



The Chief Constable for Bedfordshire Police

STATEMENT OF ACCOUNTS

DRAFT

2020/2021

Table of Contents

TABLE OF CONTENTS.....	2
NARRATIVE REPORT.....	3
STATEMENT OF RESPONSIBILITIES	15
ANNUAL GOVERNANCE STATEMENT.....	16
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	38
MOVEMENT IN RESERVES STATEMENT	39
BALANCE SHEET	40
CASH FLOW STATEMENT.....	41
NOTES TO THE ACCOUNTS	42
EXTERNAL ADVISERS.....	75
GLOSSARY OF TERMS.....	76
INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF BEDFORDSHIRE POLICE	77

Narrative Report

The Narrative Report pulls together in a single document information on the budget preparation process, final accounts, performance information, medium term financial plans and other contextual information such as workforce numbers and strategic risks. I hope you find it helpful, I would welcome feedback on the content so that we can continue to improve and enhance next year's narrative report on the 2021/22 accounts.

Bedfordshire Police continued its improvement in ensuring that the Force was at full strength, following on from the improvements in 2019/20, as well as continuing to deliver against the national 20,000 uplift. The Force over achieved against its uplift target in 2020/21, the second year of the uplift, and puts the Force in a strong position to achieve its 2021/22 target.

This is a positive picture for Bedfordshire in terms of increasing officers, but does create specific demand and cost issues with a significant increase in student officers within the Force at any one time and also the status of the physical and non-physical infrastructure within the Force.

The level of training officers require before they are productively engaged in policing means that, for a period of time, we have the costs of the additional officers but not their operational hours hence the demands on police overtime for example do not decrease in the same period.

In Bedfordshire the implications of delivering a service to meet increasing demand and complexity whilst operating with finite resources is fully appreciated. Considerable work is focused on challenging the effectiveness and efficiency of our service, constantly driving to ensure our resources are directed to the highest priority areas and as a result have embedded the Priority Based Budgeting process.

As a police service we try to anticipate demand and ensure our strategic plans address the changing landscape both in the scope and complexity of crime but also the technology and equipment available to enhance the delivery of our service. We also always have to be prepared for the unexpected and be ready for an immediate response whatever the circumstances. The Covid-19 pandemic is one of those once in a lifetime challenges which the police service is currently responding to in a direct and positive manner.

In terms of funding the impact of COVID a significant amount of additional funding has been received from the government. This has been provided for policing the restrictions, purchase of PPE and to cover the reduced levels of income. The grants are recognised in the accounts for the Police and Crime Commissioner with a funding transfer made to the Chief Constable.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It therefore aims to provide information to help the reader:

- Understand the overarching financial position of the PCC (and the Force)
- Have confidence that the PCC has spent public money wisely and it has been accounted for in an appropriate manner
- Be assured that the financial position of the PCC (and Group) is sound and secure

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years.

The structure of this Narrative Report is set out below.

1. Explanation of the PCC and Group
2. Introduction to Bedfordshire Police
3. Financial performance
4. Non-financial performance
5. Coronavirus (Covid-19) pandemic
6. Summary and conclusion

1. EXPLANATION OF THE PCC AND GROUP

The Police & Crime Commissioner (PCC) and the Chief Constable are established as separate legal entities.

The PCC is elected by the public every four years to secure the maintenance of an efficient and effective police force and to hold the chief constable to account for the exercise of his functions and those of persons under his direction and control.

The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services in the Bedfordshire Police area.

The Chief Constable has produced this set of accounts which explains how the resources provided by the PCC have been used to deliver operational policing services.

The Net Revenue Budget for 2020/21 was £120.485 million, of which £118.7 million was delegated to the Chief Constable.

2. AN INTRODUCTION TO BEDFORDSHIRE POLICE FORCE

We are dedicated to "protecting people and fighting crime together".

At 477 square miles and with 664,500 people Bedfordshire is one of England's smallest (yet most diverse), counties and faces complex crime challenges more usually seen in large metropolitan cities.

More than half of its residents live in its largest towns Luton and Bedford which have diverse and often transient communities, alongside smaller market towns and rural parishes.

London Luton Airport handled 18 million passengers in 2019, up 6.8% on the previous year. The M1 and A1(M) motorways traverse the county. Two principle railway lines connect people with the heart of London in less than an hour.

Bedfordshire has a complex mix of volume crime, serious crimes, drugs, gangs and terrorism threats. Every day our officers meet threats, harm and risks like those in large cities. In the year to October 2020 the force recorded over 52,024 crimes (a decrease of 8.1 per cent), and answered more than 369,000 calls for service.

The financial year 2020/21 has been unique as the Force continued to serve the public of Bedfordshire throughout the Covid19 pandemic with many officers and staff working from home in order to achieve this. The Covid19 pandemic has seen the profile of expenditure, use of resources and criminality change significantly this year.

Among all English police forces, Bedfordshire receives one of the lowest Government grants per head of population, and is in the lowest quartile for budget and police officers per head of population, and for council tax levels.

Bedfordshire Police's community, response and investigation teams serve the unitary authorities of Luton, Bedford and Central Bedfordshire from two operational hubs. Strategic leadership of regional intelligence and investigation helps the Force meet risks linked to extremism and organised crime.

Officer numbers are now at a similar number to pre austerity in 2010, however the complexity and level of demand in Bedfordshire is significantly different to that era, requiring a considerable higher level of investigation time. Bedfordshire still has one of the lowest net budgets of all English police forces. Bedfordshire is addressing its challenges through internal change and service-leading collaborations with neighboring and regional police forces.

The force is has made considerable efficiencies by collaborating large areas of its business with neighboring Cambridgeshire and Hertfordshire. This includes functions such as Protective Services which encompasses everything from the Beds, Cambs and Herts Major Crime Unit to Roads Policing, Scientific Services and Firearms as well as support services departments. Meanwhile Bedfordshire is also proud to be the lead force for the Eastern Region Special Operations Unit (ERSOU) and Eastern Region Counter Terrorism Policing Unit. The force continues to look at opportunities that can be achieved through working with the 7 Eastern Region forces (Existing Tri-force associations plus Norfolk, Kent Essex and Suffolk).

The Force has now fully embedded its Priority Based Budgeting process which provides the Force with an overall costed service catalogue that allows for a full understanding of the service we would deliver for less or what opportunities and benefits we would get for additional investments and resources.

3. FINANCIAL PERFORMANCE

a. Revenue Budget 2020/21

The 2020/21 net budget requirement of £120.5 million represented a cash increase of £7.1 million or 6.3%. In order to fund this increase in expenditure the PCC increased the police element of council tax by £10, or 4.95% which was the maximum allowed without invoking a referendum.

The budget required cashable savings of £2.7 million but allowed the force to recruit the 156 officers required by the PCC.

The recruitment of 156 officers allows the Force to fully replace all of those police officers that leave in the financial year, estimated to be 100 officers, as well as also increasing by a further 56 police officers and enhance the frontline through dedicated police staff roles for areas of highest priority. The significant investment, building on a similar investment last year means that it can continue to build the establishment in the highest area of need.

b. Revenue Outturn 20/21

The successful Special Grant bids for 2020/21 allowed the force to deliver an overall underspend of £2.772 million.

The total 2020/21 Revenue Budget allocated by the PCC for Bedfordshire to the Chief Constable for operational policing and support functions was £118.663M; actual expenditure amounted to £116.147M.

The under spend for the year of £2.516M arose in the following areas:

	£'M
Police Pay	-0.191
Staff Pay	-0.342
Staff Overtime	0.492
Police Overtime	0.773
Agency Staff	0.212
Non-Staff Costs	1.654
Collaboration	0.308
Externally Funded & Income	0.662
Special Police Grant	-7.541
Contribution to Reserves	1.457
Total	-2.516

The outturn position of the Chief Constable includes different elements to that reported in the financial accounts and a full reconciliation of the reported outturn to the financial accounting surplus / deficit is shown at group level in the PCC's Group accounts.

c. Outlook – Medium Term Financial Plan

During 2020/21 the PCC was successful in securing two special police grants for Bedfordshire equating to £5M. This included continuation funding for gang, gun & knife issues faced by Bedfordshire alongside a new award targeted against recently uncovered organised crime targets operating with Bedfordshire. It has been accepted that the disproportionate impact on a Force our size puts these operations outside what is considered as business as usual. While these would normally be considered one-off payments, similar bids have been submitted for 2021/22 that we expect will be approved.

These payments have transformed our finances in the short term as we would have otherwise overspent in the previous three years. The grant has also assisted in the longer-term financial position, which alongside the increase in funding through council tax increases and uplift grant will mean that the Force can plan to recruit 53 police officers in 2021/22 and will aim to continue to grow in the following financial year.

While the Finance settlement received was better than we had anticipated we have suffered a significant loss of funding as a direct result of the Covid19 pandemic. We have seen a reduction in the tax base in Bedfordshire, this represents the number of households that pay council tax. The reduction of 0.55% equates to £0.768M less funding than anticipated when our planning started for the 2021/22 budget. At the same time, we have seen a collection fund deficit further reducing our funding position. We did see an increase in the main police main grant of £4.3M, £2.7M of this has been attributed to the cost of the officers formally funded by uplift grant in 2019/20 and 2020/21, these can now be built into the base budget. Bedfordshire has then been awarded £0.9M uplift grant in 2021/22 to fund the recruitment of 53 officers during the financial year.

Prior to setting the budget a number of medium-term financial plan scenarios had been tested and these continued to be revised until the budget was agreed. These helped the Commissioner to take the decision to increase Council Tax by the maximum amount allowed without invoking a referendum, this equated to £15 for Bedfordshire.

At the time of setting the budget and based upon the following assumptions and expectations it is projected that the Commissioner will face a funding gap over the medium term (i.e. 2021/22 to 2024/25) of some £8M:

- Central Grant will remain at a standstill position including the £4.3M granted in this Finance Settlement;
- The Police Pension Grant of £1.1M will remain
- The Police Uplift Grant will remain consistent with the number of officers recruited
- Income loss recovery grant will continue in 2021/22
- Inflation and Pay Awards totalling an estimated £8.5M
- Growth totalling £12.4M (excluding those officers funded by uplift grant from 2022/23 onwards)
- The PCC will increase Council Tax by the maximum allowed without invoking a referendum;
- Council Tax increases will be capped at 2% from 2022/23;
- Budget Reserve will be utilised in 2023/24 & 2024/25 to help balance the budget.

To offset this funding gap the Commissioner and Chief Constable have created and will continue to develop a savings plan for the Medium Term that includes:

- Savings that arise from the PBB process
- Savings that arise from further budget challenges;
- Savings that are generated through new collaborative ventures in organisational and operational support services.
- Savings achieved through further efficiencies in areas that are already collaborated with our alliance and regional partners.
- Potential collaboration with other blue light services
- Potential internal reviews

These savings plan, whilst sufficient at this stage to provide balanced budget in conjunction with the use of the budget reserve for the period of the medium-term plan may need to be developed further, especially in the latter part of the medium-term plan.

Medium Term Financial Forecast 2021/22 to 2024/25

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Estimated draft budget (a)	129,399	130,400	133,215	135,605
Estimated funding (b)	127,430	128,900	130,961	133,265
Shortfall (a-b)	1,969	1,500	2,254	2,340
Savings	1,969	1,500	1,500	1,500
Use of Budget Reserve			754	840

The medium-term financial forecast is shown in the table above. Despite the reduction in tax base the settlement was better than we had anticipated resulting in no reliance on reserves in the first two years of the plan. Assuming no changes to our funding position we estimate that we can produce a balanced budget to the 2024/25 financial year. This does rely on use of reserves of £1.594M in years three & four of the plan.

Based on the final settlement and an increase of £15 in Council Tax in 2021/22 aligned with the award of Special Grant and the aspiration of increasing officers by 53 in the next Financial year the PCC's projected reserve balances are £3.8M in General Reserves. We also estimate a balance of £3M in the budget reserve plus insurance and capital reserves of £1.132M and £0.926M respectively at the end of this Medium-Term Plan period.

The global pandemic Covid19 has meant the Force experienced loss of income through policing London Luton Airport and from diversionary courses for driver awareness. Spend on personnel protective equipment was required to keep the Force operating and investment in ICT equipment has enabled much of the Force to work effectively from home. Much of the additional costs and loss of income was reimbursed by the Home Office. Further Covid19 related funding especially in relation to lost income in 2021/22 will be required to prevent the Force overspending in the next financial year.

We have already seen an impact on the funding side of the medium-term plan as a result of a reduced tax base and losses in the collection fund. Our current plan assumes 2% growth on the tax base as we hope the Country becomes resilient to the pandemic through the vaccine programme. Any deviation from this or reduction in grant funding will impact on our ability to produce a balanced budget without revisiting our savings plans.

d. Capital

In addition to spending on day to day activities, the PCC incurs expenditure on land and buildings, information technology and other items of plant and equipment which have a longer term life.

The PCC has approved a Capital Programme costing £39 million over the next four years, which will provide the Force with appropriate infrastructure and assets to deliver innovative policing strategies with fewer resources.

The Capital Programme will be funded through a combination of borrowing, capital grants, revenue contributions, capital receipts and PCC reserves.

Some of the major operational benefits from this level of investment are:

- Providing a fit for purpose efficient police estate with a reduced overall cost, including a new Custody facility in the North of the County and a complete window replacement programme.
- Providing our officers and staff with the equipment and information when and where they need it through the Digital Policing Project via smart phones, laptops and body worn video.
- The Emergency Services Mobile Communications Programme is a nationally led project to replace all critical voice channels with a digital solution and broadband coverage for all 3 emergency services

e. Accounting Changes compared to 2019/20

Accounting adjustments relating to pensions give rise to a large increase in costs, for clarity all of these costs are now shown in the Corporate heading. The current service cost for the police pension scheme and Local Government Scheme combined is £42.135M in 2019/20 and £39.421M in 2020/21. A full explanation is shown at Note 28 Pensions.

The balance sheet for 2020/21 shows a £201M increase in pension liabilities due to changes in financial assumptions outlined below.

Significant actuarial losses are recognised in 2020/21 under the heading of Re-measurements of the Net Defined Benefit Liability for the police pension scheme and Local Government Scheme. These actuarial losses are informed by the actuarial valuations commissioned by the Chief Constable, a small change in financial estimates has a large impact on the pension liability as can be seen at Note 28 Pensions – the pension increase rate has moved from 1.65% to 2.85% for the Police Scheme and 2% to 2.4% for the LGPS scheme which has given rise to the majority of the actuarial losses.

The net expenditure before accounting adjustments has increased by £8.1M to £145.626M in 2020/21, this was largely a budgeted increase in costs in order to meet levels of demand, which was funded by additional assistance in terms of Special Grant and various COVID grant as detailed in the Financial Information section of this report and analysed in Note 2 Expenditure and Funding Analysis.

f. Pension Liabilities

The balance sheet includes a liability of £1,424M which is the commitment that the Chief Constable for Bedfordshire has in the long-term, to pay retirement benefits. This liability has a substantial impact on the net worth of the Chief Constable as recorded in the balance sheet, resulting in a negative overall balance of £1,431M.

The Police Officer pension scheme is an unfunded scheme administered by the Chief Constable, meaning there are no assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Both police officers and the employer (i.e. the Chief Constable) make annual contributions which are paid into the Police Pension Fund. Pensions are paid from the Fund. The Home Office funds the difference between actual pension payments and pensions income through an annual top-up grant.

Police staff are eligible to join the Local Government Pension Scheme (LGPS) administered by Bedfordshire Borough Council. This is a funded scheme whereby assets are invested to help fund future liabilities. In 2020/21 the Group paid an employer's contribution representing 20.4% of pensionable pay which was informed by the last valuation in April 2019, which reported a funding level of 100%.

4. NON-FINANCIAL PERFORMANCE

What We Want To Achieve

The Chief Constable's Three Year Plan sets out what the force wants to achieve and directly supports the delivery of the Commissioner's Police & Crime Plan. It sets out strategic objectives for delivery to enable the force to achieve its vision of becoming a well-respected, high performing, efficiently run police service working together to protect people, fight crime and keep Bedfordshire safe. It is broken down further into the Annual Delivery Plan 2020/21.



