



Chief Constable for Lincolnshire

Financial Statements

2021/22

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Chief Constable for Lincolnshire

Statements of Accounts 2021/22

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Introduction to the Financial Statements

Chief Constable Chris Haward

Content TBD.

Annual Governance Statement 2021/22

Below are details of the Chief Constable for Lincolnshire's governance arrangements in operation during 2021/22 including plans for the financial year 2022/23.

1. Introduction

- 1.1 Good governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities.
- 1.2 All Police and Crime Commissioners and Chief Constables are required by regulation to produce an Annual Governance Statement (AGS). This
- 1.3 is a document which accompanies the statement of accounts and describes how effective our governance arrangements have been over the last 12 months and sets out areas for development. The Chief Constable's Statement is intended to support the Police and Crime Commissioner Group governance arrangements which are detailed in that separate set of accounts.

2. Scope of Responsibilities

- 2.1 The Chief Constable has responsibility where the Police and Crime Commissioner (the "Commissioner") delegates functions in respect of securing an efficient and effective police force. In discharging their responsibility, the Chief Constable shall have regard for the Local Policing Plan issued by the Commissioner.
- 2.2 The Chief Constable is responsible for the direction and control of the Force, ensuring their business is conducted in accordance with the law and proper standards, and that public money is accounted for, and used economically, efficiently and effectively.
- 2.3 In discharging their responsibilities, the Chief Constable is required to put in place proper arrangements for the governance of their affairs and which facilitate the exercise of their functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.
- 2.4 The Chief Constable has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. A copy is available on the Lincolnshire Police website at <https://www.lincs.police.uk/SysSiteAssets/media/downloads/force-content/lincolnshire/about-us/code-of-corporate-governance-for-the-chief-constable-of-lincolnshire.pdf> or can be obtained from:

The Chief Constable's Office,
Police Headquarters,
Deepdale Lane,
Nettleham, Lincoln,
LN2 2LT.

- 2.5 This statement explains how the Chief Constable has complied with the Code and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.
- 2.6 Section 3.7.4 of the Code of Practice on Local Authority Accounting for 2021/22 requires the Chief Constable's financial management arrangements to conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Commissioner and the CFO of the Chief Constable. The Chief Constable's financial management arrangements are fully compliant with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Chief Constable.

3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, and culture and values utilised in the discharge of the Chief Constable's statutory functions. It enables the Chief Constable to monitor the achievement of the Force objectives and to consider whether those plans have led to the delivery of appropriate services and value for money.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Chief Constable's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.
- 3.3 The governance framework has been in place for the year ended 31 March 2022 and up to the date of approval of the statement of accounts.

4. The Governance Framework

- 4.1 By law the Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of Lincolnshire Police. It is, however, the Commissioner who is required to hold him to account for the exercise of those functions and those of the persons under their direction and control. This is done in a manner that recognises the commitment of the Commissioner and Chief Constable to abide by the working principles of the Policing Protocol as set out in the Schedule to the Policing Protocol Order 2011.
- 4.2 The key elements of the systems and processes that comprise the governance arrangements in place for the Chief Constable are:
 - Identifying and communicating the Operational Policing Plan, purpose and intended outcomes; the Plan is built from four elements:
 - The Police and Crime Commissioner's Police and Crime Plan;
 - The Chief Constable's Strategic Plan – "Making Lincolnshire Safe";

- The national Strategic Policing Requirement;
 - The Community Safety Partnership Control Strategy.
- Measuring the quality of services for users, for ensuring they are delivered in accordance with the Chief Constable's objectives and for ensuring that they represent the best use of resources;
 - Defining and documenting the roles and responsibilities of the Chief Constable and the Senior Officers, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity;
 - Developing, communicating and embedding codes of conduct, defining the standards of behaviour for officers and staff;
 - Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks and resources;
 - Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities; - Delivering good governance in local government: Guidance note for Police;
 - Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
 - A Whistle blowing policy and procedures for receiving, investigating, and reporting upon complaints from the public, and other stakeholders;
 - Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks;
 - Identifying the development needs of officers and staff (including the members of G4S who transferred to Lincolnshire Police on 1st April 2022), supported by appropriate training and linked to the priorities of the Force;
 - Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
 - Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the overall governance arrangements;
 - Preparedness for dealing with emergency situations.
- 4.3 This section describes the key elements of the systems and processes of the governance arrangements that have been put in place by the Force. In doing so, it reflects the overarching structures that have been developed to deliver objectives and manage risk:

- Processes for setting objectives and targets that support the policing priorities outlined in the Police and Crime Plan, including reporting to the Commissioner. This is done in a manner that recognises the commitment of the Chief Constable to abide by the working principles of the Policing Protocol;
- An operational policing plan is produced in response to the Commissioner's plan;
- The tactical tasking and coordinating process is conducted in line with the National Intelligence Model including Daily Management Meetings with operational managers, Area Tasking, Force Tasking and Regional Tasking meetings which address both the Force objectives and emerging operational risk issues;
- Operational Commanders conference where operational matters can be discussed, risks identified and solutions found;
- The force engages with the National Police Chiefs Council to ensure that standards defined in the Strategic Policing requirement are met and the operational response from Lincolnshire Police is capable of adding to the national effort to meet the extremis needs of the country;
- The Community Safety Partnership Control Strategy.

4.4 Decision making structures for establishing priorities and considering strategic issues facing the Force:

- Internal departmental management teams establishing business plans;
- Chief Officer Team (COT) and the Force Executive Board;
- Chief Officers share and discuss key issues with senior staff;
- Reporting to the Police and Crime Strategic Board (PCSB); monthly monitoring of the financial plans to COT and PCSB and an annual governance report is provided to the PCC, detailing the years' activity with regard to the financial and contract regulations, procurement, insurance, debtors and treasury management, and providing an overview of decisions made and their justification. The Procurement, ICT, HR and Asset Strategies are also examined by this Board;
- Policing Transformation Programme;
- Feedback from the public and other local stakeholders.

Following publication of the Chief Constable's new strategic plan "Making Lincolnshire Safe" in 2021/22, the governance structure of the force has undergone a significant change. An Executive Board oversees the delivery of the strategy as a whole and five new boards operate as sub-committees of the Executive Board. The new boards are:-

- Performance Board
- Capability Board
- People Board
- Culture Board

- Communities & Partnerships Board.

These five Boards each manage performance against the relevant delivery plans for their respective responsibilities and report by exception to the Executive Board.

4.5 Management of the Strategic Partnership Contract with G4S was performed by the Commercial Partnership Team. This formed part of the Joint Services arrangement with the Commissioner and undertook the following:

- Ensuring compliance with all relevant legislation and commitments/obligations;
- Performance scrutiny of the G4S contract subject to its own legal schedule (Price Performance Mechanism – schedule 13);
- 200 indicators used to monitor performance;
- Financial monitoring was reviewed against Schedule 14 (Pricing);
- Performance was reviewed by the Transformation Management Board and the Performance and Delivery Board on a monthly basis.

The Strategic Partnership contract ended on 31st March 2022. The exit and transition to the new arrangements on 1st April 2022 was managed by the Future Services Programme (FSP) Board. The transition programme had a full governance structure with several working groups operating as sub-committees of the FSP Board and decision-making for each stage assigned to the appropriate level. The majority of the services provided by G4S transferred to Lincolnshire Police, with only Custody and Cleaning services outsourced. The FSP will continue into 2022/23 to ensure a smooth transition and to embed the new organisational structure.

4.6 There is a high level of external scrutiny of organisational affairs by a variety of bodies including:

- Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS);
- External Audit;
- HM Revenue and Customs;
- Internal Audit;
- local communities; and
- the media.

4.7 A National Code of Ethics for the Police Service, developed by the College of Policing, and embedded and enshrined by Parliament; applies to all forces that are required to embed the Code. The Code applies to every individual who works in policing in England and Wales, whether a warranted officer, police staff, volunteer or someone contracted to work in a police force. It is the written guide to the principles that every member of the policing profession is expected to uphold and the standards of behaviour they are expected to meet and is seen as the foundation document for

promoting, reinforcing and supporting the highest personal standards from everyone who works in the policing profession. All employees have been issued with a copy of this code; the Code of Ethics sits alongside the values established in the Force culture (Courageous, Open, Fair and Inclusive), in providing the Force with an ethical framework to make decisions.

- 4.8 The Code of Ethics is based on nine policing principles and ten standards of professional behaviour that will help everyone in policing to do the right thing in the right way. It spells out what the profession expects of all officers, staff and others working in policing, and has practical examples for everyone to use daily.

5. Risk Management

- 5.1 Lincolnshire Police has a risk management process in place that effectively manages risk against its business in order to ensure it operates under the sound principles of Corporate Governance.
- 5.2 Risk registers are a key tool in providing assurance to the Force and to the Police and Crime Commissioner (PCC) demonstrating that risks are being managed effectively through the regular and continued review of the Force Risk Register at the Risk Management Board, Senior Leadership Team meetings and the Joint Independent Audit Committee.
- 5.3 In addition to these internal assurances, there are external organisations such as internal and external auditors as well as Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) that work with the Force and the Office of Police and Crime Commissioner (OPCC) to ensure the risk management process is effective and robust.
- 5.4 Any negative outcome of internal or external audit is reviewed by the Force and plans are put in place to address the issues and ensure improvements are made.
- 5.5 The Force risk register and process is owned by the Deputy Chief Constable of Lincolnshire Police with delegated responsibility to the Head of Strategic Development to manage the policy and processes on behalf of the Deputy Chief Constable.
- 5.6 The Risk Policy and Review Officer is responsible for managing the risk management process on behalf of the Head of Strategic Development and will maintain the policy and processes on their behalf.
- 5.7 It is the responsibility of all heads of departments and business areas to ensure they manage risks within their own areas of authority.
- 5.8 They are responsible for identifying risks in their individual business areas and for assessing them in terms of their impact and probability of occurring. Each department and business area, as well as all force projects, will maintain a risk register.
- 5.9 The Force risk management process focuses on five levels of risk which can pass through a process of escalation depending on the scale of risk and effect it may have at either project, programme, department or force level.

Risk Level	Description
Force	<ul style="list-style-type: none"> • Risks at the highest level. • They are so significant that they threaten or enhance the long-term achievement of corporate objectives. • Will be discussed at Risk Management Boards, Senior Leadership Team meetings and the Joint Independent Audit Committee. • Departments/Business Areas will escalate risks from their departmental risk register which have become force risks, through the Risk Management Board, for inclusion on the Force Risk Register.
Department/ Business Area	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of department or business area objectives. • Will be discussed at Senior Management Team meetings. • Escalated up through the Risk Management Board if they pose a threat to corporate objectives and the Head of Department's limit of authority to manage the risk has been reached.
Programme	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of a programme. Will be analysed and scored in relation to the programme. • Will be discussed at Programme Board meetings. • Escalated through the Risk Management Board if they pose a threat to corporate objectives, and the Programme Manager's limit of authority to manage the risk has been reached.
Project	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of a specific project. Will be analysed and scored in relation to the project. • If they are serious enough to impact on the Programme and the Project Manager's limit of authority has been reached, they should be escalated to Programme level.
Operational	<ul style="list-style-type: none"> • Risks concerning the day-to-day issues that Lincolnshire Police is confronted with as it strives to deliver its objectives. • Only escalated to the Force Risk Register if they pose a threat to corporate objectives.

5.10 In implementing risk management the Force has produced a Risk Management Strategy which details the roles and responsibilities of those involved in the undertaking risk management in the Force. It follows a set standard and process for risk management to ensure a consistent approach is adopted across the whole organisation. The Risk Management Strategy is reviewed by JIAC.

- 5.11 Consistent risk management will allow the Force to plan effectively in the delivery of its outputs by knowing what circumstances that could prevent it from achieving its aims, and by putting in to place measures to prevent risk from occurring, therefore, saving time and resources.
- 5.12 The Force Risk Management Board is responsible for the following:
- Determining if risks are critical to the Force;
 - Managing and developing the risk management process;
 - Review risk assessments of potential force risks;
 - Monitor red and amber risks on a quarterly basis;
 - Assigning Risk Owners to a risk depending on the risk assessment score;
 - Providing visible leadership and commitment to the Force risks and risk management process throughout the organisation;
 - Ensuring programme and project assurance.
- 5.13 Membership and terms of reference of the Force Risk Management Board are set out within the Force Risk Management Policy. Lincolnshire Police has an established post of Force Risk Officer whose duties include maintaining the Force Strategic Risk Register and advising on the total risk to which the Force is exposed. Risk focal points within each division and department have also been nominated.
- 5.14 The PCC and the Force maintain an extensive assurance map in conjunction with the strategic risk registers and process risks. The assurance map is based on the three lines of defence approach and is suitably comprehensive and effective for the purpose of assuring on established mitigations and scoring of strategic risks.

