

Chief Constable statement of accounts 2020/21

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PREFACE

Introduction to the 2020/21 Statement of Accounts by John Campbell, Chief Constable of Thames Valley Police



This past year has been unprecedented, with the Coronavirus pandemic impacting on us all and which has sadly resulted in the loss of far too many people.

This pandemic will be a defining moment in history, with our actions as a society being discussed by future generations.

During this time, Thames Valley Police has worked with our communities to engage, explain, encourage adherence to the restrictions placed on us all and as a last resort take enforcement action. Through your support, our collective efforts have certainly reduced transmission within our communities.

At the same time, Thames Valley Police has continued to respond to incidents and investigating crimes effectively and has brought significantly more offenders to justice.

In January this year, the Police and Crime Commissioner, Anthony Stansfeld consulted with you, and I pleased to say that a significant majority of you were willing to support applying the maximum Council Tax Precept for 2021/22. This will provide £13.8m for policing over the coming financial year in addition to the governments ongoing commitment to the recruit uplift programme. I will report back to the newly elected Police and Crime Commissioner, Matthew Barber on how we will use this additional funding to improve our policing service to you.

Finally, as Chief Constable of your police force I want to take this opportunity to thank the public of Thames Valley for their continued and valued support during the past year. As we emerge from the pandemic we will do all that we can to continue to reduce crime, protect the vulnerable and prosecute those that would do harm.

John Campbell QPM
Chief Constable. Thames Valley Police

THE NARRATIVE REPORT

Message from the Director of Finance – Linda Waters



The Narrative Report pulls together in a single document information on the budget preparation process, final accounts, performance information, medium term financial plans and other contextual information such as workforce numbers and strategic risks. I hope you find it helpful, I would welcome feedback on the content so that we can continue to improve and enhance next year's narrative report on the 2020/21 accounts.

2020-21 has definitely been a year like no other. Covid-19 as in every aspect of life, has impacted everything we do and the financial implications have been interesting to say the least. Suddenly we were spending significant sums of money on equipment such as PPE (Personal Protective Equipment) and rapidly bringing forward our rollout of remote working capability, while in other areas expenditure declined as new ways of working reduced travel and the demand for office based consumables. Whilst some types of crime reduced as people stayed at home, Covid-19 increased policing demands in other areas and all against a backdrop of the restrictions of officers and staff having to self-isolate and hence a reduced

workforce.

The police service has been very fortunate in the assistance we have received from the Home Office in supporting our additional expenditure and our reduced income flows (please see page 12 for more details). This additional support has allowed us to finish the year with a small underspend of £1.8m or 0.4%, albeit underlying this positive result are areas of significant additional spend, delays and changes to our planned developments and areas of reduced spend.

During the year we successfully managed to recruit 271 additional police officer numbers as part of the national Police Uplift Programme (PUP) to increase officers by 20,000 across the whole service. We finished the year with 88 officers, over our target for 31 March 2021. This places TVP in a good position to achieve our target of an additional 171 officers in 2021-22. Covid-19 significantly reduced the turnover of staff and officers allowing us to reach and exceed our target earlier in the year than expected which naturally had an impact on our staffing budgets but fortunately this was mitigated by the reduced spend in other areas avoiding any calls on reserves.

The ongoing influences of Covid-19 on society as a whole as well as the policing environment, are likely to create some interesting consequences for our finances in 2021-22. Not least because of the impact on crime types and volumes but we are in a very good position to maximise the advantages of the new ways of working and respond to the changing demands and implications for policing.

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

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

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. The structure of this Narrative Report is set out below.

1. Explanation of the PCC and Group
2. Introduction to Thames Valley

3. Financial performance
4. Non-financial performance
5. Coronavirus (Covid-19) pandemic
6. People
7. Corporate risks and uncertainties
8. Summary and conclusion

1. EXPLANATION OF THE PCC AND GROUP

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

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

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

This set of accounts focuses on those discrete activities which the PCC is directly responsible for, such as community safety and commissioning services for victims and witnesses of crime, as well as the “PCC Group” which includes all aspects of operational policing under the direction and control of the Chief Constable.

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

The Net Revenue Budget for 2020/21 was £448.9 million, of which £7.4 million was under the PCC’s direct control.

2. AN INTRODUCTION TO THAMES VALLEY

Thames Valley Police (TVP) is the largest non-metropolitan police force in England and Wales with a Force area of 2,216 square miles covering the three counties of Berkshire, Buckinghamshire and Oxfordshire. It covers a population of over 2.4 million people from diverse social, economic, cultural and religious backgrounds across both urban and rural geographical areas as well as 6 million annual visitors to the area. It also encompasses 196 miles of motorway – more than any other British police force.

The partnership landscape is mixed with 1 county council, 8 unitary authorities and 5 district councils.

The Force is divided into 12 Local Policing Areas (LPAs). The LPAs are responsible for local policing services across 108 neighbourhoods that address local priorities. Specialist departments deliver the full range of other force-wide policing functions.

Many of our services are delivered in collaboration with other forces. We lead the Counter Terrorism Police South East (CTPSE) and the South East Regional Organised Crime Unit (SEROUC). We share a single ICT department with Hampshire and also have a shared information management unit and joint operations unit (JOU). We also lead the Chiltern Transport Consortium which provides a fleet management service to the police forces in Bedfordshire, Hertfordshire, Cambridgeshire and TVP as well as the British Transport Police, National Investigation Service and the Civil Nuclear Constabulary.

The mix of crime and the associated workload in Thames Valley is changing. Further information is provided in the section on non-financial performance for Thames Valley Police on page 10.

A good indication of Police workload is the number of external calls we receive in to our control rooms and enquiry department. During 2020/21 we received 829,418 calls (average of 2,272 per day) of which 276,906 were 999 calls and 552,512 were 101 **calls**. In addition there were 109,801 on-line reports

between 6th April 2020 and 4th April 2021. This resulted in 502,980 **incidents** recorded on our Command and Control system, of which 221,385 were attended by officers and staff

3. FINANCIAL PERFORMANCE

a. Economic climate

Since the financial crash in 2008 all public sector budgets have been squeezed really hard – this is commonly referred to as government austerity.

As of result of austerity, over the last ten years Thames Valley Police has identified and removed £109 million of revenue savings from its annual revenue budget. This was almost manageable whilst crime and the demand for policing services was also reducing but that trend has now changed. During his election campaign in 2019 Boris Johnson announced that, if re-elected, policing would be treated as a priority service.

In October 2019, the Home Office announced their Police Uplift Programme with more funding for the police service. This involved plans to increase police officer numbers by 20,000 over the next three years, including 6,000 by the end of 2020/21. An increase in officer numbers on this scale should have a tangible and beneficial effect on the service.

The police grant settlement for 2020/21, announced in January 2020, provided the necessary funding to facilitate this increase in officer numbers. The headlines from that settlement were:

- £700 million for the recruitment of 6,000 police officers by March 2021 and relevant infrastructure improvements needed to recruit 20,000 officers by March 2023, of which:
 - £532 million to be provided through core grant
 - £168 million ring-fenced for successfully meeting recruitment targets.
 - 7.5% increase in core funding
- £10 precept flexibility for all PCCs, or equivalent, which could generate an additional £248 million nationally for local priorities
- £50 million retained centrally to support delivery of the Police Uplift Programme
- £42 million, in-lieu of inflation, added to the national reallocations pot
- £92 million (9%) increase in reallocations to over £1.1 billion in 2020/21
- Flat cash pension grant allocations compared to 2019/20 – still £153 million
- Reduction of 74% to capital grant funding to PCCs
- Ending of the Police Transformation Fund

The Coronavirus outbreak (Covid-19) was confirmed to have spread to the United Kingdom on 31st January 2020. Since then over 128,000 people have died in the UK, within 28 days of testing positive for the virus.

On 3rd March 2021 the Chancellor published his spring Budget, which followed a year of extraordinary economic challenge as a result of the ongoing COVID-19 pandemic. Like that of many other countries, the UK's economy has been hit hard, with both the direct effects of the virus and the measures necessary to control it leading to an unprecedented fall in output and higher unemployment.

As the pandemic hit, the UK entered its first recession in 11 years. Gross Domestic Product (GDP) for 2020 fell by 9.9%, the largest annual fall in 300 years. As a result of the pandemic, borrowing reaches 16.9% of GDP in 2020-21, the highest level of peacetime borrowing on record, and underlying debt will peak at 97.1% in 2023-24.

It is against this backdrop that the Government is expected to launch its Spending Review in early summer 2021. At this stage we do not know whether it will be a multi-year settlement, or an annual settlement for 2022/23. Whichever period is chosen, the prospects for public sector expenditure do not

look promising. Although we expect the Government to honour its pledge to complete the recruitment of the final tranche of additional officers, public sector pay may be frozen for a further period and grant settlements curtailed as the Chancellor looks to strike a judicious balance between promoting economic growth whilst bringing public sector expenditure and national debt under control.

b. Financial Management

The financial standing of TVP is very robust with sound financial management practices.

In his Annual Assessment of Policing report 2019, published on 30th November 2020, HMICFRS awarded TVP an overall grading of GOOD as well as for each of the 3 component parts i.e. Effectiveness, Efficiency and Legitimacy.

Prior to the introduction of the new CIPFA Financial Management (FM) Code on 1st April 2021 the CFO and Director of Finance produced an initial high level self-assessment against the FM Code requirements and reported the results to the Joint Independent Audit Committee on 19th March. Further work will be undertaken during 2021/22 on a small number of areas identified for improvement.

c. Revenue

Budget 2020/21

The Police Finance Settlement for 2020/21 is explained in section (a) above.

The 2020/21 net budget requirement of £448.929 million represented a cash increase of £29.015 million or 6.9%. In order to fund this increase in expenditure the PCC increased the police element of council tax by £10 for a band D property, or 4.8%. The budget incorporated £4.2 million for strategic investment but also required cashable savings of £3.470 million and an appropriation from reserves of £1.792 million.

The budget resulted in a net increase of 150 police officers (growth of 183 less productivity savings of 33) but a net reduction of 6 police staff.

Revenue Outturn 2020/21

a) TVP Operational Budgets

The following table provides a high level comparison between the approved budget for 2020/21 and actual expenditure for TVP operational budgets i.e. those under the direction and control of the Chief Constable.

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	Annual Budget £000	Annual Outturn £000	Variance £000
TVP Operational budgets – direction and control of the Chief Constable			
<i>Pay and Employment Costs</i>			
Police officer pay and allowances	262,912	265,358	2,446
Police officer overtime	11,216	11,926	709
PCSO pay and allowances	12,289	12,301	12
Police staff pay and allowances	128,983	129,065	81
Police officer injury / ill health / death benefits	4,233	3,605	- 628
Other employee expenses	2,959	2,837	- 122
Restructure, training & conference costs	2,070	1,735	- 335
	424,663	426,826	2,163
<i>Overheads</i>			
Premises	17,135	17,012	- 123
Transport	10,115	9,455	- 659
Supplies & services	63,507	61,786	- 1,721
Third party payments	9,891	9,509	- 382
Specific grants	- 64,782	- 64,897	- 1,014
Force income	- 35,956	- 36,970	- 115
	- 90	- 4,105	- 4,014
<i>Regional collaboration services</i>			
South East Regional Organised Crime Unit	20,494	20,494	0
Counter Terrorist Police South East	25,448	25,448	0
Chiltern Transport Consortium	19,519	19,519	0
Regional CT firearms specialist officers	5,062	5,062	0
Government grants and partnership income	- 70,523	- 70,523	0
Cost of Operational Policing	424,573	422,721	- 1,852

b) Group level

The following table provides a high level comparison between the approved budget and actual expenditure at the Group level. The annual revenue surplus of £0.199 million has been appropriated (or transferred) to general balances. This level of deficit represents less than 0.04% of the Net Cost of Services which demonstrates strong and effective financial management of the annual budget.

	Annual Budget £000	Annual Outturn £000	Variance £000
Cost of operational policing (from above)	424,573	422,721	- 1,852
PCC controlled expenditure	7,439	7,109	- 330
Capital financing	18,238	18,256	18
Interest on balances	- 890	- 934	- 44
Statutory accounting adjustments	432	435	3
Appropriation from balances	- 862	1,143	2,005
Cost of Services	448,929	448,730	- 199
Funded by:			
General grant income	- 248,043	- 248,043	0
Council tax	- 200,886	- 200,886	0
Net Revenue Position	0	- 199	-199

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Outlook – Medium Term Financial Plan

The separate but related Financial Strategy and Capital Strategy for 2021/22 were approved by the PCC in November 2020 and are available on the PCC's website.

The PCC's medium term financial plan (MTFP) was approved in February 2021. The revenue budget for 2021/22 includes a realistic estimate of both the number of additional officers to be recruited through the national Police Uplift Programme, as well as the associated costs and income. A high level summary of the MTFP is provided below.

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Annual Base Budget	448,929	475,892	493,685	506,823
Inflation & Pay Commitments	6,378	11,889	14,737	14,748
Productivity Savings	-3,534	-4,133	-5,159	-3,250
Committed & Statutory Growth	10,718	14,707	6,145	2
Tier 1 - Essential Growth	5,311	-2,673	-2,585	30
Tier 2 - Service Delivery Improvement	5,348	1,025	0	0
Reserve Funding	2,742	-3,022	0	280
Net Budget Requirement	475,892	493,685	506,823	518,633
Total External Funding	-475,892	-492,581	-501,733	-510,163
<hr/>				
<i>Annual Budget (Surplus)/Shortfall</i>	<i>0</i>	<i>1,104</i>	<i>3,986</i>	<i>3,380</i>
<i>Cumulative Budget (Surplus)/Shortfall</i>	<i>0</i>	<i>1,104</i>	<i>5,090</i>	<i>8,470</i>

The 2021/22 financial year is balanced, but there are still variances in years 2-4 of the plan. At this stage there are a significant number of unknowns around future funding and expenditure levels which should become clearer following the Comprehensive Spending Review later this year. For example, the current assumptions include cash flat grant from 2022/23 but a 2.5% pay award from September 2022. Hence we have not tried to balance these future years at this stage, as to do so would be based on assumptions and estimates which could vary significantly.

There are numerous risks to the MTFP and these are clearly explained in the 2021/22 budget book which can be downloaded from the PCC's website at <https://www.thamesvalley-pcc.gov.uk/information-hub/what-we-spend-and-how-we-spend-it/budget/>

All the assumptions underpinning the current MTFP will be revisited and updated in coming months as we continue work on the next budget cycle.

The annual revenue budget for 2021/22 of £475.892 million, which required a 6.9% increase in council tax (or £15 for a Band D property), was approved by the Police and Crime Panel on 29th January 2021.

The additional Police Uplift Programme officers alongside the additional flexibility in the council tax precept demonstrates the Government's recognition of the importance of the police service and the difficulties and challenges being experienced. This provided the PCC and the force with a one year opportunity to protect our current service and start to address some of those priority areas, where we would wish to improve our performance and the service received by our communities. The additional funding afforded by the precept flexibility provided us with the opportunity to invest now, for our future. The importance of maximising the opportunity of this year's funding is not underestimated especially with the considerable uncertainty about future funding levels, particularly the disastrous impact of Covid-19 on the national finances

To ensure we maximise the benefit of all of our resources, not just the additional resources set out in the MTFP, the Force will continue to prioritise its work on the Productivity Strategy to ensure resources are directed to priority areas and that services are delivered in the most effective and efficient manner.

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This work focuses the drive for continuous improvement, improved efficiency and alignment of resources with demand. It will continue to release savings in future years in order to address future unquantified demands and provide additional resource to reinvest in priority policing areas

As shown above the current MTFP requires revenue savings of at least £16.1 million over the next four years. This is over and above the £1092 million of cash savings already removed from the base budget in the last ten years (i.e. 2010/11 to 2020/21) meaning that, over the thirteen year period to 2024/25 in excess of £125 million will have been taken out of the base revenue budget.

d. Capital

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

Capital outturn 2020/21

The following table shows the net capital position compared to the active capital budget for 2020/21. The variance of £7.941 million comprises scheme underspends of £0.792 million and slippage of expenditure of £7.149 million

	Annual Budget £m	Actual Spend £m	Variance £m
Property schemes	6.119	3.125	-2.996
Vehicles and equipment	9.196	8.674	- 0.523
ICT core schemes	11.946	8.142	- 3.804
Business change programmes	0.470	0.334	- 0.136
Schemes in preparation	0.543	0.059	- 0.482
Total	28.275	20.334	-7.941

Equip

In 2016 the three police forces (Surrey, Sussex and Thames Valley) took a decision to work collaboratively to jointly develop a new Enterprise Resource Planning (ERP) system to improve the way they do business help improve efficiency. This programme was known as Equip.

The ERP system aimed to replace various information technology legacy office systems used - across all three forces with new systems that are able to interact seamlessly with each other, reducing the need for duplication of information and thereby resulting in a more efficient way of working. This would free up staff time to focus on preventing and detecting crime, protecting vulnerable people and keeping our communities safe.

Following a competitive tender process, the forces have been working under contract with KPMG on the programme since 2016.

In December 2020 the Chief Constables agreed that the ERP product developed by KPMG should be transferred to the three forces to mitigate against future financial risk.

Following a recommendation by the three force Chief Constables approval was granted by the three PCCs. The forces then worked closely with KPMG to achieve the transfer of the ERP Software, Documentation and Licenced assets.

In Thames Valley the Chief Constable and PCC considered options for the replacement of Equip through the Next Steps programme, and appropriate funding was included in the Medium Term Financial Plan (2021/22 to 2024/25) to finance new activities, but the plan is to discontinue any further development of the Equip system as transferred.

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Prior to 2020/21 Thames Valley had spent £8.281m on the Equip programme and this was held on the balance sheet as an intangible asset, to be depreciated over 5 years in accordance with the published depreciation policy. After depreciation the outstanding amount at 31st March 2021 was £5.375m. This sum has been written-off, through impairment, in the 2020/21 accounts.

During 2020/21 Thames Valley spent a further £6.130m on the Equip programme. This expenditure was originally included in the Capital Programme, but has subsequently been transferred to revenue and is included in the Comprehensive Income and Expenditure Account on page 24.

No further sums will be spent on the Equip programme in 2021/22 or later years.

Medium Term Capital Plan

The PCC has approved a Medium Term Capital Plan (MTCP) costing £94 million over the next four years, which will provide the Force with appropriate infrastructure and assets to deliver innovative policing strategies with fewer resources.