Our Three Year Plan 2017-20



Protecting People

Already achieved and we will continue to:

- reduce large stations and increase smaller bases to provide easier access for more people to our services
- develop and maintain an agile and responsive workforce

To progress further we will:

- ensure our most vulnerable individuals/groups are cared for in a proactive way
- tailor our services to meet the needs of our communities
- improve access to our services through technology and innovation
- improve professionalism across all aspects of our service

Fighting Crime

Already achieved and we will continue to:

- deliver against our agreed strategic and operational priorities

To progress further we will:

- establish effective accountability and scrutiny measures
- have integrated working practices and shared services, making the best use of the skills of our workforce
- empower our workforce to effect change and drive continuous improvement across the service
- increase the number of our volunteers
- manage demand using a balance of efficiency and effectiveness
- move to a Control Strategy that is based on root causes not crime types

Together

Already achieved and we will continue to:

- work with our diverse communities, in both towns and rural areas, in order to better understand their needs. We will use a range of communications tools to engage with them and support them to increase local involvement in low-level problem-solving
- be open and transparent in the delivery of our services
- share estate facilities, resources, budgets and capabilities to improve efficiencies and service delivery

To progress further we will:

- build confident communities
- build a workforce which better reflects our communities
- invest in the development and wellbeing of our workforce
- establish a common purpose and plan with our strategic partners utilising shared strategic assessments where possible
- deliver value for money through effective partnership working
- create a supported workforce with a lessons learnt culture

We will live our Policing Style of Professional, Fair, Friendly (Set in May 2017 by the Force for the Force)

The main risks the Chief Constable faces in achieving these objectives are:

- If the level of funding over the Medium Term results in further budget reductions and in particular reductions to frontline police officers there may be a resultant deterioration in the services the force can provide to the public.
- If the force fails to adequately manage changes to demand it may fail to adequately protect people and fight crime.
- If the force fails to deal with local threats from domestic and international extremism it may fail to protect the vulnerable and deal with emergencies.
-

The risk register is regularly reviewed at senior officer level, the force Executive Board acts as the Strategic Risk Management Board, the Strategic Risk Register is also reviewed quarterly by the Joint Audit Committee. It is a standing agenda item on the Business Change & Continuous Improvement Board and the Force Performance Board, where it helps to frame discussions around key change and performance issues.

The Commissioner holds the Chief Constable to account for the delivery of service through monthly Strategic Board Meetings and weekly operational updates.

An Annual Delivery Plan is produced each year to provide more tactical annual delivery objectives to help take the Force towards delivering the Strategic Plan and achieving our vision.

Annual Delivery Plan 2020/21



Bedfordshire Police's Control Strategy provides the basis for prioritising the Force's energy, resources, intelligence requirements, policing operations and improvement initiatives, to effectively deliver the Force's Purpose of protecting people and fighting crime together.



Informed by the Chief Constable's Strategic Plan and with input from the Command Team, functional leads, subject matter experts, Community Safety Partnership managers and their analysts we have then determined the priority areas as set out in the Control Strategy. The documents are entirely evidence based and reflect the challenges we face in Bedfordshire and the areas we want to improve.

The Control Strategy informs:

- How we deploy our resources
- How we task
- How we focus our partnership activity
- Where we focus our intelligence gathering
- Where we focus our training and knowledge building

The table below shows performance in key Control Strategy priorities and cross cutting themes, for the twelve months from 1st April 2020 to 31st March 2021, with an indication of the direction of travel.

Priority Themes	Recorded Crime					Solved Crime			
	12m to Mar 2021			12m to Feb 2021		12m to Mar 2021		12m to Feb 2021	
	Recorded Crimes	Crime Rate	Direction of Travel	Police Force Average	Rank	Solved Rate	Direction of Travel	Police Force Average	Rank
Exploitation of children and adults									
Child Sexual Exploitation	53	0.08	↑						
Child Sexual Abuse	260	0.39	↓			33.50%	↑		
Sexual Grooming Offences (Offence Code 88A)	35	0.05	↓	0.11	6	8.60%	↓		
Human Trafficking and Modern Day Slavery (Code 106)	107	0.16	↓	0.88	29	0.90%	↑		
Rape and Domestic Abuse									
Rape	537	0.81	↓	0.91	7	8.20%	↑	6.20%	5
Domestic Abuse	8488	12.77	→	14.11	15	9.10%	↓		
Domestic Abuse Repeats	2777	Rate: 32.7%	→						
Gangs/ Serious Youth Violence									
Serious Youth Violence	1656	2.49	↓			21.38%	→		
Serious Knife Crime	586	0.88	↓	0.62	36	18.80%	↑		
Firearms Crime	83	0.13	↓	0.09	36	13.30%	↓		
Residential Burglary									
Residential Burglary (April 2017 definition)	2182	3.28	↓	7.74	34	8.40%	↑	7.40%	14
Burglary Dwelling (approx. old definition)	1393	2.10	↓			11.40%	↑		
Cross Cutting Themes	12m to Mar 2021			12m to Feb 2021		12m to Mar 2021		12m to Feb 2021	
	Recorded Crimes	Crime Rate	Direction of Travel	Police Force Average	Rank	Solved Rate	Direction of Travel	Police Force Average	Rank
Drug and Substance enabled crime and disorder									
Trafficking of Drugs	362	0.55	↑	0.70	12	71.30%	↑	60.40%	14
Possession of Drugs	1507	2.27	↑	2.23	25	95.40%	→	76.00%	3
Crime and disorder related to individuals vulnerability									
Child Neglect (11A)	71	0.06	↑	0.36	7	11.30%	↓		
Cyber enabled crime and disorder									
Online Crime	2036	3.06	↑			8.00%	↑		
Hate enabled crime and disorder									
Hate Crime	3042	4.58	↓			1.40%	↑		
Racially or Religiously Aggravated Offences	668	1.01	↓	0.88	29	18.10%	→	20.80%	30
Knife enabled crime and disorder									
Possession of Article with Blade or Point (10D)	209	0.31	→	0.32	28	59.80%	→		
Other Monitored Crimes									
Business Robbery	48	0.07	↓	0.07	30	45.80%	↑	46.50%	18
Personal Robbery	501	0.75	↓	0.59	35	10.80%	↑	14.90%	36
Theft of Motor Vehicle	1059	1.59	↓	2.54	36	4.50%	→	3.50%	37
Theft from Motor Vehicle	3042	4.58	↓	1.22	41	1.40%	↑	9.70%	39
Public Order	5250	7.90	→	7.86	22	10.30%	→	15.00%	37
Violence Against the Person	17107	25.74	→	29.53	12	10.10%	→	12.70%	36
Crime Rates per 1000 population Data 12 months to Mar 2021									

5. CORONAVIRUS (COVID-19) PANDEMIC

The operational focus and working practices of Bedfordshire Police have been significantly affected by the Coronavirus pandemic. Bedfordshire Police has successfully maintained business continuity as far as possible have implemented a number of measures to enable this.

New ways of working have enabled delivery across our critical areas. Evaluation of new working practices has shown some significant long-term opportunities for the force to evolve from the pandemic and deliver a more efficient, agile and technology enabled service.

In order to maintain and improve our service during Coronavirus and prepare for the future we have focused on the following:

- **Gold Group:** A Gold group is chaired by the Chief Superintendent of Local Policing on a fortnightly (was weekly) basis to monitor the Force response to the pandemic and set the direction of our response. Departmental Heads provide updates on their areas of business in this context and business continuity testing and planning are discussed. Updates are also reported from the Strategic Coordinating Group (SCG) and the Tactical Coordination Group (TCG). Emerging issues are also raised through this forum.
- **Evolution Group:** Recognising the opportunities for improved working practices arising from Coronavirus, the force established an Evolution Board, Chaired by our Director of Strategic Service Improvement with its aim to progress learning and innovation from our response to the pandemic, provide modelling and governance proposals for a return to the new normal whilst ensuring the wellbeing of the force. Over 100 opportunities have been identified and reviewed for progress, with benefits tracked where appropriate, and our Smart working programme is well under way moving to an agile workforce. The demand modelling utilised throughout to highlight the biggest risk areas in order for contingency plans to be built was shared nationally and is being adapted for business as usual.
- **Technology:** The force has delivered the roll-out out Microsoft Teams to enable training, meetings and conferences to continue to take place. Laptop computers and mobile telephones have been issued to staff on both short term and long-term arrangements, enabling us to maximise our available workforce during periods of self-isolation and minimise risk to members of our workforce who would otherwise have been vulnerable to infection. Use of technology has also reduced travel for officers and staff, reducing costs and reducing our environmental impact. We have been able to provide an enhanced service to victims and witnesses through the use of video conferencing to conduct appointments and the accelerated roll out of GoodSam to capture evidence of offences.
- **Partnerships:** Joint-up working has continued throughout the pandemic in order to achieve shared goals around crime, disorder and public health. Our Local Resilience Forum has continued to develop, with some of our arrangements and practices being shared nationally. As we emerge from the pandemic, we expect to see the resurgence of conventional demand for which our existing partnerships will remain committed to addressing.
- **HMICFRS Policing in the Pandemic report:** The Force was inspected during 2020 on its response to Covid-19 and the thematic report was published in April 2021. During the course of the inspection, Bedfordshire Police received positive feedback from inspectors, complementing our approach to policing during the pandemic and our plans for the future.

The financial implications for the wider economy as a whole threaten future funding levels including the additional funding associated with the increase in officer numbers. Council Tax funding will be reduced by the level of unpaid council tax, the reduction in house building, vacancy levels etc. Government funding will obviously be under

severe strain and existing departmental plans will be revisited with a downward trajectory.

6. SUMMARY AND CONCLUSION

The PCC and Chief Constable have a strong track record of effective financial management. The budgeting process is very thorough with rigorous challenge from both the Chief Constable's and the PCC and is very much linked to the Police and Crime Plan and the Force priorities.

The latest medium term financial plan, which covers the four-year period 2021/22 to 2024/25, identifies further cash savings of at least £6.6 million.

During the last two years the force has made great strides in recruiting additional police officers under the national Police Uplift programme. Bedfordshire aims to recruit an additional 53 police officers by March 2022 and continue to grow in the following year.

The Covid-19 pandemic is a once in a lifetime occurrence that is creating havoc with the global economy and people's lives and freedoms. Bedfordshire Police are incurring other costs, such as overtime, equipment and ICT as well as a loss of income. We continue to report these additional costs, and lost income to Home Office on a monthly basis to ensure maximum reimbursements are claimed from the Home Office.

Despite these financial challenges the PCC and Chief Constable look to continue their journey of improved service delivery as well as continue to raise the issue of funding for Bedfordshire Police not being commensurate with the level and complexity of demand that the force faces.

The financial outlook remains challenging but there is confidence that the PCC, Chief Constable and their respective leadership teams will continue to deliver strong and effective financial management in order to maintain an appropriate level of funding for essential operational services.

Further information

Additional information on revenue and capital expenditure is detailed in the notes to the accounts. Further information may be obtained from:

Chief Finance Officer, Bedfordshire Police, Police Headquarters, Woburn Road, Kempston, Bedford, MK43 9AX.

Any person interested also has a statutory right to inspect the accounts at Bedfordshire Police Headquarters before the completion of each annual audit as publicly advertised.

Statement of Responsibilities

The Chief Constable's Chief Finance Officer Responsibilities

The Chief Finance Officer is responsible for the preparation of the Chief Constable for Bedfordshire's statement of accounts in accordance with proper practices as set out in the CIPFA 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 judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which are up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Chief Constable as at the 31 March 2021 and its income and expenditure for the year then ended.



Philip Wells

Chief Finance Officer to the Chief Constable & Police & Crime Commissioner
30 June 2021

The Chief Constable's Responsibilities

The Chief Constable is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Chief Finance Officer) has the responsibility for the administration of those affairs;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure that there is an adequate annual governance statement;
- to approve the statement of accounts.

I approve the Statement of Accounts

Garry Forsyth

Chief Constable of Bedfordshire Police

Annual Governance Statement

This Annual Governance Statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Bedfordshire Police have complied with their published corporate governance framework for the year ended 31 March 2021, including plans for the financial year 2021/22.

A glossary of terms is provided at the end of the Statement of Accounts.

Included within the Statement is a section on Bedfordshire Police have made changes to its governance system as a result of COVID-19.

SCOPE OF RESPONSIBILITY

Following the introduction of the Police Reform and Social Responsibility Act 2011 (the 2011 Act), the PCC and Chief Constable were established on 22 November 2012 as separate legal entities ('corporations sole') which means they are both entitled to own assets and employ staff. However, the 2011 Act gives PCCs responsibility for the totality of policing within their force area and requires them to hold their force Chief Constable to account for the operational delivery of policing.

Under the 2011 Act, the PCC is recipient of all funding, including government grant, precept and other sources of income related policing and crime reduction, and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, who provides professional advice and recommendations to the PCC. However, the PCC is ultimately accountable to the public for the management of the Police Fund.

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Both the PCC and Chief Constable are required to, and have, appointed chief financial officers who each have a fiduciary duty to the local taxpayer for securing the efficient use of public funds. Under the Local Government Act 1999 the PCC makes arrangements to secure continuous improvement in the way his functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his police officers and staff remain operationally independent in the service of the public. In discharging his overall responsibilities, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The Policing Protocol Order 2011 requires both the PCC and Chief Constable to abide by the seven principles of personal conduct set out in 'Standards in Public Life: First Report of the Committee on Standards in Public Life' (commonly known as the 'Nolan Principles'), i.e. 'Selflessness', 'Integrity', 'Objectivity', 'Accountability', 'Openness',

Honesty' and 'Leadership'. The Nolan Principles are incorporated into the College of Policing 'Code of Ethics' that applies to every individual who works in policing, including the Chief Constable and OPCC.

https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code_of_Ethics.pdf

In addition, from an organisational perspective, the PCC and Chief Constable have approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA / SOLACE guidance 'Delivering Good Governance in Local Government' <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the Code and the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of the system of internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities (i.e. the PCC and Chief Constable) achieve their intended outcomes whilst acting in the public interest at all times.

The governance framework comprises the systems and processes, and culture and values by which the PCC and Chief Constable discharge their responsibilities and through which the police service accounts to and engages with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

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 eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and the Force include:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The PCC and the Chief Constable have developed and approved a 'Joint Corporate Governance Framework' which clarifies the working relationship between the PCC, Chief Constable and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations. The Framework is informed by the requirements of 'The Good Governance Standard for Public Services'

and is consistent with the seven Nolan Principles of standards in public life. The national police service Code of Ethics sets and defines the exemplary standards of behaviour for everyone who works in policing, placing an absolute duty on officers and staff. The Code applies to everyone in policing; officers, staff, volunteers and contractors. It applies both on and off duty. It guides behaviour within the organisation as much as it informs how to deal with those outside.

Measures are in place to ensure that the PCC and employees of the Office of the PCC (OPCC) and the Force are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. This includes the Anti-Fraud, Bribery and Corruption Policy and guidance on the acceptance of gifts, loans and hospitality. Notifications of disclosable interests and a register of gifts and hospitality are published on the PCC's and the force website.

The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public.

The Force has a Professional Standards Department (PSD) whose role is to uphold the ethical and professional standards of Bedfordshire Police by managing the application of police misconduct regulations, and the administration of complaints by members of the public against police officers and police staff below the rank of Chief Constable. Complaints against the Chief Constable are dealt with by the PCC. The independent Bedfordshire Police and Crime Panel (PCP) handles formal complaints made against the PCC.

The Deputy Chief Constable and Assistant Chief Officer, from within the Force, have regular monthly updates with PSD to consider conduct cases that are under investigation.

Both the PCC and Chief Constable demonstrate respect for the rule of law and comply with relevant laws and regulations. Both have access to in-house legal advice to provide assurance of the same and guidance upon lawful decision making. The PCC is independent of Force management and operational decision-making, which is the responsibility of the Chief Constable. Established mechanisms ensure that legal and regulatory breaches and misuse of power are dealt with effectively. The PCC and Chief Constable (and all other individuals who work in policing) are subject to the College of Policing's Code of Ethics, both of which are consistent with the Nolan principles. The Chief Executive of the OPCC is also the designated statutory Monitoring Officer of the PCC's actions and decisions.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with good practice. Guidance originating from the College of Policing and NPCC is disseminated through the OPCC and/or the Office of the Chief Constable. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (APAC2E) and Police and Crime Commissioners' Treasurers Society (PACCTS), and is disseminated amongst the OPCC.

