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OFFICE OF THE POLICE & CRIME
COMMISSIONER NORTH WALES

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

2023/24



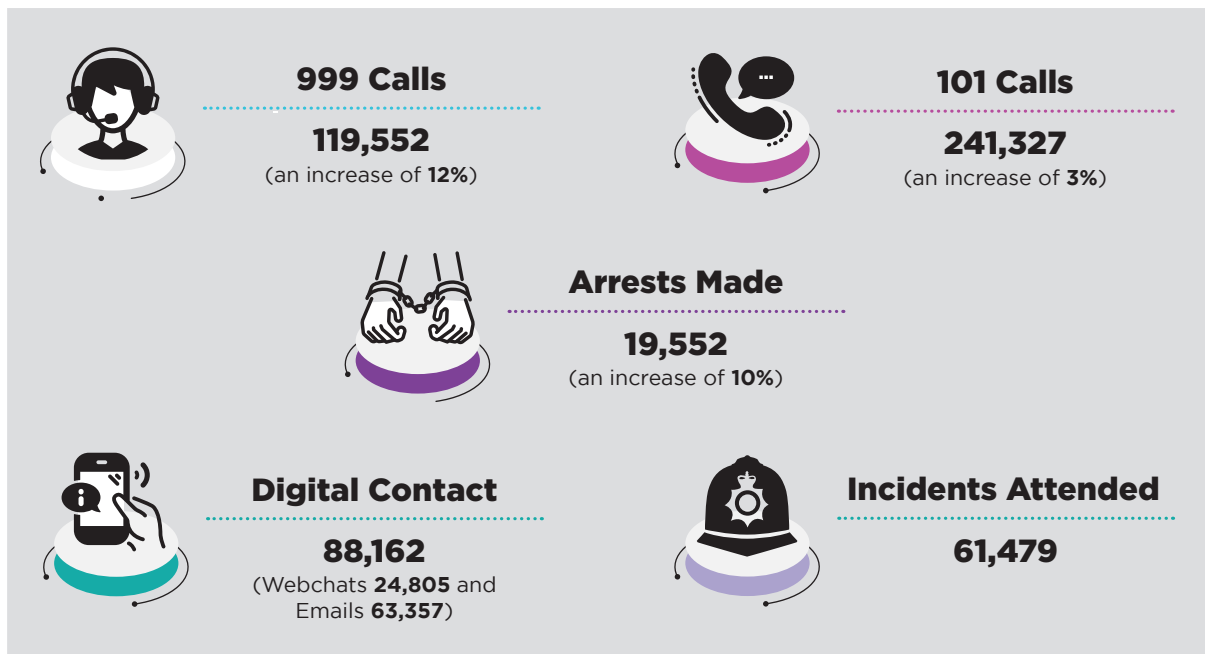
Introduction from the Police and Crime Commissioner



