



The Chief Constable of Cumbria Constabulary
STATEMENT OF ACCOUNTS
2022/23



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The Chief Constable of Cumbria
Constabulary

Statement of Accounts 2022/23

About this Publication

This publication contains the single entity financial statements for the Chief Constable of Cumbria Constabulary. All funding for the Constabulary comes from the Police and Crime Commissioner for Cumbria (the Commissioner). For an overall (group) financial position please see the Commissioner's Statement of Accounts which incorporates those of the Chief Constable.



The Statement of Accounts for 2022/23 is available on the Constabulary's website at www.cumbria.police.uk

The corresponding accounts for the Police and Crime Commissioner can be found on the Commissioner's website at: www.cumbria-pcc.gov.uk.



The Statement of Accounts is also available in printed format from the office of the Police and Crime Commissioner for a nominal fee of £10 per copy.

Alternative Formats



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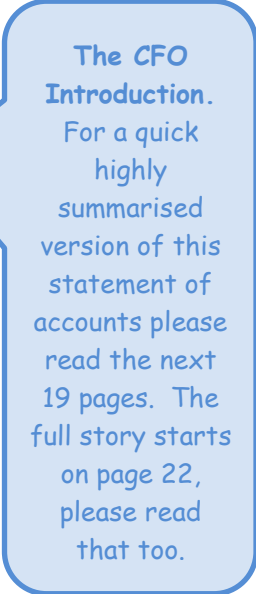
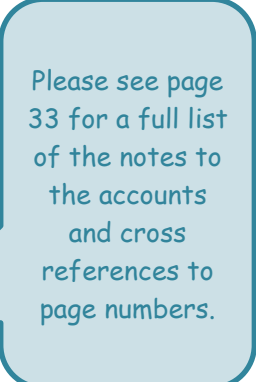
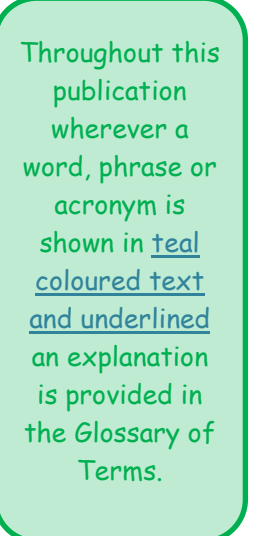
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The Chief Constable of Cumbria Constabulary

Statement of Accounts 2022/23

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Introduction

I am pleased to introduce the financial Statement of Accounts for the 2022/23 financial year. This financial statement sets out the single entity statements of the Chief Constable of Cumbria Constabulary. The Police and Crime Commissioner for Cumbria (the Commissioner) has also produced group accounts, which consolidate the single entity statements of the Chief Constable and the Commissioner. The accounts are published in accordance with the Accounts and Audit Regulations 2015.

The statement provides a breakdown of net spending during the year and shows the overall financial position of the Chief Constable as at 31 March 2023. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Chief Constable's website: www.cumbria.police.uk

The narrative report provides a simplified summary of the financial statements with expanded information on the objectives, activities, performance and future financial prospects of the Constabulary. This aims to give the reader greater understanding of the context in which the financial statements are set. The narrative report is also available as a stand-alone document on the same website. The Commissioner's consolidated financial statements showing the group position can be accessed from the Commissioner's website: <https://cumbria-pcc.gov.uk/>

Statutory Framework

The Chief Constable was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRsRA 2011). The PRsRA 2011 provides that there will be a Police and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

The PRsRA 2011 established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the King's peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure for the police force.

The PRsRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office, under the legislation, issues a Financial Management Code of Practice for the Police Forces of England and Wales.

Constabulary Chief Finance Officer Narrative Report

The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. All funding for the Chief Constable must come from the Commissioner. This, in addition to the powers of the Commissioner to set the strategic direction for policing and appoint and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group consolidated accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of group accounts.

Organisational Structure

The Chief Constable is supported by a Deputy Chief Constable, an Assistant Chief Constable and an Assistant Chief Officer who are responsible for a portfolio of functions within the organisation.

During 2022/23 a forcewide restructure was undertaken with the aim of more clearly establishing accountability for policing outcomes and to facilitate improved engagement and collaboration with partner public sector authorities following Local Government Reform in Cumbria. As a result of the restructure, the Constabulary has been split into five commands, each headed by a Chief Superintendent, reporting to the

Assistant Chief Constable.

The **Standards, Insight and Command** performs a number of strategic functions including responsibility for management information, performance management, business change and benefits management.

The **Operations Command** is responsible for Command and Control, Civil Contingencies and Event Planning, and specialist functions such as Armed Policing, Public Order and Roads Policing.

The **Crime and Intel Command** is responsible for investigating crime and includes specialist units for gathering intelligence, major crime investigation, countering serious and organised crime, public protection, digital investigation, forensics, serious collision investigation, scientific support and the criminal justice unit. Specialist functions, provide support to Operations Command and BCUs.

There are two basic command units (BCUs), one for **Cumberland** and the other for **Westmorland & Furness**. These align to the new unitary authority boundaries created under Local Government Reform in Cumbria. The BCUs are responsible for local policing, response and crime investigation.

There are also two support directorates both of which report to the Assistant Chief Officer.

The Corporate Support Directorate includes finance, people, estates, fleet, learning & development, commercial and central services. In overall terms, the

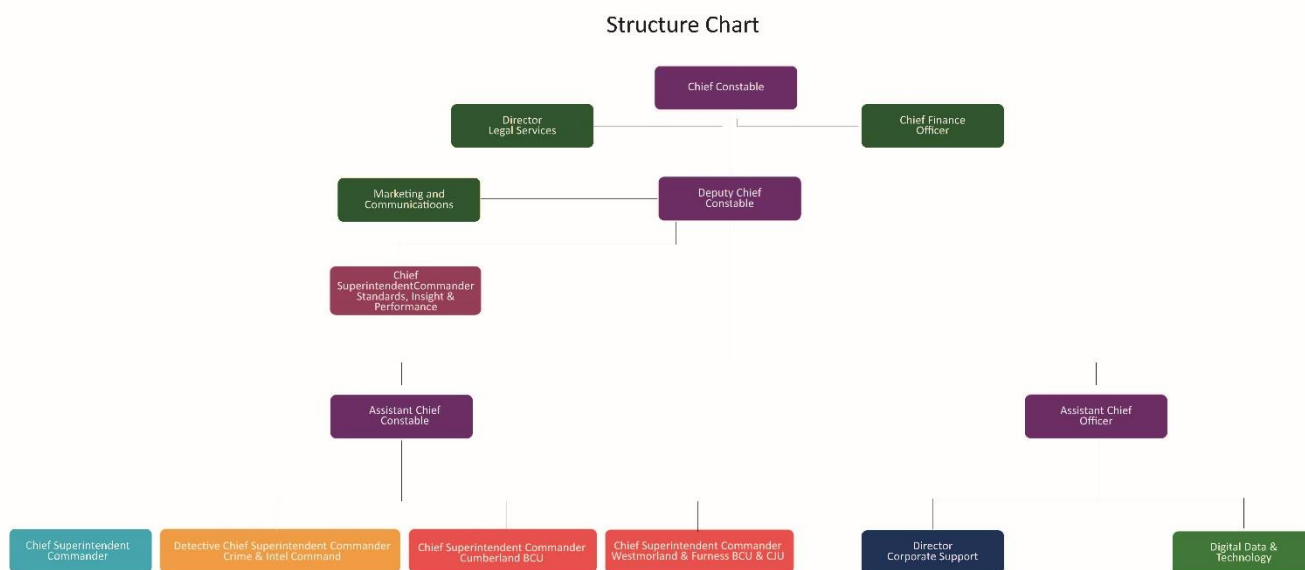
Constabulary Chief Finance Officer Narrative Report

Corporate Support directorate aims to provide cohesive and integrated support for operational policing.

The Digital, Data and Technology Directorate is responsible for all aspects ICT development and data management.

Legal Services is a small specialist function, which operates independently from the main directorate structure and provides services to the Chief Constable and Commissioner.

A diagram showing the Constabulary’s organisational structure is shown below:



Strategic Objectives

For 2022/23, the Chief Constable determined the strategic direction for the Constabulary, which is ‘To Deliver an Outstanding Police Service to Keep Cumbria Safe’. Following consultation with a range of stakeholders, demand and resource analysis, performance results, recommendations from independent inspections and audits, and a review of the organisation’s strategic risks, the Chief Constable developed the core operational objectives of Tackling Criminality, Helping Those in Need and Connecting with Communities, which will be achieved through :

- Early intervention and prevention.
- Quality investigations
- Innovative use of Intelligence and technology.

- Working together.
- Providing quality care to victims of crime.
- Visible local policing at the heart of what we do.
- Respond to our communities.
- Maximise engagement.

The Commissioner approved these key objectives and incorporated them into the Police & Crime Plan to complement its aims.

The priorities also support delivery of the Chief Constable’s ‘Plan on a Page’ and the Constabulary’s Vision 25 Strategy which seeks to provide a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 20s.

Cumbria Vision 25 has five key themes, which the 'Plan on a Page' is based on:

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

Each work-stream has a delivery plan and governance processes are aligned to the themes.

Chief Constable's Report

In terms of crime and disorder, Cumbria remains one of the safest places to live, work and visit in England and Wales. Cumbria has some of the lowest reported levels of crime and anti-social behaviour incidents in the country, and is delivering some of the highest outcome rates nationally for all crime investigations. The people of Cumbria remain supportive of the service we provide.

During 2022/23 things started to return to normal following the Covid-19 pandemic. The investment in mobile and digital technology that served the Constabulary so well during the pandemic remains in place and now facilitates an agile approach to working, with some staff continuing to work remotely for around 40% of the working week. The balanced approach to home/office working provides environmental benefits in terms of reduced commuting and also well-being benefits for staff.

In relation to levels of crime, most types of recorded crime rose in 2022/23. It would be fair to say that generally crime levels have returned to their pre-pandemic levels. Crime continues to become more

complex as society and technology evolve with the result that the challenges faced by our front line officers in protecting the public are greater than ever. We constantly review our demand to inform our resourcing options, making sure that we address changing criminality.

The other major challenge faced by the Constabulary during 2022/23 was to maintain impetus on the local implementation of the Government's Operation Uplift Programme, to recruit an additional 20,000 officers nationally by 2023. Cumbria's target to recruit an additional 69 officers by the end of 2022/23 in the third and final phase of Uplift was achieved (an increase of 169 police officers over 3 years). For 2023/24 the Constabulary has been asked to maintain the post operation uplift number of police officers (1,334 FTE) and has been asked to recruit a further 17 police officers. Ringfenced Home Office grant is to be provided which is conditional on achieving the numbers on two checkpoint dates of 30/09/23 and 31/03/24.

The Constabulary remains at the forefront in the use of digital technology in the fight against crime and is recognised nationally as being at the leading edge in rolling out mobile technology. Work has continued on developing the digital infrastructure and issuing further mobile devices to enable officers and staff to work flexibly. A programme of work to replace of the main policing Records Management System in collaboration with a private sector partner Mark 43 is now underway.

The Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy) by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).

Constabulary Chief Finance Officer Narrative Report

Following a suspension in inspection activity during 2020/21 due to the pandemic the Constabulary was last inspected in the autumn of 2021. HMICFRS congratulated the Constabulary on its overall good performance, although it needed to improve in some areas. Performance for Cumbria Constabulary was graded across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas. We have taken cognisance of the areas identified by the inspectorate where services could be improved and pro-actively put in place plans to address them. The Constabulary is currently being inspected again and the results of that inspection will be published early next year.

The Cumbria 2025 Plan remains pivotal to the delivery of a policing service to meet the future needs of the county. It seeks to bring together business and change planning into a single cohesive plan, which is aligned to the national policing vision. During 2022/23, in addition to the continued development of operational ICT systems highlighted, we have:

- Developed new training pathways for Detectives and recruits holding policing degrees.
- Implemented an action plan in relation to Violence Against Women and Girls.
- Continued to develop ways in which the public can engage with the Constabulary through the call management room such as call back and webchat.
- Gone live with a new Constabulary website as part of the Single Online Home programme.
- Delivered over 500 additional laptop to frontline police officers.

The plan will continue to be developed during 2023/24 under the leadership of the Chief Officer team.

Whilst the favourable grant funding for Operation Uplift and flexibility afforded to Commissioners to increase the precept in 2022/23 is appreciated and has allowed officer numbers to increase, this takes place in the context of uncertainty regarding the longer term financial outlook. The continued high levels of inflation has undoubtedly put pressure on the budget in 2022/23 and the effects are likely to continue to be felt during 2023/24. This when combined with constraints on national funding as the Government deals with the financial consequences of the pandemic will compound existing financial risks regarding the sustainability of funding, as will the financial burden of national policing initiatives, pensions costs and potential changes to the police funding formula. In the meantime, the Constabulary will continue to operate as efficiently as possible and deliver savings to balance the budget.

It is with mixed emotions that I have recently announced that after a long and wonderful career with Cumbria Constabulary I will be retiring as Chief Constable in July 2023. I have enjoyed every moment of my career in policing and am lucky to have worked at every rank across the force. It has been a great honour for me to serve the communities of Cumbria, in the role of Chief Constable.

It hasn't been an easy decision to retire, however after 33 years I feel now is a good time. The force is in a good position with a strong leadership team who are able to take on the challenges that lie ahead.

In summary, despite the challenges, the Constabulary Chief Officers will continue to work with the Commissioner and partners across the county to deliver on our core mission of Delivering an Outstanding Policing Service to Keep Cumbria Safe.

2022/22 Grant Settlement and Budget

Under the provisions of the Police and Social Responsibility Act 2011, the Commissioner receives external funding, principally in the form of central government grants and council tax. The Commissioner is responsible for setting the budget and maintaining the force through the provision of funding to the Chief Constable. Details of the 2022/23 grant settlement, the Commissioner's overall budget and the level of Council Tax levied are provided in the Commissioner's combined financial statements.

In summary, the Government provided significant additional grant funding in 2022/23, which was directed towards the achievement of the third and final phase of Operation Uplift; the Government's programme to recruit 20,000 officers nationally by 2022/23. The principal challenge presented from the grant settlement was the lack provision to meet the rising cost of providing existing services. To this end, Police and Crime Commissioners were afforded flexibility to increase council tax above inflation to make up the shortfall. Following public consultation, the Commissioner increased the precept by £9.99 for a band D property, which is equivalent to 3.67%. This enabled services to be maintained, offsetting the effect of pay and price increases and other unavoidable

commitments, whilst the additional grant has allowed the Constabulary to proceed with rapid recruitment of the Uplift target of an additional 69 officers for 2022/23 (a total increase of 169 police officers over 3 years).

Business Activity

In addition to the day to day work of Protecting the People of Cumbria, the Constabulary, through its change Programme and business strategies, has sought to identify savings and innovative ways to increase the productivity of its officers and staff. During 2022/23 we have made the following changes to enhance services:

- Introduced a new operating model that went live in September 2022.
- Introduced a shift pattern for the Constabulary's response teams.
- Designed a new Neighbourhood Policing model that has started to be introduced.
- Reviewed all partnership arrangements and introduced new systems to improve outcomes for our communities, like the new Community Safety Partnerships.
- Undertook extensive analysis of current and future demand to support the production of a Force Management Statement for submission to HMICFRS as a means of shaping future service delivery.
- Updated the Constabulary's intranet site and implementing Single On-line Home.

Constabulary Chief Finance Officer Narrative Report

Performance

Summary Budget and Outturn

The Chief Constable's budget amounting to £139m is based upon the funding agreement with the Commissioner.

The table below shows the summary budget for 2022/23 as set on 16 February 2022, the revised budget (taking into account budget changes made during the year) and the outturn position.

Summary Budget & Outturn	Base Budget 2022/23 £000s	Revised Budget 2022/23 £000s	Outturn 2022/23 £000s	(Under)/Overspend 2022/23 £000s
Police Officers	96,636	96,053	96,438	385
PCSOs	1,917	1,917	1,914	(3)
Police Staff	26,653	26,769	26,539	(230)
Other Employee	3,129	3,162	2,985	(177)
Transport	2,389	2,388	2,665	277
Supplies & Services	10,372	10,867	10,637	(230)
Third Party Related	3,147	3,146	3,283	137
Total Expenditure	144,243	144,302	144,461	159
Income	(5,134)	(6,563)	(7,532)	(969)
Total Constabulary	139,109	137,739	136,929	(810)

The presentation above is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table above will not reconcile directly to the summary Comprehensive Income and Expenditure Statement.

The budget is predominantly made up of funding for employee costs, amounting in total to £128.34m, which is broken down into Police Officers £96.64m, PCSOs £1.92m, Police Staff £26.65m and other employee costs of £3.13m. The remainder of the

budget relates to non-staff costs including, transport costs of £2.39m and supplies/other costs of £13.52m. Income of (£5.14m), which is generated through policing activities, is also shown within the Chief Constable's budget.

In-Year Financial Performance

Revenue Expenditure: The Chief Constable's final expenditure position for 2022/23, compared to the revised budget is an underspend of (£0.810m), which represents 0.59% of the budget.

Police Officer pay was overspent by £0.4m through a combination of changes to the workforce plan, decisions to increase some higher rank posts in the context of the overall increase in officer numbers through Operation Uplift and continued pressure on overtime. This is more than offset by savings on police staff, (as a result of a higher than expected level of vacancies) non-staff budgets and additional income.

Capital Expenditure: Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all non-current assets are under the control of the Commissioner. Details of capital expenditure and funding in relation to the acquisition and enhancement of assets, which amounted to £4.092m in 2022/23 are shown in the financial statements of the Commissioner. This figure was significantly less than capital budget of £8.167m. Expenditure on ICT amounted to £3.001m, which included upgrading the digital infrastructure, radio replacements, a digitised firearms licensing system, and upgrade of the county wide CCTV system. In relation to the Estate £0.246m, the majority related to alterations to the learning and

development training facility. A further £0.776m was expended on the cyclical replacement of the vehicle fleet. Whilst supply issues following Covid disruption have improved compared to 2021/22, some delivery delays for vehicles and ICT equipment are still being experienced and have contributed to the slippage in the Programme.

Organisational Performance

The Constabulary operates a comprehensive framework of performance measures to ensure it is meeting its objectives and support the Commissioner in delivering the Police and Crime Plan. The following section provides a summary of performance in relation to crime, incidents and other outcomes for 2022/23.

- Overall crime increased by 5% (1,728 crimes) compared to the previous financial year. This increase was largely attributable to the reduction in crime recorded during Covid restriction periods in 2021/22 and reflects a return to normality.
- ‘Violence against the person’, experienced an increase of 1% which equates to 95 crimes. This is at least partially reflective of the fact that there was a limited night-time economy for much of the previous year owing to the pandemic. However, within this broad category, certain crime types such as homicides reduced where other crime types death and serious injury from unlawful driving and violence with injury increased, but based on very low numbers.
- Acquisitive crimes such as robbery, theft and burglary all saw an increase in 2022/23. The combined increase was 14% (862 crimes).
- We encourage the reporting of rape and sex offences; which increased by 1% (11 offences) compared to the previous year.
- Drug offences experienced an increase of 19% which equates to 182 crimes. This is an indication of increased levels of pro-activity, targeting those who cause significant harm in our communities whilst addressing the threat of County Lines and Serious Organised Crime.
- Reported antisocial behaviour (ASB) has reduced by 28% (1,884 incidents). Some of this reduction is explained by reduced reporting of Covid breaches (which were recorded as ASB), whilst improvements made in the Force’s crime recording standards is also a contributory factor.
- Work has also targeted increased reporting for domestic violence. During 2022/23 domestic abuse safeguarding crimes increased by 0.9% which equates to 56 crimes.
- Cumbria generally has a low level of hate crime compared to other forces both nationally and in the North West, however, the latest figures for crimes with a hate indicator show an annual increase of 15 crimes, which represents an increase of 1.7%.
- The Constabulary is consistently achieving some of the highest levels of call handling performance nationally, further improving our services to our communities.
- The Force is also consistently achieving the highest outcome rates nationally for offences relating to Violence Against Women and Girls (VAWG).
- The latest figures for public confidence in the local police service remained high at 76.1% for the whole experience (a slight reduction from 79.4% in 2021/22).

Constabulary Chief Finance Officer Narrative Report

The table below summarises the Constabulary's performance indicators.

	Number of Crimes 2022/23	% Change from previous year
All Crime	38,849	5%
Violence against the person	16,923	1%
Homicide	1	-67%
Death or Serious Injury - Unlawful Driving	27	800%
Stalking and Harassment	5,813	-1%
Violence with injury	4,944	4%
Assault - cause serious harm	235	4%
Assault with injury	4,506	3%
Other violence with Injury	203	24%
Violence without injury	6,138	-1%
Assault without injury	5,261	0%
Assault without injury on a Constable	368	-9%
Other violence without injury	509	-9%
Rape and sexual offences	1,720	1%
Robbery	155	3%
Theft offences	5,354	16%
Burglary	1,582	9%
Vehicle offences	978	29%
Criminal damage and arson offences	4,997	-1%
Drugs offences	1,154	19%
Public order offences	4,705	1%
Miscellaneous Crimes Against Society	819	20%
Possession of weapons offences	462	80%

The Constabulary was inspected by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in autumn 2021.

The Constabulary was congratulated on its overall good performance, whilst having some areas for improvement identified. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Cumbria Constabulary's performance across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas.

In continually improving the constabulary and the service provided to members of the public, informed by the observations of the HMICFRS, the Constabulary has made significant progress over the previous inspection period, most notably in relation to the

establishment of force wide Neighbourhood policing structures; improvements in emergency and non-emergency call handling performance; and the development and introduction of a strategic governance framework and performance structure.