The Force employs a Force Vetting Manager and team within the Professional Standards Department to ensure compliance with relevant national vetting standards.

B. Ensuring openness and comprehensive stakeholder engagement

The PCC has a statutory responsibility to consult the Chief Constable and obtain the views of the community and victims of crime about the policing of the Force area, and she must have regard to their views as well as the priorities of responsible authorities

within Bedfordshire and relevant government bodies before issuing a Police and Crime Plan.

The Police and Crime Plan must be published by the end of the financial year in which the PCC is elected and, in Bedfordshire, is reviewed as necessary and appropriate on an annual basis to ensure it remains relevant and fit for purpose. In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public. The newly appointed PCC will publish his new Police and Crime Plan during the 2021/22 financial year

The PCC's Police and Crime Plan will set out his strategic policing and crime reduction priorities and key aims, and how these will be delivered. His Plan is supported by the Force's Strategic Plan, the OPCC's Strategic Delivery Plan and the Financial Strategy. The Police and Crime Plan has due regard to the Strategic Policing Requirement as issued by the Home Secretary and is developed in consultation with the Chief Constable, informed by the views of the local community, victims of crime and the priorities of other key stakeholders.

The independent Bedfordshire Police and Crime Panel meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the objectives contained in his Police and Crime Plan. It also meets specifically to consider the PCC's proposed annual council tax precept increase, Police and Crime Plan, Annual Report and any proposed appointment to the roles of Deputy PCC, where applicable, Chief Constable, OPCC Chief Executive and OPCC Chief Finance Officer.

Arrangements have been agreed and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements, including a schedule of formal Strategic Boards for which agendas and minutes are published on the PCC's website, supplemented by regular private liaison meetings between the PCC and Chief Constable. The PCC's transparency of holding the Chief Constable to account have been enhanced, since his appointment in May 2021, through the live-streaming, of the unrestricted section of the Strategic Board, via social media..

The Framework of Corporate Governance defines the parameters for decision making, including delegations, financial regulations and contract regulations. The PCC has published his policy statement on decision making. All formal and significant PCC decisions taken in accordance with this policy are published on his website and presented to the Police and Crime Panel on a bi monthly basis.

The PCC proactively publishes information to maintain openness and transparency with the public on this same website; in doing so he also meets his obligations under the Elected Local Policing Bodies (Specified Information) Order 2011 and, as a public authority, under the Freedom of Information Act 2000.

The PCC published the 2020/21 Annual Report in March 2021. This explained the main achievements during that financial year as well as providing information on operational and financial performance during 2020/21.

Key information about the Force, including the Strategic Plan is published on the Bedfordshire website. Information about neighbourhood policing, partnerships and sponsors, corporate events and public misconduct or special case hearings is also published, including details of upcoming hearings and how to attend. The site also allows for crimes and road traffic incidents to be reported, feedback to be given or complaints made.

The PCC and Chief Constable regularly attend local authority council meetings across Bedfordshire and provide formal briefings to constituency MPs on topical policing and crime issues at both a local and national level. The Chief Constable, and his management team, meet monthly with the local MPs to discuss local issues. In addition, the Police and Crime Panel acts as a two-way mechanism to enable local authority Panel representatives to inform the PCC of their local policing and crime matters of importance to their respective authorities, and to brief their authorities of the activities and initiatives of the PCC (and the Panel).

The PCC works with and part-funds local authority Community Safety Partnerships, Youth Offending Teams and Drug and Alcohol Teams across Bedfordshire to support crime reduction and community safety activities in their local areas. Such activities are aligned to the PCC's strategic priorities and key aims, as set out in his Police and Crime Plan, and are funded from the PCC's Community Safety Fund. Through working in partnership, these activities not only help the PCC to deliver his strategic objectives but also support partners in achieving their local priorities too.

The PCC is a member of the Bedfordshire Local Criminal Justice Board which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually and collectively by the criminal justice agencies. An Assistant Chief Constable represents the Force on the Board.

The Force has appropriate mechanisms for engaging with a variety of external organisational stakeholders. The Chief Constable attends regular meetings with the chief executives of all statutory partners sharing strategic information sharing and briefings for all key partners, including local authorities, blue light services and health providers. In addition, Senior Police Officers engage with the local authority commensurate to their geographic area, including their Community Safety Partnership.

Both the PCC and Chief Constable are members of the Strategic Alliances for the three force Collaboration of Bedfordshire, Cambridgeshire and Hertfordshire as well as the seven force Eastern Region Alliance.

The OPCC and Chief Constable communication and engagement strategies explain how local people can interact with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction.

In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. Furthermore, the decisions and actions of the PCC are subject to regular review and scrutiny by the Police and Crime Panel.

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls through to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. In addition, the Force runs has active social media outlets including Facebook and Twitter. The Beds Alert system also enables electronic public engagement en masse.

C. Defining outcomes in terms of sustainable service and economic benefits

The PCC's Police and Crime Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered.

With the appointment of the new PCC, from May 2021, a new Police and Crime Plan will be published in the early part of the financial year 2021/22.

The Chief Constable published the annual Strategic Plan in 2020/21 but will review this in 2021/22 in light of the new Police and Crime Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Crime Plan and the Home Secretary's national Strategic Policing Requirement. Progress against strategic objectives is assessed through focussed Strategic Plan success measures, and reviewed via the Force Executive Board, Force Performance Board and the PEEL Board.

The Chief Constable has, in May 2021, implemented a new Vision, Mission and Identity agenda for the Force with a clear focus in developing an inclusive culture.

The organisation is committed to the identification and consideration of collaboration opportunities with regards systems, processes and resourcing to sustain service delivery and increase the capacity and resilience of the organisation without diminishing capability and access to specialist services. Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration. There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including MASHs.

The Medium Term Financial Plan (MTFP) and Capital Programme ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The MTFP, through the embedded Priority Based Budgeting (PBB) process identifies where savings and efficiencies can be achieved and hence more resources directed to priority areas. Service delivery is reviewed within the Force's Executive Board which has been changed to include governance of all areas associated with: Change and Continuous Improvement Board, People Board and Performance Board, which all feed into the Chief Constable's Force Executive Board.

Risk and business continuity matters are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery.

The Force and PCC have duties to consider the impact on equality of proposed changes to policies, procedures and practices. Equality Impact Assessments are routinely undertaken by Bedfordshire Police for policies and change programmes to assess impact internally and externally for staff, stakeholders and the public.

D. Determining the actions necessary to achieve the intended outcomes

The Force planning cycle incorporates the annual Force Management Statement, financial plans, workforce plans and the Police and Crime Plan to inform the annual Strategic Plan. Priority activities, measures and intended outcomes are proposed and

approved through the Chief Constable's Management Team (Force Executive), and provide regular updates to the PCC's Strategic Board.

The Chief Constable maintains MTFPs, which form the basis of the annual budgets and provide a framework for the evaluation of future proposals. These are accompanied by mid-term workforce plans, managed by the People Portfolio.

Decision-making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. The National Decision Model was introduced to ensure a greater focus on delivering the mission of policing, acting in accordance with values, enhancing the use of discretion, reducing risk aversion and supporting the appropriate allocation of limited policing resources as the demand for them increases. Both are now fully embedded in the Force, to ensure officers have the tools to act lawfully in their decision making and to enable them to use their full powers for the benefit of citizens, communities and other stakeholders.

With regards to change programmes, Force change proposals are governed through the Change and Continuous Improvement Board, which co-ordinates and prioritises proposals, assessing them against the organisations strategic objectives, capacity and financial capability, these are overseen by the Force Executive Board. Each proposal is captured through an application, then if appropriate a business case. Projects and programmes, or those requiring the support of a collaborated unit to deliver, and governed through a joint Programme Management Office (PMO) with representation from all Forces.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a MTFP and a Capital Programme which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective framework for decision making.

The MTFP and Capital Programme are closely aligned to the PCC's Police and Crime Plan and the Force Strategic Plan. The PCC approves the MTFP and the Capital Programme as well as the annual budgets. The Police and Crime Panel must review the PCC's proposed council tax precept increase and make recommendations to the PCC before he formally sets the annual budget in February of each year. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is presented to the PCC's Strategic Board as well as being reviewed regularly at the Force Executive Board.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal and treasury management, is sourced externally, as this is more practical and cost-effective. The PCC and Chief Constable use the annual staff appraisal process to focus individual employee contributions towards corporate objectives and measures, and to facilitate continuous professional development.

Chief Officers have clearly defined leadership roles and are responsible for implementing strategy and managing the delivery of services within their respective portfolios.

Officers and staff manage their performance and continuous development through the Performance Development Review framework. An annual assessment of competencies and objectives linked to Strategic Plan outcomes is supported by regular conversations throughout the year and a requirement for officers and staff to undertake Continuous Professional Development, as applicable. The framework also allows for the management of unsatisfactory performance or attendance where it is identified. The Force has a stated Health and Wellbeing Strategy, along with a workforce plan focussed on recruitment, retention and resilience.

The Force continues to build on its success to ensure that its workforce represents the communities it serves and has further invested resources into its attraction and engagement to sustain the developments in this area.

Chief Officers have promoted a learning environment climate focussed on continuous service improvement, recognising the importance of independent and peer review when needed. Integral to this is the identification of lessons learned, recommendations and identified areas for improvement through end of project / programme closure reports undertaken before transitioning to business as usual, results analysis, individual management reviews, serious case reviews and HMICFRS audit / inspection processes.

The PCC has also implemented a staffing structure within the OPCC to ensure it has the necessary capability and capacity to support her deliver his statutory functions, such as commissioning services for victims and witnesses. The brought victim support services in-house. The 'Signpost Hub' is the overarching name for all the PCC's services in providing support for victims of crime.

The PCC reviews the workload and performance of his office via the internal OPCC Strategic Delivery Plan, which allows him to identify workload priorities and staffing capacity needs in accordance with the delivery of his strategic priorities. The PCC during this financial year moved away from sharing the Force CFO and has employed a part-time dedicated CFO for the OPCC.

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). The Chief Constable and his fellow chief officers are members of the National Police Chiefs' Council (NPCC).

F. Managing risks and performance through robust internal control and strong public financial management

The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The management of risk is governed through the Force Executive Board. The Board is responsible for ensuring strong oversight of strategic risk management and business continuity processes including the taking of ownership of strategic risk issues; delegate actions to appropriate managers; accept strategic risk report updates and recommendations flowing from the Force Executive Board.

The PCC and Chief Constable monitor service delivery effectively via their respective performance regimes.

The PCC has a duty to hold the Chief Constable to account for the performance of the Force generally.

The PCC has therefore implemented an effective scrutiny and oversight function. She holds monthly Strategic Boards at which the Chief Constable, and his management team, are required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Crime Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Strategic Plan. The open part of these monthly Strategic Board is now live-streamed on Facebook. Similarly, the PCC meets monthly with the Chief Constable on a private, informal, basis to review and discuss more regularly the general performance of the Force against topical national, regional and local issues.

The Force maintains an HMICFRS tracker, which is monitored through a PEEL task and finish grouped, chaired by the Deputy Chief Constable with regular updates provided to the PCC's Strategic Board to follow up on any risks to the performance of the Force that have been highlighted by HMICFRS inspections. The PCC therefore receives regular reports on delivery and progress towards outcome achievement of the priorities and aims set out in the Police and Crime Plan.

The Chief Constable, via his Assistant Chief Constable holds monthly Performance Boards, which report into his Executive Board, at which the Chief Constable reviews performance of the Force against the annual Strategic Plan. Gold Groups are set up and managed in response to particular areas of vulnerability or to manage particular areas of performance as necessary, for example in response to a critical incident.

A Joint Audit Committee (JAC) operates in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Home Office Financial Management Code of Practice. The JAC's main role is to provide assurance to the PCC and Chief Constable that the corporate internal control and governance framework, including risk management, is operating effectively. It does this by providing an annual report to the PCC and Chief Constable. The JAC meets in public and reports and minutes are placed on the PCC's website.

Effective counter-fraud and anti-corruption arrangements are in place and are monitored, in the main, by the Professional Standards Department. The Anti-Fraud, Bribery and Corruption Policy is updated regularly and is considered and endorsed by the JAC before formal publication.

The Internal Audit Team provides assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control.

The Force manages its information in accordance with the Data Protection Act 2018 and the General Data Protection Regulation, the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information, and is overseen by the Information Management Governance Board chaired by the Deputy Chief Constable. The BCH Information Management Department (IMD) leads on information compliance for both all three forces and ensures that appropriate policies and procedures are in place. The IMD is also responsible for providing guidance on lawful sharing of information with partners, completion of Data Protection Impact Assessments and maintains a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. NCALT training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Financial management arrangements

The Chief Constable produces a MTFP and a Capital Programme which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision making. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is regularly reviewed by the Force Executive as well as being presented to the PCC's Strategic Board.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Assistant Chief Officer (also the Chief Constables CFO). The Chief Internal Auditor provides a regular update to the JAC and also provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.

The financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer of the PCC and the Chief Financial Officer of the Chief Constable.

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

The PCC and the Chief Constable attempt to strike a balance between providing the right amount of information to satisfy transparency demands and enhance effective public scrutiny whilst not being too onerous to provide and for users to easily access and understand.

The PCC's decisions and actions are scrutinised by the Police and Crime Panel, which includes reviews of significant documentation produced by the OPCC for the benefit of the public. Decisions of significant public interest made by the PCC are published in accordance with a template that ensures they are easy to access and interrogate. Similarly, public reports are compiled in accordance with best practice and scrutinised by the JAC.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 and publishes required information on her website.

The PCC and Chief Constable share the Head of the Corporate Communications department to oversee communications to the public on behalf of both the PCC and Force. In doing so they abide by the corporate style guide, which is designed to ensure communications are issued in an understandable style appropriate to the intended audience.

The PCC reports at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way.

The PCC and Chief Constable maintain a process to assess the extent to which the organisation is applying the principles contained in the Framework of Corporate Governance and publish the results of that assessment in the Annual Governance Statement, including an action plan for improvement and evidence to demonstrate good governance in action.

The PCC and Chief Constable ensure that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities.

The PCC and Chief Constable ensure that all accepted recommendations for corrective action made by external audit are acted upon.

The Internal Audit function has direct access to the PCC, Chief Constable and the JAC, and provides assurance with regard to the organisation's governance arrangements. The JAC monitors progress with regards to timely implementation of agreed internal audit report actions.

Both the PCC and Force are subject to external independent scrutiny and review, through the external audit of their financial statements, systems and management arrangements, and through the inspection of policing performance by HMICFRS. The resultant audit and inspection reports are published on the PCC's website.

HMICFRS is charged with independently assessing the effectiveness, efficiency and legitimacy of police forces and fire and rescue services, in the public interest. The PCC is required to publish a response to formal reports issued by HMICFRS. The Force engages fully with the cycle of Police Effectiveness, Efficiency and Legitimacy (PEEL) inspections, Joint Targeted Area Inspections and Thematic Inspections as required.

The PCC and Chief Constable make best use of peer challenge, reviews and inspections from regulatory bodies and professional partners (e.g. College of Policing) and implement agreed recommendations.

When working in partnership, the PCC and Chief Constable ensure that the arrangements for accountability are clear and that the need for wider public accountability has been recognised.

ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the adequacy and effectiveness of the governance framework on at least an annual basis. This includes:

a) The Police and Crime Commissioner

The PCC has the following key statutory duties and powers to:

- produce and publish a three-year Police and Crime Plan that sets out the PCC's policing and crime objectives (the term of the Plan has been, as a one off, due to COVID-19 delaying the PCC elections, reduced to three years rather than the normal four;
- set the annual policing budget and council tax precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control;
- have regard to the relevant priorities of, and act in co-operation with, responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the Force area;
- commission victims' services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and

- produce and publish an annual report.

