



WEST YORKSHIRE POLICE

Statement of Accounts 2018/19

CHIEF CONSTABLE FOR WEST YORKSHIRE POLICE

STATEMENT OF ACCOUNTS 2018/19

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CERTIFICATION
BY THE
CHIEF FINANCE OFFICER AND THE
CHIEF CONSTABLE FOR WEST YORKSHIRE POLICE

The Accounts and Audit Regulations 2015, produced and enforceable under the Local Audit and Accountability Act 2014, require the Statement of Accounts to be signed by the officer responsible for the financial administration of the Accounts for West Yorkshire Police, and by the person presiding at the meeting where the accounts are formally approved.

I certify that the Statement of Accounts set out on pages 18 to 43 represents a true and fair view of the financial position of the Chief Constable for West Yorkshire Police as at 31 March 2019, and its income and expenditure for the year ended 31 March 2019.

Nigel Brook
Chief Finance Officer for the Chief Constable
West Yorkshire Police

John Robins
Chief Constable
West Yorkshire Police

**INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF WEST YORKSHIRE POLICE
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of the Chief Constable for West Yorkshire Police (the 'Chief Constable') for the year ended 31 March 2019 which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Fund Account, the Net Assets Statement and notes to the Pension Fund Account. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2019 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Assistant Chief Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Assistant Chief Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Chief Constable's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE or is

misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Chief Constable gained through our work in relation to the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, the Narrative Report and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

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

Responsibilities of the Chief Constable and the Assistant Chief Officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 8, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Assistant Chief Officer. The Assistant Chief Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19, for being satisfied that they give a true and fair view, and for such internal control as the Assistant Chief Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Assistant Chief Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Chief Constable will no longer be provided.

The Chief Constable is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the West Yorkshire Police and Crime Commissioner and Chief Constable for the year ended 31 March 2019. We are satisfied that this work does not have a material effect on the financial statements or on our conclusion on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Grady

Paul Grady, Key Audit Partner for and on behalf of Grant Thornton UK LLP, Local Auditor
London

31 July 2019

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Chief Constable (CC) for West Yorkshire Police is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (Chief Finance Officer) has the responsibility for the administration of those affairs;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Chief Finance Officer is responsible for preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- approved proper accounting procedures and records which were maintained and kept up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.
- assessed the Force'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 Force's will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

This document was signed by the Deputy Chief Constable and the Director of Financial and Commercial Services of West Yorkshire Police on the 31st July 2019.

NARRATIVE REPORT AND FINANCIAL REVIEW

PREFACE

Introduction to the 2018/19 Statement of Accounts by John Robins, Chief Constable for West Yorkshire Police.



With a population of over 2.2 million, West Yorkshire is home to a broad diversity of people from a range of ethnic, cultural and economic backgrounds living in a combination of cities towns and rural communities. Such diversity and complexity includes ward areas in the top 10% most deprived and 14 wards with BAME communities comprising over 50% of the population.

As the fourth largest force in the country West Yorkshire Police partners with five local authorities, each coterminous with a local policing district. Our district Neighbourhood Policing model is underpinned by local response, crime investigation and safeguarding functions. All supported centrally by specialist operational and crime capabilities and back office services to deliver the joint vision with the Police and Crime Commissioner to "Keep West Yorkshire Safe and Feeling Safe".

West Yorkshire Police is operating on a budget that has reduced by around £140m since 2010 whilst currently experiencing unprecedented and more complex demand. We anticipate additional organisational challenge to meet significant predicted increases in the areas of emergency 999 calls, domestic abuse, criminal exploitation of the vulnerable and rises in violence and knife crime.

Despite financial pressures, we have achieved moderate workforce growth to address areas of increasing threat and risk to communities. Amongst our workforce commitments, the force is also proud to host National and Regional policing services including the North East Counter Terrorism Unit, the National Police Air Service and Regional Scientific Support Service.

Increasingly complex demand against a backdrop of financial pressures and commitments is creating significant strains on our workforce. We therefore continue to focus on staff wellbeing and our Inclusion Strategy, ensuring we have a talented and representative workforce to continue providing quality policing services for the communities of West Yorkshire.

In providing policing services with the core values of integrity, fairness and respect it is imperative that we are consistent with those values in our presentation and analysis of the current and future challenges faced.

THE NARRATIVE REPORT

Message from the Assistant Chief Officer, Finance and Business Services – Nigel Brook.



The Narrative Report pulls together in a single document information on the budget preparation process, final accounts, performance information, medium term financial plans and other contextual information such as workforce numbers and strategic risk.

The resources available to police forces, and particularly West Yorkshire, have reduced significantly since March 2010 and we are currently delivering policing services within a budget that has been reduced by more than £140m (to March 2019). This has resulted in a reduction in police officer strength (headcount), from 5,815 at 31 March 2010 to stand at 5,246 as at 31 March 2019 (a reduction of 569 officers) and a reduction in police staff (including PCSOs) strength (headcount) from 4,697 to 4,589 (a reduction of 108).

The budget for 2019/20, including the Force's National and Regional commitments (incl. Counter Terrorism, Regional Crime, NPAS (National Police Air Service), Regional Scientific Support, VIPER (Video Identification Parade Electronic Recording) and national firearms has 4,964 Police Officers (FTE), 3,844 Police staff (FTE), and 603 PCSO's (FTE). In reshaping our organisation to work within a reducing budget, we have sought to deliver savings in back-office and operational support areas whilst seeking to protect frontline delivery.

Our success in maintaining performance levels and making further performance improvements in priority areas must be seen in the context of reducing resources and increasing complexity in demand, not least where safeguarding and local problem solving is delivered in conjunction with partners who are also facing austerity measures.

The Statement of Accounts has been prepared in accordance with the requirements of the Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee. These statements are produced with the aim of providing information to help the reader:

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

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

The structure of this Narrative Report is set out below.

1. Explanation of the CC and Group
2. Introduction to West Yorkshire
3. Financial performance
4. Non-financial performance
5. People
6. Principle risks and uncertainties
7. Summary and conclusion

1. EXPLANATION OF THE WEST YORKSHIRE POLICE GROUP

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

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

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

This set of accounts explains how the resources provided by the PCC have been used to deliver operational policing services.

The Net Revenue Budget for 2018/19 was £419.329m.

2. AN INTRODUCTION TO WEST YORKSHIRE

West Yorkshire Police is the fourth largest police force in England and Wales by number of officers. It covers a population of 2.3 million people from diverse social, economic, cultural and religious.

The Force is divided into 5 District Policing Areas aligned to the 5 District Councils throughout West Yorkshire. The Districts are responsible for local policing services across the Force that address local priorities. Specialist departments deliver the full range of other force-wide policing functions.

Some of our services are delivered in collaboration with other forces. West Yorkshire lead the North East Counter Terrorism Unit (NECTU), the Yorkshire and the Humber Regional Organised Crime Unit, the Yorkshire and the Humber Scientific Support Services and the National Police Air Service. We also receive services on a collaborative basis for Procurement, Marine and Underwater Search, Clothing stores and Equipment stores.

The workload in West Yorkshire and policing in general is changing. There has been a significant increase in the more complex and resource intensive crimes such as rape, child sexual abuse, domestic violence and cyber-crime.

3. FINANCIAL PERFORMANCE

a. Economic Climate

Since the beginning of austerity in 2010, West Yorkshire Police has seen funding reduce by 30%, which translates to a reduction of around £140 million. At its worse, West Yorkshire Police saw a reduction of around 2,000 Police Officers and Staff.

However, the 2019/20 budget has seen the first increase in Police Government Funding since prior to 2010, equating to a 1.2% real term increase since 2018/19. Whilst this is positive, it is still not sufficient enough to cover the 2% inflationary increases applied in the 2019/20 budget. It does help to cover the £11.726m estimated increase in Police Pension Costs as a result of the Pension revaluations. The 2019/20 Force budget is therefore still heavily reliant on the flexibility to raise Council Tax Precepts.

As a result of recent precept increases and budget savings, the Force has over the last few years been able to restart recruitment and fund some growth posts. This means that the net loss of Police Officers and Staff is now 867 fewer FTE employees since 2010.

b. Financial Management

West Yorkshire has robust and sound financial management practices. Comprehensive financial reports are submitted to the Chief Officer Team on a monthly basis, Medium Term Financial Forecasts are refreshed regularly and decisions are taken based on current and future financial information.

The 2017 HMICFRS Assessments of West Yorkshire Police have all now been published and these rate the Force as GOOD across all the three PEEL pillars of Efficiency, Legitimacy and Effectiveness.

c. Revenue

Budget 2018/19

In preparing the annual revenue budget full provision was included for pay and other inflationary increases and significant savings were identified through the Force's Programme of Change in order to balance the budget.

Revenue Outturn 2018/19

The following table provides a high level comparison between the approved budget and actual expenditure. Net Cost of Police Services is under the direction and control of the CC.