The establishment of a Standards, Insight and Performance command within the constabulary is testament to the dedication of the organisation to improve upon previously good levels of performance and deliver an outstanding service. This command are responsible for the facilitation of inspections by the HMICFRS and inspectorate partners; to audit, scrutinise, quality assure and develop our internal processes and performance; and to coordinate any recommendations or areas for improvement identified by the HMICFRS via the national Inspectorate Monitoring Portal. They are responsible for informing the majority of meetings within the newly established strategic governance framework to ensure appropriate oversight and accountability from the most senior leaders within the Constabulary.

The Constabulary recently entered the formal evidence gathering phase of the 2023/24 HMICFRS Police Efficiency Effectiveness and Legitimacy (PEEL) inspection, which will continue throughout 2023 into 2024.

People

The Constabulary recognises that its workforce is its most important asset and that maintaining healthy, engaged and motivated officers and staff is critical to the delivery of effective services.

Constabulary Chief Finance Officer Narrative Report

The Constabulary re-launched its People Strategy in 2021/22, which brings together the key themes of:

- health, safety and well-being
- workforce planning, recruitment and talent management
- employee relations
- reward and recognition
- managing workforce change
- learning and development

During 2022/23 there has again been particular focus on recruitment of officers to fulfill the Government's Uplift programme. In addition specific work has included:

- improvements in workforce data,
- a review of workforce policies,
- development of a retention strategy with improved metrics to measure attrition.
- achievement of Disability Confident Leaders status,
- Review of police staff terms and conditions

Occupational Health has continued to play a significant role in maintaining the health and wellbeing of officers and staff. The team have met the quality standards set by the College of Policing by completing the Occupational Health Foundation Standards and have been assessed as 'fully developed'. Specific work in the year has included:

- A continued commitment to the national Oscar Kilo programme to promote well-being in the workplace. A tactical wellbeing group has been established to monitor progress on the framework.

- Increased work to establish and evaluate the support to neurodiverse officers and staff.
- Work to identify the appropriate psychological support for response officers.
- Achievement of the Gold Better Health at Work award.

At the 31st March 2023 the Constabulary employed:

- 1,379 Police Officers
- 52 PCSOs
- 634 Police staff
(all expressed in full time equivalents)

As part of the Commissioner's council tax pledge in 2022/23 the police officer establishment was increased by 69 FTE, from 1,265 to 1,334, which represented the Constabulary's share of the third and final phase of the national Operation Uplift programme. The achievement of the Uplift target was made a high priority by the Constabulary, with the result that the increased officer numbers were achieved in advance of the deadline. Over 2022/23 the numbers of police staff and PCSOs operated below establishment, partly because of the priority given to training officers to meet the Government's recruitment target.

The table below provides a breakdown of the Constabulary workforce (expressed in full time equivalents (FTE)) by gender.

Actual Employees as at 31 March 2023	CC		Total FTE
	Male FTE	Female FTE	
Directors/Chief Officers	8.5	3.0	11.5
Senior Managers	10.0	5.0	15.0
All Other Employees	1,027.4	1,010.5	2,037.9
Total CC Employees	1,045.9	1,018.5	2,064.4

Constabulary Chief Finance Officer Narrative Report

The 2022/23 average percentage of working time lost due to sickness decreased for both officers and staff compared with the previous year. The police officer rate decreased from 4.7% to 4.2%, whilst police staff decreased from 4.6% to 4.5%. An attendance action plan is in place with a wide range of actions to pro-actively manage sickness.

The Constabulary is committed to promoting a workforce which reflects our communities and a culture that respects and celebrates all aspects of diversity. Achieving this aim will also lead to a working environment that is free from discrimination, harassment, bullying and victimisation. The Constabulary's diversity strategy covers the period 2020 to 2025 has three objectives:

- 1) Develop a more diverse and inclusive work force, utilising positive action to reflect the communities of Cumbria Constabulary
- 2) Increase awareness of emerging crime types and effectively work with the public sector to understand vulnerabilities and work together to deliver confidence building projects
- 3) Enhance service delivery and accessibility to protected groups and communities where there is perception of inequality by involving them in our work

The Constabulary recognises the importance of developing the skills and knowledge of its workforce. The Constabulary's has an annual training plan, which aims to ensure that officers, PCSOs and staff are equipped with the requisite skills to perform their role, including mandatory accreditation for specialist responsibilities. During 2022/23 particular training resource was directed to:

- Training for new officer recruits through the Police Educational and Qualification Framework for new officers (developing apprenticeship and degree entry training courses in conjunction with the University of Central Lancashire) including innovative Professional Policing Degree and direct entry Detective programmes.
- Re-introduction of non-degree cohorts as a fourth entry route alongside other PEQF routes. This approach will be maintained for 2023/24.
- Leadership and skills courses for sergeants, inspectors and police staff.
- Specialist crime including an in house developed Investigative Manager course for detective supervisors and forensic interview training.
- Enhanced personal safety and Taser training.

Sustainability

Sustainability is at the heart of the Constabulary's approach to change and business improvement, with the focus on streamlining processes and emphasising quality by putting in systems to get things right first time. In addition, the Constabulary's Demand Strategy delivers sustainability by looking at how demand can be managed down through preventative and collaborative working with other public agencies.

In relation to environmental sustainability and countering climate change, the constabulary has appointed the Energy Saving Trust to assist with measuring our carbon footprint and developing a sustainability strategy with a detailed action plan. Work on phase 1, the measuring and collection of data was completed in 2022, work on development of the strategy is currently underway.

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Within the Commissioner's estate sustainability is promoted both in day to day management of the assets and in new capital developments. The capital programme promotes sustainability within design and strives to better the requirements of the current building regulations by 10%. Specific holistic design targets are set, encouraging use of natural ventilation and sustainable renewable technology where possible. Previous projects have set specific BREEAM energy efficiency targets of a minimum of very good.

Procurement of sustainable goods and services is encouraged with targets set for local labour and supply of materials. Larger specifications of work include a percentage of 'green' and where possible recycled products. Tender evaluation considers whole life costing, including running costs for the life of the building and a sustainability / environmental assessment. These measures are consistent with the social value policy.

The estate is served by a force wide building management system which is used for:

- Regular monitoring and control of consumption.
- Controlling mechanical building services.
- Monitoring faults for timely repair.

Both new and refurbishment work include specific specifications for low energy technology. A move to LED lighting installations and low emission air conditioning across the estate is the standard.

As a result of the measures put in place during the covid pandemic, a more agile approach to home working has developed with many police staff working partly from home and partly from the office. This agile approach delivers sustainability benefits reduced travel between sites, improve space efficiency, reduces

estate footprint and drives down the energy and environmental footprint at a number of sites. The measures also improve wellbeing.

For many years the Constabulary has operated a recycling policy.

In line with the national fleet strategy, the Constabulary still operates a mostly diesel fleet, with the strategy being continually reviewed as technology advances. There are now a number of petrol vehicles in the fleet, reflecting the technological improvements in these engines. In addition, there is now a small electric fleet, a mix of both unmarked and marked operational vehicles.

In 2019 a web of electric chargers was fitted throughout the estate to provide infrastructure support to these and future electric vehicles.

The fleet includes vehicles of many different types, which are required to perform a number of roles. Each role has specific targets for emissions and the purchasing criteria for new vehicles dictates that they must be within these limits.

Where appropriate arrangements exist vehicles are purchased on a national framework, which includes sustainability and environmental criteria. The maintenance of vehicles is carried out at garages located strategically throughout the county, reducing downtime and transportation. Parts are bought locally and make use of the wider local supply chain where possible.

In a geographically large county, staff are encouraged to make use of virtual meetings as an alternative to physical meetings and the transport time and costs,

Constabulary Chief Finance Officer Narrative Report

which that entails. Where journeys are essential, public transport via travel plans, car sharing and cycle to work schemes are promoted.

The Financial Statements

This section of the financial summary provides an explanation of the various parts of the financial statements. The aim of the financial statements are to demonstrate to the reader the overall financial position of the Chief Constable at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure.

The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)
- The Police Officer Pension Fund Accounts

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Chief Constable prepares this statement in accordance with the expenditure analysis as prescribed by Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIES is shown on page 29 of the full statement of accounts.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2022/23 £000s	Gross Income 2022/23 £000s	Net Expenditure 2022/23 £000s
Cost of Police Services	133,715	(671)	133,044
Funding Provided by PCC to CC	0	(135,452)	(135,452)
Cost of Services	133,715	(136,123)	(2,408)
Financing Costs and Investment Income	45,511	(5,305)	40,206
(Surplus)/Deficit on the Provision of Services	179,226	(141,428)	37,798
Other Comprehensive Income and Expenditure			(491,230)
Total Comprehensive Income and Expenditure			(453,432)

The statement shows that the gross cost of providing policing services amounted to £133.044m in 2022/23. This figure included the costs of neighbourhood policing, incident response, crime investigation, roads policing, communication with the public, criminal justice arrangements and a range of support services.

In addition, the CIES also records a number of technical adjustments including 'financing costs & investment income' £40.206m and 'other comprehensive income & expenditure' net income of (£491.230m).

These adjustments principally relate to changes to future pensions obligations over the year based on proper accounting practices. The overall effect of the cost of providing services and the pensions adjustment is to produce an accounting surplus of (£453.532m) for the year, which largely impacts on unusable pensions reserves. The analysis on page 9 of this summary, based on the management accounts, shows an underspend of (£0.810m).

An Income and Expenditure analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in the note 6 to the statement of accounts on page 38.

Constabulary Chief Finance Officer Narrative Report

Movement in Reserves Statement

This statement shows the different reserves held by the Chief Constable analysed into 'Usable Reserves', which can be applied to fund expenditure and other 'Unusable Reserves', which are principally accounting adjustments. It shows the opening balance on each reserve at the start of the year, movements in year and the closing balance.

The Chief Constable's statement of movements in reserves is shown on page 30 in the full statement of accounts.

The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2022 £000s	Movements 2022/23 £000s	Balance 31/03/2023 £000s
Police Pensions Reserve	(1,459,590)	393,910	(1,065,680)
LGPS Pensions Reserve	(59,825)	59,825	0
Accumulated Absences Reserve	(4,457)	(303)	(4,760)
Total Reserves	(1,523,872)	453,432	(1,070,440)

The reserves shown above on the Chief Constable's movement in reserves statement are all classed as 'unusable' and provide a mechanism through which accounting adjustments can be made to present the accounts in accordance with proper accounting practices, whilst allowing the statutory amounts required to be charged for council tax purposes.

The Chief Constable's movements in reserves statement principally records the net impact of the Chief Constable's negative reserve in relation to the Police Pension Scheme and positive reserve in relation to the Local Government Pension Scheme, reflecting the requirement to record pension assets and liabilities as they are earned rather than when they become due for

payment. During 2022/23, the overall negative balance on the police pension scheme and the local government pension scheme have reduced, largely as a result of changes to actuarial assumptions.

All usable reserves are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner, who formally recognises the need to provide contingencies to meet unplanned and planned expenditure in the future. The Commissioner's usable reserves include a general reserve of £4.0m to meet unplanned risks (increased from £3.6m in 2021/22) and earmarked reserves of £23m for specific revenue and capital purposes. During 2022/23, a total of £3.8m has been contributed to the Commissioner's earmarked reserves from the revenue budget in the year.

The Balance Sheet

The balance sheet shows the value as at the balance sheet date (31 March 2023) of the Chief Constable's assets and liabilities.

The table below sets out the summary balance sheet for the Chief Constable.

Summary Balance Sheet	Balance 31/03/2022 £000s	Balance 31/03/2023 £000s
Current Assets	13,061	17,754
Current Liabilities	(15,922)	(20,807)
Long Term Liabilities	(1,521,011)	(1,067,387)
Net Liabilities	(1,523,872)	(1,070,440)
Unusable Reserves	(1,523,872)	(1,070,440)
Total Reserves	(1,523,872)	(1,070,440)

The Chief Constable's current assets (£17.8m) are comprised of the Chief Constable's share of short-term debtors and the balance of funding between the Commissioner and the Chief Constable. Current

Constabulary Chief Finance Officer Narrative Report

liabilities (£20.8) reflect amounts owed by the Chief Constable. They include the Chief Constable's share of short-term creditors and the balance of funding between the Chief Constable and the Commissioner. Long-term liabilities (£1,067m) represent the Chief Constable's share of the pensions deficit together with a small number of provisions to meet future liabilities. The net assets (assets less liabilities) are matched on the balance sheet by the Chief Constable's reserves. The balance sheet reserves reflect the position at year end and therefore match the final position shown in the movement in reserves statement. The balance sheet is shown on page 31 in the full statement of accounts.

The Chief Constable's 2022/23 balance sheet shows a combined pensions deficit of (£1,067m) ((£1,519m) in 2021/22) for the LGPS and the Police Pension Scheme to which its employees and former employees belong. However, statutory arrangements for funding the deficit, through increased contributions over a period designed to balance the pensions account and central government funding mean that the financial position of the Chief Constable remains healthy.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all cash and cash equivalents are held by the Commissioner and as such, the Chief Constables cash flow statement simply reflects the surplus or deficit from the provision of services less adjustments for non-cash movements. The statement is shown on page 32 of the full statement of accounts.

The table below provides a summary of the cash flow statement:

Summary Cash Flow Statement	Cash flows 2021/22 £000s	Cash flows 2022/23 £000s
Cash & Cash Equivalents 1 April	0	0
Net (Surplus)/Deficit on the provision of services	30,728	37,798
Adjustments for Non-cash Movements	(30,728)	(37,798)
Net Cash Flows from Operating Activities	0	0
Cash & Cash Equivalents 31 March	0	0

Police Officer Pension Fund Account

This statement sets out the transactions on the Police Officer pension fund account for the year. The statement records all of the contributions that have been made to the pension fund during the year. These are primarily contributions from employees and the Constabulary, as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions, either from officers joining the scheme in the year and transferring in existing pensions benefits or additional contributions from the employer to cover the cost of ill-health retirements.

The fund also records the benefits paid out of the fund to its members. Any difference between the contributions received into the fund and amount paid out is met by government grant, paid through the Commissioner. This means that the police pension fund always balances to nil.

Constabulary Chief Finance Officer Narrative Report

A summary of the pension fund is shown below.

Summary Police Pension Fund	Pension Fund A/C 2021/22 £000s	Pension Fund A/C 2022/23 £000s
Contributions - Employer	(14,043)	(14,714)
Contributions - Officers	(6,049)	(6,348)
Contributions - Other	(186)	(376)
Benefits Payable	41,279	40,622
Other Payments	359	163
Net Amount Payable	21,360	19,347
Contribution from Home Office	(21,360)	(19,347)
Net Amount Payable	0	0

The statement identifies contributions made in 2022/23 totaling (£21.44m). The pension benefits that are payable from the fund, together with other payments amounted to £40.79m. The balance between contributions and pensions' benefits paid of £19.35m has been funded by the Home Office via the Police and Crime Commissioner. The full pensions fund accounts and note can be found on pages 54-55 of the full statement of accounts.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements which are shown alongside the relevant note in the accounts or in Annex A where they are generic to the accounts as a whole. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published

alongside the Annual Governance Statement for the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

The Annual Governance Statement of the Chief Constable can be found in (Annex D) of this Statement of Accounts on pages AGS 1- 33 or on the Constabulary website at: www.cumbria.police.uk.

The Financial Outlook

The financial statements provide a breakdown of net spending during the year with the balance sheet showing the strong overall financial position of the Commissioner and Chief Constable as at 31 March 2023. This has primarily arisen as a result of positive action on behalf of the Constabulary to manage costs in the context of increasing demand for services and real terms reductions in funding over the last decade.

Looking forward, the Government has continued to provide funding in respect of the Uplift Programme (the scheme to recruit an additional 20,000 officers nationally by the end of 2022/23). In Cumbria's case, further additional ringfenced grant of £2.3m has been provided for 2023/24 (conditional on maintaining the Uplift numbers), which, in combination with continued flexibility afforded to Police and Crime Commissioners to levy increased council tax has enabled the budget for 2023/24 to be balanced.

However, the financial outlook over the medium term remains challenging. Of particular concern has been the continuance of inflationary pressures in the wider

economy on a scale not seen in a generation which emerged in the latter part of 2021/22; the impact of which on the Constabulary budget will be closely monitored over the next year. This also has the potential to compound existing financial risks in relation to the funding of pensions, costs of national policing initiatives such as the Emergency Services Network and the potential re-distribution of policing resources in the Home Office's planned review of the Police Funding Formula.

The Constabulary's budget is set in the context of a five year medium term financial forecast (MTFF), which was prepared in February and shows that annual savings of around £16m will be required to balance the budget by the end of the forecast period in 2027/28.

The Commissioner and Chief Constable recognise that, having already delivered £27m of savings since 2010, future savings will be hard won. They continue to work towards developing and implementing organisational changes that will improve the efficiency of the Constabulary and seek to address the future gap between expenditure and income. The judicious use of reserves and borrowing to fund the capital programme will also be considered as a means of balancing the budget as an interim measure. Against this background, the level of required savings highlighted in the MTFF are considered to be achievable.

A reserves policy has also been developed, which seeks to balance pro-actively utilising reserves to support current policing services with maintaining reserves at a level that provides some financial resilience.

In light of the financial outlook presented above and in the context of the MTFF and savings plans, the Chief Constable and the Chief Finance Officer have reviewed

the going concern position of the Constabulary and have concluded that it is appropriate to produce the Chief Constable's accounts on a going concern basis.

Risks

The focus of the Constabulary's strategic risk register is closely aligned with the financial challenges faced by the Constabulary outlined above and the consequential impact of implementing change across the organisation.

There are currently nine risks on Constabulary strategic risk register. The three highest scoring risks are as follows:

- Financial risk that there may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings as a result of; inflationary pressures, reduced government funding, increased pension contributions and potential changes to the police funding formula.
- The Constabulary may not have the capacity to deliver the Cumbria Vision 235 and its associated efficiency plans.
- Firearms licensing, a risk that lawfully held firearms may not be sufficiently tracked and traced as per national guidelines.

Wherever possible the Constabulary actively mitigates and manages its strategic risks.

Change Programme

The Constabulary's Savings and Efficiency Plan remains pivotal in identifying and delivering potential savings, it now forms an integral part of the Cumbria 2025 vision

project to ensure that a holistic approach to service delivery linked to changing service demand is adopted.

Current work-streams include:

- Undertaking demand reviews to inform the design of the workforce to meet future policing requirements.
- Realising benefits from investments in digital technology in operational policing.
- Use of business analytics and intelligence to improve management information and generate efficiencies.
- Greater emphasis on income generation.
- Improving the efficiency of business systems and processes to better support operational policing and improve outcomes for our communities.
- Exploiting opportunities for collaboration with other partners.
- A more systematic benefits realisation monitoring process.
- Use of benchmarking and Value for Money indicators to inform resourcing decisions.
- Specific reviews of business activities.

Financial Management Code

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken in May 2023, the Constabulary largely meets the requirements of the code with full compliance in thirteen out of seventeen statements and partial compliance in the remaining four.

Developments have been progressed in relation to the Savings and Efficiency Plan, balance sheet reporting, financial business partnering and contract management in 2022/23, however, there are some areas where further work is required to ensure full compliance, most notably in relation to:

- Demonstrating Value for Money and identifying savings to ensure financial sustainability.
- Developing a financial resilience index.
- Application of formal options appraisal techniques.

Acknowledgements

The financial statements were originally authorised for issue by me as the Constabulary Chief Finance Officer, on 15 June 2023. Following completion of the audit, they were subsequently re-authorised by me on 17 January 2024 and were formally approved by the Chief Constable on the same day.

In closing, it is appropriate to acknowledge the dedication and professionalism of Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these statements against tight deadlines.

Michelle Bellis

Constabulary Chief Finance Officer

The accounts present a true and fair view of the position of the Chief Constable of Cumbria Constabulary as at 31 March 2023 and its income and expenditure for the year there ended.

[Signatures removed for the purpose of publication on the website](#)

Michelle Bellis CPFA
Constabulary Chief Finance Officer

Date: 17 January 2024

Robert Carden
Chief Constable

Date: 17 January 2024

Responsibilities for the Statement of Accounts

1 The Chief Constable's Responsibilities

The Chief Constable is accountable to the Police and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police and Crime Commissioner. The Chief Constable is required to:

- make arrangements for the proper administration of their financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Constabulary Chief Finance Officer (CFO).
- manage their affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

2 The Constabulary Chief Finance Officer's Responsibilities

The CFO is responsible for the production of the Statement of Accounts for the Chief Constable, Commissioner and Group. The CFO is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Account, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- complied with the local authority code.

The CFO has also:

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

The CFO should sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the organisation at the reporting date and its income and expenditure for the year ended 31 March 2023.

Independent Auditor's Report

Independent auditor's report to the Chief Constable of Cumbria Constabulary Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of the Chief Constable of Cumbria Constabulary (the 'Chief Constable') for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Police Officer Pension Fund Account and Net Assets Statement and notes to the financial statements. The notes to the financial statements include the Notes to the Accounts, Annex A – Statement of Accounting Policies, Annex B Technical Annex – Financial Instrument Disclosures and Annex C – Pension Disclosures. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Constabulary Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Constabulary Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

Independent Auditor's Report

In auditing the financial statements, we have concluded that the Constabulary Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Constabulary Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Constabulary Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

Independent Auditor's Report

- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Chief Constable and the Constabulary Chief Finance Officer

As explained more fully in the Responsibilities for the Statement of Accounts set out on page 22, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Constabulary Chief Finance Officer. The Constabulary Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Constabulary Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Constabulary Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003).