6. Review of Effectiveness

- 6.1 The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control.
- 6.2 This review has been informed by the work of the Deputy Chief Constable (DCC) and the Director of Finance and Corporate Services together with managers within the Force who have the responsibility for the development, maintenance and operation of the governance environment. In addition, comments made by the internal and external auditors and other review agencies and inspectorates have informed this review.
- 6.3 Mazars LLP were appointed internal auditors for the 3 years until March 2022. A further 12 month extension has been agreed by the East Midlands regional CFO's.
- 6.4 On an ongoing basis governance is monitored and reviewed via a range of mechanisms. These range from formal meetings (in areas such as Force performance, project management arrangements and conduct oversight from the Professional Standards Department) to the operation of management teams at corporate, area and service level.
- 6.5 The Commissioner and Chief Constable have a Joint Independent Audit Committee (JIAC). The JIAC provides advice on matters relating to the adequacy and effectiveness of the financial and other controls, corporate governance, financial and contract regulations and risk management arrangements operated by both the Commissioner and the Chief Constable. The JIAC is subject to an annual self-assessment.
- 6.6 The JIAC has received and considered reports from both internal and external audit and monitored the implementation of action plans drawn up to address identified internal control weaknesses. The Head of Internal Audit provides an opinion for each of the Police and Crime Commissioner and Chief Constable, based on the work undertaken in the year, on the adequacy and effectiveness of the assurance framework, risk management, internal control and governance. The External Auditor provides an opinion on the financial statements/value for money.
- 6.7 For the Chief Constable the following opinion was provided for 2021/22:

The Internal Audit report for 2021/2022, presented in [to insert], gave a satisfactory or significant assurance opinion for [to insert] out of [to insert] reports issued. For [to insert] only a limited assurance opinion was given.

- 6.8 The Public Assurance meetings consider police performance and the Police and Crime Strategic Board (PCSB) considers financial and people resources. The PCSB also considers long term strategy development, the assurance map, significant and emerging risk areas and the Chief Constable's report.
- 6.9 The effectiveness of the governance framework is reviewed annually by the Chief Constable. The review has been informed by:
 - Consideration of the Chief Constable's risk management regime;
 - The code of corporate governance;

- The Integrated Scheme of Governance (ISG) which includes the Scheme of Consent, Commissioner's and Chief Constable's Scheme of Delegation and the Financial and Contract regulations;
- Consideration of the Commissioner and Chief Constable's joint assurance map (through both developmental and embedded stages);
- HMICFRS reporting and work;
- External and internal auditors and their formal reporting;
- Managing change, developing our policing model to meet threat, risk and harm and new technologies, all of which are discussed at the Strategic Management Board;
- Feedback received from the JIAC.
- The PEEL Inspection programme conducted by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) scrutinises all 43 police forces in England and Wales and examines their Efficiency, Effectiveness and Legitimacy providing comparable grades for each of the 43 forces in England and Wales. The last PEEL inspection grades were received by the force in February 2020 these grades relate to the forces' performance in 2018/19. Lincolnshire Police received an overall grading of "Good".

6.10 In February 2020 HMICFRS graded the force as follows:

- Effectiveness – Good;
- Legitimacy – Good;
- Efficiency – requires improvement.

Within the Efficiency overall grading, HMICFRS graded the force as **Good** in respect of "meeting current demands and using resources" but **Requires Improvement** in respect of "planning for the future". At the time of the inspection, the force was implementing a savings programme necessitating significant reductions in the workforce to deliver a balanced budget. As a result, HMICFRS expressed concerns around the risks in service delivery and meeting future demand with the reduced workforce. All concerns have since been addressed. The national Police Uplift programme has since increased police officer and police staff numbers beyond the pre-savings level reducing the risks to service delivery. The next HMICFRS policing inspection programme is to be carried out in 2022/23.

6.10.1 The Serious and Organised Crime (SOC) inspection, in 2021/22, examined the regional approach to tackling SOC and the forces' role, and contribution, to the regional effort via the Regional Organised Crime Unit (ROCU)

6.10.2 The Digital Forensics, national thematic inspection was conducted alongside that of the SOC inspection, to reduce the burden on selected forces. As a thematic inspection the in-force findings are anonymised and no force specific judgements or gradings are produced or published.

- 6.11 Assurance on the effectiveness of the Chief Constable's financial controls has been provided by the Director of Finance and Corporate Services who was designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government (2014).
- 6.12 The Integrated Scheme of Governance (ISG) was introduced in April 2014 to reflect the new governance arrangements arising from the Police Reform and Social Responsibility Act 2011. The JIAC has been consulted on the scheme and its content is reviewed annually. There is a mandatory ISG training package has been designed to allow staff positively to confirm their understanding of the policies relating to the scheme and the financial and contract regulations.
- 6.13 The Chief Constable's risk management arrangements are well developed and well embedded. The JIAC reviews the Chief Constable's risk management strategy on an annual basis and monitors the Chief Constable's strategic Risk Register quarterly. The Chief Constable considers and reviews risk on a monthly basis through management meetings.
- 6.14 The Chief Constable and the Commissioner have a joint Anti-fraud and Corruption Policy in place which has been reviewed during the year. Quarterly meetings of the Anti-Fraud and Corruption Board ensure that current and emerging risks and issues in relation to anti-fraud and corruption are regularly discussed and reviewed. The JIAC are kept abreast of any issues arising. In addition, a joint fraud risk register has been developed to help in proactively identifying and assessing current and emerging fraud risks and potential actions to mitigate the risks identified. Mandatory training on counter corruption continued to be delivered to all staff and officers across the organisations via the NCALT e-learning system; raising awareness of issues surrounding police corruption and misconduct. The PCSB adopted the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption published in 2014 and has implemented an effective anti-fraud and corruption strategy. An assessment of the Force capability has been made against the adopted CIPFA code.
- 6.15 Having considered all the principles, the Professional Standards Department are satisfied that, the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- 6.16 CIPFA's Financial Management Code (FM Code) was published in October 2019 and provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that authorities are managing resources effectively, regardless of their current level of financial risk. A self-assessment of the CC's compliance with the code has been undertaken, considered by the JIAC, and an action plan developed to ensure full compliance during 2022/23.
- 6.17 The Chief Constable has been advised on the implications of the result of the review of the effectiveness of the governance framework by the executive team and that the arrangements continue to be regarded as fit for purpose in accordance with the

governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

7. Significant Governance Issues

- 7.1 No significant governance issues occurred during the year, which have not already been addressed through the risk register.
- 7.2 The Risk Register is a tool that identifies the risks that would prevent or distract the Chief Constable from achieving their objectives.
- 7.3 The joint assurance map is recognised by the Chief Constable and the PCC as a vital tool for effective corporate governance. It provides timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues; it also provides a cohesive and comprehensive view of assurance across the risk environment. The assurance map provides much of the evidence base for this annual governance statement. Independent assurance is also provided by the JIAC.
- 7.4 High level risks on the assurance map are considered on a quarterly basis at a quarterly Risk Management Board which consists of all the key risk owners, to support the continuous assessment of the effectiveness of the management of risk and internal control. The Force's Risk Register is reviewed monthly by the Deputy Chief Constable and the Force Risk, Policy and Review Officer.
- 7.5 The Chief Constable's significant governance issues are detailed below and include an outline of the actions taken or further work that is required to address the issues. Significant governance issues are reported to the JIAC at least 4 times each year.

7.5.1 *Risk of failure to persuade government of Lincolnshire's case for a more equitable share of national funding.*

The central government grant that Lincolnshire receives is well below the national average and this was acknowledged in the Home Office Core Grant Distribution Review, which considered potential changes to the police funding formula. The long-awaited review of the funding formula is yet to be concluded; therefore, it is still unclear what the change will be and when this will be finalised or implemented. This means that Lincolnshire Police will continue to face the challenge of delivering services with a lower level of funding than comparable forces for this and future financial years. Lincolnshire Police will face an increasing budgetary gap which will necessitate the use of reserves and a robust savings plan to deliver a balanced budget position, placing service delivery at risk.

7.5.2 *Risk of failure to achieve and demonstrate efficiencies and value for money.*

The Commissioner and Chief Constable both have a statutory duty to make the best use of resources available to them. The capital programme continues to support this by investing in technology which improves operational efficiency such as Agile working, Emergency Services Mobile Communications Programme, Demand Management Tools, a new Command & Control system and Fleet telematics. Investment decisions and benefits realisation are undertaken by the Capability Board and monitored by the Police and Crime Strategic Board; independent assurance is gained through HMICFRS. The Financial Strategy includes performance measures relating to both financial health and financial performance, supported by a number of plans and policies.

7.5.3 Risk of failure to deliver and demonstrate Value for Money in regional collaboration.

The Commissioner and Chief Constable collaborate with the East Midlands region in many operational and back office areas. During 2021/22, Internal Audit undertook the following thematic audit across all the regional collaborations: Wellbeing. With the changes occurring in EMCJS the remaining audits have been deferred into 2022/23.

7.5.4 Risk of failing to effectively transition from the commercial contract arrangements (G4S)

In 2020 following a comprehensive assessment, the Force decided that best value for money would not be achieved by pursuing an extension to the G4S partnership. This did not reflect on the partnership to date which has been successful and has continued in place until March 2022. The transition from G4S has been managed as the 'Future Services Project'. Reflecting the strategic importance of the project the Chief Constable is the SRO and the Board has representation from the Force, OPCC, and external expert advisors. The focus has been on a seamless transition of people and services together with a strong emphasis on shaping the whole Force to reflect the significant change and develop an effective organisation fit for the coming years. Risks are being actively managed via the Programme Board to support the transition. Governance arrangements between the Force and OPCC will change significantly and a shared approach to developing the refreshed approach is being taken.

8. Information Risk

8.1 The Force Information Risk Appetite remains set as OPEN;

Willing to consider all options and choose the one that is most likely to result in successful delivery minimising residual risk as far as possible, while also providing an acceptable level of business benefit.

8.2 The Force continues to progress its work on information security and there is an Accreditation Programme in place for IT systems.

8.3 All officers and staff have completed an online Data Protection training course.

8.4 Information strategy and policy is approved and deployed by the Information Management Board, who also oversee information and data quality issues, including information risk. The Board is chaired by the Senior Information Risk Owner (SIRO) and any information risks that are outside of the Force risk appetite are escalated to Chief Officer Team as necessary.

8.5 Information Asset Owners are aware of their responsibilities with regard to risk within their area of responsibility, with a clear escalation path through the Force Information Management Board and Risk Management Board to the SIRO. Additionally, the Information Management Board discusses information risk as an agenda item. All Information Asset Owners have completed detailed risk assessments on all of their systems. They have also undertaken Information Asset Owner specific online information assurance training.

- 8.6 Regular (bi-weekly) meetings between the Information Assurance and IT staff continue to ensure that risks identified through IT Health Checks or system accreditation are mitigated in an appropriate timeframe.

9. Future Plans

- 9.1 Over the coming year, where necessary, we will continue our plans to address the above matters and to further enhance our governance arrangements. These steps will address the need for improvements that were identified in the review of effectiveness and their implementation will be monitored as part of our next annual review.

SIGNED

Chris Haward
Chief Constable for Lincolnshire
Date

Chief Finance Officer's Narrative Report

The Narrative Report to the financial statements provides a guide to the most significant matters reported in the accounts and includes key performance information, a comparison of outturn figures to the budget and highlights significant areas of expenditure and major changes.

Introduction

I am pleased to present the Statement of Accounts for the Chief Constable of Lincolnshire for the financial year 2021/22. This Statement of Accounts sets out the overall financial position of the Chief Constable for Lincolnshire for the year ended 31 March 2022.

The Chief Constable of Lincolnshire is responsible for providing operational policing services to a population in excess of 770,000 dispersed across a large geographical area of 590,000 hectares.

The Police and Crime Commissioner (PCC) for Lincolnshire determines the level of funding allocated to the Chief Constable for the provision of policing services within Lincolnshire.

The police grant for 2021/22 in Lincolnshire increased by £4.0m (6.3%) compared with 2020/21. Pension top-up grant of £1.2m was provided by government to meet the increased costs of employer pension contributions in respect of the police officer pension scheme. In addition, there was potential for Lincolnshire to claim up to a further £0.8m of specific grant funding in respect of the national Police Uplift Programme (PUP) dependent upon delivering the recruitment target for 2021/22 and expenditure being in accordance with grant conditions.

The PCC increased the council tax precept by the maximum amount allowed by government without triggering a local referendum. The precept referendum limit allowed an increase of up to an additional £15 per annum for a Band D property (or appropriate proportion for other property bands). This increase in the precept provided an additional £3.3m in council tax receipts when compared with 2020/21.

The police grant settlement covered just one year. A review of the way in which Government grant is distributed between force areas (funding formula review) has been delayed and will not now be implemented before the next spending review in 2022/23 at the earliest. Consequently, the police service continues to face uncertainty regarding future funding levels.