2018/19	Revised Estimate	Actual	Variation
NET SERVICE EXPENDITURE	£'000	£'000	£'000
Net Cost of Police Services	565,905	567,231	(1,326)
Net Cost of Police Services	565,905	567,231	(1,326)

The Net Cost of Police Services in the above table is different to the Net Cost of Police Services reported in the CIES (shown on page 18), which is prescribed by the Code of Practice. The difference is primarily made up of accounting adjustments required by the Code. The reconciliation between the two amounts is shown in the following table:

2017/18 £000		2018/19 £000
554,950	NET EXPENDITURE PER OUTTURN REPORT	567,231
(5,655)	Revenue Funding of Capital	(3,045)
(5,635)	Minimum Revenue Provision (MRP)	(4,522)
46,208	Depreciation, Amortisation and Impairments	33,138
141,856	IAS19 Pension Service Costs (accounting basis)	432,491
(63,270)	Pension Contributions (funding basis)	(64,569)
2,154	Movement on Employee Benefits Accrual	(6,143)
	Interest Receivable	
	Interest Payable	(10,658)
0	Net (gains)/losses on financial assets at FVPL	210
(1,526)	Flexible attachment	(1,575)
658,301	COST OF POLICE SERVICES CIES	942,558

Outlook – Medium Term Financial Forecast

The Medium Term Financial Forecast presented to the Police and Crime Panel in February 2019 showed a balanced position for 2019/20 following the use of £3.706 of revenue reserves (£2.242m of which is specifically for organisational transformation), and the position for future years, if the significant saving plans in place are met, as:

- 2020/21 £0.385m shortfall
- 2021/22 £2.067m shortfall
- 2022/23 £0.188m shortfall

A high level summary of the MTFF is provided below.

	2019/20 Estimate at Outturn £000	2020/21 Estimate at Outturn £000	2021/22 Estimate at Outturn £000	2022/23 Estimate at Outturn £000
Pay	420,141	433,229	439,280	445,602
Non pay	115,002	117,231	124,826	127,323
Income	(96,757)	(97,667)	(98,797)	(99,939)
Total Force Budget	438,386	452,793	465,309	472,986
Office of the PCC	1,673	1,706	1,740	1,775
Community Safety Fund	5,182	5,182	5,182	5,182
Shared Services	235	240	244	249
Total OPCC and Shared Services	7,090	7,128	7,166	7,206
Net Budget Requirements	445,476	459,921	472,475	480,192
Funded by:				
Contribution from Reserves	3,706	1,753	1,660	134
Police Grant	319,552	330,460	336,197	341,964
Collection Fund Surplus/(Deficit)	200	200	200	200
Precept Requirements	122,018	127,123	132,351	137,706
Total Funding	445,476	459,536	470,408	480,004
Shortfall	0	385	2,067	188

All the assumptions underpinning the current MTFF will be revisited and updated quarterly as we continue work on the next budget cycle.

The next few years will undoubtedly be extremely challenging and difficult, but work is in hand to make sure that our key priority services are maintained to the highest standards possible with the available funding. We will continue to be robust in driving out all possible savings from non-staff budgets and ensure that, as far as practicably possible, our staff are delivering the right service at the right time.

d. Capital

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

Capital outturn 2018/19

The following table shows the net capital position compared to the approved capital programme.

	Revised Annual Budget £000	Annual Spend £000
Estates Schemes	4,474	4,588
Vehicles and Equipment	5,746	5,939
ICT Schemes	6,963	7,541
NPAS	16,582	15,342
	<hr/>	<hr/>
	33,765	33,410

Medium Term Capital Plan

The Group has approved a Medium Term Capital Plan (MTCP) costing £81.486m to 2021/22, which will provide the Force with appropriate infrastructure and assets to deliver innovative policing strategies with fewer resources.

CAPITAL MTFF

	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Estates Schemes	13,662	22,301	15,021	50,984
Vehicles and Equipment	2,800	2,200	2,200	7,200
ICT Schemes	11,446	8,775	3,081	23,302
	<hr/>	<hr/>	<hr/>	<hr/>
	27,908	33,276	20,302	81,486

e. Balance Sheet

The Balance Sheet is a snapshot of the Chief Constable's assets, liabilities, cash balances and reserves at the balance sheet date. A high level summary is provided below.

At 31st March 2019 we had negative net assets of £5.478 billion. The main reason we have negative assets is because of the pension liabilities associated with the unfunded police officer pension scheme of £5.217 billion, and the deficit of £0.247 billion in the funded Local Government Pension Scheme (LGPS) for police staff.

The police officer pension scheme is underwritten by the Home Office who provide an annual top-up grant to fund the difference between pension payments and income from employee and employer contributions. The current deficit in the LGPS will be managed through future employee and employer contributions.

Balance Sheet Chief Constable for West Yorkshire Police

31 March 2018 £000		31 March 2019 £000
0	Non-current assets	0
0	Current assets	0
0	Total Assets	0
(20,583)	Short Term Creditors (note 8)	(14,439)
(20,583)	Current Liabilities	(14,439)
(5,062,519)	Net Pension Liability (note 9)	(5,788,691)
(5,062,519)	Long Term Liabilities	(5,788,691)
(5,083,102)	Net Liabilities	(5,803,129)
(20,582)	Accumulated Absences Account (note 9)	(14,439)
(5,062,520)	Pension Reserve (note 11)	(5,788,691)
(5,083,102)	Total Unusable Reserves	(5,803,129)

4. NON-FINANCIAL PERFORMANCE

The 2017 HMICFRS Assessments of West Yorkshire Police have all now been published and these rate the Force as GOOD across all the three PEEL pillars of Efficiency, Legitimacy and Effectiveness. The HMICFRS made particular mention in the improvements the Force has made in how it protects vulnerable people and supports victims.

The Force is placing greater emphasis on safeguarding vulnerable victims and this is exemplified in the increasing and more complex investigations related to Child Sexual Exploitation and Abuse, Missing People, Domestic Abuse and Mental Health related occurrences.

Calls for service are at unprecedented levels and remain a significant challenge for West Yorkshire Police, however, use of HMICFRS Big Data shows that in many areas (such as burglary, robbery, violence and concerns for safety), the Force attends a higher proportion of incidents than peer forces.

During 2018/19 the Force received 4,356 calls for service each day. This is 170 additional contacts each day compared to the same period in 2017/18, and 245 extra contacts per day compared to the same period 2 years ago.

999 calls have been steadily increasing over the last 4 years with an increase of around 26.2%. The force has excellent performance relating to 999 calls, with the average time to answer being five seconds. This reflects the national trend with policing continuing to deal with non police matters.

Volume is not the only challenge as demand is shifting to more complex and time-consuming issues such as concerns for safety, which account for around one in five of all incidents.

The Forces change programme continues at pace. The key programmes reviewed and/or delivered in 2018/19 include Contact Management and Demand Reduction, Neighbourhood Policing and Neighbourhood Support Roles, Investigations Review, Digital Forensics Unit Review and the Intelligence review. Significant back office restructuring has taken place within Digital Services, Assets and Logistics, Corporate Services, People and is currently ongoing within Finance and Commercial Services. Collaborative engagements are ongoing within Tri Service arrangements, NETIC and ROCU.

The engagement and health & wellbeing agenda continues to be driven forward through the Wellbeing Charter, Change Champion Network and Engagement Events and has delivered a number of initiatives through the year including The Global Challenge, support for colleagues out of Force, health surveillance and monitoring, provision of specialist advice to Disaster Victim Identification Teams and health promotion work.

5. PEOPLE

At 31st March 2019 West Yorkshire Police employed 9,835 people in full and part time contracts. We also had 374 unpaid members of the special constabulary and 239 volunteers giving a total workforce of 10,448.

Below is the make-up of the Police workforce.

	As at 31/03/19		
	Workforce Head Count	Actual Full Time Equivalents	Budgeted Full Time Equivalents
Police Officers	5,246	5,123	4,964
Police Staff	3,967	3,551	3,844
PCSO's	622	599	603
Paid Employees	9,835	9,273	9,411
Special Constabulary	374		
Volunteers	239		
Total Workforce	10,448		

6. PRINCIPAL RISKS AND UNCERTAINTIES

A risk management strategy is in place to identify and evaluate risk. Risks are managed and monitored through a quarterly risk management meeting chaired by the Police and Crime Commissioner. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.

Force risks are managed and monitored through a quarterly risk management group chaired by the Deputy Chief Constable. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.

These are being actively managed by the Chief Constable's Leadership Team, the Risk Management Group and quarterly updates are provided to the Police and Crime Commissioner's "Good Governance Group" and the Joint Independent Audit and Ethics Committee.

7. SUMMARY AND CONCLUSION

West Yorkshire Police continue to deliver effective financial management to support the delivery of the CC Policing Strategy and the PCC Policing Plan. The Chief Officer team is fully engaged with the budgeting process to ensure resources are directed to priority areas. This has been demonstrated over the past 12 months with an even more proactive approach to managing the budget to within 1% of the total.

HMIC have recently published their State of Policing report which summarised the results of their Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection. West Yorkshire was assessed as good in the three pillars of efficiency, effectiveness and legitimacy.