We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

Independent Auditor's Report

- journal entries that could be used to manipulate the Authority's financial performance for the year, along with potential management bias in determining accounting estimates for the net pension liability.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on non-routine transactions and journals falling within identified risk criteria including, journals posted by senior management, material journals, large year-end journals, post year-end journals and off ledger adjustments,
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of the pension liability, and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

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

Independent Auditor's Report

Report on other legal and regulatory requirements – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Chief Constable's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2023.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Independent Auditor's Report

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable of Cumbria Constabulary for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2023.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Green

Michael Green, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Manchester
17 January 2024

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Comprehensive Income and Expenditure Statement (CC)		CC	CC	CC	CC	CC	CC
		2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	Notes	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing and Crime Services	#	129,134	(366)	128,768	133,715	(671)	133,044
Funding Provided by PCC to CC		0	(128,522)	(128,522)	0	(135,452)	(135,452)
Cost of Policing and Crime Services		129,134	(128,888)	246	133,715	(136,123)	(2,408)
Financing and Investment Income and Expenditure							
Net Interest on the net defined benefit liability (asset)	Annex C	34,249	(3,767)	30,482	45,511	(5,305)	40,206
		34,249	(3,767)	30,482	45,511	(5,305)	40,206
(Surplus) or Deficit on Provision of Services		163,383	(132,655)	30,728	179,226	(141,428)	37,798
Remeasurement of the net defined pension benefit liability/asset	Annex C			(32,974)			(491,230)
Other Comprehensive Income and Expenditure				(32,974)			(491,230)
Total Comprehensive Income and Expenditure				(2,246)			(453,432)

A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure) and other 'Unusable reserves'. The Surplus (or Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The figures for the Chief Constable in 2022/23 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2022/23								
	Note	Balance at 1 April 2022	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Increase/ (decrease) in 2022/23	Balance at 31 March 2023
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves								
Chief Constable's Constabulary Fund	-	0	(37,798)	0	(37,798)	37,798	0	0
Total Usable Reserves		0	(37,798)	0	(37,798)	37,798	0	0
Unusable Reserves								
Chief Constable's Police Pension Reserve	14a	(1,459,590)	0	425,510	425,510	(31,600)	393,910	(1,065,680)
Chief Constable's LGPS Pension Reserve	14a	(59,825)	0	65,720	65,720	(5,895)	59,825	0
Chief Constable's Accumulated Absences Account	14b	(4,457)	0	0	0	(303)	(303)	(4,760)
Total Unusable Reserves		(1,523,872)	0	491,230	491,230	(37,798)	453,432	(1,070,440)
Total Reserves		(1,523,872)	(37,798)	491,230	453,432	0	453,432	(1,070,440)

The comparative figures for 2021/22 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2021/22								
	Note	Balance at 1 April 2021	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Increase/ (decrease) in 2021/22	Balance at 31 March 2022
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves								
Chief Constable's Constabulary Fund	-	0	(30,728)	0	(30,728)	30,728	0	0
Total Usable Reserves		0	(30,728)	0	(30,728)	30,728	0	0
Unusable Reserves								
Chief Constable's Police Pension Reserve	14a	(1,447,160)	0	13,450	13,450	(25,880)	(12,430)	(1,459,590)
Chief Constable's LGPS Pension Reserve	14a	(73,420)	0	19,524	19,524	(5,929)	13,595	(59,825)
Chief Constable's Accumulated Absences Account	14b	(5,538)	0	0	0	1,081	1,081	(4,457)
Total Unusable Reserves		(1,526,118)	0	32,974	32,974	(30,728)	2,246	(1,523,872)
Total Reserves		(1,526,118)	(30,728)	32,974	2,246	0	2,246	(1,523,872)

Balance Sheet

This statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Chief Constable. The net assets (assets less liabilities) are matched by the reserves held by the Chief Constable.

Balance Sheet	Notes	CC	CC
		31 March 2022	31 March 2023
		£000s	£000s
Inventories		470	522
Short Term Debtors (amounts owed to CC by PCC re CC share of external Debtors)	10	5,466	5,774
Short Term Debtors (amounts owed to CC by employees re accumulated absences)	10	216	216
Short Term Debtors (funding balance owed to CC by PCC)	10	6,909	11,242
Current Assets		13,061	17,754
Short Term Creditors (amounts owed by CC to PCC re share of external creditors)	11	(5,313)	(9,535)
Short Term Creditors (amounts owed by CC to employees re accumulated absences)	11	(4,673)	(4,976)
Short Term Creditors (funding balance due from CC to PCC)	11	(5,936)	(6,296)
Current Liabilities		(15,922)	(20,807)
Provisions	12	(1,596)	(1,707)
Other Long Term Liabilities			
Pensions liability - Police	Annex C	(1,459,590)	(1,065,680)
Pensions liability - LGPS	Annex C	(59,825)	0
Long Term Liabilities		(1,521,011)	(1,067,387)
Net Liabilities		(1,523,872)	(1,070,440)
Unusable Reserves			
Pensions Reserve - Police	14a	(1,459,590)	(1,065,680)
Pensions Reserve - LGPS	14a	(59,825)	0
Accumulated Absences Account	14b	(4,457)	(4,760)
		(1,523,872)	(1,070,440)
Total Reserves		(1,523,872)	(1,070,440)

The unaudited accounts were issued on 15 June 2023 and the audited accounts were authorised for issue on 17 January 2024.

Signature removed for the purpose of publication on the website

Signed: _____

Michelle Bellis, Constabulary Chief Finance Officer.

Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the funding arrangement between the Police and Crime Commissioner and the Chief Constable, the Chief Constable does not engage in investment and financing activities therefore all cash flows are classified as operating activities.

Cash Flow Statement (CC)		CC 2021/22 £000s	CC 2022/23 £000s
Net (Surplus) or Deficit on the provision of services		30,728	37,798
Adjustment to net surplus or deficit on the provision of services for non-cash movements	CF1	(30,728)	(37,798)
Net cash (inflow)/ outflow from Operating Activities		0	0
CF1 - The Adjustment to net surplus or deficit on the provision of services for non-cash movements are made up as follows:			
Pension Liability (Contributions to/from Pensions Reserve)		(31,809)	(37,495)
Debtors - Adjustment re CC Share of Debtors		365	308
Debtors - Adjustment re Balance of Funding due from PCC to CC		(2,361)	4,333
Creditors - Adjustment re CC Share of Creditors		3,507	(4,525)
Creditors - Adjustment re Balance of Funding due from CC to PCC		(331)	(360)
Stock - Change in Balance Sheet		103	52
Provisions - Change in Balance Sheet		(202)	(111)
Adjustment to net surplus or deficit on the provision of services for non-cash movements		(30,728)	(37,798)

Notes to the Accounts

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The notes to the accounts are provided to aid the understanding of material items within the core financial statements. As a general rule, the column showing the figures for 2022/23 will be highlighted, whilst the comparatives for 2021/22 (where provided) will not.

The notes sometimes include terms that may require further explanation. Where possible, explanations are provided within the note, otherwise explanations are provided within the “glossary of terms” in pages 56-58. Terms for which an explanation is provided will be depicted by text that is shown in teal coloured text and underlined.

Notes to the Accounts

1 Accounting Policies

There are a number of accounting policies that determine how items within the accounts are treated. Where these accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a grey text box. Where an accounting policy is more generic and applicable across the statement accounts it will continue to be shown in a separate technical annex, **Annex A** (see pages 59-62).

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex A (pages 59 to 62), the [Chief Constable](#) has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for policing. However, the Chief Constable and Commissioner have determined that this uncertainty is not yet sufficient to provide an indication that the assets of the [Commissioner](#) might be impaired as a result of a need to close facilities and reduce levels of service [provision](#).

3 Events after the Balance Sheet Date

A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the code require adjustment or disclosure. Consideration has been given as to whether any events meet the requirement to be disclosed as a post balance sheet event and it has been concluded that no such matters require disclosure.

The Statement of Accounts was authorised for issue by the Constabulary Chief Finance Officer on 17 January 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Accounting Policy - Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date the Statement of Accounts is authorised for issue which have an impact on the financial statements and are treated as follows. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and their estimated financial effect.

Events taking place after the authorised for issue date are not reflected in the statement of accounts.

Notes to the Accounts

4 Assumptions made about the future and other Sources of Estimation Uncertainty

The statement of Accounts contains estimated figures that are based on assumptions made by the [Chief Constable](#) about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Chief Constable’s balance sheet as at 31 March 2023 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	<p>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 are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>Two firms of consulting actuaries are engaged to provide the Chief Constable with expert advice about the assumptions to be applied for both the Police Pension Scheme (Government Actuaries Department) and the Local Government Pension Scheme (Mercer Ltd).</p> <p>At the balance sheet date, the liability in respect of the police pension scheme was £1,066m.</p> <p>In relation to LGPS, the actuary calculated that the valuation resulted in a net asset of £21m, however under IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:</p> <ul style="list-style-type: none"> • The surplus in the defined benefit plan; and • The asset ceiling. <p>The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. Examples of the impact of changes in individual assumptions is included in the sensitivity analysis provided in the technical annex to the accounts Annex C, Pensions on pages 65-74.</p>

Notes to the Accounts

5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax precepts) by the Chief Constable in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between subjective headings. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The figures for the Chief Constable in 2022/23 and comparatives for 2021/22 are provided in the table below:

Expenditure and Funding Analysis (CC)	Net Expenditure Chargeable to the Police Fund balance and as reported for resource management	CC 2021/22 Adjustments between Funding and Accounting Basis (Note 5 & 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the Police Fund balance and as reported for resource management	CC 2022/23 Adjustments between Funding and Accounting Basis (Note 5 & 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	72,625	(3,030)	69,595	76,682	(6,990)	69,692
PCSO Pay & Allowances	2,218	304	2,522	2,204	277	2,481
Police Staff Pay & Allowances	24,398	3,959	28,357	26,423	3,908	30,331
Other Employee Budgets	4,083	0	4,083	4,162	0	4,162
Premises Related Expenditure	5,837	0	5,837	6,635	0	6,635
Transport Related Expenditure	3,589	0	3,589	4,222	0	4,222
Supplies & Services Expenditure	12,337	0	12,337	13,025	0	13,025
Third Party Related Expenditure	2,143	0	2,143	2,143	0	2,143
Technical Accounting Adjustments	1,081	(1,081)	0	(303)	303	0
Non distributed costs	94	94	188	94	94	188
Termination Payments	117	0	117	165	0	165
Funding Provided by PCC to CC	(128,522)	0	(128,522)	(135,452)	0	(135,452)
Net Cost of Services	0	246	246	0	(2,408)	(2,408)
Other Income and Expenditure	0	30,482	30,482	0	40,206	40,206
(Surplus)/Deficit on the Provision of Services	0	30,728	30,728	0	37,798	37,798

Notes to the Accounts

5.a Note to the Expenditure Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the Police Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (page 29). The relevant transfers between reserves are explained in the Movement in Reserves Statement (page 30).

The figures for 2022/23 and comparatives for 2021/22 are shown in the table below:

Note to the Expenditure and Funding Analysis (CC)	Net change for the Pensions Adjustment (See below)	CC 2021/22 Other Differences (See below)	Total Adjustment Between funding and accounting basis	Net change for the Pensions Adjustment (See below)	CC 2022/23 Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	(3,030)	0	(3,030)	(6,990)	0	(6,990)
PCSO Pay & Allowances	304	0	304	277	0	277
Police Staff Pay & Allowances	3,959	0	3,959	3,908	0	3,908
Technical Accounting Adjustments	0	(1,081)	(1,081)	0	303	303
Non distributed costs	94	0	94	94	0	94
Net Cost of Services	1,327	(1,081)	246	(2,711)	303	(2,408)
Other Income and Expenditure	30,482	0	30,482	40,206	0	40,206
(Surplus)/Deficit on the Provision of Services	31,809	(1,081)	30,728	37,495	303	37,798
Further Analysis of Adjustments						
Police - Interest on Liabilities	28,910	0	28,910	38,590	0	38,590
Police - Reverse Employer Contributions	(37,040)	0	(37,040)	(35,380)	0	(35,380)
Police - Current Service Cost	34,010	0	34,010	28,390	0	28,390
LGPS - Interest on Liabilities	5,339	0	5,339	6,921	0	6,921
LGPS - Return on Plan Assets	(3,767)	0	(3,767)	(5,305)	0	(5,305)
LGPS - Reverse Employer Contributions	(3,885)	0	(3,885)	(4,152)	0	(4,152)
LGPS - Current Service Cost	8,148	0	8,148	8,337	0	8,337
LGPS - Non Distributed Costs	94	0	94	94	0	94
Accumulated Absences Account Adj	0	(1,081)	(1,081)	0	303	303
Total Adjustments	31,809	(1,081)	30,728	37,495	303	37,798

Notes to the Accounts

6 Expenditure and Income Analysed by Nature

This note provides an analysis of the expenditure and income by the nature of that spend/income.

Expenditure and Income	CC	CC
	2021/22	2022/23
	£000s	£000s
Expenditure		
Police Pay & Allowances	72,625	76,682
PCSO Pay & Allowances	2,218	2,204
Police Staff Pay & Allowances	24,398	26,423
Other Employee Costs	4,083	4,162
Premises Related Costs	5,837	6,635
Transport Related Costs	3,589	4,222
Supplies & Services	12,337	13,025
Third Party Payments	2,143	2,143
Technical Accounting Adjustments	1,081	(303)
Non Distributed Costs	94	94
Termination Payments	117	165
Funding Between PCC & CC	(128,522)	(135,452)
Total Expenditure	0	0
(Surplus)/Deficit on the Provision of Services	0	0

Notes to the Accounts

7 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the [Chief Constable](#) in the year in accordance with proper accounting practice to the resources that are specified by statutory [provisions](#) as being available to the Chief Constable to meet future expenditure.

The figures for 2022/23 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	CC Constabulary Fund Balance £000s	CC Police Pension Reserve £000s	CC LGPS Pension Reserve £000s	CC Accumulated Absences Account £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	Annex C	37,495	(31,600)	(5,895)	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	14b	303	0	0	(303)
Total Adjustments		37,798	(31,600)	(5,895)	(303)

The comparative figures for 2021/22 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	CC Constabulary Fund Balance £000s	CC Police Pension Reserve £000s	CC LGPS Pension Reserve £000s	CC Accumulated Absences Account £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	Annex C	31,809	(25,880)	(5,929)	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	14b	(1,081)	0	0	1,081
Total Adjustments		30,728	(25,880)	(5,929)	1,081

Notes to the Accounts

8 Audit Fees

In 2022/23 the [Chief Constable](#) incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

External Audit Fees	CC	CC
	2021/22 £000s	2022/23 £000s
Amounts Relating to The Chief Constable		
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:		
- In relation to 2021/22 Audit	18	0
- Additional Fee in relation to 2020/21 Audit	2	0
- In relation to 2022/23 Audit	0	22
- Additional Fee in relation to 2021/22 Audit	0	3
Other Services		
Rebate from Public Sector Audit Appointments in year.	(2)	0
Total External Audit Fees for Year	18	25

The above table shows the gross fees payable to the external auditor during the year. In 2021/22 a rebate of audit fees of £2k was received from Public Sector Audit Appointments in relation to the Chief Constables audit fee. The amounts in the table agree to the amounts recorded in the comprehensive income and expenditure statement. Subsequent to the closure of the accounts for 2021/22, the external auditors advised in June that their intended audit fee in relation to the 2021/22 audit was to increase to £20k, the difference of £2k has been reflected in the accounts for 2022/23.

9 Financial Instruments

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as loans and receivables and **financial liabilities** such as creditors and borrowings.*

Under International Financial Reporting Standards a full set of disclosure notes are required in respect of financial instruments. These notes for the Chief Constable are included in a separate technical appendix at Annex B on pages 63 to 64.

The disclosures include:

- The Categories of Financial Instrument
- Gains and Losses on Financial Instruments
- Fair value of Assets and Liabilities Carried at Amortised Cost
- Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

Notes to the Accounts

10 Short-term Debtors

A breakdown of the amounts owing to the [Chief Constable](#) as at 31 March 2023 with comparative information for the previous year is set out in the table below:

Short-term Debtors	CC	
	As at 31 March	
	2022 £000s	2023 £000s
Balance Owed from PCC re CC Share of External Debtors		
- Trade Receivables	92	97
- Police pensions prepayment	2,888	2,881
- Prepayments/Payments in Advance	2,486	2,796
	5,466	5,774
Balance Owed from Employees (re accumulated Absences)	216	216
Balance Owed from PCC re Balance of Funding	6,909	11,242
Total Debtors	12,591	17,232

11 Short-term Creditors

An analysis of the amounts owed by the [Chief Constable](#) as at 31 March 2023 with comparative information for the previous year is set out in the table below:

Short-term Creditors	CC	
	As at 31 March	
	2022 £000s	2023 £000s
Balance Owed to PCC re CC Share of External Creditors		
- Trade Payables	(2,816)	(6,954)
- HMRC PAYE Amounts Due	(2,497)	(2,581)
	(5,313)	(9,535)
Balance owed to Employees (re accumulated absences)	(4,673)	(4,976)
Balance owed to PCC re balance of Funding	(5,936)	(6,296)
Total Creditors	(15,922)	(20,807)

12 Provisions

The [Chief Constable](#) is able to maintain [provisions](#) to meet expected future liabilities. The Code of Practice on Local Authority Accounting advises that the value of any provisions be charged to the appropriate part of the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met in the future. The classification of provisions is consistent with the Code of Practice.

A brief description of the purpose of the individual provisions as at 31 March 2023 is provided below:

Insurance liabilities – this provision has been established to meet a number of eventualities from ongoing claims which are not covered by external insurers. In particular, liability risks up to £250k per event (this figure was £25k until 1 November 2014 when the policy excess was increased to £100k, and increased again to £250k from 1 November 2021) are retained by the Chief Constable and met internally. The provision for insurance liabilities is subject to an actuarial review on a biennial basis to determine the most appropriate level for the provision based on the circumstances at the time of the review.

Legal Claims – this provision has been established to cover the potential costs relating to a number of legal claims that are currently ongoing.

Accounting Policy – Provisions

[Provisions](#) are made when an event has taken place that gives a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, involvement in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate function line in the Comprehensive Income and Expenditure Statement in the year that awareness of the obligation arises, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will subsequently be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant function.

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

Notes to the Accounts

The table below shows the movements during the year on each of the provisions and the position as at 31 March 2023.

Provisions	Balance as at 01/04/22	Additional Provisions Made 2022/23	Amounts Used in 2022/23	Unused Amounts Reversed in 2022/23	Balance as at 31/03/23
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(682)	(70)	70	0	(682)
Legal Claims	(914)	(516)	261	144	(1,025)
Total Provisions	(1,596)	(586)	331	144	(1,707)

The comparative information for year ended 31 March 2022 is as follows:

Provisions	Balance as at 01/04/21	Additional Provisions Made 2021/22	Amounts Used in 2021/22	Unused Amounts Reversed in 2021/22	Balance as at 31/03/22
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(362)	(513)	193	0	(682)
Legal Claims	(1,033)	(200)	159	160	(914)
Total Provisions	(1,395)	(713)	352	160	(1,596)

13 Pensions

The Chief Constable participates in the Local Government Pension Scheme (LGPS) for Police Staff and three pensions schemes in respect of Police Officers. Under International Financial reporting Standards a full set of disclosure notes are required in respect of Pensions. These notes for the Chief Constable are included in a separate technical appendix at Annex C on pages 65 to 74.

The disclosures include:

- Details of the pension schemes
- A summary of accounting entries in respect of pensions
- Pensions assets and liabilities recognised in the balance sheet
- Reconciliation of the Fair Value of scheme assets
- Basis for estimating assets and liabilities
- A summary of principal assumptions used by scheme actuary
- Sensitivity analysis in relation to pensions
- Impact on the Chief Constable's Cash Flows

Notes to the Accounts

14 Unusable Reserves

Unusable reserves derive from accounting adjustments and are not available to be spent.

Certain [reserves](#) are kept to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the [Chief Constable](#).

Accounting Policy – Reserves

Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all usable reserves i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use, are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner. However, the Chief Constable does hold certain unusable reserves in relation to pensions and accumulated employee absences, which arise from Constabulary activities and are not covered by the funding arrangement and are shown on the Chief Constable's balance sheet.

14.a Pensions Reserve

The Pensions Reserves (LGPS and Police) absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding in accordance with statutory provisions. The [Chief Constable](#) accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserves therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable 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.

Pensions Reserve	CC LGPS Pensions		CC Police Pensions	
	2021/22 £000s	2022/23 £000s	2021/22 £000s	2022/23 £000s
Balance at Start of Year	(73,420)	(59,825)	(1,447,160)	(1,459,590)
Remeasurement of the net defined pension benefit liability/asset	19,524	86,000	13,450	425,510
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	(9,814)	(10,047)	(62,920)	(66,980)
Employer's pension contributions and direct payments to pensioners payable in the year.	3,885	4,152	37,040	35,380
Impact of Asset Ceiling	0	(20,280)	0	0
Balance at End of Year	(59,825)	0	(1,459,590)	(1,065,680)

Notes to the Accounts

14.b Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the Police Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave, time off in lieu and rest day entitlements carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	CC 2021/22 £000s	CC 2022/23 £000s
Balance at Start of Year	(5,538)	(4,457)
Settlement or cancellation of accrual made at the end of the preceding year	5,538	4,457
Amounts accrued at the end of the current year	(4,457)	(4,760)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,081	(303)
Balance at End of Year	(4,457)	(4,760)

Accounting Policy - Employee Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for functions in the year in which employees render service. An [accrual](#) is made for the cost of holiday entitlements, time off in lieu, flexi leave and rest days in lieu earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the balance sheet date. The employee accrual is then reversed out through the movement in reserves statement so that it is not charged against council tax.

