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THE POLICE AND CRIME COMMISSIONER FOR DYFED-POWYS

# STATEMENT OF GROUP ACCOUNTS



FOR THE YEAR ENDED  
31 MARCH 2024



Comisiynydd Heddlu a Throseddu  
Dyfed-Powys  
Police and Crime Commissioner

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## Narrative Report

### 1. Introduction

The Police Reform and Social Responsibility Act 2011 created two corporations sole within each Police Force area, the Commissioner and the Chief Constable. Each has a clear and separate statutory remit. The Commissioner is publicly elected and therefore, represents the public's voice on policing matters.

The establishment of the two Corporations sole requires each body to produce their own Statement of Accounts with the Commissioner producing a Statement of Accounts for the Group and Police Pension Fund. The Chief Constable produces separate accounts for the Dyfed-Powys Police Force.

Mr Dafydd Llywelyn was elected as Commissioner in May 2016 and then re-elected in May 2021. The election for the fourth-term Commissioner was held on the 2<sup>nd</sup>, May 2024 with Mr Llywelyn being re-elected for a third term.

Dr Richard Lewis took up post of Chief Constable in December 2021, returning to the Force after two years as Chief Constable of Cleveland Police. The Commissioner and Chief Constable continue to work together constructively to deliver positive outcomes for the communities of the Dyfed-Powys area.

This Narrative Report aims to outline the main objectives, strategies, and principal risks that the Commissioner and the Chief Constable of Dyfed-Powys Police face. It provides a commentary on how resources have been used to achieve desired outcomes in line with these objectives and strategies.

It aims to give a fair, balanced, and understandable analysis of financial and operational performance. This can be used to provide context to the financial information included with the financial statements to aid the understanding of the reader. The Narrative Report will focus on the following areas:

- Organisational Overview and External Environment
- Governance and Performance
- Organisational Model
- Financial Performance
- Risks, Opportunities, and the Medium-Term Financial Outlook
- Basis of Preparation and Presentation

## 2 Organisational Overview and External Environment

Spanning 4,188 square miles, Dyfed-Powys is geographically the largest Police Service in England and Wales. With 13,842 miles of roads, two large ports, 350 miles of coastline and vast areas of countryside, the geography presents significant demand and resourcing challenges.



The resident population of around 519,000 is spread across extensive rural areas, holiday, and market towns as well as more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents its own implications for crime, anti-social behaviour, and roads policing.

The Welsh language is spoken by 28% of the residents of the Dyfed-Powys area compared with the national average of 17%. Both the Commissioner and the Chief Constable are committed to ensuring that the workforce is representative of the communities it serves so that members of the public are, whenever possible, afforded the opportunity to communicate in the Welsh language.

Policing is a non-devolved policy area in Wales, with powers reserved to the UK Government rather than the Welsh Government. However, much of the work that is undertaken across the four county areas is rightly done in partnership with Local Authorities, Fire Authorities, Local Health Boards, and many other partners including the third sector. In addition, Dyfed-Powys Police, along with the Commissioner and his Office, also collaborate on an All-Wales basis regarding policing responsibilities, including several important services such as Armed Response and responding to the threat of Organised Crime and Terrorism.

Pressures continue to arise from the changing nature of crime and incidents and more recently from a complex array of financial and economic consequences arising from the Covid-19 pandemic compounded by the cost-of-living crisis. This resulted in significant inflationary cost pressures which necessitated a cost reduction plan of £6.4m that needed to be incorporated to balance 2023/24 budgets.

Against a challenging financial backdrop, operational demands continue to grow and become increasingly complex. The service continues to evolve quickly to enable its response to new risks, threats, and changes in technology, many of which have required new ways of working. The introduction of a new records management system in May of 2023 had a significant impact on records processing timeliness during the summer months. Summer demands were exacerbated further by a significant police resourcing requirement linked to protests in the vicinity of the asylum processing centre in Llanelli. May 2023 also saw the opening of a new police station and custody facility at Dafen, Llanelli.

The Commissioner is responsible for setting the strategic priorities for policing in the area through the production of a Police and Crime Plan, ensuring business is conducted in accordance with the law and that proper standards are achieved and maintained.