As the county emerged from the restrictions of the Covid pandemic, significant effects on the world economy became apparent. Issues with the world supply chain in addition to the war in Ukraine further contributed to major challenges affecting governments spending plans. The need for clear and robust plan and adequate levels of reserves are now more important than ever.

Governance

The Chief Constable is responsible for operational policing within Lincolnshire, with the PCC being responsible for the totality of policing.

The Chief Constable holds joint responsibility with the PCC for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To discharge this accountability, the PCC and Chief Constable must put in place procedures for the governance and stewardship of the resources at their disposal.

The annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement, which forms part of these Financial Statements.

Organisation

The PCC receives all funding and income and makes all payments for the PCC Group. Under a detailed Scheme of Delegation an annual budget is provided, following consultation with the Chief Constable, for fulfilling the requirements for policing Lincolnshire in accordance with the Police and Crime Plan. The Chief Constable spends his delegated budget to provide the operational policing services in Lincolnshire.

All Police Officers, and the majority of police staff (other than a small number relating to the PCC's Office, Victim Lincs staff, and regional support arrangements) are in the Chief Constable's employment.

These Financial Statements reflect the cost of providing operational policing, with the PCC's accounts showing a commensurate transfer of resources to the Chief Constable. A separate set of accounts has been published for the PCC and the PCC Group, which consolidates the Chief Constable's accounts and also recognises all of the transactions incurred during 2021/22 for policing in Lincolnshire.

The Strategic Partnership contract is formally held by the PCC for the provision of a wide range of operational and support functions to the Chief Constable. This has been accounted for in full in the PCC's accounts, reflecting the contractual, budgetary and management responsibility. However, in order to understand the full operating cost of the Force, further information is included in the Comprehensive Income and Expenditure Statement and in the Financial Performance section of this report.

Lincolnshire Police is one of five regional forces in the East Midlands and works closely with the other four across various collaborations to provide an efficient service. More detail and how the regional accounts are accounted for in these Financial Statements is provided in Note 16.

Performance

The effect of the pandemic on damping down most crimes now seems to have come to end and it is important to remember the context for the crime figures for 2021/22.

Not only are we seeing a return to normal life post lockdown – and with it the re-emergence of certain crime types – but the numbers are also being compared with unusually low crime statistics creating unusual spikes. In the 12 months to March 2022 overall crime rose to total of 55,212 – a rise of 12.5% - but due to a spike in certain violent offences the crime harm index (a measurement of crime rates in which crimes are weighted based on how much "harm" they cause) rose by 22.5%.

Some of the increases are also, in part, due to a focus on improving crime recording-

- The number of burglaries grew with the number of overall burglaries at 3,159 (a rise of 3.95%) and burglaries of residential properties up to 1,912 (a rise of just 0.2%).
- Theft cases overall were up by 12.9%, with a total number of 9,411. Thefts from person grew to 149 (up 27.3%) but thefts from vehicles fell to 1,155 (fall of 1.28%). However, thefts of vehicles increased to 793 – a 31% rise.
- Other crimes which reduced during the year were drug offences (down 22.24% to 1,388) and anti-social behaviour (down 34.7% to 15,745).
- Arson and criminal damage grew by 12.9% to 6,470 and crimes against society were up by 9.9% to 1,330.

- Violent and sexual crimes also experienced a rise year-on-year. Much has been done to encourage the public in reporting sexual crimes and it may be this has had an effect on increased recording of such crimes.
- There were 13 homicides in the county – an increase of 8.3% - and violence against the person increased by 15.4% to 22,712. Of these cases violence without injury constituted the majority these cases at 8,759 (24% up). Stalking and harassment cases totalled 7,625 – an increase of 3.5%. Robbery increased by 30.9% to 347.
- Sexual offences overall increased to 2,467 (a rise of 35.7%) and rape cases increased to 949 (an increase of 29.8%). The force continues to work with the Crown Prosecution Service (CPS) to support victims and in the last three months of 2021 83% of suspects have been charged - the 2nd highest rate in the UK. This has led to a 66% conviction rate at court.

Over the 12-month period the force has, on average per month, issued the following tickets - speed 112, seatbelts 40, mobile phones 35, dangerous driving 44 and drink/drug driving 97.

The new project allowing the public to upload dashcam footage of incidents of dangerous driving is showing encouraging signs of growing use. In September, for instance, there were 138 submissions compared to just 10 in February.

Across the year there were 637 mental health detainees dealt with by the force – and dealing with mental health incidents continues to put significant strain on resources.

During the year the force received 139,214 calls for service – a slight dip of 0.75% on the previous 12 months. More than 90% of these were dealt with within 10 seconds. This is an excellent result given that call lengths have increased due to the introduction of new processes to get more detailed information at the time of the call.

There has been an encouraging increase in the number of crimes reported online with the 5,841 representing a 37.5% increase.

The Force Urban Response time target for urgent calls is under 15 minutes and over the last 12 months 69.1% of urgent incidents have been attended within this time. The Force Rural Response time target is under 20 minutes and in the last 12 months 66.3% of urgent incidents have been attended within this time.

Lincolnshire Police received 1,038 complaints in the 12 months to March – an increase of 8.7%.

Further information about Force performance together with a detailed local breakdown is available through the Chief Constable's website at www.lincs.police.uk and the crime mapper website Police.uk

Gender Pay Gap

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into effect on 31 March 2017, which requires public sector authorities with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. Lincolnshire Police employs around 1,500 people and is therefore subject to this duty.

It is important to understand that pay for both police officers and staff is determined nationally and to recognise that gender pay reporting is not the same as equal pay. Equal pay is ensuring equal pay for equal work; however, gender pay reporting compares hourly rates of pay and any bonuses staff may receive by gender, seeking to expose any imbalance.

Based on the results, steps will be taken, where possible, to minimise or readdress any identified inequities going forward.

Our Pay Gap Information

These figures are calculated using the standard methodologies laid out in current legislation:

Published mean and median information				
	Male	Female	Gap	Percentage
Mean hourly rate	£18.90	£17.28	£1.62	8.55%
Median hourly rate	£19.76	£16.76	£3.00	15.18%
Total employees - salary quartile bands				
	Lower	Lower-middle	Upper-middle	Upper
Male proportion	49.49%	51.4%	69.72%	71.25%
Female proportion	50.51%	48.60%	30.28%	28.75%
Published bonus information*				
	Male	Female	Gap	Percentage
Mean bonus	£152.78	£160.00	-£7.22	-4.73%
Median bonus	£100.00	£100.00	£0	0%
Proportion receiving a bonus	1.89%	0.81%		

*Bonuses are usually paid for 'unpleasant tasks', or for additional work or responsibilities. Chief Officers do not receive bonuses.

Summary

Lincolnshire Police remain committed to ensuring fairness, inclusivity and the equal treatment of all employees regardless of protected characteristics, and therefore we are pleased to have a gender pay gap based on the median hourly rate which is 0.22% lower than the national average of 15.4% ([Office of National Statistics](#)).

The Chief Officer team remain determined to tackle the under-representation of women through all grades and ranks and provide every opportunity for women to progress.

Throughout this period the organisation has employed 108 females, 43 of those as new constables, and promoted 15 through the ranks. This has resulted in a slight increase in the percentage of our female workforce. The Force remains committed to ensuring fairness and inclusivity within Lincolnshire Police and acknowledge the many benefits this brings to our organisation.

Financial Performance

A summarised statement of the actual net expenditure compared to the approved original budget for the year is set out below:

	2020/21	2021/22
Chief Constable for Lincolnshire	£m	£m
Original Delegated Budget	97.8	102.0
Outturn	96.9	103.6
(Underspend)/Overspend	(0.9)	1.6

This includes only the budgets directly delegated to the Chief Constable and excludes the G4S strategic partnership, which is held by the PCC and provides a wide range of operational and support functions to the Chief Constable.

The Chief Constable actual expenditure in 2021/22 was £1.6m overspent against the original budget. There were a number of significant variances across the whole budget, both favourable and adverse which included the following:

Underspends resulting from:

- £0.4m on regional budgets due to a lower cash contribution payable as additional officers were working within the region.
- Additional income of £0.5m arising on mutual aid due to recharging for police officers provided at significant events, along with police led prosecution income exceeding target by £0.5m.
- Combined underspend of almost £0.6m arising on ill health pension contributions, PCSOs, crime and national contributions.

Offset by overspends on:

- Future services programme & horizons project (due to a low budget of just £0.3m initially allocated to the Chief Constable) totaling £1.6m.
- £1m over on police officers due to recruitment of student officers being brought forward.
- £0.9m staff salaries due to an increase in posts during the year, some of which had funding released from specific time limited funding reserves.

In addition to the delegated budgets shown above, costs of £23.9m were incurred with the strategic partner G4S during 2021/22. These costs have not been included in the Chief Constable's statements for the reasons described above.

These consisted of £10.8m in respect of operational policing functions for Town Enquiry Officers, Force Control Room, Crime Management Bureau, Custody, Criminal Justice Unit, and Firearms Licensing.

The remaining £13.2m relates to support functions such as HR, Learning and Development, Finance, ICT and Facilities Management, of which a substantial part is in respect of service provision to the Chief Constable.

Capital Expenditure

Capital expenditure is undertaken by the PCC as the Chief Constable does not hold any assets. Information relating to assets held and capital expenditure incurred during the year, together with the historical debt position, is included within the PCC accounts. The Chief Constable uses the assets held by the PCC for operational policing.

In order to provide the assets (buildings, vehicles and equipment) required for operational use by the Chief Constable, the PCC spent £6.8m in 2021/22 which included:

- £1.3m Airwaves,
- £1.0m Body Worn Cameras,
- £0.8m Learning and Development Building Refurbishment.
- £0.7m Horizons Business Intelligence Software Tool

The PCC has approved a capital programme of £5.213m for 2022/23, and includes:

- £1.7m investment for ICT transformation;
- £1.0m investment in the Force estate improvements and maintenance;
- £1.9m replacement programme for vehicles.

Reserves

All reserves are held by the PCC; however, a number of these reserves are held to manage operational risks within the Chief Constable's budget.

Earmarked reserves as at 31 March 2022 total £23.1m (including regional reserves) and are held for specific expenditure or contingencies. Movements in Earmarked Reserves are detailed in Note 7 in the PCC's Financial Statements.

As at 31 March 2022 the PCC held a General Reserve of £6.0m. There are currently no plans to utilise the reserves to support the revenue budget.

An assessment in February 2022 indicated the range of required risk-based reserves at £6.4m - £13.8m, the mid-point of which is £10m. This is set against forecast risk-based reserves of £9.6m: General Reserve £5.9m, Major Incident Reserve £1.9m, Victim's Major Incident Reserve £0.3m, Insurance Reserve £1m and staffing related reserves £0.5m.

In the context of general financial risk and continuing uncertainty post pandemic, the need for sound financial control is further emphasised. The role of the Director of Finance & Corporate Services (S151) in supporting the Chief Constable and his team is key to delivering this.

Principal Risks

The principal risks facing the Chief Constable are detailed in the Annual Governance Statement included within these Financial Statements.

Outlook for 2022/23 and beyond

There is a balanced budget for 2022/23 this includes the following funding:

- Increased police grant for Lincolnshire of £3.7m (5.6% increase)
- An allocation of pension top-up grant of £1.2m
- A precept increase of £4.0m (3.75%) based on an increase of an additional £9.99 per annum for a Band D property in line with the precept referendum limit imposed by government.

The main principles on the setting of the budget are as below:

- The baseline budget for police officers was set at a strength of 1,186 FTE. This was based on a targeted establishment of 1,020 FTE plus the first tranche of the national uplift of a further 50 officers, the second tranche of 49 FTE, and 67 FTE in the third and final tranche. Whilst the additional officers are welcome, it should be noted that the mandated introduction of PEQF (Police Education Qualifications Framework) has an impact on actual deployable officers;
- The current establishment of PCSOs is 85 FTE. With minor fluctuations, the budget is based on maintaining this establishment;
- The Police Staff budget has been based on 2020/21 establishment fully costed with a vacancy factor of 5% included to allow for staff turnover. This budget will increase when the Strategic Partnership budget is disaggregated to individual services from 1 April 2022;
- A provision for pay awards arising in 2022/23 has been included at 2.5%.

The Medium-Term Financial Plan includes provisional service budgets proposed for 2023/24 to 2025/26. Forecasting beyond 2022/23 is challenging particularly as future grant allocations are uncertain. The Minister's statement does not refer to the timing of the Core Grant Distribution Review (funding formula review).

The government's future intention in relation to grant funding allocations and limitations of council tax increases remains unclear. Therefore, estimates have been made on prudent assumptions; there remains the risk that the anticipated income will be lower than assumed in the forecast.