	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Property	15.803	16.574	2.522	2.000	36.899
ICT / Business Change	12.130	6.126	5.209	4.688	28.153
Equipment & Radio	1.909	11.140	0.150	0.150	13.349
Vehicles	4.157	3.725	3.828	3.935	15.645
Totals	33.999	37.565	11.709	10.773	94.046

In addition to the MTCP shown above we expect to spend circa £3 million per annum with effect from 2021/22 on infrastructure expenditure in relation to the Police Uplift Programme (PUP). Funding will be drawn from the PUP Infrastructure Reserve as required by the roll-out of the additional officers and the expenditure will be incorporated within the MTCP and MTFP as appropriate.

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

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

- Providing a fit for purpose efficient police estate with a reduced overall cost
- Providing our officers and staff with the equipment and information when and where they need it through the Digital Policing Project via smart phones, laptops and body worn video.
- The maintenance, development and replacement of other core assets (e.g. vehicles and communication infrastructure) to maximise the advantage of new technology and reflect legislative changes

e. Balance Sheet

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

At 31st March 2021 we had negative net assets of £4.788 billion which implies that we are technically bankrupt. Fortunately, this is not the case. The sole reason we have negative assets is because of the pension liabilities associated with the unfunded police officer pension scheme (£4.57 billion) coupled with the net deficit of £0.493 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. Further information on pension liabilities is provided below.

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Excluding these pension liabilities the PCC's Group Balance Sheet has net assets of £280 million, including £56 million in usable cash reserves.

Group Balance Sheet	At 31.3.20	At 31.3.21
	£m	£m
Non-current assets	284	279
Net current assets	62	67
Pension liabilities	- 4,421	- 5,063
Other long-term liabilities and provisions	- 66	- 71
Net Assets	- 4,141	- 4,788
Usable reserves	56	60
Unusable reserves	224	215
Pensions reserve	- 4,421	- 5,063
Total Equity	- 4,141	- 4,788

Pension Liabilities

The value of net pension liabilities in the Group Balance Sheet is £5.063 billion, comprising £4.57 billion for police officers and £493 million for police staff

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

Police staff are eligible to join the Local Government Pension Scheme (LGPS) administered by Buckinghamshire County Council. This is a funded scheme whereby assets are invested to help fund future liabilities. In 2020/21 the Group paid an employer's contribution representing 13.8% of pensionable pay. The last valuation was in April 2019 which reported a funding level of 100%. This valuation will inform the employers' contribution rate in 2021/22.

4. NON-FINANCIAL PERFORMANCE

Thames Valley Police

The Coronavirus (COVID-19) pandemic has hugely impacted on the work of the police in the last 12 months. The restrictions and lockdowns have had to be policed whilst at the same time investigating the crimes that have taken place effectively whilst ensuring the safety of all involved.

At the beginning of the year the force set out its strategic priorities for the year. These priorities applied throughout the year but in ways that would not have been expected.

Operational priorities:

- Reduce crime and incidents through problem-solving
- Bring more offenders to justice
- Protect the vulnerable
- Increase satisfaction of victims

Organisational priorities:

- Value our workforce
- Spend our resources wisely
- Implement digital developments

The demand from the public for our services has remained high, but the ways that people have contacted us has changed with 19% fewer 999 calls and 25% fewer 101 calls received whilst the number of contacts made via Single On-line Home reached 109,801. Improved management of our 101 performance was one of the areas targeted this year and it is pleasing that the average time to answer 101 calls has improved through the year and was under a minute in March 2021.

The overall volume of incidents between April 2020 and March 2021 decreased by 4.2% when compared to the same period in 2019/20. Despite the fall in the number of incidents, there were over 59,000 incidents which were directly related to the pandemic and whilst officers were able to engage, explain and encourage the public about the Coronavirus restrictions, there were occasions when enforcement activity was needed and 2,912 fixed penalty notices for breaches were issued.

2020/21 was an atypical year and this is clearly represented in the crime figures with our 'all crime' figure down by 9.2%. The force saw a 43.3% reduction in residential burglary this year and the increase in the use of Stop & Search (up by 50% to 22,356) is directly related to the increase in the number of possession of weapons (+2.5%) and possession of drugs (19.5%) incidents.

The Force has seen crime reductions in many areas:

- Violence with injury down by 14.7%
- Sexual offences down by 6.6%
- Robbery of business property down by 52.2%
- Robbery of personal property down by 28.0%
- Arson down by 7.2%
- Vehicle crime down by 33.4%
- All other theft down by 7.9%
- Residential burglary down by 43.3%
- Burglary – business and community premises down by 39.0%

However the Force has seen increases in crime in a number of areas:

- Violence without injury up by 13.3%
- Stalking and harassment up by 41.0%
- Burglary of sheds and garages up by 6.1%
- Public order offences up by 54.8%

Positive outcomes for volume crime increased substantially in the last year with increases of 25% in violence with injury; 54% in violence without injury; 40% in criminal damage and arson; 47% in drugs offences and 35% in public order offences. There was a significant increase in both rape (32.6%) and sexual offence (16.6%) charge volumes on last year. The number of offences resulting in a charge or summons has fallen slightly however, use of out of court disposals nearly doubled to over 10,000 offences.

During the pandemic, the impact on domestic abuse was a major concern. Whilst the number of reports was stable, there was an 8% increase in the number that were recorded as crimes. There has been an increase in the volume of domestic abuse (DA) arrests (for urgent and immediate attended crimes) resulting in an arrest rate 52% an increase from 45% in the previous year. This rate improved despite the volume of DA crimes we attended increasing. This has resulted in almost 1000 more offences being resolved with a positive outcome. The use of DVPNs and DVPOs (Domestic Violence Protection Notice / Order) to protect victims has increased this year.

Into the coming year we will continue to focus on the priority areas outlined in the 2021/22 Strategic plan.

5. CORONAVIRUS (COVID 19) PANDEMIC

The impact of the global pandemic has directly and indirectly affected the accounts of Thames Valley Police in many ways during the 2020/21 financial year.

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We have seen increases in spend for PPE and specialist equipment, reduced income from training and service sales, and redirection of funds to enable technology development to be brought forward in support of changes to working practices.

Operational resources have been redirected to meet the change in crime types during the lockdowns, and the need to cover resilience in areas where officers and staff have had to isolate or have been infected has also had a knock on effect on the spend profiles for the force.

Key areas of the accounts that have been impacted directly by the pandemic include:

Additional costs of PPE, for which TVP played a pivotal role in the national distribution for all police forces as well as supplying the local needs of TVP	£13.89m
Additional staffing costs to support the logistics of operations and manage the change required during the periods	£0.99m
Additional infrastructure and estates costs to ensure Covid safe working environments	£0.51m
Loss of income from sales and services	£2.30m
Reduced costs for goods and services due to less office working	-£0.50m
Reduced transport costs due to less traveling and increased use of technology	-£1.00m
Net Directly Attributable Costs of Covid	£16.19m

In response to the above we have been fortunate that additional funding has also been made available from the Home Office to cover the majority of these costs:

Funding for PPE for TVP and nationally	£12.22m
Funding for the logistics and distribution costs relating to PPE	£1.42m
Funding for specific Covid related enforcement during the lockdowns	£0.91m
Funding to cover the loss of income directly attributable to the pandemic	£1.54m
Total Additional Funding Received	£16.09m

Transport

The reduced spend on travel costs has been significantly helped by the free fuel that was offered to Blue Light organisations from BP during the first and last lockdowns, together with a significant reduction in travel by employees resulting in less mileage claims and almost no air travel. It is anticipated that with the successful introduction of new technologies and the adoption of Microsoft Teams, that these reduced levels of travel will be sustained and the environmental and financial savings will continue.

Income

A number of the force income streams have been affected by the pandemic, and these have been supported by additional Home Office funding. The net impact of these areas of income is a £0.64m under recovery against the anticipated budgets.

6. PEOPLE

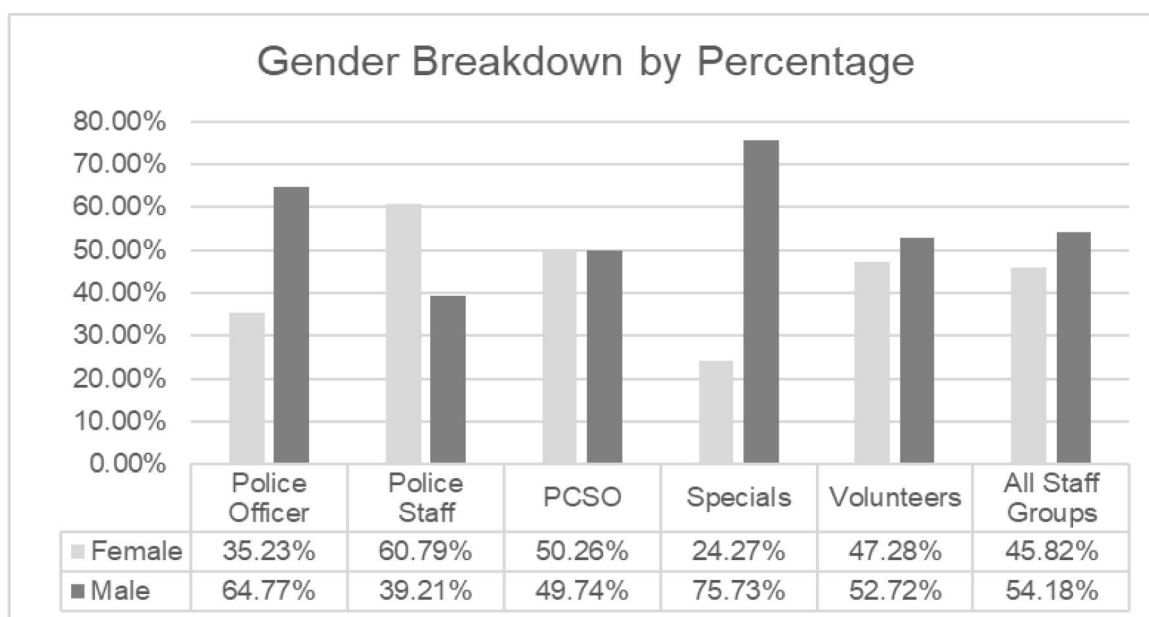
At 31st March 2021 Thames Valley Police employed 8,371 people in full and part time contracts. We also had 309 unpaid members of the special constabulary and 717 volunteers giving a total workforce of 9,397.

Below is the make-up of the Police workforce. This includes headcount of circa 697 police officers and police staff and FTE of circa 681 police officers and police staff who work in regional collaborated units such as the Counter Terrorist Police South East (CT PSE), SE Regional Organised Crime Unit (SEROUC), regional specialist firearms and the Chiltern Transport Consortium (CTC).

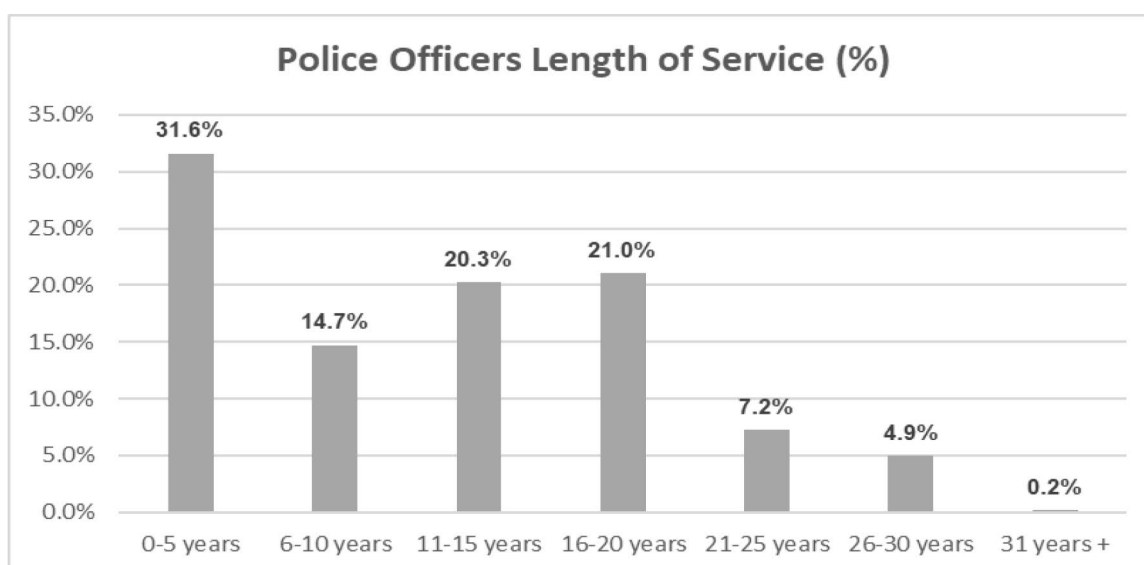
NARRATIVE REPORT AND FINANCIAL REVIEW

	Workforce	Full Time Equivalent
Police Officers	4,527	4,435
Police Staff	3,466	3,254
PCSO	378	365
Paid employees	8,371	8,054
Special Constabulary	309	
Volunteers	717	
Total workforce	9,397	

The following graph shows the gender breakdown for each type of employee and volunteer.



In terms of police officers Thames Valley has a relatively “young” workforce in terms of experience with 67% of officers having less than 15 years’ service, as shown below.



Paid time off for union representatives

In line with Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328) the Chief Constable has an obligation to report annually on paid time off provided to trade union representatives for trade union duties and activities. The following details relate to 2020/21. There were 25 employees who were union officials during the period (15.0 full time equivalents). The total cost of this facility time was £879,068 which represents 0.22% of the total pay bill.

7. PRINCIPAL RISKS AND UNCERTAINTIES

A risk management strategy is in place which allows the identification and management of risk at all levels of the Force. There is a defined and consistent process which supports better decision-making based on an understanding of the likelihood and impact of opportunities and risks.

The Chief Constable's Management Team (CCMT) currently leads on 13 strategic risks, which are reviewed and updated quarterly. The Joint Independent Audit Committee has oversight of these reports and provides assurance of the governance of risk management processes.

A further eight strategic risks specifically related to COVID-19 have been added to the Strategic Risk Register since February 2020. These are also regularly reviewed and updated, reporting into CCMT through the same governance process. They are also incorporated into the Force recovery planning governance process.

All risks are assessed according to impact and likelihood, with appropriate mitigating action in place to prevent them becoming issues for the Force.

The highest graded risk relates to the delivery of the national Emergency Services Mobile Communications Project; a further moderate technical risk relates to the same programme of work. Mitigation is in place locally and through the regional programme governance.

The only other technical risk recorded is for the Livelink system, which is a legacy system that needs to remain functional until the introduction of Sharepoint. Reasonable assurance of the mitigation actions and clear governance contribute to this being regarded as a medium risk for the organisation, albeit the potential for system issues continues.

Five strategic risks relate to operational policing activity – CSI accreditation, backlogs in the Multi-agency Safeguarding Hubs, coherent governance over Missing & Exploitation hub activity, impact of released under investigation on timeliness of criminal justice outcomes and capacity within the custody environment. Mitigating actions are in place to address the identified risks and ensure appropriate service provision.

Related to above operational risks are three organisational risks – retention of officers and staff, predicted abstraction rates associated with new entry routes and recruitment. Significant progress has been made in relation to retention and recruitment, and further mitigation continues.

A new risk regarding police complaints was added in November 2020. As a result of national legislative changes to the police complaints and disciplinary system, the number of complaints received by the Force increased substantially causing a risk to legislative compliance, public confidence and organisational reputation. Proactivity and increased resources are reducing the likelihood of this outcome.

The sustainability of police finances continues to constitute a strategic risk, but has reduced in likelihood due to increase in council tax precept and continued government support for the Police Uplift Programme. The risk is associated with financial stability from 2023/24 onwards.

Strategic risks are being actively managed by the Chief Constable's Management Team, supported by the Strategic Governance Unit. Regular reporting mechanisms ensure effective management and

oversight. Local and Strategic Risk Registers are routinely reviewed and updated, involving senior stakeholders and subject matter experts as appropriate.

8. SUMMARY AND CONCLUSION

The PCC and Chief Constable have a strong track record of effective financial management. The budgeting process is very thorough with rigorous challenge from both the Chief Constable's Management Team and the PCC.

Since 2010/11 cash savings of over £109 million have been identified and delivered.

The latest medium term financial plan, which covers the four-year period 2021/22 to 2024/25, identifies further cash savings of at least £16 million, including £3.5 million in 2021/22 and provides for some reinvestment in priority areas.

The PCC has approved a four-year capital plan which will provide Thames Valley Police with the appropriate infrastructure and assets to help deliver innovative policing strategies with fewer resources.

During 2020/21 the force has made great strides in recruiting additional police officers under the national Police Uplift Programme. TVP was asked to recruit an additional 183 police officers by March 2021 but, in reality, TVP recruited an additional 271 officers which meant we ended the year 88 officers above target and well on our way to achieving the new target of 171 extra officers for 2021/22 (plus XX8or SEROCU).

The Covid-19 pandemic is a once in a lifetime occurrence that has created havoc with the global economy and people's lives and freedoms. TVP played a lead role in purchasing PPE on behalf of all forces in England and Wales and we are grateful to the Home Office for reimbursing these costs in full. As shown on page 12 we also received reimbursement for the vast majority of other Covid-19 related costs and lost income. We continue to report these additional costs to the Home Office as required as well as monitoring them closely in TVP.

Despite these financial challenges the PCC continues to maintain a healthy level of cash balances which will be used in a judicious manner in future years to help manage the budget and deliver the PCC's police and crime plan priorities.

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

Receipt of further information

You can also find information about Thames Valley Police finances by looking at the TVP website at <http://www.thamesvalley.police.uk/aboutus/aboutus-fg.htm>

If you would like to receive further information about these accounts please do not hesitate to contact me by email Linda.waters@thamesvalley.pnn.police.uk or phone (01865 541479)

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff in my office (notably Alison Moran) and colleagues in the OPCC (notably Judi Banks). I would like to express my gratitude to all colleagues who have assisted in the preparation of this document. I would also like to thank them for all their support during the year.



Linda Waters
Director of Finance

EXPLANATION OF ACCOUNTING STATEMENTS

The Accounts and Audit Regulations 2015 require the Chief Constable to produce a Statement of Accounts each financial year. These statements contain a number of different elements which are explained below.

Statement of Accounts

The **Auditor's Report** gives the auditor's opinion on whether the accounts for Thames Valley Police provide a true and fair view of the financial position and operations for the year.

Statement of Responsibilities sets out the respective responsibilities of the Chief Constable and the Director of Finance

The **Core Financial Statements** are:

The Movement in Reserves Statement shows the movement in the year on the reserves. The surplus or (deficit) on the Provision of Services line shows the economic [rather than cash] cost of providing policing services, more details of which are shown on the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes.

The **Comprehensive Income and Expenditure Statement (CIES)** summarises the resources generated and consumed in the year. This presentation of information is in line with CIPFA guidance and is commensurate with the in year internal reporting to management of income and expenditure. (See the outturn position table on page 6 for more detail of the in-year reporting)

The **Balance Sheet** is a snapshot of the Chief Constable's assets, liabilities, cash balances and reserves at the year-end date.

