquisition of communications data under the Investigatory Powers Act 2016 with North Wales Police as Lead Force.

On the 1st October 2021 the Telecommunications SPOC Collaboration progressed to phase three with the setting up of a single unit across the respective forces with parity on the grades prior to moving to a 24/7 provision during the course of Financial Year 2022-2023.

2021-2022 Net Expenditure £'000	Function	2022-2023		
		Expenditure £'000	Income £'000	Net Expenditure £'000
147	Telecomm SPOC	359	0	359
147	Total	359	0	359

North Wales Police as lead force are holding a total of £116k in reserves on behalf of the collaboration.

All Wales Collaborative Arrangements

The following operations are collaborations with other forces in Wales. The notional share of the expenditure and income has been reflected in the Comprehensive Income and Expenditure Statement allocated by population percentage across Wales.

SHARE OF SERVICE COLLABORATION 2022-2023		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
Gross Expenditure	Population %	£000	£000
South Wales	42.31%	4,528	251
Dyfed-Powys	16.62%	1,778	99
Gwent	18.94%	2,027	113
North Wales	22.13%	2,368	131
Total:	100.00%	10,701	594
Total Income & Grants	Population %	£000	£000
South Wales	42.31%	-4,528	-251
Dyfed-Powys	16.62%	-1,778	-99
Gwent	18.94%	-2,027	-113
North Wales	22.13%	-2,368	-131
Total:	100.00%	-10,701	-594

SHARE OF SERVICE COLLABORATION 2021-2022		Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors
Gross Expenditure	Population %	£000	£000
South Wales	42.44%	3,114	241
Dyfed-Powys	16.49%	1,210	94
Gwent	18.88%	1,385	107
North Wales	22.19%	1,628	126
Total:	100.00%	7,337	568
Total Income & Grants	Population %	£000	£000
South Wales	42.44%	-3,114	-241
Dyfed-Powys	16.49%	-1,210	-94
Gwent	18.88%	-1,385	-107
North Wales	22.19%	-1,628	-126
Total:	100.00%	-7,337	-568

In 2017-2018 an All-Wales Collaboration Team was established to coordinate existing activities and identify new opportunities for collaboration across the four Forces in Wales. The total costs of the team in 2022-2023 were £198k (2021-2022 – £110k) and Police and Crime Commissioner for North Wales' contribution to these costs was £49k in 2022-2023 (2021-2022 – £28k).

Debtors and creditors in respect of the above arrangements have remained in the balance sheets of the lead forces by mutual agreement on the basis of materiality.

b) Collaboration – Third Party Payments

The only significant arrangement of this kind is the payment made towards the National Police Air Service (NPAS) which was £418k in 2022-2023 (£384k in 2021-2022).

c) Collaboration – Grant/Self-funding

In a small number of collaboration arrangements North Wales provided seconded officers to support the arrangements and was reimbursed by other forces or agencies who received grant funding from the Home Office or Welsh Government to cover expenditure costs.

Police Pension Fund Account

As from 2006-2007 Police Officer Pensions are paid separately from the main revenue account. Employer and Employee contributions and other pension income are paid into the Police Pension Fund account and all the Police Pension expenditure is paid out of the account. The Police Pension Scheme is an unfunded scheme and as such has no investment assets. Each individual Police and Crime Commissioner is required by legislation to operate a Pension Fund and the amounts to be paid into and out of the Pension Fund are specified by regulation. The Police Pension Fund Regulations 2007 provide that any deficit on the account is transferred to the Police and Crime Commissioner accounts to balance the fund to nil. This deficit is reimbursed by the Home Office and is accounted for within the Police and Crime Commissioner accounts. Similarly, any surplus arising from the expenditure being less than the income is required to be repaid to the Home Office by the Police and Crime Commissioner. Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. Long term pension obligations are detailed within note 34 Retirement Benefits.

The Pension account is designed to discharge liabilities to pay pensions as they fall due and takes no account of pensions and other liabilities after the period end. All fund transactions are treated in accordance with the Police and Crime Commissioner's Accounting Policies as set out on pages 67 to 82. Administration of the Pension Fund is carried out through a third-party contract agreement.

2021-2022 £000	Fund Account	2022-2023 £000
	Contributions receivable	
	From Employer:-	
-18,361	- Normal	-18,884
0	- Early retirements	0
-545	- Capital Charge for Ill Health Retirement	-166
-7,956	Members Contributions	-8,169
-353	Transfer Values received	-294
-27,215	Total Income	-27,513
	Benefits Payable	
39,611	Pensions	41,705
9,328	Commuted and lump sum retirement benefits	9,023
0	Lump Sum Death Benefits	0
	Payments to and on account of leavers	
2	Transfer out to other schemes	25
37	Refund of Contributions	66
48,978	Total amounts Payable	50,819
	Net Amount Payable for the year before transfer from the Police Fund	23,306
21,763		
-21,763	Additional Contribution from the Police Fund (by grant)	-23,306
0	Net amount payable/receivable for the year	0
	Net Asset Statement:	
60	Contributions due from employer	60
3	Unpaid pension benefits	3
-63	Other current assets and liabilities (other than liabilities to pay pensions and other benefits in the future)	-63
0	Total Liabilities	0

Group Statement of Accounting Policies

1. General

The Group Statement of Accounts summarises the Police and Crime Commissioner's transactions for the 2022-2023 financial year and the position at the year-end of 31 March 2023. The Police and Crime Commissioner is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014. The Regulations require the accounts to be prepared in accordance with proper accounting practices. 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) and statutory guidance issued under section 12 of the Local Government Act 2003. The code specifies the principles and practices of accounting required to prepare a Group Statement of Accounts which presents a 'true and fair' view of the financial position, financial performance and cash flows of the Police and Crime Commissioner, including group financial statements.

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure

Activity is accounted for in the year it occurs, not simply when cash payments are made and received. In particular:

- Revenue from sale of goods is recognised when the Police and Crime Commissioner transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Police and Crime Commissioner.
- Revenue from the provision of services to the Police and Crime Commissioner is recognised when the Police and Crime Commissioner can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Police and Crime Commissioner.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services rendered (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid a debtor or creditor for the relevant amount is recorded in the Balance Sheet. A de minimis level of £3k is set for these transactions. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that can mature immediately from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In 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 Police and Crime Commissioner's cash management.

4. Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to understanding the Police and Crime Commissioner's financial performance.

5. Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in the accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

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

6. Charges to Revenue for Non-Current Assets

The Police and Crime Commissioner does not charge depreciation, revaluation and impairment or amortisation separately to services, support services or trading accounts.

The Police and Crime Commissioner is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, he is required to make an annual contribution from revenue towards the reduction in his overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Police and Crime Commissioner in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Revenue Provision), and by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

7. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Police and Crime Commissioner. An accrual is made for the cost of leave arising from holiday entitlements or time off in lieu earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being in the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then

reversed through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Police and Crime Commissioner to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy, and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of: when the Police and Crime Commissioner can no longer withdraw the offer of those benefits; or when the Police and Crime Commissioner recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner to the pension fund or pensioner in the year, not the amount calculated in accordance to the relevant accounting standards. In the Movement of Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with the debits for the cash paid to the pension fund and pensioners together with any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

The Police and Crime Commissioner participates in two different pension schemes. Both schemes provide members with defined benefits related to pay and services.

Staff employed in the Office of the Police and Crime Commissioner and Police Staff

These employees are eligible to join the Local Government Pension Scheme, which is administered by Gwynedd Council. The triennial actuarial assessment carried out in 2016 stated that the employer's contribution needed to be set at a minimum of 16.3% per annum plus a lump sum of £0.8m to meet the liabilities of the fund. The triennial assessment carried out in 2019 set a minimum rate of 19% from April 2020 with no lump sum.

Police Officers

Until 2005-2006 the cost of the police pensions scheme, which was an unfunded, defined benefits scheme, was met from the preceding Police Authority's Income and Expenditure Account. In 2006-2007 there was a change in the way that police pensions were accounted for, and a central fund was created by the Home Office to meet the cost of pensions and commutation payments. Police and Crime Commissioners pay a percentage of officers' salaries into the fund (currently 31.0%). Injury pensions continue to be the responsibility of the Police and Crime Commissioner and are met from the Police and Crime Commissioner's Income and Expenditure Account.

The Local Government Pension Scheme

The Local Government Pension Scheme is a defined benefits scheme:

- the liabilities of the Gwynedd Pension Fund attributable to the Police and Crime Commissioner are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and estimates of projected earnings for current employees.
- the liabilities are discounted to their value at current prices, using a discount rate based on an indicative rate of return on Government bonds adjusted for additional yield from high quality corporate bonds (iBoxx Sterling Corporates AA).

- the assets of the Gwynedd Pension Fund attributable to the Police and Crime Commissioner are included in the Balance Sheet at their fair value:
Quoted securities at current bid price
Unquoted securities at professional estimate
Unitised securities at current bid price
Property at market value.

- the change in the net pensions' liability is analysed into the following components:

Service cost comprising:

- (i) Current Service Cost – the increase in the present value of the defined benefit obligation resulting from employee service in the current period which is allocated to the Comprehensive Income and Expenditure Statement.
- (ii) Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years and which are debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- (iii) Net interest on the net defined benefit liability (asset) – the net interest expense for the Police and Crime Commissioner from the change during the period in the net defined liability (asset) that arises from the passage of time and is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit liability obligation at the beginning of the period to the net defined benefit liability (asset) at the end of the period by taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- (i) The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) and is charged the Pensions Reserve as Other Comprehensive Income and Expenditure.
- (ii) Actuarial gains or 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 which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Gwynedd Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; this is not accounted for as an expense.

In relation to retirement benefits, statutory provisions require that the General Fund balance be charged with the amounts payable by the Police and Crime Commissioner to the pension fund or directly to pensioners in the year, not the amount calculated in accordance with the relevant accounting standards. In the Movement in Reserves Statement, this means there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with the debits for cash paid to the pension fund and pensioners and together with any other amounts payable but unpaid at the year-end. The negative balance that arises 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 flows rather than as benefits are earned by employees.

Discretionary Benefits

The Police and Crime Commissioner has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pensions Scheme and in accordance with the Police and Crime Commissioner's early retirement process.

8. 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, which require the Statement of Accounts to be adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period, which do not require the Statement of Accounts to be adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

9. Financial Instruments

Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently carried 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 the estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The amount presented in the balance sheet with respect to long- and short-term borrowing is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable in the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. 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 or 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 Police and Crime Commissioner's policy is to spread the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. 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 the transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into two types:

- loans and receivables which are assets that have a fixed or determinable repayments but are not quoted in an active market
- available-for-sale assets which are assets that have a quoted market price and/or do not have fixed or determinable payments

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Police and Crime Commissioner 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 rate of interest for the instrument. For most of the loans that the Police and Crime Commissioner has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because the likelihood arising from a past event that payments due under a contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains or losses that arise in the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Available-for-sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Police and Crime Commissioner becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Police and Crime Commissioner.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Police and Crime Commissioner can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation). Financial assets held at amortised cost are shown net of a loss allowance (where material) reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Police and Crime Commissioner.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

10. **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grant and third-party contributions and donations are recognised as due by the Police and Crime Commissioner when there is reasonable assurance that:

- the Police and Crime Commissioner will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Police and Crime Commissioner are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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 (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is transferred 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.