Notes to the Accounts

15 Members Allowances and Expenses

The Code of Practice on Local Authority Accounting requires the disclosure of the total amount of members allowances paid in the year. This is set out in the table below together with a comparative figure for the previous year.

Members Allowances	CC	CC
	2021/22	2022/23
	£000s	£000s
Basic Allowance	22	24
Travel and Subsistence	2	7
	24	31
Analysis by Type:		
Joint Audit Committee	9	10
Ethics and Integrity Panel	8	10
Independent Custody Visitors	1	4
Misconduct Panel	6	7
	24	31

The above table includes expenses for the appointed members of the Joint Audit Committee, the Ethics and Integrity Panel, misconduct panels together with travel allowances payable to independent custody visitors. The table above includes the total costs of members and these apply jointly between the Commissioner and Constabulary.

A full disclosure of allowances and expenses paid to individual members can be found on the Police and Crime Commissioners website at: <https://cumbria-pcc.gov.uk/finance-governance/allowances/>.

Notes to the Accounts

16 Disclosure of Remuneration for Senior Employees

The following table sets out the remuneration disclosures for Senior Officers and Relevant Police Officers whose salary is more than £50,000 per year.

The tables include members of the Extended Chief Officer Group which is the formal decision making body for the Constabulary.

The table below gives the information for 2022/23 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable - Michelle Skeer		164	9	0	0	3	176	0	176
Deputy Chief Constable (a)	1	1	0	0	0	0	1	0	1
Deputy Chief Constable (b)	2	137	0	0	0	4	141	0	141
Deputy Chief Constable (c)	3	91	(1)	0	0	9	99	28	127
Assistant Chief Officer	4	93	8	0	5	0	106	17	123
Temporary Assistant Chief Constable		113	9	0	0	0	122	29	151
Joint Chief Finance Officer		90	0	0	0	0	90	17	107
Director of Corporate Support		90	0	0	0	0	90	17	107
Chief Superintendent (Cumberland)	5	93	2	0	2	0	97	28	125
Chief Superintendent - Crime & Intel Command	6	87	3	0	1	0	91	27	118
Temporary Chief Superintendent - Crime Command	7	8	0	0	0	0	8	0	8
Chief Superintendent (Operations)	8	88	1	0	1	0	90	27	117
Temporary Chief Superintendent (Standard Insight & Performance Command)	9	90	1	0	2	0	93	27	120
Chief Superintendent (Westmorland & Furness)	10	93	2	0	0	0	95	28	123
Director of Legal Services		90	1	(1)	1	0	91	17	108
Total Chief Constable		1,328	35	(1)	12	16	1,390	262	1,652

Notes

- Deputy Chief Constable (a) resigned on 04/04/2022.
- Deputy Chief Constable (b) is seconded to the Police Officer Uplift Programme and associated costs are reimbursed by other forces.
- Deputy Chief Constable (c) joined the Constabulary on 08/07/2022.
- The Assistant Chief Officer joined the Constabulary on 25/06/2022.
- The Chief Superintendent (Cumberland) took up the post on 05/09/2022, prior to that she was the Chief Superintendent (Insight & Performance).
- The Chief Superintendent (Crime & Intel Command) was promoted to Chief Superintendent w.e.f. 23/05/2022.
- The Temporary Chief Superintendent (Crime Command) retired on 29/04/2022.
- The Chief Superintendent (Operations) was promoted to Chief Superintendent on 05/09/2022.
- The temporary Chief Superintendent (Insight and Performance) was promoted to Chief Superintendent 05/09/2022.
- The Chief Superintendent (Westmorland and Furness) was promoted to Chief Superintendent on 05/09/2022.

Notes to the Accounts

The table below gives the comparative information for 2021/22 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable - Michelle Skeer		162	7	0	3	172	0	172
Deputy Chief Constable (a)		123	7	0	11	141	38	179
Deputy Chief Constable (b)	1	126	0	0	3	129	0	129
Assistant Chief Constable	2	55	3	0	1	59	17	76
Temporary Assistant Chief Constable	3	95	6	0	0	101	26	127
Joint Chief Finance Officer		89	0	0	0	89	16	105
Director of Corporate Support		89	0	0	0	89	16	105
Chief Superintendent (Insight & performance)	4	89	1	1	0	91	27	118
Temporary Chief Superintendent - Crime Command		93	2	1	3	99	5	104
Temporary Chief Superintendent (Operations & Neighbourhood) (a)	5	8	0	0	1	9	2	11
Chief Superintendent (Operations & Neighbourhood) (b)	6	80	1	1	0	82	24	106
Temporary Chief Superintendent (Operations & Neighbourhood) (c)	7	87	2	1	0	90	26	116
Superintendent - D Stalker (Head of People)	8	74	2	1	0	77	23	100
Director of Legal Services		89	1	1	0	91	16	107
Total Chief Constable		1,259	32	6	22	1,319	236	1,555

Notes

- Deputy Chief Constable (b) is seconded to the Police Officer Uplift Programme and associated costs are reimbursed by other forces.
- The Assistant Chief Constable retired on 15/09/2021.
- The Temporary Assistant Chief Constable was temporarily promoted to ACC from 28/06/2021.
- The Chief Superintendent Insight & Performance was promoted to Chief Superintendent w.e.f. 01/04/21.
- The Temporary Chief Superintendent (Operations & Neighbourhood)(a) retired on 03/05/2021.
- The Chief Superintendent (Operations and Neighbourhood)(b) held the role between 01/04/21 and 05/09/2021.
- The temporary Chief Superintendent (Operations and Neighbourhood policing) (c) was appointed to the role from 06/09/21.
- The Superintendent (Head of People) was appointed to the role on 01/04/21.

Notes to the Accounts

17 Employee Remuneration

The Code of Practice on Local Authority Accounting requires the disclosure of the number of employees whose remuneration, excluding pension's contributions, exceeded £50,000 and senior police officers (defined as those holding a rank **above** that of superintendent). This is set out in the table below in bands of £5,000:

Remuneration Band	2021/22			2022/23		
	CC	CC	CC	CC	CC	CC
	Police Staff	Snr Police Officers	Total	Police Staff	Snr Police Officers	Total
£50,000 to £54,999	12	0	12	7	0	7
£55,000 to £59,999	4	1	5	5	0	5
£60,000 to £64,999	3	0	3	1	0	1
£65,000 to £69,999	7	0	7	7	0	7
£70,000 to £74,999	0	0	0	1	0	1
£75,000 to £79,999	0	0	0	1	0	1
£80,000 to £84,999	0	1	1	0	0	0
£85,000 to £89,999	3	3	6	0	2	2
£90,000 to £94,999	0	0	0	3	3	6
£95,000 to £99,999	0	2	2	1	1	2
£100,000 to £104,999	0	0	0	0	0	0
£105,000 to £109,999	0	0	0	0	0	0
£110,000 to £114,999	0	0	0	0	1	1
£115,000 to £119,999	0	0	0	0	0	0
£120,000 to £124,999	0	0	0	0	0	0
£125,000 to £129,999	0	1	1	0	0	0
£130,000 to £134,999	0	1	1	0	0	0
£135,000 to £139,999	0	0	0	0	0	0
£140,000 to £144,999	0	0	0	0	1	1
£145,000 to £149,999	0	0	0	0	0	0
£150,000 to £154,999	0	0	0	0	0	0
£155,000 to £159,999	0	0	0	0	0	0
£160,000 to £164,999	0	0	0	0	0	0
£165,000 to £169,999	0	1	1	0	1	1
£170,000 to £174,999	0	0	0	0	0	0
£175,000 to £179,999	0	0	0	0	0	0
Total	29	10	39	26	9	35

In 2022/23 the remuneration for 282 Police Officers (252 in 2021/22) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000.

The table above includes those employees and senior police officers that are also required to be disclosed on a more detailed individual basis. Please see note 16 for more information.

Notes to the Accounts

18 Exit Packages/Termination Payments

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

Exit package cost band (including special payments)	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by cost band		Total cost of exit packages in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	Headcount	Headcount	Headcount	Headcount	Headcount	Headcount	£000's	£000's
£0-£20,000	0	0	0	1	0	1	0	18
£20,001 - £40,000	0	0	1	2	1	2	30	65
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	1	1	1	1	87	82
£100,001 - £150,000	0	0	0	0	0	0	0	0
Total	0	0	2	4	2	4	117	165

During 2022/23 the contracts of a small number of employees were terminated incurring termination payments amounting to £165k (£117k in 2021/22). This amount is made up of exit packages paid in 2022/23.

The exit packages paid in 2022/23 relate to two voluntary redundancies and two other agreed terminations and amount to £165k (£117k in 2021/22). The exit packages can be further split into compensation for loss of employment £101k (£28k in 2021/22) and enhanced pension benefits £64k (£89k in 2021/22). The redundancies are as a result of the Constabulary's change programme. The Exit Packages table above provides details of the number and total cost of exit packages per band and include those exit packages paid in 2022/23.

Accounting Policy - 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. These are charged (on an accruals basis) to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the organisation can no longer withdraw the offer of those benefits or when the organisation recognises the costs for restructuring.

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

19 Related Party Transactions

The [Chief Constable](#) is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

19.a Police and Crime Commissioner

The Police and Crime Commissioner has direct control over the Chief Constable's finances, providing funding for all running costs. [The Commissioner](#) is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the funding agreement set by the Commissioner, to deliver the aims and objectives set out in the Police and Crime Plan.

19.b Central Government

Central government has effective control over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates and provides the majority of its funding via [the Commissioner](#).

19.c Officers and Employees

Senior officers and staff of the Constabulary were asked to declare any direct financial relationship through outside bodies or companies with the Chief Constable. No material transactions have been reported in respect of the 2022/23 financial year.

19.d Other Public Bodies

The Chief Constable's transactions with the Cumbria Local Government Pension Scheme (administered by the former County Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex C) pages 65-74.

The Chief Constable has included within the Comprehensive Income and Expenditure Statement his respective share of costs in relation to collaborative arrangements with other forces/councils. In particular these include:

- The PCC for Cheshire – North West Underwater Search Unit, Northwest Armed Policing Collaboration, Northwest Strategic Automatic Number Plate Recognition (ANPR) and Regional Emergency Services Network (ESN).
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team, Regional Insourced Forensic Science Services.
- The PCC for Lancashire – Regional Insourced Forensic Science Services.

20 Pension Challenge

The Chief Constable of Cumbria along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

Legal Claims

Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

Aarons & Ors

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent.

Therefore no liability in respect of compensation claims is recognised in these accounts.

Penningtons

As at 31 March 2022, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Remedy

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

The main elements of the Act are:

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

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries originally estimated the increase in scheme liabilities for Cumbria Constabulary to be 5% or £50m of pension scheme liabilities

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/24, although this timetable is subject to change.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Notes to the Accounts

21 Accounting Standards that have been Issued but have not yet been Adopted

For 2022/23 the following accounting policy changes that need to be reported relate to:

- a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS16 in the 2023/24 year). Note the OPCC/Constabulary have chosen to delay the adoption until 2024/25.
- b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- f) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

Note that a) will only be applicable to local authorities that intend to voluntarily implement IFRS 16 in 2023/24, and item b) will only be applicable to local authorities that have voluntarily implemented IFRS 16 in 2022/23 but chose to defer implementation for PFI/PPP arrangements until 2023/24. It is likely that though they lead to improved reporting that items c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. Item e) will only be applicable to local authorities with group accounts and it is likely that there will be limited application of item f).

In the Financial Statements for 2023/24, the effect of the changes will be assessed and where necessary, the comparative figures restated.

Police Officer Pension Fund Account

Police Officer Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2022/23 financial year together with comparative information for 2021/22.

Police Officer Pension Fund Account	CC 2021/22 £000s	CC 2022/23 £000s
Contributions Receivable		
Employer		
- Contributions (31.0% of Pensionable Pay)	(14,043)	(14,714)
Officers' Contributions		
- 1987 Scheme Member Contributions (see narrative for rates)	(466)	(2)
- 2006 Scheme Member Contributions (see narrative for rates)	(28)	0
- 2015 Scheme Member Contributions (see narrative for rates)	(5,555)	(6,346)
	(20,092)	(21,062)
Transferees in from Other Schemes	(12)	(121)
Capital Equivalent charge for ill-health schemes	(174)	(255)
	(186)	(376)
Benefits Payable		
Recurrent Pensions	32,009	33,656
Commutations and Lump Sums	8,937	6,882
Other (Scheme Pays)	333	84
	41,279	40,622
Payments to and on Account of Leavers		
Refund of Contributions	52	57
Transfer out to other schemes	307	106
	359	163
Net Amount Payable for the Year	21,360	19,347
Additional Contribution from the Police & Crime Commissioner	(21,360)	(19,347)
Net Amount Payable (Receivable) for the Year	0	0

Net Assets Statement

This statement shows the net assets and liabilities of the scheme as at 31 March 2023.

Pension Fund Net Assets & liabilities	CC 2021/22 £000s	CC 2022/23 £000s
Current Assets		
Pensions Benefits paid in advance	2,735	2,810
Current Liabilities		
Amount due to the Police & Crime Commissioner	(2,735)	(2,810)
	0	0

Notes to the Police Officer Pension Fund Account

Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the requirements of the Police Pension Fund Regulations 2015 (SI 2015 No 445). The Pensions Fund Accounts are administered by the Chief Constable and have been prepared on an accruals basis.

Operation of Police Pensions Schemes

Since 1 April 2015 the Chief Constable has operated three Pensions Schemes for Police Officers. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they fall due. The original Police Officer Pension scheme is known as the 1987 scheme. The second scheme was introduced in April 2006 with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All Police Officers recruited from April 2006 onwards automatically become members of the 2006 scheme and the previous 1987 scheme was closed to new members. Officers who were members of the 1987 scheme were allowed by regulation to become members of the 2006 scheme if they wished. Members' contribution rates for 2022/23 and 2021/22 were between 11% and 12.75% for the 2006 scheme and between 14.25% and 15.05% for the 1987 scheme.

From 1 April 2015, a new pension scheme was introduced for Police Officers, known as the 2015 Scheme. The 2015 scheme is based on career average revalued earnings (CARE). All Police Officers recruited from 1 April 2015 automatically become members of the new scheme and the two previous schemes (1987 and 2006) have been closed to new members from that date. Members of the two older police pension schemes received full protection to 31 March 2022, transferred to the new 2015 scheme on 1 April 2015, or transferred on different tapering dates in the future subject to individual circumstances around age and length of service remaining. All members will transfer to the 2015 Scheme on 1 April 2022 when the legacy scheme 1987 and 2006 close. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2022/23 and 2021/22.

The financial statements for the Police Officer pension fund account do not take account of liabilities to pay pensions and other benefits after the period end. Details of the Chief Constable's long term pensions obligations can be found in the main accounting statements (see Balance Sheet page 31). Detailed disclosure notes regarding the Police Pension schemes can be found in the Technical Annex to the Statement of Accounts (Annex C Pensions on pages 65-74).

Funding of Police Pension Schemes

In 2006/07 a new arrangement was established to fund Police Pensions. This revised arrangement is for both new and existing police officer schemes, but has no effect on the benefit structures of either scheme. The purpose of the change is to smooth fluctuations in costs, that would previously have been charged to the Chief Constable's Comprehensive Income and Expenditure Statement on a 'pay as you go basis', and to more clearly show the effect of the liability as opposed to current pension payments. Under the revised arrangements the liability for payment of police pensions is removed from the Chief Constable and replaced with an employers' contribution, currently set at 31% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. The employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to periodic revaluation by the Government Actuary's Department. Pensions are then paid from this account. The pensions account is balanced to nil annually, with any shortfall met by a top up from the Commissioner, or vice versa. However, the Home Office indemnify the Commissioner against any financial liability arising from a deficit on the Pension Account by providing a grant to the Commissioner equal to the Commissioner's top up. Similarly, any surplus on the Pension Account is ultimately repayable to the Home Office.

Glossary of Terms

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not when money is paid or received.

Actuarial Valuation

A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, for example on behalf of a pension fund.

Agency Costs

Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

Amortisation/Amortised Cost

The practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation, though in practice amortisation tends to be used for the write-off of intangible assets, such as computer software.

BCU

Basic Command Unit.

Budget

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

Capital Adjustment Account

The CAA records the balance of resources set aside to finance capital expenditure (i.e. Capital Receipts, Minimum Revenue Provision (MRP), Direct Revenue Contributions (DRC) and Deferred Grants Account (DGA)) and also the consumption of resources associated with the historical cost of acquiring, creating or enhancing non-current assets over the life of those assets (i.e. depreciation/impairment).

Capital Expenditure

As defined in section 16 of the Local Government Act 2003 and regulation 25 of the Capital Finance and Accounting Regulations 2003, but broadly expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Financing Requirement (CFR)

The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.

Capital Receipt

Monies received from the sale of capital assets, which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules prescribed by Central Government. Capital Receipts cannot be used to finance revenue expenditure, with the exception that up to 4% of sale proceeds may be transferred to the General Fund to finance costs directly associated with the disposal of the asset.

Cash and Cash Equivalents

Cash is represented by cash in hand and in bank accounts. Cash Equivalents include demand deposits with financial institutions which are highly liquid in that they are repayable without penalty on notice of not more than 24 hours.

CC or Chief Constable

The Chief Constable for Cumbria Constabulary.

CFO

The Constabulary Chief Finance Officer.

CIPFA

The Chartered Institute of Public Finance and Accountancy. The main professional body for accountants working in the public services.

Commissioner

The Police and Crime Commissioner for Cumbria.

Componentisation

Identifying and depreciating the components of an asset separately if they have differing patterns of benefits relative to the total cost of the asset.

Contingency

A sum set aside to meet unforeseen expenditure.

Creditors

Amounts owed by the Police and Crime Commissioner for goods and services provided which had not been paid for at the end of the financial year.

Glossary of Terms

Debtors

Amounts owing to the Police and Crime Commissioner but not received at the end of the financial year.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-minimis

In general the term means lacking in significance or importance. In terms of the accounts, a de-minimis limit is set for inclusion of projects in the capital programme, below this limit projects would be charged to revenue budgets.

Direct Revenue Contributions (DRC)

Resources provided from the Police and Crime Commissioner's revenue budget to finance the cost of capital projects.

DLUHC

Department for Levelling Up, Housing and Communities (formerly MHCLG and DCLG).

Earmarked Reserves

Those elements of the Police Fund that have been set aside, "earmarked", for specific purposes.

Fair Value

In accounting and economics, fair value is a rational and unbiased estimate of the potential market price of a good, service, or asset.

Hedge Funds

A hedge fund is a pooled investment vehicle administered by a professional management firm, and often structured as a limited partnership/ limited liability company. Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments.

Heritage Assets

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture.

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services who are a government agency responsible for monitoring the standards and performance of Constabularies and Fire and Rescue Services.

Impairment/Impaired

A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Investment Property

Property (land or building) held solely to earn rentals or for capital appreciation or both, rather than for operational reasons such as the provision of services.

Leasing

A method of financing expenditure over a period of time. There are two main types of lease:

- Finance Lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Police and Crime Commissioner's balance sheet at a current valuation.
- Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

Minimum Revenue Provision (MRP)

The minimum amount which must be set aside in the Revenue Account each year as a provision for credit liabilities.

Non-current Assets

An asset, which will yield a benefit to the Police and Crime Commissioner for a period of more than one year.

NPCC

The National Police Chiefs Council.

PCC

The Police and Crime Commissioner for Cumbria.

Pension actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or
- the actuarial assumptions have changed.

Pension – current service costs

The increase in the present value of a defined benefit's liabilities expected to arise from employee service in the current period.

Pension – defined benefit scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. The scheme rules define the benefits independently of the contribution payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Pension assets – expected rate of return

For a funded defined benefits scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Pension – interest costs

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Pension - past service costs

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Police Objective Analysis (POA)

The Police Objective Analysis (POA) is a model developed by the Home Office for analysing individual policing areas expenditure. It has been developed to support the need for understandable, accurate and consistent costing information to allow internal and inter-force comparisons.

Precept

The demands made by the Police and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

Private Equity Funds

A private equity fund is a collective investment scheme used for making investments in various equity (and to a lesser extent debt) securities according to one of the investment strategies associated with private equity.

Provision

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

Public Works Loan Board (PWLB)

A Government agency which provides longer term loans to Local Authorities at interest rates which are only slightly higher than those at which the government itself can borrow.

Reserves

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. The Police Fund represents accumulated balances which may be used to support future spending.

Revaluation Reserve

The revaluation reserve records the unrealised net gain from revaluation of non-current assets made after 1 April 2007. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

SERCOP

The CIPFA Service Reporting Code of Practice. It was introduced as part of the Best Value Regime to bring about more consistent accounting treatment of costs and to facilitate more meaningful financial comparisons between Authorities.

The Commissioner

The Police and Crime Commissioner for Cumbria.

Annex A - Statement of Accounting Policies

1 General Principles

The Statement of Accounts summarises the financial transactions for the 2022/23 financial year and the financial position at the 31 March 2023. The Police and Crime Commissioner and Chief Constable are each required to prepare an annual Statement of Accounts (single entity) in accordance with the Accounts and Audit Regulations 2015 which stipulate that the statements be prepared in accordance with proper accounting practices. Those practices primarily comprise the [CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23](#) (the Code) and the [Service Reporting Code of Practice 2022/23 \(SERCOP\)](#), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The Police and Crime Commissioner is responsible for combining the single entity statements to form a set of consolidated group accounts.