The **Cash Flow Statement** shows the inflows and outflows of cash to the force. The Chief Constable does not operate a bank account and therefore the balance on this statement is £nil

The **Supplementary Financial Statements** are:

The **Annual Governance Statement** explains the governance processes and procedures in place to enable the PCC and Group to carry out their functions effectively. The AGS highlights the Group's internal control environment, comments on its effectiveness and identifies issues for future work.

The **Notes** to these financial statements provide more detail about the Chief Constable's accounting policies and individual transactions

The **Police Pension Fund Accounts** sets out the financial position of the Police Pension Fund as at 31st March 2021

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

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR THAMES VALLEY POLICE

Opinion

We have audited the financial statements of the Chief Constable of Thames Valley for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Chief Constable of Thames Valley Movement in Reserves Statement;
- Chief Constable of Thames Valley Comprehensive Income and Expenditure Statement;
- Chief Constable of Thames Valley Balance Sheet;
- Chief Constable of Thames Valley Cash Flow Statement
- the related notes 1 to 24 and the Expenditure and Funding Analysis; and
- Chief Constable of Thames Valley 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 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Thames Valley as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

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 below. We are independent of the Chief Constable for Thames Valley 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 the Comptroller and Auditor General's (C&AG) AGN01, 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

In auditing the financial statements, we have concluded that the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the chief constable's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the chief constable's ability to continue as a going concern.

Other information

The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon. The Director of Finance is responsible for the other information contained within the statement of accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

AUDIT REPORT AND OPINION

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

We have nothing to report in this regard.

Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- 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;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects

Responsibilities of the Director of Finance

As explained more fully in the Statement of Responsibilities for the Accounts set out on page 21, the Director of Finance 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 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine 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 Director of Finance 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 the Chief Constable either intends to cease operations, or have no realistic alternative but to do so.

The Chief Constable is responsible for putting in place proper arrangements to secure 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014,
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,
- Anti-social behaviour, Police and Crime Act 2014,
- Police Pensions scheme regulations 1987,
- Police Pensions regulations 2006; and
- Police Pensions regulations 2015.

In addition, the Chief Constable has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

- We discussed as an engagement team how and where fraud may arise. We understood how the Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through reading the Chief Constable's committees' minutes, through enquiry of employees to confirm the Chief Constable's policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance through inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Chief Constable's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine, lowering testing thresholds in our testing.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. In addition, we assessed whether the judgements made in making accounting estimates were indicative of a potential bias and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

AUDIT REPORT AND OPINION

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether the Chief Constable had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria 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 2021.

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 form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure 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 satisfy ourselves that the Chief Constable of Thames Valley 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.

Delay in certification of completion of the audit

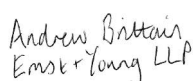
We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Chief Constable's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have completed our procedures on the Chief Constable's value for money arrangements for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements. We will report the outcome of our work on the Chief Constable's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Chief Constable of Thames Valley, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Thames Valley, for our audit work, for this report, or for the opinions we have formed.



Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Reading
18 October 2021

STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS

The Chief Constable's Responsibilities

The Chief Constable is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Director of Finance) has the responsibility for the administration of those affairs.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the statement of accounts

I approve these accounts on behalf of Thames Valley Police



John Campbell QPM
Chief Constable
15 October 2021

Director of Finance

The Director of Finance is responsible for the preparation of the Chief Constable's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code').

In preparing this Statement of Accounts, the Director of Finance has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code.
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

In my opinion, the Statement of Accounts gives a true and fair view of the financial position of the Thames Valley Police Authority as at 31st March 2021 and its income and expenditure for the year then ended.



Linda Waters, MBA ACA
Director of Finance
15 October 2021

MOVEMENT IN RESERVES STATEMENT

Movement in Reserves Statement for the years ended 31st March 2020 and 2021

Note	General Fund £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31st March 2019	0	0	0	0	0	-4,740,054	-4,740,054
Movement in reserves during 2019/20							
Total comprehensive Expenditure and Income	-164,135	0	0	0	-164,135	461,957	297,822
Adjustments between accounting basis & funding basis under regulations	164,135		0	0	164,135	-164,135	0
Net increase/Decrease before transfers to Earmarked Reserves	0	0	0	0	-0	297,822	297,822
Transfers to/from earmarked reserves	0	0			0	0	0
Increase/Decrease in Year	0	0	0	0	-0	297,822	297,822
Balance at 31st March 2020 carried forward	0	0	0	0	0	-4,442,232	-4,442,232
Movement in reserves during 2020/21							
Total comprehensive Expenditure and Income	-184,241	0	0	0	-184,241	-469,037	-653,278
Adjustments between accounting basis & funding basis under regulations	184,241		0	0	184,241	-184,241	0
Net increase/Decrease before transfers to Earmarked Reserves	0	0	0	0	0	-653,278	-653,278
Transfers to/from earmarked reserves	0	0					0
Increase/Decrease in Year	0	0	0	0	0	-653,278	-653,278
Balance at 31st March 2021 carried forward	0	0	0	0	0	-5,095,510	-5,095,510

All earmarked reserves belong to the PCC on behalf of the Group. The Chief Constable therefore had no transfers to/from earmarked reserves during the year and no usable or earmarked reserve balances at year end

EXPENDITURE AND FUNDING ANALYSIS

Expenditure and Funding Analysis Disclosure Note

The Expenditure and Funding Analysis is a disclosure note that shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes by the Chief Constable's Management Team. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. See note 5 for more details. Please note that this is not a primary statement

	2019/20			2020/21		
	Net expenditure charged to general fund	Adjustments between Accounting basis & Funding basis	Net expenditure in the CIES	Net expenditure charged to general fund	Adjustments between Accounting basis & Funding basis	Net expenditure in the CIES
	£000	£000	£000	£000	£000	£000
<i>TVP operational budgets under the direction & control of the Chief Constable</i>						
Employees	321,590	162,475	484,065	365,388	170,178	535,566
Premises	18,186		18,186	19,180		19,180
Transport	24,592		24,592	22,757		22,757
Supplies & Services	60,183		60,183	68,507		68,507
Third Party Payments	12,431		12,431	12,838		12,838
Capital Charges	13,488	1,424	14,912	6,159	13,528	19,687
Non specific Income	-116,029		-116,029	-130,643		-130,643
Cost of Services	334,441	163,899	498,340	364,185	183,706	547,891
Other income & expenditure	-334,441	236	-334,204	-364,186	535	-363,651
Surplus or Deficit	-0	164,135	164,135	0	184,241	184,241
Opening General Fund Balance	0			0		
Add surplus or Deficit	-0			0		
Transfers to/from reserves & General Balances	0			0		
Closing General Fund Balance	-0			0		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Comprehensive Income and Expenditure Statement 2020/21

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.

		2019/20			2020/21		
		Gross expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
<i>TVP operational budgets under the direction & control of the Chief Constable</i>							
Employees		484,065	0	484,065	535,566	0	535,566
Premises		18,186	0	18,186	19,180	0	19,180
Transport		24,592	0	24,592	22,757	0	22,757
Supplies & Services		60,183	0	60,183	68,507	0	68,507
Third Party Payments		12,431	0	12,431	12,838	0	12,838
Capital Charges		14,912	0	14,912	19,687	0	19,687
Specific Income		0	-116,029	-116,029	0	-130,643	-130,643
Financial resources of the PCC consumed at the request of the Chief Constable		614,368	-116,029	498,340	678,535	-130,643	547,891
Intra group funding				-450,475			-463,849
Cost of Services		614,368	-116,029	47,865	678,535	-130,643	84,042
Other operating Expenditure:							
Gain/loss on disposal of fixed asset	8c			236			547
Levies to national police service				0			0
Financing & investment income & expenditure:							
Interest payable				0			0
Impairment loss allowance	8a	22		22	-25		-25
Pensions interest cost	8a	116,012	0	116,012	99,688	0	99,688
Interest & investment income				0			0
Taxation & non specific grant income		0	0	0	0	-12	-12
Surplus/deficit on provision of service				164,135			184,241
Surplus/deficit on revaluation of fixed assets				0			0
Remeasurement of net defined liability				-461,957			469,037
Other gain/loss				0			0
Total other comprehensive Income and Expenditure				-461,957			469,037
Total comprehensive Income & Expenditure				-297,822			653,278

Notes: Re-measurement of net defined pension liabilities are either due to changes in assumptions (on liabilities) and "experience items" – actual outcome different to expected – for both assets and liabilities.

BALANCE SHEET

The Balance Sheet

The Balance Sheet shows the value at 31st March of the assets and liabilities recognised by the Chief Constable. Net assets are matched by the unusable reserves held by the Chief Constable. (i.e. those that the Chief Constable is not able to use to provide services). This category includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31.3.19	31.3.20		Note	31.3.21
£000	£000			£000
		Long Term Assets		
25,001	24,692	Property, Plant and Equipment	13	25,797
18,142	22,620	Intangible assets	15	14,820
0	0	Long term investments		0
1,215	456	Long term debtors	17	342
44,358	47,768	Total Long Term Assets		40,959
		Current Assets		
0	0	Short term investments		0
1,167	1,301	Inventories	16	4,044
40,234	27,959	Short term debtors	17	28,228
0	0	Cash and cash equivalents		0
0	0	Assets held for sale		0
41,401	29,260	Total Current Assets		32,272
		Current Liabilities		
0	0	Short term borrowing		0
-39,171	-39,615	Short term creditors	18	-44,960
-2,398	-2,280	Provisions	19	-2,818
-5,821	-6,265	Accumulated absences		-6,645
-52,960	-45,043	Intra group balance	4	-47,223
-100,351	-93,204	Total Current Liabilities		-101,646
		Long Term Liabilities		
0	0	Long term creditors		0
-6,228	-6,748	Provisions	19	-6,285
0	0	Long term borrowing		0
-4,719,236	-4,419,310	Liability related to defined benefit pension schemes	23	-5,058,145
0	0	Donated assets account		-2,666
0	0	Capital grants received in advance		0
-4,725,464	-4,426,058	Total Long Term Liabilities		-5,067,096
-4,740,056	-4,442,234	Net Assets / (Liabilities)		-5,095,511
		Reserves		
0	0	Usable reserves		0
-4,740,056	-4,442,234	Unusable reserves	21	-5,095,512
-4,740,056	-4,442,234	Total Reserves		-5,095,512

CASH FLOW STATEMENT

The Cash Flow Statement

This statement does not show any cash flows for the year ending 31st March 2021 as all payments were made from the police fund which is held by the PCC and similarly all income and funding is received by the PCC during the year.

	Note	31.3.20	31.3.21
		£000	£000
Net (surplus)/deficit on the provision of services		164,135	184,241
Adjust net surplus/deficit for non cash movements	24	-183,289	-198,191
Adjust for items included in surplus/deficit that are investing and financing activities		583	654
Net cash flows from Operating Activities		-18,570	-13,296
Investing Activities	24	18,570	13,296
Financing Activities		0	0
Net increase (-) or decrease in cash and cash equivalents		-1	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	0

GENERAL ACCOUNTING POLICIES

a. General principles

These financial statements have been prepared in accordance with the Code of Practice (the code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). The accounts have been compiled in accordance with the code, except that it has departed from the code in respect of the treatment of certain types of inventories in order to achieve a true and fair presentation. (See note 16 for more details)

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the PCC/CC will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

In carrying out a Going Concern assessment the PCC has taken into account its statutory duty to allocate assets and funds to the Chief Constable. The PCC/CC has considered known and expected government funding and determined that it has sufficient liquidity from its ability to access short term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the PCC/CC are satisfied that they can prepare their accounts on a going concern basis.

The PCC/CC's detailed assessment has considered the following:

- ◆ We have a history of strong and effective financial management which has been praised by HMICFRS in various inspection reports. In the latest State of Policing report TVP was graded GOOD for Efficiency, Effectiveness and Legitimacy
- ◆ We have carried out a self-assessment against the new CIPFA Financial Management Code and reported the results to the Joint Independent Audit Committee, who will also monitor implementation of agreed action plans
- ◆ Despite the impact of Covid-19 we managed revenue and capital resources within budget during 2020/21.
- ◆ We have an efficient and effective internal audit service that reports jointly to the PCC CFO and the Force Director of Finance. Quarterly update reports are presented to the Joint Internal Audit Committee. In his Annual Audit opinion for 2020/21 the Chief Internal Auditor has issued an overall grade of Reasonable Assurance
- ◆ We produce and publish a detailed annual financial strategy, capital strategy, reserves strategy and a treasury management strategy statement
- ◆ We produce a very detailed 4 year medium term financial plan as well as a 4 year capital plan
- ◆ We have an effective and proven Productivity Strategy that has already identified £125m of cashable revenue savings. This work is ongoing through the Efficiency and Effectiveness Programme, driven by the Deputy Chief Constable and supported by the Director of Finance and other senior colleagues
- ◆ The medium term financial plan is fully balanced in 2021/22 but has identified shortfalls in later years. In the absence of key information such as future pay awards, grant and precept levels we have not attempted to balance these later years but have listed all the key assumptions and risks in the budget book. Work is ongoing to update the draft budget for 2022/23 and medium term financial plan and regular updates will be provided to both CCMT and PCC in coming months. Our current forecasts for the end of October 2022 are £38m in usable revenue reserves and circa £73m of cash and cash equivalents

- General balances are comfortably above the minimum 2.5% of revenue expenditure level and are forecast to remain so in coming years. Our current forecasts for the end of October 2022 are £19m in general reserves which equates to 4% of the net revenue budget in 2021/22
- Although earmarked reserves increased during 2020/21 this was due to a combination of one-off grants associated with Covid-19 and delays in implementing capital schemes and other strategic investment. We have a clear and affordable plan to utilise earmarked reserves in coming years
- We maintain an insurance provision to fund future insurance liabilities. The insurance provision and separate insurance reserve are sufficient to meet all actuarially assessed liabilities as at 31st March 2021.
- We have sufficient capital reserves and balances to fund planned expenditure over the next 4 years, although we recognise that the scarcity of future capital resources (i.e. capital receipts and capital grant) will place an increased burden on the revenue budget through higher revenue contributions (Direct Revenue Financing) or debt charges on new borrowing.
- ◆ The CFO publishes a detailed Section 25 report (Local Government Act 2003) to accompany the annual budget report highlighting all key issues and concerns
- ◆ All revenue and capital budgets have a nominated budget manager. Detailed budget monitoring is undertaken on a monthly basis with summary reports being to CCMT and the PCC, with remedial action taken immediately to address any areas of concern.
- ◆ The Annual Governance Statement for 2020/21 has not identified any significant areas weakness in governance or internal control that require immediate attention during 2021/22,
- ◆ We will continue to report the financial implications of Covid-19 to Home Office as required and will seek financial reimbursement as appropriate. However, these costs are no longer material to the accounts

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

Following the passing of the Police Reform and Social Responsibility (PRSR) Act 2011, Thames Valley Police Authority was replaced on 22nd November 2012 with two 'corporation sole' bodies, the Police and Crime Commissioner (PCC) for Thames Valley and the Chief Constable. Both bodies are required to prepare separate Statement of Accounts.

The Financial Statements included here represent the accounts for the Chief Constable. The financial statements cover the 12 months to the 31 March 2021. The term 'Group' is used to indicate individual transactions and policies of the PCC and Chief Constable for the year ended 31 March 2021.

Some figures within tables may not sum up exactly due to rounding differences when stating values to the nearest thousand pounds.

The notes relating to specific financial statement lines include the corresponding accounting policy. As a result there is not a separate principal accounting policies note but the section below details general accounting policies where there are not accompanying notes.

b. Accruals of expenditure

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

- Supplies are recorded as expenditure when they are consumed.

- Where expenditure has been recognised (using estimates when appropriate) but cash has not been paid, a creditor for the relevant year is recorded in the Balance Sheet.
- Where income and expenditure has been recognised (using estimates when appropriate) but cash has not been received or paid, a debtor or creditor for the relevant year is recorded in the Balance Sheet.

c. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Chief Constable in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Chief Constable recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Chief Constable and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Chief Constable accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

d. Overheads and support services

In line with CIPFA's Police Objective Analysis, the costs of support services are fully allocated to the Chief Constable's services.

e. VAT

The Chief Constable does not submit a separate VAT return and the PCC submits a single VAT return on behalf of the group. Income and expenditure in the comprehensive income and expenditure statement excludes any amounts related to VAT, as VAT collected is payable to HM Revenue and Customs and the vast majority of VAT paid is recoverable from it.

1. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

- Definition of a Business: Amendments to IFRS3 Business combinations
- Interest Rate Benchmark reform: Amendments to IFRS9, IAS39 and IFRS 7
- Interest Rate Benchmark reform – Phase 2: Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16

It is not expected that any of these amendments will have a material impact on the information provided in the financial statements

IFRS 16 - Leases was due to be adopted in the financial year 2021/22 but has been deferred to 2022/23 with an effective date of 1st April 2022.

2. SIGNIFICANT ESTIMATES AND JUDGEMENTS IN APPLYING THE ACCOUNTING POLICIES

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed

on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

- a. A judgment has been made of the expenditure allocated between the PCC and Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the Group in accordance with the standard set of activities for each corporate body identified in CIPFA's published guidance at the time (SeRCOP). In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the PRSR Act and Home Office guidance.
- b. The costs of a pension arrangement require estimates regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the PCC as advised by their actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- c. Changes to IFRS 11 (Joint Arrangements) required the Chief Constable to classify their collaborative arrangements. Senior Management within both Thames Valley Police and their collaboration partners have considered the nature of the arrangements and most importantly, whether joint control exists within each arrangement, and in each case, a judgement has been made that the arrangement is outside the scope of the new collaboration standard. The Chief Constable will continue to account for its own share of income and expenditure of each arrangement. Details of these values are shown in note 11 (related party transactions)
- d. During 2020/21, Thames Valley Police operated the national store for Personal Protective Equipment (PPE) on behalf of all police forces in the country. The stock was initially supplied by forces and paid for via Home Office grant but this was then taken over (both supply and funding) by the Department of Health. TVP was responsible for the onward distribution as determined by the National Police Coordination Centre. As such, it has been determined that TVP are operating as an agent and not as principal in the acquisition and distribution of the stock. The PPE stock is held as an inventory on the Balance Sheet, valued at average market price, but no entries will be shown through the Consolidated Income and Expenditure Statement

3. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year involved the pension liability for police staff. The discount rates used to calculate the pension liabilities are estimates, any changes in which could impact on the total liability of the relevant pension funds. See note 23 for a sensitivity analysis and details of the impact of a change in the discount rate. Furthermore, the full impact of the McCloud/Sargeant judgement on both the police officer and police staff pension schemes is still unknown. For full explanation, see note 23.