11. **Interest in other entities**

The Police and Crime Commissioner has material interests in other entities that have the nature of a subsidiary, associate and jointly controlled entities and is required to prepare group accounts. In the Police and Crime Commissioner's single entity accounts interests in other entities are recorded in accordance with proper accounting practice. In respect of the North Wales Police and the Police and Crime Commissioner's group accounts, the Chief Constable of North Wales is deemed to be a 100% wholly owned subsidiary of the Police and Crime Commissioner.

12. **Inventories and Long-term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the first in first out (FIFO) costing formula. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works or services received under the contract during the financial year.

13. **Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Police and Crime Commissioner in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Police and Crime Commissioner recognises on the Balance Sheet the assets that the Commissioner controls including his share of any assets held jointly and the liabilities that the Commissioner incurs including his share of any liabilities incurred jointly and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure and any share of expenditure incurred jointly and the share of income that is earned from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Police and Crime Commissioner and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Police and Crime Commissioner accounts for only his share of the jointly controlled assets, the liabilities and expenses that he incurs on his own behalf or jointly with others in respect of his interest in the joint venture and income that is earned from the venture. Details of any jointly controlled operations can be seen in Note 39 to the Accounts.

14. **Leases**

Finance leases transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey the 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 Police and Crime Commissioner as a Lessee

Finance Leases

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

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Police and Crime Commissioner at the end of the lease period).

The Police and Crime Commissioner 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 and 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.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense for the use of leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Police and Crime Commissioner as a Lessor

A lessor lets property, plant or equipment under a lease arrangement to others.

Finance Leases

Where the Police and Crime Commissioner grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the balance sheet as a disposal. At the commencement of the lease the carrying amount of the asset in the balance sheet, (whether property, plant or 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. A gain representing the Police and Crime Commissioner's net investment in the lease, is credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset on the balance sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement).

The gain credited to the comprehensive income and expenditure statement on disposal is not permitted by statute to increase the general fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the general fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the general fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement.

When the future rentals are received the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point the deferred capital receipts are transferred to the capital receipts reserve. 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 under capital financing. Amounts are therefore appropriated to the capital adjustment account from the general fund balance through the Movement in Reserves Statement.

Operating Leases

Where the Police and Crime Commissioner grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the other operating expenditure line in the comprehensive income and expenditure statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating or arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

15. **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Police and Crime Commissioner's arrangements for accountability and financial performance

16. **Property Plant and Equipment**

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- if applicable, the initial estimate of costs of dismantling and removing the item and then restoring the site on which it is located.

The Police and Crime Commissioner does not capitalise borrowing costs incurred whilst the assets are under construction.

The cost of an asset other than by purchase is deemed to be its fair value unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows to the Police and Crime Commissioner). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Police and Crime Commissioner.

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 Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement basis:

- Infrastructure, community assets and assets under construction - depreciated historical cost
- Dwellings and all other assets – fair value determined as the amount that would be paid for the asset in its existing use (i.e. existing use value or EUV).

Where there is no market-based evidence of current value because of the specialist nature of the asset, depreciated replacement cost is used as a substitute for fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a substitute for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure their carrying amount is not materially different from their fair value at the year-end, as a minimum every five years. Increases in the valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against 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 in the Comprehensive Income and Expenditure Statement.

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

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable

amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

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

Where an impairment loss is reversed subsequently, the reversal is credited in the Comprehensive Income and Expenditure Statement, up to the amount of 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 determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (assets under construction).

Where an asset has major components with significant value, the components are depreciated separately. The Police and Crime Commissioner has applied the following de-minimus limits and components will be recognised separately only where:

- (i) Remaining life of component is between 0 and 10 years and value of component is over £500k
- (ii) Remaining life of component is between 10 and 15 years and value of component is over £750k
- (iii) Remaining life of component is between 15 and 20 years and value of component is over £1000k
- (iv) Remaining life of component is between 20 and 30 years and value of component is over £1250k
- (v) Remaining life of component is between 30 and 40 years and value of component is over £1500k
- (vi) Remaining life of component is between 40 and 50 years and value of component is over £2000k
- (vii) Remaining life of component is between 50 and 60 years and value of component is over £4000k

Asset Type:	Depreciation Policy:
Buildings	Depreciated over the life expectancy as stated by the valuer on a straight-line method and revalued at least every 5 years
Computer Equipment	Straight line over 3 to 5 years commencing in the year following purchase.
General Equipment, Furniture and Fittings and Radio Equipment	Straight line over 7-10 years commencing in the year following purchase.
Vehicles	Straight line over 3-8 years commencing in the year following purchase.
Land	Undeveloped sites are not depreciated.

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

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 continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to the 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 assets 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.

Details of any properties classified as Assets Held for Sale are disclosed in the Balance Sheet and relevant notes.

Assets that are to be abandoned or scrapped are not classified 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 disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and then can be used only for new capital investment (or set aside to reduce the Police and Crime Commissioner's underlying need to borrow - the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

17. Private Finance Initiative

The Police and Crime Commissioner has entered into one long term contractual agreement under PFI where the contractor is responsible for design, construction, finance and maintenance of the Custody Suite, Major Incident facility, Scientific Support facility and office space at St. Asaph. As the Police and Crime Commissioner is deemed to control the services that are provided under its PFI scheme and as ownership of the fixed assets will pass to the Police and Crime Commissioner at the end of the contract for no additional charge, the Police and Crime Commissioner carries the fixed assets used under the contracts on the Balance Sheet.

The original recognition of these fixed assets has been balanced by a corresponding liability for the amounts due to the scheme operator.

18. Provisions, Contingent Liabilities and Contingent Assets

Provisions are made where an event has taken place that gives the Police and Crime Commissioner a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense in the Comprehensive Income and Expenditure Statement in the year that the Police and Crime Commissioner 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 into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes less than 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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is recognised as income for the relevant service only when it is virtually certain that reimbursement will be received if the Police and Crime Commissioner settles the obligation.

The insurance provision covers insurance liability for those risks not covered externally and also covers any excess on external insurance policies. The provision covers public and employer's risk. There are contingent liabilities to be met from this provision.

The provision for doubtful debts, now called loss allowances, is included within Debtors in Current Assets.

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme – this is a mandatory scheme for large public and private sector organisations and is designed to improve energy efficiency and cut emissions. Organisations that qualify are required to purchase and surrender carbon allowances on the basis of their emissions and reflect any liabilities within their accounts. The Police and Crime Commissioner is currently not required to participate in the scheme due to current emissions being below the qualification threshold.

Contingent Liabilities

A contingent liability arises when an event has taken place that gives the Police and Crime Commissioner 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 Police and Crime Commissioner. They can 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 a note to the accounts.

Contingent Assets

A contingent asset arises when an event has taken place that gives the Police and Crime Commissioner a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Police and Crime Commissioner.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

19. Reserves

The Police and Crime Commissioner sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged in that year to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The amount is then appropriated back into the Usable Revenue Reserves in the Movement in Reserves Statement so there is no net charge to council tax for the expenditure during the accounting period.

Unusable Reserves - certain reserves are maintained to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Police and Crime Commissioner. Reserves are explained in the relevant policies within the Medium-Term Financial Plan.

20. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure in the Comprehensive Income and Expenditure Statement in the year. Where the Police and Crime Commissioner has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses the amounts charged so that there is no impact on the level of revenue expenditure.

21. Recognition of Revenue from Non-Exchange Transactions

Assets and revenue arising from non-exchange transactions are recognised in accordance with the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, except where interpreted or adapted to fit the public sector are detailed in the Code and/or IPSAS 23, "Revenue from Non-Exchange Transactions (Taxes and Transfers)."

Taxation transactions - Assets and revenue arising from taxation transactions are recognised in the period in which the taxable event occurs, provided that the assets satisfy the definition of an asset and meet the criteria for recognition as an asset.

Non-taxation transactions - Assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding. Services in-kind are not recognised. Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the Police and Crime Commissioner recognises a liability until the condition is fulfilled.

Basis of Measurement of Major Classes of Revenue from Non-Exchange Transactions - Taxation revenue is measured at the nominal value of cash, and cash equivalents. Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition:

- Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset; and
- Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are recognised when a binding transfer arrangement is in place, but cash or other assets have not been received.

22. **VAT**

Generally, the Comprehensive Income and Expenditure Statement excludes VAT as any collected is paid to HM Revenues and Customs and any VAT paid is recoverable from them. Value added tax is included in the Comprehensive Income and Expenditure Statement only if it is irrecoverable.

23. **Fair Value**

The Police and Crime Commissioner measures some of his financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The Police and Crime Commissioner measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Glossary of Terms

Accounting Policies

These are the set of rules and codes of practice we use when preparing the accounts.

Accrual and Pre payment

A sum included in the final accounts to cover income and expenditure attributable to the accounting period, but for which payment has been or will be made/ received in a different accounting period.

Budget

A statement of the Police and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police and Crime Commissioner before the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Expenditure

Expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance market value.

Capital Receipts

Proceeds of not less than £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

Contingent Liabilities/Assets

These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

Creditors

Amounts owed by the Police and Crime Commissioner at 31 March for goods received or services rendered but not yet paid for.

Debtors

Amounts owed to the Police and Crime Commissioner which are collectable or outstanding at 31 March.

Depreciation

The loss in value of an asset due to age, wear and tear, deterioration and obsolescence.

Direct Revenue Funding of Capital

Contributions from revenue to finance capital expenditure and thus reduce the requirement to borrow.

Earmarked Reserves

Amounts set aside for a specific purpose to meet future commitments or liabilities.

Fair Value

The amount for which asset could be exchanged, or a liability settled, between market participants at a specified date.

Financial Instruments

Any contract that gives rise to a financial asset of one entity and a financial liability, or equity instrument of another entity.

International Accounting Standard (IAS)

Standards for the preparation and presentation of financial statements created by the International Accounting Standards Committee.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board. These include Statements of Standards Accounting Practice (SSAPs).

Impairment

A reduction in the carrying value of a fixed asset below what it is currently recognised within the balance sheet (see accounting policies).

Liquid Resources

Current asset investments that are readily disposable by the Police and Crime Commissioner without disrupting business and are either readily convertible to known amounts of cash at or close to the carrying amount, or traded in an active market.

Minimum Revenue Provision

The prudent amount provided to offset against borrowing under the prudential framework.

Net Debt

The Police and Crime Commissioner's borrowings less cash and liquid resources.

Non-Current Assets

Assets that yield benefits to the Police and Crime Commissioner and the services it provides for a period of more than one year.

Non-Domestic Rates (NDR)

This is the charge levied on occupiers of business premises to finance a proportion of local Police and Crime Commissioner and police revenue expenditure. The amount of NDR is set by central government by virtue of a multiplier applied to the rateable values. The multiplier is consistent throughout Wales with the total collected being distributed by the central government.

Non-operational Assets

Fixed assets held by the Police and Crime Commissioner but not directly occupied, used or consumed in the delivery of services.

Operational Assets

Fixed assets held and occupied, used or consumed by the Police and Crime Commissioner in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Outturn

The actual income and expenditure during the financial period (as opposed to that budgeted).

Private Finance Initiative (PFI)

A contract involving the private sector and public sector jointly to deliver public services.

Precept

A levy which the Police and Crime Commissioner makes through the council tax to pay for services.

Provision

A liability for which monies are set aside when it is recognised that there is an obligation to pay but the timing or amount may be uncertain.