On current assumptions the budget is balanced across the MTFP with use of reserves and a plan for efficiency savings included. This is based on maintaining the resources available for police officers/PCSOs and maintaining the number of police staff.

There is a risk relating to the expiry, in March 2022, of the contract term for the provision of operational and back-office support services by Lincolnshire's strategic partner. The programme of work to give effect to the decision to end the Strategic Partnership at the conclusion of the 10-year term is nearing completion. The initial plan is for a 'soft landing' in April 2022, however there is a financial risk because the operating model post 2022/23 is not yet fully formed.

Nevertheless, financial balance is indicated across the medium term as a result of increased contributions from Lincolnshire council taxpayers, use of reserves and efficiency savings.

Alongside increased government funding for the national police officer uplift programme, improved service delivery to the people of Lincolnshire will be achieved by significant

investment in ICT infrastructure and the implementation of a class-leading Command & Control system which should provide the platform to unlock significant operational benefits through the better use of resources and data. In addition, the budget allows for investment in a Business Intelligence tool which is intended to provide a better understanding of demand further increasing productivity.

Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing in the medium term.

Continuing sound financial control and planning will also be important to delivering financial balance into the medium term as there is still no certainty around future funding settlements especially if finances become tighter in a bid to balance public spending.

Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (code of practice on local authority accounting in the United Kingdom 2021/22) in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

The pandemic has not yet had the negative impact on council tax receipts which was expected at the start of 2022/23. There was a slight increase of 2.05% in the tax base for 2022/23. The Government has also been proactive in supporting authorities with regard to council tax funding by setting the following funding initiatives –

- Local Government Finance Settlement – announced in the 2020 Spending Review, this funding for Local Council Tax Support Schemes enables councils to continue to reduce council tax bills for those least able to pay. This funding is paid directly by MHCLG to PCCs and is designed to compensate for decreased precept revenue as a result of tax base reductions resulting from the pandemic.
- Collection Fund Deficits – the MHCLG also announced that any repayment of collection fund deficits arising from 2021/22 must be spread over the next three years; rather than the usual one. The Government will compensate authorities for 75% of irrecoverable losses in council tax income for 2022/23. Funding will be paid directly to PCCs in 2021/22, with the obligation that PCCs will meet the total costs from the 2021/22 deficit over the next three years. Two Lincolnshire District Councils declared a deficit, totalling £0.132m. The cost pressure therefore for the PCC for the next three years to 2023/24 is £0.033m pa.

It has been assumed that the tax base will increase by 0.5% per annum across the Medium-Term Financial Plan (MTFP). This is considered to be prudent level of increase given the

anticipated longer-term impact of the COVID-19 pandemic, rising interest rates and inflationary pressures.

Explanation of Financial Statements

These Financial Statements have been compiled in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting 2021/22.

The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2021/22, which in turn is underpinned by International Financial Reporting Standards.

These Financial Statements for the Chief Constable set out the income and expenditure for the year and its financial position at 31 March 2022. It comprises core and supplementary statements, together with disclosure notes.

A glossary of terms can be found at the end of this publication.

All assets, liabilities and reserves continue to be held in the main by the PCC. However, those specifically relating to accounting entries within the Chief Constable entity are included in these Financial Statements. Pension liabilities have been split between the PCC and Chief Constable accounts.

Core Statements

- Comprehensive Income and Expenditure Statement – this 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.
- Movement in Reserves Statement – this shows the movement on the usable and unusable reserves from the start of the financial year to the end of the year. As the Chief Constable does not hold any usable reserves, no movements are shown in respect of usable reserves. Movements are shown in unusable reserves which relate to pension accounting.
- Balance Sheet – this represents the financial position as at the balance sheet date of the assets and liabilities recognised. The net assets are matched by the reserves held. The only reserve balance is the pension reserve.
- Cash Flow Statement – this summarises the movement in cash and cash equivalents arising from transactions during the year. As the Chief Constable does not manage these transactions, the statement shows no movement in overall funds. However, a statement has been prepared in accordance with accounting requirements which shows the movement in the deficit and how this relates to non-cash movements within the PCC Group.

Supplementary Statements

- Annual Governance Statement – the Chief Constable publishes an Annual Governance Statement in accordance with the Delivering Good Governance guidance in order to meet the statutory requirements set out in the Accounts and Audit Regulations 2015.
- Statement of Responsibilities – this explains the responsibilities for the financial affairs and how these responsibilities are carried out.

- Notes to the Accounts – the notes show details supporting each of the main accounting statements, together with additional information to explain the financial transactions. Note 1 contains the Accounting Policies. The purpose of these policies is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.
- Police Officer Pensions, Home Office Memorandum Account – this summarises the transactions relating to retirement benefits paid to police officers and how these costs are financed.
- Expenditure and Funding Analysis – this shows how annual expenditure is used and funded from resources. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement.

Relationship between accounting statements

The different accounting statements are linked in several important ways. The relationship between the Comprehensive Income and Expenditure Statement and the movement in the total reserves is shown in the Movement in Reserves Statement.

The Cash Flow statement reconciles to the balance on the Comprehensive Income and Expenditure Statement for the year and the movement in the Balance Sheet cash and cash equivalents.

The Expenditure and Funding Analysis shows how the expenditure is allocated for decision making purposes between the directorates within the Force.

Signed by Sharon Clark

Sharon Clark FCA BA
Director of Finance & Corporate Services (S151) for Chief Constable

Statement of Responsibilities for the Statements of Accounts

This section explains the Chief Constable's responsibilities for the stewardship of his financial affairs.

<p>Responsibilities of the Chief Constable</p> <p>The Chief Constable is required to:</p> <ul style="list-style-type: none">• make arrangements for the proper administration of the financial affairs of Lincolnshire Police and to secure that one of its officers has the responsibility for the administration of those affairs, which for the Chief Constable is the Force Chief Finance Officer;• to manage affairs of Lincolnshire Police to secure economic, efficient and effective use of resources and to safeguard its assets; and• approve the Statement of Accounts.	<p>Responsibilities of the Force Chief Finance Officer</p> <p>The Force Chief Finance Officer is responsible for the preparation of the Chief Constable's Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).</p> <p>In preparing this Statement of Accounts, the Force Chief Finance Officer has:</p> <ul style="list-style-type: none">• selected suitable accounting policies and then applied them consistently;• made judgements and estimates that were reasonable and prudent;• complied with the Code;• kept proper accounting records which were up to date;• taken reasonable steps for the prevention and detection of fraud and other irregularities;• assessed the Chief Constable's ability to continue as a going concern disclosing, as applicable, matters related to going concern;• used the going concern basis of accounting on the assumption that the functions of the Chief Constable will continue in operational existence for the foreseeable future; and• maintained such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.
I approve the audited Statement of Accounts.	I certify that the Financial Statements present a true and fair view of the financial position of the Chief Constable for Lincolnshire as at 31 March 2022 and the Income and Expenditure for the year then ended.
Chris Haward Chief Constable for Lincolnshire Date:	Sharon Clark FCA BA Signed by Sharon Clark Director of Finance & Corporate Services (S151) for Chief Constable Date: 28/07/2022



Independent Auditor's Report to the Chief Constable for Lincolnshire

Expenditure and Funding Analysis 2021/22

This is a note to the Core Statements.

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources. It shows how the expenditure is allocated for decision making purposes between the PCC, CC and Joint Services. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21			Note	2021/22		
Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
121,653	(15,189)	106,464	Chief Constable	124,463	(1,525)	122,938
883	-	883	Joint Services	670	-	670
122,536	(15,189)	107,347	Cost of Services	125,133	(1,525)	123,608
877	-	877	7 Other Operating Expenditure	968	-	968
-	31,980	31,980	8 Financing and Investment Income and Expenditure	-	34,361	34,361
(123,413)	-	(123,413)	Income - Intra Group Financing	(126,101)	-	(126,101)
-	16,791	16,791	4 (Surplus) or Deficit on the Provision of Services	-	32,836	32,836
-	-	-	Opening General Fund Balance as at 31 March	-	-	-
-	-	-	Increase/(Decrease) in Year before Transfers to Earmarked Reserves	-	-	-
-	-	-	Net transfers (to)/from Earmarked Reserves	-	-	-
-	-	-	Closing General Fund as at 31 March	-	-	-

Comprehensive Income and Expenditure Statement 2021/22

The Income and Expenditure statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards.

2020/21			Note	2021/22		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
115,209	(8,744)	106,464	Chief Constable	131,659	(8,721)	122,938
883	-	883	Joint Services	675	(5)	670
116,092	(8,744)	107,347	Cost of Services	132,334	(8,726)	123,608
1,489	(612)	877	7 Other Operating Expenditure	1,626	(658)	968
31,980	-	31,980	8 Financing and Investment Income and Expenditure	34,361	-	34,361
-	(123,413)	(123,413)	10 Income - Intra-group funding	-	(126,101)	(126,101)
149,561	(132,769)	16,791	(Surplus) or Deficit on the Provision of Services	168,321	(135,485)	32,836
300,388	-	300,388	14 Actuarial (Gains) or Losses on Pension Assets and Liabilities	-	(136,916)	(136,916)
300,388	-	300,388	Other Comprehensive Income and Expenditure	-	(136,916)	(136,916)
449,949	(132,769)	317,179	Total Comprehensive Income and Expenditure	168,321	(272,401)	(104,080)

The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 requires that the Comprehensive Income and Expenditure Statement reflects the internal management reporting and decision making arrangements of the organisation.

The 10 year strategic partnership contract managed by the PCC came to an end at 31 March 2022 and has been included within the annual statements for the PCC. The cost relating to the G4S strategic partnership of £24m for 2021/22 (2020/21: £22.8m) is shown in the PCC and Group annual statements and is excluded from the Chief Constable's Comprehensive Income and Expenditure Statement shown above.

The G4S strategic partnership cost includes £10.8m in respect of operational policing services which are directly attributable to the Chief Constable. The remaining cost of £13.2m relates to support functions; a substantial part of which is for the provision of services to the Chief Constable. See note 2 for more information.

The year to year variance on actuarial (gains) or losses on the pensions assets and liabilities relates largely to losses arising on changes in financial assumptions due to market conditions.

Movement in Reserves Statement 2021/22

The Movement in Reserves Statement shows the movement in the year on the unusable reserves held by the Chief Constable. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, further details are shown in the Comprehensive Income and Expenditure Statement.

	Capital Receipts Reserve £000	Earmarked Reserves £000	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Chief Constable Reserves £000
Balance at 31 March 2020	-	-	-	-	(1,402,474)	(1,402,474)
Movement in Reserves during 2020/21						
Surplus or (Deficit) on the provision of services	-	-	(16,791)	(16,791)	-	(16,791)
Other Comprehensive Income and Expenditure	-	-	-	-	(300,388)	(300,388)
Total Comprehensive Income and Expenditure	-	-	(16,791)	(16,791)	(300,388)	(317,179)
Adjustments between accounting basis and funding basis under regulations (Note 6)	-	-	16,791	16,791	(16,791)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	-	-	-	(317,179)	(317,179)
Transfers to/from Earmarked Reserves	-	-	-	-	-	-
Increase/(Decrease) in 2020/21	-	-	-	-	(317,179)	(317,179)
Balance at 31 March 2021 carried forward	-	-	-	-	(1,719,654)	(1,719,654)
Movement in Reserves during 2021/22						
Surplus or (Deficit) on the provision of services	-	-	(32,836)	(32,836)	-	(32,836)
Other Comprehensive Income and Expenditure	-	-	-	-	136,916	136,916
Total Comprehensive Income and Expenditure	-	-	(32,836)	(32,836)	136,916	104,080
Adjustments between accounting basis and funding basis under regulations (Note 6)	-	-	32,836	32,836	(32,836)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	-	-	-	104,080	104,080
Transfers to/from Earmarked Reserves	-	-	-	-	-	-
Increase/(Decrease) in 2021/22	-	-	-	-	104,080	104,080
Balance at 31 March 2022 carried forward	-	-	-	-	(1,615,573)	(1,615,573)

Balance Sheet as at 31 March 2022

The Balance Sheet provides the value of assets and liabilities recognised by the Force for the Chief Constable. The net assets are matched by the reserves held. The only reserve balance for the Chief Constable is the pension reserve.