After extensive consultation, the Commissioner published his new Police and Crime Plan in March 2022. The plan sets out three priorities and four values which will underpin delivery:

Priorities	Values
Victims are supported	Working Together
Harm is prevented	Being Accountable
Our justice system is more effective	Being Sustainable
	Engaging Widely

After considerable engagement with the workforce, partners and the public, the Chief Constable set out organisational priorities in April 2022. There is a commitment for these to remain in place for at least the same duration as the Police and Crime Plan meaning that there is a real opportunity to work differently to achieve more, whilst ensuring consistency and clarity of purpose.

Priorities
Making the Dyfed-Powys area hostile to those that deal drugs
The elimination of Domestic Abuse, Stalking and Harassment
A compassionate response to victims of rape and serious sexual assault and the relentless pursuit of offenders

Detailed delivery plans were developed to underpin the delivery of the Police and Crime Plan and the Chief Constable’s priorities. These plans take cognisance of the challenging operational and financial environment, the need for continued investment to support sustainable services and the requirement to match resources and assets to meet evolving demands and legislation which have been incorporated in the Medium-Term Financial Plans.

2023/24 was another busy year in terms of operational requirements, with the Force’s officers and staff dealing with numerous high-profile events including the King’s Coronation, and many other planned and unplanned operations and incidents of significance.

### 3 Governance and Performance

#### Governance

The Governance arrangements by which the Commissioner and the Chief Constable operate are complex. These have been critically reviewed over recent years and continue to be strengthened and streamlined to ensure effective organisational management, oversight and scrutiny.

The Joint Corporate Governance Framework sets out the principles, structures and processes by which the Office of the Police and Crime Commissioner and Dyfed-Powys Police will be governed, both jointly and separately, and this is reviewed and updated annually.

The Commissioner and the Chief Constable each have a clear and separate statutory remit. The Commissioner is statutorily responsible for securing an efficient and effective Police Force and holding the Chief Constable to account for the exercise of his functions. The Commissioner is

responsible for setting the annual police budget (including precept level) and ensuring that public money is accounted for and that it is used economically, efficiently and effectively.

The operational independence of the Chief Constable is protected in legislation. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force. The Chief Constable is accountable in law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and Force expenditure. The Chief Constable holds Office under the Crown and is responsible for maintaining the King's Peace.

An Annual Governance Statement (AGS) is published separately, and this provides greater detail on the internal control environment and an evaluation of the governance arrangements against the seven principles for delivering good governance. All parties abide by the seven principles set out in the Standards in Public Life, known as the Nolan Principles.

## Performance

The Commissioner funded a range of services during 2023/24 to assist in delivering his priorities:

- Continued funding for Goleudy, a vital first point of contact service for victims of crime and anti-social behaviour. This service ensures that all victims of crime, and vulnerable or higher risk victims of anti-social behaviour, are provided with a support service to help them cope and recover from the impact of their experiences. Developments within Dyfed-Powys Police have resulted in front line officers undertaking a needs assessment of victims to identify those that have enhanced needs in line with Victims' Code of Practice recording. Enhanced victims are then referred to Goleudy for further assessment and support. During 2023/24 the Office of the Police and Crime Commissioner (OPCC) has undertaken a recommissioning exercise alongside North Wales OPCC for provision of victim services with consideration given to widening the remit to provide support to children and young people. The conclusion of this exercise is anticipated by July 2024.
- A new Independent Domestic Violence Advisory (IDVA) service for high-risk victims of domestic abuse went live on 1 April 2023. A detailed transition plan was implemented by the incoming service, with the majority of existing IDVA staff transferring and an open client caseload being inherited by the new service. The contract included significant additional investment from the Ministry of Justice in recognition of the increased demand on services experienced because of the Covid-19 pandemic. The additional investment is in place until the end of 2024/25 and the Commissioner will continue to lobby for the continuation of this vital funding to services. The core funding provided by the Commissioner and the four Local Authorities across the Dyfed-Powys area is committed for the duration of the contract.
- The Commissioner continued to work with partner agencies at a pan-Wales level to improve the response to victims of sexual abuse. This included ensuring that premises from which acute medical services will be delivered are accredited to ISO standards, with a deadline of October 2025 for accreditation to be achieved. A joint Policing and Health Project Board is overseeing progress against the shared delivery of services. Following an independent review of Sexual Violence Services, the Commissioner has undertaken a procurement exercise for a joint Independent Sexual Violence Advisory service in



collaboration with the Police and Crime Commissioners (PCCs) for South Wales and Gwent. The new service will commence on 1 July 2024 and will be embedded in the wider model for regionalisation of sexual abuse services.