Public Works Loan Board (PWLB) (part of the UK Debt Management Office)

A government agency which provides longer term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

Remuneration

All amounts paid to or receivable by a person and includes sums by way of expenses allowances (so far as these are subject to UK income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash.

Reserves

Amounts set aside to cover general expenditure needs in the future. These can be usable or unusable (which are reserves held in conjunction with accounting treatments).

Revaluation

Carried out to ensure assets are accurately reflected in the accounts at fair value.

Revenue Expenditure

Spending on day-to-day items, including salaries, premises costs, transport and supplies and services.

Revenue Support Grant

A grant paid by central government in support of a Police and Crime Commissioner's revenue expenditure.

Slippage

Delayed capital expenditure not incurred within the original time frame.

Supported Borrowing

An approval issued by the Government that enables a Police and Crime Commissioner to borrow up to a specific amount in order to finance capital expenditure.

Unsupported Borrowing

Borrowing arranged under the prudential code regime which is funded from the Police and Crime Commissioner's general resources.

Usable Capital Receipts

Income from the sale of assets that is available for use to finance only capital expenditure.

Annual Governance Statement 2022-2023

Section – 1 - Background

- 1.1 This Annual Governance Statement (AGS) covers the financial year 2022/23 but extends to reflect significant events extending to the period to the signing of the Statements of Accounts on 7 December 2023.
- 1.2 Governance is about how the Police and Crime Commissioner and the Chief Constable ensure they are doing the right things, in the right way for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture, behaviour and values, by which the organisation is directed and controlled and also the activities by which it is held to account and engages with the community it serves. This Annual Governance Statement (AGS) for the Police and Crime Commissioner and the Chief Constable describes how the organisation can show it has discharged its two overarching statutory duties during 2022-2023:
 - To secure an effective and efficient police service and
 - To be accountable for the exercise of their functions and those of people under their direction and control.
- 1.3 The Police and Crime Commissioner and the Chief Constable have joint governance arrangements. Therefore, many of the controls are common to both corporations sole. The current view of the Chief Constable and the Police and Crime Commissioner is that this joint oversight of organisational governance remains the most efficient and effective model.
- 1.4 As part of these arrangements there is a Joint Governance Board to ensure that they fulfil their corporate governance responsibilities. The Board is chaired by the Police and Crime Commissioner's Chief Finance Officer and attended by senior officers of both the Police and Crime Commissioner and Chief Constable. The purpose of the Joint Governance Board, therefore, is to enable the Police & Crime Commissioner and Chief Constable to fulfil these responsibilities by ensuring the corporate governance structures, processes and procedures of the OPCC and Force are robust, efficient and effective; comply with all relevant legislation, regulations and guidance; and reflect best practice. The Board also supports the process of collation of information and documentation of evidence to support the production of this Annual Governance Statement.
- 1.5 The force reviews the effectiveness of its Governance each year. During 2019-2020, a substantive review of governance was commissioned with the associated actions implemented by March 2021. A subsequent annual review took place in 2021-22 reporting to the Joint Governance Board in June 2022 resulting in further minor changes. A further more substantive review has been instigated in 2022-23 with the initial findings reported to the Joint Governance Board in June 2023.
- 1.6 The Police and Crime Commissioner and the Chief Constable have a Manual of Governance which includes a Scheme of Consent, which has been in place since 1 April 2014 and has been reviewed and updated periodically, most recently being revised in April 2022 and re-ratified in May 2023 at the Strategic Executive Board. The aim of the Scheme is to provide for proper arrangements for the management of activities on behalf of the Commissioner and the Chief Constable. The Commissioner has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. The Commissioner is responsible for the totality of policing. The Chief Constable is charged with the impartial direction and control of all police officers and staff within the police force that they lead and is responsible for maintaining the Queen's Peace. The Chief Constable holds office under the Crown but is appointed by the Commissioner.
- 1.7 Both the Police and Crime Commissioner and the Chief Constable are required to have a Chief Financial Officer to undertake the statutory section 151 responsibilities. There is an established Joint Audit Committee (JAC); the purpose of the Committee is to provide independent advice and recommendation to the Police and Crime Commissioner and the Chief Constable regarding the adequacy of the governance and risk management framework, the internal control environment and financial reporting. An updated Terms of Reference for the audit committee reflecting CIPFA guidance was agreed at the May 23 Strategic Executive Board.

- 1.8 Each force area has a Police and Crime Panel to support the effective exercise of the functions of the Police and Crime Commissioner, and to review or scrutinise decisions made, or other actions taken, by the Police and Crime Commissioner in connection with the discharge of the commissioner's functions. The Commissioner will also be required to consult with the Panel on his plans and budget for policing, as well as the level of council tax and the appointment of a Chief Constable, Chief Executive Officer, Chief Finance Officer and Deputy Police and Crime Commissioner. The panel is made up of ten local councillors and three co-opted independent members. Conwy County Borough Council is the 'Host Authority' for the North Wales Police and Crime Panel and provides the required support services for the effective operation and discharge of duties of the Police and Crime Panel.
- 1.9 A Covid-19 Gold, Silver, Bronze response command structure was set up in prior years in response to the public health emergency within the Force and established regionally as part of the North Wales Local Resilience Forum (LRF) with the Strategic Co-ordination Group (which was responsible for leading on the multi-agency response to Covid-19) being chaired by a Police Gold Commander. During 22-23 the dedicated governance structures were decommissioned with the BAU (Business as Usual) Governance structures that remained in situ providing the necessary oversight. During 2021-22 Covid-19 risks reduced to a position at year end where there were no risks held on the Covid risk register and that remained the case throughout 2022-23 resulting in the removal of the register. Hybrid working is now considered to be normal practice within the organisation and reviews of its effectiveness feature as they would do for any other Governance area. A review of its effectiveness took place in 2022-23 with high level findings reported to JAC in September 2023.
- 1.10 An HMICFRS PEEL (police effectiveness, efficiency and legitimacy) independent assessment took place in June 2022 and reported in February 2023. Other HMICFRS Inspections also took place during 2022-23 providing independent scrutiny to the Force. Progression of Areas for Improvement are regularly reported through the Governance structure.
- 1.11 2020-21 marked the first year that the force undertook a self-assessment against the CIPFA Financial Management (FM) Code of practice. The Force undertook a further follow up self-assessment in 2021-22 and this was repeated again in 2022-23.
- 1.12 Internal Control activity primarily in the form of TIAA's Internal Audit programme progressed over the course of the year with an Annual Audit Programme being delivered through a hybrid model.
- 1.13 During 2021-22 work was undertaken around Business Continuity Planning and Resilience beyond the specific impact of Covid-19 with this work continued to progress during the course of 2022-23.

Section 2 - Purpose of the Governance Framework

- 2.1 The Police and Crime Commissioner and the Chief Constable are responsible for ensuring their business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used effectively, efficiently and economically. They also have a duty to make arrangements to secure continuous improvement in the way in which their functions are exercised.
- 2.2 In discharging their overall responsibility, the Police and Crime Commissioner and the Chief Constable are also responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of internal control is maintained throughout the year and that arrangements are in place for the management of risk. The financial management arrangements conform principally with the governance requirements of the CIPFA publication [the Role of Chief Financial Officers in Policing](#) and the [Home Office Financial Management Code of Practice](#) for the Police Forces of England and Wales, and Fire and Rescue Authorities created under Section 4A of the Fire and Rescue Services Act 2004 (revised 2018).

- 2.3 The governance framework comprises the systems and processes, culture and values by which the Police and Crime Commissioner and the Chief Constable are directed and controlled and the activities through which they account to and engage with and the community. The framework enables the Police and Crime Commissioner and the Chief Constable to monitor the achievement of their strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services and the achievement of value for money.
- 2.4 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot prevent all risk of failure to achieve policies, aims and objectives; it can provide only reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the organisation's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them efficiently, effectively and economically.

Section 3 - The Governance Framework

- 3.0.1 The governance framework has been in place throughout the year ended 31 March 2023 and up to the approval of the Statement of Accounts. The high-level Governance structure of the force is outlined schematically in Appendix A with the governance structure to which the force is transitioning (following the recent governance review) also shown separately.
- 3.0.2 The Police and Crime Commissioner and the Chief Constable Code of Corporate Governance, is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government updated in 2016 and also meets the requirements of the Accounts and Audit(Wales) Regulations 2014 as amended, in relation to the statement of internal control and the publication of the Annual Governance Statement. The CIPFA/SOLACE Framework: Delivering Good Governance in Local Government sets out seven principles of good governance which underpin effective governance arrangements to ensure that the intended outcomes for stakeholders are defined and achieved.
- 3.0.3 The arrangements specific to the Police and Crime Commissioner and Chief Constable are detailed within the seven principles below:

The sections that follow, review the arrangements in place across the force and their adequacy, cross referencing the sections outlined on the diagram above.



Section 3.1 - Ethics and Integrity

- 3.1.1 2022-23 was another year of significant public scrutiny regarding Ethics and Integrity for all Police forces in England & Wales with these issues regularly featuring on the agenda of strategic meetings within the force Governance structure. During the year the force increased the levels of investment in its Professional Standards Department acknowledging the need for growth in 2022-23. Additional resources were also allocated to support its Vetting function.
- 3.1.2 During 2022-23 all police forces were tasked with checking their officers and staff against national police databases in the wake of the David Carrick case. North Wales Police completed its check during the year, with the Professional Standards department leading on the follow up activity for the force.
- 3.1.3 There are corporate processes in place to support the core principle of ethics and integrity such as the Policing Protocol 2011 which requires everyone in the organisation to abide by the seven principles of public life (the Nolan principles). Additionally, the Home Office Financial Management Code of Practice requires the Police and Crime Commissioner and Chief Constable to ensure that good governance is embedded within the organisations and the College of Policing Code of Ethics sets out the standards of behaviour expected for all people working in policing.
- 3.1.4 This Police Code of Ethics produced by the College of Policing describes the principles that every member of the Policing profession in England & Wales is expected to uphold and the standards of behaviour that they are expected to meet.
- 3.1.5 Where there are breaches to the Code of Ethics or Standards of Professional Behaviour there is a positive duty to report these matters and the Force has a Professional Standards department that receives such reports and ensures that they are investigated appropriately and in accordance with Police Regulations.
- 3.1.6 The Police and Crime Commissioner's Code of Conduct and Chief Constable's Code of Ethics underpin the standards of expected conduct and behaviour. The Police and Crime Commissioner and Chief Constable have policies and procedures and regulations in place that comply with law and conform to appropriate ethical standards and standards of professional behaviour. Ethical considerations are part of any business decisions taken and are set out within policies in operation within both organisations.
- 3.1.7 The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption Policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required.
- 3.1.8 Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees. The Joint Audit Committee's Terms of Reference may be found on the Police and Crime Commissioner's website.
- 3.1.9 The Police and Crime Commissioner has in place procedures for receiving feedback about policing in North Wales, and decisions made by or on behalf of the Police and Crime Commissioner and his officers. He also has procedures in place for the handling of complaints about the Chief Constable. Additionally, the Police and Crime Panel fulfils its responsibilities in relation to complaints made about the Police and Crime Commissioner as set out within the Police Reform and Social Responsibility Act.
- 3.1.10 To ensure ethical issues and dilemmas occurring at all levels are appropriately considered and discussed, the Force Governance Structure includes an Ethics Committee with an open invitation for staff of the Office of the Police and Crime Commissioner to attend. Ethical dilemmas can be submitted anonymously via the Force Intranet site or by email and a summary of findings from the Committee are published on the Force Intranet site alongside being reported to Senior Management via the Governance structures for further

consideration and reflection as required. During 2022-23 the work of the Ethics committee was co-ordinated by an independent chair. Due to the previous chair relinquishing the role, a new independent chair was appointed in October 2023. The JAC annual report includes a focus on the work of the ethics committee and developing the work of the Committee to support this area, remains an area of focus in its forwards plan.