Where accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a [grey text box](#), in the notes to the accounts section (see pages 33 to 53). Where an accounting policy is more generic and applicable across the statement accounts it is shown in this **Annex A**.

2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories (stock) on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.
- An [accrual](#) is made in respect of employee benefits payable during employment

Accrual Example 1

An electricity invoice received at the start of April will usually relate to the previous quarters electricity consumption (January to March) and as such this expenditure should be shown in the financial statements for the previous financial year. The invoice will actually be paid in the new year but the costs are charged to the previous year by way of an accrual.

Accrual Example 2

The PCC/Constabulary insurance premiums are due on 1 November each year. The premium paid covers five months of the current financial year and seven months of the next. A prepayment is made in the accounts to move the cost of the seven months into the correct year.

3 Cash and Cash Equivalents

In accordance with the terms of [the Commissioner's funding arrangement to the Chief Constable](#), the Chief Constable is funded on a cash basis, accordingly all [cash and cash equivalent](#) balances are recorded on the balance sheet of the Commissioner.

Annex A - Statement of Accounting Policies

4 Exceptional Items

When exceptional items of income and expense are **material**, their nature and value 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 financial performance.

Materiality – information is material if omitting it or misstating it could influence decisions that users make on the basis of the financial information about a specific reporting organisation. In other words, materiality is an organisation specific aspect of relevance based on the *nature or magnitude or both*, of the items to which the information relates in the context of the individual organisations financial statements.

5 Charges to Revenue for Non-Current Assets

In accordance with the terms of [the Commissioner's](#) funding arrangement to the [Chief Constable](#), the Commissioner holds all [non-current assets](#). Accordingly, all [depreciation](#), revaluations and [impairments](#) are recorded in the Commissioner's single entity statement. However, the Commissioner makes a charge to the Chief Constable in the Comprehensive Income and Expenditure Statement for the use of non-current assets, which is equivalent to his share of depreciation.

6 Government Grants and Contributions

In accordance with the statutory responsibility of the [Commissioner](#) to maintain the Police Fund outlined in the Police and Social Responsibility Act 2011, all grants and contributions are attributable to the Commissioner and recorded in his accounts.

7 Intangible Assets

In accordance with the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#) all intangible assets are held by the Commissioner.

8 Inventories

Inventories (stocks) are included in the balance sheet at historic cost. This is a departure from IAS2 which requires inventories to be valued at the lower of cost or net realisable value. However, for many stock items, particularly uniforms, net realisable value would be minimal and would not accurately reflect the value of holding these assets.

9 Leases

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

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

Agreements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Annex A - Statement of Accounting Policies

The [Chief Constable](#) does not hold any finance leases (either as lessee or lessor) or operating leases (as lessor or lessee).

10 Treatment of Overheads

The costs of overheads and support services are incorporated within the cost of Policing and Crime Services line of the comprehensive income and expenditure statement in accordance with the principles of the [CIPFA](#) Code of practice on Local Authority Accounting, which requires costs to be shown on the same basis as used for resource management.

Under the [Commissioner's](#) funding arrangement to the [Chief Constable](#) premises costs (except where they are directly attributable to the Chief Constable) are initially recorded in the accounts of the Commissioner and a recharge is made to the Chief Constable in the single entity comprehensive income and expenditure statements on an appropriate basis.

Under the Commissioner's funding arrangement to the Chief Constable transport, supplies and services costs and those for police staff supporting both the Commissioner and Chief Constable (except where they are directly attributable to the Commissioner) are initially recorded in the accounts of the Chief Constable and a recharge is made to the Commissioner in the single entity comprehensive income and expenditure statements on an appropriate basis.

11 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Under the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#) all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, [impairment](#), [depreciation](#) and sale of such assets are recorded in the single entity accounts of the Commissioner. As noted in policy 5 above, the Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

12 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

There is currently one PFI scheme and this relates to the Cumberland BCU Deployment Centre at Workington. Under the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#), the Commissioner controls all property and accordingly the PFI building is recorded on the balance sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the comprehensive income and expenditure statement for the Constabulary's use of the building and the services provided.

13 Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

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

Annex A - Statement of Accounting Policies

14 Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. The only material estimation techniques used is in relation to pensions disclosures as set out in the technical annex, Annex B.

15 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

Annex B – Technical Annex – Financial Instrument Disclosures

B1 Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

Categories of Financial Instruments	CC	
	Current	
	31 March 2022	31 March 2023
	£000s	£000s
Financial Assets		
Debtors		
Debtors held at Amortised Cost	81	80
Items not classified as Financial Instruments	12,510	17,152
Total Financial Assets	12,591	17,232
Financial Liabilities		
Creditors		
Creditors held at Amortised Cost	(2,816)	(6,953)
Items not classified as Financial Instruments	(13,106)	(13,854)
Total Financial Liabilities	(15,922)	(20,807)

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as debtors and **financial liabilities** such as creditors and borrowings.*

Accounting Policy – Financial Instruments

Financial liabilities are initially measured at [fair value](#) and carried at their [amortised cost](#). Where payable (i.e. a creditor) has a maturity of less than 12 months the fair value is taken to be the principal outstanding, or the billed / invoiced amount.

Financial assets are initially measured at [fair value](#) and carried at their amortised cost. Where a financial asset (i.e. a debtor) has a maturity of less than 12 months, the fair value is taken to be the principal outstanding or the billed / invoiced amount.

Where assets are identified as [impaired](#) because of a likelihood arising from a past event that payments due under contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. An example of such a charge would be an adjustment made to the [debtors](#) balance as a [provision](#) for bad debt.

B2 Fair value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and assets represented by long term [debtors](#) and [creditors](#) are carried in the balance sheet at amortised cost. Their [fair value](#) can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- The fair value of trade and other receivables is taken to be the invoiced amount.

As the [Chief Constable](#) only holds debtors and creditors as financial instruments, the fair value is estimated to be the same as the carrying amount as set out in the table above.

B3 Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

The [Chief Constable's](#) activities expose him to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Chief Constable.
- Liquidity Risk – the possibility that the Chief Constable might not have funds available to meet its commitments to make payments.

Credit Risk

Credit Risk is the possibility that other parties might fail to pay amounts due to the Chief Constable.

As the [Chief Constable](#) is funded by the [Commissioner](#), the Chief Constable's credit risk arises indirectly through the Commissioner's deposits with banks and financial institutions, as well as credit exposures to the Commissioner's customers.

This risk is minimised through the application of policies set out in the annual Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody's ratings services. The annual TMSS (approved by the Commissioner in February 2022), also imposes a maximum sum to be invested with a financial institution located within each category.

Liquidity Risk

Liquidity Risk is the possibility that the Chief Constable might not have funds available to meet his commitments to make payments.

Under the terms of the funding arrangement between the Commissioner and the Chief Constable the Commissioner provides funding to the Chief Constable on a cash basis. As the Commissioner has ready access to borrowings from the Public Works Loans Board (PWLb) and had at 31 March 2023 no actual long term external debt, having financed a number of recent projects through internal borrowing, there is no significant risk that it will be unable to raise finance to meet its commitments to the Chief Constable within the terms of the funding arrangement.

C1 Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the [Chief Constable](#) offers retirement benefits. Although these benefits will not actually be payable until employees retire, under IAS 19 the Chief Constable must recognise its future commitment to make payments, which need to be disclosed at the time that employees earn their future entitlement. In addition, the financial statements should contain adequate disclosure of the costs of providing benefits and related gains/losses.

Individually, there are three pension schemes for police officers (1987, 2006 and 2015 schemes) and a single scheme for police staff. They are all defined benefits schemes.

- **The Local Government Pension Scheme (LGPS)**

Police staff, subject to certain qualifying criteria, are eligible to join the LGPS, which is a funded defined benefit scheme. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

The LGPS for Police Staff employees is administered by Cumbria County Council (outsourced to Lancashire County Council) – this is a funded [defined benefit scheme](#), meaning that the Chief Constable and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets over the long term. In 2022/23 the Chief Constable made a past service contribution of £23k (£23k in 2021/22) which was made with the aim of reducing future contributions after the next actuarial review. The contribution rate was last reviewed in March 2022 with a revised rate for employers contributions of 18.9% being applicable from April 2023. The contribution rate will next be reviewed in March 2025 with a revised rate for employers contributions being applicable from April 2026.

- **The Police Pension Scheme**

There are currently three pension schemes in operation for Police Officers:

- The original 1987 Police Pension Scheme is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976.
- The 2006 Police Pensions Scheme is also governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006).
- The 2015 Police Pensions Scheme is a career average revalued earnings (CARE) scheme and is governed by the Police Pensions Scheme 2015 Regulations and related regulations under the Police Pensions Act 1976.

The Police Pension Scheme is an unfunded scheme (i.e. there are no investment assets built up to meet pension liabilities and cash has to be generated to meet actual pensions payments as they fall due). The funding arrangements for police officers' pensions changed on 1st April 2006. Before April 2006 pensions of former employees were required to be met on a 'pay as you go' basis with the cost charged to the revenue account. From April 2006 onwards the payments made during the year under the scheme are funded by a combination of employee contributions and employer contributions charged to the Comprehensive Income and Expenditure Statement with the remaining deficit funded by a specific Home Office grant. The employer's contribution was increased to 31% from 1st April 2019.

The Chief Constable and employees pay contributions into a separate pensions fund account administered by the Chief Constable from which on-going pensions liabilities are met. At the year-end any surplus or deficit on the pensions fund account is paid to or met by the Commissioner who then repays or is reimbursed by the Home Office.

Annex C – Technical Annex – Pension Disclosures

Also from 1st April 2006 legislation required the operation of a Pension Fund Account (shown on pages 54-55). The amounts that must be paid into and out of the fund are specified by regulation. Officers' contributions and the employer's contributions are paid into the pension fund account from which pension payments are made. Any shortfall on the pension fund account is met by a contribution from the police fund. A Home Office Grant is received to cover this contribution. Conversely, a surplus on the Pension Fund Account would result in a contribution to the police fund, which would then be recouped by the Home Office. As the Commissioner is responsible for maintaining the police fund the receipt of Home Office pension grant and corresponding contribution to the Police Pension Fund Account are shown in the accounts of the Commissioner.

Defined Benefit Scheme – A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be **funded** or **unfunded**.

A **funded** scheme is one where employers and employees pay contributions into a fund. The payments to pensioners are then made from this fund.

An **unfunded** scheme is one where there is no fund with investment assets built up to meet pension liabilities and cash has to be generated (from employee and employer contributions) to meet the actual pension payments as they fall due.

The Accounts show the full implementation of IAS19 (Employee Benefits). IAS19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable to the pension fund during the year, an appropriation is made within the pensions reserve equal to the net change in the pensions liability recognised in the Comprehensive Income and Expenditure Statement. The Balance Sheet discloses the net liability in relation to retirement benefits. The figures are based on the Actuary's latest estimate.

There are restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and are accounted for using the same policies as applied to the LGPS.

Annex C – Technical Annex – Pension Disclosures

The cost of retirement benefits is recognised in the Cost of Services within the Comprehensive Income and Expenditure Statement when employees earn them, rather than when the benefits are eventually paid as pensions.

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

Pension Transactions in MIRS and CI&ES	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme		CC Total Pension Schemes	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Comprehensive Income and Expenditure Statement												
<i>Cost of Services</i>												
<i>Service cost comprising:</i>												
• Current service cost	8,148	8,337	0	0	2,870	680	120	0	31,020	27,710	42,158	36,727
• Past service costs	0	33	0	0	0	14,940	0	1,650	0	(16,590)	0	33
• (Gain)/loss from settlements/curtailments	94	61	0	0	0	0	0	0	0	0	94	61
<i>Financing and Investment Income and Expenditure</i>												
• Net interest expense	1,551	1,588	21	28	24,660	32,270	1,330	1,730	2,920	4,590	30,482	40,206
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	9,793	10,019	21	28	27,530	47,890	1,450	3,380	33,940	15,710	72,734	77,027
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement												
<i>Remeasurement of the net defined benefit liability comprising:</i>												
• Return on plan assets (excluding the amount included in the net interest expense)	(12,913)	9,400	0	0	0	0	0	0	0	0	(12,913)	9,400
• Actuarial (gains) and losses arising on changes in demographic assumptions	(1,923)	(5,602)	(7)	(22)	0	(11,060)	0	(2,580)	0	(11,570)	(1,930)	(30,834)
• Actuarial (gains) and losses arising on changes in financial assumptions	(5,445)	(109,302)	(11)	(229)	(14,570)	(364,670)	(1,310)	(30,570)	(3,210)	(94,220)	(24,546)	(598,991)
• Experience (gains) and losses on liabilities	609	19,515	3	67	7,310	79,480	(2,110)	1,190	440	8,490	6,252	108,742
• Administration expenses	163	173	0	0	0	0	0	0	0	0	163	173
• Impact of Asset Ceiling	0	21,046	0	(766)	0	0	0	0	0	0	0	20,280
Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure	(19,509)	(64,770)	(15)	(950)	(7,260)	(296,250)	(3,420)	(31,960)	(2,770)	(97,300)	(32,974)	(491,230)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(9,716)	(54,751)	6	(922)	20,270	(248,360)	(1,970)	(28,580)	31,170	(81,590)	39,760	(414,203)
<i>Movement in Reserves Statement</i>												
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(9,793)	(10,019)	(21)	(28)	(27,530)	(47,890)	(1,450)	(3,380)	(33,940)	(15,710)	(72,734)	(77,027)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>												
• Employers' contributions payable to the scheme	3,831	4,090	54	62	0	0	0	0	0	0	3,885	4,152
• Retirements benefits payable to pensioners	0	0	0	0	42,590	41,180	110	330	(5,660)	(6,130)	37,040	35,380
Total amount charged against the Police Fund Balance for pensions in the year	3,831	4,090	54	62	42,590	41,180	110	330	(5,660)	(6,130)	40,925	39,532

Accounting Policy - Post-Employment Benefits – CIES Entries/Charges to the Police Fund

All accounting entries in relation to the Comprehensive Income and Expenditure Statement and the subsequent liability for police officers pensions are wholly recorded in the [Chief Constable's](#) accounts. For police staff all Comprehensive Income and Expenditure Statement entries and subsequent balance sheet liabilities in relation to pensions are apportioned between [the Commissioner](#) and the Chief Constable single entity statements by the scheme actuary.

In relation to retirement benefits, statutory provisions require the Police Fund to be charged with the amount payable to the pension funds in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the Police Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Accounting Policy - Post-Employment Benefits - CIES Entries

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

- **Service cost comprising:**
 - [Current service costs](#) – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
 - [Past service cost](#) – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
 - Net interest on the net defined pension benefit liability (asset) – i.e. the net interest expense for the organisation – the change during the period in the net defined pension benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined pension benefit obligation at the beginning of the period to the net defined pension benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined pension benefit liability (assets) during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
 - Return on plan assets-excluding amounts included in the net interest on the net defined pension liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions (demographic and financial) made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions paid to the pension fund**
 - cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Annex C – Technical Annex – Pension Disclosures

C2 Assets and Liabilities in relation to Retirement Benefits

Under IAS 19, the financial statements should reflect at [fair value](#) the assets and liabilities arising from an employer's obligation to pay retirement benefits and the funding provided.

The underlying assets and liabilities for retirement benefits attributable to the [Chief Constable](#) at 31 March 2023 with comparative information for the previous year are as follows:

Pension Scheme Assets & Liabilities	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Present value of the defined benefit obligation	(247,290)	(165,174)	(984)	(766)	(1,230,360)	(940,820)	(64,630)	(35,720)	(164,600)	(89,140)
Fair value of plan assets	188,449	186,220	0	0	0	0	0	0	0	0
Impact of Asset Ceiling	0	(21,046)	0	766	0	0	0	0	0	0
Net liability arising from defined benefit obligation	(58,841)	0	(984)	0	(1,230,360)	(940,820)	(64,630)	(35,720)	(164,600)	(89,140)

The liabilities in the above table show the underlying commitments that the Chief Constable has, in the long run, to pay retirement benefits. The total liability of £1.024b (£1.519b in 2021/22) 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 £1.029b (£1.524b in 2021/22). The reduction in overall liability has arisen as a result in a change in actuarial assumptions.

However, statutory arrangements for funding the deficit mean that the financial position of the Constabulary remains healthy, since:

- the deficit on the local government scheme will be made good by increased contributions and changes to benefits 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.

LGPS – Asset Ceiling

Following the pensions valuation by the Constabulary's actuary, Mercer Ltd, the Constabulary determined that the fair value of its pension plan assets outweighed the present value of the plan obligations as 31st March 2023 resulting in a pension plan asset for the first time. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil.

Annex C – Technical Annex – Pension Disclosures

Reconciliation of present value of scheme liabilities:

Reconciliation of Scheme Liabilities	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at Start of Year	(242,939)	(247,290)	(1,032)	(984)	(1,252,680)	(1,230,360)	(66,710)	(64,630)	(127,770)	(164,600)
Current service cost	(8,148)	(8,337)	0	0	(2,870)	(680)	(120)	0	(31,020)	(27,710)
Interest cost	(5,318)	(6,893)	(21)	(28)	(24,660)	(32,270)	(1,330)	(1,730)	(2,920)	(4,590)
Contributions by Scheme Participants	(1,335)	(1,410)	0	0	(210)	0	(20)	0	(5,820)	(6,340)
Remeasurement gains and (losses):										
- Arising from changes in demographic	1,923	5,602	7	22	0	11,060	0	2,580	0	11,570
- Arising from changes in financial assumptions	5,445	109,302	11	229	14,570	364,670	1,310	30,570	3,210	94,220
- Experience gains/(losses)	(609)	(19,515)	(3)	(67)	(7,310)	(79,480)	2,110	(1,190)	(440)	(8,490)
Past service cost	0	(33)	0	0	0	(14,940)	0	(1,650)	0	16,590
Gains/(losses) on curtailment	(94)	(61)	0	0	0	0	0	0	0	0
Benefits Paid/Transfers	3,785	3,461	54	62	42,800	41,180	130	330	160	210
Balance at End of Year	(242,290)	(165,174)	(984)	(766)	(1,230,360)	(940,820)	(64,630)	(35,720)	(164,600)	(89,140)

The liabilities under the LGPS and Police pension Schemes have reduced during 2022/23. The principal reason for these changes is in relation to changes in financial and demographic assumptions by the scheme actuaries.

Accounting Policy - Post-Employment Benefits – Measurement of Liabilities

The liabilities of the pension fund are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate (see assumptions set out in C3 on page 73).

Actuarial valuations of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities.

Annex C – Technical Annex – Pension Disclosures

Reconciliation of [fair value](#) of the scheme assets:

Reconciliation of Scheme Assets	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits	
	2021/22	2022/23	2021/22	2022/23
	£000s	£000s	£000s	£000s
Balance at Start of Year	170,551	188,449	0	0
Interest Income	3,767	5,305	0	0
Remeasurements - Gains and (Losses)	12,913	(9,400)	0	0
Administration Expenses	(163)	(173)	0	0
Employer Contributions	3,831	4,090	54	62
Contributions by Scheme Participants	1,335	1,410	0	0
Benefits Paid	(3,785)	(3,461)	(54)	(62)
Balance at End of Year	188,449	186,220	0	0

Accounting Policy - Post-Employment Benefits – Measurement of Assets

The assets of the LGPS pension fund are included in the Balance Sheet at their [fair value](#):

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

Annex C – Technical Annex – Pension Disclosures

The Police Pension Scheme has no assets to cover its liabilities. The [Chief Constable's](#) share of assets in the Cumbria County Council Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

LGPS Asset Breakdown	Quoted Y/N	CC 2021/22		CC 2022/23	
		£000s	%	£000s	%
Equities					
UK Equity Pooled	Y	9,610	5.10%	8,939	4.80%
Global Equity Pooled	Y	47,866	25.40%	50,279	27.00%
Overseas Equity Pooled	N	8,669	4.60%	8,939	4.80%
Bonds					
UK Government Indexed Pooled	N	31,848	16.90%	26,071	14.00%
Property					
UK	N	11,872	6.30%	9,125	4.90%
Property Funds	N	5,277	2.80%	5,214	2.80%
Alternatives					
Private Equity Funds	N	11,495	6.10%	15,084	8.10%
Infrastructure Funds	N	19,222	10.20%	24,767	13.30%
Private Debt Funds	N	9,046	4.80%	12,849	6.90%
Healthcare Royalties	N	2,450	1.30%	2,980	1.60%
Multi Asset Credit	N	25,818	13.70%	16,946	9.10%
Cash					
Cash Accounts	Y	5,088	2.70%	4,842	2.60%
Net Current Assets	N	188	0.10%	185	0.10%
		188,449	100.00%	186,220	100.00%

C3 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, which provides an estimate of the pensions that will be payable in future years using assumptions about mortality rates, salary levels, etc. Mercer Ltd, an independent firm of actuaries, has carried out the assessment on the Local Government Pension Scheme. These accounts are based on the [actuarial valuation](#) undertaken on 31 March 2023. The Police Scheme estimates have been compiled using a valuation model devised by the Government Actuaries Department.

Accounting Policy – Pensions Material Estimation Techniques

Where the projected unit method of valuation has been applied and which is consistent with the required methodology in IAS 19. This is a valuation method in which the scheme liabilities make an allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits pensioners and deferred pensioners (i.e. individuals who have ceased as active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested or not.