- The Commissioner is an integral partner within Area Planning Boards (APBs), who are responsible for providing accountability, governance and scrutiny of substance misuse strategic planning, performance and financial management. APBs are established on a Health Board footprint, with membership consisting of the responsible authorities under the Crime and Disorder Act 1998. The Commissioner was a key partner in the recommissioning of substance misuse services across Powys, and the new contract has now been in place for over a year. Hywel Dda will be entering a recommissioning exercise during 2024/25 and the Commissioner has given early indication of commitment to continued investment into the vital Tier 2 prevention and treatment service.
- The Force has undertaken significant work to ensure that all eligible offenders are referred to the Offender Diversion Scheme. This has maximised the capacity of the scheme, delivering holistic assessment and support to divert individuals from the criminal justice system. Analysis of reoffending rates has demonstrated that those on the scheme are less likely to reoffend following the intervention than those who were eligible for the scheme but did not receive the support. Further evaluation of the service is in progress. The service will need to be recommissioned in time for April 2025, with a key decision required from the Term 4 Commissioner.
- Llamau continued to provide an independent debriefing and mediation support service for children and young people who have been reported as missing and at risk of victimisation or exploitation. The impact of this service continues to be positive, with reductions demonstrated in reports of missing young people. Following an increase in the volume and complexity of cases during the Covid-19 pandemic, a successful pilot to uplift the capacity within the service has resulted in continuation of the uplifted provision until the end of the existing contract in March 2025. The service will need to be recommissioned in time for April 2025, with a key decision required from the Term 4 Commissioner.
- From April 2022 the Commissioner provided funding to the local youth justice services within the Dyfed-Powys area to undertake restorative practice with young victims of young offenders. This is a new approach to the funding provided by the Commissioner and follows detailed discussions with Youth Justice Service managers regarding how the Commissioner can best support ongoing resource in line with the priorities of the Police and Crime Plan. This arrangement is in place until March 2025 and the Term 4 Commissioner will be able to influence future grant arrangements in support of youth justice and prevention.

From a Force perspective, performance against key objectives is monitored and reported locally at all levels within the organisation as well as at monthly Force Performance Events and two-weekly Policing Board Meetings.

During 2023/24, 36,674 crimes were recorded, against 45,450 in 2022/23, a decrease of 19.3% (8,776) as shown in the following table:

	2022/23	2023/24	Difference	Difference
Crimes Recorded by Crime Type	Offences	Offences	Offences	%
Violence Against the Person	22,398	17,597	(4,801)	(21.4%)
Theft	4,896	4,787	(109)	(2.2%)
Arson and Criminal Damage	4,582	4,043	(539)	(11.8%)
Public Order Offences	6,253	4,173	(2,080)	(33.3%)
Drug Offences	2,272	1,587	(685)	(30.1%)
Sexual Offences	1,752	1,459	(293)	(16.7%)
Burglary	1,285	1,279	(6)	(0.5%)
Miscellaneous Offences	910	745	(165)	(18.1%)
Vehicle Offences	694	628	(66)	(9.5%)
Possession of Weapons	322	298	(24)	(7.5%)
Robbery	86	78	(8)	(9.3%)
<b>Total</b>	<b>45,450</b>	<b>36,674</b>	<b>(8,776)</b>	<b>(19.3%)</b>

The year has seen improvements in crime recording practices alongside changes to Home Office Counting Rules and enhanced proactivity in ensuring compliance with the National Crime Recording Standard (NCRS) and the Home Office Counting Rules (HOCR) when recording crimes. This will account for a large proportion of the decreases. The changes in counting rules, for example, include the reinstating of the principal offence rule for behavioural crimes to allow a focus on the most impactful offence, and increasing the threshold for malicious communications crimes to ensure that they are only recorded when the threshold of a crime is met, rather than when someone is merely offended by something for example posted on social media.