The following key governance activities took place during 2020/21 and demonstrate how the PCC has discharged these powers and duties during that year:

- The PCC allocated Community Safety Funds in 2020/21 to help improve community safety and crime prevention across Bedfordshire. These were reported to the Police and Crime Panel.
- The PCC published the 2020/21 Annual Report to highlight major achievements during 2020/21 with regards to operational and financial performance.
- During the autumn of 2020 the PCC worked closely with the Chief Constable to update the MTFP (2021/22 to 2024/25). The PCC the budget and council tax proposals for 2021/22 to the Police and Crime Panel on 2nd February 2021. The Panel endorsed her £15 increase in Band D council tax.
- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. BCH and seven Force Alliances, Chiltern Transport Consortium and the National Police Air Service).
- Monthly Strategic Boards were held in 2020/21, supplemented by regular private and informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account.

b) The Force

The Force Executive meeting runs monthly and the Joint Chief Officers Board (BCH Alliance) also runs monthly to determine and monitor Force strategy, policies and performance, and the same for areas of collaboration.

Among the key discussions during the year was the review of the MTFP, Capital Programme and the PCC reserves as part of the annual budget cycle. The financial plans were considered several times and the associated decisions facilitated the formal approval of the Revenue Budget and Capital Programme 2021/22 by the PCC at the Strategic Board on 21 January 2021. As part of the annual budget process the Priority Based Budgeting outcomes were also considered.

The Force reviewed their governance process during 2020/21 to try and ensure that all senior managers heard the 'same message'. This has resulted in the Executive Board now receiving more detailed information with regards to Change, Continuous Improvement, Performance, People and Risk.

The PCC, Chief Constable and Deputy Chief Constable also attend regular seven force collaboration boards for oversight of regional collaboration such as PEQF and the Emergency Services Network, as well as the operational elements of ERSOU.

The Strategic Services and Improvement Department continues to draw together corporate and strategic elements of the organisation. The over-arching function is to provide a central point of co-ordination, governance, strategy, policy and guidance development, change delivery, and the provision of internal evaluation of delivery including the identification of opportunities for continuous improvement.

In 2018/19, HMICFRS adopted an integrated approach to the PEEL inspection programme, combining the effectiveness, efficiency and legitimacy strands into a single inspection. The report for this inspection was published in February 2020. Bedfordshire were graded 'Good' overall in each of the three assessment categories (Effectiveness, Efficiency, Legitimacy), an improvement on the previous year.

All recommendations and areas for improvement from inspection activity have been actioned and are tracked and updated through a local database and the PEEL task and finish group which is chaired by the Deputy Chief Constable. The outcome of the latest inspection will be known at the end of 2021/22.

As stated in the introduction, the response to COVID-19 required the Force to instigate emergency procedures – governed through a Gold Group command structure – to manage operational response, business continuity and risk across all functions.

c) The Joint Independent Audit Committee

During 2020/21 the JAC met four times to consider the external audit and internal audit plans for 2019/20, as well as receiving timely updates in terms of risk management. The JAC also received regular briefings, including appropriate written reports, during the year from the OPCC and Force. JAC members are able to attend Force working groups as observers to gain a greater understanding of current governance, operational and risk activities and to assist their judgment of the adequacy of the overall Corporate Governance Framework.

The JAC's Annual Report for 2020/21 will be presented at their JAC meeting on 24 September 2021, after the accounts have been audited.

d) Internal audit

The annual report of the Chief Internal Auditor for 2020/21 contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment for both the PCC and Chief Constable:

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

e) External audit

On 30 November 2020 BDO, the External Auditor, issued unqualified audit opinions in respect of the 2019/20 accounts to both the PCC and Chief Constable, as well as giving an unqualified value for money conclusion. The Auditor was satisfied that the system of internal control put in place by the PCC and Chief Constable was adequate and effective in practice.

f) Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

Due to the COVID-19 pandemic on 13th May 2021 HMICFRS advised that all inspection activity which required appreciable input from forces and Fire and Rescue Services was to be suspended.

This decision meant that HMICFRS did not do any in-force or virtual inspections until October 2020, and they did not require forces to submit their force management statements. Publications were also 'paused' at this time.

HMICFRS did progress all inspection activity that didn't require input from forces or services, they worked on the next State of Policing report and began working with

Criminal Justice and other inspectorates and regulators to get an understanding of responses to COVID-19 across the public sector landscape, and considered how and where they could best support forces and services when we moved into recovery phases.

HMICFRS inspection activity resumed in October 2020 (with some work beginning earlier in the summer) and they revised their intended inspection programme and framework to ensure their proposed activity was focused on supporting policing and the criminal justice system as it continued to respond to COVID-19. The pause on the publication of inspection reports was also lifted at this time.

In early 2021 HMICFRS begin to resume their core programmes (PEEL, child protection, custody, and the joint inspection programme).

Date published by HMICFRS	National / Force Report	Report Types	Report Title
03/03/2021	Force	Commissioned	Greater Manchester Police Integrated Operational Policing System inspection
05/03/2021	Force	Thematic	Sussex Police - Joint inspection of police custody
06/03/2021	Force	JTAI	Joint targeted area inspection of the multi-agency response to children's mental health in Bexley
06/03/2021	National	Consultation	HMICFRS's 2020/21 policing inspection programme and framework: for consultation
09/03/2021	National	Thematic	Counter-terrorism policing - An inspection of the police's contribution to the government's Prevent programme
13/03/2021	Force	Commissioned	An inspection of the Metropolitan Police Service's response to a review of its investigations into allegations of non-recent sexual abuse by prominent people
17/03/2020	Force	Thematic	Durham - National child protection inspection
18/03/2020	Force	Thematic	Lincolnshire - National child protection inspection, post inspection review

Annual Governance Statement

18/03/2020	Force	Thematic	Hertfordshire - National child protection inspection
21/04/2020	Force	Thematic	Joint inspection of BTP custody suites
27/04/2020	Force	Commissioned	British Transport Police: An inspection of BTP's ability to minimise disruption on the rail network
02/07/2020	National	State of Policing Report	State of Policing - The Annual Assessment of Policing in England and Wales 2019
09/07/2020	National	Thematic	PEEL spotlight report: A call for help – Police contact management through call handling and control rooms in 2018/19
10/07/2020	Force	Thematic	City of London Police: National Child Protection Inspections
10/07/2020	Force	Thematic	Gwent Police: National Child Protection Inspections – Post Inspection Review
21/07/2020	National	Thematic	PEEL spotlight report: The Hard Yards – Police-to-police collaboration
14/07/2020	National	Thematic	National Crime Agency inspection: An inspection of the National Crime Agency's criminal intelligence function
15/07/2020	National	Thematic	Roads Policing: Not optional An inspection of roads policing in England and Wales
24/07/2020	Force	Thematic	Dorset Crime Data Integrity Report
24/07/2020	Force	Thematic	Avon and Somerset Constabulary Crime Data Integrity Re-inspection
24/07/2020	Force	Thematic	South Yorkshire Police Crime Data Integrity Re-inspection (24 July 2020)
24/07/2020	Force	Thematic	Northamptonshire Crime Data Integrity Report
02/09/2020	Force	Thematic	Joint inspection of child protection arrangements in Newport
10/09/2020	Force	Commissioned	The Police Service of Northern Ireland - An inspection of how well the service treats its workforce and the people of Northern Ireland

Annual Governance Statement

26/09/2020	Force	Commissioned	St Helena Police Inspection report
08/12/2020	National	Thematic	Joint inspection of pre-charge bail and released under investigation (HMICFRS and HMCPSI)
08/12/2020	National	Research	Research into victim and suspect experiences of changes to the police and crime act 2017
09/12/2020	National	Commissioned	Feeling Heard: partner agencies working together to make a difference for children with mental ill health
10/12/2020	Force	PEEL (VSA)	An inspection of the service provided to victims of crime by Greater Manchester Police published
17/12/2020	National	Super Complaint	Safe to Share? Liberty and Southall Black Sisters super complaint on policing and immigration
15/01/2021	Force	Thematic	National Child Protection Inspection assessment of progress – Lincolnshire
19/01/2021	National	Thematic	Impact of the pandemic on the criminal justice system
10/02/2020	National	Thematic	An inspection of the effectiveness of the Regional Organised Crime Units
19/02/2021	National	Review	Integrated vulnerability inspection post-inspection review
22/02/2021	National	Thematic	Disproportionate use of police powers - A spotlight on stop and search and the use of force
11/03/2021	National	Thematic	Getting the balance right – an inspection of how effectively the police deal with protests.
24/03/2021	National	Thematic	National Child Protection Inspection assessment of progress – Northamptonshire
30/03/2021	National	Commissioned	An inspection of the Metropolitan Police services – policing of a vigil held in commemoration of Sarah Everard
Outside of Reporting Period			
20/04/2021			The Police response to the coronavirus pandemic during 2020 *

20/04/2021			Custody services in a covid-19 environment*
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HMICFRS COVID-19 Thematic Inspection

Bedfordshire Police were inspected between the 19th and 23rd October 2020. This inspection was conducted virtually.

The inspection assessed and identified the following:

- (a) how policing is responding to the Covid-19 crisis;
- (b) what is working well and what is being learnt;
- (c) how the sector is dealing with the problems it faces; and
- (d) opportunities to make sustainable improvements to the service.

HMICFRS assessed forces on the following areas:

- (a) preparedness, partnerships and strategic leadership;
- (b) policing themes – vulnerability, investigations, reporting (requests for service), enforcement (and wider 4Es approach) and wellbeing; and
- (c) police custody.

At the conclusion of the inspection a 'hot debrief was held and HMICFRS reported as follows:

Vulnerability

- Force COVID-19 plans (Our Evolution) have ensured critical areas of potential increased demand (e.g. mental health issues and domestic abuse) are identified and risks mitigated.
- Communication with the public on domestic abuse is positive and messages to under-represented groups are subject to IAG consultation and feedback.
- Strategic partnership meetings have been effective and supported escalation of joint issues, e.g. social services expectation of police conducting visits.

Investigations

- The force has avoided screening out crime and changes to crime investigation policies so staff follow a familiar and consistent approach.
- Support functions have continued to contribute to investigations e.g. digital triage vans and good evidence of CPS liaison and problem solving.
- Investigators have adapted well to telephone contact and other forms of communication, but the effect on outcomes and victim satisfaction (including diversity impacts) is unclear without further evaluation.

Reporting

- FCC staff may not be effectively briefed on all COVID-19 processes and are not made aware of changing demand trends (e.g. use of COVID-19 markers).

- Webchat users are still subject to long delays because of staff shortages. And FCC staff do not always see its benefits.
- THRIVE processes and FCC policies have remained largely unchanged and this has supported the response to COVID-19 on a case-by-case basis.

Enforcement

- The force has implemented the 4Es incrementally (including use of breach letters) and staff are clear of force expectations due to highly effective briefing.
- Community confidence appears to have been maintained through close working relationships at all levels and effective engagement with IAG on enforcement using BWV.
- Enforcement is based on up-to-date intelligence products (e.g. hotspot maps) and is involving partners.

Wellbeing

- Staff report (pre and during COVID-19) delays in the OHU service, leading to line manager burden and lack of RTW support.
- Wellbeing arrangements are effective, HR policies adapted for COVID-19 and vulnerable staff very well cared for.
- Staff were 'glowing' about the way they had been treated and said it was over and above their expectation. The 'Welfare Packs', that were driven by the OPCC and sent to the homes of vulnerable staff, were a particular success.
- Chief officers have sent a clear and positive message about working from home. But this message is lost in some areas without effective explanation to staff or their immediate supervisors. No formal monitoring process to support equitable decision making.

HMICFRS Integrated PEEL Assessment (IPA)

Bedfordshire Police are currently engaged with HMICFRS in the IPA process.

The IPA programme has moved to an intelligence-led continuous assessment approach. Inspections will no longer be scheduled in tranches. Instead, there will be a rolling programme of evidence collection. HMICFRS will make better use of all the evidence they have about a force in their PEEL assessment, including Force Management Statements (FMS); findings from thematic inspections; crime data integrity findings; progress against causes of concern and areas for improvement; and Force Liaison Lead (FLL) knowledge and insight. In previous iterations of PEEL, there was a much heavier reliance on annual fieldwork. Although this will remain an important method of evidence collection, as the continuous assessment approach becomes established, a key aim is to reduce the need for such intense periods of onsite activity.

The areas HMICFRS inspect in PEEL remain broadly the same, but they have been revised to better reflect current areas of concern and priorities, and they are more clearly aligned to FMS. Each question area (12 in total) can look at effectiveness, efficiency and legitimacy, rather than dealing with these in separate pillars. HMICFRS have also increased the focus on outcomes (rather than process) and what matters to the public. They have consulted extensively with external reference groups, national leads and through their public consultation to develop the question set – referred to as the PEEL assessment framework (PAF).

Where appropriate, the PCC (or OPCC) is invited to attend the Strategic Brief at the start of inspection activity and the de-brief provided by HMICFRS following each inspection. Alternatively, the Chief Constable may provide the PCC with a briefing following an HMICFRS inspection.

The PCC is required to publish a response to all inspection report recommendations within 56 days of the publication of the report. The PCC's responses to relevant HMICFRS inspection reports have all been published.

The HMICFRS national 'State of Policing – The Annual Assessment of Policing in England and Wales' report for 2018 was published on 2nd July 2020. The Police Act 1996 section 54(4A) requires HM Chief Inspector of Constabulary to report each year on his assessment of the efficiency and effectiveness of policing in England and Wales. This assessment covers the full breadth of inspections conducted by HMICFRS throughout the year and provides an overview of the policing in England and Wales.

The force's force management statement has been submitted (May 2021).

g) Risk management and business continuity

The risk registers for the PCC and Chief Constable are reviewed at every JAC meeting and are reviewed regularly by the Chief of Staff for the PCC or the Force Executive Board.

h) Health and Safety and Environmental Management

An audit of Health and Safety was undertaken by the Internal Auditors during 2019/20 on behalf of BCH which provided a negative assurance. Follow up audits during 2020/21 have shown that these weaknesses in control have been eradicated and positive assurances have been received during the year from specific H&S audits. The Bedfordshire Deputy Chief Constable chairs a BCH Health and Safety Board to ensure that appropriate measures are in place and all officers and staff have been required to complete mandatory training on specific areas of Health and Safety.

The Force has also allocated co-ordination of Health and Safety issues for Bedfordshire to the Director of the Strategic Services and Improvement Department.

Health & Safety considerations, requirements and issues were incorporated into the COVID-19 command structure.

i) Ethics and Integrity

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handling by the Force.

All complaints against the Chief Constable are reported to the Strategic Board of the PCC and any complaints against the PCC are reported to the Police and Crime Panel.

The Chief Constable continues to promote the fundamental importance of Bedfordshire Police officers and staff employing the highest professional standards, principles which are embodied and enforced through the Code of Ethics. All new Officers and staff receive training on the Code of Ethics as part of their induction.

j) Bedfordshire Police and Crime Panel

During 2020/21 the independent Police and Crime Panel (PCP) met on 4 occasions. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2020/21 year; scrutiny and consideration of the PCC's 2021/22 budget and council tax precept proposals. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the Police and Crime Plan strategic priorities and key aims, including the contribution made by other partner agencies, and on matters of topical interest to the Panel.

k) Collaboration and partnership working

The Strategic Alliance Summit met three times during 2020/21. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Joint Protective Services, Organisational Support and Operational Support) as well as an overview of the national developments and their impact on Bedfordshire, Cambridgeshire and Hertfordshire.

With Bedfordshire having lead force status for Joint Protective Services the Chief of Staff attends, on behalf of the PCC, the JPS Governance Board which is chaired by the Bedfordshire DCC and this Board met 4 times during 2020/21

Governance of collaboration between forces across the Eastern region is undertaken at the Regional Governance Board. 4 meetings were held during 2020/21 and was chaired by the Bedfordshire PCC. The Eastern Region Special Operations Unit (ERSOU), hosted by Bedfordshire, brings together the current regional organised crime units under one structure. It is operationally aligned with the Eastern Region Counter Terrorism Investigation Unit (CTIU). A joint ACC, who reports directly to the Chief Constable of Bedfordshire, exercises overall command of the regional crime and counter terrorism functions. The joint ACC also represents serious organised crime at the Eastern Region Governance Board and nationally with the National Crime Agency and other key stakeholders.

i) COVID-19

The operational focus and working practices of Bedfordshire Police have been significantly affected by the Coronavirus pandemic. Bedfordshire Police has successfully maintained business continuity as far as possible have implemented a number of measures to enable this.