4. INTRA GROUP ADJUSTMENTS

Both the Police and Crime Commissioner and the Chief Constable are separate legal entities. The Group statement of accounts (PCC Group) reflects the consolidated accounts of the PCC and its subsidiary the Chief Constable.

The table below shows the movement through an intra group account within the respective accounts during 2020/21 and 2019/20. There are no outstanding intra group balances at year end, as the PCC

NOTES TO THE ACCOUNT

paid all financial resources consumed at the request of the Chief Constable and an intra group adjustment was made to offset the Chief Constable's consumption of resources

Intra group balances for 2019/20	PCC £000	CC £000	Group £000
Opening balance as at 1 st April 2019	0	0	0
Balance sheet intra group adjustment	- 45,043	45,043	0
PCC resources consumed at the request of the Chief Constable	- 450,475	450,475	0
PCC Intra group adjustment	495,518	- 495,518	0
Closing balance as at 31st March 2020	0	0	0

Intra group balances for 2020/21	PCC £000	CC £000	Group £000
Opening balance as at 1 st April 2020	0	0	0
Balance sheet intra group adjustment	- 47,223	47,223	0
PCC resources consumed at the request of the Chief Constable	- 463,849	463,849	0
PCC Intra group adjustment	511,072	- 511,072	0
Closing balance as at 31st March 2021	0	0	0

5. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

		2019/20			2020/21			
Adjustments from General Fund to arrive at the CIES amounts	Adjustments for capital purposes	Net change for the pensions Adjustments	Other differences	Total Adjustments	Adjustments for capital purposes	Net change for the pensions Adjustments	Other differences	Total Adjustments
TVP operational budgets under the direction & control of the Chief Constable								
Employees		162,031	444	162,475		169,798	380	170,178
Premises				0				0
Transport				0				0
Supplies & Services				0				0
Third Party Payments				0				0
Capital Charges	1,424			1,424	13,528			13,528
Non specific Income				0				0
				0				0
net cost of services	1,424	162,031	444	163,899	13,528	169,798	380	183,706
				0				0
other income & expenditure from the expenditure & funding analysis	236			236	535			535
Difference between General Fund & surplus or deficit and CIES statement surplus or deficit on the provision of services								
	1,660	162,031	444	164,135	14,063	169,798	380	184,241

6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year in accordance with proper accounting practice. All items are adjustments between the general fund balance and the unusable reserves shown below.

2020/21

	General Fund Balance £000	Capital Receipts Reserve £000	Unusable Reserves £000
Adjustments to the Revenue Resources			
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:			
Pensions costs (transferred to or from the pensions reserve)	169,798		-169,798
Financial instruments (transferred to the financial instruments adjustment account)	0		0
Council tax (transfers to or from the collection fund adjustment account)	0		0
Holiday Pay (transferred to the accumulated absences account)	380		-380
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	19,675		-19,675
Non current assets written off on disposal (charged to capital adjustment account)	1,201		-1,201
Total Adjustments to the Revenue Resources	191,054		-191,054
Adjustments between revenue and capital Resources			
Transfer of non current asset sale proceeds from revenue to capital receipts reserve	-654	654	
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	0	0	0
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	-6,159		6,159
Total Adjustments between revenue and Capital Resources	-6,813	654	6,159
Adjustments to capital resources			
Use of capital receipts reserve to finance capital expenditure	0	-654	654
Application of capital grants to finance capital expenditure	0		0
Total Adjustments to capital resources	0	-654	654
Total Adjustments	184,241	0	-184,241

NOTES TO THE ACCOUNT

2019/20

	General Fund Balance £000	Capital grant unapplied £000	Unusable Reserves £000
Adjustments to the Revenue Resources			
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:			
Pensions costs (transferred to or from the pensions reserve)	162,031		-162,031
Financial instruments (transferred to the financial instruments adjustment account)	0		0
Council tax (transfers to or from the collection fund adjustment account)	0		0
Holiday Pay (transferred to the accumulated absences account)	444		-444
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	14,912		-14,912
Non current assets written off on disposal (charged to capital adjustment account)	819		-819
Total Adjustments to the Revenue Resources	178,206		-178,206
Adjustments between revenue and capital Resources			
Transfer of non current asset sale proceeds from revenue to capital resources	-583	583	
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	0	0	0
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	-13,488		13,488
Total Adjustments between revenue and Capital Resources	-14,071	583	13,488
Adjustments to capital resources			
Use of capital receipts reserve to finance capital expenditure	0	-583	583
Application of capital grants to finance capital expenditure	0		0
Total Adjustments to capital resources	0	-583	583
Total Adjustments	164,135	0	-164,135

7. EVENTS AFTER THE BALANCE SHEET DATE

Accounting Policy

When an event occurs after the balance sheet date which provides evidence of conditions that existed at the balance sheet date an adjusting event occurs and the amounts recognised in the Statement of Accounts will be adjusted to take into account any values that reflect the adjusting event. Where an event occurs after the Balance sheet date that is indicative of conditions that arose after the balance sheet date, the amounts recognised in the statement of accounts are not adjusted but disclosed as a separate note to the accounts. Events after the balance sheet date are reflected up to the date when the statement of accounts is authorised for issue and published.

The Statement of Accounts was authorised for issue by the Director of Finance on 15 October 2021. Events taking place after this date are not reflected in the financial statement or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect this information. There are no material non adjusting events to report

8. ANALYSIS OF ITEMS IN COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

a) Financing and Investment income and expenditure

	2019/20	2020/21
	£000	£000
Interest payable	0	0
Impairment loss allowance	22	-25
Pensions interest cost on net defined benefit liability	116,012	99,688
Subtotal Financing and Investment expenditure	116,034	99,663
Interest and investment income	0	0
Total Operating Expenditure	116,034	99,663

b) Specific grant income

	2019/20	2020/21
	£000	£000
PFI grant	- 1,032	- 1,032
Counter terrorism grant (including dedicated security posts)	- 36,554	- 37,544
SEROCU grant	- 4,672	-3,964
Disclosure Bureau Services	- 1,234	- 1,470
Home Office (Serious violence, Violence reduction unit)	- 3,100	- 2,573
Use of the apprenticeship levy	- 78	- 90
Pensions grant	- 4,312	- 4,312
Covid 19 grant	- 752	- 6,600
Recruitment uplift grant	- 877	- 5,118
Other small grants	- 915	- 1,612
Total specific grant income	- 53,526	- 64,315

NOTES TO THE ACCOUNT

c) Other operating expenditure

	2019/20	2020/21
	£000	£000
Gain (-)/loss on disposal of fixed asset	236	547
Levies to national police service	0	0
Total Operating Expenditure	236	547

9. OFFICERS' REMUNERATION

		Note	Salary, fees & allowances	Bonuses	Expense allowances	Benefits in Kind	Total remuneration excluding pension	pension contribution	Total
			£	£	£	£	£	£	£
Police Force									
John Campbell	19/20	1	179,770	0	0	5,740	185,510	54,045	239,556
(Chief Constable)	20/21		184,129	0	0	0	184,129	4,550	188,680
Jason Hogg	19/20	2	145,832	0	5	0	145,836	44,588	190,424
(Deputy Chief Constable)	20/21		149,427	0	0	0	149,427	45,702	195,130
Tim De Meyer	19/20		112,639	0	0	6,394	119,033	34,298	153,331
(Assistant Chief Constable)	20/21		127,509	0	0		127,509	36,583	164,091
Pete O'Doherty	19/20	3	79,047	0	0	0	79,047	23,655	102,702
(Assistant Chief Constable)	20/21		116,566	0	0	0	116,566	33,965	150,532
Chris Ward	19/20	4	117,504	0	110	0	117,614	31,217	148,831
(Temp Assistant Chief Constable)	20/21		49,448	0	0		49,448	5,467	54,914
Nicola Ross	19/20	5	57,831	0	0	4,845	62,676	14,657	77,333
(Assistant Chief Constable)									
Christian Bunt									
(Temporary Assistant Chief Constable)	20/21		106,909	0	0	0	106,909	28,153	135,062
Ben Snuggs	19/20		0	0	0	0	0	0	0
(Assistant Chief Constable)	20/21	7	0	0	0	0	0	0	0
Amanda Cooper	19/20	8	126,211	0	0	0	126,211	17,038	143,249
(Director of Information)	20/21		130,151	0	0		130,151	21,605	151,756
Steven Chase	19/20		114,008	0	0	0	114,008	15,391	129,400
(Director of People)	20/21		116,718	0	0	0	116,718	19,375	136,093
Linda Waters	19/20		116,078	0	0	0	116,078	15,671	131,749
(Director of Finance)	20/21		119,275	0	0	0	119,275	19,800	139,075

The following sums have been paid to members of the Chief Constable's Management Team.

- Note 1: John Campbell was Deputy Chief Constable until 31.3.19. He was promoted to Chief Constable on 1.4.19. He withdrew from the pension scheme in May 20
- Note 2: Jason Hogg was promoted to Deputy Chief Constable on 1.4.19
- Note 3: Pete O'Doherty was appointed as ACC on 04.7.19
- Note 4: Chris Ward was promoted to temporary ACC on 06.05.19. He retired on 31.07.20
- Note 5: Nikki Ross retired on 31.08.19
- Note 6: Christian Bunt was promoted to Temporary Assistant Chief Constable on 03.08.20

NOTES TO THE ACCOUNT

Note 7: Ben Snuggs is employed by Hampshire Police and part of his remuneration is recharged to Thames Valley Police. For full details of his salary and benefits, please see Hampshire Police's statement of accounts for 2020/21.

Note 8: Amanda Cooper is employed by Thames Valley Police, but part of her remuneration is recharged to Hampshire Police

Following changes to taxation regulations for 20/21, no chief officers have any taxable personal use of vehicles and therefore no longer incur a benefit in kind.

The following table shows the number of police officers and staff employed and paid directly by TVP whose total remuneration package exceeded £50,000. In this respect, total remuneration comprises gross pay as recorded on employee's P60 tax returns, together with taxable benefits in kind as disclosed to the HM Revenue and Customs on Form P11D. This table excludes those senior officers whose salaries etc. are disclosed separately above, as well police officers and staff who, as at 31st March 2021, are seconded to national bodies such as the College of Policing

Total Remuneration £	2019/20	2020/21
100,000 - 104,999	1	1
95,000 – 99,999	4	5
90,000 – 94,999	9	12
85,000 – 89,999	10	17
80,000 – 84,999	26	16
75,000 – 79,999	13	21
70,000 – 74,999	26	27
65,000 – 69,999	40	45
60,000 – 64,999	118	186
55,000 - 59,999	318	338
50,000 – 54,999	546	671

10. FEES PAYABLE TO EXTERNAL AUDITORS

The audit fee payable to the external auditors during the year totalled £0.087m for the group of which the portion relating to the Chief Constable was £0.025m

11. RELATED PARTY TRANSACTIONS

Central Government has effective control over the general operations of the Chief Constable - it is responsible for providing the statutory framework within which the Chief Constable operates and provides the majority of its funding in the form of grants. Details of significant transactions with government departments are disclosed elsewhere in the Statement of Accounts.

The Chiltern Transport Consortium provides a vehicle fleet management service to TVP, Bedfordshire Police, Cambridgeshire Constabulary, Hertfordshire Police, British Transport Police, Civil Nuclear Constabulary and the National Investigation Service. The following table provides a high level split of gross costs.

	£000
TVP	6,259
Bedfordshire Police	2,686
Civil Nuclear Constabulary	704
Hertfordshire Police	3,084
Cambridgeshire Constabulary	2,774
British Transport Police	3,003
National Investigation Service	32
External Income	975
Total Gross Cost	19,519

The South East Regional Organised Crime Unit (SEROUC) comprises several different capabilities as recommended by the National ROCU board. The following table provides a high level split of gross costs.

NOTES TO THE ACCOUNT

	£000
TVP	4,658
Hampshire Police	3,449
Kent Police	22
Surrey Police	2,392
Sussex Police	2,911
External Income	7,062
Total Gross Cost	20,494

TVP lead the regional Counter Terrorism Specialist Firearms Officers unit for Thames Valley, Hampshire, Surrey, Sussex and Kent but officers remain employed by their home force and hence their costs do not show in the TVP ledger. As lead TVP receives the full grant from National Counter Terrorism Police Head Quarters and distributes to the regional partners.

	£000
TVP	2,739
Hampshire Police	- 278
Surrey / Sussex / Kent Police	- 1,381
External Income	3,981
Total Gross Cost	5,060
Net Direct Expenditure Incurred by other forces	2,812
Total Unit Gross Cost	7,872

TVP leads the Regional Collaboration of a number of intelligence functions through the Counter Terrorist Policing South East (CTPSE) unit, which co-ordinates these function to enable the South East forces of Thames Valley, Hampshire, Surrey, Sussex and Kent to respond appropriately to threats in the region. Most of the officers remain employed by their Home forces as do their direct costs.

	£000
TVP	3,056
Hampshire Police	- 529
Surrey / Sussex / Kent Police	- 288
Total Gross Cost	2,240
Net Direct Expenditure incurred by other forces	4,711
Total Unit Gross Cost	6,951

We collaborate with Hampshire Police in terms of ICT, Information Management and ANPR which are led by TVP, and also Operations which is led by Hampshire. The following table provides a high level split of the gross costs incurred by each force for the combined units for 2020/21.

	£000
TVP	55,725
Hampshire Police	42,234
Total Gross Cost	97,960

During 20/21, Thames Valley Police held inventories of personal protective equipment on behalf of the Department of Health. More details can be found in note 16.

Chief Officers are required to declare whether they, or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the PCC or Thames Valley Police during the financial year. A letter has been sent to all chief officers to collect this information and the outcome is that there is one material related party transactions to disclose in 2020/21:

During the period October 2020 – March 2021 the Interim Head of ICT and his wife were both senior members of the ICT department. They were also both consultants, appointed through a recruitment agency. Invoices for both consultants are appropriately scrutinised and the Interim Head of ICT does not approve the invoices of his wife. This business relationship was approved by the Chief Constable's Management Team and was overseen and managed by the Director of Information.

12. TERMINATION BENEFITS

Accounting Policy

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are charged as an expense in the cost of services in the Comprehensive Income and Expenditure at the point in which the Chief Constable can no longer withdraw the offer of termination benefits.

During 2020/21, the Chief Constable terminated the contracts of 10 police staff (with service in excess of 2 years and thus entitled to redundancy payment) incurring total liabilities of £0.152m of redundancy payments and £0.291m of pension strain costs.

Termination benefits are accounted for in the year in which the decision is made, not when the individual leaves TVP.

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

2020/21

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages in each band £000
£0 - £20,000	5	0	5	43
£20,001 - £40,000	2	0	2	56
£40,001 - £60,000	1	0	1	60
£60,001 - £80,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,000 - £150,000	1	0	1	118
£150,000 - £200,000	0	1	1	166
Total	9	1	10	443

2019/20

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages in each band £000
£0 - £20,000	2	1	3	16
£20,001 - £40,000	1	1	2	51
£40,001 - £60,000	2	0	2	105
£60,001 - £80,000	1	0	1	63
£80,001 - £100,000	0	0	0	0
£100,000 - £150,000	0	0	0	0
Total	6	2	8	235

The figures shown above include, where appropriate, the cost to the Chief Constable of paying the pension strain on those employees who accepted early retirement. Pension strain is a payment made to the pension fund to reflect the additional cost to the fund of the employee retiring early. It is not a payment made to the individual employee.

Voluntary redundancies are only agreed in situations where, by accepting a volunteer, the Chief Constable avoids or reduces the requirement to select and implement compulsory redundancies.

13. PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. The de-minimus level policy is to capitalise all ICT expenditure over £50,000 on a total collaborative project basis, with a lower figure of £25,000 for equipment is £25,000. Schemes with strategic importance (e.g. vehicles, force wide ICT projects, desktop PCs etc.) are also capitalised

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the Chief Constable and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the balance sheet at cost.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are carried in the balance sheet at the lower of net current replacement cost or net realisable value in existing use.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Disposals

When an asset is disposed of, sale proceeds are transferred to the usable capital receipts reserve and the gain or loss on disposal is shown in the CIES

Depreciation

This is provided for all assets with a useful finite life, by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use, on a straight line basis.

- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer

Grants and contributions

Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the Chief Constable has not satisfied. In that event the amount subject to condition is transferred to the capital grants receipts in advance account. Where the conditions of the grant / contribution are satisfied, but expenditure for which grant is given has not yet been incurred, then such sums will continue to be transferred to the capital grants unapplied reserve.

NOTES TO THE ACCOUNT

Movement on Fixed Assets

2020/21 movements

	Vehicles Plant and Equipment £000	Total £000
Cost or Valuation		
At 1st April 2020	56,943	56,943
Additions	9,648	9,648
Donations	12	12
Assets under construction - brought into use	0	0
Revaluation increases /(decreases) to RR	0	0
Revaluation increases /(decreases) to SDPS	0	0
Disposals	-3,525	-3,525
Reclassifications	0	0
Assets reclassified to/from Held for sale	0	0
Write out expenditure not adding value	0	0
Write out fully depreciated assets	-9,444	-9,444
Depreciation written out on revaluation	0	0
At 31st March 2021	53,634	53,634
		0
Depreciation and Impairment		0
At 1st April 2020	32,251	32,251
Depreciation charge	7,322	7,322
Depreciation written out on revaluation	0	0
Impairment losses / (reversals) to RR	0	0
Impairment losses / (reversals) to SDPS	31	31
Disposal	-2,323	-2,323
Write out fully depreciated assets	-9,444	-9,444
Reclassifications		0
At 31st March 2021	27,837	27,837
		0
Net Book Value		0
At 31st March 2021	25,797	25,797

RR = Revaluation Reserve

SDPS = Surplus or Deficit in Provision of Services

NOTES TO THE ACCOUNT

2019/20 movements

	Vehicles Plant and Equipment £000	Total £000
Cost or Valuation		
At 1st April 2019	59,389	59,389
Additions	8,125	8,125
Donations	0	0
Assets under construction - brought into use	0	0
Revaluation increases /(decreases) to RR	0	0
Revaluation increases /(decreases) to SDPS	0	0
Disposals	-3,398	-3,398
Reclassifications	0	0
Assets reclassified to/from Held for sale	0	0
Write out expenditure not adding value	0	0
Write out fully depreciated assets	-7,173	-7,173
Depreciation written out on revaluation	0	0
At 31st March 2020	56,943	56,943
		0
Depreciation and Impairment		0
At 1st April 2019	34,388	34,388
Depreciation charge	7,615	7,615
Depreciation written out on revaluation	0	0
Impairment losses / (reversals) to RR	0	0
Impairment losses / (reversals) to SDPS	0	0
Disposal	-2,579	-2,579
Write out fully depreciated assets	-7,173	-7,173
Reclassifications		0
At 31st March 2020	32,251	32,251
		0
Net Book Value		0
At 31st March 2020	24,691	24,691

RR = Revaluation Reserve

SDPS = Surplus or Deficit in Provision of Services

Capital Commitments

The following significant amounts are outstanding on capital contracts which have been entered into by the Chief Constable as at 31 March 2021. The amounts shown are the Thames Valley Police share of the Commitment. Where there is a total joint commitment to the contract by multiple forces, this value is shown in brackets.