The Force continues to maintain an effective and efficient 999 telephony service. 999 calls are, inevitably, prioritised above all others as they represent urgent emergency requests for assistance where time is of the essence. Reflecting on national reported data during the period 2023/24, the Force's average answer time was 9.74 seconds (source BT data presented by Digital Public Contact). In terms of the Force's performance, cognisance must be given to the latency time – that is the time taken for a call to be transferred from the BT exchange to the Force Control Centre which is included within BT reporting data. Dyfed-Powys Police maintains a record of performance which provides reassurance that during the period, 87% of 999 calls were answered within 9 seconds. The transition to the new telephony system which is expected in the autumn will provide more accurate data for national comparison and is expected to reduce latency time significantly.

The public largely consider the 101 service to be a contact channel for reporting non-emergency incidents to the Police (generally, calls that do not warrant a 999 call). In this respect, the Option-1 101 service reflects this expectation. Over the last 12 months, 69% of these calls were answered in under 120 seconds with an average speed of answer of 131 seconds. Abandonment on this service was 13% and this has deteriorated over the course of the year. Significant additional telephony system and staffing investments are being implemented to reverse this trend, which aims to enable delivery to be within the Home Office target of 10%.

The Force offers a 24/7 Digital Contact Service which includes the Single Online Home online reporting platform and Two-Way Social Media Communications. During 2023/24, a total of 16,450

Single Online Home forms were submitted. This demand is ever increasing with new form categories and services being introduced regularly. In terms of various social media channels and email communication, data shows that during 2023/24, a total of 20,924 conversations were held through social media (Data source Digital Public Contact). Whilst not yet fully quantifiable, it is also considered that direct email contact is approximately 100 emails per day.

In 2023/24, 5,475 arrests were made which is a decrease in arrest volumes from 8,244 in 2022/23. Arrests in connection with Domestic Abuse (DA) have decreased from 2,621 in 2022/23 to 2,458 in 2023/24, which is reflective of the decrease in DA offences recorded.

Considering crimes that were reported and assigned an outcome (finalised) in 2023/24, 18,610 out of 35,455 (52.5%) crimes were assigned an outcome within 30 days of it being reported. This compares to 30,288 out of 44,708 crimes (67.7%) in 2022/23. A new records management system was implemented in May 2023, which has impacted on processing times. Positive outcomes rates rely on victim participation and the quality of investigations to bring offenders to justice. Between November 2023 and March 2024, the positive outcome rate has ranged between 14.1% and 18.9% for each of those months.

### **His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)**

The Force was inspected by HMICFRS in 2023, as part of the 2023-25 Continuous Assessment Police, Effectiveness, Efficiency and Legitimacy (PEEL) framework. The 2023-25 PEEL report was published in November 2023, with an assessment of the Force's performance and gradings against the framework's core question areas. The Force was assessed as 'Adequate' in six areas; 'Police powers and public treatment', 'Preventing crime and anti-social behaviour', 'Responding to the public', 'Investigating crime', 'Managing offenders' and 'Leadership and force management. It was assessed as 'Requiring Improvement' in two areas; 'Protecting vulnerable people' and 'Developing a positive workforce'

HMICFRS were satisfied with most aspects of the performance of the Force in keeping people safe, reducing crime, and providing victims with an effective service, however they noted some areas where the Force needs to improve. HMICFRS were pleased with Dyfed-Powys Police's approach to problem solving and preventing anti-social behaviour. It was highlighted that the Force has achieved some impressive standards in the effective investigation of crimes, as well as the work of staff in the Force Communication Centre (FCC), who prioritise calls effectively and use a structured approach to consistently identify vulnerability and repeat victims, with Dyfed-Powys Police comparing favourably with other reviews of victim service assessments in other Forces. HMICFRS have highlighted there is still work to do to achieve appropriate outcomes for victims and in improving answering times for calls from the public, both of which are national themes for all Forces.