For 2022/23 a discount rate based on the current rate of return on a high quality corporate bond of equivalent currency and term to scheme liabilities is to be used. The actuaries for the Police and LGPS pension funds have advised that discount rates of 4.65% for Police and 4.80% for LGPS are appropriate.

Annex C – Technical Annex – Pension Disclosures

The principal assumptions used by the actuary have been:

Actuarial Assumptions	LGPS		Police Scheme	
	2021/22	2022/23	2021/22	2022/23
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
- Men	22.6	21.9	22.1	21.9
- Women	25.3	24.2	23.8	23.5
Longevity at 65 for future pensioners:				
- Men	24.1	23.1	23.8	23.5
- Women	27.1	26.0	25.4	25.0
Rate of Inflation (CPI)	3.20%	2.70%	3.00%	2.60%
Rate of increase in salaries	4.70%	4.20%	4.75%	3.85%
Rate of increase in pensions	3.30%	2.80%	3.00%	2.60%
Rate of Revaluation for CARE Pensions	-	-	4.25%	3.85%
Rate for discounting scheme liabilities	2.80%	4.80%	2.65%	4.65%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis – LGPS Pension Scheme

Sensitivity Analysis - LGPS	CC		
	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s
Local Government Pension Scheme			
Longevity (1 Year increase in life expectancy)	3,256	95	157
Rate of Inflation (increase by 0.25%)	8,174	323	393
Rate of Increase in Salaries (increase by 0.25%)	1,400	0	68
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(14,884)	(545)	(901)
Change in 2022/23 investment Returns (increase by 1%)	0	0	(90)
Change in 2022/23 investment Returns (reduce by 1%)	0	0	89

Annex C – Technical Annex – Pension Disclosures

Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police	CC	Police
	Pensions	Pensions	Pensions
	1987	2006	2015
	Scheme	Scheme	Scheme
	£000s	£000s	£000s
Assumption Sensitivity			
Longevity (1 Year increase in life expectancy)	24,000	1,000	2,000
Rate of Increase in Pensions (increase by 0.5%)	63,000	3,000	15,000
Rate of Increase in Salaries (increase by 0.5%)	6,000	2,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(63,000)	(5,000)	(12,000)

The above tables include the impact of an increase in assumptions, a reduction in assumptions will produce approximately an equal and opposite change.

C4 Impact on the Chief Constable's Cash Flows

The objectives of the LGPS scheme are to keep employers' contributions at as constant a rate as possible. The [Chief Constable](#) has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 10 years. Funding levels are monitored on an annual basis. The latest triennial valuation took place during 2022/23 based on the position at 31 March 2022. The revaluation resulted in an increase in contribution rates from 18.4% to 18.9% which took effect from 1 April 2023.

The pension schemes will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS and the other main existing public service schemes in England and Wales (which includes the Police Pension schemes) may not provide benefits in relation to service after 31 March 2014 (after 31 March 2015 for other main public service schemes e.g. Police Pension Schemes). This means that the LGPS ceased to be a final salary scheme from 31 March 2014 and the Police Pension Scheme ceased to be a final salary pension scheme from 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The total contributions expected to be made to the Local Government Pension Scheme by the Chief Constable in the year to 31 March 2024 are £4.687m. Expected contributions for the Police Pension Scheme in the year to 31 March 2024 are £16.106m.

The weighted average duration of the defined benefit obligation for scheme members is shown in the table below:

Weighted Average Duration of the Defined benefit Obligation	2021/22	2022/23
	Years	Years
Pensions Scheme		
Local Government Pension Scheme - CC	22	21
Police Pension -1987 Scheme	18	15
Police Pension -2006 Scheme	33	28
Police Pension -2015 Scheme	36	31



The Chief Constable of Cumbria Constabulary

Annual Governance Statement 2022/23



The Chief Constable of Cumbria Constabulary

Annual Governance Statement 2022/23

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Chief Constable of Cumbria Constabulary (the Chief Constable) is responsible for ensuring business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of affairs and facilitating the exercise of functions, which includes arrangements for the management of risk.

The key elements of the system and processes that comprise the Chief Constable's governance arrangements are detailed in this document. The elements are based on the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework, the standard against which all local government bodies, including police, should assess themselves.

The Chief Constable has approved and adopted a Code of Corporate Governance 'The Code'. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks to support the overall arrangements that are in place for fulfilling the Chief Constable's functions. This statement explains how the Chief Constable has complied with The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an annual governance statement, which must accompany the Chief Constable's statement of accounts.

THE REVIEW OF EFFECTIVENESS

The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers within the organisation who have responsibility for the development and maintenance of the governance environment. The review comprises:

- A cyclical detailed review of the key documents within the Chief Constable's governance framework e.g. Financial Regulations.
- An overarching review of the governance arrangements in place to support each core principle within the CIPFA Solace guidance.
- A review of what has happened during the past year to evidence how the Code has been complied with, which is articulated in the Annual Governance Statement.
- A review of the effectiveness of the arrangements for internal audit against the Public Sector Internal Audit Standards and the Internal Audit Charter.
- Formal reviews of the role of the Chief Constable's Chief Finance Officer and the Head of Internal Audit (HIA) against the respective CIPFA statements, which demonstrated full compliance. A review of the effectiveness of the Joint Audit Committee against CIPFA guidance.

The following paragraphs constitute the Annual Governance Statement, demonstrating how the Chief Constable has complied with the governance framework, set out within the Code, to meet of each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

Signed:	Signed:
Signature removed for the purpose of publication on the website	Signature removed for the purpose of publication on the website
Michelle Skeer Chief Constable	Michelle Bellis Constabulary Chief Finance Officer
12 June 2023	12 June 2023

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Ethics and Integrity & Respecting the Rule of Law

During 2022/23 the Constabulary continued to take a pro-active approach to communicating and promoting the highest standards of integrity in all elements of its business. Work has continued to embed and develop ethical behaviour based on:

- The Constabulary's Corporate Values
- The College of Policing Code of Ethics
- Preventing the abuse of authority for sexual gain.
- The Constabulary's Anti-Fraud and Corruption Policy and Procedures.

These arrangements are supported by the Director of Legal Services, who is a qualified solicitor and acts as the Chief Constable's 'Monitoring Officer', providing advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

The Constabulary's Professional Standards Department is central to the maintenance of high standards of conduct and behaviour within the organisation. The priorities of the Constabulary's Professional Standards Department are shaped by a Strategic Assessment of threats and risks, which reflects the Regional Strategic Threat Assessment.

The People Control Strategy is broken down into four main areas, people we know, areas we go, standards of professional behaviour and systems we use.

Key priorities which are currently identified are:

- People - employee vulnerability (associations, financial matters, wellbeing), abuse of position for sexual purposes and vetting.
- Areas - security and areas we work
- Standards - disclosure of information / confidentiality and discreditable conduct.
- Systems - misuse of force systems and social media.

Regular internal meetings are held to deliver these priorities, based on a framework of:

Pursue

- Intelligence development relating to officers and staff behaviour towards vulnerable members of the community.
- Creation of operational packages for adoption by Anti-Corruption Unit (ACU) - operations concentrating efforts towards the four priority areas.
- Implementation of with-cause drug testing of officers in response to intelligence

Prevent

- Integrity interviews with officers or staff where concerns are raised relating to behaviour that does not meet the threshold for misconduct.
- Force Reputational Panels in response to developed intelligence identifying vulnerable associations.
- Review and collation of force policy linked to corruption

Prepare

- Training, advice, engagement and guidance provided to HQ and local based courses on priorities linked to standards of professional behaviour.
- Attendance and input at Digital Policing Board to futureproof new ICT systems and force software systems.

Protect

- Meetings held with the Business Improvement Unit to seek improvement in terms of officers use and deployment of Body Worn Video (BWV)
- Engaging with partners regarding Abuse of Position for a Sexual Purpose/Sexual Harassment and highlighting the reporting mechanisms relating to employee behaviour should they have concerns

The Professional Standards Department operate a preventative approach designed to ensure all officers and staff are aware of their responsibilities and potential consequences if their conduct falls below required professional standards. This includes the issue of PASS newsletters, which provide guidance on matters of integrity. Subjects covered in 2022/23 have included advice on:

- Activation of Body Worn Video.
- Inappropriate Use of Batons.
- Suspected Head and Brain Injuries – What to do?
- Use of Cannabidiol (CBD) products.
- Stalking and Harassment: Are you providing the correct digital safety advice?
- Managing the risk of suicide - persons under investigation.
- Misuse of Protected Learning Days (PLD).
- Transport of detainees.
- Finding of Gross Misconduct for former officer who knowingly prepared false MG11.

This preventative approach is further underpinned through the use of a Prevent and Diversion Officer. The role promotes an organisational culture of reflection, improvement and learning.

The key areas of vulnerability remain as:

- Abuse of Position for a sexual purpose/ Sexual misconduct (APSP)
- Disclosure of Information
- Neighbour/ Associate Issues
- Drugs misuse.

APSP also includes additional national requirements associated with Violence Against Woman and Girls.

In relation to complaints, the Constabulary remains committed to delivering effective customer service. The process has been enhanced through the recruitment of Initial Complaint Handlers ensuring effective resolution through Service Recovery on relevant cases when appropriate. The remaining cases are then investigated. Complaints can also be dealt with “there and then” by local management, but are still logged to ensure compliance with reporting requirements

The Constabulary has adopted a digitalised solution (the first of its kind nationally), to manage the Reflective Practice Review Process (RPRP) which is progressed via the Performance Development Review (PDR) process utilising Practice Requires Improvement (PRI). This follows recommendations for improvement from an internal audit of RPRP in late 2020/21. A key functionality of this system enables the abstraction of individual and organisational learning which links in with the role of the Prevent and Diversion Officer.

The Constabulary demonstrates a progressive attitude towards learning / mistakes. A key element of any PSD investigation is to highlight any actions which could prevent similar mistakes being repeated. To this end, following every investigation the lead officer carries out a rigorous assessment to determine key actions and lessons learned, examples of possible actions are:

- Mistakes/sub-optimal conduct – Practice Requires Improvement (PRI), via RPRP.
- Systemic breakdown – change in policy/ reminder to all staff via a PASS newsletter.
- Serious Misconduct (defined as misconduct that would justify a Written Warning or above) - Official misconduct proceedings.

Here again, the Prevent and Diversion Officer is utilised to share wider learning in a positive and constructive way.

In the interests of openness and transparency, police officer gross misconduct hearings are held in public. Four public hearings took place in 2022/23, as a result of which two members of police staff and one police officer were dismissed without notice. The fourth hearing was adjourned until June 2023. All police officer hearings are presided over by a legally qualified chair or Chief Constable (where appropriate). The outcomes of misconduct hearings are publicised on the Constabulary website.

The Ethics and Integrity Panel continue to provide independent oversight for the OPFCC and Constabulary in relation to standards, ethics and integrity. The Panel also reviews 'Quality of Service and Policing Issues' raised by members of the public including public complaints, internal grievances, police misconduct and staff misconduct cases. The Panel's work is reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny. Whilst the Panel's conclusions provide assurance regarding high standards of ethics and integrity, where applicable, recommendations to enhance or improve the level of service provided by the Constabulary have been made.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

To support transparency and ensure that the Chief Constable's vision is clearly communicated, the Chief Officer Group continue to hold strategy days for senior management and online virtual road shows across the county, for all officers and staff. This has been supported by a range of communications across the force particularly via O365 tools, utilising Teams Live Events, Teams meetings as well as the internal intranet site and noticeboards. The Constabulary continues to use and develop Yammer, which is an internal social media platform to increase the potential and effectiveness of internal engagement. The platform enables interactions across the whole organisation - such as channels and a mechanism to provide feedback and questions to senior management - Ask the Force and One Change. There are channels for wellbeing support, staff support groups, staff notice board and specialist interest groups, which cover a wide range of areas such as specific projects, such as roll-out of new technology or change in processes. The force proactively use Stream – an internal video channel to support communications, these are used for a range of things such as the Deputy Chief Constable's fortnightly VLOG, weekly local management briefings, briefings for specific operations and events such as Covid and Appleby Fair as well as to support campaigns, learning and development across the force.

Engaging Effectively with Institutional Stakeholders

The Constabulary works closely with the Office of the Police Fire and Crime Commissioner (OPFCC) through formal mechanisms (such as Public Accountability Conferences and Collaborative Board meetings) and informally through one to one meetings with senior staff from both organisations.

The Constabulary continues to work with partners as this can deliver a more effective policing service to the public and meet the aims of the Commissioner's Police and Crime Plan. Accordingly, the Constabulary actively participates in a range of partnership activities and functions in collaboration with other agencies, both at a strategic and tactical level. Examples include:

- the Local Resilience Forum (major incident planning)
- the Cumbria Road Safety Partnership
- the Safer Cumbria Board
- the Cumbria Safeguarding Children's Partnership (CSCP)
- Community Safety Partnerships (CSP), there are now 2 CSPs Cumberland CSP and Westmorland & Furness CSP
- The Cumbria Addictions Board (countering alcohol and drug abuse)
- Work with the Lake District National Park Authority and other district and county partners to support visitor management within the county
- Further development of links with criminal justice and mental health agencies and other blue-light partners. This now includes the Right Care Right Person initiative around mental health.

- Local Focus Hubs in each area, where the Constabulary works closely with a range of local agencies to prevent and solve problems at the earliest opportunity. These are ongoing but now sit under the two new CSPs.
- Scoping collaboration with Cumbria Fire and Rescue Service.

In accordance with the Joint Financial Regulations and Rules, arrangements are in place to ensure that for significant partnerships and joint working relationships there is appropriate governance including, a legal power to engage, appropriate approval by the Chief Constable and Commissioner, clear objectives, documentation of financial and other resource commitments and risk assessment.

Engaging stakeholders effectively, including community and service users

The Constabulary has a Community Engagement and Consultation Strategy, which co-ordinates all on-going consultation activities and is refreshed on an annual basis to understand the needs of service users. During the year, the Constabulary consulted with the public to find their policing priorities, how confident they felt, how they would like to be engaged with and their areas of concern. These informed the development of the Constabulary's and Commissioner's plans.

This year we have updated, and issued, another "call it out" survey as part of their continued work to tackle violence against women and girls and to find out how safe they feel in local communities. This work will help us to continue to focus our activity to support women and girls and help them to feel safe. The Constabulary is also promoting the use of the Safer Streets app – so they can work with partners to address any areas of concern in local communities.

The Constabulary has a well embedded marketing and communications approach which establishes clear channels of communication with all sections of the community, providing information about crime in their area, crime prevention and safety advice as well as raising awareness to policing issues and letting the public know how the force is performing, and the work that it does.

Newsletters and alerts are an effective communication tool to keep people informed and updated in our communities. The current number of subscribers has increased to almost 43,607 with people signing up for alerts in their local area, information about work the Constabulary does, such as rural crime newsletters, work done to keep women and girls safe, fraud, as well as monthly newsletters from their local policing teams and recruitment news. The neighbourhood policing teams within Local Focus hubs produce digital monthly newsletters, giving monthly updates and information to their communities, covering local crime and antisocial behaviour issues relevant to their area, information and advice, as well as statistics for the parish councils. These digital newsletters are available for members of the public to subscribe to and subscriptions are rising annually.

The Constabulary's e-community has grown and is now at almost 358,000 followers. Officers within the Neighbourhood Policing teams are using their Facebook account to engage with the local community about policing issues important to them in their locality, with some specialised teams such as roads policing and dog section having a presence on Twitter. Whilst the recommended channels to report crime online are via the website (single online home) or a new webchat facility, the force is able to respond to urgent crimes reported via direct message on social media, via our Digital desk, which is monitored by the command and control room out of hours, and the force marketing and communications team during office hours.

Engagement with the public is pivotal to the work of Neighbourhood Policing Teams (NPTs) embedded in Local Focus Hubs in determining local priorities. This is achieved through Community Engagement Plans, which detail contact with all stakeholders

particularly those that are under-represented communities or with protected characteristics. The Community Engagement Strategy includes our key principles of consultation and engagement, which are:

- Officers, staff and volunteers being responsible for and having a targeted, visible presence in neighbourhoods.
- A clearly defined and transparent purpose for engagement activities.
- Regular formal and informal contact with communities.
- Working with partners, such as sharing opportunities for engagement.
- Making information available about local crime and policing issues to communities.
- Engagement that recognises and is tailored to the needs and challenges of different communities.
- Using engagement to identify local priorities and inform problem solving.
- Officers, staff and volunteers providing feedback and being accountable to communities.
- Officers, staff and volunteers supporting communities, where appropriate, to be more active in the policing of their local areas.
- Local focus teams use social media and other digital tools to engage with on-line communities.
- Officers, staff and volunteers working closely with the Constabulary's Marketing and Communications department to engage with members of the media to highlight work conducted to tackle local issues.
- Specific types of engagement are set out in our minimum standards of engagement.
- Senior leaders will ensure support for officers in attendance at suitable training or CPD activities.

These arrangements are supported by a toolkit, which is available to officers.

The Constabulary has a Diversity, Equality and Inclusion Strategy, which seeks to both support diversity and inclusion within the workforce and to work with partners and the community to provide an effective policing service for a diverse community. There are a number of ways that we can engage with communities including:

- Encouragement for Neighbourhood Policing Teams to engage with local businesses from diverse backgrounds, especially around significant dates e.g. Chinese New Year
- On-line events to promote inclusion for recruitment, women in policing, positive action, LGBTQ, Disability.
- On-line events to highlight areas of concern e.g. Domestic Violence
- Advertising significant dates via social media and in local communities
- Engaging with different Community Groups e.g. Anti-Racism Cumbria, Multicultural Cumbria etc and encouraging them to work with us
- Increasing the Diversity of the Strategic Independent Advisory Group
- Supporting the delivery of the Race Action Plan, including training to all senior leaders from Anti-Racist Cumbria.

The Constabulary has also been active in trying to promote diversity in the recruitment of officers and staff and to provide support for existing employees from diverse backgrounds. Specific actions have included:

- Putting a dedicated positive action team in place to support the forces vision to attract, recruit and retain staff and officers from under- represented groups. A number of recruitment events have been held, which have attracted officers from outside the area and we have increased our under represented officers by 2%.

- Established an Inclusion hub. This is a central repository that staff can access to support them with any wellbeing challenges or to seek help from any of staff support groups. This includes officers who can provide lived experience advice.
- As part of Operation Uplift the Constabulary is first in the country in relation to the percentage of female officers recruited at 42%, this was recognised by HMICFRS in our peel inspection.

The Constabulary uses Community Impact Assessments to identify issues that may affect a community's confidence in the ability of the police to respond effectively to their needs, thereby enhancing the police response, particularly after major incidents.

Internally, frequent bulletins from the Chief Constable, Deputy Chief Constable, Assistant Chief Constable and Assistant Chief Officer have communicated important messages to the workforce via a variety of methods including face to face briefings, online events, blogs, vlogs, email, newsletters and the intranet and yammer . This includes key information on standards and performance, wellbeing, new legislation, our policing approach, practical advice and guidance on changes to working practices, advice and guidance to keep safe, and our role to help to achieve the Chief's vision to provide an excellent policing service.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

For 2022/23, the Chief Constable determined the strategic direction for the Constabulary, which is 'To Deliver an Outstanding Police Service to Keep Cumbria Safe'. Following consultation with a range of stakeholders, demand and resource analysis, performance results, recommendations from independent inspections and audits and a review of the organisation's strategic risks, the Chief Constable developed the core operational objectives of Tackling Criminality, Helping Those in Need and Connecting with Communities, which will be achieved through:

- Early intervention and prevention.
- Quality investigations
- Innovative use of Intelligence and technology.
- Working together.
- Quality victims care.
- Visible local policing at the heart of what we do.
- Respond to our communities.
- Maximise engagement.

The Commissioner approved these key objectives and incorporated them into the Police & Crime Plan to complement its aims.

The Plan on a Page shows how everyone in the organisation contributes to the overall aim of *Keeping Cumbria Safe* and improves knowledge and understanding by linking strategic objectives to operational and business daily activity on the ground and maintaining performance and re-enforcing our values.

Sustainable economic, social and environmental benefits

During 2022/23, work continued to deliver Vision 25, which complements the Constabulary's priorities, builds on achievements to date and provides a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 2020s.

Cumbria Vision 25 has five key themes:

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

Each theme has an accompanying work programme outlined in the Vision 25 document. Vision 25 workstreams and actions are recorded, with progress monitored through the Cumbria Constabulary Improvement Plan (CCIP).

Business planning and governance boards have been re-organised and improved as part of the Forces work to redesign and implement its new target operating model. The current governance arrangements were devised through consideration of national best practice and HMICFRS recommendations, and delivered to address identified gaps.

During 2022/23 the Commissioner incorporated the Constabulary's budget proposals into his 2023/24 budget in the context of a medium term financial forecast (MTFF) covering five years to 2027/28.

The policing grant settlement, received in December 2022 provided £272k in additional grant funding for 2023/24. In addition, a further ringfenced grant of £2.3m was provided on the condition of maintaining the police officer numbers as part of Operation Uplift (the Government's plan to recruit 20,000 new officers by 2023) throughout 2023/24. The settlement also provided Commissioners with a degree of flexibility to levy increased council tax. Following a public consultation exercise, the Commissioner approved the 2023/24 budget in February 2023 based on a council tax increase of 5.3%. The funding provided to the Constabulary will allow existing services to be maintained and the increased number of police officers recruited as part of Operation Uplift to be retained for a further year. In consultation with the Commissioner, once trained, the additional officers will be deployed by the Chief Constable to areas, which will support the Police and Crime Plan's principal objective of Keeping Cumbria Safe. The budget has also supported investment in a new records management system, analytical capability and resource co-ordination, which are seen as critical to deliver the Chief Constable's strategic objectives.