Since austerity measures began in 2010, we have done all we can to meet the increasing pressures we face. We have entered into collaboration to improve capabilities and make efficiencies, rationalised the estate to minimise the impact on the frontline and have significantly transformed the organisation in order to provide the best possible service we can to the diverse communities that we serve; in order to keep people safe and feeling safe. We have also invested in technology and are leading the way nationally with digital policing, meaning our officers are more accessible, visible and productive out in our communities. As a consequence we have been recognised by HMICFRS as a 'Good' Force in terms of our effectiveness, efficiency and legitimacy.

However, the pressures we now face are becoming increasingly worrying. If we are to balance our approach by investing in neighbourhood policing, investigating crime, safeguarding vulnerable people and tackling serious and organised crime all within the context of an increasing threat around terrorism, we require funding that reflects the nature of the threat and risk we face. A stand-still position, or indeed any further reductions of funding, will continue to significantly impact on the quality of service we are able to provide.

Further information about the accounts is available from:

Nigel Brook
Chief Finance Officer
West Yorkshire Police HQ
Laburnum Road
Wakefield.
West Yorkshire
Telephone 01924 375222

FINANCIAL STATEMENTS

The following expenditure is included within the **Comprehensive Income and Expenditure Statement** on an accruals basis:

- IAS 19 Pension costs for Police Officers and Police Staff employed by the CC.
- A charge for building running costs.
- All other costs incurred in providing a policing service.

All income accrues to the PCC and is shown in his single entity financial statements and the Group Statement of Accounts.

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Taxation is raised by the PCC to cover expenditure in accordance with statutory requirements, this may differ from the accounting cost. The intra-group funding line above represents the funding received from the PCC.

Comprehensive Income and Expenditure Statement Chief Constable for West Yorkshire Police

2017/18			2018/19		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
137,114	0	137,114	Policing District West	209,526	0
135,825	0	135,825	Policing District East	201,531	0
74,986	0	74,986	Policing Specialist Operations	109,781	0
32,442	0	32,442	Policing Specialist Crime	48,032	0
28,922	0	28,922	Regional Policing	41,000	0
84,300	0	84,300	National Policing	104,393	0
86,495	0	86,495	Finance and Business Services	88,588	0
78,217	0	78,217	Corporate and Central Services CC	139,707	0
658,301	0	658,301	Cost of Policing Service	942,558	0
		(577,563)	Inter Group Funding		(580,779)
		133,875	Financing and investment income and expenditure (Note 11)		134,441
		214,613	(Surplus) or Deficit on Provision of Services		496,220
		(567,668)	Remeasurement of net defined benefit liability / (asset)		223,809
		(567,668)	Other Comprehensive Income and Expenditure		223,809
		(353,055)	Total Comprehensive Income and Expenditure		720,029

The **Movement in Reserves Statement** shows the movement from the start of the year to the end on reserves relevant to the Chief Constable.

Movement in Reserves Statement Chief Constable for West Yorkshire Police

	Police Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance at 1 April 2017	0	0	(5,436,158)	(5,436,158)
Movement in Reserves during year				
Surplus or (deficit) on the provision of services	(214,612)	(214,612)	0	(214,612)
Other Comprehensive Income and Expenditure	0	0	567,668	567,668
Total Comprehensive Income and Expenditure	(214,612)	(214,612)	567,668	353,056
Adjustments between accounting basis & funding basis under regulations (note 5)	214,612	214,612	(214,612)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	0	0	353,056	353,056
Increase/Decrease in year	0	0	353,056	353,056
Balance at 31 March 2018 C/fwd	0	0	(5,083,102)	(5,083,102)

Movement in Reserves Statement Chief Constable for West Yorkshire Police

	Police Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance at 1 April 2018	0	0	(5,083,102)	(5,083,102)
Movement in Reserves during year				
Surplus or (deficit) on the provision of services	(496,219)	(496,219)	0	(496,219)
Other Comprehensive Income and Expenditure	0	0	(223,809)	(223,809)
Total Comprehensive Income and Expenditure	(496,219)	(496,219)	(223,809)	(720,028)
Adjustments between accounting basis & funding basis under regulations (note 5)	496,219	496,219	(496,219)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	0	0	(720,028)	(720,028)
Increase/Decrease in year	0	0	(720,028)	(720,028)
Balance at 31 March 2019 C/fwd	0	0	(5,803,130)	(5,803,130)

The **Balance Sheet** shows the values of assets and liabilities held by the Chief Constable. The net assets are matched by unusable reserves which cannot be used to fund policing services.

Balance Sheet
Chief Constable for West Yorkshire Police

31 March 2018 £000		31 March 2019 £000
0	Non-current assets	0
0	Current assets	0
0	Total Assets	0
(20,583)	Short Term Creditors (note 8)	(14,439)
(20,583)	Current Liabilities	(14,439)
(5,062,519)	Net Pension Liability (note 9)	(5,788,691)
(5,062,519)	Long Term Liabilities	(5,788,691)
(5,083,102)	Net Liabilities	(5,803,129)
(20,582)	Accumulated Absences Account (note 9)	(14,439)
(5,062,520)	Pension Reserve (note 11)	(5,788,691)
(5,083,102)	Total Unusable Reserves	(5,803,129)

The **Cash Flow Statement** shows the changes in cash and cash equivalents during the reporting period.

Cash Flow Statement
Chief Constable for West Yorkshire Police

31 March 2018 £000		31 March 2019 £000
214,613	Net (surplus) or deficit on the provision of services	496,220
(214,613)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(496,220)
0	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities.	0
0	Net Cash flows from Operating Activities	0
0	Investing Activities	0
0	Financing Activities	0
0	Net Increase or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	0

NOTES TO THE ACCOUNTS

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Note 1 - ACCOUNTING POLICIES

General

The Accounts and Audit Regulations 2015 require the Chief Constable to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2018/19, these proper accounting practices are the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code) supported by International Financial Reporting Standards (IFRS).

The Statement of Accounts has been prepared on a going concern basis. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals

Transactions are reflected in the financial statements for the accounting period in which the effects are experienced and not necessarily in the period in which any cash is received or paid.

The West Yorkshire Police Group

The West Yorkshire Police Group comprises two corporations sole: the Police and Crime Commissioner for West Yorkshire and the Chief Constable of West Yorkshire.

Both bodies are required to prepare a separate Statement of Accounts. Within this report there are two sets of financial statements, representing the accounts of:

- The Police and Crime Commissioner for West Yorkshire (the parent);
- The West Yorkshire Police Group.

The financial statements cover the 12 months to the 31 March 2019. The term 'Group' is used to indicate the aggregated transactions and policies of the PCC and the CC.

The identification of PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities given to him under the Police Reform and Social Responsibility Act 2011.

Intra-Group Charges

Special arrangements exist in relation to intra group adjustments where the charges are eliminated in the Group accounts.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about complex transactions or those involving uncertainty about future events.

Accruals of Income and Expenditure

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

- Fees and charges due are accounted for as income by the PCC and Group at the date the goods or services are provided.
- 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 PCC and Group 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.

Provisions

Provisions are made where an event has taken place that gives the CC and Group an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. Provisions are recognised in the year the CC and Group becomes aware of the obligation, based on the best

estimate of the likely settlement. Where the provision is related to the Cost of Policing these are reflected in the Comprehensive Income and Expenditure Statement.

Where payments are eventually made, they are charged to the provision set up in the PCC and Group Balance Sheet. Estimated settlements are reviewed at the end of the financial year. Where it becomes more likely than not that a transfer of economic benefits are not required, the provision is reversed.

Exceptional Items

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct material errors. 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 when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the CC'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.

Carbon Reduction Commitment Scheme

The Group is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme. This scheme is currently in the initial year of its second phase, which ends on 31 March 2019. The Group is required to purchase allowances, either prospectively or retrospectively, and surrender them on the basis of emissions, i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the authority is recognised and reported in the costs of the authority's services and is apportioned to services on the basis of energy consumption.

The cost to CC is recognised and reported in the cost of services, and is apportioned to services on the basis of energy consumption.

Employee Benefits

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 salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the CC.

Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Post Employment Benefits

The requirements of International Accounting Standard (IAS) 19 ‘Employee Benefits’ have been fully implemented in accordance with policies set out in the Code of Practice.

Assets and Liabilities

The attributable assets of the LGPS are measured at fair value. As unfunded schemes, the police pension schemes have no assets.

The attributable liabilities of each scheme are measured on an actuarial basis using the projected unit method, that is, an assessment of the future payments that is 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;

Scheme liabilities are discounted at the rate which reflects the time value of money and the characteristics of the liability;

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

- 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 as part of Non-Distributed Costs.
- Net interest expense on the net defined benefit liability (asset) – the change during the period in the net defined 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:

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset), charges to the Pension Reserve as Other Comprehensive Income and expenditure.
- Actuarial gains/losses - on settlements and curtailments – the result of actions to relieve the CC of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
- 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 LGPS – cash paid as employers contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

A separate statement of Police Pension Fund Accounts is prepared to reflect the transactions in respect of funding for the Police Pension Schemes.