Section 3.2 - Openness and Stakeholder Engagement

- 3.2.1 The Police and Crime Commissioner and the Chief Constable promote an open and transparent culture throughout the organisations to ensure that services meet people's needs. All public meeting papers and minutes are published on the website along with any decisions taken by the Police and Crime Commissioner. Decisions are also reported to the Police & Crime Panel. The Police and Crime Commissioner received a CoPaCC (Comparing Police and Crime Commissioners) transparency award for five consecutive years with the last certificate awarded in August 2021. Whilst this assessment and award is no longer available, the OPCC continues to have arrangements in place to assess publication transparency.
- 3.2.2 The Police and Crime Commissioner and the Chief Constable regularly publish information on the Commissioner's and Chief Constable's work and achievements and satisfaction of users, including the publication of a Police and Crime Plan and an Annual Report. The force regularly publishes direct updates via its social and digital channels including Twitter, Facebook, Instagram and LinkedIn and also offer engagement via its North Wales Community Alert, a free messaging service for people who live, work and visit North Wales.
- 3.2.3 During 2022-23 the Police and Crime Commissioner held a budget consultation exercise across the region taking a range of steps to increase engagement in relation to any proposed precept rise for 2023/24. The consultation exercise was advertised across a range of media and included the ability to engage on the PCCs priorities.
- 3.2.4 The Force engages with an Independent Advisory Group (IAG) who are a group of independent community members who act as a critical friend to North Wales Police on Equality and Diversity issues.
- 3.2.5 The Force measures the satisfaction of service users through the use of victim surveys. It also reviews public confidence through monitoring its results through the Crime Survey of England & Wales. In addition, North Wales Police undertakes its own public perceptions survey as well to aid understanding on issues of public confidence and satisfaction.
- 3.2.6 There is a consultation and engagement strategy in place to ensure that our services are responsive to issues raised. We regularly conduct surveys to inform our service delivery and assist in developing our priorities and objectives. Both the Police and Crime Commissioner and Chief Constable have internal and external consultation mechanisms in place which are used to inform and improve services.
- 3.2.7 The Police and Crime Commissioner and Chief Constable work in partnership and collaboration with other organisations to achieve shared objectives and to ensure effective delivery of services which meet the needs of the organisations. Partnership and collaboration arrangements that are in place are monitored and kept under review to ensure that performance is achieved, and objectives are met, and stakeholder engagement is also a feature of our recruitment process for senior roles. The Police and Crime Commissioner frequently attends local authority scrutiny committees.
- 3.2.8 We have a scrutiny function, supported by evidence and data analysis, to challenge decision makers constructively, including those who work in partnership with the Commissioner and Chief Constable. All key decisions taken include a financial impact, legal impact, equality impact and risk assessment with the

Governance structures in place providing visibility around them and this continued to be the case during 2022-23.

- 3.2.9 The Police and Crime Commissioner frequently attends local authority scrutiny committees.
- 3.2.10 Further scrutiny is provided by the Joint Audit Committee. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards with committee papers being published on the Commissioner’s website. During 2022-23 it has continued to provide independent scrutiny and challenge in a number of areas including continued focus on developing the understandability of our financial statements; transparency regarding our financial position and the delivery of the Force’s capital programme; management action of key corporate risks and in relation to the Force’s ongoing Digital and Technology work streams.
- 3.2.11 Further areas of focus are identified in the Audit Committee’s annual report which is published annually on the PCC’s website.
- 3.2.12 The post of Chief Executive to the Police and Crime Commissioner is the designated Monitoring Officer and there are arrangements to record any professional advice that is required for specialist areas. Furthermore, the Chief Financial Officers for the Police and Crime Commissioner and the Chief Constable complied with the CIPFA statement ‘the Role of Chief Financial Officers in Policing’.

Section 3.3 - Defining Outcomes

- 3.3.1 The Police and Crime Commissioner and Chief Constable will, as part of the strategic planning process, develop informed strategies and plans which are outcome focused, sustainable and take into account the level of resources required to adequately deliver them.
- 3.3.2 The Police and Crime Commissioner sets the police and crime objectives, and these are contained in the Police and Crime Plan. The Police and Crime Plan has been communicated to the public through the website and by various engagement activities and a brief summary of performance is included on the council tax leaflet sent to every household, either electronically or by post. An extract is given below:

MY VISION

North Wales communities are safe, victims and vulnerable people feel supported, crime and reoffending are low, and people have confidence in policing and the criminal justice system

MY PRIORITIES

- DELIVERING SAFER NEIGHBOURHOODS**
 - Tackle and prevent rural and wildlife crime
 - Improve the efficiency and effectiveness of police officers and police staff
 - Improve Road safety
- SUPPORTING VICTIMS AND COMMUNITIES**
 - Tackle and prevent domestic abuse and sexual violence
 - Safeguard vulnerable people including children
 - Tackle and prevent cybercrime
 - Establish a victims panel
 - Tackle and prevent Hate Crime
- FAIR AND EFFECTIVE CRIMINAL JUSTICE SYSTEM**
 - Introduce a North Wales Female Offender Strategy
 - Increase the use of Restorative Justice
 - Support and protect children and young people and divert them away from the Criminal Justice System
 - Address the root causes of offending and support the rehabilitation of people who have offended

3

- 3.3.3 The police and crime objectives, priorities and financial options were developed from the Police and Crime Commissioner’s vision and a joint analysis of: Assessment of crime and the required level of service; Consultation with local people; Consultation with partners; Consultation between the Police and Crime

Commissioner and the Chief Constable; The findings of external audit and reviews by Wales Audit Office and HMICFRS and Risk assessments.

- 3.3.4 The Police and Crime Commissioner's police and crime objectives are directed and delivered by the Chief Constable and, in turn, by the Strategic Management Board (SMB) during the year. Resources are allocated against the plan as part of the Force's annual strategic planning process which considers demand and resource requirements against each area taking account of detailed demand assessments (via the Force Management Statement). This co-ordinated process for strategic and medium term planning resulted in a budget for 2022/23 being set with a council tax increase of £11.25 per annum for a Band D equivalent property with the increase being used to invest in and improve the services for the communities of North Wales. The PCC's proposal was supported by the Police & Crime Panel and was based on identifying savings to balance the budget whilst also increasing Officer numbers due to the Government funding provided for Operation Uplift.
- 3.3.5 The Force monitors performance against its delivery utilising its Balanced Scorecard framework with regular reporting being made to senior managers, the Chief Officers and the PCC. The Commissioner's performance in turn, is monitored and reported within the Annual Report, Statement of Accounts and the Medium-Term Financial Plan.
- 3.3.6 The Strategic Executive Board (SEB) is the public forum for scrutiny of the Chief Constable by the Police and Crime Commissioner and action logs of each meeting are published. The additional functions of the Board include:
- To take such decisions as are required by the Scheme of Governance to be taken jointly by the Commissioner and the Chief Constable; and
 - To develop proposals for the delivery of the Commissioner's police and crime objectives as set out in the Plan.
- 3.3.7 The Strategic Executive Board (SEB) and Strategic Management Board (SMB) scrutinise operational and financial performance, service delivery and the achievement of the police and crime objectives. A programmed approach to delivery of plans is in place via the Strategic Management Board (SMB). These boards have continued to meet at the usual frequency for 2022-23 with meetings being held remotely using appropriate technology to ensure they take place. The Police & Crime Panel then scrutinise the PCC's work of delivering the Police & Crime plan.

Section 3.4 - Determining Interventions

- 3.4.1 In order to optimise the achievement of our intended outcomes the Police and Crime Commissioner and Chief Constable will ensure that there are adequate arrangements in place to deliver services which demonstrate efficiency and value for money.
- 3.4.2 Detailed resource planning is carried out annually and published within the Medium-Term Financial Plan. This risk assesses resource requirements based on appropriate assumptions to enable the Police and Crime Commissioner and Chief Constable to prioritise competing demands for services.
- 3.4.3 The annual strategic and operational planning cycle takes into account the expected level of resources required and identifies where savings, reductions or growth are required. The Force Management Statement (FMS) which considers the demand the force faces now and in the future and risk assessments utilising Management of Risk In Law Enforcement (MORILE) are also taken into consideration. The resulting financial plans are monitored through the Strategic Management Board which is chaired by the Chief Constable.

- 3.4.4 As well as establishing the revenue budgets the annual planning process also involves a review of the Force's Capital programme providing the basis for the Force's Capital Strategy for subsequent review by the Joint Audit Committee. Programme and project boards are in place which monitor the implementation and achievement of the agreed initiatives and plans. These are established to support robust decision making in order to achieve the required outcomes with programmes such as Digital Transformation and Workforce Transformation being critical to the overall delivery of organisational strategies. Decision making is devolved where appropriate to enable flexible and responsive action and better outcomes. Accountability is achieved through the governance structure and processes in place with actions and decisions clearly recorded in meetings and progressed over the course of 2022-23.
- 3.4.5 In addition to the core Strategic Planning process the Chief Constable launched the Optimisation Programme for the Force. This programme involves reviewing the Force's operating model and processes with a view to driving the operational performance, productivity & efficiency of the force. It will continue to develop its outputs into 2023-24.
- 3.4.6 The Strategic Planning Unit is a department that undertakes analysis, research and improvement and evaluation activity across the organisation. Its outputs support strategic, operational, corporate and performance reporting. This allows for more robust analysis to be undertaken on any part of the organisation through the application of a variety of techniques to aid tactical and strategic decision making and support problem solving techniques.

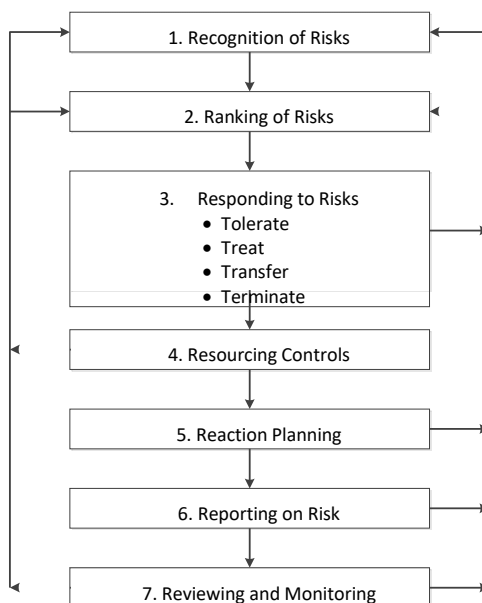
Section 3.5 - Developing Leadership

- 3.5.1 The Police and Crime Commissioner and Chief Constable have defined structures and roles within the organisations to enable effective leadership. This is supported by the Manual of Governance which sets out the roles and responsibilities and is critical to enable delivery of the strategies and plans in place.
- 3.5.2 There is an approved scheme of consent in place which formalises the functions and delegation between the Commissioner and Chief Constable. In turn there is a Scheme of Delegation from the Chief Constable to Chief Officers and in turn letters of delegation outlining the financial responsibilities that are devolved to specific roles empowering them to make decisions appropriately.
- 3.5.3 Our people are our key investment, and we ensure that there are member and officer training and development programmes in place so that knowledge is kept up to date, including any professional development requirements. Our recruitment and succession planning processes are designed in order that we appoint the right people with the right skills into roles within the organisation. Focussing on our wellbeing, learning and development offer to our people remained a key area of focus during 2022-23.
- 3.5.4 During the year the Force commenced its Supportive Leadership course – a leadership course delivered with input from Durham University – aimed at developing inclusive and supportive cultures that help drive productivity. This is a mandatory course aimed at those with supervisory responsibility that will continue into future financial years. The force continued its activities in relation to Coaching and Reverse Mentoring.
- 3.5.5 Nationally set terms and conditions exist for officers and staff with agreed pay scales and a job evaluation system and we have a performance management framework which the Commissioner and Chief Constable use to assess performance and address any improvements required.
- 3.5.6 The Force has an electronic PDR process and during 2022-23 the levels of completion were monitored and reported through the governance structures. PDR completion is now linked to Pay Progression Standards which is one of several work streams that feature as part of national pay reform activity.