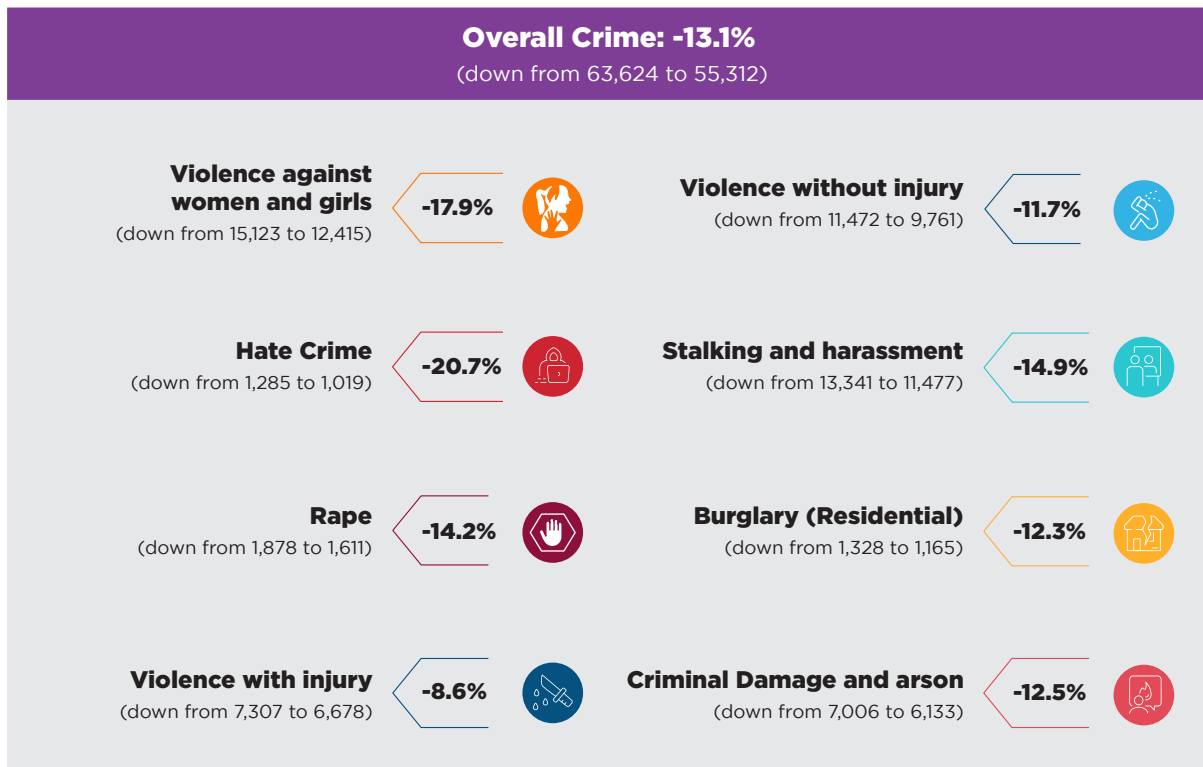
I was immensely honoured to have been re-elected by the people of North Wales in May 2024. It shows that they are happy with the work I have been doing since 2021 to make policing more effective, efficient and accountable. There is always more work we can do, and I look forward to serving all of the people of North Wales, whether they voted for me or not.

2023/24 has been a successful year for North Wales Police and my Office. Operation Uplift – the plan to increase police officer numbers by 20,000 nationally – was maintained, with North Wales Police meeting its target of additional 206 officers on the key dates, ensuring that we were able to receive the maximum grant available in order to fund these officers.

The impact of having these additional officers, and the staff to support them, means that they are able to deal with more demand than previously. In the financial year from April 2023 to March 2024, the key areas of demand included:



We have seen the following changes in reported crime recorded compared with the previous 12 months:



In addition to monitoring the work of the Force, my office has continued to work with other organisations and to commission services, with the aims of reducing crime and supporting victims, including the national roll-out of the Serious Violence Duty, the continued support of the Victims' Help Centre, and various safer streets projects.

The net revenue budget of £188.959m was approved unanimously by the Police and Crime Panel on 30 January 2023, and £4.380m was added to revenue reserves at the end of March 2024. Some of this was planned in the original budget, but the majority related to underspend, which was partly linked to the timing of recruitment, but also very much helped by the higher interest rates we experienced during the year. Of course this also reflects that budgets were well-managed by the force throughout the year. Savings of £3.753m were identified and delivered during the year, which is an achievement to be proud of, especially given the significant savings that have had to be found each year since 2010. This underspend has been added to my reserves, and has been taken into account when setting the council tax for 2024/25. The Chief Constable and I can therefore move forward confidently, in the knowledge that the organisations we lead are financially sound as they can be in the current period of uncertainty.

If you would like more information, please visit my website, which on average receives over 3,000 visitors each month, or join the almost 900 people who subscribe to our fortnightly OPCC newsletter.

Andy Dunbobbin
 Police and Crime Commissioner



Introduction from the Chief Finance Officer

The Code of practice on Local Government Accounting in the United Kingdom 2023/24 (CIPFA/LASAAC) provides us with guidance on how we should prepare our accounts to comply with International Financial reporting Standards, and also in line with legislation, which requires us to show the balance of taxpayers' funds (the Usable Reserves) at the end of the financial year.

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

At the end of the financial year, the Police and Crime Commissioner transferred £4.590m to Reserves:

Scheme	Opening Balance 1 April 2023	Movement in Reserve	Closing balance 31 March 2024
	£m	£m	£m
General Reserve	6.120	-	6.120
Earmarked Reserves	41.492	4.380	45.872
Total Revenue Reserves	47.612	4.380	51.992
Capital Receipts Reserve	3.577	0.210	3.787
Total Usable Reserves	51.187	4.590	55.779

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

Revenue Budget

Planned savings of £3.753m were delivered during the year, an impressive achievement when taking into account the savings that have had to be made since 2010. A total of £4.590m (net) was transferred to reserves at the end of March 2024, of which £3.565m relates to revenue underspend. This underspend has been allocated to earmarked reserves, which will enable us to mitigate future costs, and to invest in capital and change projects.