2020/21	Note		2021/22
£000			£000
-		Property, Plant and Equipment	-
-		Investment Property	-
-		Intangible Assets	-
-		Assets Held for Sale	-
		Long-Term Assets	-
-		Short-Term Investments	-
-		Inventories	-
3,076	11	Short-Term Debtors	3,051
-		Cash and Cash Equivalents	-
-		Short-Term Investments	-
3,076		Current Assets	3,051
-		Short-Term Borrowing	-
(3,076)	12	Short-Term Creditors	(3,051)
-		Other Short Term Liabilities	-
(15)	13	Short-Term Provisions	(15)
-		Capital Grants Receipts in Advance (< 1 yr)	-
(3,091)		Current Liabilities	(3,066)
-		Long-Term Borrowing	-
(1,719,564)	23	Pension Liabilities	(1,615,484)
-		Other Long-Term Liabilities	-
(75)	13	Long-Term Provisions	(74)
(1,719,639)		Long-Term Liabilities	(1,615,558)
(1,719,654)		Net Assets	(1,615,573)
-		Usable Reserves	-
(1,719,654)	14	Unusable Reserves	(1,615,573)
(1,719,654)		Total Reserves	(1,615,573)

The Police and Crime Commissioner's Scheme of Delegation limits the entries required in the Chief Constables Balance sheet. All entries relating to the Police and Crime Commissioner and Chief Constable Group are shown in the Police and Crime Commissioner's Financial Statements.

These audited accounts were signed on 28/07/2022.

Signed by Sharon Clark

Sharon Clark FCA BA

Director of Finance & Corporate Services (S151) for Chief Constable

Cash Flow Statement 2021/22

The Cash Flow Statement does not show any cash flows for the year, as all payments were made from the PCC's accounts. Similarly, all income and funding is received into the PCC's accounts.

2020/21 £000	Note		2021/22 £000
16,791		Net Deficit on the Provision of Services	32,836
(16,791)	15	Adjustments to net deficit on the provision of services for non-cash movements	(32,836)
-		Adjustments for items included in the net deficit on the provision of services that are investing and financing activities	-
-		Net Cash (Inflows) or Outflows from Operating Activities	-
-		Investing Activities	-
-		Financing Activities	-
-		Net (Increase) or Decrease in Cash and Cash Equivalents	-
-		Cash and Cash Equivalents at the Beginning of the Reporting Period	-
-		Cash and Cash Equivalents at the End of the Reporting Period	-

Chief Constable for Lincolnshire

Notes to the Accounts

1. Accounting Policies

1.1. General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which require the statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards.

The accounting convention adopted in the Statement of Accounts is principally historical cost.

All accounting policies that are material to the production of the accounts are described in this section.

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

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

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

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

1.3. 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:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- 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 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.

1.4. Non-Current Assets – Property, Plant and Equipment

The Chief Constable does not own any non-current assets. All capital equipment used in operational policing is procured and owned by the PCC, under the agreement that control, in particular usage and responsibility for maintenance, is delegated to the Chief Constable under the PCC Group's existing scheme of delegation.

1.5. Provisions

Provisions are made where an event has taken place that gives the Chief Constable a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Chief Constable may be involved 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 service line in the Comprehensive Income and Expenditure Statement in the year that the Chief Constable becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

1.6. Contingent Liabilities

A contingent liability is where there is a possible obligation to transfer economic benefits due to a past event, but the possible obligation will only be confirmed by the occurrence or non-occurrence of one or more events in the future, not wholly be within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

The Chief Constable discloses these obligations in the narrative notes to the accounts if greater than £100k.

These amounts are not recorded in the Chief Constable's accounts because:

- It is not probable that an outflow of economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability at the year end.

1.7. Contingent Assets

A contingent asset is where there is a possible transfer of economic benefit to the Chief Constable from a past event, but the possible transfer will only be confirmed by the

occurrence or non-occurrence of one or more events in the future. These events may not wholly be within the control of the Chief Constable.

The Chief Constable discloses these rights in the narrative notes to the accounts if greater than £100k.

1.8. Cost of Overheads and Support Services

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

1.9. Value Added Tax (VAT)

The Chief Constable does not submit a VAT return. The PCC submits a single VAT return on behalf of the Group. Expenditure in the Comprehensive Income and Expenditure Statement excludes any amounts relating to VAT as it is all remitted to / from HM Revenue and Customs.

1.10. Events After the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period for which the Statement of Accounts is adjusted to reflect such events;
- Those that are indicative of conditions that arose after the reporting period for which 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 events and their estimated financial effect.

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

1.11. Recognition of Revenue (Income and Expenditure)

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the Chief Constable.

1.12. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Chief Constable when there is reasonable assurance that:

- The Chief Constable will comply with the conditions attached to the payments;
- The grants or contributions will be received.

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.13. Reserves

1.13.1. Useable Reserves

The Chief Constable does not maintain usable reserves. Its main source of income in the year is an intra-group transfer from the PCC, which is matched to its net resources expended, with all additional surplus or deficit held by the PCC.

1.13.2. Unusable Reserves

The Chief Constable keeps a pensions reserve to maintain the accounting processes for retirement benefits and the related provisions. These reserves do not represent usable resources for the Chief Constable.

1.14. Employee Benefits

1.14.1. Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. A provision is made for the cost of unused leave earned by employees, but not taken before the year-end.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the absence occurs.

1.14.2. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Chief Constable can no longer withdraw the offer of those benefits or when the Chief Constable recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount

payable by the Chief Constable 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 pensioners and any such amounts payable but unpaid at the year-end.

1.14.3. Post-employment Benefits

Employees of the Chief Constable are members of two separate pension schemes:

- The Police Officer Pension Scheme, for which the scheme manager is the Chief Constable;
- The Local Government Pensions Scheme, administered by West Yorkshire Pension Fund on behalf of Lincolnshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees.

1.14.4. Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Lincolnshire pension fund attributable to the Chief Constable 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 of 2.7% (based on the indicative rate of return on high quality AA index corporate bonds);
- The assets of Lincolnshire pension fund attributable to the Chief Constable 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.

1.14.5. Police Officer Pension Scheme

The police officer pension schemes (both the old and new schemes) are accounted for as a defined benefit scheme:

- The liabilities of the Lincolnshire pension fund attributable to the Chief Constable 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 projected earnings for current employees;

- Liabilities are discounted to their value at current prices, using a discount rate of 2.6% (based on the indicative rate of return on high quality AA index corporate bonds).

1.14.6. Pension Scheme Policies

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

- Service cost comprising:
 - Current service cost (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 employees 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 to a corporate service segment;
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Chief Constable (the change during the period in the net defined 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 benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period (taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments).
- Remeasurements comprising:
 - The return on plan assets (excluding amounts included in net interest on the net defined benefit 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 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 Lincolnshire pension fund (cash paid as employer's contributions to the pension fund in settlement of liabilities) not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Chief Constable to the pension fund or directly to pensioners 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 Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

1.14.7. Discretionary Benefits

The Chief Constable also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.15. Police Officer Pensions – Home Office Memorandum Account

From 1 April 2006 the Home Office changed the methods of financing police pensions. Effectively the Chief Constable has continued to make payments but accounts for these outside of these accounts in a separate memorandum account, which is reported in a supplementary statement in these accounts.

1.16. Joint Operations

Joint operations are joint arrangements in which the PCC and other venturers have joint control of the arrangement. The parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Chief Constable accounts for only its expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint operation and income that it earns from the venture.

2. Judgements in applying Accounting Policies

In applying the accounting policies set out in Note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The significant judgements made in the Statement of Accounts are:

- For retirement benefits, the interpretation of CIPFA guidance differs from that of the Code itself. CIPFA guidance expects plan assets to be included in the financial statements; however the Code says not to include them. The impact of this on the General Reserve is reversed through the Movement in Reserves Statement, with a corresponding entry in the Pensions Reserve. The Chief Constable and the Chief Finance Officer have concluded that this approach presents a true and fair view of the Chief Constable's financial position, financial performance and cash flow;
- G4S joined Lincolnshire Pension Fund as a new Transferee Admission Body on 1 April 2012 on a "pass through" arrangement for a contract term of 10 years. Lincolnshire Police are considered to be the principal rather than merely an agent in these transactions as they retain responsibility for the liabilities. Hence, the IAS19 results as at 31 March 2022 reflect the combined G4S and Lincolnshire Police pension fund assets and liabilities.
- The split of the G4S pension liability within the Local Government Pensions Scheme is allocated between the PCC and the Chief Constable in line with the Strategic Partnership arrangement. The current percentage entity split is 30.5% PCC and 69.5% Chief Constable.

3. Assumptions made about the future and other major sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the entity 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 at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are described below. The main area of fluctuation is the assessment of pensions' assets and liabilities. Hence, these are considered separately.

3.1. Estimation of Uncertainties

Item	Uncertainties	Effect if actual results differ from assumptions
Pension liability £1,615,484k	<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>A firm of consulting actuaries is engaged to provide the Chief Constable with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions have been measured and described in the tables below.</p> <p>The tables give an indication of the impact of changes in the main assumptions but are not an exhaustive list of the variables involved.</p>
Actuarial Assumptions £1,615,484k	<p>The actuaries have assumed that CPI will be approximately 1% p.a. below RPI on average.</p>	<p>As a market in CPI linked bonds does not exist the actuaries need to make an estimate of the long term gap between RPI and CPI in order to arrive at a CPI assumption for the accounts.</p>

Accumulated Absences £3,051k	<p>The calculation is based on the balance of hours owed to or owing by each individual recorded in the Duty Management System which includes Annual Leave, Time Off In Lieu and Rest Days in Lieu.</p> <p>Adjustments have been made to remove negative balances and reduce high carry forward balances that significantly exceed policy.</p> <p>Annual Leave is restricted to 5 days, as per policy. The hourly rate used is based on the average pay from the March payroll files.</p>	<p>Actual balances have since been calculated for approved carry forward and the figures are not materially different to the estimates, therefore no adjustments have been made.</p>
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The sensitivities regarding the Police Pension Scheme liabilities are set out below.

Change in financial and demographic assumptions	Approximate percentage increase to Employer Liability	Approximate monetary amount (£m)
0.5% decrease in the Real Discount Rate	9%	130.50
1 year increase in member life expectancy	3%	40.91
0.5% in the Salary Increase Rate	1%	12.69
0.5% increase in the Pensions Increase Rate (CPI)	8%	106.98

The sensitivities regarding the Police Pension Scheme current service costs are set out below.

Change in financial and demographic assumptions	Approximate percentage increase to Projected Current Service Cost	Approximate monetary amount (£m)
0.5% decrease in the Real Discount Rate	21%	4.58
1 year increase in member life expectancy	3%	0.67
0.5% in the Salary Increase Rate	<1%	0.03
0.5% increase in the Pensions Increase Rate (CPI)	10%	2.29

The sensitivities regarding the principal assumptions used to measure the liabilities in the Local Government Pension Scheme are set out below.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	220,376	225,370	230,481
Projected Service Cost	13,195	13,576	13,967
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	226,021	225,370	224,725
Projected Service Cost	13,584	13,576	13,569
Adjustment to pension increase and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	229,795	225,370	221,044
Projected Service Cost	13,964	13,576	13,198
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	234,956	225,370	216,179
Projected Service Cost	14,198	13,576	12,978

4. Note to the Expenditure and Funding Analysis

2020/21						2021/22				
Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	Note		Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	
-	(15,189)	-	(15,189)		Chief Constable	-	(1,525)	-	(1,525)	
-	-	-	-		Joint Services	-	-	-	-	
-	(15,189)	-	(15,189)		Cost of Services	-	(1,525)	-	(1,525)	
-	-	-	-	7	Other Operating Expenditure	-	-	-	-	
-	31,980	-	31,980	8	Financing and Investment Income and Expenditure	-	34,361	-	34,361	
-	16,791	-	16,791		Difference between General Fund Surplus or Deficit and CIES Surplus or Deficit	-	32,836	-	32,836	

5. Expenditure Analysed by Nature

2020/21 £000	Expenditure and Income	2021/22 £000
Expenditure		
54,730	Police Pay and Allowances	56,624
19,282	Police Staff Pay and Allowances	22,369
1,255	Other Employee Expenses	1,635
1,538	Police Pensions	1,456
21,679	Pension costs inc IAS19	30,532
3,117	Premises	2,974
1,119	Transport	1,420
12,440	Supplies and Services	14,373
931	Third Party Payments	950
867	Precepts and levies	955
622	Seconded Officers (net)	671
31,980	Interest and investment expenditure	34,361
149,561	Total expenditure	168,320
Income		
(7,519)	Fees, charges and other service income	(8,084)
(1,225)	Other Grant Income	(643)
(612)	Seconded Officers	(658)
(123,413)	Intra Group financing	(126,101)
(132,769)	Total income	(135,486)
16,792	(Surplus) or Deficit on the Provision of Services	32,836

6. 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 both 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 capital and revenue expenditure.