New ways of working have enabled delivery across our critical areas. Evaluation of new working practices has shown some significant long-term opportunities for the force to evolve from the pandemic and deliver a more efficient, agile and technology enabled service.

In order to maintain and improve our service during Coronavirus and prepare for the future we have focused on the following:

- Gold Group: A Gold group is chaired by the Chief Superintendent of Local Policing on a fortnightly (was weekly) basis to monitor the Force response to the pandemic and set the direction of our response. Departmental Heads provide updates on their areas of business in this context and business continuity testing and planning are discussed. Updates are also reported from the Strategic Coordinating Group (SCG) and the Tactical Coordination Group (TCG). Emerging issues are also raised through this forum.*
- Evolution Group: Recognising the opportunities for improved working practices arising from Coronavirus, the force established an Evolution Board, Chaired by our Director of Strategic Service Improvement with its aim to progress learning and innovation from our response to the pandemic, provide modelling and governance proposals for a return to the new normal whilst ensuring the wellbeing of the force. Over 100 opportunities have been identified and reviewed for progress, with benefits tracked*

where appropriate, and our Smart working programme is well under way moving to an agile workforce. The demand modelling utilised throughout to highlight the biggest risk areas in order for contingency plans to be built was shared nationally and is being adapted for business as usual.

- *Technology:* The force has delivered the roll-out of Microsoft Teams to enable training, meetings and conferences to continue to take place. Laptop computers and mobile telephones have been issued to staff on both short term and longterm arrangements, enabling us to maximise our available workforce during periods of self-isolation and minimise risk to members of our workforce who would otherwise have been vulnerable to infection. Use of technology has also reduced travel for officers and staff, reducing costs and reducing our environmental impact. We have been able to provide an enhanced service to victims and witnesses through the use of video conferencing to conduct appointments and the accelerated roll out of GoodSam to capture evidence of offences.

- *Partnerships:* Joint-up working has continued throughout the pandemic in order to achieve shared goals around crime, disorder and public health. Our Local Resilience Forum has continued to develop, with some of our arrangements and practices being shared nationally. As we emerge from the pandemic, we expect to see the resurgence of conventional demand for which our existing partnerships will remain committed to addressing.

- *HMICFRS Policing in the Pandemic report:* The Force was inspected during 2020 on its response to Covid-19 and the thematic report was published in April 2021. During the course of the inspection, Bedfordshire Police received positive feedback from inspectors, complementing our approach to policing during the pandemic and our plans for the future.

SIGNIFICANT GOVERNANCE ISSUES

It should be noted that significant operational issues facing the organisation are not necessarily a result of weaknesses within the internal control and governance framework.

During 2020/21, the PCC and Chief Constable made and were successful in securing two Special Grant Claims totalling £5M, this alongside funding for VERU of £0.88M and Surge Funding of £0.909M which significantly assisted with the financial position of the force as well as specific funding to deal with the complex demand faced in Bedfordshire. The VERU and Surge grant have been continued into 2021/22 and further special grant bids have been submitted.

The Force also received £2.541M in grant funding for Covid19 related activity. This was to cover additional patrols (including the Airport), income loss recovery and the purchase of personal protective equipment. We expect to incur more spend in 2021/22 on Covid related activities and reduced cover at the Airport will also mean our income will drop below budgeted levels again. The Home Office is continually gathering data on Force spend relating to Covid19 and we are hopeful that further grants will be awarded during the forthcoming year.

We are currently in dispute with London Luton Airport about the level of cover provided at the Airport. This is being investigated by the Department for Transport but at 31st March 2021 we were owed £927K by the Airport. This has been reflected in the

accounts by a provision for bad debts. The dispute is ongoing and a further £166K was owed to the Force for services to 31st May 2021.

No significant issues were highlighted by the internal auditors during the year with all audits that have been completed either being advisory or having a positive assurance level, although a joint audit for procurement did highlight some areas for development. One Audit related to Retention is still in the process of being finalised with the initial audit opinion being "reasonable".

Despite the improved funding position for Bedfordshire there remains a need, based upon the fact that the complexity and level of demand in Bedfordshire is not commensurate with the way in which policing is funded for both the PCC and Chief Constable to continue with their focus on continue to enhance its understanding of demand, its impact on performance and its ability to fund priority activities over the coming year. There is also a need to ensure that short term specific funding is put on a long-term footing through a revised national funding formula.

In any event the governance arrangements of the PCC and the Chief Constable will remain under review at least annually over forthcoming financial years.

Garry Forsyth

Chief Constable of Bedfordshire Police
30 September 2021

Philip Wells

Chief Finance Officer
30 September 2021

Comprehensive Income and Expenditure Statement

This statement recognised the financial resources consumed at the request of the Chief Constable in exercising day-to-day direction and control of the police force for the financial year, presented using accounting standards rather than amounts being funded from taxation.

The Comprehensive Income & Expenditure Statement includes the intra-group transfer of funding from the PCC to the Chief Constable to cover resources consumed; the resulting balance of Total Comprehensive Income & Expenditure reflects the movement in employees' liability during the year.

2019/20				2020/21			Notes
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
67,308	-587	66,721	Policing	74,183	-543	73,640	
49,664	-1,711	47,954	Collaborated Units	51,148	-2,451	48,697	
45,916	-7,133	38,782	Corporate & Support Services	50,612	-8,958	41,654	
162,888	-9,431	153,457	Cost of Services	175,943	-11,952	163,991	
		0	Other Operating Income & Expenditure			0	
		31,760	Financing & Investment Income & Expenditure			27,550	9
		-148,718	PCC Funding for Financial Resources Consumed			-156,447	4
		36,499	(Surplus) or Deficit on Provision of Services			35,094	
		-112,072	Re-measurements of the net defined benefit liability			168,454	
		-112,072	Other Comprehensive Income & Expenditure			168,454	
		-75,573	Total Comprehensive Income & Expenditure			203,548	

Movement in Reserves Statement

This statement shows the movement in the 2019/20 and 2020/21 financial years on the reserves held by the Chief Constable. The only transactions shown are those that relate to the Pensions Reserve and the Accumulated Absences Reserve (reflecting movements relating to staff and officers under the direction and control of the Chief Constable). All other reserves are held by the Commissioner.

	Total Usable Reserves (Police Fund)	Unusable Reserves	Total Reserves
	£'000	£'000	£'000
Balance as at 31st March 2019	0	1,302,738	1,302,738
<u>Movement In Reserves during 2019/20</u>			
(Surplus) or deficit on provision of services	36,499	0	36,499
Other Comprehensive Income & Expenditure	0	-112,072	-112,072
Total Comprehensive Income & Expenditure	36,499	-112,072	-75,573
Adjustments between accounting basis & funding basis under regulations (note 8)	-36,499	36,499	0
(Increase) / Decrease in Year	0	-75,573	-75,573
Balance as at 31st March 2020	0	1,227,166	1,227,166
<u>Movement In Reserves during 2020/21</u>			
(Surplus) or deficit on provision of services	35,094	0	35,094
Other Comprehensive Income & Expenditure	0	168,454	168,454
Total Comprehensive Income & Expenditure	35,094	168,454	203,548
Adjustments between accounting basis & funding basis under regulations (note 8)	-35,094	35,094	0
(Increase) / Decrease in Year	0	203,548	203,548
Balance as at 31st March 2021	0	1,430,714	1,430,714

Balance Sheet

As at 31 st March 2020		As at 31 st March 2021	Note
£'000		£'000	
0	Non-Current Assets	0	
60	Inventories	64	
8,489	Short Term Debtors & Payments in Advance	8,169	14
17,949	Intra –group Debtors	14,573	14
26,498	Current Assets	22,806	
-28,962	Short Term Creditors	-27,935	15
-28,962	Current Liabilities	-27,935	
-1,223,401	Liability Relating to Defined Benefit Pension Schemes	-1,424,376	28
-941	Provisions	-1,209	
-360	Long Term Creditors	0	
-1,224,702	Non-Current Liabilities	-1,425,858	
-1,227,166	Net Assets	-1,430,714	
1,227,166	Unusable Reserves	1,430,714	16
1,227,166	Total Equity	1,430,714	

The balance sheet sets out the assets, liabilities and reserves at the year end. As previously mentioned the Chief Constable does not own any non-current assets these all remain under the direction and control of the PCC for Bedfordshire and are therefore shown in the PCC for Bedfordshire's Group accounts. However the Chief Constable is deemed to hold the employment liabilities associated with the employees under their direction and control which are matched by a negative unusable reserve. In addition working capital balances are recognised relating to expenditure consumed and income generated under the control of the Chief Constable, these are matched by an Intra-group Debtor to reflect the amount due from the Commissioner in order for the Chief Constable to meet these overall liabilities.

I approve these draft accounts



Philip Wells
Chief Finance Officer to the Chief Constable
30 June 2021

Cash Flow Statement

As at 31 st March 2020		As at 31 st March 2020	Note
£'000		£'000	
-36,499	Net surplus or (deficit) on the provision of services	-35,094	18
36,499	Adjust net surplus or deficit on the provision of services for noncash movements	35,094	
0	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	0	
0	Net cash flows from Operating Activities	0	
0	Investing Activities	0	
0	Financing Activities	0	
0	Net increase or (decrease) in cash and cash equivalents	0	
0	Cash and cash equivalents at the beginning of the reporting period	0	
0	Cash and cash equivalents at the end of the reporting period	0	

This statement reflects that all cash balances are held by the Police & Crime Commissioner.

Notes to the Accounts

Note 1: Accounting Policies

A. General

The Statement of Accounts summarises the transactions for the 2020/21 financial year and the position of the Chief Constable as at 31st March 2021. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom for 2020/21, supported by International Financial Reporting Standards (IFRS) which is recognised by statute as representing proper accounting practice.

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

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the PCC/CC will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue. In carrying out a Going Concern assessment the PCC has taken into account its statutory duty to allocate assets and funds to the Chief Constable. The PCC/CC has considered known and expected government funding and determined that it has sufficient liquidity from its ability to access short term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the PCC/CC are satisfied that they can prepare their accounts on a going concern basis. The PCC/CC's detailed assessment has considered the following:

- We have a history of strong and effective financial management;
- We have carried out a self-assessment against the new CIPFA Financial Management Code;
- Despite the impact of Covid-19 we managed revenue and capital resources within budget during 2020/21;
- We have an efficient and effective internal audit service that reports jointly to the PCC CFO and the Force Assistant Chief Officer. Quarterly update reports are presented to the Joint Internal Audit Committee. In his Annual Audit opinion for 2020/21 the Chief Internal Auditor has issued an overall grade of Reasonable Assurance;
- We produce and publish a detailed annual financial strategy, capital strategy, reserves strategy and a treasury management strategy statement;
- We produce a 4 year medium term financial plan as well as a 4 year capital plan;
- We have an embedded Priority Based Budgeting model that allows service to move with the funding envelope;
- The medium term financial plan is fully balanced in 2021/22 but has identified shortfalls in later years. Work is ongoing to update the draft budget for 2022/23 and medium term financial plan and regular updates will be provided to both the Force Executive and PCC in coming months;
- We have increased our general reserve to 3% of the net revenue expenditure and we have maintained a budget reserve to assist with smoothing funding deficits over the medium term;
- The CFO publishes a Section 25 report (Local Government Act 2003) analysis within the annual budget report highlighting all key issues and concerns;
- The Annual Governance Statement for 2020/21 has not identified any significant areas weakness in governance or internal control that require immediate attention during 2021/22; and
- We will continue to report the financial implications of Covid-19 to Home Office as required and will seek financial reimbursement as appropriate.

Based on all of the above, the PCC does not consider that there is a material uncertainty in respect of its ability to continue as a going concern for the period to 30 September 2022

B. Cost Recognition and Intra-Group Adjustment

All contracts are held in the name of the PCC for Bedfordshire and the PCC pays for all expenditure including salaries of police officers, PCSOs and police staff. There is no transfer of cash between the PCC

and Chief Constable, the Chief Constable does not have a bank account into which monies can be received or paid from. Costs are recognised in the Chief Constable's accounts to reflect the resources consumed and generated in the direction and control of day-to-day policing at the request of the Chief Constable.

In addition the Chief Constable's accounts reflect the employment and post-employment liabilities in accordance with IAS19 which states that liabilities relating to these benefits should follow the cost of employment. The Chief Constable's Total Comprehensive Income and Expenditure reflects the movement in the Chief Constable's unusable reserves as all other net expenditure is met by a transfer of resources from the PCC and no usable reserves are held by the Chief Constable.

C. Debtors and Creditors

The Chief Constable for Bedfordshire's accounts are maintained on the basis of receipts and payments converted at the year end to income and expenditure by bringing creditors and debtors of material significance into account. Where consumption of goods and services needs to be recognised in the relevant financial year, but cash has not been paid a creditor or debtor for the relevant amount, is recorded in the group Balance Sheet.

The following exceptions are applied consistently and their effect is not material on the accounts from one year to the next.

- (i) Overtime paid to Police staff which has been claimed after the end of the financial year is not accrued;
- (ii) Utility charges and similar quarterly payments are charged so that four payments appear in each year's accounts. Payments are not apportioned between financial years. For monthly accounts, twelve payments are charged during the year;
- (iii) Travel expenses claimed after the end of the financial year have not been accrued.

As all payments are made by the PCC on the Chief Constable's behalf, the creditors and debtors recognised on the Chief Constable's balance sheet will need to be financed by the PCC, therefore an intra-group debtor is recognised in the Chief Constable's balance sheet and an intra-group creditor on the PCC's balance sheet to show that the liability ultimately rests with the PCC.

D. Pensions

As part of the terms and conditions of employment the Group offers retirement benefits for Police Officers and Staff. Both Schemes provide members with defined benefits related to pay and service.

(i) Police Officers – Police Pension Scheme

This Scheme is 'unfunded'. The charge to the Accounts represents the applicable IAS19 charges as determined by the Actuary. The Code of Practice requires separate statements to be produced which are shown at Note 28.

(ii) Other Employees – Local Government Pension Scheme (LGPS)

Subject to certain qualifying criteria, police staff are eligible to join the Local Government Pension Scheme administered by Bedford Borough Council. The Scheme is 'funded' and the applicable IAS19 charges included in the accounts are determined by two separate Actuarial Reports for the Chief Constable and for the Commissioner's employees.

The figures included within the Accounts are based on the IAS19 requirements, that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years in the future. Injury benefits paid under police pension schemes are disclosed separately. These payments are unfunded and are paid directly by the group. Injury awards are subject to the same treatment as police pension schemes, with the movement on the liability being attributable to any change in interest cost and actuarial gains / losses.

This obligation to pay pensions benefits in the future is recognised as a liability in the Chief Constable for Bedfordshire's balance sheet. In the Comprehensive Income and Expenditure Statement, transactions are recorded that indicate the change over the year in the pension liability. The transactions are not cash-based but are instead actuarially calculated amounts that reflect more accurately the true changes in the scheme's long-term liabilities. The following items should be noted:

- The attributable defined benefit liabilities of each scheme should be measured on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date, based on assumptions about mortality rate, employee turnover rates and projections of projected earnings for current employees.
- Liabilities for the payment of future injury benefits are based on current and projected injury statistics (including an element for serving police officers) as determined by the actuary.
- Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds determined by the actuaries.
- In the case of the local government scheme, which is a funded scheme, the scheme assets are deducted in determining the overall liability.
- Quoted securities held as scheme assets are valued at their bid value at the latest available date.

The change in the net pension liability is analysed into the following components:

- The current service cost (the increase in liabilities as a result of years of service earned this year) is debited to the Comprehensive Income and Expenditure Statement as part of Corporate Costs.
- The past service cost (the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years) is debited to the Comprehensive Income and Expenditure Statement as part of Corporate Costs.
- Interest cost (the expected increase in the present value of liabilities during the year as they move one year closer to being paid) is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Interest Income on assets (the annual investment return on the fund assets attributable to the group) is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Gains / losses on settlements (the result of actions to relieve the group of liabilities or events that reduce the expected long term return) are debited / credited to the Comprehensive Income and Expenditure Statement as part of Corporate Costs.
- Re-measurements of the net defined benefit liability (asset) are debited / credited to the appropriate reserve. This includes an amount for actuarial gains / losses and estimated returns on plan assets which arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.
- The employer's contributions made in the year are not accounted for as an expense.