	£000
Laptops and desktops	545
Genesys custody infrastructure	158

14. CAPITAL EXPENDITURE AND FINANCING

The Chief Constable spent £14.181m on the acquisition and enhancement of long term assets in 2020/21. Financing of the total capital programme can be found in the Group accounts

	2019/20	2020/21
	£000	£000
Land and buildings	0	0
Vehicles, plant and other equipment	5,104	5,370
Information, communications and technology	3,021	4,278
Total tangible fixed asset expenditure	8,125	9,648
Intangible assets (i.e. computer software licences)	11,775	4,533
Total Capital Expenditure	19,900	14,181

15. INTANGIBLE ASSETS

Accounting Policy

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Chief Constable (e.g. software licences) are capitalised where it will bring benefits to the Chief Constable for more than one financial year. Internally generated assets include complex system costs and IT development costs. These are also capitalised where it will bring benefits to the group for more than one year. The balance is amortised to the CIES on a straight line basis over the economic life of the investment (over 5 years) to reflect the pattern of consumption of benefits.

	2019/20			2020/21		
	Internally Generated Assets	Other Assets	Total	Internally Generated Assets	Other Assets	Total
	£000	£000	£000	£000	£000	£000
Gross Book Value						
Opening balance	10,305	14,925	25,230	20,824	15,661	36,484
Additions (purchased and internally generated)	10,518	1,256	11,775	4,365	169	4,534
Write out capital expenditure not adding value	0	0	0	0	0	0
Impairment			0	-6,597	-3,588	-10,185
Donated intangible assets	0	0	0	0	0	0
Write out fully depreciated items	0	-521	-521	0	-2,254	-2,254
Closing balance	20,824	15,661	36,484	18,592	9,987	28,579
Depreciation						
Opening balance	-2,061	-5,027	-7,088	-6,226	-7,638	-13,864
Amortisation charged to income and expenditure	-4,165	-3,132	-7,297	-3,888	-2,028	-5,916
Write out depreciation on impairment				2,039	1,726	3,765
Write out fully depreciated items	0	521	521	0	2,254	2,254
Closing balance	-6,226	-7,638	-13,864	-8,074	-5,686	-13,761
Net Book Value	14,598	8,022	22,620	10,517	4,301	14,818

The impairment experienced during 2020/21 relates to the write off of intangible assets that no longer provide economic benefit to the organisation, including the EQUIP (ERP) system. For more details on Equip, please see the narrative report on page 8.

16. INVENTORIES

Accounting Policy

The Chief Constable holds stocks of uniforms, vehicle equipment, personal protective equipment (PPE) and other operational equipment. All stocks are valued at purchase price. This is not consistent with IAS2 which requires stocks to be valued at the lower of cost or net realisable value. However, net realisable value for many stock items such as uniforms would be negligible, therefore to comply with IAS2 would significantly understate the value to the Chief Constable of the assets held.

The value of inventories held by the Chief Constable as at 31st March 2021 is £4.044m. This is categorised as follows:

	31.3.20 £000	31.3.21 £000
Uniforms	489	579
Transport – parts and equipment	230	221
Other operational equipment	582	578
Personal Protective Equipment *	0	2,666
Total	1,301	4,044

* As at 31st March 2021, Thames Valley Police held inventories of personal protective equipment on behalf of the Department of Health for onward distribution to all other 43 police forces in England and Wales. The Group are acting as an agent in this regard as TVP do not hold responsibility for ordering the stock or determining who should receive the stock. The value at the year end was £2.666 million, which was calculated at an average market price at the time of stock count.

The amount of TVP owned inventories recognised as an expense through the Comprehensive Income and Expenditure Statement during each year is as follows:

	2019-20 £000	2020-21 £000
Uniforms	1,323	1,038
Transport – parts, livery and equipment	2,214	2,309
Other operational equipment	656	495
Total	4,193	3,842

There were no inventory write downs during 2020-21.

As detailed in the accounting policy above, the Group departs from IAS2 by valuing stock at purchase price rather than net realisable value. The financial effect of complying with the code would be to reduce the value of the TVP owned stock on the balance sheet as at 31st March 2021 from £1.378m to £0.799m, as per the table below.

	31.3.20 £000	31.3.21 £000
Uniforms	0	0
Transport – parts and equipment	230	221
Other operational equipment	582	578
Total	812	799

NOTES TO THE ACCOUNT

17. DEBTORS

	31.3.20 £000	31.3.21 £000
<i>Amounts falling due after more than one year</i>		
Trade receivables	427	315
Prepayments	0	0
Other receivable amounts	29	27
Total long term debtors	456	342
<i>Amounts falling due within one year</i>		
Trade receivables	11,802	18,920
Prepayments	704	2,467
Other receivable amounts	15,487	6,846
	27,993	28,233
Less provision for doubtful debts	- 34	- 5
Total current debtors	27,959	28,228
Total debtors	28,415	28,570

18. CREDITORS

	31.3.20 £000	31.3.21 £000
Trade payables	26,925	26,388
Other payables	12,690	18,572
	39,615	44,960

19. INSURANCE PROVISION

Accounting Policy

Provisions are made where an event has taken place that gives the Chief Constable an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service revenue account in the year that the Chief Constable becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made they are charged to the provision set up in the Balance Sheet.

The Chief Constable maintains a provision to meet insurance claims under a self-insurance scheme. There are cumulative limits to these, above which claims would be met by the Chief Constable's insurers. This provision covers two main areas of insurance, namely motor and employees/public liability. The adequacy of the insurance provision is assessed annually by a firm of actuaries. Payments for employees and public liability insurance are notoriously long tail, which means that it could be as long as 7 years before all current claims are finally paid and settled.

Comparative figures for provisions are not required.

	2020/21 £000
Opening balance at 1 April 2020	9,028
Transactions during the year:	
Additional provisions made in the period	2,444
Amounts used (incurred and charged against the provision) in the period	- 2,368
Amounts transferred from earmarked insurance reserve	0
Closing balance at 31 March 2021	9,104

20. CONTINGENT ASSETS AND LIABILITIES

Accounting Policy

The Chief Constable recognises material contingent assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the Chief Constable's control.

Following successful claims in the court case Allard v Devon and Cornwall Police for unpaid overtime following recalls to duty, the judge has selected a number of test cases to consider all of the issues arising in these claims against forces across the country. TVP claims are therefore stayed by order of the High court pending the outcome of the test cases. The total cost of the claims will be dependent upon the principles established in the test cases and a number could go back over a six year period but the overall financial impact is not expected to be material in relation to the overall financial position of the force. There is no insurance indemnity for these claims

21. UNUSABLE RESERVES

The Chief Constable keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. This category of reserves includes those which hold timing differences shown in the Movement in Reserves Statement line "adjustments between accounting basis and funding basis under regulations"

	31.3.20 £000	31.3.21 £000
Accumulated Absences Account	- 6,265	- 6,645
Capital Adjustment Account	- 16,658	- 30,721
IAS 19 negative Pensions Reserve	- 4,419,310	- 5,058,145
Total	- 4,442,233	- 5,095,512

Accumulated Absences Account

Accounting Policy

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, TOIL (time off in lieu) paid sick leave, bonuses and non monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the Chief Constable.

IAS 19 (Employee Benefits) requires the Chief Constable to account for short term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are not taken by the balance sheet date.

	31.3.20 £000	31.3.21 £000
Opening balance	5,821	6,265
Reversal of prior year accrual	-5,821	-6,265
Accrual for accumulated absences at year end	6,265	6,645
Closing balance	6,265	6,645

Capital Adjustment Account (CAA)

The CAA absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Chief Constable as finance for the costs of acquisition, construction and enhancement.

	31.3.20 £000	31.3.21 £000
Opening Balance	- 14,998	- 16,658
Direct Revenue Financing	13,488	6,159
Receipts on disposal of fixed assets	583	654
Carrying value of disposed assets	- 819	- 1,201
Credit for donated asset	0	12
Less:		
Annual depreciation and impairment	- 14,912	- 19,687
Closing balance	- 16,658	- 30,721

IAS 19 Pension Reserve

See Note 23 on page 49.

22. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Chief Constable's activities expose it to the following financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Chief Constable

Credit risk

Credit risk arises from credit exposures to the Chief Constable's customers.

The following analysis summarises the Chief Constable's potential maximum exposure to credit risk on financial assets, based on experience of default and uncollectability over the last five financial years.

	Amount at 31 March 2021 £000 (a)	Historical experience of default % (b)	Adjustment for market conditions at 31 March 2021 % (c)	Estimated maximum exposure to default and write-off £000 (a * c)
Customers	4,889	0.32	0.19	9

Customers are assessed, taking into account their past trading experience and other factors, with new customers being subject to pre-payments for services to be received, in accordance with procedures set by the Chief Constable.

NOTES TO THE ACCOUNT

The Chief Constable does not generally allow credit for customers, such that £0.723m of the £4.889m balance on the Accounts Receivable ledger at 31 March 2021 is past its due date for payment (i.e. 30 day payment terms). The past due amount can be analysed by age as follows:

	31 March 2020 £000	31 March 2021 £000
Less than three months	1,679	689
Three to six months	29	20
Six months to one year	509	- 19
More than one year	6	33
Total	2,223	723

23. PENSIONS

Accounting Policy

Post employment benefits

The Chief Constable operates three pension schemes for police officers and a single scheme for police staff.

Police Officers

The Police Pension Scheme (PPS) is a contributory occupational pension, governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976. The 2006 Police Pension Scheme (NPPS) which started on 1 April 2006, is a contributory occupational pension scheme governed by the Police Pension Act 1976 (as amended by the Police Pension Regulations 2007). The Police Pension Scheme 2015 which started on 1st April 2015 is also a contributory occupational pension governed by the Police Pension Act 1976 (as amended by the Police Pension Regulations 2015). Officers make a contribution from their pensionable pay, based on salary bandings. The employee's contribution is set nationally by the Home Office and is subject to triennial revaluation. A Pension Fund was set up on 1 April 2006 to administer all three schemes.

This is an unfunded scheme administered by the Chief Constable, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than amounts payable, the Chief Constable must annually transfer an amount required to meet the deficit to the pensions fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If however, the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Chief Constable who must then repay the amount to central government.

The PPS, NPPS and the 2015 scheme are defined benefit schemes paid from revenue (without managed pension assets). Accrued net pension liabilities have been assessed on an actuarial basis in accordance with IAS 19 Employee Benefits, the net liability and a pensions reserve for both Pension schemes has been recognised on the balance sheet, as have entries in the CIES for movements in the asset / liability relating to the defined benefit scheme. Transfers into and out of the scheme representing joining and leaving police officers, are recorded on a cash basis in the pension fund, because of the length of time taken to finalise the sums involved.

Following the code's requirements, IAS 19 has been fully recognised in the Chief Constable and Group accounts. Scheme liabilities as shown on the balance sheet are calculated by determining future liabilities for pension payments and applying a discount rate equal to the yield on an index of long dated AA rated corporate bonds as at 31 March 2021. The pension liabilities in these accounts have been calculated accordingly at a discount rate of 2.00%. (2.25% 2019/20).

NOTES TO THE ACCOUNT

Police Staff

Police staff are eligible to join the Local Government Pension Scheme (LGPS) administered by Buckinghamshire County Council. This is a funded scheme. In 2020/21 the Chief Constable paid an employer's contribution representing 16.6% of pensionable pay. The contribution rate is determined by the Fund's actuary based on valuations every three years.

Additional contributions are payable to cover the cost of any early retirements except those due to ill-health. In addition the Chief Constable is responsible for all pension payments relating to any added years' benefits, together with the related increases.

The values for each scheme are shown separately in the notes. Assets are measured at fair value which is assessed on the basis of bid price. Liabilities are measured using the projected unit method. Liabilities are discounted at 2.05% (2.35% in 2019/20)

Transactions relating to retirement benefits

The Chief Constable pays employer contributions at a rate of 24.2% of pensionable salary into the police pension fund and 16.6% into the LGPS fund. To reflect the financial consequences of utilising the services of police officers and staff during the year, an amount for pensions is reflected in the chief constables Comprehensive Income and Expenditure Statement (CIES). The cost is determined independently of the funding of the scheme. It measures the full liability estimated to be generated in year (at today's prices) as valued by actuaries

	Police Pension Scheme		LGPS	
	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of Services</i>				
• current service costs	139,880	135,640	40,054	37,842
• past service costs	-33,460	0	0	0
• curtailment and settlements	0	0	168	432
• Administration expenses	0	0	463	561
<i>Financing and Investment Income and Expenditure</i>				
• Net interest on defined liability	107,250	93,610	8,762	6,078
<i>Total Post Employment Benefit Charged to the Surplus or deficit on the Provision of Services</i>	213,670	229,250	49,447	44,913
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>				
• actuarial gains and losses and return on plan assets	-322,200	299,510	-155,634	297,354
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	-108,530	528,760	-106,187	342,267
Movement in Reserves Statement				
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	213,670	229,250	49,447	44,913
<i>Actual amount charged against council tax for pensions in the year:</i>				
• employers' contribution payable to scheme	85,409	85,604	15,677	18,761
• retirement benefits payable to pensioners				

NOTES TO THE ACCOUNT

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of scheme liabilities:

	Unfunded liabilities: Police Pension Scheme		Funded liabilities: LGPS	
	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000
Opening balance at 1 April	4,354,320	4,144,310	862,098	785,211
Current service cost	119,710	114,100	40,054	37,842
Interest cost	107,250	93,610	20,966	18,312
Contributions by scheme participants	20,170	21,540	6,936	7,547
Actuarial gains (-) and losses	-322,200	299,510	-130,077	297,354
Losses on curtailments			168	432
Benefits paid (net of transfers in)	-101,480	-103,570	-14,678	-15,061
Past service costs	-33,460	0	0	0
Unfunded pension payments			-256	-253
Historical adjustment between assets and liabilities				-2,383
Closing balance at 31 March	4,144,310	4,569,500	785,211	1,129,001

Reconciliation of fair value of the scheme assets:

	LGPS	
	2019/20 £000	2020/21 £000
Opening balance on 1 April	497,182	510,211
Interest on assets	12,204	12,234
Actuarial gains and losses (-)	-5,438	110,171
Employer contributions, including unfunded benefits	14,724	18,364
Contributions by scheme participants	6,936	7,547
Benefits paid	-14,934	-15,314
Administration expenses	-463	-474
Historical adjustment between assets and liabilities		-2,383
Closing balance on 31 March	510,211	640,356
Net liability on the LGPS	- 275,000	- 488,645

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £122.405m (£18.791m in 2019/20)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Scheme has been assessed by the Government Actuaries Department. The County Council Fund liabilities have been assessed by Barnett Waddington, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2019.

NOTES TO THE ACCOUNT

The principal assumptions used by the actuary have been:

	Police Pension Scheme		LGPS	
	2019/20	2020/21	2019/20	2020/21
Long-term expected rate of return on assets in the scheme:	N/A	N/A	2.80%	21.8%
Mortality assumptions				
• Longevity at 65 for current pensioners (years)				
Men	21.9	22.0	21.8	21.6
Women	23.6	23.7	25.1	25.0
• Longevity at 65 for future pensioners (years)				
Men	23.6	23.7	23.2	22.9
Women	25.2	25.3	26.5	26.4
Rate of inflation - CPI	2.00%	2.40%	1.8%	2.85%
Rate of increase in salaries	4.00%	4.15%	2.8%	3.85%
Rate of increase in pensions	2.00%	2.40%	1.8%	2.85%
Rate of discounting scheme liabilities	2.25%	2.00%	2.35%	2.05%
Take-up of option to convert annual pension into retirement lump sum			50%	50%

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 decrease for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated.

	Impacted on the Defined Benefit Obligation			
	Police Pension Scheme		LGPS	
	Increase in assumption £ million	Decrease in assumption £ million	Increase in assumption £ million	Decrease in assumption £ million
Longevity (increase or decrease by 1 year)	155.00	(155.00)	49.427	(47.270)
Rate of increase in salaries				
• LGPS (increase or decrease by 0.1%)			2.946	(2.918)
• Police Pension (increase or decrease by 0.5%)	60.00	(60.00)		
Rate of increase in pensions				
• LGPS (increase or decrease by 0.1%)			25.440	(24.798)
• Police Pension (increase or decrease by 0.5%)	438.00	(438.00)		
Rate for discounting schemes				
• LGPS (increase or decrease by 0.1%)			(27.904)	28.640
• Police Pension (increase or decrease by 0.5%)	(466.00)	466.00		

NOTES TO THE ACCOUNT

The Police Pension Scheme has no assets to cover its liabilities. The LGPS assets consist of the following categories, by proportion of the total assets held:

	31 March 2020	31 March 2021
	%	%
Equities – UK	0	0
Equities - Overseas	48	55
Gilts	9	9
Bonds	18	15
Property	7	6
Cash	2	1
Alternative assets	1	1
Private Equity	5	4
Absolute return portfolio	5	4
Hedge funds	5	5
Total	100	100

McCloud / Sargeant judgement

The Chief Constable, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in Oct 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the Government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants would be treated in the same way. On 16 July 2020, HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes were discriminatory (rather it was the transitional provisions), the legacy schemes will be removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For Thames Valley Police, this affects 3233 members (both active and retired). Scheme actuaries originally estimated the increase in scheme liabilities to be 4.4% or £183.52m of pension scheme liabilities. This was recognised in the 2018-19 accounts. In 2019-20, scheme actuaries reviewed these assumptions at a force level and estimated a decrease of £246.46m in scheme liabilities. In 2020/21, the estimated increase is a further £31.09m reflecting an additional years benefits from the remedy.