2020/21	Usable Reserves				Movement in Usable Reserves £000	
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000			
Adjustments to the Revenue Resources						
<i>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:</i>						
Pensions costs (transferred to (or from) the Pensions Reserve)	16,791	-	-	-	(16,791)	
Council tax (transferred to or from Collection Fund)	-	-	-	-	-	
Holiday pay (transferred to the Accumulated Absences Reserve)	-	-	-	-	-	
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account):	-	-	-	-	-	
Total Adjustments to Revenue Resources	16,791	-	-	-	(16,791)	
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-	-	
Administrative costs of non current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	-	-	-	-	
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	-	-	-	-	-	
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-	-	-	-	
Total Adjustments between Revenue and Capital Resources	-	-	-	-	-	
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	
Application of capital grants to finance capital expenditure	-	-	-	-	-	
Total Adjustments to Capital Resources	-	-	-	-	-	
Total Adjustments	16,791	-	-	-	(16,791)	

2021/22	Usable Reserves				Movement in Usable Reserves £000	
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000			
Adjustments to the Revenue Resources						
<i>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:</i>						
Pensions costs (transferred to (or from) the Pensions Reserve)	32,836	-	-	-	(32,836)	
Council tax (transferred to or from Collection Fund)	-	-	-	-	-	
Holiday pay (transferred to the Accumulated Absences Reserve)	-	-	-	-	-	
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account):	-	-	-	-	-	
Total Adjustments to Revenue Resources	32,836	-	-	-	(32,836)	
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-	-	
Administrative costs of non current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	-	-	-	-	
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	-	-	-	-	-	
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-	-	-	-	
Total Adjustments between Revenue and Capital Resources	-	-	-	-	-	
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	
Application of capital grants to finance capital expenditure	-	-	-	-	-	
Total Adjustments to Capital Resources	-	-	-	-	-	
Total Adjustments	32,836	-	-	-	(32,836)	

7. Other Operating Expenditure

Levies are the Chief Constable's contributions towards national police computing systems provided by the Home Office.

2020/21				2021/22		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
867	-	867	Levies	955	-	955
622	(612)	10	Seconded Officers	671	(658)	13
1,489	(612)	877		1,626	(658)	968

8. Financing and Investment Income and Expenditure

2020/21			2021/22		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
31,980	-	31,980	Pensions Interest Cost and Expected Return on Pensions Assets	34,361	-
31,980	-	31,980		34,361	-

9. Grant Income

The Chief Constable credited the following grant to Comprehensive Income and Expenditure:

	2020/21 £000	2021/22 £000
Credited to Services		
Other Grant Income		
Armed Response Vehicle (ARV) Grant	(490)	-
Op Talla (COVID-19 Response)	(160)	-
Regional External Grant	(575)	(643)
Total	(1,225)	(643)

10. Intra-Group Financing

An annual intra-group transfer of funds is made by the PCC to the Chief Constable. This intra-group transfer will equal the income requirement for the Chief Constable.

11. Debtors

2020/21 £000	2021/22 £000
Amounts falling due within one year:	
(3,076) PCC guarantee for accumulated absences liability	(3,051)
(3,076) Total Debtors falling due within one year	(3,051)

12. Short-Term Creditors

2020/21 £000	2020/21 £000
(3,076) Accumulated absences	(3,051)
(3,076) Total Short-Term Creditors	(3,051)

13. Provisions

The Chief Constable has made provisions to meet the costs of the liabilities described below. They are classified as provisions because there is a present obligation to transfer economic benefit as a result of a past event, payment is probable and the amount can be reliably estimated.

Short Term Provisions	Termination Benefits of Employment	Total
	£000	£000
Balance at 31 March 2021	(15)	(15)
Additional Provisions made in 2021/22	-	-
Amounts Used in 2021/22	-	-
Unused amounts reversed in 2021/22	-	-
Balance at 31 March 2022	(15)	(15)

Long Term Provisions	Termination Benefits of Employment	Total
	£000	£000
Balance at 31 March 2021	(75)	(75)
Additional Provisions made in 2021/22	-	-
Amounts Used in 2021/22	1	1
Unused amounts reversed in 2021/22	-	-
Balance at 31 March 2022	(74)	(74)

The only provision in the Chief Constable's accounts is for the termination benefits of employment relating to the pension payments which are held by the Chief Constable along with the IAS19 Pension Liability.

14. Pensions Reserve

Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The 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. The liability recognises inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require a benefit earned to be financed, as the Chief Constable makes employer's contributions to pension funds, and eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve 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 have been set aside by the time the benefits come to be paid.

2020/21 £000		2021/22 £000
(1,402,474)	Balance at 1 April	(1,719,653)
(300,388)	Actuarial gains or losses on pensions assets and liabilities	136,916
(57,541)	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	(75,099)
34,289	Employers contributions payable to scheme	39,251
-	Contributions in respect of unfunded benefits	-
6,428	Employers contributions payable to schemes - Cash Top-up	3,011
33	Other unfunded termination benefits	1
(1,719,653)	Balance at 31 March	(1,615,573)

15. Cash Flow – Adjustments on Provision of Services for Non Cash Movements

2020/21 £000		2021/22 £000
662	Increase/(Decrease) in Creditors	(25)
(662)	(Increase)/Decrease in Debtors	25
(16,824)	Pension Liability	(32,836)
31	Contributions to Provisions	1
(16,791)	Non Cash Movements	(32,836)

16. Joint Operations

16.1. Sexual Assault Referral Centre

The SARC is a one stop location where victims of sexual assault can receive medical care and counselling whilst at the same time having the opportunity to assist the police investigation into alleged offences. It is a joint operation between Lincolnshire Police and Lincolnshire Partnership NHS Foundation Trust, with Lincolnshire Police acting as the lead body. The financial statements include the PCC Group's share of non-current assets, primarily the purchase and refurbishment costs associated with Spring Lodge (the PCC for Lincolnshire's share is 65%). The financial statements also include the PCC's share of income £10k and revenue expenditure £92k compared to income of £10k and revenue expenditure of £98k in 2020/21 (the PCC for Lincolnshire's share is 50%).

16.2. Regional Collaboration

The East Midland Regional Collaboration consists of:

- East Midlands Special Operations Unit (EMSOU) including Regional Asset Recovery Team, Regional Review Unit, Collaboration Team, Protected Persons Unit and Technical Support Unit. The lead body is Leicestershire;
- EMSOU Major Crime. Lead body Leicestershire;
- Forensics. Lead body Derbyshire;
- Occupational Health Unit (OHU). Lead body Leicestershire;
- Emergency Services Network (ESN). Lead body Leicestershire;
- Specialist Operations Training (SOT). Lead body Leicestershire;

- East Midlands Criminal Justice Services (EMCJS). Lead body Leicestershire, Finance Lincolnshire;
- East Midlands Legal Services. Lead body Derbyshire.

As all assets, liabilities and reserves are held by the PCC; only the operational policing costs have been shown in the Chief Constable's Comprehensive Income and Expenditure Statement. The PCC's share of assets and liabilities is included in the PCC Group accounts. The transactions relating to Lincolnshire's share of a five Force collaboration is set at 13.2%, in the case of 3 Force collaborations such as SOT, Lincolnshire's share is 25.9% of revenue expenditure. For EMCJS, which is a 4 Force collaboration, Lincolnshire's share is 16.9% of revenue expenditure. These allocations from regional forces have been included in the Comprehensive Income and Expenditure Statement.

Lincolnshire's Share of Regional Comprehensive Income and Expenditure Statement:

2020/21 £000		2021/22 £000
1,594	Police Pay and Allowances	1,627
2,794	Police Staff Pay and Allowances	2,870
71	Other Employee Expenses	101
76	Premises	74
70	Transport	87
552	Supplies and Services	616
563	Agency and Contracted Services	573
167	Depreciation	226
22	Amortisation	4
5,909	Gross Operating Expenditure	6,178
(233)	Other Income	(170)
-	(Gains) or Losses on Disposal of Non Current Assets	(1)
5,676	Amount to be met from Partners	6,007
	Financed by:	
(5,060)	Contributions from Partners	(5,213)
(575)	External Grants	(643)
(56)	Capital Grants and Contributions	(47)
(15)	(Surplus) or Deficit on the Provision of Services	104
(15)	Total Comprehensive Income and Expenditure	104

17. Funded Partnerships Outside Scope of Collaborative Arrangements

Lincolnshire Road Safety Partnership (LRSP) was formed in order to reduce the number of people killed or injured on Lincolnshire's roads. LRSP is a unique multi-agency partnership that brings together road safety professionals from the Police, Lincolnshire County Council, Fire and Rescue, the NHS, the Highways Agency and the Probation Service. Roads Policing Officers provide their time as an integral part of the Partnership.

Income received in the year was £1,610k which was less than the previous year figure of £2,361k. The expenditure in year was £1,254k compared with £2,021 in 2020/21.

18. Audit Committee Allowances and Expenses

The amount paid to members of the Joint Independent Audit Committee equated to £7,966 for the year compared to £8,000 in 2020/21. £2,064 of the amount paid to members is charged to the PCC based on the percentage split used for allocating finance joint services costs (26%).

19. Remuneration of Senior Officers

Remuneration includes all sums paid to or receivable by an employee. Pension contributions payable by the employee are excluded.

The Accounting Code of Practice requires detailed disclosure for specific senior officers. These are disclosed in the tables below.

2020/21 Senior Officers' Remuneration	Notes	Salaries, fees or allowances	Relocation benefits receivable in the role	Car benefits receivable in the role	Compensation for loss of office	Total remuneration excluding pension contributions 2020/21	Employer's pension contribution	Total remuneration including pension contributions 2020/21
						£		£
Police Officers								
Chief Constable Bill Skelly	Finished Dec 20	122,744	-	-	-	122,744	-	122,744
Chief Constable Chris Haward	Started Dec 20	46,871	-	2,027	-	48,898	14,232	63,130
Deputy Chief Constable		123,785	-	6,360	-	130,145	37,628	167,773
Assistant Chief Constable		118,481	-	5,605	-	124,086	35,984	160,070
Police Staff of the Chief Constable								
Chief Finance Officer		85,709	-	-	-	85,709	13,970	99,679
Assistant Chief Officer (Resources)		118,043	7,133	5,605	-	130,781	19,235	150,016

2021/22 Senior Officers' Remuneration	Notes	Salaries, fees or allowances	Relocation benefits receivable in the role	Car benefits receivable in the role	Compensation for loss of office	Total remuneration excluding pension contributions 2020/21	Employer's pension contribution	Total remuneration including pension contributions 2020/21
						£		£
Police Officers								
Chief Constable Chris Haward		164,491	13,212	7,115	-	184,818	37,459	222,277
Deputy Chief Constable		127,435	-	-	-	127,435	34,847	162,282
Assistant Chief Constable		121,623	-	5,605	-	127,228	36,958	164,186
Assistant Chief Constable	Started May 2021	105,177	-	1,239	-	106,416	28,442	134,858
Police Staff of the Chief Constable								
Chief Finance Officer		103,169	-	5,047	-	108,216	16,816	125,032
Assistant Chief Officer (Resources)	Redundant May 2021	12,178	-	573	313,034	325,785	1,985	327,770

19.1. Remuneration Banding

The table below highlights the number of employees within defined remuneration ranges. This excludes the senior employees who are shown in more detail in the tables above.

Remuneration Range	2020/21	2021/22
	Number of employees	Number of employees
£50,000 to £54,999	-	-
£55,000 to £59,999	1	-
£60,000 to £64,999	1	2
£65,000 to £69,999	1	-
£70,000 to £74,999	1	1
£75,000 to £79,999	1	-
£80,000 to £84,999	-	1
£85,000 to £89,999	3	1
£90,000 to £94,999	2	4
£95,000 to £99,999	-	-
£100,000 to £104,999	-	-
£105,000 to £109,999	-	-

20. Termination Benefits

Cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number by cost band		Total cost in each band	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21 £000	2021/22 £000
£0,000 to £20,000	-	-	-	-	-	-	-	-
£20,001 to £40,000	-	-	-	-	-	-	-	-
£40,001 to £60,000	-	-	-	-	-	-	-	-
£60,001 to £80,000	-	-	-	-	-	-	-	-
£80,001 to £100,000	-	-	-	-	-	-	-	-
over £150,000	-	1	-	-	-	1	-	313
Total	-	1	-	-	-	1	-	313

21. Audit Costs

	2020/21 £000	2021/22 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	12	12
Total	12	12

22. Related Party Transactions

The entity is required to disclose details of any 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 him. Disclosure of these transactions allows readers to assess the extent to which the entity might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with it.

22.1. UK Central Government

The UK central government has effective control over the general operations of the PCC. It is responsible for establishing the statutory framework within which the PCC operates. It provides a large proportion of the PCC's funding in the form of grants and prescribes the terms of many of the transactions that the PCC has with other parties.

22.2. Chief Constable for Lincolnshire

Within the Group, the Chief Constable is accountable to the Police and Crime Commissioner for Lincolnshire. The PCC provides all funding to the Chief Constable for the discharge of his duties. The total funding is shown in the Chief Constable's Comprehensive Income and Expenditure Statement.