The above balances and transactions are included in the accounts to provide a more informative picture of the Chief Constable's pension schemes and this liability is matched by an unusable reserve.

E. Officers' Emoluments

Officers' Emoluments are disclosed in Note 18 to the accounts on a cash basis of gross pay as notified in the P60s to the Inland Revenue and including taxable benefits within the P11Ds. The figures contained within the Comprehensive Income and Expenditure Statement, however, are prepared on an accruals basis in accordance with proper accounting practices.

F. VAT

VAT is included in the accounts of the Chief Constable for Bedfordshire, only to the extent that it is not recoverable. VAT receivable is excluded from income.

G. Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or 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 (i.e. there is a rent free period at the commencement of the lease).

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. The Chief Constable has assessed its leases and determined that all leases are to be treated as operating leases during 2020/21.

The Chief Constable has no leases where it is the lessor.

H. Benefits Payable during Employment

Short-term employee benefits such as wages and salaries, paid annual leave and time owed for current employees are recognised as an expense in the year in which employees render service. An accrual is made against the services in the Surplus / Deficit on Provision of Services for the cost of leave earned by employees but not taken before the year end. The accumulated cost is carried as a liability on the Chief Constable's balance sheet and reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement. The accumulated cost is carried entirely as a liability on the Chief Constable's balance sheet, due to the low number of employees employed by the PCC there is no accrual made for the cost of leave earned but not taken in relation to the PCC's employees, this is judged not to be material and this judgement is kept under review.

I. Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement once a valid expectation of redundancy is created.

J. Events after the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events.
- Those that indicate conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes to the accounts 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.

K. 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 an understanding of the Chief Constable for Bedfordshire's financial performance.

L. Joint Operations

Joint operations are activities undertaken by the Chief Constable for Bedfordshire in conjunction with other third parties that involve the joint use of assets and resources, rather than the establishment of a separate entity. The Comprehensive Income & Expenditure Statement is debited with the expenditure it incurs from the activity of the operation. As the PCC receives all funding, any grant receivable from the structure of the arrangement will be credited to the Comprehensive Income and Expenditure Statement of the PCC. The PCC then credits the Chief Constable with an equivalent amount through the intra-group funding. Assets purchased by Joint Operations are shared between the parties and each recognises only their own share on their balance sheet.

M. Overheads and Support Services

The costs of overheads and support services are shown in the areas they are budgeted for and managed within the organisation. The Expenditure and Funding Analysis and the Comprehensive Income & Expenditure Statement reflect the headings to which the organisation reports expenditure to the senior decision makers within the organisation.

N. Provisions, Contingent Liabilities and Contingent Assets

Provisions are made when an event has taken place that gives the Chief Constable for Bedfordshire a legal or constructive obligation that probably requires settlement by a 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 to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Chief Constable for Bedfordshire becomes aware of the obligation, and 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.

Estimated settlements are reviewed at the end of each financial year. If it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation, the existence of which will only be confirmed by the occurrence of an uncertain future event not wholly within the organisations control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but the recognition criterion above is not met. A contingent liability is not recognised on the balance sheet but disclosed in the notes to the accounts.

O. Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Changes in accounting policies are only 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 PCC for Bedfordshire's financial position or performance. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

Changes in accounting estimates are applied prospectively, i.e. in the current and future year affected by the change.

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

P. Revenue Recognition

Specific grants & contributions which result in the Commissioner providing additional resources to the Chief Constable in the budget are included in the Commissioner's Comprehensive Income and Expenditure Statement as well as all non-specific government grants. Other fees, charges and service

income is recognised in the Chief Constable's Comprehensive Income and Expenditure Statement as these are generated within the Chief Constable's budget by staff under their operational direction and control. It is a requirement of IFRS15 Revenue from Contracts with Customers that revenue is recognised only once the performance criteria in the contract are met, service contracts are subject to an annual review of performance criteria to ensure any necessary adjustment are made.

Note 2 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with the generally excepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the forces departments. Income and expenditure accounted for under generally excepted accounting practices is presented more fully in the Comprehensive Income & Expenditure Statement.

2019/20				2020/21			Notes
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	
£'000	£'000	£'000		£'000	£'000	£'000	
66,721	0	66,721	Policing	73,676	-36	73,640	7
48,008	-54	47,954	Collaborated Units	48,737	-40	48,697	
22,086	16,696	38,782	Corporate & Support Services	23,213	18,441	41,654	
136,815	16,642	153,457	Net Cost of Services	145,626	18,365	163,991	
-136,815	19,857	-116,958	Other Income & Expenditure	-145,626	16,729	-128,897	
0	36,499	36,499	(Surplus) or Deficit	0	35,094	35,094	
0			Opening General Fund Balance	0			
0			Less/ Plus Surplus or (Deficit) on General Fund Balance in Year.	0			
0			Closing General Fund Balance as at 31 March	0			

Note 3: Changes in Accounting Policies & Prior Period Adjustments

No changes have been made to accounting policies although the breakdown of figures presented in the management reporting headings in both the Expenditure & Funding Analysis and the Comprehensive Income and Expenditure Statement have been restated. This is in order to present the prior period figures under the same management reporting headings as those used in 2020/21 in order to make meaningful comparisons within these headings.

The Expenditure & Funding Analysis:

	2019/20 - Original Values			2019/20 - Adjustment Values		2019/20 Re-stated
	Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Adjustment to Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000
Policing	67,308	-587	66,721			
Collaborated Units	49,664	-1,711	47,954			
Corporate & Support Services	45,916	-7,133	38,782			
Exceptional Items	0	0	0			
Net Cost of Services	162,888	-9,431	153,457	0	0	0

The Comprehensive Income and Expenditure Statement:

	2019/20 - Original Values				2019/20 Re-stated
	Gross Expenditure	Gross Income	Net Expenditure	Adjustment to Net Expenditure	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	
Policing	77,776	-621	77,155		
Collaborated Units	52,333	-1617	50,716		
Corporate & Support Services	22,971	-6,463	16,508		
Exceptional Items	51,349	0	51,349		
Net Cost of Services	204,429	-8,701	195,728	0	0

Note 4: PCC Funding for Resources Consumed / Intra-Group Adjustments

The background and principles that underpin the accounting arrangement and create the need for an intra-group adjustment are explained in the Explanatory Foreword.

Under the current arrangements the Chief Constable does not hold any cash or reserves. However a budget is delegated to the Chief Constable for which the Chief Constable has operational control of the associated income and expenditure. It is felt that to accurately reflect the financial impact of the day-to-day control exercised by the Chief Constable over policing Bedfordshire it is necessary to capture the income and expenditure associated with their delegated budget on their own Comprehensive Income and Expenditure Statement. As a consequence the associated assets and liabilities relating to these balances are also required to be shown on the Chief Constable's balance sheet.

The Commissioner has undertaken to fund the resources consumed by the Chief Constable and makes all payments from the police fund. In order to reflect this position in the accounts the funding from the Commissioner offsets all expenditure on the Chief Constable's Comprehensive Income & Expenditure Statement to leave just the movement on unusable reserves which is reflected in the Chief Constable's Movement in Reserves Statement.

The following table shows the calculation of the funding provided to the Chief Constable:

PCC Funding provided to the Chief Constable for Resources Consumed	2019/20 £'000	2020/21 £'000
Net Cost of Services (Chief Constable)	153,457	163,991
Financing & Investment Income & Expenditure	31,760	27,550
Actuarial (gain) / loss on pension assets / liabilities	-112,072	168,454
<u>Adjust for Movement in Unusable Reserves:</u>		
Pensions Reserve	75,435	-200,975
Accumulated Absences Reserve	137	-2,573
Total Funding Transfer	148,718	156,447

In practice instead of transferring this funding to the Chief Constable the Commissioner makes all payments on their behalf, therefore an element of the resources consumed by the Chief Constable remain unpaid at the year end. This leaves the Chief Constable with its own current liabilities which after deduction of current assets is supported by the Commissioner in the form of an Intra-group creditor / debtor.

Intra-group Debtor / Creditor	2019/20	2020/21
	£'000	£'000
Chief Constable's Creditors & Receipts in Advance	25,557	21,597
Chief Constable's Provisions	941	1,209
Chief Constable's Current assets (excluding PCC Debtor)	-8,549	-8,233
Total Owing to Commissioner	17,949	14,573

This has the effect of showing working capital on the Chief Constable's balance sheet which is then supported by the Commissioner.

The following table shows the movement through the intra-group account:

Intra-group Adjustments	The Chief Constable	The Commissioner	The Group
	£'000	£'000	£'000
Comprehensive Income & Expenditure Statement – 2019/20			
PCC Funding for Resources Consumed	-148,718	148,718	0
Comprehensive Income & Expenditure Statement – 2020/21			
PCC Funding for Resources Consumed	-156,351	156,447	0
Balance Sheet – 2019/20			
Intra Group Creditor / Debtor	17,949	-17,949	0
Balance Sheet – 2020/21			
Intra Group Creditor / Debtor	13,567	-14,573	0

Note 5: Standards Issued but not yet Adopted

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7.
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS9, IAS 39, IFRS7, IFRS 4 and IFRS 16.

Changes to these accounting standards are included in the 2021/22 CIPFA Code of Practice and once adopted may require disclosure in 2021/22 depending on their impact.

Note 6: Note to the Expenditure & Funding Analysis.

Adjustments between Accounting and Funding Basis

Chief Constable – 2020/21	Adjustments for Capital Purposes £'000	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Policing	-36	0	0	-36
Collaborated Units	-40	0	0	-40
Corporate / Support Services	-1,106	17,732	1,815	18,441
Cost of Services	-1,182	17,732	1,815	18,365
Other Income & Expenditure from the Expenditure & Funding Analysis	0	16,714	15	16,729
Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	-1,182	34,446	1,830	35,094

Chief Constable – 2019/20	Adjustments for Capital Purposes £'000	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Policing	0	0	0	0
Collaborated Units	-54	0	0	-54
Corporate / Support Services	-848	17,633	-87	16,696
Cost of Services	-902	17,633	-87	16,642
Other Income & Expenditure from the Expenditure & Funding Analysis	0	19,003	854	19,857
Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	-902	36,636	767	36,499

Note 7: Expenditure & Income Analysed by Nature

	2020/21	2019/20
Expenditure / Income	£'000	£'000
Expenditure		
Employee benefits expenses	178,551	171,838
Other services expenses	24,972	22,812
TOTAL EXPENDITURE	203,523	194,650
Income		
Fees, charges and other service income	-11,982	-9,432
Funding from Police & Crime Commissioner	-156,447	-148,718
TOTAL INCOME	-168,429	-158,150
Surplus or Deficit on the Provision of Services	35,094	36,499

Note 8: Adjustments Between Accounting Basis & Funding Basis

This note details the adjustments that are made to the Chief Constable's available resources in the Total Comprehensive Income and Expenditure Statement in accordance with proper accounting practice.

2020/21 – Usable Reserves				
	Police Fund	Capital Receipts Reserve	Capital Grant Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments involving the Compensated Absences Adjustment Account:				
Amount by which officer remuneration charged to Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-2,573	0	0	2,573
Adjustments involving the pensions reserves:				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-67,379	0	0	67,379
Employer's pension contributions and direct payments to pensioners	34,858	0	0	-34,858
TOTAL ADJUSTMENTS	-35,094	0	0	35,094

2019/20 – Comparative Figures – Usable Reserves				
	Police Fund	Capital Receipts Reserve	Capital Grant Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments involving the Compensated Absences Adjustment Account:				
Amount by which officer remuneration charged to Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	137	0	0	-137
Adjustments involving the pensions reserves:				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-69,788	0	0	69,788
Employer's pension contributions and direct payments to pensioners	33,152	0	0	-33,152
TOTAL ADJUSTMENTS	-36,499	0	0	36,499

Note 9: Financing & Investment Income & Expenditure

2019/20 £'000		2020/21 £'000
29,530	<i>Pensions Interest Cost and Expected Return on Pension Assets – Police Pensions</i>	25,370
2,255	<i>Pensions Interest Cost and Expected Return on Pension Assets – LGPS</i>	2,191
-25	Impairment Allowance Adjustment– Doubtful Debts	-11
31,760	Total	27,550

Note 10: Critical Judgements In Applying Accounting Policies

In applying the accounting policies the PCC for Bedfordshire has had to make certain judgements and assumptions about complex transactions or those involving uncertainty about future events.

- In order to apply the group accounting requirements the relationship between the PCC and Chief Constable has been assessed. The PCC remains in control of all assets and reserves however it is judged that the Chief Constable has sufficient operational control over staff and delegated budgets that this expenditure and associated income is shown on the Comprehensive Income and Expenditure Statement for the Chief Constable.
- The Chief Constable for Bedfordshire is involved in various joint arrangements with other forces. These arrangements are judged to be joint operations due to the joint management and decision making structure of the agreement. The Chief Constable for Bedfordshire's share of transactions and balances are consolidated into the financial statements in accordance with the CIPFA Code of Practice.
- The accounting arrangements for the Counter Terrorism Policing (CTP) are not judged to be a joint arrangement as although it is governed by a management board and decisions made on

a unanimous basis, the unit is entirely grant funded therefore decisions regarding the level of funding and hence the service provided are not entirely made by the forces involved.

- Following a ruling on gender discrimination the courts found that UK defined benefit schemes must equalise Guaranteed Minimum Pensions (GMP). On 22 January 2018, the Government published the outcome to its *Indexation and equalisation of GMP in public service pension schemes* consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. The actuaries for the LGPS scheme Barnett Waddingham have assumed for their valuation that the pension fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore we do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Note 11: Assumptions Made about the Future & Other Estimation Uncertainties

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities as at the balance sheet date and the income and expenses reported during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and areas of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are used to make these judgements and provide the estimates of pension assets and liabilities, the details of which are detailed at note along with a sensitivity analysis of the key assumptions used.

Note 12: Financial InstrumentsCategories of Financial Instruments

The borrowings and investments disclosed in the balance sheet are made up of the following categories of financial instruments, all are valued at amortised cost.

Financial Assets	31 March 21		31 March 20	
	The Chief Constable		The Chief Constable	
	Non Current	Current	Non Current	Current
	£'000	£'000	£'000	£'000
<u>Debtors:</u>				
Amortised Cost	0	4,671	0	4,960
<u>Investments:</u>				
Amortised Cost	0	0	0	0
<u>Cash</u>				
Amortised Cost	0	0	0	0
Total Financial Assets	0	4,671	0	4,960
Non Financial Assets	0	18,071	0	21,611
Total	0	22,742	0	26,571

Financial Liabilities	31 March 21		31 March 20	
	The Chief Constable		The Chief Constable	
	Non Current	Current	Non Current	Current
	£'000	£'000	£'000	£'000
<u>Creditors:</u>				
Amortised Cost	0	17,779	360	20,507
<u>Borrowings:</u>				
Amortised Cost	0	0	0	0
Total Financial Liabilities	0	17,779	360	20,507
Non Financial liabilities	0	10,156	0	8,455
Total	0	27,935	360	28,962

Trade Debtors and Creditors relate to balance sheet amounts (excluding payments in advance and receipt in advance) adjusted for statutory debtors and creditors.

The PCC for Bedfordshire has not reclassified any financial instruments during 2020/21 and all remain at amortised cost.

Income and Expense Gains and Losses

All interest income and expenditure relates to the Commissioners accounts.

Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value has been calculated below by calculating the net present value of the future cash flows using the following assumptions:

- The discount rate used is the applicable market rate on 31st March using bid prices where applicable.
- For fixed term deposits it is assumed that interest is received on maturity.
- The new borrowing rate at 31 March has been used as the discount factor for PWLB borrowing.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair value of each class of financial liabilities and assets carried in the Balance Sheet at amortised cost is as follows:

	The Chief Constable			
	31 March 20		31 March 20	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	£'000	£'000	£'000	£'000
<i>Financial Liabilities:</i>				
PWLB Borrowing	0	0	0	0
Creditors	17,779	17,779	20,867	20,867
<i>Loans and Receivables:</i>				
Short-Term Investments	0	0	0	0
Debtors	4,671	4,671	4,960	4,960
Instant Access Bank Deposit Accounts	0	0	0	0
Imprest & Cash	0	0	0	0

The carrying value of short term trade receivables and payables, short term investments and cash balances is deemed to be a reasonable approximation of fair value.