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

NOTES TO THE ACCOUNT

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

Compensation Claims

Claimants have lodged claims for compensation. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 31 March 2021, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

24. NOTES TO THE CASHFLOW STATEMENT

As stated in the narrative report on page 17, the Chief Constable does not operate a bank account and therefore the total cash movements are £nil

Analysis of investing and financing activities:

	2019/20	2020/21
	£000	£000
Investing activities		
Purchase of property, plant and equipment and intangible assets	19,152	13,950
Purchase of short and long term investments	0	0
Proceeds from the sale of property, plant and equipment	-583	-654
Proceeds from short and long term investments	0	0
Other receipts from investing activities	0	0
Net cash flows from investing activities	18,570	13,296
Financing activities		
Cash receipts of short and long term borrow ing	0	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and PFI	0	0
Repayments of short and long term borrow ing	0	0
Net cash flows from financing activities	0	0

Analysis of non-cash adjustments:

NOTES TO THE ACCOUNT

	2019/20	2020/21
	£000	£000
IAS 19 pension liability	-162,031	-169,798
Depreciation, impairment and amortisation	-14,912	-19,687
Carrying amount of non current assets sold	-819	-1,201
Premium/discount on restructuring of debt	0	0
Other non cash items charged to deficit	-444	-368
(Increase)/decrease in provisions	-401	-75
Increase/(decrease) in stock	133	77
Increase/(decrease) in debtors	-12,349	-1,170
(Increase)/decrease in creditors	7,534	-5,969
Total adjustment for non cash items	-183,289	-198,191

POLICE PENSION FUND ACCOUNTS

Police Pension Fund Account Statements

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from the PCC Police Fund. This statement shows income and expenditure for the police pension schemes and does not form part of the chief constable or the PCC Group's statement of accounts.

Fund Accounts

	2019/20 £000	2020/21 £000
Contributions Receivable		
From employer		
- normal	- 46,710	- 49,826
- early retirements	- 597	- 323
From members	- 20,184	- 21,536
Transfers in		
- individual transfers in from other schemes	- 916	-355
Benefits Payable		
- pensions	85,119	87,884
- commutations and lump sum retirement benefits	17,768	15,491
- lump sum death benefits	218	380
Payments to and on account of leavers		
- refund of contributions	76	100
- individual transfers out to other schemes	136	65
Sub-total for the year before transfer from the Group of an amount equal to the deficit	34,910	31,880
Additional funding payable by the Group to fund the deficit for the year¹	- 34,910	- 31,880
Net amount	0	0

¹The annual deficit on the Police Pensions Account is funded in full by the Home Office Pension's Top-up grant. This income is shown in the PCC and Group Income and Expenditure Account

Pension Fund Net Asset Statement

	2019/20 £000	2020/21 £000
Unpaid pension benefits	0	0
Amount owing from the general fund	0	0
Net Current Assets and Liabilities	0	0

Annual Governance Statement 2020/21

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

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

Due to the changed service delivery and governance circumstances created by the global pandemic, an insight into both specific issues arising from and measures put into place in response to COVID-19 are included in the 'Arrangements for Review of Effectiveness' section of this report, where relevant, with a further general update included as an Addendum.

SCOPE OF RESPONSIBILITY

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

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

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards of governance and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively in the discharge of his statutory duties and powers.

Both the PCC and Chief Constable are required to, and have, appointed chief financial officers who each have a fiduciary duty to the local taxpayer for securing the efficient use of public funds. Under the Local Government Act 1999 the PCC makes arrangements to secure continuous improvement in the way his functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

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

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

incorporated into both the PCC's Code of Conduct and the College of Policing 'Code of Ethics' that applies to every individual who works in policing, including the Chief Constable and PCC.

(Copies of the PCC's Code of Conduct and the College of Policing's Code of Ethics can be found at:

<https://thamesvalley.s3.amazonaws.com/Documents/Our%20information/Policies%20and%20Procedures/PCC%20and%20DPCC%20Code%20of%20Conduct%2029%20March%2017.pdf>.

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

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

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

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

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

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

THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and Thames Valley Police (TVP) include:

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

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

The national police service Code of Ethics sets and defines the exemplary standards of behaviour for everyone who works in policing, placing an absolute duty on officers and staff. The Code applies to

everyone in policing; officers, staff, volunteers and contractors. It applies both on and off duty. It guides behaviour within the organisation as much as it informs how to deal with those outside.

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

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

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

A Professional and Ethical Standards Panel has been jointly established by the PCC and Chief Constable to facilitate the discharge of their respective statutory obligations around handling and monitoring of police complaints, and to ensure that issues relating to policing integrity, ethics and professional standards are independently considered in order to maintain public confidence in policing. It does this by providing an annual assurance report to the PCC and Chief Constable.

Both the PCC and Chief Constable are required to demonstrate respect for the rule of law and comply with relevant laws and regulations. To that end, both employ in-house legal advisors to provide assurance and guidance upon lawful decision making. The PCC is independent of Force management and operational decision-making, which is the responsibility of the Chief Constable. Established mechanisms and guidance are in place to ensure that the PCC and Chief Constable do not breach or misuse their legal and regulatory powers inadvertently. The PCC and his Deputy are subject to the PCC's Code of Conduct and Oath of Office, and the Chief Constable (and all other individuals who work in policing) are subject to the College of Policing's Code of Ethics, both of which are consistent with the Nolan principles. The Chief Executive of the OPCC is also the designated statutory Monitoring Officer, and the OPCC Head of Governance and Compliance is Deputy Monitoring Officer, with responsibility for advising on the legality and appropriateness of the PCC's actions and decisions.

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

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

B. Ensuring openness and comprehensive stakeholder engagement

The PCC has a statutory responsibility to consult the Chief Constable and obtain the views of the community and victims of crime about the policing of the Force area, and he must have regard to their views as well as the priorities of responsible authorities within the Thames Valley and relevant government bodies before issuing a Police and Crime Plan.

The PCC's Police and Crime Plan covers a five-year period and sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered over his tenure of office. His Plan is supported by the Force Strategic Plan, the OPCC's Strategic Delivery Plan and the Financial Strategy. The Police and Crime Plan has due regard to the Strategic Policing Requirement as issued by the Home

Secretary and is developed in consultation with the Chief Constable, informed by the views of the local community, victims of crime and the priorities of other key stakeholders.

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

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

Arrangements have been agreed and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements. These arrangements include a schedule of formal public and private meetings, i.e. regular quarterly 'Level 1' public meetings with the reports and agendas published on the PCC's website, supplemented by regular monthly private liaison meetings between the PCC and Chief Constable (in respect of which minutes are taken but not published).

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

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

The PCC published his 2019/20 Annual Report last June (2020). This explained his main achievements during that financial year and also provided information on operational and financial performance during 2019/20. His 2020/21 Annual Report is due to be published in June 2021.

The Chief Constable has prepared and published the TVP Strategic Plan. Quarterly Strategic Plan progress update reports are provided to the PCC at his Level 1 public meetings, in respect of which the agenda and papers are published on the PCC's website, culminating in an end-of-year report of Force progress against stated objectives.

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

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

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

The PCC is a member of the Thames Valley Local Criminal Justice Board which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually and collectively by the criminal justice agencies. The Deputy PCC represents the PCC and has chaired this Board since January 2019. An Assistant Chief Constable (ACC) represents TVP on the Board.

The Force has appropriate mechanisms for engaging with a variety of external organisational stakeholders. The Chief Constable regularly attends each Local Authority chief executives' county-based meetings to maintain dialogue on matters of mutual interest such as community safety issues. In addition, Local Police Area Commanders routinely engage with the Local Authority commensurate to their geographic area, including their Community Safety Partnership. Multiple partnership forums exist across the operational policing landscape, including Multi-Agency Safeguarding Hubs (MASHs), and joint governance boards meet monthly or quarterly to manage bi-lateral arrangements between Thames Valley Police and Hampshire Constabulary. The South East Regional Integrated Policing (SERIP) Board meets quarterly to discuss regional change programmes and projects. All collaborative change programmes are supported by appropriate change frameworks to ensure appropriate governance processes are adopted and supported by standard products including risk and issue logs.

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

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

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls through to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. "Have your say" is a consultation and priority setting process which aims to increase public consultation and ensure that the Force tackles issues which most concern communities. In addition, the Force runs 'Cover It Live' on-line events specific to themes or incidents, and has active social media outlets including Facebook and Twitter. The Thames Valley Alert system also enables electronic public engagement en masse.

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

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

The Chief Constable has published the annual TVP Strategic Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Crime Plan and the Home Secretary's national Strategic Policing Requirement. Progress against the Force's strategic objectives (the seven 'Priority Outcomes') is assessed through focussed Strategic Plan success measures, and reviewed via the Service Improvement Reviews, Force Performance Group and Strategic Vulnerabilities framework.

The organisation is committed to the identification and consideration of collaboration opportunities with regards systems, processes and resourcing to sustain service delivery and increase the capacity and resilience of the organisation without diminishing capability and access to specialist services.

Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements established under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for intended service outcomes to be delivered for collaboration activity. These collaboration boards

comprise Chief Officers and the PCC from each Force area participating in the collaboration, supported by appropriate advisors from the respective Force departments / SERIP.

There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including Multi-Agency Safeguarding Hubs (MASHs).

The Medium Term Financial Plan (MTFP) and Medium Term Capital Plan (MTCP) ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The Productivity Strategy is an integral part of the MTFP and identifies where savings and efficiencies can be achieved and hence more resources directed to priority areas. Service delivery is reviewed within the Force's Governance & Service Improvement (GSI) department, developing an understanding of present and future demand to inform organisational and operational strategies aimed at sustaining service delivery or improvement. The Effectiveness & Efficiency programme is the methodology adopted to identify the respective costs and priority of services to help direct investment into priority areas to achieve a sustainable service that balances effectiveness with efficiency, ensuring economic viability and public value.

Risk and business continuity matters are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery. Strategic Risk and Business Continuity is managed within the Force's Strategic Governance Unit, bringing together horizon scanning, local risk registers and change-programme risk and business continuity issues.

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

D. Determining the actions necessary to achieve the intended outcomes

The Force planning cycle incorporates the annual Force Management Statement, financial plans, workforce plans and the PCC's Police and Crime Plan to inform the Force's annual Strategic Plan. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (CCMT), and monitored through the service improvement framework and quarterly updates to inform the PCC Level 1 meeting, which are published publicly.

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

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

With regards to change programmes, Force change proposals are governed through the Change Governance Meeting, which co-ordinates and prioritises proposals, assessing them against the organisation's strategic objectives, capacity and financial capability. Each proposal is captured through an application then, if appropriate, a business case. Bi-lateral projects and programmes, or those requiring the support of a collaborated unit to deliver, and governed through a Joint Change Governance board with representation from Thames Valley Police, Hampshire Constabulary and collaborated units.

In-flight programmes are managed by a Programme Board, chaired by a Senior Responsible Officer. Updates inform the Joint Portfolio Meeting and run collaboratively with Hampshire Constabulary, to enable co-ordination, planning and the oversight of resources from enabling departments to achieve the desired outcomes. All programmes and projects have strategic oversight through the Force

Transformation Board, DCCs Collaboration Board, and respective Chief Officer Groups. Collaborated programmes have consideration to and management of shared risks and issues.

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

The Chief Constable produces a MTFP and a MTCP which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective financial probity framework for decision making. The MTFP and MTCP are closely aligned to the PCC's Police and Crime Plan and the Force Strategic Plan. The PCC approves the MTFP and the MTCP as well as the annual budgets. The Police and Crime Panel must review the PCC's proposed council tax precept increase and make recommendations to the PCC before he formally sets the annual budget in February. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is presented to the PCC's regular public Level 1 meetings between the PCC and Chief Constable (with agendas and minutes published on the PCC's website as well as being reviewed regularly by the CCMT).

The Productivity Strategy forms an integral part of the MTFP and incorporates the outcomes of initiatives such as Effectiveness & Efficiency or the Estates Asset Management Plan. Under the Productivity Strategy, £3.5m of cash savings were identified and removed from the revenue budget during 2020/21.

Force and Local Police Area Tasking and Co-ordination Group processes enable the regular review of operations, performance and resource deployment in an operational setting. CCMT provides strategic oversight for performance against Strategic Plan measures and priorities, as well as financial plans and asset management plans.

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

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal and treasury management, is sourced externally, as this is more practical and cost-effective.

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

Officers and staff manage their performance and continuous development through the Performance Development Review framework. An annual assessment of competencies and objectives linked to Strategic Plan outcomes is supported by interim reviews and a requirement for officers and staff to undertake Continuous Professional Development. The framework also allows for the management of unsatisfactory performance or attendance where it is identified. The Force has a stated Health and Wellbeing Strategy, along with a workforce plan focussed on recruitment, retention and resilience. Progress is becoming increasingly representative of the communities the Force serves is also an area of focus. The Force is committed to being considered an employer of choice.

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

The PCC has a Deputy to assist him discharge his statutory functions. Both the PCC and Deputy PCC have received appropriate induction training. Ongoing training and development includes attendance at appropriate national conferences and seminars.

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

The PCC reviews the workload and performance of his office via the internal OPCC Strategic Delivery Plan, which allows him to identify workload priorities and staffing capacity needs in accordance with the delivery of his strategic priorities.

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

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

The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The Risk Management Policy is supported by the Risk and Business Continuity Communications Strategy. The management of risk is governed through the Force Risk Management Group, which exists to oversee strategic risk management and business continuity processes; take ownership of strategic risk issues; delegate actions to appropriate risk managers; accept strategic risk reports and recommendations through the Governance and Service Improvement department, authorise actions and allocate resources where necessary.

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

The PCC has a duty to hold the Chief Constable to account for the performance of TVP generally. The PCC has therefore implemented an effective scrutiny and oversight function. He holds quarterly public 'Level 1' meetings at which the Chief Constable is required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Crime Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Strategic Plan. Similarly, the PCC meets monthly with the Chief Constable on a private, informal, basis to review and discuss more regularly the general performance of the Force against topical national, regional and local issues. The PCC maintains an HMICFRS tracker to follow up on any risks to the performance of the Force that have been highlighted by HMICFRS inspections.

The OPCC provides an update against its internal Strategic Delivery Plan to the PCC via the OPCC Strategic Management Group monthly meetings. The PCC therefore receives regular reports on service delivery plans and on progress towards outcome achievement of the priorities and aims set out in the Police and Crime Plan.

The Chief Constable holds a quarterly Performance Group meeting together with his management team, regularly attended by the PCC as an observer, in which the Chief Constable reviews performance of the Force against the annual Strategic Plan. The Service Improvement Review framework is a comprehensive schedule of LPA or Departmental review meetings, starting with a period of fieldwork, and culminating with a meeting, chaired by the DCC with attendance from the local command team, to review findings and set actions. A performance update against the Force Strategic Plan is considered quarterly at CCMT meetings. This same meeting determines and monitors Force strategy, policies and performance. Gold Groups are set up and managed in response to particular areas of vulnerability or to manage particular areas of performance as necessary, for example in response to a critical incident.

The Chief Constable has implemented monthly Performance Risk Meetings, chaired by the DCC, in which constructive challenge and debate on thematic operational policies and procedures is encouraged. Each meeting will involve a review of the end-to-end process against policy and procedure, problem-solving particular challenges in those areas. The findings of these meetings are fed into the Chief Constable's Performance Group.

The Force Risk Management Group oversees risk management within the Force and is chaired by the Chief Constable. The Group focusses on strategic risks but also monitors risk management processes across the Force, including within change programmes. The OPCC maintains its own strategic risk register.

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

Effective counter-fraud and anti-corruption arrangements are in place and are monitored, in the main, by the Force's Professional Standards Department. The Anti-Fraud, Bribery and Corruption Policy is updated every two years and is considered and endorsed by the JIAC before formal publication. It was last updated in December 2020.

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

The Force manages its information in accordance with the Data Protection Act 2018 and the General Data Protection Regulation, the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information. This is overseen by the Information Governance Board chaired by the Chief Information Officer (who also holds the position of Senior Information Risk Owner). The Joint Information Management Unit leads on information compliance for both TVP and Hampshire Constabulary (HC) and ensures that appropriate policies and procedures are in place. The Joint Information Management Unit is also responsible for providing guidance on lawful sharing of information with partners, completion of Data Protection Impact Assessments and maintains a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. National Centre for Applied Learning Technologies (NCALT) training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

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

Financial management arrangements

The annual financial strategy and the capital strategy for the forthcoming financial year are approved in November each year.

The Chief Constable produces a MTFP and a MTCP which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision making. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is regularly reviewed by the CCMT as well as being presented to the PCC's regular public Level 1 meetings between the PCC and Chief Constable (with agendas and minutes published on the PCC's website).

The Productivity Strategy is an integral part of the MTFP, challenging the effectiveness of the force and identifying savings and efficiencies to help balance the budget whilst achieving the PCC's and Chief Constable's objectives. £3.5m of cash savings were identified and removed from the revenue budget during 2020/21. The delivery savings within the Productivity Strategy are monitored as part of the regular financial monitoring.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Director of Finance. The Chief Internal Auditor provides a regular update to the JIAC

and also provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.

The financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer of the PCC and the Chief Financial Officer of the Chief Constable (March 2021). These local financial management arrangements will be reviewed and updated to ensure compliance with the new Financial Management Code issued by CIPFA.

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

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

The PCC's decisions and actions are scrutinised by the Police and Crime Panel, which includes reviews of significant documentation produced by the OPCC for the benefit of the public.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) and publishes required information on his website. Decisions of significant public interest made by the PCC are published in accordance with a template that ensures they are easy to access and interrogate. Similarly, public reports are compiled in accordance with best practice and scrutinised by the JIAC. Furthermore, the OPCC (and TVP) has reviewed its compliance with the new legal requirements of the Public Sector Bodies Accessibility Regulations 2018 and taken all reasonable steps to help make sure our online services are accessible to all users, including disabled people.

The Chief Constable's Corporate Communications department oversee communications to the public on behalf of the Force. In doing so they abide by the corporate style guide, which is designed to ensure communications are issued in an understandable style appropriate to the intended audience. In addition, the PCC has his own communications team.

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

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

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

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

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

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

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

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

Before delivering key services through third party suppliers, the PCC and Chief Constable gain assurance on risks associated with service delivery and subject these arrangements to regular review.

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

ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

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

a) The Police and Crime Commissioner

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

- produce and publish a five-year Police and Crime Plan that sets out the PCC's policing and crime objectives;
- set the annual policing budget and council tax precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control;
- have regard to the relevant priorities of, and act in co-operation with, responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the Force area;
- commission victims' support services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and
- produce and publish an annual report.