22.3. Officers

The total remuneration to senior staff in 2021/22 is shown in Note 19. All senior officers employed by the Chief Constable at the 31 March 2022 have completed a Related Party Transaction Declaration for the financial year in respect to themselves and close family members to identify any business dealings with the Group that fall into this category. No further disclosures are required.

22.4. Other Public Bodies

Joint Operations and Funded Partnerships are disclosed in Notes 16 and 17.

23. Retirement Benefits

23.1. Participation in pension schemes

As part of the terms and conditions of employment of its officers and other employees, the PCC Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the PCC Group has a commitment to disclose the cost of future pension liabilities at the time that employees earn their future entitlement.

The Group participates in two pensions schemes:

- The Local Government Pension Scheme (LGPS) for police staff is administered by West Yorkshire Pension Fund on behalf of Lincolnshire County Council. This is a funded defined benefit scheme, meaning that the PCC Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Due to changes under the Public Pension Services Act 2013, from the 1 April 2014 scheme members now accrue pension entitlements based on their career-average rather than their final salary.

G4S joined Lincolnshire Police pension fund as a new Transferee Admission Body on 1 April 2012 on a "pass through" arrangement for a contract term of 10 years. The IAS 19 results as at 31 March 2022 reflect the combined G4S and Lincolnshire Police pension fund assets and liabilities.

- The Police Pension Scheme for police officers is an unfunded defined benefit scheme. This means that there are no investment assets built up to meet the pensions' liabilities and cash has to be generated to meet actual pensions' payments as they eventually fall due. From the 1 April 2015 The Police Pension Scheme 2015 (CARE) scheme

was introduced (under the Public Pension Services Act 2013), and members who are not covered by protection or the transitional arrangements in the previous schemes now accrue pension entitlements based on their career-average rather than their final salary. Three schemes were in operation during 2021/22 as well as injury awards:

- The 1987 scheme (Final Salary) which is based on a maximum pensionable service of 30 years (closed to new entrants on 31 March 2006);
- The 2006 scheme (Final Salary) which is based on a maximum pensionable service of 35 years (closed to new entrants on the 31 March 2015);
- The 2015 (CARE) scheme which was available to new entrants from the 1 April 2015 and is a Career Average Revalued Earnings (CARE) scheme there is no maximum period of service.

Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year are less than amounts payable, the PCC must transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, this cost is met by a central government Police Pensions Payments grant.

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

23.2. Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no scheme assets built up to meet these pension liabilities.

23.3. Transactions Relating to Retirement Benefits

In order to comply with IAS 19, employer's pension contributions have been replaced with current service costs as estimated by the independent actuaries. The PCC Group recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the PCC Group is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The reversal of the IAS 19 transactions ensures that there is no effect on the amounts to be met from government grant and the local taxpayers.

23.4. Transactions Relating to Retirement Benefits

	Local Government Pension Scheme		Police Pension Scheme		Comprehensive Income and Expenditure Account	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£000	£000	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement						
Cost of Services:						
Current service cost	(3,889)	(5,814)	(21,500)	(34,400)	(25,389)	(40,214)
Past service costs	-	(242)	(100)	(200)	(100)	(442)
Effect of settlements	-	-	-	-	-	-
Other Operating Expenditure:	(3,889)	(6,056)	(21,600)	(34,600)	(25,489)	(40,656)
Home Office Grant	-	-	(25,264)	(21,914)	(25,264)	(21,914)
Financing and Investment Income and Expenditure:						
Net interest expense	(680)	(961)	(31,300)	(33,400)	(31,980)	(34,361)
Administrative Expenses	(72)	(82)	-	-	(72)	(82)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(4,641)	(7,099)	(78,164)	(89,914)	(82,805)	(97,013)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement						
Return on scheme assets (excluding the amount included in the net interest expense)	19,895	9,619	-	-	19,895	9,619
Actuarial gains and losses arising on changes in demographic assumptions	1,355	-	(16,800)	16,000	(15,445)	16,000
Actuarial gains and losses arising on changes in financial assumptions	(39,236)	9,604	(344,200)	105,300	(383,436)	114,904
Other experience	1,298	(306)	77,300	(3,300)	78,598	(3,606)
Subtotal Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(16,688)	18,916	(283,700)	118,000	(300,388)	136,916
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(21,329)	11,817	(361,864)	28,086	(383,193)	39,903
Movement in Reserves Statement						
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	4,641	7,099	52,900	68,000	57,541	75,099
Actual Amount charged against the General Fund Balance for pensions in the year:						
Employers contributions payable to scheme	(2,917)	(3,262)	(44,228)	(42,011)	(47,145)	(45,273)
Contributions in respect of unfunded benefits	-	-	-	-	-	-
Employers contributions payable to schemes - Cash Top-up	-	-	6,428	3,011	6,428	3,011
Retirement benefits payable to pensioners	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-
Statement to the General Fund	1,724	3,836	15,100	29,000	16,824	32,836

23.5. Pensions Assets and Liabilities in relation to Retirement Benefits

The amount included in the Balance Sheet arising from the PCC Group's obligation in respect of its defined benefit schemes is as follows:

Funded liabilities	2020/21	2021/22
LGPS	£000	£000
Present value of the defined benefit obligation	159,240	156,450
Fair value of scheme assets	(109,975)	(122,248)
	49,266	34,202
Other movements in the liability (asset)	198	182
Net liability arising from the defined benefit obligation	49,464	34,384

Discretionary Benefits	2020/21	2021/22
Police Pension Scheme	£000	£000
Present value of the defined benefit obligation	1,602,300	1,516,700
Fair value of scheme assets	-	-
	1,602,300	1,516,700
Other movements in the liability (asset)	67,800	64,400
Net liability arising from the defined benefit obligation	1,670,100	1,581,100

23.6. Reconciliation of the movements in the Fair Value of the scheme assets

LGPS	2020/21	2021/22
	£000	£000
Opening fair value of scheme assets	87,426	109,975
Interest income	2,019	2,205
Administrative Expenses	(72)	(82)
Remeasurement gain / (loss):	-	-
The return on scheme assets, excluding the amount included in the net interest expense	19,895	9,619
Other	-	-
Effect of changes in foreign exchange rates	-	-
Contributions from employer	2,917	3,262
Contributions in respect of unfunded benefits	-	-
Contributions from employees in the scheme	769	803
Benefits paid	(2,979)	(3,533)
Other	-	-
31 March	109,975	122,248

23.7. Reconciliation of Present Value of the scheme liabilities (defined benefit obligation)

Liabilities	2020/21	2021/22
LGPS	£000	£000
Opening balance at 1 April	118,478	159,439
Current service cost	3,889	5,814
Interest cost	2,699	3,166
Contributions from scheme participants	769	803
Re-measurement (gain) / loss:	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(1,355)	-
Actuarial (gains) / losses arising from changes in financial assumptions	39,236	(9,604)
Other	(1,298)	306
Past service cost	-	242
Losses / (gains) on curtailment	-	-
Liabilities assumed on entity combinations	-	-
Benefits paid	(2,979)	(3,533)
Liabilities extinguished on settlements (where relevant)	-	-
31 March	159,439	156,632

Unfunded liabilities	2020/21	2021/22
Police Pension Scheme	£000	£000
Opening balance at 1 April	1,371,300	1,670,100
Current service cost	21,500	34,400
Interest cost	31,300	33,400
Contributions from scheme participants	5,600	5,700
Re-measurement (gain) / loss:	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	16,800	(16,000)
Actuarial (gains) / losses arising from changes in financial assumptions	344,200	(105,300)
Other	(77,300)	3,300
Past service cost	100	200
Losses / (gains) on curtailment	-	-
Liabilities assumed on entity combinations	-	-
Benefits paid	(43,400)	(44,700)
Liabilities extinguished on settlements (where relevant)	-	-
31 March	1,670,100	1,581,100

23.8. Pension scheme assets

The Police Pension Schemes are unfunded in nature and hence have no scheme assets.

The pooled assets of the Local Government Pension Scheme assets consist of the following categories:

	2020/21		2021/22	
	Bid Value % Quoted in active market	Bid Value % Not quoted in active market	Bid Value % Quoted in active market	Bid Value % Not quoted in active market
Fixed Interest Government Securities				
UK	1.1	-	1.0	-
Overseas	-	-	-	-
Index Linked Government Securities				
UK	1.7	-	1.5	-
Overseas	-	-	-	-
Corporate Bonds				
UK	9.8	-	9.2	-
Overseas	-	-	-	-
Equities				
UK	16.0	-	15.8	-
Overseas	40.5	-	39.8	-
Property				
All	7.0	0.2	6.9	0.4
Others				
Hedge fund	-	2.9	0.2	2.8
Private Equity	0.3	6.6	0.3	6.6
Infrastructure	0.5	2.7	0.6	3.2
Commodities	0.5	-	0.6	-
Bonds	3.2	-	4.6	-
Private Debt	-	1.2	-	1.0
Other Diversified Alternatives	1.6	0.3	-	0.2
Forward Currency Contracts	-	(0.1)	1.5	0.1
Cash/Temporary Investments	4.4	-	-	-
Net Current Assets				
Debtors	0.1	-	0.1	-
Creditors	-	(0.4)	-	-
Net Assets	86.6	13.4	85.8	14.2

23.9. Basis for estimating assets and liabilities

The Police Pension Scheme has been assessed by Hymans Robertson (an independent firm of actuaries). The Local Government Pension Scheme has been assessed by Barnett

Waddingham (an independent firm of actuaries). The value of the liabilities is an estimate of the pensions that will be payable in future years dependent on assumptions about uncertain variables.

For the Local Government Pension Scheme, liabilities have been assessed on an actuarial basis using the projected unit method. Estimates are based on the latest full valuation of the scheme as at April 2020.

For the Police Pension Scheme liabilities have been assessed on an actuarial basis using the projected unit method. The last formal valuation of the schemes was carried out as at 31 March 2022.

	Local Government Pension Scheme		Police Pension Scheme	
	2020/21	2021/22	2020/21	2021/22
	Longevity at 65		Longevity at 60	
Mortality assumptions	Years	Years	Years	Years
Longevity for current pensioners:				
Men	21.1	21.2	27.1	27.1
Women	23.6	23.7	29.4	29.4
Longevity for future pensioners:				
Men	22.0	22.1	28.7	28.4
Women	25.0	25.1	31.0	30.8
Financial assumptions	%	%	%	%
Market derived RPI	3.3	0.0	3.3	0.0
Rate of increase in salaries	3.2	3.5	3.3	3.7
Rate of increase in pensions	2.9	3.2	2.9	3.2
Rate for discounting scheme liabilities	2.0	2.6	2.0	2.7

The Local Government Pension Scheme longevity assumptions are as per the latest full valuation as at 31 March 2022, the Police Pension Scheme longevity assumptions are remodelled annually in the actuarial review.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

23.10. Present Value of Liabilities

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Present value of liabilities						
Local government pension scheme	(120,339)	(123,923)	(143,442)	(118,478)	(159,439)	(156,632)
Police pension scheme	(1,280,300)	(1,331,600)	(1,476,800)	(1,371,300)	(1,670,100)	(1,581,100)
Fair value of assets in the local government pension scheme	84,312	87,341	95,794	87,426	109,975	122,248
Surplus / (deficit) in the scheme	(1,316,327)	(1,368,182)	(1,524,448)	(1,402,352)	(1,719,564)	(1,615,484)
Local government pension scheme	(36,027)	(36,582)	(47,648)	(31,052)	(49,464)	(34,384)
Police pension scheme	(1,280,300)	(1,331,600)	(1,476,800)	(1,371,300)	(1,670,100)	(1,581,100)
Total surplus / (deficit) in the scheme	(1,316,327)	(1,368,182)	(1,524,448)	(1,402,352)	(1,719,564)	(1,615,484)

23.11. Impact on the PCC Group's cash flows

The liabilities show the underlying commitments for retirement benefits that the PCC Group has to pay in the long run. The total liability has a substantial impact on the net worth of the PCC Group as recorded in the Balance Sheet, resulting in a negative overall balance.

However, statutory arrangements for funding the deficit mean that the financial position of the PCC Group remains healthy.

The objectives of the local government scheme are to keep employers' contributions at as constant a rate as possible. The PCC Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. At the last triennial valuation it was agreed that in order to mitigate for the effect of fluctuations in membership numbers that a lump sum contribution towards meeting the deficit would also be paid alongside the percentage of pay contribution.

The minimum employer contributions payable over the next year for the PCC Group is 16.3% plus a £1,874k lump sum payment. Estimated employer's contribution for 2022/23 amount to £3.6m on the Local Government Pension Scheme.

Funding levels are monitored through the triennial valuation process and the last triennial valuation was as at 31 March 2019.