HMICFRS recognised that the Force introduced a new records management system, NICHE, in May 2023, which is considered the most significant change in the history of the Force. HMICFRS commented on a strong performance culture, and that the Force's efforts in improving performance was producing positive results. It was also highlighted that the Force uses data effectively to understand its finances, which is identified as promising practice and is being shared with other Forces nationally. In addition, Dyfed-Powys Police has made significant improvements in officers' behaviour and effective communication with the public and encourages strong scrutiny and

challenge of stop and search, resulting in an improvement in grading in the use of police powers and public treatment.

With reference to areas identified as requiring improvement, HMICFRS highlighted some concerns in relation to the way Dyfed-Powys Police was assessing incidents related to domestic abuse. The Force has acted immediately in response to this feedback by ensuring that all incidents related to domestic abuse now have a secondary risk assessment by trained specialist staff. In addition, some issues were highlighted in relation to addressing the welfare and understanding of the demand placed on the workforce. Again, the Force has acted swiftly to address these issues through a wellbeing action plan to proactively improve welfare support and advice available, as well as ensuring that supervisors are provided with leadership courses (in line with the College of Policing leadership standards).

Dyfed-Powys Police has introduced a Wellbeing and Retention Officer, to undertake 'say and stay' and 'exit interviews' to better understand the challenges faced by officers and staff, aiming to reduce the risk of skilled personnel leaving the organisation. The Force is also undertaking a review of the wider operating model to ensure that resources are best placed to meet demand, and that victims' needs, and the delivery of the organisational priorities are fully aligned.

### **Force Management Statement (FMS)**

The Chief Constable submitted the most recent FMS (2023) to the HMICFRS in May 2024. The 2023/24 financial year was a year of transition, and the FMS provided an updated assessment of operational capacity for Dyfed-Powys Police against current and expected future demand. The FMS is cognisant of several factors within the Force including:

- Priorities set out by the Chief (themed around domestic abuse, drugs, rape and sexual offences);
- The three-year Force Review Programme established to support, challenge and facilitate the identification of operational business improvements and delivery of savings targets;
- A new programme of work structured around the HMICFRS Victim Service Assessment;
- Implementation of the new NICHE Records Management System (RMS);
- A new Performance Framework in development, following transition to Niche RMS;
- New Strategic Policing Requirement (SPR), following publication in February 2022.

The FMS includes an overview of each of the above factors and the impact they have had on the Force as a whole. It provides an update on these key risks and any new risks that have emerged. Each section of the FMS also demonstrates how performance is currently measured within that area of business and what future strategic plans are in place to prevent and deter crime and vulnerability to deliver on the Chief Constable's priorities.

The FMS identified several cross-cutting themes and priorities, specifically in relation to service demand changes. It also highlighted the need for the planned improvements in the Force Annual Planning and Assurance Process whereby details of demand for policing services and the resources needed to meet demand, together with the details of areas to be addressed through investment or productivity improvements are brought together. The report findings are summarised across the following headings:

- Workforce investment, training and accreditation, recruitment, retention resilience, and wellbeing.
- Financial challenges, including the Cost of Living Crisis / economic conditions.
- Communication Centre demand and staffing pressures.
- Environmental issues and sustainability.
- Performance and demand challenges.
- Estates and visibility of Neighbourhood Policing Teams.
- Information Communications Technology department (ICT) infrastructure and development / support.
- Information and data management.

The current FMS approach is centrally coordinated and will be more closely aligned to the Mid-term Financial Plan (MTFP), strategic planning and budget process for 2025/26. The Force will continue to revise its methodology for producing the FMS to ensure the most efficient and effective approach to strategic planning.