Regional Working

The Group engages in collaborative working in partnership with the Yorkshire and Humber Authorities/Forces to deliver a number of specific services on a regional basis.

Regional collaboration is funded from contributions made by the four Police Commissioners with the level of contribution being dependant upon the assessment of the benefit to be derived from each specific project or initiative.

One Force is nominated to provide particular services to the Region, charging the other Forces for the services provided. West Yorkshire is the lead Force for Serious and Organised Crime and Scientific Support Services.

The lead force arrangements have been reviewed against IFRS 11 on joint arrangements and it has been determined that they fall outside the scope of a joint operation.

Value Added Tax (VAT)

CC does not submit a VAT return as PCC submits a single VAT return on behalf of the Group. VAT is included in the CC Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable from HM Revenue and Customs.

Events after the reporting period

Events after the balance sheet date are those events, 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. The Statement of Accounts is adjusted to reflect those events.
- Those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not updated to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature and estimated financial effect.

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

Exceptional items and prior period adjustments

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

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 when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group'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.

International Accounting Standards that have been issued but not yet adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code), the CC is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted.

IFRS 16 Leases will require local authorities that are lessees to recognise most leases on their balance sheets as a right of use assets with corresponding lease liabilities (there is recognition for low value and short-term leases). The standard is effective from 01 January 2019 so will be adopted in the 19/20 financial accounts.

These amendments to International Financial Reporting Standards are not expected to have any material impact on the accounts.

Note 2 – ASSUMPTIONS ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the CC to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. Estimates and associated assumptions are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Items in the Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

ITEM	UNCERTAINTIES	EFFECT IF ACTUAL RESULTS DIFFER FROM ASSUMPTION
Pensions Liability	Estimation of 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 pensions fund assets. A firm of consulting actuaries is engaged to provide the CC with expert advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £101.0m for Police Officers and a reduction of £20.1m for Police Staff.

Note 3 – EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis demonstrates how the funding available to the CC for the year has been used in providing services in comparison with those resources consumed or earned by the CC in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the CC's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis						
2017/18				2018/19		
Expenditure Chargeable to GF Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000		Expenditure Chargeable to GF Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
115,682	21,432	137,114	Policing District West	115,463	94,063	209,526
114,650	21,175	135,825	Policing District East	111,086	90,445	201,531
65,942	9,044	74,986	Policing Specialist Operations	66,368	43,413	109,781
28,355	4,087	32,442	Policing Specialist Crime	29,943	18,089	48,032
25,789	3,133	28,922	Regional Policing	26,529	14,471	41,000
67,009	17,291	84,300	National Policing	68,057	36,336	104,393
53,043	33,452	86,495	Finance and Business Services	57,795	30,793	88,588
72,175	6,042	78,217	Corporate and Central Services CC	79,967	59,740	139,707
542,645	115,656	658,301	Net Cost of Services	555,208	387,350	942,558
(542,645)	(34,918)	(577,563)	Intra-group adjustment	(555,208)	(25,571)	(580,779)
0	133,875	133,875	Other Income and Expenditure	0	134,441	134,441
0	214,613	214,613	(Surplus) or Deficit	0	496,220	496,220

Adjustments from the general Fund to arrive at the Comprehensive Income and Expenditure Statements amounts:

Note to the Expenditure and Funding Analysis								
2017/18				Adjustments Between Funding and Accounting Basis	2018/19			
Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000		Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
0	20,860	549	21,409	Policing District West	0	95,660	(1,617)	94,043
0	20,610	542	21,152	Policing District East	0	91,980	(1,540)	90,440
0	8,802	231	9,033	Policing Specialist Operations	0	44,150	(714)	43,436
0	3,978	105	4,083	Policing Specialist Crime	0	18,396	(321)	18,075
0	3,049	80	3,129	Regional Policing	0	14,717	(259)	14,458
12,290	4,868	128	17,286	National Policing	11,011	25,755	(414)	36,352
31,742	1,664	44	33,450	Finance and Business Services	19,940	11,038	(171)	30,807
(9,114)	14,753	475	6,114	Corporate and Central Services CC	(5,380)	66,226	(1,107)	59,739
34,918	78,584	2,154	115,656	Net Cost of Services	25,571	367,922	(6,143)	387,350
(34,918)	0	0	(34,918)	Intra group adjustment	(25,571)	0	0	(25,571)
0	133,875	0	133,875	Other income and expenditure from the Expenditure and Funding Analysis	0	134,441	0	134,441
0	212,459	2,154	214,613	Difference Between General Fund Surplus or Deficit and CIES (Surplus) or Deficit on the Provision of Services	0	502,363	(6,143)	496,220

Adjustment for Capital Purposes

Adjustment for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in year and those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Charge for the Pensions Adjustment

Net charge for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- **For Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

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

- For **Financing and investing income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practice in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 4 – EXPENDITURE ANALYSED BY NATURE

Expenditure Analysed by Nature		
Expenditure and income is analysed as follows:	2018/19 £000	2017/18 £000
Expenditure		(Restated)
Employee benefits expenses	787,982	494,621
Premises related expenditure	28,787	31,194
Supplies and services	59,735	55,578
Transport related expenditure	28,670	27,689
Other service expenses	171,825	183,094
Intra Group Funding	(580,779)	(577,563)
Total expenditure	496,220	214,613
Surplus or Deficit on the Provision of Services	496,220	214,613

Note 5 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the CC in the year in accordance with the proper accounting practice.

The following adjustments are for 2018/19

Pensions Reserve Adjustments:	
Reversal of items debited or credited to the CIES Employer's pensions contributions	
Accumulated Absences Adjustment Account: Officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year	
Total Adjustments	

Usable Reserves		Unusable Reserves	
Police Fund Balance	Movement in Usable Reserves	Pensions Reserve	Accumulated Absences Fund
£'000	£'000	£'000	£'000
(566,932) 64,569	(566,932) 64,569	566,932 (64,569)	0 0
6,143	6,143	0	(6,143)
(496,219)	(496,219)	502,362	(6,143)
			496,219

The following adjustments are for 2017/18

Pensions Reserve Adjustments:	
Reversal of items debited or credited to the CIES Employer's pensions contributions	
Accumulated Absences Adjustment Account: Officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year	
Total Adjustments	

Usable Reserves		Unusable Reserves	
Police Fund Balance	Movement in Usable Reserves	Pensions Reserve	Accumulated Absences Fund
£'000	£'000	£'000	£'000
(275,728) 63,270	(275,728) 63,270	275,728 (63,270)	0 0
(2,154)	(2,154)	0	2,154
(214,612)	(214,612)	212,458	2,154
			214,612

Note 6 – OFFICER REMUNERATION AND EXIT PACKAGES

The remuneration paid to senior employees and senior police officers is as follows:

CC 2018/19		Salary, Fees and Allowances £	Pension Contribution £	Total £
Dee Collins Chief Constable**	01.04.18 - 02.12.18	129,703	0	129,703
John Robins Deputy Chief Constable	01.04.18 - 02.12.18	53,064	23,242	76,306
John Robins Temporary Chief Constable	03.12.18 - 31.03.19	103,352	11,621	114,973
Temporary Deputy Chief Constable	03.12.18 - 31.03.19	42,484	9,079	51,563
Temporary Assistant Chief Constable	03.12.18 - 31.03.19	33,431	7,248	40,679
Assistant Chief Constable (Protective Services - Crime)	01.04.18 - 02.12.18	83,417	18,158	101,575
Assistant Chief Constable (People Directorate)	01.04.18- 31.03.19	120,011	27,236	147,247
Assistant Chief Constable (Protective Services Ops)	01.04.18 - 20.05.18	19,451	3,691	23,142
Assistant Chief Constable (Protective Services Ops)	14.05.18 - 31.03.19	97,500	22,054	119,554
Assistant Chief Constable (District Policing)	01.04.18- 31.03.19	114,362	26,464	140,826
Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC	01.04.18- 31.03.19	117,384	13,956	131,340
TOTAL		914,159	162,749	1,076,908

CC 2017/18		Salary, Fees and Allowances £	Pension Contribution £	Total £
Dee Collins Chief Constable	01.04.17- 31.03.18	187,976	17,770	205,746
John Robins Deputy Chief Constable	01.04.17- 31.03.18	157,094	36,084	193,178
Temporary Assistant Chief Constable (District Policing/ People)	01.04.17- 31.03.18	115,552	26,294	141,846
Assistant Chief Constable (Protective Services - Crime)	01.04.17- 31.03.18	117,138	26,811	143,949
Assistant Chief Constable (Protective Services Ops)	01.04.17- 12.05.17	16,481	0	16,481
Assistant Chief Constable (District Policing)	29.05.17- 31.03.18	88,400	20,772	109,172
Assistant Chief Constable (Partnerships and Programme of Change/ Protective Service Ops)	01.04.17- 31.03.18	129,570	29,447	159,017
Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC	01.04.17- 31.03.18	115,362	13,749	129,111
TOTAL		927,573	170,927	1,098,500

** The Chief Constable participated in a flexible attachment out of force from 3rd December 2018 to the end of the financial year. During this time there was a Temporary Chief Constable.