No financial instruments have been re-classified during 2020/21.

Note 13: Lease Rentals

The PCC for Bedfordshire has no finance leases, but rents several properties under the terms of operating leases. The costs of the operating leases are included in the Chief Constable's Comprehensive Income & Expenditure Statement to reflect the day-to-day direction and control exercised. The amount paid in 2020/21 was £0.673M (£0.545M for 2019/20).

At 31 March 2021 lease payments due under non-cancellable leases in future years were:

	Less than 1 Year	Later than 1 Year and not Later than 5 Years	Later than 5 Years	Total
	£'000	£'000	£'000	£'000
Land & Buildings	461	1,279	457	2,197

Note 14: Debtors & Payments In Advance

31 March 20 £'000		31 March 21 £'000
634	Trade Receivables	767
-15	Less Expected Credit Losses	-4
0	Council Tax	0
4,514	Other Receivables	3,920
3,355	Prepayments	3,486
8,489	Short Term Debtors at 31st March	8,169
17,949	Amount Owed by PCC	14,573
26,438	Total Amounts Due within 1 Year	22,742

Note 15: Creditors

The creditors of the Chief Constable for Bedfordshire can be analysed as follows:

31 March 20 £'000		31 March 21 £'000
3,313	Trade Payables	1,321
19,890	Other Payables - Capital & Revenue	19,650
281	Other Payables - Employees	338
1,712	Receipts in Advance	287
3,765	Short Term Accumulating Absences	6,338
28,962	Short Term Creditors 31st March	27,935

Note 16: Unusable Reserves

2019/20 £'000		2020/21 £'000
96,501	Pensions Reserve – LGPS	182,396
1,126,900	Pensions Reserve – Police Pensions	1,241,980
3,765	Accumulated Absences Account	6,338
1,227,166	Total Unusable Reserves	1,430,714

Accumulated Absences Account

Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account. Although the costs of employment benefits are shown in the Chief Constable's accounts the PCC funds this by way of an intra-group adjustment and maintains this un-usable reserve.

2019/20 £'000		2020/21 £'000
3,902	Balance at 1st April	3,765
-3,902	Cancellation of accrual made at the end of the preceding year	-3,765
3,765	Amounts accrued at the end of the current year	6,338
3,765	Balance at 31st March	6,338

Pensions Reserves

The pension reserves absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Chief Constable for Bedfordshire accounts for post-employment benefits in their Comprehensive Income and Expenditure Statement as the benefits are earned by employees under their control accruing years of service, updating their liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. The debit balance on the Chief Constable and Group Pension Reserves therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Group 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.

2019/20 £'000	Pension Reserve Local Government Scheme	2020/21 £'000
96,826	Balance at 1st April	96,501
-9,111	Re-measurements of the net defined benefit liability.	79,907
15,449	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	13,289
-6,663	Employer's pension contributions and direct payments to pensioners payable in the year	-7,300
96,501	Balance at 31st March	182,396

2019/20 £'000	Pension Reserve Police Pension Scheme	2020/21 £'000
1,202,010	Balance at 1st April	1,126,900
-102,960	Re-measurements of the net defined benefit liability	88,547
54,340	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	54,090
-26,490	Employer's pension contributions and direct payments to pensioners payable in the year	-27,557
1,126,900	Balance at 31st March	1,241,980

Note 17: Cash Flow Statement – Operating Activities

2019/20		2020/21
The Chief Constable £'000		The Chief Constable £'000
36,499	Net surplus or deficit on the provision of services	35,094
-149	Contributions (to) / from provisions	-268
0	Depreciation & Impairment	0
-36,636	IAS 19 pension adjustments	-32,521
-71	Increase / (decrease) stock	4
-1,600	Increase / (decrease) debtors	-321
7,406	Increase / (decrease) debtors – Inter Company	-3,376
-5,449	(Increase)/ decrease in creditors	1,388
-36,499	Adjust net surplus or deficit on the provision of services for non-cash movement	-35,094
-	Remove profit / loss on sale of non-current assets	-
0	Net cash flows from operating activities	0

Note 18: Officers Remuneration

The number of employees whose remuneration, excluding pension contributions and redundancy payments, was £50,000 or more in bands of £5,000 as shown below.

2019/20	Remuneration Band £	2020/21
159	50,000 to 54,999	180
75	55,000 to 59,999	98
29	60,000 to 64,999	43
7	65,000 to 69,999	15
1	70,000 to 74,999	5
4	75,000 to 79,999	5
7	80,000 to 84,999	1
4	85,000 to 89,999	5
2	90,000 to 94,999	3
1	100,000 to 104,999	1
289	TOTALS	356

The employees in the bandings above do not include the remuneration of the posts of Senior Officers and Relevant Police Officers which are now separately disclosed below as required by the Accounts and Audit Regulations or the redundancy payments now disclosed separately.

Note 19: Exit Packages

During 2020/21 the Chief Constable agreed 11 exit packages of which 6 were identified as set up costs of new collaborated units and funded as such.

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages in each band	Total cost of exit packages in each band
<£20,000	2	0	2	£33,200
£20,000-£40,000	4	0	4	£126,400
£40,000-£60,000	0	0	0	-
£60,000-£80,000	1	0	1	£71,800
£80,000-£100,000	2	0	2	£173,500
>£100,000	2	0	2	£278,600
Total	11	0	11	£683,500

Exit Packages 2019/20

During 2019/20 the Chief Constable agreed 29 exit packages of which 5 were identified as set up costs of new collaborated units and funded as such.

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages in each band	Total cost of exit packages in each band
<£20,000	10	0	10	£110,400
£20,000-£40,000	9	0	9	£251,300
£40,000-£60,000	2	0	2	£111,100
£60,000-£80,000	3	0	3	£199,600
£80,000-£100,000	4	0	4	£341,100
>£100,000	1	0	1	£177,000
Total	29	0	29	£1,190,500

Note 20: Senior Officers and Relevant Police Officers Remuneration

	Salary, fees and allowances	Employers Pension Contribution	Reimbursement of Expenses	Benefit in Kind	Total
	£	£	£	£	£
Chief Constable	172,661	50,601	125	2,601	225,987
Deputy Chief Constable	134,997	38,436	466	2,376	176,274
Assistant Chief Constable – A	128,384	36,583	96	2,784	167,846
Assistant Chief Constable – B (note 1)	55,463	15,024	36	0	70,523
Assistant Chief Constable – C (note 2)	113,593	28,153	903	0	142,649
Chief Constable's Chief Finance Officer (note 3)	129,388	24,512	0	2,687	156,587

Notes

Note 1: Role undertaken 01/04/20- 31/08/20.

Note 2: Role seconded to Cambs Constabulary until 05/05/20. The full year earnings are reported above of which £15,634 was recharged to Cambridgeshire.

Note 3: The Chief Finance Officer role was a joint one for the period 01/04/20 to 10/08/20, therefore the cost split between Chief Constable and Police & Crime Commissioner is estimated for this period.

Senior Officers and Relevant Police Officers Remuneration 2019/20

	Salary, fees and allowances	Employers Pension Contribution	Reimbursement of Expenses	Benefit in Kind	Total
	£	£	£	£	£
Chief Constable – A (note 2)	119,889	0	0	0	119,889
Chief Constable – B (note 3)	110,172	32,696	0	3,366	146,234
Deputy Chief Constable – A (note 4)	40,774	12,161	0	1,246	54,181
Deputy Chief Constable – B (note 5)	22,942	6,892	0	758	30,592
Deputy Chief Constable – C (note 6)	68,472	20,049	0	2,962	91,483
Assistant Chief Constable – A (note 7)	96,464	29,798	0	3,187	129,449
Assistant Chief Constable – B (note 8)	122,647	35,690	0	6,802	165,139
Assistant Chief Constable – C (note 9)	101,527	27,534	54	0	129,115
Assistant Chief Constable – D (note 10)	33,638	9,794	0	1,455	44,887
Chief Constable's Chief Finance Officer (note 1)	119,839	21,325	0	4,120	145,284

Notes

Note 1: The Chief Finance Officer role is currently a joint role, therefore the cost split between Chief Constable and Police & Crime Commissioner is estimated.

Note 2: Role undertaken 01/04/19-31/07/19

Note 3: Role undertaken 01/08/19-31/03/20

Note 4: Role undertaken 01/04/19 – 31/07/19

Note 5: Role undertaken 06/07/19 – 15/09/19

Note 6: Role undertaken 16/09/19 – 31/03/20

Note 7: Role undertaken 01/04/19 - 05/07/19 and 16/09/19 – 31/03/20

Note 8: Role undertaken 01/04/19 – 31/03/20

Note 9: Role undertaken 01/04/19 – 04/11/19 and seconded to Cambs Constabulary from 04/11/19 to 31/03/20 – The full year earnings are reported above of which £61,411 was recharged to Cambridgeshire

Note 10: Role undertaken 01/06/19 – 15/09/20

Note 21: External Audit Fees

External audits are provided by BDO LLP.

2019/20		2020/21
£'000		£'000
11	Audit Fee Re Chief Constable	11

Note 22: Transport Consortium

The PCC for Bedfordshire belongs to the Chiltern Transport Consortium operated by Thames Valley Police. Bedfordshire's contribution for 2020/21 was £2.493M (£2.445M in 2019/20).

The running costs of the entire consortium are shown below:

2019/20		2020/21
£'000		£'000
20,002	Operating Costs	20,064
-1,537	Operating Income	-1,480
18,465	Net Operating Expenditure	18,584
-2,477	Bedfordshire Vehicle Charges	-2,497
-2,883	Hertfordshire Vehicle Charges	-2,908
-2,619	Cambridgeshire Vehicle Charges	-2,530
-880	CNC Vehicle Charges	-704
-2,685	BTP Vehicle Charges	-2,888
-7,121	Thames Valley Vehicle Recharges	-7,194
-17	Other Vehicle Charges	-51
-216	Surplus / Deficit for the Year	-187

Note 23: Eastern Region Organised Crime Unit

The Eastern Region Organised Crime Unit (ROCU) is a joint arrangement between 7 forces – Hertfordshire, Cambridgeshire, Essex, Suffolk, Norfolk, Kent and Bedfordshire to provide one serious and organised crime unit for the eastern region. ROCU is run by a management board where all forces are equally represented and decisions are made with the unanimous consent of all forces.

Expenditure of £2.258M has been consolidated into the Chief Constable's Income and Expenditure statement. The government grant of £0.460M has been consolidated into the Income and Expenditure Statement for the PCC, and the PCC for Bedfordshire's share of the total assets purchased (£0.049M) are included on the PCC's balance sheet financed by a transfer from the revenue budget.

The income and expenditure statement for the units is shown below:

2020/21	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Home Office Grant	-460	-583	-1131	-831	-615	-668	-508	-4,796
Running Costs	2,258	2,857	2,898	4,073	2,721	3,274	2,495	20,576
Depreciation	-52	-50	-32	-83	-11	-64	-53	-345
Surplus / Deficit	1,746	2,224	1,735	3,159	2,095	2,542	1,934	15,435

2019/20	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Home Office Grant	-426	-551	-1013	-772	-476	-626	-472	-4,336
Running Costs	2,384	3,083	2,946	4,318	2,721	3,497	2,640	21,589
Depreciation	39	35	20	61	4	47	39	245
Surplus / Deficit	1,997	2,567	1,953	3,607	2,249	2,918	2,207	17,498

Note 24: Bedfordshire, Hertfordshire and Cambridgeshire Strategic Alliance

Beds 2019/20 £'000	Cambs 2019/20 £'000	Herts 2019/20 £'000	Total 2019/20 £'000		Beds 2020/21 £'000	Cambs 2020/21 £'000	Herts 2020/21 £'000	Total 2020/21 £'000
				Joint Protective Services				
2,809	2,471	2,816	8,096	Armed Policing Unit	3,467	3,110	3,686	10,263
731	913	1,221	2,865	Dogs	812	998	1,353	3,163
2,492	3,022	3,691	9,205	Major Crime Unit	2,495	2,980	3,690	9,165
280	362	506	1,148	Operational Planning & Public Order	313	396	565	1,274
245	318	444	1,007	Protective Services Command Team	258	327	466	1,051
95	123	171	389	Resilience	94	119	169	382
2,471	3,591	4,769	10,831	Roads Policing Unit	2,553	3,651	4,912	11,116
2,433	2,986	4,019	9,438	Scientific Services Unit	2,457	2,968	4,049	9,474
11,556	13,786	17,637	42,979	Total Joint Protective Services	12,449	14,549	18,890	45,888
				Operational Support				
277	359	502	1,138	Criminal Justice & Custody Management Team	285	180	514	979
655	850	1,187	2,692	Criminal Justice	586	742	1,057	2,385
108	210	171	489	Firearms & Explosives Licensing	114	221	180	515
0	0	0	0	Local Criminal Justice Board	-201	-251	-333	-785
-356	-454	-593	-1,403	Camera, Tickets, Collisions	3,711	4,696	6,695	15,102
3,603	4,671	6,527	14,801	ICT	288	364	519	1,171
303	393	549	1,245	Public Contact Senior Leader Team	4,783	5,952	8,632	19,367
4,590	6,029	8,343	18,962	Total Operational Support Expenditure	285	180	514	979
				Organisational Support				
455	590	825	1,870	Collaboration Team	415	525	748	1,688
4,056	5,257	7,345	16,658	HR / L&D	3,963	5,015	7,148	16,126
668	866	1,210	2,744	Information Management Department	796	1,007	1,435	3,238
1,104	1,149	1,659	3,912	Professional Standards Unit	1,249	1,279	1,873	4,401
279	362	506	1,147	Procurement	-	-	-	-
6,562	8,224	11,545	26,331	Total Organisational Support Expenditure	6,423	7,826	11,204	25,453
22,708	28,039	37,525	88,272	Total BCH Net Operating Costs	23,655	28,327	38,726	90,708
0	0	0	0	Regional Procurement	270	342	487	1,099
22,708	28,039	37,525	88,272	Total Net Operating Costs	23,925	28,669	39,213	91,807

Note 25: Related Parties

The Financial Reporting Standard on Related Party Disclosures (IAS 24) and the 1998 Code of Practice require that material 'related party' transactions are disclosed in the Statement of Accounts.

Other Public Bodies Subject to Common Control

UK Government exercises some control over the general operations of the Chief Constable for Bedfordshire and it is responsible for the majority of funding from the Police & Crime Commissioner in the form of grants. Details of grants received from government departments are disclosed in the Group Accounts.

Officers

A review to determine related party transactions with the Chief Constable for Bedfordshire involved all senior members of staff.

The Assistant Chief Constable is a Trustee for You Turn Futures, £138k was paid from the Chief Constables budgets to You Turn Futures during 20/21 for offender management, (£78K was paid to You Turn Futures in 2019/20).

The PCC's Chief Finance Officer is also Chief Finance Officer for Bedfordshire Fire & Rescue Service and £56K has been paid to the Fire Service for rental costs of sharing Fire Station premises during 2020/21.

Entities Controlled by or Significantly Influenced by the Chief Constable for Bedfordshire.

The PCC for Bedfordshire empowers the Chief Constable as a separate entity via a scheme of governance and all contracts have been entered into in compliance with the Scheme of Governance. A full explanation of this relationship is set out in the Explanatory foreword.

Bedfordshire Police Partnership Trust has 10 trustees, 1 of which is the Chief Constable and 2 are his employees. For this reason the Trust is deemed to be significantly influenced by the Chief Constable for Bedfordshire through its representation on the board of trustees and through the joint management structure it shares with the Office of the PCC. The Partnership Trust owed the PCC for Bedfordshire Group £123K (£112K 2019/20) towards the total cost of staff provided to run the scheme which was outstanding at 31st March 2021, £67K payments were made to the Trust during 2020/21 (nil 2019/20) although a Trust Administrator position was provided to the Partnership Trust during the year. Payments of £112K (£111K 2019/20) were received from the Trust.