The Government's spending plans as set out in its spending review announcement in autumn 2021 and the investment in Operation Uplift have been generally favourable to policing. However, the emergence of inflationary pressures not seen for a generation in the latter part of 2021/22 and continuing throughout 2022/23, in combination with existing financial risks in relation to the cost of implementing the Emergency Services Network, pension cost pressures and the impact of the review of the Police Funding Formula make the Constabulary's future financial outlook uncertain. The budget for 2023/24 has been balanced, however savings will be required from 2024/25 onwards.

Against this background, modelling of a range of financial scenarios through the Medium Term Financial Planning process, undertaken jointly by the OPFCC and Constabulary, has continued to inform wider business planning. An on-going theme of each of the Cumbria Vision 2025 work-streams is to develop savings options and realise business benefits, particularly in areas where investment in new technology has been made, as a means of balancing the budget over the medium term.

During 2022/23, the Constabulary continued to develop its business planning aligned to the MTFF. Workplans to support existing strategies in relation to people, ICT, fleet, estates and procurement have been produced. Progress during the year, together with future plans, has been reported to the Commissioner.

A critical priority for the Data, Digital and Technology (DDaT) Command in 2022/23 has been the continued development of the digital infrastructure, which has enabled the Constabulary to operate efficiently and effectively when a considerable proportion of the workforce now work in an agile way (working remotely and in the office). This has included a programme which improved mobility options for all frontline officers and staff through investment and roll out of laptops this has transformed the ability for officers and staff to access data and information, supporting mobility and flexibility for services to the public.

A wide range of digital projects have continued and delivered during 2022/23 including the further development of our Command-and-Control System to improve public contact and a new Anti-Corruption System (ATA).

The future vision for major elements of the DDAT Strategy includes the replacement of infrastructure, and we started a programme to modernise and upgrade to our converged infrastructure, with networks to follow in 2023/24. Another key part of the strategy is how we manage data and information, and the constabulary has delivered and implemented a change programme, which has modernised its information management functions, delivering improved performance.

The Constabulary is working in partnership with Mark 43 to develop a replacement for the current records management, property, and case and custody systems, which will allow for information to seamlessly flow from one module to another, whereas these were previously disparate systems. Mark43 also provides efficiencies by reducing double keying for officers and staff. Police Digital Service and the Home Office are supporting this programme.

We continue to work on National programmes and have delivered Single online Home and LEDs Property (which we are an early adopter) in 2022/23, whilst we have seen the ESMCP Programme paused nationally.

Recognising that digital, data and technology is central to all aspects of Policing, the Constabulary continues to develop a Digital Leadership Programme which has been delivered to all managers and supervisors across the organisation with the aim of ensuring that the benefits offered by technology are recognised and embedded within working practice. This programme is being developed in partnership with the College of Policing and Police Digital Service nationally and shared with other forces.

In relation to Estates, the priority in the last year has been the continued provision and maintenance of the estate to support the uplift programme. With the increase in officer numbers there has been an increase in demand across all areas of the estate discipline. The team has facilitated considerable work to accommodate the increase, including addressing capacity issues in locker rooms, storage, and office areas. The facilities team have seen a considerable increase in demand, specifically at the Headquarters site which is now operating at or near capacity following the return to work of officers and staff previously working at home during the pandemic together with the increased officers undertaking training. Of note was the considerable work undertaken in a short time window on a police station which was repurposed to accommodate officers to support the new policing model, an operating model changed to align to the local government boundary changes within the county.

Work has continued to develop plans for the new kennel facility in Carlisle. Work was completed on the longer-term future intention of the West Estate, including a decision made on purchasing the PFI in Workington at the end of the contract in 2026. The building was surveyed in 2022 and the findings will inform future negotiations around the purchase and ongoing contract management. Following the HMICFRS custody inspection the team are working with operational colleagues to manage and address the findings. A scheme is currently being developed to improve the panic alarm system at the Workington site and plans for upgrading the CCTV systems force wide are being developed. In the next few months work will begin on phase two of the Hunter Lane police station works, focusing on addressing several maintenance liabilities. Work is completed to calculate the Constabulary baseline carbon assessment. Demands on front line maintenance is high.

The fleet replacement programme continues to be maintained despite significant challenges around supply and conversion of vehicles. The continued approach of in-house conversions has been maintained to good effect. During the current year, the

fleet manager will introduce vehicle telematics, funding for this has been secured. A detailed review of the fleet is ongoing, this will inform the future capital programme and address any gaps in fleet resources.

The People Strategy, developed in 2018/19, has been re-written and re-launched for the period 2021-2025. During 2022/23 significant effort within the HR Department was directed to recruit the Constabulary's target of additional officers as part of the final phase of Operation Uplift, which has been successfully achieved. Work is now underway to retain the additional 169 officers from the original programme. The Constabulary also received funding for an additional 17 officers, maintaining this number of 1,385 police officers is monitored monthly at a national level. Work continues in relation to Positive Action to increase representation within the force, this has resulted in an increase in diversity, including ethnicity.

A retention strategy has been drafted and is in the final stages of its development, this involves the introduction of "Stay Conversations" and improved metrics to measure attrition in a more detailed manner.

A further critical activity during the year has been to improve the accuracy of workforce establishment data, in order to assist in future aspirations around strategic workforce planning. This has involved the re-purposing of the workforce governance structure and processes.

As a result of the implementation of an internal force restructure, HR continues to be involved to ensure the establishment is accurate and up to date.

- Regular review of ICT recruitment system with regular updates to ensure continuous improvement.
- Review of the HR process bronze/ silver and tactical workforce planning meeting. This includes scrutiny of all moves and vacancies at a Chief Officer level. This is a much more rigorous and accountable process, resulting in increased demand for the HR Department, but ensures a more efficient and effective Targeted Operating Model is in place to improve service delivery.
- Development of a Strategic Workforce Plan.
- Promotion process work continues with boards anticipated in Autumn.
- There has been an increase in relation to performance and capability processes for student officers. HR work closely with management to ensure full support is provided and the policy is adhered to.
- Leadership is a priority for the force and HR are involved with developing a Leadership approach, linking into the wider College of Policing Leadership program.
- Policies continue to be regularly reviewed and updated through the Workforce Board.
- A new policy and process was implemented in relation to Pay Progression Standards for officers.
- Cumbria now host the Regional Chronicle Collaboration.
- Pension remedy work continues.
- Embedding of Fair Passport to support wellbeing.
- The Constabulary achieved Disability Confident Leaders status and work continues to maintain this.
- Established Pay Panel process to ensure fairness and a consistent approach

- Review of Police Staff Terms & Conditions ongoing with staff association, ballot for transfer to national T&C – awaiting outcome
- Support a number of management of change pieces of work
- A pilot scheme has been undertaken to assess if the use of the National Competency and Values framework in police staff application forms has a positive impact or inhibits the attraction of candidates
- The Constabulary are in the process of implementing the full national recruitment process for Officers, PCSOs and SCs.

Occupational Health continue to play a significant role in maintaining the health and wellbeing of officers and staff. The team has met the quality standards set by the College of Policing by completing the Occupational Health Foundation Standards and have been assessed as fully developed. The team streamlined the medical recruitment process to support the force in achieving its Uplift targets. Learning and Development have been critical in maintaining delivery of the PEQF, to meet Op Uplift targets but also other training provisions mandatory to operational delivery.

Health and wellbeing initiatives have included:

- The force continues its commitment to the Oscar Kilo National Framework, with 100% completion across the strands and 87% fully developed. A tactical wellbeing group, chaired by Director of Corporate Support has been established to monitor progress on the framework and actions from surveys such as the Annual National Wellbeing Survey. Updates on progress are escalated to the Gold Workforce Board chaired by the DCC
- Increased work to establish and evaluate the support to neurodiverse officers and staff, which has included the creation of an ADHD working group to review how to ensure reasonable adjustments are considered whether there is a formal diagnosis or not.
- DCC has commissioned a piece of work to look at the identification of appropriate psychological support for response officers. The study will be run from Cumbria but feed into the National Response Group which the DCC chairs.
- The Force achieved the Gold Better Health at Work Award and will continue to work with the TUC and Public Health to maintain the standards through ongoing monitoring.
- Occupational Health are working with Dr Noreen Tehrani and Greenwich University to develop an evaluation tool to demonstrate economic benefits of the psychological screening programme.

Core Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning Interventions

The Chief Officer Group is the Constabulary's strategic decision making forum. In the last 12 months reports key decisions have included considering and approving reports in relation to:

- Organisational re-structuring
- Shift pattern review.
- Insurance Renewals
- Armed Response Vehicles
- Airwave
- Financial updates (including the budget proposal, charging policy and a paper outlining the potential impacts of inflation)
- Risk management updates.
- Governance documents
- Business cases in relation to re-structures of Front Counters and Property Stores, PNC, Decorators, Occupational Health Resilience, Print Unit, DDAT/M43 staffing, PA/Admin review, Intelligence Analytical & Research Capability and Capacity.
- Business cases for investment in digitisation of firearms licensing, Eden Deployment Centre, Single online home (website), income generation, CCTV replacement, business travel and accommodation booking system.
- People Strategy.
- Real living Wage
- Enhance & Professionalise the role of Tutor.
- Taser Renewal
- Sustainability Charter/Plan Zero
- Anti-Racism Training
- Regional Chronicle
- Internal Audit Strategy
- Right Care Right Person
- Road Safety Partnership
- Evidence Based Policing Work

All decisions support delivery of the Chief Constable's vision. Decisions are minuted and subject to scrutiny by the Commissioner. To improve communication and transparency all COG decisions are published on a decision log, which is made available to key stakeholders.

The Chief Constable has also attended the budget setting meeting of the Police and Crime Panel to provide context to Commissioner's precept proposal.

The Chief Officer Group is supported by several other boards, which are aligned to Vision 25, this includes a Strategic Management Board, Workforce Board, Strategic Change Board, and the Strategic Performance Board which is responsible for scrutiny and performance management.

Determining Interventions & Optimising Outcomes

The Constabulary has reconfigured its performance framework and governance meetings as part of the work to change its target operating model. This was completed in consultation with senior leaders, staff support associations, and the Office of the Police Fire and Crime Commissioner (OPFCC). The performance and governance arrangements establish a set of measures and targets to support delivery of the Police and Crime Plan and is the mechanism used by the Commissioner to hold the Chief Constable to account. Progress against these measures is reported to the Commissioner every six months at the Public Accountability Conference.

Performance for all crime types, antisocial behaviour, road collisions, user satisfaction, and productivity are monitored through the Strategic Performance Board (at the strategic level), and through Local Accountability Meetings held within Commands. Key actions are recorded and tracked, and key messaging is agreed within the Strategic Performance Board which helps focus and prioritise local activity to improve performance. This messaging is delivered through the performance meeting structure, and within briefings as part of our visible leadership strategy.

This is supported by thematic reports for specific areas of activity, which are discussed at the Commissioner's Public Accountability Conference. Reports in 2022/23 included child sexual abuse and exploitation, supporting victims, violence against women and girls, community policing, roads policing and the policing response to Covid-19.

In the operational environment, on a monthly basis, senior police officers carry out a full assessment of operational risk, harm and threat to communities and an assessment of performance changes and their root causes. This encompasses consideration of vulnerable people, repeat offenders, vulnerable missing from home, significant domestic abuse, prison issues, organised crime groups, threats to life, crime and anti-social behaviour trends. Action has been taken and resources tasked to deal with the operational issues raised.

Every day, officers in each BCU hold a Daily Management Meeting which identifies and prioritises the threat, risk, and harm associated with reported crimes, incidents, and intelligence within the previous 24 hours, and allocates resource to mitigate those threats accordingly. A supporting force-wide Pacesetter meeting chaired by the Deputy Chief Constable ensures that resources are directed to meet strategic priorities across the county, and some key performance measures are monitored.

As part of the Constabulary's work on managing demand, the principles of THRIVESC (threat, harm, risk, investigative opportunity, vulnerability, engagement, safeguarding, and ethical crime recording) are now well embedded within the communications room when grading calls for service. Acting within the framework of the National Decision Making Model, this informs decisions as to

- Whether to deploy officers to incidents.
- The types of officers to deploy, including specialist resources.
- A proportionate, reasonable and effective response.

- Whether to resolve the call in the control room at the first point of contact.
- Refer to partner agencies.

The Constabulary has improved its standards of investigation through the development and implementation of our Investigative Principles work. This provides a clear framework which defines our required minimum standards for all investigations at every stage, and compliance against which is tracked and monitored through the performance and governance arrangements.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the Entity's capacity & leadership

The key functions and roles of the Chief Constable and the Police Fire and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). The Chief Constable's statutory responsibilities for maintaining the King's Peace are set out in various Police Acts. Both the Chief Constable and Commissioner are statutorily required to employ a Chief Finance Officer.

The arrangement for the Commissioner and Chief Constable to operate with a shared Joint Chief Finance Officer continued throughout 2022/23. To date no issues have been identified, however, a protocol and range of safeguards remained in place to handle potential conflicts of interest arising from the joint role. A review of the operation of the Joint Chief Finance Officer arrangement was conducted in November and aligned to the CIPFA statement on the Role of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues. As a result of the retirement of the Joint Chief Finance Officer at the end of March, and in view of the Commissioner taking responsibility for Fire from 01/04/23, the decision was taken to replace this joint role with two separate Chief Finance Officers, one for the PFCC and Fire and the other for the Constabulary. The new arrangements came into effect on 01/04/23 and during 2023/24 a review of these roles against the CIPFA Statement will be undertaken.

The Constabulary has used HMICFRS Value for Money profiles and Police Objective Analysis to inform its Change Programme and applied zero based budgeting, with robust financial challenge to budget holders, to secure maximum value from the resources available. Although there are difficulties in ensuring true comparisons, in general, the VFM work has shown the Constabulary to benchmark well, although, in some instances costs may appear to be relatively high when measured per head of population. This is principally attributable to the logistics of providing an effective policing service over such a geographically sparse county.

Developing the Capability of Individuals within the entity

The Constabulary's annual training plan for mandatory training delivered by the L&D department is developed each year for finalisation by March in conjunction with operational leadership teams and training leads. For 2023/24 the approach has been expanded to include undertaking an operational skills audit and a training needs analysis. Planning has now been extended where possible to an 18 month timeframe and is undertaken jointly with the Resource Coordination Group who ensure the effective, efficient, and sustainable approach to resource co-ordination.

The Learning Panel continues to consider requests for other training and CPD that come in during the year, ensuring that Learning Outcomes are delivered effectively and prioritised appropriately.

The Constabulary reintroduced the Study Support scheme for 2022/23 with the aim to support staff who wish to study for a qualification or to develop their skills/knowledge in relation to areas that are relevant to their role/organisational objectives. 2023/24 scheme is being considered.

Development for leaders across all ranks and grades is delivered through a combination of classroom based training events, ongoing CPD and stand-alone workshops. It is recognised that leadership is not confined by rank or role and the development of leadership skills in an ongoing process.

L&D run a two-week development programme designed specifically for new and acting Sergeants with a focus on operational leadership and leading people, running three times each year. There is also a one-week development programme for new and acting Inspectors exploring operational leadership and people leadership, running twice each year. Officers are eligible to attend the relevant programme as soon as they become eligible for an acting role. All delegates leave the programme with a development plan to apply their new skills in a practical setting.

The Constabulary's approach to Leadership development is currently under redevelopment.

Staff leaders also now have a bespoke course consisting of three one-day modules spread over a three month period. Between each module, delegates complete reflection and development tasks. A mentoring programme is also available. A range of experienced officers and staff across the organisations have volunteered their time to assist anyone who would like to work with a mentor on particular skills or areas.

L&D run an annual leadership conference online which is open to all officers and staff. The conference is recorded and available via the L&D SharePoint pages for anyone not able to attend on the day. A lending library stocked with the latest leadership and management books and other resources for use by course delegates and others.

Leadership and Development opportunities are communicated via L&D SharePoint pages and the Development Hub Yammer community.

The Constabulary is a Supporting Provider for Apprenticeships and has successfully been retained on the Register of Apprenticeship training Providers by the ESFA. As a supporting provider the Constabulary is able to recoup some of the apprenticeship levy paid to the government by working in collaboration to deliver the PCDA apprenticeship programme to initial entry Police Officers.

The Constabulary continues to deliver the Police Education & Qualifications Framework (PEQF) Initial Entry Police Officer Training in collaboration with the University of Central Lancashire (UCLan). Alongside the existing Police Constable Degree Apprenticeship (PCDA) and a Degree Holder Entry Programme (DHEP) the Constabulary has recently recruited to and run and DHEP Detective

Pathway (November 2022). The Constabulary continue to offer the Professional Policing Degree Programme (PPD) entry route, which recruited a small number of Officers who had previously completed the Degree in Professional Policing.

The Constabulary reintroduced the IPLDP entry route as of November 2022.

Overall, the Constabulary currently trained 391 Officers over 17 cohorts to date, currently with 301 officers in programme.

There annual PEQF conference, evolved to become a wider L&D conference as of 2022 attended by academic, police, and tutor constable partners designed to improve and progress the commitment to new student officers. The new Tutor Constables Initial Development programme is continuing for 2023/24. It is a modular design which includes both direct teaching and workplace coaching. This includes the provision of all tutors becoming A1 assessors which is a force skills gap.

The Constabulary operates an individual Performance Management Review (PDR) process focussed on three key themes:

- Performance
- Well-being
- Professional Continuous Improvement

The PDR system was re-branded in 2022/23 as a high priority and compliance levels are subject to detailed monitoring.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

The Constabulary has risk management policy, which was reviewed and updated during 2022/23 in line with our policy management arrangements.

The policy stresses that it is the responsibility of all officers and staff to identify and manage risk. This is supported by a horizon scanning exercise, which is conducted monthly, and circulated to key individuals within the Constabulary to help identify other potential risks.

Risk management is a standing agenda item on all Constabulary boards, including programme and project management boards. Mitigating actions are identified and tracked to ensure that risks are minimised. Key strategic risks are managed by Chief Officers.

During 2022/23 specific risks associated with the potential reduction in funding, the introduction of the Emergency Services Network and the Constabulary's ability to deliver Vision 25 continue to feature prominently on the Constabulary's strategic risk register.

In addition, emerging risks in relation to Local Government Reform, Territorial Policing Resources, AFO Resilience, Firearms Licensing, Vetting and the Negotiator Model have been added to the Strategic Risk Register during the year.

Following the introduction of a revised policy governance framework in 2021/22, together with the implementation of a new policy and procedure template to take account of the Data Protection Impact Assessment (DPIA), a large piece of work has taken place during 2021/22 to bring all documents within the Constabulary's policy library up to date. Work has been overseen by the Operations Board where monthly updates are provided and has resulted in a significant number of documents either being updated or removed from the policies library. All new policies, or changes to existing ones, are now formally ratified by the Chief Constable in the Strategic Management Board. A progress report is also provided to this forum which indicates to what extent existing policies are being effectively managed.

Managing performance

The strategic performance framework has been reconfigured to deliver against the Policing Crime Plan and the Vision of the Chief Constable and was in response to the introduction of a new Target Operating Model, and to address feedback from the HMICFRS in our last Peel Inspection. The changes have delivered a new structure (shown in the diagram below) which drives our performance culture across the organisation and holds everyone to account.



Our Strategic Governance



Our Values: **S**erve with Pride **A**ct with Professionalism & Integrity **F**ocus on what's Important **E**thical and Inclusive

HMIC (Monthly) Strategic Change Board (Monthly) Strategy Days (x3 yearly) PDC's (Semi-Annual) Confidence & Equality (Bi-Monthly)

LOCAL POLICING	WORK FORCE	SPECIALIST CAPABILITIES	BUSINESS SUPPORT	DIGITAL POLICING
Visible, engaging and problem solving approach to re-assure	Wellbeing focused, resilient and inclusive	Prepared, skilled professional and equipped to protect	Supportive and efficient services delivering for policing and our communities	Transforming policing with technology
Force Tasking (ACC, Bi-Monthly)	Work Force Board (DCC, Monthly)	Strategic Firearms (DCC, Quarterly)	Information Management (DCC, Quarterly)	Digital Transformation (ACC, Monthly)
Operations Scrutiny & Oversight Board (ACC, Monthly)	Health & Safety (DCC (ACO?), Monthly)	Counter Terrorism Management Board	Business Board (DCS, Monthly)	
		Regional Organised Crime Unit Management Board	Strategic Vehicle (DCS, Monthly)	

The Constabulary has a 'Delivering Excellence' Strategy, which aims to embed continuous improvement across the Constabulary and has four key areas of work:

- Development of Business Improvement Plans based on our priorities and all HMICFRS recommendations
- Improving on standards and quality across policing activities known as the Quality Counts initiative.
- Harnessing ideas and suggestions for improvement
- Developing and delivering the Change Programme

During 2022/23 work on the Cumbria Constabulary Improvement Plan, which aims to improve its effectiveness in ensuring that priorities and recommendations from inspection bodies are being progressed through reality checking, continued and some key deliverables were;

- understanding of current and future demand upon the Constabulary, which has supported the completion of the Force Management Statement. This is a self-assessment that Chief Constables prepare and provide to HMICFRS every year and explains; current and future demand over four years, performance of the force, improvement activity and the money the force expects to have to deliver policing services.
- Auditing all 'stop and search' completed in the Constabulary, providing feedback to officers and supervisors, together with an assessment as to whether the Constabulary appropriately uses stop and search powers, to ensure police powers are being used proportionately.
- In conjunction with the Professional Standards Department, an audit of officers' use of force, involving the reviewing of Body Worn Video, providing direct feedback to officers and supervisors, undertaking improvement measures and broader performance monitoring through the Constabulary Use of Force Board, Ethics and Integrity Panel, and the Cumbria Strategic Independent Advisory Group.
- Audits of compliance with the Victims Code of Practice, and for the operation of the released under investigation processes.
- An audit and inspection of Released under Investigation volume, process and quality of investigation to inform an improvement plan and support outcomes work

- Ongoing Domestic Abuse quality of service audits, to ensure that officers are adhering to investigative standards, safeguarding practices and the victims code of practice. Individual feedback is provided to officers and their supervisors where necessary.
- Development of a Violence Against Women and Girls action plan.
- Ongoing daily National Crime Recording Standards audits of high risk crimes (sexual offence, violence, domestic incidents). This is real time audit allowing us to rectify issues under the recovery process.