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

- The updated framework for corporate governance was approved on 30 March 2020.
- The PCC allocated £3.0m from his Community Safety Fund in 2020/21 to help improve community safety and crime prevention across the Thames Valley. £2.7m was given to local authorities and £0.3m was retained by the OPCC to help fund Thames Valley-wide initiatives.
- The PCC published his 2019/20 Annual Report in June 2020 to highlight major achievements during his seventh full financial year in office and to report on operational and financial performance during 2019/20.
- In March 2020 the OPCC published its Strategic Delivery Plan for 2020/21. This is an internal OPCC management action plan that supports the PCC to monitor the delivery of both policing and non-policing activities, targets and measures within the Police and Crime Plan. Progress reports were presented to the PCC in public meetings on a regular basis throughout the year and the Plan is reviewed and updated each year.
- The PCC commissioned and provided two new specialist victim support services with effect from April 2020. These specialist services support victims who have experienced a higher level of trauma, thus requiring more complex support needs. One service will support adult victims (provided by Thames Valley Partnership) and the other will support young victims (provided by SAFE!).
- During the autumn of 2020 the PCC worked closely with the Chief Constable to update the MTFP (2021/22 to 2023/24). He submitted his budget and council tax proposals for 2021/22 to

the Police and Crime Panel on 29th January 2021. The Panel endorsed his £15 (or 6.9%) increase in Band D council tax.

- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. South East region; bilateral with Hampshire; Chiltern Transport Consortium and the National Police Air Service).
- The PCC has been actively engaged in the scrutiny of major Force business change programmes such as Contact Management Platform (CMP) and Equip (Enterprise, Resource Planning) which were both escalated to the relevant collaboration governance boards.
- The PCC for Thames Valley represents the South East region and Eastern region PCCs on the National Police Air Service Board.
- Four PCC public Level 1 meetings were held in 2020/21, supplemented by monthly private and informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account.
- In 2020/21 the OPCC again received an 'OPCC Transparency Quality Mark' awarded by CoPaCC, an organisation that compares OPCCs on how well they discharge their statutory requirements to be open and transparent via their website.

b) The Force

The CCMT met on 19 occasions as part of the strategic governance framework. In addition, CCMT met far more regularly than in previous years to incorporate effective governance of decision-making and the need for organisational change specific to COVID-19, alongside determining and monitoring Force strategy, policies and performance. The Joint Chief Officers Group (TVP and HC) met formally on 3 occasions during 2020/21 to determine and monitor collaborated strategy, policies and performance.

In response to COVID-19, the Force established a full command structure, led by C/Supt Gold Commander and dedicated Silver. Bronze leads were identified for priority areas including contact managements, emergency response, public order, people and communications. In addition to the governance framework established within the Force for operational and organisational governance, the Force worked in partnership with the broader Local Resilience Forum through multi-agency Tactical and Strategic Co-ordination Groups (TVP chairing the tactical group). Governance structures incorporated internal arrangements for the safety and wellbeing of officers and staff, as well as external arrangements for the enactment of new legislation and the continuity of policing services to the public.

A risk-register specific to tactical COVID-19 considerations was established and reported through Gold. Strategic COVID-19 risks were incorporated onto the Strategic Risk Register, presented to CCMT monthly. Existing business continuity plans were reviewed and revised to reflect the challenges of the pandemic as it developed. Alongside this, regular reporting of key performance indicators for sickness absence, resilience, crime, Fixed Penalty Notices and intelligence were delivered.

Beyond COVID-19, among the key discussions during the year was the review of the MTFP, MTCP, the PCC reserves and the Asset Management Plan, as part of the annual budget cycle. The financial plans were considered several times and the associated decisions facilitated the formal approval of the Revenue Estimates and Capital Estimates 2021/22 by the PCC at his Level 1 meeting on 19th January 2021. As part of the annual budget process the Productivity Strategy was reviewed and continues to play an important role in identifying options to address the budget shortfall and ensure the use of resources is focused on priority areas. Delivery of the outcomes from the Effectiveness & Efficiency Programme remains a central aspect of productivity.

CCMT reviews finance and workforce planning, performance and HMICFRS activity on a regular basis. Strategic Risks and Business Continuity, and Strategic Plan monitoring reports are included quarterly. Other significant areas of note discussed in 2019/20 include CPS Strategic Priorities, Traumatic Risk Incident Management, Detective Recruitment and Senior Appointment Boards.

The Force Transformation Board met every other month to review all in-flight change programmes in the Thames Valley only portfolio including Recruitment & Retention, the Front-End Demand programme and the Endeavour Programme (to achieve outstanding investigation). The Joint DCC Collaboration Board met every other month as part of the governance for all bi-lateral programmes including Contact

Management Programme, RMS and Digital First. The regional SERIP board met to review the Emergency Services Mobile Communications Programme (ESMCP) and Enterprise Resource Planning (Equip) as part of the regional portfolio. From November 2019 to February 2021 a separate board met monthly to review the Equip programme from the Thames Valley perspective. These governance boards are in addition to the regular programme boards chaired by each programmes' Senior Responsible Owner.

The governance of the Tri-Force Equip programme included a tri force Strategic Board, a TVP board as well as regular updates to the Chief Constable's and PCC's. Following the formal governance process the approved recommendation for the programme concluded that, in the best interests of all three forces, the programme should draw to a conclusion the relationship with the external partners. Following that decision it was agreed to draw to a close the Tri-Force programme at the end of January 2021. TVP and Surrey & Sussex Police are now running separate programmes to address the resultant issues affecting each of their forces and drive the maximum benefit from future work. The recent decisions have been supported by appropriate tri-partite collaborative governance arrangements.

Both CCMT and Force Transformation Board are aligned to bilateral forums including Joint Chief Officer Group and DCCs Collaboration Board, and regional forums such as SERIP. Significant areas of scrutiny included CMP and Equip.

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

HMICFRS have adapted their Integrated PEEL methodology, and were due to launch the new inspection process in 2020. As a result of COVID-19, all HMICFRS activity was suspended from March to September 2020. The Force were notified in January 2021 that they will be subject to a PEEL inspection during the course of the year, including a Victim Services Assessment in May and culminating in fieldwork activity in September 2021. The inspection report is scheduled to be published in January 2022. The most recent PEEL gradings for the Force are 'Good' overall in each of the three assessment categories (Effectiveness, Efficiency, Legitimacy). In the sub-categories of 'investigating crime' and 'ethical and lawful workforce behaviour', the Force received 'Requires Improvement' judgements, whilst in 'meeting current demands and using resources', the Force was assessed as being 'Outstanding'. In all other diagnostic areas, the Force was assessed as 'Good'.

The Force continues to address the shortcomings identified in the Crime Data Integrity inspection through a dedicated Gold Group, overseen by the DCC. The action plan is routinely reviewed, and supported by regular audits and a dedicated resource to drive improvements.

All recommendations and areas for improvement from inspection activity have been actioned and are tracked and updated through a local database and the HMICFRS monitoring portal. A new Improvement & Innovation meeting, chaired by the DCC, has been established to provide governance, leadership and drive to continuously improve and innovate in support of the Force's strategic aims; central to this is the timely delivery of improvement activity and the identification, sharing, and adoption of organisational learning from all areas, reviews and inspections. This forum will ensure accountability, co-ordination, and timeliness of action.

c) The Joint Independent Audit Committee

During 2020/21 the JIAC met five times to consider the external audit and internal audit plans for 2020/21, as well as receiving timely updates in terms of risk management and business continuity. The JIAC also received regular briefings, including appropriate written reports, during the year from the PCC, Chief Constable and relevant senior officers. This included specific updates on the Equip programme. JIAC members also attend Force working groups (including the Force Transformation Board, TVP/HC Bilateral Governance Board and Performance Group) and other panel meetings (including the Professional and Ethical Standards Panel) as observers to gain a greater understanding of current governance, operational and risk activities and to assist their judgment of the adequacy of the overall Corporate Governance Framework.

The JIAC's Annual Assurance Report for 2020 was presented to the PCC and Chief Constable at their JIAC meeting on 4 December 2020. At that time the JIAC was able, based on the information that they had considered collectively or knew about individually, to give assurance to the PCC and Chief Constable that the risk management and internal control environment in Thames Valley was operating efficiently and effectively.

d) The Governance Advisory Group

A joint OPCC/TVP officer governance group (the 'Governance Advisory Group') operates with the following terms of reference:

- To provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance;
- To review and provide feedback on the effectiveness of the corporate governance systems determined by the PCC and Chief Constable.

The Joint Corporate Governance Framework for 2020/21 was approved by the PCC and Chief Constable at the PCC's Level 1 meeting on 30 March 2020.

The Governance Advisory Group also developed this joint Annual Governance Statement for 2020/21.

e) Internal audit

The annual report of the Chief Internal Auditor for 2020/21 was presented to the JIAC on 18 June 2021. It contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment:

As at March 2020, the 2020/21 Joint Internal Audit Plan had been collated and was due to be presented to the JIAC for endorsement. However, due to the emerging Covid-19 pandemic, the March JIAC meeting did not take place and a decision was made that from April 2020, the internal audit process would be placed on hold whilst the Force and OPCC responded to the pandemic. As both organisations introduced arrangements to monitor and manage demand, it was agreed to restart the internal audit process from June 2020.

The original 2020/21 Joint Internal Audit Plan was reviewed and updated, aligning the content to the available resources and risks. The revised plan was presented to the JIAC in June 2020. However, as the pandemic response evolved, the plan content changed throughout 2020/21.

The 2020/21 Joint Internal Audit Plan has been completed and on the basis of this work, the opinion of both organisations' governance, risk and control frameworks is 'reasonable assurance'. The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness. The opinion demonstrates a good awareness and application of effective risk management, control and governance to facilitate the achievement of both organisations' objectives, outcomes and delivery of services. Areas were identified through our work where the design or effectiveness of arrangements in place required enhancing or strengthening. Where these areas were reported, management responded positively, identifying appropriate actions to address the risks raised.

At a statistical level, the opinion represents a slight improvement compared to the previous year with fewer minimal / limited assurance ratings and an increase in reasonable / substantial outcomes. However, as the Joint Internal Audit Plan does not include the same audits year on year, this cannot be taken as a direct comparison.

In terms of the implementation of audit actions and mitigation of risk, progress continues to be very good across both organisations with the number of actions completed consistently being in excess of 85%.

As in previous years, to support this year's opinion additional sources of assurance were utilised where they provided commentary on the effectiveness of the organisations' governance framework or general

management of risk. The assurances obtained provided a positive view of the organisation's arrangements and supported the overall opinion of reasonable assurance.

Overall, the opinion is very positive considering the challenges both organisations have faced during 2020/21 and the ongoing Covid-19 pandemic

f) External audit

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

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

During 2020/21 HMICFRS published a number of reports with respect to inspection activity, research or super-complaints. These are considered by the Force via the DCCs Innovation & Improvement meeting. All reports are publicly available on the HMICFRS website.

Below are the inspections reports that contain recommendations or areas for improvement for policing (specific to TVP or nationally). All inspection reports that contain recommendations for the Force require the PCC to publish a formal response within 56 days of the publication of the report, with the exception of reports resulting from super-complaints:

Date published by HMICFRS	National / Force Report	Report Types	Report Title	Date CC Reported to PCC	PCC Response to HMICFRS: Y/N
15/07/2020	National	Thematic	Roads Policing: Not optional – An inspection of roads policing in England and Wales		
08/12/2020	National	Thematic	Pre-charge bail and released under investigation: striking a balance	19/01/2021	
17/12/2020	National	Super-complaint	Safe to Share? Liberty and Southall Black Sisters' super-complaint on policing and immigration status	30/03/2021	N/A
10/02/2021	National	ROCU	An inspection of the effectiveness of the Regional Organised Crime Units	30/03/2021	
26/02/2021	National	Thematic	Disproportionate use of police powers - A spotlight on stop and search and the use of force	30/03/2021	
11/03/2021	National	Thematic	Getting the balance right? An inspection of how effectively the police deal with protests	30/03/2021	

The HMICFRS national 'State of Policing – The Annual Assessment of Policing in England and Wales' report for 2019 was published on 2nd July 2020. The Police Act 1996 section 54(4A) requires HM Chief Inspector of Constabulary to report each year on his assessment of the efficiency and effectiveness of

policing in England and Wales. This assessment covers the full breadth of inspections conducted by HMICFRS throughout the year and provides an overview of the policing in England and Wales.

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

h) Risk management and business continuity

The Force Risk Management Group met five times during 2020/21 as part of the CCMT strategy meetings. High level strategic risk management and business continuity issues were reported to the JIAC on a timely basis. As at 31st March 2021 there were 23 risks on the Strategic Risk Register with mitigating actions, 8 of which are strategic risks caused by COVID-19.

Business continuity incidents, categorised by impact, were detailed in quarterly reports to CCMT and then the JIAC, including measures taken to minimise their impact. Issues reported primarily related to ICT loss of service and estates issues. The JIAC also received information on exercises to test business continuity plans, which now include key learning points.

All risks at a local and strategic level have clear ownership, are regularly reviewed and rescored according to the risk matrix, and allocated the appropriate risk action – tolerate, treat, transfer, terminate. Risks to collaborated programmes or areas under bi-lateral governance feature on both Forces' registers.

Risk and Business Continuity were central to the Force's response to COVID-19. All Business Continuity plans were reviewed and invoked as appropriate. Also, the Force established a COVID-19 specific risk register and contributed to the Local Resilience Forum's COVID-19 risk register. Risk and Business Continuity were reviewed weekly by the Gold Commander, and monthly by CCMT during the COVID period.

i) Health and Safety and Environmental Management

An annual report on HS&E was presented to the October 2020 meeting of the Joint Independent Audit Committee for scrutiny. The report covered the key management areas specified within the revised 2013 publication HSG65 'Successful Health & Safety Management' (Appendix A) and documented the continuous improvement of Thames Valley Police policies and procedures for the effective management of health and safety.

In June 2016 the Chief Constable and PCC published a joint Health and Safety Management Policy statement outlining their commitment towards securing safe working practices and compliance with applicable health and safety legislation. The Health & Safety Management Policy was reviewed and transferred onto the new policy template in January 2018. Copies are accessible to all staff via the Intranet, and are displayed on the health and safety notice boards in all premises.

Health & Safety considerations, requirements and issues were incorporated into the COVID-19 Silver command governance structure, and reported into the Gold Commander.

j) Ethics and Integrity

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handling by the Force. The Professional and Ethical Standards Panel (previously called Complaints, Integrity and Ethics Panel) meets every two months and reports jointly to the PCC and Chief Constable. The Panel conducts an assessment of how the Force deals with complaints and provides a challenge and support role in respect of how the Force respond to ethical issues.

During the last 12 months, some of the issues the Panel challenged were persistent complainants, together with the impact of the complaints reforms creating more work for both PSD and the OPCC in terms of numbers of requests for reviews and measures put in place to control the increased workload. BAME figures within TVP were scrutinised and seizure of devices and the processing of any personal data on those devices.

The Panel presented its Annual Assurance Report for 2020 at the Level 1 meeting on 30 March 2021. This 2020 Report highlighted that the Panel had scrutinised matters including the following themes:

- Honesty, integrity and ethics
- Issues relating to Covid-19 compliance
- Police presence at public protests and policing plans involved.
- TVP identification and handling methods of vulnerable people/people with mental health issues, including use of force.
- Working with schools and the NHS in regards to County Lines.

The Panel was able to provide an assurance to the PCC and Chief Constable that the complaints handling and management arrangements in place within TVP are operating efficiently and effectively.

The Force also has an internal Ethics & Integrity Board, chaired by the Head of the Professional Standards Department (PSD), which meets quarterly. The Force has recruited a dedicated Ethics Researcher, supporting the Ethics & Integrity Board. The Ethics Champions network has been rejuvenated, and now meet regularly to discuss ethical considerations or concerns raised from across the Force. Two 'Ethics in Action' forums have also been held.

Policies are reviewed by the Strategic Independent Advisory Group to provide feedback on accessibility and raise ethical considerations. These are then taken to the Professional Ethical Standards Panel as necessary and appropriate.

The Chief Constable continues to promote the fundamental importance of TVP officers and staff employing the highest professional standards, principles which are embodied and enforced through the Code of Ethics. All police officers and staff have been required to complete an on-line training package and attend a dedicated Code of Ethics training session. All new Officers and staff receive training on the Code of Ethics as part of their induction.

During 2020/2021 4 panel members resigned. . Recruitment has now taken place with 4 new Panel members, bringing the total back up to 9.

During 2020/21 the PSD received and processed 2,984 complaints and 90 conduct matters, and held 18 misconduct meetings and 22 misconduct hearings in accordance with the statutory scheme. From 1 February 2020, following implementation of the new Regulations, as per the Policing and Crime Act 2017, the criteria for recording complaints and the definition of a complaint has changed and this change will be reflected in the above figures. In addition, the OPCC itself handled 18 complaints made against the Chief Constable and received 242 request for reviews in accordance with the statutory police complaints scheme.

k) Thames Valley Police and Crime Panel

During 2020/21 the independent Police and Crime Panel (PCP) met on 13 occasions. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2019/20 year, and scrutiny and consideration of the PCC's 2021/22 budget and council tax precept proposals. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the Police and Crime Plan strategic priorities and key aims, including the contribution made by other partner agencies, and updates on matters of topical interest to the Panel.

In addition, the Panel operates a permanent Complaints Sub-Committee as well as ad-hoc task and finish working groups. During 2020/21 the OPCC referred 17 complaints against the PCC/Deputy PCC to the PCP for consideration by them under the statutory scheme, of which two were upheld. Recommendations were made to the PCC and acted upon by the OPCC to address the Sub-Committee's concerns.

The Panel itself published its own 2019/20 Annual Report in June 2020.

l) Collaboration and partnership working

The joint TVP and HC Bi-lateral Collaboration Governance Board formally met four times during 2020/21. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Contact Management, Joint Operations Unit, Joint ICT and Joint Information Management) as well as development of collaborated change programmes. Updates are provided on new collaborative opportunities being explored. These formal meetings were supplemented by specific briefings for the PCCs and senior officers as appropriate on the Contact Management Platform (CMP) programme. In addition to the Governance Board, the Joint Chief Officer Group met three times during 2020/21.

Governance of collaboration between forces across the South East region is undertaken by chief police officers at the SE Regional Integrated Policing (SERIP) Board, and by PCCs and chief constables at the Regional Governance Board. Four meetings of the regional governance board were held during 2020/21. The South East Regional Organised Crime Unit, hosted by TVP, brings together the regional organised crime units under one structure. It is operationally aligned with the Counter Terrorism Policing South East unit. A regional Assistant Chief Constable (ACC), who reports directly to the Chief Constable of TVP, exercises overall command of the regional crime and counter terrorism functions. This ACC also represents serious organised crime at the South East Regional Governance Board and nationally with the National Crime Agency and other key stakeholders.

m) Conclusion

The work carried out by the Governance Advisory Group to review the Joint Corporate Governance Framework itself, and how it has been applied in practice over the financial year 2020/21, has informed the latest review of the Framework which was approved in March 2021. Consequently, the PCC and Chief Constable will be able to satisfy themselves that key governance structures supporting the discharge of their responsibilities have and continue to receive effective scrutiny.