Other employees and senior police officers, not disclosed in the table above, receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	Number of Employees		Remuneration Band	Number of Employees	
	2018/19	2017/18		2018/19	2017/18
£50,000 - £54,999	33	29	£80,000 - £84,999	5	7
£55,000 - £59,999	44	49	£85,000 - £89,999	8	12
£60,000 - £64,999	43	33	£90,000 - £94,999	9	3
£65,000 - £69,999	21	16	£95,000 - £99,999	4	1
£70,000 - £74,999	6	6	£100,000 - £104,999	1	1
£75,000 - £79,999	3	2	£105,000 - £109,999	1	1

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

Exit Packages	Compulsory Redundancies	Other Departures	Total	Exit Packages			
				2018/2019	£	2018/2019	No
£0-£20,000	86,226	76,499	162,725	£0-£20,000	8	11	19
£20,001-£40,000	26,448	220,050	246,498	£20,001-£40,000	1	7	8
£40,001-£60,000	0	236,983	236,983	£40,001-£60,000	0	5	5
£60,001-£80,000	0	146,514	146,514	£60,001-£80,000	0	2	2
£80,001-£100,000	162,706	0	162,706	£80,001-£100,000	2	0	2
£100,001-£150,000	145,298	0	145,298	£100,001-£150,000	1	0	1
£200,001-£250,000	0	0	0	£200,001-£250,000	0	0	0
	420,678	680,046	1,100,724		12	25	37
2017/2018	£	£	£	2017/2018	No	No	No
£0-£20,000	20,767	405,248	426,015	£0-£20,000	1	31	32
£20,001-£40,000	0	655,332	655,332	£20,001-£40,000	0	22	22
£40,001-£60,000	0	1,379,805	1,379,805	£40,001-£60,000	0	28	28
£60,001-£80,000	0	620,864	620,864	£60,001-£80,000	0	9	9
£80,001-£100,000	0	276,086	276,086	£80,001-£100,000	0	3	3
£100,001-£150,000	124,591	490,434	615,025	£100,001-£150,000	1	4	5
£200,001-£250,000	0	169,180	169,180	£200,001-£250,000	0	1	1
	145,358	3,996,949	4,142,307		2	98	100

The CC terminated the contracts of a number of employees in 2018/19, incurring liabilities of £0.7m, (£2.5m in 2017/18). Severance payments totalling £0.4m were identified as being due in the early part of 2019/20 (£2.1m in 2018/19) and were accrued in the Comprehensive Income and Expenditure Statement.

Note 7 – EXTERNAL AUDIT COSTS

The CC has incurred the following costs in relation to the audit of the Statement of Accounts, there were no certification of grant claims and statutory inspections and non-audit services provided by the external auditors.

	2018/19 £000	2017/18 £000
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the year	17	0
Fees payable to KPMG with regard to external audit services carried out by the appointed auditor for the year	0	22
Total	17	22

Note 8 – CREDITORS

The short term creditor balance of £14.4m (£20.6m 2017/18) relates to the liability for untaken leave and other accumulated absences due to staff at 31 March 2019.

Note 9 – UNUSABLE RESERVES

Pensions Reserve

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

2017/18 £000	Pensions Reserve	2018/19 £000
(5,417,730)	Balance at 1 April	(5,062,520)
567,668	Actuarial gains or losses on pensions assets and liabilities	(223,809)
(275,728)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(566,932)
63,270	Employer's pensions contributions and direct payments to pensioners payable in the year	64,569
(5,062,520)	Balance at 31 March	(5,788,692)

Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account represents the value of the future obligation of CC to pay officers and staff in respect of unused accumulated absences not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

2017/18 £000		2018/19 £000
(18,428)	Balance at 1 April	(20,582)
(2,154)	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	6,143
(20,582)	Balance at 31 March	(14,439)

Note 10 – RELATED PARTIES

The Chief Constable is required to disclose material transactions and balances with related parties, bodies or individuals that have the potential to control or exercise significant influence over the Force or be controlled or influenced by the Force. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in her ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the PCC and Group. In this context related parties include The Police and Crime Commissioner for West Yorkshire; Central Government; Key Management Personnel including Senior Managers and Close Family Members of Key Management Personnel; Other Public Bodies.

The Police and Crime Commissioner for West Yorkshire

The Police and Crime Commissioner had direct control over the Group's finances and is responsible for issuing the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the Police and Crime Commissioner to deliver the aims and objectives set out in the Police and Crime Plan.

Central Government

Central Government has significant influence over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates, providing the majority of funding in the form of grants to the Police and Crime Commissioner and prescribes the terms of many of the transactions with other parties.

Key Management

Key Management personnel are required to complete a voluntary declaration of any transactions which they have pecuniary interest in. No interests were declared in 2018/19.

Note 11 – DEFINED BENEFITS PENSION SCHEME

As part of the terms and conditions of employment of its officers and other employees, the CC makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the CC has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The CC participates in four pension schemes administered by:

The West Yorkshire Pension Fund for Staff Pensions, and
XPS for Police Officer Pensions.

The Local Government Pension Scheme for Staff under the direction and control of the CC:

- This is a funded scheme, meaning that the CC and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

There are three Pension Schemes for Police Officers, which are unfunded schemes:-

- The 1987 Police Pension Scheme for Police Officers (PPS). This scheme was closed to new recruits from April 2006 when a new scheme was introduced with different contribution rates.
- The 2006 New Police Pension Scheme for Police Officers (NPPS). The 2006 scheme was closed to new recruits from April 2015 when a new scheme was introduced.
- The 2015 Police Pension Scheme for Police Officers.

All are unfunded schemes meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Following funding changes introduced on 1 April 2006 the CC now pays an employer's pension contribution into the Pension Fund Account in respect of all schemes.

The schemes provide defined benefits to members (retirement lump sums and pensions) related to pay and service.

Transactions Relating to Post-employment Benefits

A detailed explanation of the accounting arrangements for all schemes is set out in the notes to the Pension Fund Account.

The cost of retirement benefits is recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the CC is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Police Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

	CC		CC	
	LOCAL GOVERNMENT PENSION SCHEME £000		POLICE PENSION SCHEME £000	
	2018/19	2017/18	2018/19	2017/18
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT				
Cost of Services				
<i>Service cost comprising:</i>				
Current service costs	34,115	31,353	96,514	109,327
Past service costs	17,438	1,174	284,424	0
(Gain)/loss from settlements	0	0	0	0
<i>Finance and Investment Income and Expenditure:</i>				
Net interest expense	5,815	5,261	128,626	128,614
Total Pension Costs Recognised in the Provision of Services	57,368	37,787	509,564	237,941
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement				
<i>Remeasurement of the net defined benefit liability comprising:</i>				
Return on plan assets Actuarial gain/(loss)	0	0	0	0
Experience (gain)/loss on assets	(23,569)	(4,541)	(90,240)	(82,199)
Experience (gain)/loss on liabilities	(371)	2,178	0	(237,898)
Actuarial (gain)/loss arising on changes in demographic assumptions	0	0	0	56,997
Actuarial (gain)/loss arising on changes in financial assumptions	39,348	0	298,642	(302,205)
Total Pension Costs Recognised in Other Comprehensive Income and Expenditure	15,407	(2,363)	208,402	(565,305)
Total Pension Costs Recognised in the Comprehensive Income and Expenditure Statement	72,775	35,424	717,966	(327,364)
MOVEMENT IN RESERVES STATEMENT				
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(57,368)	(37,787)	(509,564)	(237,941)
Actual amount charged against the Police Fund Balance for pensions in the year:				
Employers contributions payable to scheme	14,562	14,385	44,328	43,732
Retirement benefits payable to pensioners	197	193	5,482	4,960

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

The amount included in the Balance Sheet arising from the CC's obligation in respect of its defined benefits plan is as follows:

	CC		CC	
	LOCAL GOVERNMENT PENSION SCHEME £000		POLICE PENSION SCHEME £000	
	2018/19	2017/18	2018/19	2017/18
Fair value of plan assets	677,352	634,139	0	0
Present value of the defined benefit obligation	(964,278)	(863,049)	(5,501,764)	(4,833,608)
Pension asset/(liability) recognised on the Balance Sheet	(286,926)	(228,910)	(5,501,764)	(4,833,608)

Reconciliation of the Movements in the Fair Value of Scheme Assets

	CC		CC	
	LOCAL GOVERNMENT PENSION SCHEME £000		PENSION SCHEME £000	
	2018/19	2017/18	2018/19	2017/18
Opening fair value of scheme assets	634,139	597,320	0	0
Interest income	16,588	15,756	0	0
<i>Remeasurements gain / (loss)</i>				
The return on plan assets, excluding the amount included in the net interest expense	23,569	4,541	90,240	82,199
Contributions from employer	14,562	14,385	49,810	48,692
Contributions from employees into the scheme	7,548	7,182	23,274	22,801
Benefits paid	(19,054)	(5,044)	(163,324)	(153,692)
Closing fair value of scheme assets	677,352	634,139	0	0