Section 3.6 - Managing Risks and Monitoring Performance

3.6.1 Risk management and internal control is an integral part of the performance management system within both organisations. The risk management process underpins the financial management arrangements and governance processes and is fundamental to achieving our intended outcomes and supports our vision for a safer North Wales.

3.6.2 The below represents the 7R's and 4T's of risk management as noted in the ISO31000 and NWP risk arrangements continued to follow this model in 2022-23



3.6.3 Embedding a risk management culture across the organisation at all levels continued to be developed and built upon during 2022-23. There are corporate and individual area risk registers which are regularly reviewed and updated and reported to committees and boards across the organisation. Risk management features as a standing agenda item on key boards across the Force.

3.6.4 Our plans, processes and policies are drawn up having due regard to the risks identified, with our Force Management Statement being informed through a MORILE assessment for all areas of the force. The area is overseen primarily by the Assurance Board. A partnership framework is in place to ensure that any partnerships are managed appropriately including risk management.

3.6.5 Strategic risks and the risk management process are overseen and monitored by the Joint Audit Committee. Members of the Joint Audit Committee are able to review all risks to ensure transparency. The Joint Audit Committee continued to provide challenge and support to improve our risk management processes during 2022-23 and a workshop was held for members during the year to ensure a shared understanding. The Risk Appetite document was reviewed and amended where appropriate for 2022-23 and agreed at the Chief Constable's Senior Leadership Team (SLT) meeting.

3.6.6 The work programme for reviewing these risks is developed in conjunction with the audit committee to ensure that it provides the appropriate assurance required. During 2022-23 several risk deep dives were undertaken exerting scrutiny around key decisions and management actions taken in relation to the Force's corporate risks. These were in the following areas: Capital Programme, Health and Safety, ICT Sourcing strategy, Digital Transformation, NEP Programme and the adequacy of financial funding.

- 3.6.7 The Force has established processes and governance in place to ensure Crime Data Integrity is the subject of rigorous ongoing review to ensure that crime and incidents are recorded accurately. This is subject to HMICFRS scrutiny as appropriate. Updates on HMICFRS Areas for improvement are also shared with the Joint Audit Committee.
- 3.6.8 Internal Audit assesses the adequacy of our internal controls and reports fully to the independent Joint Audit Committee. Internal and external audit have examined and reported on compliance with applicable regulations and internal controls.
- 3.6.9 The Strategic Executive Board (SEB) chaired by the Police and Crime Commissioner and Strategic Management Board chaired by the Chief Constable scrutinise operational and financial performance, service delivery and the achievement of the police and crime objectives. The meetings during 2022-23 included wider performance updates accompanied by 'deep dives' in specific areas where the Police and Crime Commissioner wished to exert greater scrutiny.
- 3.6.10 The Commissioner and Chief Constable have data protection and information security policies in place which are regularly tested and supported with a training programme for all staff. Our Internal Audit function and HMICFRS provide further periodic scrutiny in this area.
- 3.6.11 There are information sharing protocols between the Commissioner and Chief Constable and also with our partners.

Section 3.7 - Demonstrating Effective Accountability

- 3.7.1 The Police & Crime Commissioner has a Statutory Duty to produce and publish an annual report which details performance for the previous year. This is published on the PCC's website. Standardised reporting templates are used to ensure that information is presented in an efficient but sufficient manner and this informs the annual report.
- 3.7.2 The Police and Crime Commissioner and Chief Constable ensure that decision-makers involved in service delivery are accountable to them through the processes in place in both organisations. The Governance framework and the associated internal control framework provide a robust mechanism for retaining oversight of the key decisions being made. Financial delegation documentation provides a clear basis for accountability for both Revenue and Capital budgets.
- 3.7.3 The Police and Crime Commissioner's and Chief Constable's websites publish information which is pertinent to the public and stakeholders, ensuring the transparency needed for external accountability to be effective, is in place. The internal audit service reports to the Joint Audit Committee and has direct access to the Police and Crime Commissioner, Chief Constable and members. Recommendations for service improvements are acted upon and reported to the committee.
- 3.7.4 In February 2023 the Police and Crime Commissioner released a report which looked at the prevalence of cases of misogyny in the Force, the number of cases under investigation and the measures in place to protect the public and ensure the correct vetting of officers, providing a basis for accountability and a platform to enhance the Trust, Confidence and Legitimacy of the organisation.
- 3.7.5 Independent and external reviews and inspections are routinely carried out by regulatory bodies and the reports are published and any recommendations made are acted upon. During 2022-23, this included the HMICFRS PEEL inspection findings and other HMIC Inspections for NWP.

Section 4 - Review of Effectiveness

- 4.0.1 The Police and Crime Commissioner and the Chief Constable have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control.
- 4.0.2 The review of effectiveness is informed by the work of the executive managers who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report and also by comments made by the external auditors, the Police and Crime Panel, Joint Audit Committee, HMICFRS and other review agencies and inspectorates.
- 4.0.3 A summary of key points stemming from the review is provided below:

Section 4.1 - Joint Governance Board

- 4.1.1 A Joint Governance Board exists as part of our governance framework to ensure that we review our governance arrangements for effectiveness and compliance and to make recommendations for their development as may be required. The TOR for the board are included at Appendix B. This board continued to meet quarterly during 2022-23 with agendas structured around its work programme.
- 4.1.2 The areas of both Corporate Governance and Risk Management were subject to continued scrutiny and challenge via the Joint Governance Board (and the Joint Audit Committee) over the course of 2022-2023. As a result, the approach in both areas has continued to develop over the course of the year.
- 4.1.3 The Force continues to have a Manual of Governance in place that remains up to date and approved by both Chief Constable and Police and Crime Commissioner and a Scheme of Consent was in effect throughout the financial year and has been agreed by all the named Senior Officers within the Scheme and the Chief Constable and Police and Crime Commissioner for North Wales.

Review of Governance Efficiency & Effectiveness

- 4.1.4 During 2022-23 the Force commissioned a review of its Governance framework. The terms of reference of this review went beyond those of our normal annual review. The review reported to the Chief Officer team in July 2023.
- 4.1.5 The review aimed to ensure the Force continued to have effective and efficient governance arrangements in place. That the Force struck an optimal balance between assurance provided by formal governance, balanced against effective delivery and decision making. That the Force had a clear meeting structure which aligned with the Force priority areas and finally that the Force made best use of technology and information available to facilitate decision making and reduce demand and duplication.
- 4.1.6 The review was undertaken by the Force Governance and Policy Lead reporting to the Head of Business Intelligence, Corporate Services Service Lead and Director of Finance and Resources.
- 4.1.7 The review considered national good practice from those Forces who had received an outstanding grade in the Strategic Planning, Organisational Management and Value for Money section of PEEL and feedback from internal stakeholders.
- 4.1.8 Considering the findings and conclusions of the review, 11 recommendations were made aimed at enabling the Force to strengthen and improve its governance arrangements and optimise its decision-making process by building on existing positive practice. The recommendations included.
 - 1. The Force should produce a set of clear Governance Principles to outline how governance should be executed in practice.

2. The Force should extend the current scheme of delegation to include clear parameters for decision making for all levels of authority.
3. The Force should align the governance structure to the Force Strategic Plan using the three pillars as the fundamental delivery structure.
4. The Force should introduce regular Portfolio Meetings for Chief Officers to receive appropriate briefings on matters of concern/areas of interest to them.
5. The Force should ensure performance reporting is clear on the Force Governance Structure and in line with the performance framework.
6. Performance meetings at a Service Area level should be brought in and aligned to the Force Vision and Force Strategic Plan
7. Performance Development Reviews should be used to ensure all members of staff are aligned to the Force Vision and Force Strategic Plan.
8. The Force should merge Strategic Management Board and Senior Leadership Board to become a monthly executive board.
9. The concept of Core Governance meetings should be brought in, with meetings falling outside of this managed at the discretion of Service Areas.
10. The Force Policy and Governance lead should take on a gatekeeper function to oversee the preparation of agenda's and supporting papers for Executive, Pillar Leads and Pillar Delivery Meetings.
11. The Force should prepare a meeting toolkit which includes the governance principles, scheme of delegation, corporate templates, risk appetite statement to be used as a reference guide for existing leaders and those who are newly promoted.

4.1.9 Several of the recommendations have been implemented and work continues to implement the outstanding ones with a view to having all recommendations implemented by the end of 2023.

AGS Action Plan 2022-23

4.1.10 During 2022-23, the action plan identified as part of the last AGS has progressed. An update against these actions is included in Appendix D below but all actions have progressed and whilst some of the associated work is ongoing, the AGS actions themselves can be marked as complete.

CIPFA FM Code Self Assessment

4.1.11 During 2022-23, the annual self-assessment of the Force's financial management practice took place against the CIPFA FM Code. The assessment concluded that both the Police and Crime Commissioner and the Chief Constable were compliant with the Code. Findings from this assessment were reported initially to the Joint Governance Board and subsequently to the Joint Audit Committee.

Section 4.2 - Internal Audit

4.2.1 The Audit plan for 2022-23 was prepared on a risk basis with oversight from the Audit Committee.

4.2.2 During the year the Audit Committee received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2022/23, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPCC') stemming from this work area.

4.2.3 It is worth noting that during the year changes to the plan can occur and in 2022-23 this was the case with all of the changes being reported to the Joint Audit Committee. More specifically at Management's request the Community Engagement audit was deferred to 2023-24 due to so many similarities with the Corporate Communications audit which was graded Substantial and the Collaborative ICT Fixed Assets audit was deferred to 2023-24 due to a new target operating model being introduced to our Technology team with a contract commencement date of 01/04/2023. This will now be a NWP only audit in 2023-24. The ICT Change Management audit was also deferred to 2023-24.

4.2.4 The summary position on assurance levels against the audit plan for 2022/23 were as follows:

Assurance Level		
Substantial	Reasonable	Limited
12	6	3

4.2.5 Any Limited audits were given particular emphasis for scrutiny via the Joint Audit Committee during 2022-23 and there were three of these that occurred during 2022-23 as follows:

Title	Assurance Level
Governance - Health & Safety Management	Limited
Property Subject to Charge	Limited
HR Absence Management linked to Agility	Limited

4.2.6 The recommendations in relation to these audits have been reviewed by management and will continue to be tracked and monitored through to completion.

4.2.7 The annual report concluded:

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of the Police and Crime Commissioner's and the Chief Constable's risk management, control and governance processes. In my opinion, the Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner for North Wales and the Chief Constable North Wales Police from its various sources of assurance.