SIGNIFICANT GOVERNANCE ISSUES

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

There were no significant actual or potential governance issues identified in respect of the 2019/20 year AGS which were due to be monitored during 2020/21.

There are currently no significant actual or potential governance issues identified in respect of 2020/21 'business as usual' activities. Accordingly, the Governance Advisory Group is satisfied to the best of its knowledge that no material breaches of the governance arrangements occurred in 2020/21 and there are no significant weaknesses in the internal control and governance environment.

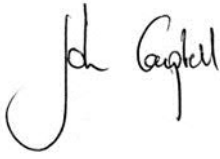
The coronavirus pandemic (COVID-19) impacted on operational and governance arrangements initially in March 2020 but remedial business continuity measures and alternative arrangements are now bedded in as 'business as usual'. Nevertheless, as we need to ensure that the AGS is current at the time of publication, it is essential that the AGS also reflects any residual ongoing impact of COVID-19 on the adequacy and effectiveness of our governance framework and arrangements.

To that end, the Addendum to the AGS specifically addresses the challenges and impact of COVID-19 on our governance and our response to it. No significant governance issues were identified in respect of 2020/21 and no potential significant governance issues have been identified for specific monitoring during 2021/22.

However, as identified in the attached Addendum, the impact on governance arising from the COVID-19 crisis, and from the changed environment in which TVP is operating, remains ongoing at the time of publication of this document.

ANNUAL GOVERNANCE STATEMENT

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



John Campbell
Chief Constable



Linda Water
Director of Finance

REFLECTING THE CHALLENGES FROM CORONAVIRUS

The organisational response to COVID-19 has meant that there have been no significant changes or impacts on existing governance arrangements. The two organisations have adjusted the way that services and governance have been managed and delivered, but not substantially changed the framework of delivery and the range and quality of services delivered.

a) Impact on business as usual in the delivery of services**TVP**

Business Continuity was a central strand of the structure, quickly establishing critical functions for each policing function (operational and organisational). Resilience and abstraction rates were reported into the Gold Commander on a daily basis, alongside the operating status for each business area. An assessment of each business area's ability to deliver its critical functions was produced using the following scale:

- Blue – business as usual - no functions disrupted other than normal demand deviations and levels of sickness.
- Green – moderate temporary impact - there are some occasions where demand is exceeding capacity or where there are abnormal levels of sickness and absenteeism.
- Amber – moderate sustained impact – crucial activities cannot be sustained due to demand being exceeded or where there are levels of sickness which require non-critical activities being re-deployed for a sustained period of time.
- Red – severe impact – inability to meet demand or there are significant levels of sickness / absenteeism, resulting in officers and staff being deployed from 'desirable' critical services.

The majority of business areas did not report a drop below 'Green', and a number of those that moved have subsequently returned to 'Blue'. Only four areas reported a move to 'Amber', which has not impacted on the ability of the Force to respond to calls for service from the Contact Management or Incident Crime Response teams.

Policies and processes were reviewed to enable a more agile approach to delivering services. Widespread roll-out of mobile devices and improvements to the ICT network enabled a significant proportion of the workforce, where it was possible to do so, to keep working from home to achieve social-distancing or when in self-isolation.

In conjunction with the Local Resilience Forum and the Force Procurement Department, the Silver Commander oversaw the sourcing of increased amounts of Personal Protective Equipment (including facemasks, disposable gloves, hand sanitiser and wipes) for all staff and officers not able to work from home.

Operational Guidance, and health, safety and wellbeing advice, were shared Force-wide with senior leaders and directly with staff via Corporate Communication messages.

Weekly demand and impact assessments, alongside intelligence briefings, indicate that there has not been an impact on the Force's ability to respond to calls for service or victims of crime. Whilst some non-critical services were initially impacted, service delivery has now returned to normal.

OPCC

OPCC services and functions were reviewed and prioritised by the Strategic Management Group (SMG) as soon as the national COVID-19 'lockdown' restrictions were implemented in late March 2020.

Following that prioritisation review, over the course of the 2020/21 year OPCC staff were allocated a laptop computer so they could work remotely from home where possible, in line with

Government advice, whilst delivering services remotely with a minimised impact on 'business as usual'.

The OPCC SMG have maintained daily telephone contact during the pandemic period to monitor service delivery performance and address practical problems and issues affecting the effectiveness and productivity of staff. Furthermore, in line with the TVP Welfare Policy to manage the impact of COVID-19, OPCC managers and supervisors have engaged in regular weekly telephone contact with staff to monitor their welfare and wellbeing.

As a result, key service delivery (including closure of accounts, victim support services and the independent custody visiting scheme) has largely continued on a 'business as usual' basis, albeit having adopted alternative 'remote' or office-based 'safe-working' arrangements and practices, as necessary.

b) New areas of activity as part of the national response to coronavirus and any governance issues arising, e.g.

- Implementation of new policies and processes
- Emergency assistance

TVP

The introduction of emergency legislation and policing powers was managed through the Gold Command structure, with clear guidance being issued to officers and staff, alongside a review of policy / procedure to ensure all areas relevant to policing were captured. The enforcement of the legislation was closely monitored and regularly reported into Gold Command and CCMT. The issuing of Fixed Penalty Notices for breaching lockdown measures was further reported nationally.

Thames Valley Gold Commander played an active role in the Strategic Co-ordination Group of the Thames Valley Local Resilience Forum (LRF), and the Thames Valley Police Silver Commander chaired the LRF Tactical Co-ordination Group.

In terms of 'emergency assistance', TVP, together with a handful of other forces across the country, took the lead nationally in the procurement and distribution of personal protective equipment (PPE) on behalf of other police forces.

OPCC

The PCC has publicly supported the Force in terms of its local operational policing response to COVID-19. However, this necessary change to operational policing priorities does not appear to have had any material adverse impact on the Force's ability and capacity to maintain delivery of the PCC's strategic policing priorities, as set out in his current Police and Crime Plan 2017-2021.

From a governance perspective, throughout 2020/21 the Deputy PCC has engaged with the Force's 'Gold' group overseeing and managing the Force's overall response to COVID-19 in a coordinated fashion and the PCC has maintained regular communications with the Chief Constable. This approach has enabled the PCC to continue to exercise effective governance and oversight of the Force's activities, decision-making processes, operational policing tactics and performance during an extremely fluid and fast-changing period of time, whether in respect of COVID-19 or 'business as usual' related activities.

c) The funding and logistical consequences of delivering the local policing response, e.g.

- Changes to statutory meetings and decision making arrangements
- New collaborative arrangements
- Funding and cash flow challenges

TVP

The Force has continued to produce audit and performance reports to inform existing governance forums and provide assurance; for example, the Risk Management and Business Continuity Progress reports to the Joint Independent Audit Committee each quarter. .

The Chief Constables Management Team has met more regularly to enable swift decision-making and suitable oversight of the Force response to COVID-19.

Gold Command convened a daily management meeting in the initial phase, moving to three times per week once the Force response was established, and now once a week, with the option of increasing frequency in response to operational or organisational need.

Telephone conferences and Microsoft Teams have enabled forums to continue through the pandemic. Whilst some operational improvement functions were temporarily suspended to allow officers and staff to focus on immediate requirements, Force Performance Group and the DCC Joint Collaboration Board has continued

In mid-May 2020, the Force Recovery strategy was developed and signed-off by CCMT, but the second and third national lockdowns have delayed implementation.

Organisational learning has been proactively sought and captured throughout the Force's response to COVID-19. Learning is being used to inform decision-making concerning the Force's ongoing response to COVID-19 and the recovery phase.

The financial impact of COVID-19 on TVP has been closely monitored and managed during the year through the normal reporting mechanisms. Fortunately the Government's support to the police service has mitigated the impact of the additional expenditure and lost income and enabled TVP to report a small underspend position for the 2020/21 year.

OPCC

The PCC is not required to hold public decision-making meetings but he is required to publish 'significant' decisions on his website. The OPCC has continued to discharge that requirement during the COVID-19 crisis. In addition, meetings that would normally have taken place in public (e.g. the Joint Independent Audit Committee and the PCC's Level 1 public meetings) were held as 'virtual' video conference meetings, and the agenda, papers and minutes for them have been published on the OPCC website to facilitate transparency and accountability to the public.

The Thames Valley Police and Crime Panel, which has responsibility for scrutinising the decisions and actions of the PCC, has also adopted 'virtual' video conference meetings during this pandemic period.

The scrutiny and oversight by relevant partner PCCs of policing functions being developed or discharged by TVP in collaboration with other police forces has continued but undertaken in virtual form, usually by way of video conference call arrangements.

Regarding the consequential financial implications of delivering the local policing response to COVID-19, this continues to be monitored and managed by a combination of the ongoing close working of the PCC and Chief Constable's chief finance officers and their respective teams.

At this time, it is considered that the financial reserves currently held by the PCC are sufficient to avoid any critical funding and cash flow challenges over the immediate future.

d) Assessment of the longer term disruption and consequences arising from the coronavirus pandemic, e.g.

- Existing projects and programmes that may have been put on hold
- New priorities and objectives introduced
- New risks identified or existing risks escalated

TVP

The TVP Change Delivery Unit, Hampshire Constabulary Force Development Departments and the Joint ICT Department have worked together throughout the pandemic to reprioritise the change portfolio. Whilst some projects have been accelerated (e.g. laptop roll-out and Windows 10) others have been paused. The three Departments have also re-baselined starting quarters

and co-ordinated risks, interdependencies and resource requirements. Programme Boards have continued to be held to assess impacts.

A more agile approach to change has been introduced to meet the needs of the organisation during the emergency response phase. The learning and experience has been captured to retain the positives of the agile methodology post-recovery.

Of particular note is the accelerated introduction of more agile working practices, supported by the roll-out of digital devices and capabilities. These working practices have been advantageous across the whole organisation and will now be incorporated into business-as-usual practice through the Working Smart programme.

A number of strategic risks specific to COVID-19 have been identified and incorporated into the Force Strategic Risk Register. These include welfare & wellbeing, the provision of critical functions, reputational risk and legitimacy, unintended legal or regulatory breaches, meeting demand and achieving recovery. These risks are being managed through Gold Command and also report into CCMT monthly.

All new risks have identified risk-leads and mitigating actions to treat them.

OPCC

At this time, no significant and/or critical existing projects and work programmes have been put on hold and no new COVID-19 related priorities and objectives have been introduced by the OPCC.

e) Reviewing lessons learned from our response to COVID-19.

The impact on governance arising from the COVID-19 crisis, and the changed environment in which TVP and the OPCC will be operating, remains ongoing at the time of publication of this document.

However, TVP have been capturing and chronicling organisational and operational learning throughout the pandemic, which will be used to inform the recovery phase and post-incident reviews. An early finding is that the Gold structure and regular access to CCMT through increasing the frequency of governance meetings, together with the active engagement of the PCC and Deputy PCC in these arrangements, has enabled fast and co-ordinated decision-making in response to the challenges presented by the pandemic.

Absolute return portfolio

This refers to investment strategies which target a return that is above zero, and are often linked to other financial benchmarks such as LIBOR (London Inter Bank Offered Rate)

ACC/ACO

Assistant Chief Constable/Officer

Accruals

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

Actuarial gains and losses

Actuarial gains and losses arise where actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses) or the actuarial assumptions have been changed.

AGS

Annual governance statement

Alternative assets

These are less traditional investments where risks can be greater but potential returns higher over the long term, e.g. investments in private equity partnerships, hedge funds, commodities, foreign currency and futures.

APCC

Association of police & Crime Commissioners

Amortisation

The gradual elimination of a liability, such as a loan, in regular payments over a specified period of time

Appropriations

Transfer of monies between the revenue account and the balance sheet.

Assets

An asset is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit

Bonds

Bonds are debt obligations issued by private corporations to finance a variety of purposes, e.g. business expansion. When a bond is issued, the corporation promises to return the money on a specified date, paying a stated rate of interest. Bonds do not provide ownership interest in the corporation

Budget

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

Capital Charge

A charge to the revenue account to reflect the cost of using fixed assets.

Capital Expenditure

As defined in the Local Government and Housing Act 1989, but broadly expenditure on the acquisition of a fixed asset or expenditure which extends the life or value of an existing fixed asset.

Capital Financing Requirement

The capital financing requirement (CFR) measures the Group's underlying need to borrow or finance by other long-term liabilities for a capital purpose.

Capital Receipts

Proceeds from the sale of capital assets. They may be used to finance new capital expenditure or repay existing loan debt. Receipts available to finance capital expenditure in future years are held in the usable capital receipts reserve.

Carrying value

An accounting measure of value, where the value of an asset or a company is based on the figures in the company's balance sheet. For assets, the value is based on the original cost of the asset less any depreciation, amortization or impairment costs made against the asset. For a company, carrying value is a company's total assets minus intangible assets and liabilities such as debt. Also known as "book value".

CCMT

Chief Constable's Management Team

Chief Constable

The most senior police officer in charge of a police force

CIES

Comprehensive Income and Expenditure Statement

CIPFA

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

CMP

Contact Management Platform

Collaboration

Where two or more police forces work jointly, governed by a legal agreement, in order to realise operational efficiency, resilience and cost effectiveness.

Contingency

An event that may occur but that is not likely or intended

CPS

Crown Prosecution Service

Creditors

Amounts owed by the group at the Balance Sheet date for goods received or work done.

CTPSE

Counter Terrorism Police South East (formally known as South East Counter Terrorism Unit)

Current service (pensions) cost

An estimate of the true economic cost of employing people in a financial year, earning years of service that will eventually entitle them to the receipt of a lump sum and pension when they retire. It measures the full liability estimated to have been generated in the year and is thus unaffected by whether any fund established to meet liabilities is in surplus or deficit.

Curtailement & settlements

Curtailement arises as a result of the early payment of accrued pensions on retirement on the grounds of efficiency, redundancy or where the employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.

DCC

Deputy Chief Constable

Debtors

Amounts due to the Group but unpaid at the Balance Sheet date.

De minimus

An amount so small that it will not have a significant impact on the accounts

Depreciation

A charge calculated either on a straight line or reducing balance basis, to reflect the diminishing value of an asset over its useful economic life.

DHEP

Degree Holder Entry Programme

Direct Revenue Financing

The amount of capital expenditure to be financed by a contribution from the revenue account in a single year.

Earmarked

Monies set aside for a specific purpose

Equip

A new Enterprise Resource Planning system that TVP is implementing jointly with Surrey and Sussex police

Equities

Shares in UK and overseas companies.

ESMCP

Emergency Services Mobile Communications project

Expected return on assets

The expected return on assets is a measure of the return (income from dividends, interest etc, and gains on invested sums) on the investment assets held by the pension scheme for the year. It is not intended to reflect the actual realised rate by the scheme, but a longer-term measure, based on the value of assets at the start of the year (taking into account movements in assets during the year) and an expected return factor.

Fair Value

Fair value is the value of an asset or liability in an arms length transaction between unrelated willing and knowledgeable parties.

Fixed Assets

Tangible assets which yield benefits to the Group for periods of more than one year

Gilts

The familiar name given to sterling, marketable, fixed interest securities (or bonds) issued by the British Government.

Gold, Silver Bronze groups

A gold–silver–bronze command structure is a command hierarchy used for major operations by the emergency services of the United Kingdom.

Grant

A sum of money given by a government or other organisation for a particular purpose.

Hedge Funds

A specialist fund that seeks to generate consistent returns in all market conditions by exploiting opportunities resulting from inefficient markets.

HC

Hampshire Constabulary

HMICFRS

Her Majesty's Inspectorate of Constabulary, Fire and rescue services

HS&E

Health Safety and Environment

IAS

International Accounting Standard

ICT

Information, Communications & Technology

IFRS

International Financial Reporting Standards

Impairment

This only relates to fixed assets, including cash investments. Impairment is caused either by a consumption of economic benefits or by a general fall in prices.

Intangible Fixed Assets

Assets that do not have a physical substance, but provide a benefit over a period of time, e.g. computer software.

JIAC

Joint Independent Audit Committee

Leasing

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

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

LGPS

Local Government Pension Scheme

Liability

An obligation that legally binds an individual or company to settle a debt

Loans Outstanding

Loans raised to finance capital spending which have still to be paid.

LPA

Local Policing Area

MASH

Multi Agency Safeguarding Hub

MPs

Members of Parliament

MTCP

Medium Term Capital Plan

MTFP

Medium Term Financial Plan

Minimum Revenue Provision (MRP)

The minimum amount of the Group's outstanding debt which must be repaid by the revenue account in the year

MiRS

Movement in reserves statement

NCALT

National Centre for Applied Learning Technologies

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net Present Value (NPV)

The difference between the present value of cash inflows and the present value of cash outflows.

Nolan Principles

The 7 principles of public conduct are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership

NPAS

National Police Air Service

NPCC

National Police Chiefs Council (the representative body for Chief Constables)

OPCC

Office of the Police and Crime Commissioner

Outturn

The actual level of spending and income in a particular year

Past service (pension) costs

These are non-periodic costs – they arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years.

PCC

Police and Crime Commissioner

PCDA

Police Constable Degree Apprenticeship

PCP

Police and Crime Panel

PEEL

Police Effectiveness, Efficiency and Legitimacy programme

PESTELO

Political, Economic, Social, Technological, Environmental, Legal, Organisational (police analysis)

PFI

Private Finance Initiative

Police Funding Formula

A needs based funding formula used by the Home Office to allocate police grant to the 43 police forces in England and Wales

Police Grant

Police grant is allocated by the Home Office using a highly complex needs based formula. This grant finances around 40% of police revenue expenditure.

PPE

Property, Plant and Equipment

Provision

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

PSD

Professional Standards Department

Public Works Loans Board (PWLB)

A Government body from which local authorities may raise long term loans

Remuneration

All amounts paid to or receivable by a person. It includes taxable expenses and the estimated money value of any other benefits received by an employee other than in cash (e.g. benefits in kind).

Reserves

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. General reserves represent accumulated balances which may be used to support future spending.

Revenue Expenditure

Spending on day to day running expenses of the PCC and Force.

RMS

Resource Management System

RPI

Retail Price Index, a measure of inflation which includes housing costs.

SeRCOP

Service Reporting Code of Practice

SERIP

South East Regional Integrated Policing

SEROCU

South East Regional Organised Crime Unit

SOLACE

Society of Local Authority Chief Executives

Specific Grants

Government grants to aid certain services, usually paid at a fixed proportion of spending actually incurred.

TVP

Thames Valley Police

Uplift Programme

The Home Office has promised to fund 20,000 extra police officers before 31st March 2023

Usable Capital Receipts

Capital receipts available to finance capital expenditure in future years.

VFM

Value for Money