Revenue Expenditure	Revised Budget 2023/2024	Outturn (Actual) 2023/2024	Variance Over/ (Under)spend
	£m	£m	£m
Employee Pay Costs	165.210	163.800	(1.410)
Other Employee Costs	7.540	8.361	0.821
Non-Staff Running Costs	44.664	43.941	(0.723)
Capital Financing	5.069	5.167	0.098
PCC Community Safety Fund and Partnerships	10.035	10.183	0.148
Income and Recharges	(21.067)	(22.924)	(1.857)
Specific Grants	(23.307)	(23.949)	(0.642)
Operating Expenditure	188.144	184.579	(3.565)
Net transfer to Earmarked Revenue Reserves	0.815	4.380	3.565
Net Expenditure	188.959	188.959	-
Financed By:			
Government Grants	88.715	88.715	-
Precept (Council Tax)	100.244	100.244	-
Net overall expenditure	188.959	188.959	-

Significant variances include:

- **Employee costs – underspend £1.410m**
Pay accounts for 71% of the expenditure budget. The underspend arose primarily because of turnover in both staff and officers. Officer resignations were higher in 2023/24 compared to historic levels, although it is much lower than most other policing areas.
- **Other employee costs – overspend £0.821m**
The main variance relates to the Employer and Public Liability (EL/PL) provision. Provisions are created in the accounts in the year when a potential liability is known, and there is an estimate of the likely cost. Due to an increase in both the number and value of insurance claims, this provision was increased by £0.596m in 2023/24.
- **Non-staff running costs – underspend £0.723m**
There were underspends across a number of areas, including estates and transport. Of particular interest are a reduction in energy costs, and the re-negotiation of our vehicle insurance contract. There was additional expenditure on furniture and equipment to facilitate the agile working programme, and on printing and stationery to support the “We Don’t Buy Crime” initiative.
- **Income – additional income £1.857m**
Investment income has increased in line with interest rates, and there has been income from the Immigration Service (Operation Safeguard) and a refund of business rates following appeals.

Included in the above is the cost of the Office of the Police and Crime Commissioner. The revised budget for the year was £1.164m, and the outturn was £1.199m. The general overspend of £0.043m related mainly to the contributions to collaborations has been funded from the OPCC General Reserve, while £0.006m was contributed to the OPCC legal reserve.

Capital Budget

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

The original capital programme for 2023/24 was £12.212m. After adjustments for slippage and reprofiling, the revised capital programme for the year was £6.635m. Outturn for the year was £4.931m.

Capital Expenditure	Revised Budget	Expenditure	Variance
	£m	£m	£m
Building Works	2.209	1.298	(0.911)
Vehicles and Other Equipment	2.467	2.384	(0.083)
Information technology and Equipment	1.959	1.249	(0.710)
Total Capital Expenditure	6.635	4.931	(1.704)
Funding:			
Welsh Government Grant	0.620	0.532	(0.088)
Revenue Contribution	3.358	3.614	0.256
Earmarked Reserve	0.966	-	(0.966)
Capital Receipts	0.200	-	(0.200)
Borrowing for Estates	1.366	0.485	(0.881)
Borrowing for Replacement Programme	0.125	0.300	0.175
Total Capital Funding	6.635	4.931	(1.704)

The Sexual Assault Referral Centre was refurbishment and upgrade was completed in 2023/24, becoming operational at the beginning of 2024/25.

The project to refurbish Caernarfon Police Station began during 2023/24, but was not completed until June 2024.

The major scheme to build a new police station in Holyhead was delayed due to planning and other issues, which delayed the tendering process. The works are now expected to begin during summer/autumn 2024.

A substantial cross-cutting Digital and IT upgrade programme commenced in 2019/20, and continued through to 2023/24. The issuing of personal issue laptops and body worn video equipment for officers who previously shared equipment is now complete. Major IT projects, including server replacement, improvements to the command and control system, and telephony equipment will continue throughout 2024/25 and beyond.

Reconciliation of Funding Available and GAAP

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

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