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

	CC		CC	
	LOCAL GOVERNMENT PENSION SCHEME £000		PENSION SCHEME £000	
	2018/19	2017/18	2018/19	2017/18
Opening present value of scheme liabilities	(863,049)	(805,384)	(4,833,608)	(5,209,664)
Current service cost	(34,115)	(31,353)	(96,514)	(109,327)
Interest cost	(22,403)	(21,016)	(128,626)	(128,614)
Contribution from scheme participants	(7,548)	(7,182)	(23,274)	(22,801)
<i>Remeasurement (gain) and loss:</i>				
Actuarial gain/(loss) arising from changes in demographic assumptions	0	0	0	(56,997)
Actuarial gain/(loss) arising from changes in financial assumptions	(39,348)	0	(298,642)	302,205
Actuarial gain/(loss) on liabilities - experience	371	(2,178)	0	237,898
Past service costs	(17,438)	(1,174)	(284,424)	0
Benefits paid	19,251	5,237	163,324	153,692
Closing present value of scheme liabilities	(964,278)	(863,049)	(5,501,764)	(4,833,608)

Local Government Pension Scheme assets comprised:

	2018/19		2017/18	
	£000	%	£000	%
Equities	501,240	74.0%	490,189	77.3%
Property	31,836	4.7%	28,536	4.5%
Government Bonds	75,863	11.2%	59,609	9.4%
Corporate Bonds	27,094	4.0%	23,463	3.7%
Cash	15,579	2.3%	11,415	1.8%
Other	25,739	3.8%	20,927	3.3%
Total Assets	677,352	100.0%	634,139	100.0%

Basis for Estimating Assets and Liabilities

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

The Local Government Pension Scheme was assessed by AON Hewitt, and the Police Pension scheme by Mercers, both independent firms of actuaries. The most recent full actuarial valuations in respect of the staff scheme was carried out as at 31 March 2016, and in respect of the police schemes as at 31 March 2019.

The principal assumptions used by the actuaries have been:

	LOCAL GOVERNMENT PENSION SCHEME		POLICE PENSION SCHEME	
	2018/19	2017/18	2018/19	2017/18
<i>Mortality assumptions:</i>				
<i>Longevity at 65 (staff) 60 (officers) for current pensioners:</i>				
Men	22.2	22.1	27.1	27.0
Women	25.4	25.3	29.1	29.0
<i>Longevity at 65 (staff) 60 (officers) for future pensioners:</i>				
Men	23.2	23.1	29.1	29.0
Women	27.2	27.1	31.1	31.0
Rate of Inflation CPI	2.1%	2.0%	2.2%	2.1%
Rate of increase in salaries	3.4%	3.3%	3.7%	3.6%
Rate of increase in pensions	2.1%	2.0%	2.3%	2.2%
Rate for discount rate	2.5%	2.6%	2.5%	2.7%

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

The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in previous periods.

Impact on the Defined Benefit Obligation in the Scheme:

	LOCAL GOVERNMENT PENSION SCHEME £000		POLICE PENSION SCHEME £000	
	2018/19		2018/19	
	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
<i>Value of Liabilities:</i>				
With above assumptions	(961,662)	(961,662)	(5,501,764)	(5,501,764)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	+0.1%	-0.1%	+0.1%	-0.1%
	(940,652)	(983,140)	(5,116,313)	(5,887,215)
Rate for increase in salaries (increase or decrease by 0.1%)	(967,469)	(955,915)	(5,234,298)	(5,769,230)
Rate for increase in pensions (increase or decrease by 0.1%)	(977,262)	(946,330)		
Rate for increase in inflation (increase or decrease by 0.1%)			(5,320,598)	(5,682,930)
Adjustment to mortality age (increase or decrease in 1 year)	+1 year	-1 year	+1 year	-1 year
	(932,343)	(991,157)	(5,361,636)	(5,641,892)

Impact on the CC's Cash flows

The objectives of the schemes are to keep employers contributions at as constant a rate as possible. The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to services after 31 March 2019 (or services after 31 March 2020 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The CC's expected contribution to the schemes in 2019/20 is:

Police Pension Scheme £140.050m

Local Government Pension Scheme £37.480m

Police Pension Regulations

The Chief Constable of West Yorkshire, along with other Chief Constables and the Home Office, currently have claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015.

Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations and in December 2018, the Court of Appeal (McCloud / Sergeant) ruled that the 'transitional protection' offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination.

On 27 June, the Supreme Court refused leave to appeal on the McCloud case. In light of this it is envisaged that the Court will require changes to arrangements for employees who were transferred to the new schemes including Police Pension Scheme members. This would lead to an increase in Police Pension Scheme liabilities. Our actuaries, using specific assumptions and applying these across the Police scheme as a whole, have estimated the potential increase in scheme liabilities to be approximately £284.4m.

When assessing the potential impact of McCloud on the IAS19 liabilities, our actuaries have considered those members with benefits in the 2015 Scheme who were former members of the 1987/2006 Schemes. Their assessment calculated the additional liability that would have arose had the members not ceased to accrue benefits in the 1987/2006 Schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefit in the 1987/2006 Schemes. Alongside this assessing the impact for those members who are currently active in the 2015 Scheme.

The next Police Pension valuation is due to take place in 2020 with implementation of the results planned for 2023/24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from McCloud / Sergeant is determined through The Police Pension Fund Regulations 2007. These require a police authority to maintain a police pension fund into which officer and employer contributions are paid, and out of which pension payments to retired officers are made. If the police pension fund does not have enough 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.

With regard to the LGPS a similar adjustment to past service costs within the IAS19 Disclosure has been made for the McCloud judgment with potential increase in scheme liabilities of £17.7m. The impact of an increase in scheme liabilities arising from McCloud / Sergeant judgment has been measured through the pension valuation process, which determines employer and employee contribution rates.

Increases in both the Police Pension Scheme and LGPS are reflected in the present value of the defined benefits obligation, as reported in the net defined benefit liability line of the Balance Sheet, with the increase presented as a past service cost within cost of services in the Comprehensive Income and Expenditure Statement. The actuaries have highlighted that this estimate is based on one potential remedy, the potential impact of any difference in the profile of the force's membership compared with the scheme as a whole and that the figures are highly sensitive to assumptions around short-term earnings growth. As an illustration for the Police Pension Scheme, were the future real pay growth assumption to be reduced to 0.75%p.a. then the potential additional costs in relation to McCloud would be additional past service of liabilities as at 31 March 2019 of approximately 5.1% of liabilities.

Note 12 – CONTINGENT LIABILITIES

Termination Benefits

A major programme of organisational change has been put in place to meet the challenge of reduced resources resulting from the Government's Spending Review. This focuses on protecting as far as possible frontline services, whilst making significant savings in back and middle office and support functions. As a result there will be a reduction in staff numbers, to be managed predominantly through natural wastage and police staff voluntary redundancies. The CC has included an estimate of the costs of severance in its medium term financial forecast, to enable it to meet the liabilities as they fall due. At this time it is not possible to predict a value or timing of any obligation falling due.

Municipal Mutual Insurance (MMI)

The Group has taken professional advice on the amount to provide for the clawback from MMI, but there is potential for the eventual liability to exceed the amount provided for in the accounts. The Group Accounts provides further information.

Note 13 – YORKSHIRE AND THE HUMBER LEAD FORCE COLLABORATION

The CC engages in collaborative working in partnership with the Yorkshire and Humber Commissioners / Forces to deliver a number of specific services on a regional basis.

The governance of this regional programme of activity is via the Regional Collaboration Board.

Regional collaboration is funded from contributions made by the four regional Police Force's with the level of contribution being dependent upon the assessment of the benefit to be derived from each specific project or initiative.

Where benefit is considered to be equal, contributions are equal with a 25% contribution from each Region. Where benefit is proportionate to size contributions are made in line with each Region's Net Revenue Expenditure (NRE). When all four regional Commissioners and Forces are contributing the NRE percentages are as follows:

West Yorkshire	42.43%
South Yorkshire	24.77%
North Yorkshire	18.14%
Humberside	14.66%

If less than four Commissioners / Forces are contributing the NRE percentages are adjusted on a pro-rata basis.

In accordance with proper accounting practice, the CC has accounted for the regional collaboration arrangement by accounting for all the income and expenditure for the activity and recognises income in the form of contributions from partners will largely only apply where the partners have secured neither joint control of the overall activity nor rights to particular assets or obligations for particular liabilities – i.e. the other parties are only interested in the lead authority delivering the outcomes it has agreed to provide.