Robust internal control

The Constabulary maintains robust internal controls systems. Assurance with regard to internal controls is provided by:

- A risk based internal audit plan. Overall, 100% of audits completed in 2022/23, including all those relating to finance, were graded as providing either substantial or reasonable assurance. Robust management action plans have been put in place to address all internal audit recommendations.
- The Head of Internal Audit's overall opinion was that there is a reasonable level of assurance in relation to the Chief Constable's frameworks for governance, risk and internal control.
- Action plans to respond to recommendations, the implementation of which are monitored by the Joint Audit Committee.
- A Joint Audit Committee, which is self-assessed against CIPFA guidance, and is judged as being highly effective in its role.

Managing Data

The review of the information management function was completed in 2021 and the new structure was implemented in September 2021. The recruitment, development and upskilling of the team has been the priority and this last financial year has seen significant improvements in performance.

During 2022/23, the Disclosure and Barring Service (DBS) has significantly improved on last year. The recovery and improvement plan for DBS has continued throughout 2022/23. There are still areas to target, however there has been a significant improvement in the timeliness of services.

Process and procedures for identifying, recording and mitigating information risk are well adopted. Security and assurance assessments are undertaken, and appropriate agreements and contracts are completed where necessary.

Governance reporting arrangements are in place including a cross functional Information Management Board and an Information Asset Owner framework for critical systems and services. The management of data and information also forms part of the Performance Management Plan on a Page focusing on key factors to support strategic objectives.

There is further work to be done on determining performance metrics and visualising management information to assess progress and maturity of the key factors.

Internal and external engagement, including suppliers to continually improve data management will remain a key area of activity throughout 2023/24.

Strong public financial management

Strong financial management provides a framework for all business decision making and planning within the Constabulary. For 2022/23, this included the Joint Chief Finance Officer being a member of the leadership team and finance representation at all significant decision making forums. Regular financial reporting, clear budget ownership and responsibilities (as set out in the Chief Constable's Scheme of Delegation and scheme of budget management) and consideration of the medium term financial position in all strategic decision making are also key features of the financial management framework within the force. Looking forward to 2023/24, the replacement of the Joint Chief Finance Officer with two separate Chief Finance Officers for the Constabulary and the OPFCC will further strengthen these arrangements. The Constabulary Chief Finance Officer will continue to be a member of the leadership team and finance representation at all significant decision making forums. The two CFOs will work closely on joint/group initiatives such as the budget and MTFF setting process and the statutory accounts production.

During 2022/23 the finance team have continued to participate in the Achieving Financial Excellence in Policing programme promoted by the Chartered Institute of Public Finance and Accountancy. Work has continued to implement the action plan developed in 2020/21 following a self-assessment of all aspects of financial management in the force. Progress on the action plan during 2022/23 has been limited due to some capacity issues within the team. At the end of the year, 12 out of 15 actions have been completed, improvements delivered included:

- Development of an enhanced Savings and Efficiency Plan
- Enhanced reporting to Chief Officers (objective analysis and balance sheet)
- Financial Services staff completing the business partnering CIPFA training module.
- Embedding a continuous improvement plan, alongside the Commercial and Central Services Departments.

The remaining actions relate to improved use of the VFM profiles and other CIPFA analysis tools and improving the financial information provided to budget holders.

Work is planned in 2023/24 to further enhance the budget reporting within the Constabulary, a suite of reports is being developed for Chief Officers, budget holders and various performance meetings. In relation to budget setting and MTFF development, a peer review was conducted by Merseyside Police and the underlying budget assumptions were found to be robust. During 2023/24 the budget setting process is to be further developed and a timeline and assumptions to be formally agreed by Chief Officers and the OPFCC at the end of summer. Further work is planned in 2023/24 to provide in-house training to budget holders, it is hoped that this coupled with the enhance monthly reporting will improve business acumen within the Constabulary.

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken in March 2023, the Constabulary largely meets the requirements of the code with full compliance in 13 out of 17 statements and partial compliance in the remaining four. Developments have been progressed in relation to the Savings and Efficiency Plan, balance sheet reporting, financial business partnering and contract management, however, there are some areas where further work is required to ensure full compliance, most notably in relation to; demonstrating Value for Money and identifying savings to ensure financial sustainability, developing a financial resilience index and the application of formal options appraisal techniques.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in Transparency & Reporting

The principal means by which the Constabulary reports to the public are through themed presentations to the Commissioner's Public Accountability Conferences, which are open to the public. Reports are also available through the Commissioner's website.

The Constabulary's unaudited financial statements for 2021/22 were released in June, with the final version published in November, meeting the deadlines for financial reporting, which continued to be less stringent than prior to the Covid-19 pandemic. The External Auditor's Annual Report gave an unqualified audit opinion. In relation to value for money in the External Auditor concluded that the Constabulary has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. The auditor also reported that they did not identify any risks of significant weakness.

Assurance & Effective Accountability

The Constabulary was previously congratulated on its overall good performance, whilst having some areas for improvement identified. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Cumbria Constabulary's performance across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas.

In continually improving the constabulary and the service provided to members of the public, informed by the observations of the HMICFRS, the Constabulary has made significant progress over the previous inspection period, most notably in relation to the establishment of force wide Neighbourhood policing structures; improvements in emergency and non-emergency call handling performance; and the development and introduction of a strategic governance framework and performance structure.

The establishment of a Performance; Standards and Insight command within the constabulary is testament to the dedication of the organisation to improve upon previously good levels of performance and deliver an outstanding service. This command is responsible for the facilitation of inspections by the HMICFRS and inspectorate partners; to audit, scrutinise, quality assure and develop our internal processes and performance; and to coordinate any recommendations or areas for improvement identified by the HMICFRS via the national Inspectorate Monitoring Portal. They are responsible for informing the majority of meetings within the newly established strategic governance framework to ensure appropriate oversight and accountability from the most senior leaders within the Constabulary.

The constabulary recently entered the formal evidence gathering phase of the 2023/24 HMICFRS Police Efficiency Effectiveness and Legitimacy (PEEL) inspection, which will continue throughout 2023 into 2024.

During 2022/23 the Chief Constable received assurances with regard to the Constabulary's arrangements for risk management, internal control and governance from a number of sources which included:

- The PFCC CFOs annual review of internal audit.
- The Head of Internal Audit and PFCC CFO's assessment of the internal audit service against Public Sector Internal Audit Standards.
- The Head of Internal Audit's opinion on the framework of governance, risk management and internal control.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidelines.
- Monitoring of the implementation of actions in response to HMICFRS, internal and external audit recommendations through the Joint Audit Committee.
- Management assurances in respect of financial systems and processes.
- The CFO's fraud risk assessment.

All of the sources above indicated that systems and processes are operating effectively and have raised no significant concerns.

Appendix A Update on 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Updates as of May 2023	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.							
CPA/1		Embed a new Anti Corruption Audit tool to ensure wider capability and system integrity.	ACU PSD	30th April 2022	<p>ATA - Current Position</p> <ul style="list-style-type: none"> ATA was introduced live in force on 15/06/2022 and training was provided to all relevant staff as part of the approved contract. ATA is installed on all computers (including laptops and mobile devices). ATA is currently being used to monitor high risk officers/staff and those under investigation for conduct and criminal matters. Alerts are placed on individuals which are monitored and assessed weekly. ATA is also being used a key tool to assist in the development of intelligence received by the Anti Corruption Unit (ACU). As part of a proactive approach, a number of "key word" searches have been set up with alerts which are also checked and reviewed on a weekly basis. This is a function we didn't have on the previous auditing system. The initial findings are that the force now has implemented a far more reliable and comprehensive auditing product which is actively being used to produce evidential products for criminal / misconduct investigations. <p>ATA - Future plans</p> <ul style="list-style-type: none"> Consultation with other forces is on-going to inform a more proactive use of ATA, and visits to Lancashire and GMP ACUs are taking place. The results and findings will feed the current departmental improvement plan. ACU staff attend user forums and have joined the "knowledge hub" for ATA to understand how best to use the system. EE Phone Data is now on ATA and this will be used for identifying high risk officers/staff - we are just getting our first "top ten list". Door (fob) access is going to be added onto ATA as we move towards a "one stop shop" for audit. ACU will attend SOCU monthly meetings so we can place alerts on OCGs and audit any suspicious interest. <p>Summary:</p> <ul style="list-style-type: none"> ATA is implemented and, whilst there are some legacy ICT teething issues being addressed, it is already enhancing our investigative standards, and proactivity. As part of the Departments Improvement Plan, the force is looking to fully exploit the potential of ATA, and have/are looking to other forces for best practice. 		Completed
CPA/2		Ensure the new CORVET vetting platform delivers compliance with College of Policing APP on Vetting	Vetting Manager	31st December 2022	<p>CORE-VET - Current Position</p> <ul style="list-style-type: none"> The system went live in Cumbria on 07/03/22 As part of the preparatory project work, a back record conversion was completed from the previous system with a focus on improving the data quality to ensure it was fit for purpose. Specifically the process included: <ul style="list-style-type: none"> Completion of an additional manual conversion of the vetting record to transfer key documents onto the new system A manual check of all vetting records and employees, ensuring that records were complete Introduction and configuration of system mandatory fields to improve data quality Correction of missing information Expired clearances were reviewed Duplicate records were reviewed and corrected All officers/staff identified through the checks have now completed all required vetting with no issues raised. A process has been added to Core-Vet to allow quick access to staff/officers with a criminal record. An automated process is now in place for vetting renewals, which were often missed using the old system. Work is still in progressing to make sure that everyone is vetted to the correct level. A designated post list is still under review with Core-Vet files being checked to make sure that the correct role is recorded for each individual and they have the correct level of vetting. During a recent visit to SYP, a meeting was held with their vetting manager to assist in improving our processes and informing the departmental improvement plan. A key objective identified, which is in the process of being resolved in conjunction with HR, was the implementation of a formal process for vetting for internal promotions/lateral moves at all ranks. Previously, vetting have not always been consulted prior to an appointment. <p>The implementation of the system supported compliance to the Vetting APP in the following ways.</p> <ul style="list-style-type: none"> All employees are vetted including improved process for non-police personnel A process for Vetting renewals and reviews is now in place A process for expired vetting is now in place Improved tracking and audit of vetting process Management information and reporting is now available and utilised. 		Completed
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.							
CPB/1	CPB/2	Implement Phase 2 of the enhanced Constabulary intranet site	Head of Marketing and Communications	31st December 2022	<p>Working on rolling out Phase 2 of the Intranet developing individual departmental sites has commenced, but the deadline for completion has been extended as Single On-Line at Home will take priority.</p> <p>Due to the requirements to focus on CPB/2 – the transfer of the force website to Single Online Home platform, the project was paused. This has now restarted and the timescales for completion are now 31 Dec 2023 for all departments / information to be on the new intranet site and the old / existing site be closed down.</p>	30th November 2023 31st December 2023	Ongoing (original timescale extended)
CPB/2		Implement the Single On-line at Home Project	Head of Marketing and Communications	31st March 2023	<p>The project to implement Single On-Line at home is underway in conjunction with the national programme team. The project continues to be scheduled to be implemented by March 2023.</p> <p>This is complete. On 8th March 2023 the website was fully transferred onto the SOH (Single Online Home) digital platform.</p>		Completed

Appendix A Update on 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Updates as of May 2023	Revised Implementation Date	Status
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits							
CPC/1	CPC/2	Conduct an options evaluation for and decide on future Estates provision in West Cumbria	Assistant Chief Officer, Director of Corporate Support and Head of Estates and Fleet	31st March 2023	The core decision in relation to the future of the West Cumbria BCU HQ has been taken in principle. An assessment of the condition of the building is taking place, prior to commencing negotiations with the PFI owner. Other options in relation to the remainder of the West Cumbria estate will be evaluated once the MTFF has been updated and affordability can be assessed. May 2023 - The decision to purchase the PFI at the end of the agreement in 2026 has been made in principle. Work is underway to develop plans for the any subsequent refurbishment works required to the wider estate in West Cumbria. Plans will be developed during 2023/24.	31st March 2024	Ongoing (original timescale extended)
CPC/2	CPC/3	Implement a Covid Recovery and Renewal Programme to improve efficiency and exploit new ways of working arising from the pandemic.	Assistant Chief Constable / Head of DDaT.	31st March 2023	The Constabulary is gradually returning to working on a business as usual basis following the Covid pandemic. Covid recovery initiatives have largely been subsumed under a combination of other programmes (in this action plan) F7, specific projects and business strategies.		Completed
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.							
CPD /1		Implement a re-structure of the organisation linked to adoption of a BCU model and re-aligned to Local Government Review, with the aim of improving performance and accountability.	Deputy Chief Constable / Assistant Chief Constable	30th September 2022	The Constabulary's mission is to be outstanding and one driver for developing a new operating model was to ensure the operating model supported that endeavour rather than prohibited or frustrated it. The other drivers for change were, direct and indirect feedback from our communities about how we operate, HMICFRS feedback and AFIs in the recent PEEL report, and opportunities presented via local government reform (LGR). The Chief Officer Team saw these drivers as a unique opportunity to change the operating model to deliver performance, governance, and quality for our communities. The new operating model went live on 5th September 2022 and is already being used as the basis to introduce new force-wide governance structures, a new shift pattern, a new neighbourhood policing model, and better support for partners. We are already seeing improved responses and outcomes for our communities e.g. lower response times in some areas. The Constabulary has introduced a Basic Command Unit (BCU) model with 2 BCUs (Furness and Westmorland and Cumberland). These BCUs are each led by a Ch Supt and senior leadership teams that have all locally based resources under their command. As such they now have control of response, neighbourhood, CID and other resources which enables a more effective response to local threat, harm and risk. The restructure also saw the addition of new commands called Standards, Insight & Performance and Ops. Crime Command has been remodelled and all force-wide resources remain centrally managed. The new people department aligns all functions around attracting, recruiting, training, tutoring, and supporting police officers and staff. The force is now recruiting directly from Kendal & Eden to be more inclusive, and these recruits are tutored by the new PDU at Kendal. All back office and ICT functions have been reconfigured and the Op Uplift posts have been allocated. Hunter Lane Police Station has not now been sold and has been invested in and represents an important deployment base for Eden. The front counter will reopen here. The Force has also introduced a designated custody model and the Force Control Room has been reconfigured.		Completed
CPD /2	CPD /3	Develop and implement an integrated performance management process linking strategic objectives to performance management both at a functional and individual level.	Deputy Chief Constable / Assistant Chief Constable	31st December 2022	The Performance and Development Review (PDR) process has now changed in line with the national requirements and in support the newly defined links from an officer's PDR to their pay increments. This review has ensured that PDR's reflect strategic objectives and drive operational performance across all business areas. The completion and adherence to the PDR requirements is now tracked in each Command via their Senior Management Team meetings, and through Workforce Silver and Workforce Board for force level and Executive overview. This is now business as usual.		Completed
CPD /3		Develop an integrated Corporate Governance Framework including board structure, decision making and key governance documents.	Deputy Chief Constable	31st December 2022	The work to redesign the corporate governance and performance framework of the force is now complete. This has been done in response to support the new force operating model, alleviate areas of improvement raised by the HMIC during the forces last inspection, and ultimately to drive force performance and improvements. The work has introduced several additional Executive led strategic meetings including Strategic Change, Strategic Performance, Strategic Management, HMIC, and Organisational boards. Tactical levels meetings have also been reviewed and amended as appropriate. The first iteration of the new meetings in the structure have either taken place or are about to later this month. The scheme of delegation has been reviewed to reflect the changes described above. A presentation and supporting documentation can be provided as required by the Committee.		Completed
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.							
CPE/1	CPE/2	In conjunction with Higher Education partners, continue implementation the new PEQF arrangements for new officer recruits, with particular focus on developing year 2 and 3 programmes and a pre-join entry route for recruits with a Policing degree.	Head of Learning & Development	30th September 2022	Work on developing the year 2 and 3 programmes and pre-join entry route has been completed.		Completed

Appendix A Update on 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Updates as of May 2023	Revised Implementation Date	Status
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.							
CPF/1	CPF/3	Further develop the benefits management process to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Chief Superintendent Standards, Insight & Performance	31st December 2022	As part of the new Governance arrangements described above (CPD/3), a Strategic Change Board has been introduced. This Board, chaired by the DCC, will have oversight of all change programs and workstreams, whether digital or organisational. New processes have been introduced to agree change work through the Corporate Governance Framework, and additional documentation introduced to outline expected/anticipated benefits. All agreed change programs will be scrutinised for progress and for benefits realisation in the Strategic Change Board going forward, to ensure expected savings/efficiencies are realised.		Completed
CPF/2	CPF/5	Implement the recommendations of the Achieving Financial Excellence in Policing action plan.	Joint Chief Finance Officer	31st March 2022	Work on delivering the outstanding actions in the Achieving Financial Excellence in Policing is continuing for example provision of training on business partnering to finance staff. However, progress has been slower than anticipated due to a combination of competing work pressures and sickness absence in the finance team. May 2023 - The sickness challenges within the team continued throughout 2022/23 and as a result the final AFEP actions in relation to improved financial reporting and provision of financial training to non-financial managers has not yet been undertaken. A suite of new reports is being developed for budget holders, performance boards and chief officers and will be implemented from June 2023. A training programme for non financial managers is being developed. CIPFA AFEP are holding a round table exercise in June 2023 on developing business acumen within policing, the Constabulary CFO is part of this discussion and will feed learning into the training programme being developed.	31st March 2023 31st March 2024	Ongoing (original timescale extended)
CPF/3	CPF/6	Implement recommendations arising from the Financial Management Code of Practice self assessment.	Joint Chief Finance Officer	31st March 2022	Work on delivering the outstanding actions to fully comply with the Financial Management Code of Practice is continuing. However, progress has been slower than anticipated due to a combination of competing work pressures and sickness absence in the finance team. May'23 - as with the above action progress has been limited due to continued capacity issues within the team as a result of sickness. The remaining actions relate to development of a financial resilience indicators, making better use of VFM data and other dashboards, embedding of business partnering and training of non financial managers. These will all be picked up in 2023/24.	31st March 2023 31st March 2024	Ongoing (original timescale extended)

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.				
CPA/1		Review the implications and recommendations from the Casey Review and formulate a Constabulary response	Chief Superintendent Standards, Insight & Performance	31st March 2024
CPA/2		Complete the National Home Office Data Wash for all Constabulary employees and address any adverse findings	Chief Superintendent Standards, Insight & Performance	30th September 2023
CPA/3		Continue to engage with the Home Office and HMICFRS to effectively discharge all Areas for Improvement and recommendations arising from the national vetting thematic	Chief Superintendent Standards, Insight & Performance	30th September 2023
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.				
CPB/1	CPB/1	Implement Phase 2 of the enhanced Constabulary intranet site	Head of Marketing and Communications	31st December 2023
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits				
CPC/1	CPC/1	Complete the options evaluation for and decide on future Estates provision in West Cumbria.	Assistant Chief Officer, Director of Corporate Support and Head of Estates and Fleet	31st December 2023

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.				
CPD /1		Review the introduction of the new Target Operating Model against defined performance outcomes. This will be defined by the TOR set by the DCC but will focus on an assessment of the governance and performance arrangements, progress made against performance objectives, an assessment of force wide demand vs resource allocation.	Chief Superintendent Standards, Insight & Performance	31st August 2023
Core Principle E: Focusing on developing the entity’s capacity, including the capability of its leadership and individuals within it.				
CPE/1		To achieve and maintain the Operation Uplift additional officer numbers equating to 1,334 FTE basic, plus an additional 17 officers (measured 30th September 2023 and 31st March 2024).	Assistant Chief Officer	31st March 2024
CPE/2		The Constabulary is undertaking a full skills audit to inform the evidence base for how many officers are required in requisite skills model and this will be used to inform the maturing Target Operating Model (TOM) each year.	Assistant Chief Officer	31st March 2024
CPE/3		The College of Policing is undertaking a leadership review (at all 5 levels of Leadership). In the Interim, the Constabulary will develop an interim offering to augment its existing work in this area.	Assistant Chief Officer	31st March 2024

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.				
CPF/1	CPF/2	Complete the final actions as part of the AFEP action plan. Improve financial understanding within the Constabulary through improved reporting, in-house training for budget holders/senior managers and embed the finance business partnering approach.	Constabulary Chief Finance Officer	31st March 2024
CPF/2	CPF/3	Complete final actions of FM Code action plan. - Make better use of VFM profiles and CIPFA dashboard data. - In conjunction with PFCC CFO develop financial resilience indicators.	Constabulary Chief Finance Officer	31st March 2024
CPF/3	-	Improve budget setting and MTFP process for 2024/25 through clearly documented timescales and budget assumptions which are subject to approval by COG and PFCC in late summer 2023.	Constabulary Chief Finance Officer	30th September 2023