4.2.8 A review has been conducted to determine the most appropriate model for internal audit services moving forwards for the Force. In line with the JAC terms of reference of determining the appropriateness of the Internal Audit services, audit committee members have been and will continue to be included in this process as a stakeholder. Given the collaborative model of Internal Audit implemented across Welsh Policing, where appropriate the conversations have involved the NWP JAC members in an all Wales dialogue.

4.2.9 The review concluded that the current outsourced model was still the most appropriate when compared against other options of in house provision, collaborative in house provision with other Welsh Forces or a hybrid of in house and outsourced. Tendering arrangements have been set out with South Wales Police leading on the process. The current Internal Audit Contact with TIAA ends on 31.3.2024. The current procurement time table sets October 2024 as the date for a new contract to be in place. Hence, arrangements are being made to ensure that there is no gap in an appropriate internal audit provision being established.

4.2.10 In accordance with regulations, the Police and Crime Commissioner and Chief Constable have reviewed the effectiveness of its internal audit service. In conclusion, the service has complied fully with all public sector

internal auditing standards (PSIAS). Oversight and ensuring that an effective Internal audit system is in place features as a part of the Audit Committee remit.

Section 4.3 - External Audit

- 4.3.1 The external auditors provided their view on their risk based audit approach at the March 2022 Audit Committee meeting and their key areas of focus in the year-end audit via a technical update and planning report, enabling the Audit Committee to ask questions and seek advice as necessary.
- 4.3.2 The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable.
- 4.3.3 The Wales Audit Office annual audit letter for 2021-2022 gave an unqualified opinion on the accounts for the Police and Crime Commissioner and the Chief Constable and recorded that they had not identified any significant weaknesses in the overall framework. It also concluded that the Police and Crime Commissioner and Chief Constable had appropriate arrangements in place to secure economy, efficiency and effectiveness in the use of their resources.

Section 4.4 - HMICFRS PEEL

- 4.4.1 The HMICFRS PEEL inspection report for NWP was published in January 2023 following the inspection in June 2022. The report is publicly available with the force gradings summarised below:

Overall summary

Our inspection assessed how good North Wales Police is in nine areas of policing. We make graded judgments in 8 of these 9 as follows:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Preventing crime	Treatment of the public	Investigating crime	
	Responding to the public	Protecting vulnerable people		
	Developing a positive workplace	Managing offenders		
		Good use of resources		

- 4.4.2 The report made specific reference to Governance, particularly in relation to Q12 Strategic Planning, Organisational Management and Value for Money where the force was graded “Adequate” and the following comment was made:

“It has completed a detailed review of its governance structure to support effective service delivery. This review led to changes in some areas of governance, but the force needs to make sure that the actions taken are sustained.

We were told that the number of boards and meetings creates a duplication of effort and leads to some senior managers being selective about which meetings they attend. This means that they aren’t fully aware of the impact of strategic decisions and how they are implemented. The force also identified this issue in its review. To maintain the good work it is doing in this area, the force should further consider how its governance is working in practice and ensure it engages its workforce in the changes.”

- 4.4.3 As a result of the HMICFRS PEEL report the Force decided to commission a wider review of its Governance structure (as referenced at section 4.1.1) and one element of this review has involved exploring Good and Best practice at those forces graded “Outstanding” in HMICFRS PEEL inspections. Progressing this aspect of work will feature in the Force’s AGS Action Plan.

Section 4.5 - Joint Audit Committee

- 4.5.1 The JAC continues to meet regularly to discharge its term of reference, meeting 4 times on a hybrid basis over the course of 2022-23 and has published all open session papers and its Chair is scheduled to issue the draft annual report outlining the work undertaken over the previous year and as necessary any areas of concern at the July 23 meeting. An evaluation of the JAC was conducted during 2022-23, from this an action plan was set out to further improve the effectiveness of the JAC. These actions are being progressed during 2023-24.
- 4.5.2 Over the course of 2022-23 in discharging its remit its activity has included:
- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the narrative report and Annual Governance Statement, which have once again seen more clarity.
 - Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment.
 - Reviewing the approach to risk management and delivery of the improvements to the approach to risk management and assurance mapping.
 - Reviewing the effective, efficient and robust governance arrangements and structures.
 - Reviewing and receiving assurance on value for money.
 - Receiving assurance on the self-assessment undertaken by the Force in relation to the CIPFA Financial Management Code.
 - Tracking progress in relation to Governance with updates from the Joint Governance Board being a consistent feature of the JAC work programme.
 - Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force and;
 - Briefings or Deep dives on: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation and the Forensic Collision Investigation Network, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience.
- 4.5.3 Following the Annual report being issued by the JAC Chair in 2022, a JAC action plan was developed to further enhance the effectiveness of the JAC where possible in the spirit of Continuous Improvement. The action plan involved considering several areas where there was scope to further enhance the JAC's ability to discharge their responsibilities. These included Internal Audit oversight; Feedback on committee performance; considering training needs and the levels of transparency being achieved. All of these actions have been progressed to a conclusion.
- 4.5.4 No formal areas of concern or significant issues have been highlighted by the Chair.

Section 4.6 - Police & Crime Panel

- 4.6.1 The Police and Crime Panels occurred regularly over the course of 2022-23 providing effective scrutiny with the meetings being held publicly either online or in person or as a 'hybrid'.
- 4.6.2 The panel fulfilled their remit to scrutinise decisions made, or other actions taken, by the Police and Crime Commissioner in connection with the discharge of the commissioner's functions. The Commissioner also consulted with the Panel on his plans and budget for policing for FY2023-24, as well as the appointment of a new Chief Constable.

Section 4.7 - Information Assurance

- 4.7.1 Effective arrangements are in place to ensure that data is safeguarded and appropriately collected, used, stored and shared. All data is subject to agreed retention policies and the security classification scheme in operation throughout the force.

- 4.7.2 There is an established Information Security Board in place to monitor arrangements and effectiveness including ensuring that Strategy, Policy and Process are all clearly defined, and any issues of compliance are appropriately reported. The board met regularly during 2022-23.
- 4.7.3 Any significant issues of compliance are escalated upwards, initially to the Strategic Finance & Resources board which receives a report routinely on any compliance concerns or issues and is also chaired by the Force's Senior Information Risk Owner. During the year there has been 1 referral to the Information Commissioners Office compared to 1 in the previous year. None of these referrals have resulted in formal action by the ICO.

Section 5 - Significant Issues of Governance.

5.1 There are no formal Significant issues of Governance to report in this AGS. However, issues of governance to highlight in this section include:

- Three 'Limited' Assurance audits occurring during 2022-23. These were in the areas of Governance - Health & Safety Management; Property Subject to Charge and HR Absence Management linked to Agility. All of the resultant recommendations have received a management response and progress against them is being monitored.
- Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that the Responsible Financial Officer sign and date the statement of accounts and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year. The Regulations require that this is completed by 31 May 2023. The 2022/23 statutory deadlines are shown in the table below along with the extended deadlines provided by Welsh Government.

	Statutory Deadline	Extended Deadline
Draft Statement of Accounts	31 May 2023	31 July 2023
Audited Statement of Accounts	31 July 2023	31 December 2023

- Following the comments in the HMICFRS PEEL inspection, the Force has decided to commission a wider review of its Governance. The findings and conclusions of this review have been communicated to the Force and the changes are currently being implemented.

Section 6 - Governance Action Plan stemming from 2022-23

6.1 In assessing the governance arrangements that are in place, the Governance Board will also develop and monitor any action plans to address any governance issues identified or where improvement to current arrangements is required.

6.2 The proposed action plan is:

Issue	Actions
Governance: Efficiency & Effectiveness	
Consider the findings of the wider Governance review, commissioned following the HMICFRS PEEL report issued in February 23.	Monitor the progress of the implementation of any recommendations associated with the February 2023 Governance review

Section 7 – Conclusion & Assurance Summary

- 7.1 No statement of internal control can provide absolute assurance against material loss; this statement is intended to provide reasonable assurance.
- 7.2 However, based on the review of the sources of assurance set out in this statement, we are satisfied that the North Wales Police and Crime Commissioner had in place satisfactory governance arrangements, including appropriate systems of internal control and risk management which facilitate the effective exercise of their functions.

Signed:



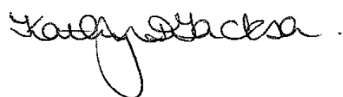
Andy Dunbobbin

Police and Crime Commissioner
Commissioner



Stephen Hughes

Chief Executive Officer to the Police and Crime



Kate Jackson

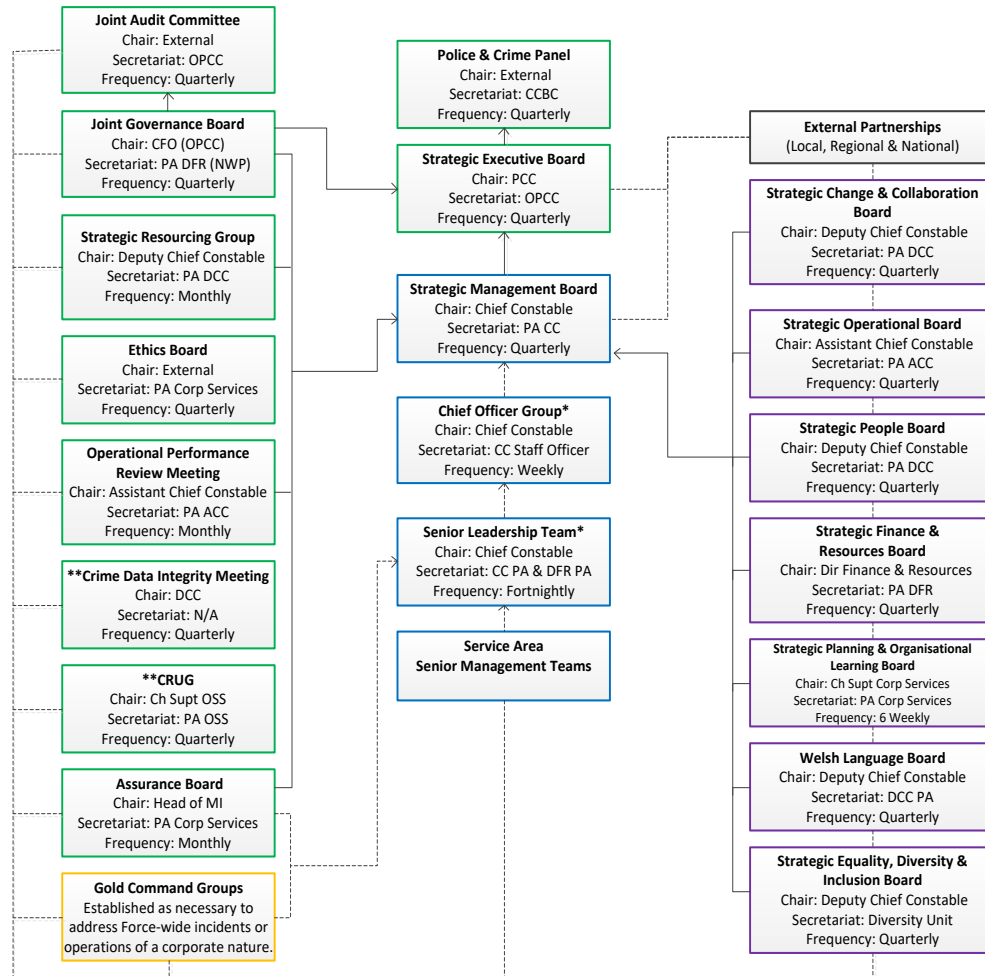
Chief Finance Officer to the Police and Crime Commissioner

Governance Structure in place 2022-2023

North Wales Police Governance Structure – High Level Meetings

The structure below represents our current position as agreed through consultation with Chief Officers and Senior Leads.