2017/18 £000		2018/19 £000
	EXPENDITURE	
24,861	Staff Costs	27,424
931	Property Related Expenses	786
14,303	Supplies and Services	10,794
854	Transport Related Expenses	1,074
1,000	Transfer To Reserves	0
41,949		40,078
	INCOME	
7,718	Other Income	5,311
34,231	Contributions	34,767
41,949		40,078
0	(DEFICIT)/SURPLUS IN YEAR	0

Note 14 – NPAS

The primary objective of the NPAS project is to deliver a national service that provides the police service with capability from the air that maximises the benefits of air support to the delivery of frontline services. It is an integrated part of the wider policing strategy and harnesses innovation in the aviation sector for the benefits of policing.

The NPAS service was rolled out across the country on a phased basis which commenced in October 2012.

The service is governed by a section 22a collaborative agreement and is under the control of a Strategic Board made up of Police and Commissioners and Chief Constables from each national region. The board determines the budget and the charging policy, and monitors performance.

The NPAS service is funded from contributions made by each Policing Body receiving a service.

Financial monitoring reports are provided to the NPAS Strategic Board, the expenditure and income charged to the accounts is in accordance with the Financial Regulations and Standing Orders of the Police and Crime Commissioner for West Yorkshire.

2017/18 £000		2018/19 £000
	EXPENDITURE	
20,996	Staff Costs	19,953
1,802	Property Related Expenses	2,034
2,103	Supplies and Services	2,298
15,649	Transport Related Expenses	16,465
40,550		40,750
	INCOME	
(38,182)	Contributions	(39,339)
(2,368)	Other Income	(1,411)
(40,550)		(40,750)
0	(DEFICIT)/SURPLUS IN YEAR	0

WEST YORKSHIRE POLICE

PENSION FUND

STATEMENT

OF

ACCOUNTS 2018/19

WEST YORKSHIRE POLICE**PENSION FUND ACCOUNT STATEMENTS**

2017/18 £'000		2018/19 £'000
	CONTRIBUTIONS RECEIVABLE	
(41,004)	Employer's Contributions	(42,048)
(2,742)	Early Retirements (III Health)	(2,324)
(22,800)	Officers' Contributions	(23,276)
	TRANSFERS IN	
(1,245)	Individual Transfers In from Other Schemes	(1,181)
(67,791)	TOTAL INCOME RECEIVABLE	(68,829)
	BENEFITS PAYABLE	
118,416	Pensions	125,378
31,075	Commutations and Lump Sum Retirement Benefits	33,385
0	Lump Sum Death Benefits	0
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS	
123	Refunds of Contributions	234
186	Individual Transfers Out to Other Schemes	100
149,800	TOTAL EXPENDITURE PAYABLE	159,097
82,009	NET AMOUNT PAYABLE FOR THE YEAR	90,268
(82,009)	ADDITIONAL CONTRIBUTION FROM EMPLOYER	(90,268)
0		0

Notes to the Pension Fund Account

2017/18 £'000	NET ASSETS STATEMENT	2018/19 £'000
0	Contribution due from Employer	0
0	Unpaid Pension Benefits	0
0	Amount Owing from the Police Fund	0

The Police Pension Scheme in England and Wales

The Pension Fund Accounts have been prepared in accordance with the IFRS Code and on an accruals basis. This means the sums due to or from the Pension Fund are included as they fall due, whether or not the cash has been received or paid. The accounting convention adopted is historic cost.

Each individual Police Force is required, under the Police Pension Fund Regulations 2007, to operate a Pension Fund Account and the amounts that must be paid into and out of the Pension Fund Account are specified by the regulations.

The Fund is administered by the CC which pays an employer's contribution to the Fund. The pensions of all retired officers are paid directly from the Fund.

The pension scheme is unfunded and consequently the Fund has no investment assets. Benefits payable are funded by the contributions from the CC and employees and any difference between benefits payable and contributions receivable is met by top-up grant from the Home Office.

Employees' and employer's contributions to the Fund are based on percentages of pensionable pay set nationally by the Home Office, subject to triennial valuation by the Government Actuary's Department. The accounting policies applicable to the Fund are set out in the Statement of Accounting Policies.

The Net Asset Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date.

ANNUAL GOVERNANCE STATEMENT FOR THE CHIEF CONSTABLE FOR WEST YORKSHIRE POLICE

This annual governance statement reflects the governance framework in place for the Chief Constable (CC) of West Yorkshire under the Police Reform and Social Responsibility Act 2011.

Scope of Responsibility

The CC of West Yorkshire is responsible for maintaining the Queen's peace and has direction and control over the officers and staff operating within West Yorkshire Police. The CC holds office under the Crown and is appointed by the Police and Crime Commissioner for West Yorkshire (PCC), subject to confirmation by the Police and Crime Panel for West Yorkshire.

The CC has a professionally qualified Chief Financial Officer (CFO). Under the Police Reform and Social Responsibility Act 2011 the West Yorkshire Police CFO has a personal fiduciary duty by virtue of their appointment as the person responsible for the proper financial administration of West Yorkshire Police. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure (Section 114 of the Local Government Act 1988 as amended by paragraph 188 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 ("2011 Act")). The CC's CFO is a key member of the CC's Chief Officer Team. The CFO is actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer term implications, opportunities and risks are fully considered. The CFO attends a monthly Joint Executive Group with the PCC and CC at which key strategic and joint decisions are taken and, on occasion, attends other weekly community outcome or bi-lateral meetings held between the CC and the PCC where the PCC holds the CC to account. The CFO leads the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. The CFO ensures the finance function is resourced to be fit for purposes and oversees that appropriate management accounting systems, functions and internal controls are in place so that finances are kept under review on a regular basis.

Under S.35 of the 2011 Act in exercising their functions the CC must ensure that good value for money is obtained and this includes ensuring that persons under their direction and control obtain good value for money in exercising their functions. West Yorkshire Police (as a standalone entity) is legally required to produce an Annual Governance Statement. The Statement helps the PCC to hold the CC to account for efficient and effective policing. The Statement sits alongside the statutory accounts for the CC and gives assurance to the PCC of West Yorkshire Police's governance arrangements. In addition, the PCC produces its own Governance Statement.

The Governance Framework

Although the CC is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force, the PCC is required to hold the CC to account for the exercise of those functions and those of the persons under their direction and control. It therefore follows that the PCC must satisfy himself that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.

This statement has been prepared to state West Yorkshire Police current governance arrangements, to report their effectiveness during the year and to outline future actions planned to further enhance arrangements. Part of the governance arrangements include the Force Accountability Meeting. This is attended by the Senior Managers in the organisation, representatives of the PCC from the Office of the PCC (OPCC) where the CC holds senior managers to account for performance and delivery against the Police and Crime Plan.

Corporate Governance Reporting and Processes

The West Yorkshire Police Chief Officer Team, led by the CC, is responsible for ensuring West Yorkshire Police has a corporate governance framework that reflects the principles of openness, integrity, accountability and equality, and supports the delivery of quality policing.

The governance framework enables West Yorkshire Police to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money. An annual review of this framework takes place and appropriate improvements are made to ensure that it remains fit for purpose.

The Chief Officer Team attend a daily operational briefing to discuss performance with all District Commanders.

The Force carries out a monthly programme of Local Accountability Meetings where Chief Officers hold each District or Department to account for the delivery of their plan. West Yorkshire Police management devise a system of internal controls to help ensure that objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the assets and interests of the PCC are safeguarded.

Organisational Structures and Processes

Decision making structures are well established and regularly reviewed to ensure they are fit for purpose. The West Yorkshire Police and Crime Plan sets out policing priorities, the resourcing of those priorities, and performance targets. It reflects the areas of greatest importance locally, identified through extensive consultation with the public, or where performance improvement is required. Our plan and our planning process are complementary to other partnership plans such as Community Safety Partnerships, Local Criminal Justice Board and Local Strategic Partnerships.

We will work closely with our partners in order to ensure consistency and alignment where possible. The CC holds monthly Senior Leadership Forums which are attended by the Force Chief Officer Team, District Commanders and Heads of Departments. These forums are used to consult on and develop policy and ensure the engagement of the senior managers of the organisation in change and develop their leadership skills. Police and Crime Plan objectives are cascaded throughout the organisation via Divisional and Departmental Plans and included as appropriate in Team Accountability Meetings (TAMs) and individual Accountability meetings (IAMs) and annual Performance Development Reviews (PDRs).

The PCC approves an annual budget for Force activity which is aligned to the Police and Crime Plan.

The risk management process by which the West Yorkshire Police identifies and seeks to prevent and mitigate key risks

An infrastructure has been established to support the effective management of risk and ensure that information on risks is gathered and acted on in a consistent and efficient manner. Joint Independent Audit Committee members consider risk management reports helping to improve the adequacy and effectiveness of risk assessment, risk management and internal control.

The Risk Management Group annually review the Risk Management policy statement and policy guidance.

The Force recognises exposure to a wide and diverse range of risks and opportunities in securing the delivery of priorities and objectives. All employees, volunteers, contractors and partners are responsible for identifying and managing risks as part of their role and the Deputy Chief Constable (DCC), as corporate sponsor, ensures that risk management is supported and championed at Chief Officer Team level.