For police pensions, the rate (%) at which employer contributions are made to the police pension fund is set by the Home Office. An actuarial valuation during 2014/15 resulted in a reduction in the employers' contribution rate from 24.2% to 21.3% from 1 April 2015. The difference between the old employer contribution rate of 24.2% and the new rate will be retained by the exchequer by means of a reduction in the Police Pensions Payments grant from the Home Office, therefore the actual cost to the PCC Group of the employer's contribution is still 24.2%.

Estimated employer contributions for 2022/23 at 22.9% of pensionable pay amount to £13.7m.

The Local Government Pension Scheme and the Police Pension Scheme take account of the national changes required under the Public Pensions Services Act 2013. Under the Act, the main public service pension schemes may not provide benefits on a final salary basis in relation to service after 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. For the Local Government Pension Scheme these changes came into operation on 1 April 2014 and for the Police scheme from 1 April 2015.

Maturity profile of the defined benefit obligation:

	LGPS			Police Pension Scheme		
	Liability Split as at 31 March 2022	Liability Split as at 31 March 2022	Weighted Average Duration at Previous Formal Valuation	Liability Split as at 31 March 2022	Liability Split as at 31 March 2022	Weighted Average Duration at Previous Formal Valuation
	£000	%		£000	%	
Active Members	70,956	49.3%	25.0	586,600	38.7%	26
Deferred Members	42,394	25.8%	26.9	79,500	5.2%	26
Pensioner Members	55,971	24.8%	12.2	850,600	56.1%	13
Total	206,071	100.0%	20.6	1,516,700	100.0%	18.1
Contingent Injuries				29,200	45.3%	26
Injury pension liabilities				35,200	54.7%	16
Total	-	-	-	64,400	100.0%	20.6

24. Contingent Liabilities

There are two specific matters which currently have the potential to impact the Force:

- A national inquiry into Undercover Policing commenced in 2015 to ascertain the truth about Undercover Policing operations across England and Wales since 1968 and provide recommendations for the future. The review is wide ranging and could lead to individual legal claims submitted from officers for additional payments whilst working on undercover operations. The timescales and values are at present unknown;
- The PCC took the decision in October 2020 not to take up the option to extend the G4S Strategic contract for a further five years. The contract, which was worth in the region of £23m per year was to provide a wide range of operational and support functions to the Chief Constable. Upon making the decision the Force set up the Future Service Programme to examine and implement the options for the future provision of the services once the contract concludes at the end of financial year 2021/22. Despite the work undertaken to make the transition as smooth as possible there is potential risk for unknown costs to be incurred as services move back under Force control. This risk may relate to the requirement for new supplier contracts post exit or cost associated with transferring staff from G4S to Lincolnshire Police terms and conditions.

25. Accounting Standards Issued but Not Yet Adopted

The following Accounting Standards may be relevant for additional disclosures that will be required in the financial statements in respect of accounting changes in the Code:

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes 4 changed standards:
- IFRS 1 (First-time adoptions) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) – clarifies the intention of the standard

- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances

If these had been adopted for the financial year 2021/22 there would be no known material changes as many do not apply to the PCC. If further information becomes available that requires changes to 2021/22 these will be restated in the 2022/23 financial statements.

The government's Financial Reporting Advisory Board has advised CIPFA/LASAC that it agreed with their decision to defer the implementation of IFRS 16 Leases until 1 April 2024. Both the 2022/23 and the 2023/24 Codes will allow for early adoption should the PCC wish to do so.

Police Officer Pensions

Home Office Memorandum Account 2021/22

This statement shows the transactions relating to retirement benefits paid to Police Officers and for how those costs are paid.

2020/21 £000	Fund account	2021/22 £000
	Contributions Receivable	
	From Employer:	
12,621	Normal	13,077
499	Early Retirements	404
	From Members:	
5420	Contributions	5,593
201	Individual Transfers in from Other Schemes	329
18,741		19,403
	Benefits Payable	
35,129	Pensions	35,753
8,219	Commutations	5,350
287	Lump Sum Death Benefits	-
	Payments To and On Account of Leavers	
9	Refunds of Contributions	23
-	Individual Transfers Out	-
235	Scheme Pays	191
126	Lifetime Allowance (25%)	-
-	Equivalent Premium	-
44,005		41,317
25,264	Sub-total for the year before transfer from the PCC Group for Lincolnshire of amount equal to the deficit	21,914
(25,264)	Additional funding payable by the PCC Group for Lincolnshire to meet deficit for the year	(21,914)
-	Net Amount payable/(receivable) by the PCC Group for Lincolnshire	-

Disclosure Notes

- The operation of the Pension Fund for Police and Crime Commissioners in England and Wales is controlled by the Police Pension Fund Regulations 2007 (SI 2007 No 1932). It covers both old, new and Career Average Revalued Earnings (CARE) Police Officer occupational pension schemes but has no impact on the benefit structure of either scheme. The CARE scheme was introduced from 1 April 2015. This is the only scheme open to new officers. Existing officers will be brought into the scheme on 1 April 2015 unless they have full transitional protection or tapered protection. Injury and ill health awards continue to be paid from the PCC's operating account. The employer contribution rate is 24.2% of pensionable pay. Employees' contributions in the 1987 old scheme are either 14.25% or 15.05% of pensionable pay. In the 2006 new scheme employees contribute either 11%, 12.05% or 12.75% of pensionable pay. In the 2015 CARE scheme employees contribute either 12.44%, 13.44% or 13.78% of pensionable pay. Any transitional protection or tapered protection came to an end at 31 March 2022 at which point all officers transferred into the CARE scheme.
- The fund is administered by XPS on behalf of Lincolnshire Police. Salary deductions are made from members of the scheme, and payments are made to retiring officers and pensioners in accordance with Police Pension Fund Regulations 2007. Returns are made to the Home Office for the projected and actual costs in each year, and funds are transferred accordingly.

3. There are no investment assets; the fund is balanced to nil each year by receipt of a Police Pensions Payments grant from the Home Office (via PCC for Lincolnshire). Payments are made monthly to pensioners, with the pension fund entries being kept separate, outside of the PCC's general ledger accounts. Details of the PCC's long-term pension obligations can be found in the main statements at Note 44.
4. The accounting policies followed are in accordance with Note 1.
5. The Police Officer Pensions – Home Office Memorandum Account does not take account of liabilities to pay pensions and benefits after the period end.
6. The net amount receivable of £3,011,177 is shown in PCC for Lincolnshire accounts as due from the Home Office.
7. The McCloud judgement continues to impact on the Police Officer Pension schemes. When changes were made to public sector schemes in April 2015, they introduced protections for older members to ensure that the changes would not negatively impact their pension. In December 2018, the Court of Appeal ruled that younger member had been discriminated against because they did not receive the protections allowed to older members. The Government has laid primary legislation before Parliament at the start of 2022 which will be in two parts –
 - to ensure equal treatment for all members within each of the main public service pension schemes by moving all members into the new schemes on 1 April 2022 irrespective of age – moving all remaining members on the Old Pension Schemes onto the CARE scheme on 1st April 2022 and closing the old schemes.
 - to remove the effect of transitional protection by offering eligible members a choice over the set of benefits (legacy scheme or new scheme) they wish to receive for any pensionable service during the period 1 April 2015 to 31 March 2022 – further work is still to be done on this part of the remedy plan (including further legalisation) before the work can be completed for the target deadline of October 2023.
8. McCloud Judgement 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. For the Police and Crime Commissioner for Lincolnshire, this effects around 1,000 members. The actuary originally estimated the increase in scheme liabilities for the Police and Crime Commissioner for Lincolnshire to be 4.0% or £56m of pension scheme liabilities. This was recognised in the 2018-19 accounts. In 2019/20, the estimated increase was a further £8m reflecting an additional year's benefits from the remedy and a reduction resulting from the eligibility criteria for members set out in HM Treasury's consultation. In 2020/21, a further, more detailed, estimate of 1.3% of pensions scheme liabilities or £21m was calculated using actual membership data and reflected in the accounts (again reflecting an additional years benefits from the remedy).

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.

Glossary of Terms

Term	Definition
Accrual	An adjustment to ensure that expenditure and income are reflected in the appropriate accounting period.
Actuary/Actuarial	A person professionally qualified to advise on pension matters and undertakes calculations on pension costs, allowing for risk and demographic factors.
Amortisation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Intangible Assets.
Balances	The total revenue Reserves required to provide a working balance during the financial year, for example in periods when expenditure exceeds income.
Capital Adjustment Account	A reserve primarily designed to represent timing differences between the amount of the historical cost of Property Plant and Equipment that has been consumed and the amount that has been financed in accordance with statutory requirements.
Capital Expenditure	Expenditure on assets, which have a long-term value. Includes the purchase of land, purchase or construction of new buildings and vehicles.
Capital Grants	Grants received towards capital outlay on a particular service or project.
Capital Receipts	Proceeds received from the sale of Property Plant and Equipment (assets which have value beyond one financial year).
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public service.
Collection Fund	A fund administered by each billing authority. Council Tax monies are paid into the fund. These are distributed to precepting and billing authorities in proportion to the Council Tax set.
CoPaCC	Centre on Police Practices and Community.
Creditors	Amounts owed by the PCC for work done, goods received or services rendered but for which payment has not been made at 31 March.
Debtors	Sums of money due to the PCC but unpaid at 31 March.
Depreciation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.
Direct Revenue Financing	This refers to financing of capital expenditure directly from revenue rather than loans or other sources.
Earmarked Reserves	The elements of total PCC's Reserves, which are retained for specific purposes.
EMSOU	East Midland Special Operations Unit.
EMCJS	East Midlands Criminal Justice Service.
Finance lease	Where the conditions of the lease amount to recognising all the costs of an asset but legal title is with a third party.
Financial instruments	Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another. For local authorities, this will normally mean contracts which involve the right to transfer cash or other financial assets.
Flexi Time	Police Staff may utilise the flexi time scheme to accrue additional hours worked that are held pending their use at a future date.

FRS	Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board.
Government Grants	Payments by Central Government towards the PCC's expenditure. They are receivable in respect of both revenue and capital expenditure.
IFRS	International Financial Reporting Standards: the accounting standards which determine the production and disclosure of financial statements.
Impairment	An adjustment to the value of long-term assets.
ISG	Integrated Scheme of Governance
JIAC	Joint Independent Audit Committee
Long-term Debtors	Sums of money due to the PCC originally repayable within a period in excess of twelve months and where payment is not due until future years.
Materiality	An item that is not material will not be relevant, cannot influence a user's decision and need not be reported in the financial statements.
Minimum Revenue Provision (MRP)	The statutory requirement to set aside a minimum revenue provision for the repayment of external loans.
Net Book Value	Long-term assets are depreciated in accordance with their asset life. The net book value is the value remaining after cumulative depreciation has been taken away.
Non Domestic Rates	Rates levied on business properties, collected by District Councils, which are distributed between local authorities as income.
Non Operational Assets	Property, Plant and Equipment held by the PCC Group but not directly occupied, used or consumed in the delivery of services. These include buildings under construction and surplus assets.
Operating lease	A lease where the asset is only used for part of its useful life, and lease payments amount to rental of the asset.
PCC Group	The Police and Crime Commissioner and the Chief Constable are separate legal entities. They are part of the same PCC Group whose combined accounts are presented collectively.
PEEL	Police Effectiveness Efficiency and Legitimacy board.
Precept	The amount levied by one authority which is collected by another, e.g. the PCC Group is the precepting authority and the District Councils are the collecting authorities.
PUP	Police Uplift Programme – nationwide recruitment programme of an additional 20,000 officers
Revaluation Reserve	A reserve designed to represent the amount by which the current value of long-term assets carried in the Balance Sheet is greater, because they are carried at revalued amounts rather than depreciated historical cost.
Revenue Contributions	The financing of capital expenditure directly from revenue rather than from loans or other sources.
Revenue Expenditure	The day to day expenditure of the PCC group on such items as employees and supplies and services.
Revenue Support Grant (RSG)	Grant paid by Central Government in aid of service provision.

Section 22 Agreement	Section 22 of the Police Act 1996 provides for joint working between police forces and/or Police and Crime Commissioners where, in the opinion of the Chief Constable or the Commissioner, collaboration would deliver greater efficiency or effectiveness.
Straight Line Depreciation	The writing down of Property, Plant and Equipment values by an equal amount for each year of that asset's life.
Strategic Partner	G4S are the Strategic Partner with the Force until 31 March 2022. G4S Policing Support Services deliver a range of administrative and operational services formerly delivered by a combination of civilian employees and police officers – including Finance, HR, Fleet Management, Custody, Support Services and Control Room.
TOIL	Time Off In Lieu may be accrued by both Police Officers and Staff when working additional hours for which payment is not made.
WYPF	West Yorkshire Pension Fund.
Virement	Transfers between budget headings, in accordance with Financial Regulations, reflecting changes in the PCC's expenditure plans.
XPS	XPS Pensions Group, the pension administrators of the Lincolnshire Police Pension Fund.