The Governance structure will be kept under periodic review so that future governance changes are considered and where appropriate, progressed via the Governance commissioning and decommissioning process.



Board Type

Boards and Sub-groups are categorised according to their primary function in relation to the governance and management of the Force. However, each Board and Sub-group performs all of the functions below to a degree.

Decision Making Boards

These Boards have the authority to make decisions relating to the finances and resources of the Force under their direction and control.

Governance & Assurance Boards

These Boards are largely concerned with ensuring the Force (and OPCC) have appropriate strategies, plans and policies in place as well as effective systems and processes to manage finance, performance and risk.

Planning & Delivery Boards

These Boards focus primarily on managing and overseeing the delivery of the Force's vision and priorities.

Force-wide Command Groups

These Groups are established as necessary to address Force-wide incidents or operations of a corporate nature.

Reporting Arrangements

Reports To

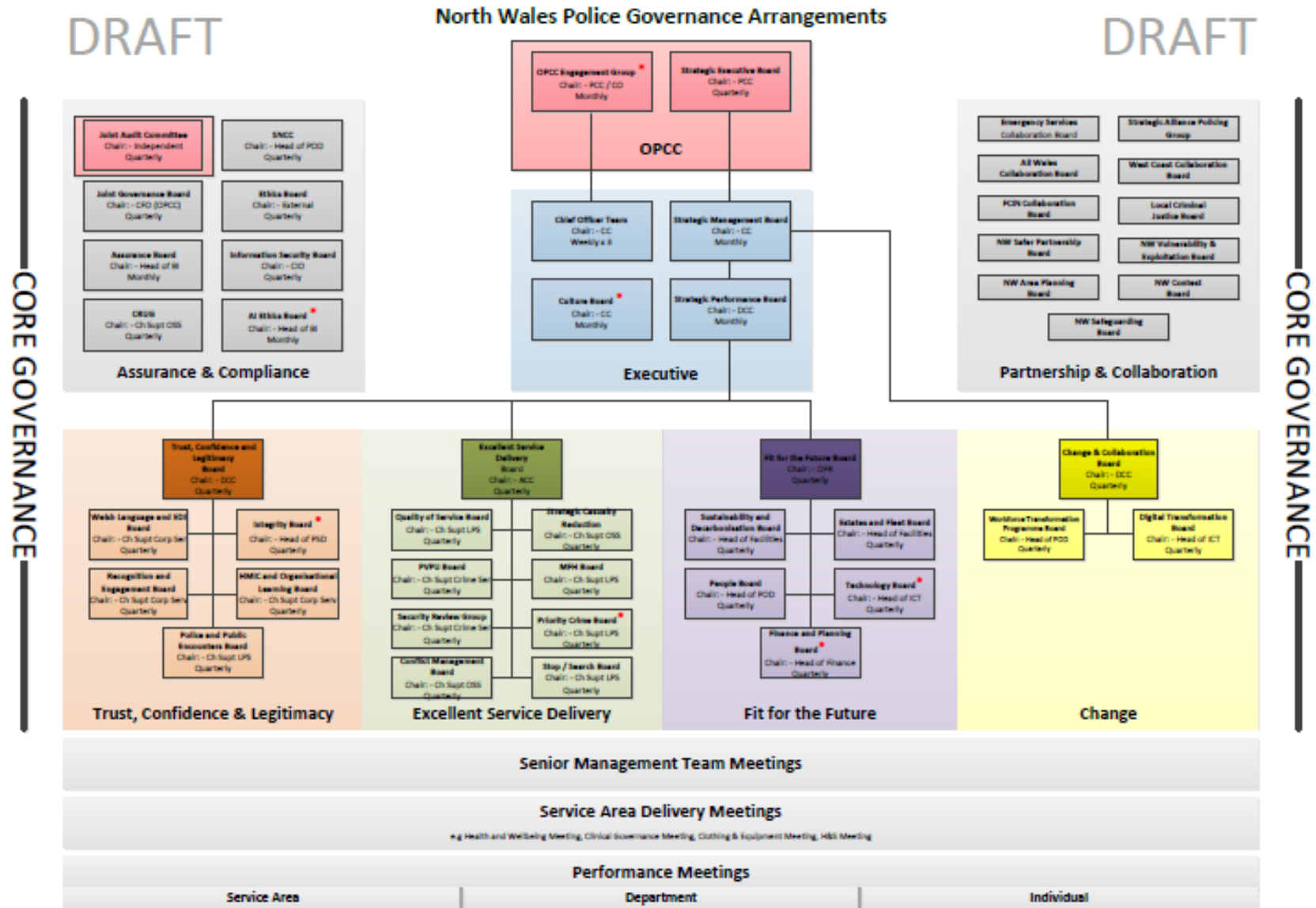
Escalates Decisions To

Information Sharing

* Principal decision-making groups in the event of Force-wide incidents or operations

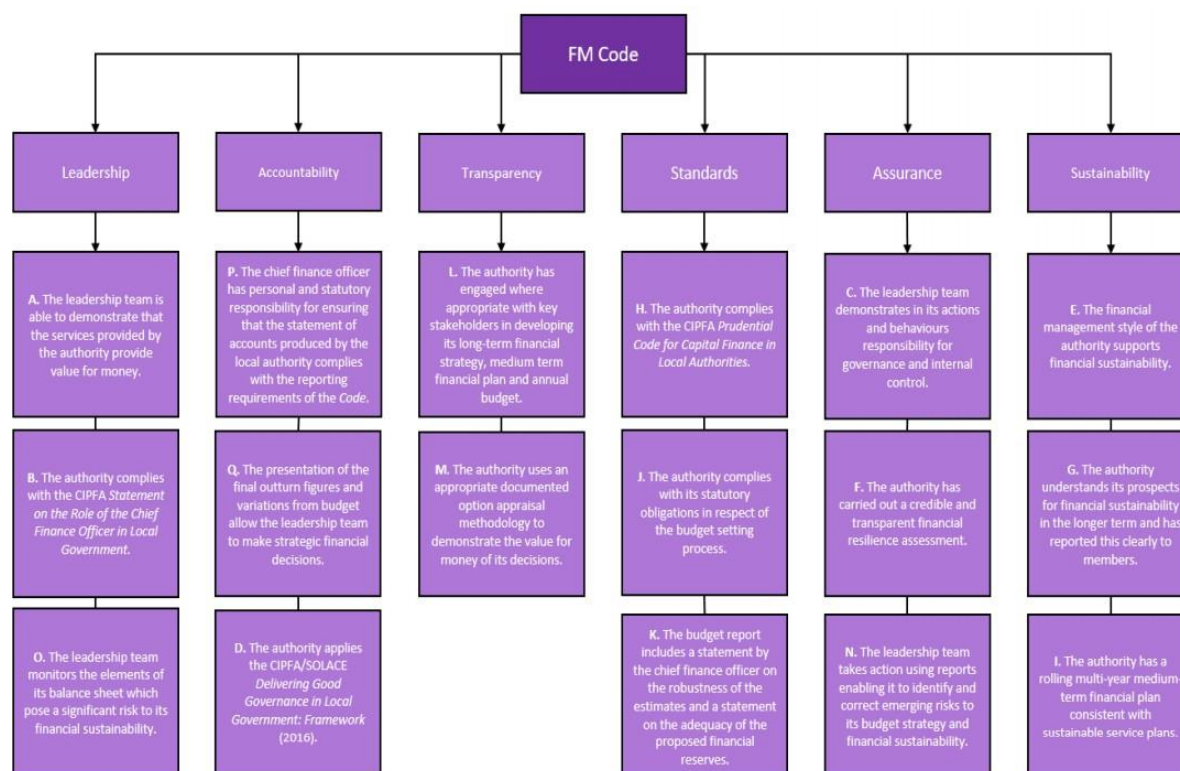
** Report directly to DCC

Draft Governance Structure being implemented 2023-2024



The remit of reviewing the efficiency & effectiveness of the Governance framework is ongoing but the full objectives of the Joint Governance Board are listed below with the terms of reference being reviewed and endorsed at the March22 meeting:

- To ensure a continual review of the adequacy and appropriateness of the governance arrangements ensuring that they operate Efficiently and Effectively.
- To oversee the production, management and review (as necessary) of the high-level corporate governance documents of the Office of the Police and Crime Commissioner and Force, specifically the Manual of Governance and its constituent parts.
- To co-ordinate, oversee and review (as necessary) the corporate governance structures of the Office of the Police and Crime Commissioner and Force and their associated processes and procedures.
- To review all recommendations relating to corporate governance arising from internal and external audits and inspections and consider their implications for the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force.
- To review any Client Briefing Notes issued by the Internal Auditor and consider their implications for the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force.
- To oversee and co-ordinate the preparation of the Annual Governance Statements of the Police & Commissioner and Chief Constable.
To make any recommendations to the Police & Crime Commissioner and Chief Constable on any matter relating to the corporate governance arrangements of the Office of the Police and Crime Commissioner and Force, where action or improvement is required.



Issue	Actions
<p>Governance: Efficiency & Effectiveness</p> <p>Consider the findings of the Efficiency and Effectiveness review reporting in Jun 2022 to ensure any further steps are taken.</p>	<p>Monitor the progress of the recommendations associated with the Jun 2022 Governance Efficiency & Effectiveness review – Update: The recommendations have been completed. Status: Complete.</p> <p>Ensure that an annual review of the Efficiency & Effectiveness of the Force Governance occurs for 2022-23 giving consideration to any learning points with regard to process. – Update: The review has been commenced and is progressing. Status: Complete.</p>
<p>Understandability of Statement of Accounts</p> <p>Different approaches are taken by different forces with regard to the format of the AGS</p>	<p>Consider the format of the AGS and whether this continues to represent good practice and provides the appropriate level of 'Understandability' in line with our Statement of Accounts. – Update: AGS formats have been reviewed for forces graded Outstanding for Organisational Management by HMICFRS and changes reflected in the draft AGS. Status: Complete.</p>
<p>HMICFRS Inspections</p> <p>Recent Force inspections will publish reports in due course. Once this has occurred any governance implications will need to be considered.</p>	<p>Consider the HMICFRS inspection report once issued and any Governance implications that are presented by the report. – Update: HMICFRS Governance implications have been incorporated into the Governance review which is currently ongoing. Status: Complete.</p>

Appendix E

Title	Assurance Level
Governance - Yr 3 Corporate Communications	Substantial
Governance - Health & Safety Management	Limited
Risk Management – Mitigating Controls - Collaborative audit	Substantial
ICT - Cyber security	Reasonable
Payroll incl overpayments- Collaborative audit	Substantial
Creditors - Collaborative Audit	Substantial
Pensions	Substantial
Expenses & Additional payments - Collaborative audit	Substantial
Treasury Management	Substantial
Capital Programme - Collaborative Audit	Substantial
Counter Fraud Procurement - Collaborative audit	Substantial
Fleet Management - Repairs incl BMW Issues	Reasonable
Fleet Strategy - Collaborative Audit	Substantial
Estates Management - Delivery	Substantial
Command Unit - Central area	Reasonable
Contract Management – (Building/ICT/Services Project)	Substantial
Property Subject to Charge	Limited
Vetting - Uplift officers, new recruits, transferees	Reasonable
Firearms Licensing	Substantial
HR/Workforce Management – Wellbeing Strategy	Substantial
HR Absence Management linked to Agility	Limited
HR Recruitment - OLEEO - Collaborative audit	Reasonable