The risk management policy provides clear guidance by which the Force manages uncertainty in a structured and effective way. The risk management framework and infrastructure provide a solid foundation for risk management and standard for consistency ensuring that information on risks is gathered and acted upon in an efficient manner.

Risk management is fully embedded into the business planning process including operational performance reviews in order to identify the threat, harm and risk facing the Force in order to prioritise and identify areas which need resourcing.

The Risk Management Group, chaired by the DCC, meets quarterly to monitor changes to the Force risk profile and process. The Head of Audit and Risk attends the meetings and reports as appropriate to the CC and to the Joint Independent Audit Committee. Risk management awareness is included in the Force

Induction Programmes and ongoing training and guidance is provided appropriate to the level of skill and expertise required through a variety of media.

Business Continuity

West Yorkshire Police has robust plans in place to ensure business continuity following incidents. The Business Continuity Co-ordinating Group, comprising of relevant Departmental Heads, will assist the Force Business Continuity Co-ordinator in developing the business continuity management process and respond to any business continuity crisis, as required.

Insurance

The PCC continues to maintain, develop and renew his insurance programme in order to minimise financial risks including an annual review of the personal insurance indemnity policy and standard operating procedure.

Health and Safety

West Yorkshire Police takes very seriously its responsibility for the health and safety of all who attend the premises where the business of West Yorkshire Police is conducted or are affected by our undertaking. The overall responsibility for health and safety matters rests with the CC, who ensures that effective procedures and processes are in place.

Reviewing and updating 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

Financial instructions are reviewed and updated regularly to ensure they remain fit for purpose. Procedure notes and manuals are in place for all key systems and are also reviewed regularly. The West Yorkshire Police Scheme of Delegation has been reviewed and sets out financial authorisation levels for police officers and staff throughout the organisation. A Medium Term Financial Strategy is in place and is fully linked to the organisation's strategic objectives. At an operational level, rigorous and regular budget monitoring takes place and a well-established fraud assurance programme is in place. Robust management of income collection and debt recovery continues.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

Processes for ensuring compliance with relevant law and regulations are well established and work effectively. All reports to Chief Officer Team and Project Boards together with all reports presented to the PCC must consider legal implications.

A Regional procurement strategy is in place with regular procurement reporting to Regional and Force governance structures.

Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks

Processes for determining the conditions of employment and remuneration of officers and staff within appropriate national frameworks are well established. Modernisation of police pay reports go to Force Chief Officer Team detailing financial impacts, risks and progress to date. Regular equal pay reviews are undertaken and there is a focus on maintaining market competitive pay and benefits. The Force operates an approved job evaluation scheme based upon role profiles for each post. Regular strategic and local consultation is undertaken with staff associations and trades unions.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

A Performance Development Review process exists that identifies, manages and monitors work related and personal development objectives for all Police Officers and Police Staff. Skills training programmes are available through the Force Training and Development Centre, The College of Policing and external suppliers where appropriate.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The PCC has conducted the 'Listening to You First' consultation to properly understand the needs and priorities of all people across West Yorkshire. This was a wide ranging consultation that included a survey sent to existing contacts, community groups and key stakeholders. It was also promoted via media and social media sources. Stakeholder roundtable events have been held in each of the districts and a conference on hate crime.

The Chief Officer Team conduct monthly local accountability meetings in Districts and Departments. These are intended to discuss local issues and local performance with local staff. Below these meetings are a series of Team Accountability Meetings and Individual Accountability Meetings all of which are focussed on local issues and performance.

Whistleblowing and receiving and investigating complaints from the public and handling citizen and other redress

A confidential reporting policy is in place to enable officers and staff to report any concerns about malpractice or unlawful actions without fear of recrimination.

The PCC has made a commitment to putting things right and has a range of policies in order to deal with public complaints. Further resources are being devoted to case work and complaint handling with the creation of specific email addresses and briefing and decision templates to record the action taken by the PCC.

Complaint handling in WYP is monitored in regular meetings between the Head of Professional Standards Department and the Interim Chief Executive of the OPCC or the Independent Police Complaints Commissioner. Specific case work or complaint matters are raised in community outcome meetings between the CC and the PCC. Internal Audit continue to dip-sample complaint files and the PCC is represented on the Independent Advisory Group for the Professional Standards Department.

Matters which are contentious, repercussive or novel are raised in quarterly meetings of the PCC's Good Governance Group which is chaired by the Interim Chief Executive.

Role of the Chief Financial Officer in Local Government

CIPFA have published a "Statement of the Role of the Chief Financial Officer in Local Government" which describes the role and responsibilities of the CFO and sets out five key principles that define the core activities and behaviours that underpin the role, and the organisational arrangements required to support them. There is an expectation that authorities will comply with the statement or explain their reasons for not doing so. The five key principles are that the CFO:

- Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy
- Must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively

- Must lead and direct a finance function that is resourced to be fit for purpose
- Must be professionally qualified and suitably experienced.

The Chief Finance Officer undertakes the role of CFO in accordance with the arrangements detailed in the Home Office Financial Management Code of Practice, and in compliance with the CIPFA statement.

Standards of Behaviour

Codes of conduct are in place for police officers and police staff. Relevant officers in the Force are also subject to professional codes of conduct for their particular profession. At least once a year, the Force policy on professional standards is reviewed by the Professional Standards Department and assessed based on its effectiveness and discrepancies over that period. West Yorkshire Police expects all members of staff always to be honest, truthful and sincere. We will uphold, administer and enforce all laws without bias or prejudice in a just, consistent and reasonable manner.

Significant Governance Issues

Significant governance issues are defined as

- An issue which has prevented or seriously prejudiced achievement of a principal objective
- An issue where additional funding has had to be sought in order to resolve it
- An issue which has resulted in a material impact on the accounts
- An issue which the Head of Audit and Risk has specifically highlighted in the annual audit opinion
- An issue which has attracted significant public interest and has damaged the reputation of the PCC and/or WYP
- An issue which has resulted in formal action being taken by the Chief Finance Officer and/or the Monitoring Officer.

The extent of organisational change required to achieve the significant forecast budget reductions required means that the PCC and WYP will continue to face an environment of increased uncertainty and risk.

This will be closely monitored by the PCC and the CC, who will continuously review the adequacy and effectiveness of the evolving governance arrangements and ensure that any improvements identified are implemented.

Signed

John Robins
Chief Constable
West Yorkshire Police

Nigel Brook
Chief Constable's Chief Financial Officer
West Yorkshire Police

GLOSSARY OF TERMS

Accounting Policies

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising
- Selecting measurement bases for and
- Presenting

Assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or Balance Sheet it is to be presented.

Actuarial Gains and Losses

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

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

Budget

A statement of the PCC's plans in financial terms. A budget is prepared and approved by the PCC prior to the start of each financial year.

Chief Constable (CC)

The Chief Constable is a separate corporation sole, which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

CIPFA

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

Commututed Lump Sums

These are the amounts paid to officers when they retire, if they choose to have a lower pension.

Contingent Liabilities

A contingent liability is either:

- (a) a possible obligation arising from the past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the PCC's control, or
- (b) a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Creditors

Amounts owed by the PCC Group for work done, goods received or services rendered which have not been paid for by the end of the financial year.

Current Service Cost (Pensions)

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

Debtors

Sums of money due to the PCC Group for work done or services supplied but not received at the end of the financial year.

Deferred Liabilities

Liabilities which by arrangement are payable beyond the next financial year at some point in the future or paid off by an annual sum over a period of time.

Defined Benefits Scheme

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

Financial Year

The 12 months commencing on 1 April covered by the accounts.

IAS19

The objective of International Accounting Standard (IAS) 19, *Accounting for Retirement Benefits in Financial Statements of Employers* is to prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

IFRS

International Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board.

Going Concern

The concept that the CC will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

Group

The term Group refers to the Police and Crime Commissioner for West Yorkshire (PCC) and the Chief Constable for West Yorkshire (CC).

Impairment

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

Local Policing Body

The collective term describing elected police and crime commissioners for each police area outside of London and the Mayor's Office for Policing and Crime for the metropolitan police district.

Comprehensive Income and Expenditure Statement

A primary financial statement showing the cost of policing during the financial year.

Police and Crime Commissioner (PCC)

The Police and Crime Commissioner is a separate corporation sole, which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

Precept

The method by which the PCC Group obtains the income it requires from Council Tax via the appropriate authorities.

Relevant Police Officer

The Chief Constable (England and Wales) and any other senior police officer whose salary is £150,000 per year or more.

Remuneration

All amounts paid to or receivable by a person, and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash (e.g. benefits in kind).

Senior Employee

A senior employee is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 per year (to be calculated pro rata for a part-time employee) and who is:

- (a) the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989
- (b) the head of staff for a relevant body which does not have a designated head of paid services, or
- (c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

Senior Police Officer

A senior police officer is defined as a member of a police force holding a rank above that of superintendent (i.e. chief superintendent and above).