Note 26: Contingent Liabilities

Following the rulings in the McCloud and Sargeant cases in relation to unlawful discrimination, and associated remedial proposals as outlined in Note 28, 83 claims for compensation have been lodged against the Chief Constable of Bedfordshire. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 31 March 2021, 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.

The Supreme Court ruled that a particular regulation requiring a signed nomination form from a member of the Northern Ireland Local Government Pension Scheme, in order to entitle an unmarried partner to survivor benefits in the scheme was unlawful

(the Brewster judgement). The Government will consider what, if any, implications this ruling may have for other public service pension schemes. In preparing the pension scheme liabilities no allowance has been made for any potential cost implications in the scheme that may arise from the judgement as at this stage the outcome is still to be decided.

Note 27: Events After the Balance Sheet Date

The Draft Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2021. Events after the balance sheet date have been considered for inclusion in the accounts up to the authorised for issue date. No non-adjusting events have taken place as no events have occurred before this date which provided information about conditions existing at 31st March 2021.

Note 28: Defined Benefit Pension Schemes

The costs and liabilities associated with the retirement benefits are recorded in the Chief Constable's accounts, the costs are then funded and liabilities guaranteed by the Commissioner via an intra-group adjustment. A negative pension reserve is held on the Commissioner's balance sheet.

As part of the terms and conditions of employment of its officers and other employees, the Chief Constable for Bedfordshire offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Chief Constable for Bedfordshire participates in two pension schemes:

- The Local Government Pension Scheme (LGPS) for police staff, administered by Bedford Borough Council – this is a funded defined benefit final salary scheme, meaning that the PCC for Bedfordshire and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- The Police Pension Scheme for Police Officers – this is an unfunded defined benefit final salary scheme administered by the PCC for Bedfordshire, 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 pensions fund for the year is less than amounts payable, the police authority 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 authority which then must repay the amount to central government.

Quoted securities held as assets in the LGPS defined benefit pension scheme are valued at bid price.

The costs of retirement benefits are recognised in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that the PCC for Bedfordshire is required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out through the Movement in Reserves Statement. The transactions below are included in the Comprehensive Income and Expenditure Statement during the year:

	Local Government Pension Scheme		Police Pension Scheme	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Net Total Cost of Service				
Current Service Costs*	10,701	12,575	28,720	29,560
Past Service Costs/Gains	347	619	0	-4,750
Losses/Gains on Curtailments & Settlements	50	0	0	0
Surplus or Deficit on the Provision of Services				
Interest Costs	5,513	5,815	25,370	29,530
Interest Income on plan assets	-3,322	-3,560	0	0
Other Comprehensive Income & Expenditure				
<u>Re-measurements:</u>				
Actuarial gains and losses arising on changes in demographic assumptions	-2,280	10,102	0	-36,280
Actuarial gains / losses arising on changes in financial assumptions	105,998	-39,372	136,860	-43,030
Other actuarial gains (assets & liabilities)	0	2,822		
Other experience gains and losses	-1,934	4,689	-48,313	-23,650
Return on plan assets (excl amount in net interest expense)*	-21,877	12,648	0	0
Total Charge to the Comprehensive Income and Expenditure Statement	93,196	6,338	-142,637	-48,620
Movement in Reserves Statement				
Reversal of net charges made for retirement benefits in accordance with IAS19*	-13,289	-15,449	-54,090	-54,340
Actual Amounts charged against the General Fund Balance for pensions in the year:				
Employers Contributions payable to the pension fund	7,301	6,663	26,076	25,019
Injury Award Benefits	0	0	1,481	1,471

Assets and Liabilities Recognised in the Balance Sheet

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

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Present value of the defined benefit obligation	351,903	235,367	1,241,980	1,126,900
Fair value of plan assets	-169,507	-138,866	0	0
Net liability arising from the defined benefit obligation	182,396	96,501	1,241,980	1,126,900

Reconciliation of the movements in the fair value of scheme assets

	Local Government Pension Scheme	
	2020/21	2019/20
	£'000	£'000
1st April	138,866	145,496
Expected rate of return / Interest income	3,322	3,560
Re-measurement gains and losses:		
Return on plan assets, excl the amount included in the net interest expense	21,877	-12,648
Other	142	-2,822
Employer contributions	7,301	6,663
Contributions by scheme participants	2,329	2,167
Benefits paid	-4,330	-3,550
31st March	169,507	138,866

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2021 is estimated to be 17.84%. The actual return on Fund assets over the year may be different.

Reconciliation of present value of the scheme liabilities

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
1st April	235,367	242,322	1,126,900	1,202,010
Current service cost*	10,701	12,575	28,720	29,560
Interest cost	5,513	5,815	25,370	29,530
Contributions by scheme participants	2,329	2,167	5,839	5,269
Re-measurement (gains) and losses:				
▪ Actuarial gains / losses arising from changes in demographic assumptions	-2,280	10,102	0	-36,280
▪ Actuarial gains / losses arising from changes in financial assumptions	105,998	-39,372	136,860	-43,030
▪ Other actuarial gains / losses	0	0		
Other experience gains / losses	-2,934	4,689	-48,313	-23,650
Benefits paid	-4,330	-3,550	-33,396	-31,759
Past service cost (including curtailments)	347	619	0	-4,750
Losses / (gains) on settlements	192	0	0	0
31st March	351,903	235,367	1,241,980	1,126,900

*Includes administration expenses of £134K LGPS 2020/21

Reconciliation of the opening and closing surplus / (deficit)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Opening Surplus (deficit)	-96,501	-96,826	-1,126,900	-1,202,010
Current Service Cost	-10,701	-12,575	-28,720	-29,560
Contributions by employer	7,301	6,663	27,557	26,490
Past Service Costs	-347	-619	0	4,750
Interest Cost	-5,513	-5,815	-25,370	-29,530
Expected Return on Assets	3,322	3,560	0	0
Curtailment losses and gains	-50	0	0	0
Re-measurement Gains / (losses)	-79,907	9,111	-88,547	102,960
31st March	-182,396	-96,501	-1,241,980	-1,126,900

Local Government Pension Scheme assets comprised:

Asset breakdown	31 Mar 2021		31 Mar 2020	
	£000s	%	£000s	%
Equities	118,699	70%	93,241	67%
Bonds	30,458	18%	24,064	17%
Property	15,858	9%	15,816	11%
Cash	4,036	2%	5,611	4%
Total	169,051	100%	138,732	100%

The final asset allocation of the Fund assets is likely to be different from that shown due to estimation techniques. Based on the above the employers share of the Fund assets is approximately 6.29%.

Asset breakdown	31 Dec 2020	
	% Quoted	% Unquoted
Index Linked Government Securities		
UK	4.9%	-
Overseas	-	-
Corporate Bonds		
UK	-	-
Overseas	7.4%	-
Equities		
UK	-	0.2%
Overseas	-	15.5%
Property		
All	-	7.5%
Others		
Absolute return portfolio	17.1%	-
Private Equity	-	1.2%
Infrastructure	-	1.9%
Unit trust	-	36.1%
Private Debt	-	0.1%
Unit trust - UK Government Bonds	2.9%	-
Multi-Asset Credit	-	2.8%
Cash/Temporary Investments	-	2.4%
Net Current Assets		
Debtors	-	-
Creditors	-	-
Total	32.3%	67.7%

In relation to the LGPS the suitability of various types of investments has been considered as has the need to diversify investments to reduce the risk of being invested in too narrow a range. While bond yields continue to fall a larger proportion of assets have been invested in property or government securities, however a large proportion of assets relate to equities which have remained at a consistent level.

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Borough Council Fund liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries. The Police Pension scheme liabilities have been assessed using the Government Actuary Department's IAS19 spread sheet (GFS) which has been designed to satisfy the disclosure requirements contained within the CIPFA Code of Practice.

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. Past service costs were included in the 2018/19 and 2019/20 accounts and the 2020/21 service cost allows for the higher expected cost of accrual under McCloud.

As a result of the McCloud case the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. When the remedy was finalised in July 2020 the Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the 'member cost' category of the cost control element of the valuations process. It is also noted that by taking into account the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

Once further clarification is obtained from HM Treasury GAD will be able to complete the 2016 valuation calculation and can confirm whether there is a breach of the cost control element of the 2016 valuation for each of the public service pension schemes, GAD expects that these results will be available by Summer 2021. If a breach is confirmed, scheme benefits may be amended to rectify the breach, which would impact on the benefits to be valued for the 2020/21 accounts. If there is no breach, there would be no change to scheme benefits.

The significant assumptions used by the actuaries are:

	Local Government Pension Scheme		Police Pension Scheme	
	2020/21	2019/20	2020/21	2019/20
	%	%	%	%
Long-term expected rate of return on assets in the scheme:				
Mortality Assumptions:				
Longevity at 65 for current pensioners				
- Men	21.9	22.2	22.0	21.9
- Women	24.3	24.3	23.7	23.6
Longevity at 65 for future pensioners				
- Men	22.8	23.4	23.7	23.6
- Women	26.0	26.1	25.3	25.2
Rate of inflation - CPI	2.85	1.65	2.40	2.00
Rate of increase in salaries	3.85	2.65	4.15	4.00
Rate of CARE revaluation			3.65	3.25
Rate of increase in pensions	2.85	1.65	2.40	2.00
Rate for discounting scheme Liabilities	2.05	2.35	2.00	2.25
Take-up of option to convert annual pension into retirement lump sum (pre April 08 service)	50	50	-	-
Take-up of option to convert annual pension into retirement lump sum (post April 08 service)	75	75	-	-

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes in assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant, in reality changes in some assumptions may be interrelated.

For the Police Pension Scheme there is no change to demographic assumptions as the Continuous Mortality Investigations' Model (CMI 2018) which was released in October 2019 is used both for the March 2021 valuation and the March 2020 valuation.

In the Police Pension Scheme actuaries view the effects of pandemics on mortality rates are usually expected to be short term, with rates going back to what they would have been before the pandemic after a year or two, unless the pandemic remains over several years. Their view is that it is too early to determine whether Covid-19 changes the long-term view of life expectancy in the UK. It is therefore not unreasonable to retain the existing mortality assumptions. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain over the next year's accounts.

The LGPS actuaries have decided to use the CMI 2020 Model released in March 2021. In the LGPS actuaries view the overall outlook for best-estimate future mortality improvements looks less positive as a result of the pandemic. Therefore they have updated to use the CMI_2020 Model with a 2020 weight parameter of 25%. At the last accounting date, the CMI_2018 Model was adopted. The effect on the Employer's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions.

As can be seen from the sensitivity analysis a small change to the assumptions can have a big impact on the liability.

Sensitivity analysis	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	342,857	351,447	360,260
Projected service cost	17,589	18,264	18,963
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	352,317	351,447	350,585
Projected service cost	18,274	18,264	18,254
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	359,311	351,447	343,777
Projected service cost	18,956	18,264	17,595
Adjustment to life expectancy assumptions	+ 1 Year	None	- 1 Year
Present value of total obligation	366,272	351,447	337,240
Projected service cost	19,051	18,264	17,507

	Police Pension Scheme	
	Approx. Increase to Employer Liability	
	%	£'000
Change in assumptions at 31 March 2021		
0.5% decrease in Real Discount Rate	10.0%	123,000
1 year increase in member life expectancy	3.5%	43,000
0.5% increase in the Salary Increase Rate	1.0%	14,000
0.5% increase in the Pension Increase Rate	9.5%	117,000

The discount rate is based on high quality corporate bond yields of which there are very few in the market with a sufficiently long duration so an additional margin is added by the actuaries.

Impact on Cash Flows

The liabilities show the underlying commitments that the Chief Constable for Bedfordshire has in the long-term to pay retirement benefits. The liability of £1,424M has a substantial impact on the net worth of the PCC for Bedfordshire Group as recorded in the balance sheet, resulting in a negative overall balance of £1,387M. However, statutory arrangements for funding the deficit mean that the financial position of the PCC for Bedfordshire Group remains healthy:

- The deficit of the LGPS will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
- Finance is only required to be raised to cover police pensions when the pensions are actually paid.

Police Pension Fund Accounting Statement

The accounting policies for the Police Pension fund are disclosed in the main accounting policies and the Chief Constable's long term pension obligations are shown separately on the balance sheet.

The Police Pension fund financing arrangements require separate accounting statements for the police pension fund. These arrangements require the Chief Constable for Bedfordshire to credit the police pensions fund with officer and employer contributions, incoming transfers and other contributions specified by the regulations. Payments made from the account include pension payments, lump sums and transfers out to other schemes. There are no investment assets held and the fund is balanced to nil each year by receipt of a top-up grant from the Home Office to cover any deficit, or paying over any surplus to the Home Office.

Employees and employers contributions levels are based on percentages of pensionable pay set nationally by the Home Office and subject to revaluation by the Government Actuary's Department every 4 years.

There are three separate pension schemes, for which membership is based on length of service and age. Benefits and contributions rates vary for each scheme according to members personal circumstances and pay rates. The retirement age and benefits are different for each scheme. An Accounting Statement for all three schemes combined is shown below:

2019/20			2020/21	
£'000	£'000		£'000	£'000
		Contributions receivable		
		- From Employer		
-12,111		Normal	-13,304	
-156		Early Retirements for Ill-Health	0	
-5,184		- From members of the Pension Scheme	-5,722	
	-17,451			-19,026
		Transfers in		
	-70	- Individual Transfers in from Other Schemes		-263
		Benefits Payable		
24,742		- Pensions	25,609	
5,435		- Commutations and Lump Sums (Including amounts payable following Milne vs. GAD legal case)	6,186	
	30,177			31,795
		Payments to and on Account of Leavers		
	12	- Individual Transfers out to Other Schemes		145
	112	-Pension Refunds		121
	12,780	Sub-Total: Net amount receivable for the year before top-up grant		12,772
	-12,780	Top-Up Grant Receivable from Police Fund		-12,772
	0	(Surplus) / Deficit for the year		0

External Advisors

The specialist nature and complexity of certain financial activities make it prudent for the Chief Constable to enhance the available internal expertise by using the services of external advisers.

External advisers have been appointed to provide additional advice and guidance in the following areas:

(i) **Financial Administration**

Financial services provided to the PCC for Bedfordshire during 2018/19 include the following:

- Internal Audit – RSM Risk Assurance Services LLP
- Pensions – XPS
- Treasury Management Advice – Link Asset Services

(ii) **Banking**

Banking services and advice are provided by National Westminster Bank plc.

Glossary of Terms

AGENCY SERVICES – The provision of services by one body (the agent) on behalf of another that is legally responsible for providing the service.

BUDGET – A statement of the PCC for Bedfordshire's forecast of net revenue and capital expenditure over a specified period of time.

CIPFA – The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional body responsible for accountants working in the public service. The Institute provides financial and statistical information on local government and public finance matters. CIPFA is a privately funded body with charitable status.

FINANCIAL REGULATIONS – A written code of procedures intended to provide a framework for proper financial management.

FINANCIAL YEAR – The period covered by a set of financial accounts - the Police Authority financial year commences 1 April and finishes 31 March the following year.

FINANCIAL REPORTING STANDARDS (FRS) – These standards are developed by the Accounting Standards Board and regulate the preparation and presentation of financial statements. Any material departures from these standards should be disclosed in notes to the accounts.

GOVERNMENT GRANTS – Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an Authority in return for past or future compliance with certain conditions.

GROSS EXPENDITURE – This is the total cost of providing services before taking into account income.

INCOME – Amounts due to an organisation that has been or is expected to be received.

POLICE FUND – The main account of a Police and Crime Commissioner is known as the Police Fund. Income from government grants and the Precept is paid into the fund and day-to-day spending on services is paid for from the fund. The year end balances on the fund are the general reserves (or balances) maintained as a matter of prudence.

RESERVES – The Chief Constable holds only Unusable Reserves which absorb the timing differences of the accounting entries required by the CIPFA Code, these are not cash backed reserves.

REVENUE EXPENDITURE – The day-to-day running costs incurred by a local policing body in providing services.

**INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR
BEDFORDSHIRE POLICE**

To be inserted after audit