Assurance Levels of Reports	2022/23
Substantial Assurance	14
Reasonable Assurance	5
Limited Assurance	3
No Assurance	0
Advisory	0
	22



**HEDDLU
GOGLEDD CYMRU
NORTH WALES
POLICE**

GOVERNANCE PRINCIPLES

EXECUTIVE, STRATEGIC PILLAR LEAD AND PILLAR DELIVERY MEETINGS

1. Meetings are primarily for
 - Decisions
 - Problem solving
 - Actions
 - Horizon Scanning
 - Assurance / Awareness
2. Executive and Strategic Pillar Lead meetings will have strategic oversight and responsibility and will ensure that all work undertaken by the Force is contributing and supporting the Forces' vision.
3. Executive and Strategic Pillar Lead meetings should provide leadership, vision, and direction.
4. Executive and Strategic Pillar Lead meetings should ensure appropriate challenge and scrutiny.
5. Executive and Strategic Pillar Lead meetings should ensure work is prioritised in line with the Force Strategic Plan.
6. Those attending meetings should be at the correct level for taking part in decision making.
7. A meeting with no meaningful actions or decisions will be decommissioned.
8. Executive and Strategic Pillar Lead meetings will be chaired by Chief Officers.
9. Pillar Delivery Boards will be chaired by Service Leads or Subject Matter Experts.
10. Chief Officers can attend Pillar meetings they don't chair as attendees.
11. Exceptions to chairing rules will be limited and must be agreed by the Chief Constable.
12. Meetings should not be solely used to brief Chief Officers and Senior Leaders; dedicated briefings should take place through other means i.e., portfolio meetings, Chief Officer Briefing Report Template
13. Meeting attendees are obliged to cascade key messages and decisions through their reporting structure.
14. Short term task and finish or working groups may be set up below Executive or Strategic Pillar Level meetings, but they must be time bound with clear deliverables.
15. Pillar Delivery meetings will have responsibility for ensuring any strategies and performance objectives associated with the meetings theme are implemented appropriately.
16. Meetings will make appropriate use of the Force Risk Appetite to inform decision making and make appropriate use of the Risk Management processes.

SERVICE AREA DELIVERY MEETINGS

1. Service Area Delivery meetings and below are at the discretion of the relevant Service Lead
2. There will be no tactical versions of Pillar Level meetings.
3. Any duplication of meetings, attendance or papers at the Service Area Delivery meeting level and below are at the behest of the Service Lead to influence and remove.
4. Commissioning and decommissioning of meetings at the Service Area Delivery meeting and below will still follow the formal process of seeking approval from Strategic Management Board.
5. Service Area Delivery meetings and below will still need to conform to Force meeting templates but will not be considered a part of the Core Governance Structure
6. Service Area Delivery meetings and below will be subject to the Annual Governance Review for independent scrutiny.
7. Performance meetings are the exception, and the agreed levels of Force performance meetings will need to be in place and fit for purpose.

WHAT GOES WHERE?

1. Matters of strategic importance or high financial value will be taken to an Executive Level meeting before business cases or options are developed.
2. The decision-making scheme of delegation should be used as a guide to what level of meeting is appropriate for what item.
3. Pillar Delivery meetings and Service Area Delivery meetings will make operational decisions within their business area and only escalate to a higher board where the impact or financial value is beyond their remit.
4. The Governance Lead will have an oversight of all meeting agendas to identify duplication at source and have the responsibility to advise meeting Chair's and Secretariat in the interests of good governance.

BEHAVIOURS

1. Chairs and meeting members will follow the Police Code of Ethics and have due regards for the Welsh Language Standards in all their dealings.

MEETING MANAGEMENT

1. All meetings that fall within the Force Governance Structure must have Terms of Reference using the agreed corporate template and a copy should be forwarded to the Force Governance Lead.
2. Any amendments to the Terms of Reference during the year should be in consultation with the Force Governance Lead.
3. All Executive and Strategic Pillar Lead and Pillar Delivery meetings should be scheduled 12 months in advance and where possible sequenced.
4. All meetings should use the agreed Force templates i.e., agendas, minutes / action log, reports.
5. All Executive and Strategic Pillar Lead meetings should have a forward work plan (FWP) which will assist the meeting to plan for the forthcoming year and assist with the preparation of the meeting agendas.

6. All meeting agenda's and supporting papers should be submitted to the secretariat at least 10 days prior to the meeting.
7. All meeting agenda's and supporting papers should be circulated at least 7 days prior to a meeting.
8. All minutes and actions / decisions log should be circulated no later than 14 days after a meeting.
9. All Executive, Strategic Pillar Lead and Pillar Delivery meeting agenda's, minutes and actions / decisions logs should be uploaded to the central repository on the NWP Force Governance Teams site.
10. The Chairperson has overall responsibility for ensuring the meeting fulfils its purpose and achieves its objectives as set out in the Terms of Reference.
11. The Chairperson has an important role to play in providing clear leadership and direction.
12. Members have overall responsibility for working with each other to fulfil the purpose and achieve the objectives of the meeting as set out in the Terms of Reference.
13. Members must be familiar with the meeting's Terms of Reference in order to undertake the role effectively.
14. Members must ensure colleagues within their business area are briefed on any decisions and / or actions that directly affect the business area.
15. The Secretariat has overall responsibility for managing the business of the meeting and providing professional support to the Chairperson, Vice-Chairperson (where relevant) and members.
16. Before a meeting, the Secretariat will be responsible for:
 - Setting the date and time of the meeting in consultation with the Chairperson.
 - Preparing the draft agenda based on the agreed Forward Work Plan and items submitted by Members in consultation with the Chair and Force Governance Lead.
 - Finalising the draft agenda following discussions with the Chairperson and Force Governance Lead.
 - Ensuring all the relevant papers are submitted in the appropriate format at least 10 days prior to the date of the meeting. Alternative timescale will only be agreed in exceptional circumstances.
 - Ensuring the agenda and papers are circulated no later than 7 days before the date of the meeting.
 - Noting all the apologies received for the meeting.
17. During the meeting, the Secretariat is responsible for:
 - Ensuring the Chairperson or Vice-Chairperson has all the necessary information / papers for all the items on the agenda.
 - Making a note of the names and positions of those in attendance.
 - Making a note of the apologies received for the meeting.
 - Making a note of the decisions and actions agreed by the meeting, as well as making a brief note of how the decisions and actions were reached in order to provide sufficient context and ensure an audit trail.
 - Seeking clarification on any decisions, actions or discussions which may be unclear.
 - Supporting the Chairperson or the Vice-Chairperson to ensure the meeting stays focussed and on-track by reminding them if an agenda item has been overlooked and highlighting any issues with the timing of agenda items to ensure the meeting doesn't overrun.
18. After the meeting, the Secretariat is responsible for:
 - Preparing draft Minutes or Decision and Action List for review by the Chairperson or Vice-Chairperson within 7 working days after the meeting.
 - Circulating the Minutes or Decision and Action List to Members and Attendees within 14 working days after the meeting (corrections to the Minutes or Decision and Actions List should be noted at the following meeting.)
 - Collating any updates received in relation to agreed actions in preparation for the next meeting.

USE OF TECHNOLOGY

1. All meetings will be held in the most efficient way possible, whether that be online, hybrid or face to face.
2. If meetings are held face to face, making best use of technology should still be a consideration i.e. sharing of documents via teams.
3. All Executive and Strategic Pillar Lead and Pillar Delivery meetings will be recorded, and the recordings and transcripts will be available to all attendees and interested parties for consideration by the Chair.
4. All Executive and Strategic Pillar Lead and Pillar Delivery meeting papers should be stored electronically on the Force Governance Teams Site and accessible to all attendees and interested parties for consideration by the Chair.
5. All meeting papers should be circulated electronically via MS Teams.

The report of the Auditor General for Wales to the Police and Crime Commissioner for North Wales

Opinion on financial statements

I have audited the financial statements of:

- Police and Crime Commissioner for North Wales;
- Police and Crime Commissioner for North Wales Group which comprises the Police and Crime Commissioner for North Wales and the Chief Constable of North Wales Police; and
- North Wales Police Pension Fund

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

The Police and Crime Commissioner for North Wales financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The Police and Crime Commissioner for North Wales Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Movement in Reserves Statement, the Group Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The North Wales Police Pension Fund financial statements comprise the Fund Account and Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for Wales' Group and the North Wales Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group and the North Wales Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with section 13(2) of the Public Audit (Wales) Act 2004.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud by posting of unusual journals;
- Obtaining an understanding of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund operate in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Police and Crime Commissioner for

North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund'; and

- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Joint Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Police and Crime Commissioner for North Wales, the Police and Crime Commissioner for North Wales Group, and the North Wales Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Adrian Crompton
Auditor General for Wales
Date 11 December 2023

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Summary Capital Expenditure and Funding 2022-2023

2021-2022		2022-2023	2022-2023
Actual	Description	Revised Budget	Actual
£'000		£'000	£'000
	<u>Building Works</u>		
241	Pwllheli Police Station Refurbishment	0	0
323	Vehicle Commissioning and Workshop	1,577	1,717
0	Sustainability Works	152	125
26	Retentions	25	2
141	Western Estates Area	250	73
56	Re locate/vacate – Conwy Police Station	130	65
346	Firearms Base works	38	41
0	Crime Services – SARC ISO Accreditation	25	0
0	Holyhead Police Station	250	74
0	Llanrwst Police Station	150	90
0	Force Control Room Upgrading	150	161
1,133	Total Building Works	2,747	2,348
	<u>Vehicles and Other Equipment</u>		
650	Vehicle Purchase	1,485	1,528
0	Intoxilators x 3	30	0
105	ANPR replacement	150	56
134	Collision Surveying Equipment	41	25
889	Total Vehicles and Other Equipment	1,706	1,609
	<u>Information Technology and Communication Equipment</u>		
525	Lap Tops and Desk Top Replacement	500	822
63	NEP Device Re-build	255	192
19	Lockers for charging and storage	0	0
0	Airwave Replacement units	0	51
133	Mobile Data Devices	468	482
63	National Enablement Programme	0	0
93	Wi-Fi	0	0
40	Digital Workplace Audio Visual	0	0
12	Nexus Upgrade	368	275
1,198	Command and Control Upgrade	880	961
72	Emergency Services Network (ESN)	0	0
0	Body Worn Video	0	53
0	NEP Infrastructure	22	26
0	Airwave replacement devices	90	0
0	ESN (5 yrs)	0	71
2,218	Total Information Technology and Communication	2,583	2,933
4,240	Total Capital Expenditure	7,036	6,890

2021-2022		2022-2023	2022-2023
Actual	Description	Revised Budget	Actual
£'000		£'000	£'000
	<u>Funding of Capital Programme</u>		
123	Home Office General Capital Grants	0	0
2,465	Revenue Contribution	2,276	3,502
820	Earmarked Reserves	1,482	510
61	Capital Receipts	426	417
771	Borrowing funded in revenue	0	0
0	Borrowing for Estates	2,176	1,790
0	Borrowing for replacement programme	676	671
4,240	Total Funding	7,036	6,890