#### 4 The Organisational Model

Dyfed-Powys Police is organised on both a geographical and functional basis. The Chief Constable is supported by a Chief Officer Team which comprises the Deputy Chief Constable, the Assistant Chief Constable, the Director of People and Organisation Development, and the Director of Finance. The main responsibilities of the four positions supporting the Chief Constable are shown in the table below:

Deputy Chief Constable	Assistant Chief Constable	Director of People and Organisation Development	Director of Finance
Legal Department	Local Policing	Human Resources	Corporate Finance
Service Improvement / Force Review	Investigations	Occupational Health and Wellbeing	Information Systems and Technology
Information Management	Specialist Response	Development Services	Procurement
Performance	Force Contact Centre	Staff Associations and Employer Relations	Fleet
Collaboration	Scientific Support		Estates
Professional Standards	Custody and Criminal Justice		
Health and Safety	Partnerships		
HMICFRS Inspection	Corporate Communications		

Having recognised the extent of future financial challenges, the Chief Constable initiated a Force Review Programme in June 2022 to support, challenge, and facilitate the identification and delivery

of operational business improvements and delivery of budget saving targets of circa £10 million over the next 3 years. Importantly, the Chief Constable also took a range of early steps to proactively contain expenditure within 2022/23, which could then mitigate financial burdens as well as assisting in meeting future one-off pressures. The Commissioner also took measures to contain expenditure within his own office, which will allow some flexibility in dealing with financial challenges.

The Force has continued to re-shape to meet demand, however, it is recognised that the landscape of policing is forever changing and there is still much work ahead to deliver against the new Police and Crime Plan and the Chief Constable's priorities whilst addressing issues identified within the latest Force Management Statement.

For the 2023/24 financial year, the Commissioner and Force had a budgeted establishment of 1,304 Police Officers, 163 Police Community Support Officers (PCSOs), and 824 Police Staff. A breakdown of the distribution of staffing is shown in the following table:

	Police Officers	PCSOs	Police Staff	Total
Budgeted Positions 2023/24	FTE	FTE	FTE	FTE
Local Policing	562	163	24	749
Investigations	445	0	171	616
Operational Support (including Call Handling)	171	0	134	305
Criminal Justice	1	0	68	69
Scientific Support and Digital Forensics	3	0	62	65
Professional Standards	8	0	17	25
Other including Business Support	36	0	297	333
Office of the Police and Crime Commissioner	0	0	21	21
Seconded and Funded Areas	78	0	30	108
<b>Total</b>	<b>1,304</b>	<b>163</b>	<b>824</b>	<b>2,291</b>

Recruitment intakes have been carefully planned and managed during the year to ensure optimal resourcing levels, availability of specialist skills, and to allow the proportionate geographical distribution of staff. The Police Education Qualifications Framework (PEQF) continues to see intakes of student constables each year with external course providers delivering core elements of their training.

As well as recruiting to replace normal retirements and leavers, the Force has also been increasing establishment in line with the Home Office Police Uplift Programme to recruit an additional 20,000 officers by March 2023. Dyfed-Powys Police has realised increases of 42 in 2020/21, a further 42 in 2021/22 and a final 57 for 2022/23 to meet its share of the national targets. In addition, the Force was offered an additional unforeseen opportunity to increase this target further by 14 officers during the year which was delivered.

The Commissioner has an Office which supports him to deliver the statutory responsibilities as set out in The Policing Protocol Order 2011. In addition to the statutory roles of Monitoring Officer and Chief Finance Officer, the Commissioner has a team of professionals to advise on matters relating to finance, policy, performance, engagement, commissioning, and partnerships. The Commissioner had a budgeted establishment of 21 FTE for 2023/24. As part of a comprehensive review of the Estates related matters, the Commissioner transferred the function back to the Chief Constable with effect from 1 April 2022.

## 5 Financial Performance

The Group Statement of Accounts shows the financial performance of the Group. This has been prepared based on proper accounting practice to comply with the requirements of the CIPFA Chartered Institute of Public Finance & Accountancy's Code of Practice. This differs slightly from the budgets that are managed and monitored on a day-to-day basis as these exclude some elements such as depreciation and movements on pension liabilities which, under statute do not need to be financed fully in the year.

The cost of services included within the Comprehensive Income and Expenditure Statement (CIES) shows that £132.2m has been spent on providing policing services to the public of Dyfed-Powys Police in 2023/24 (2022/23: £155.2m). The Statement provides an analysis across the main cost components. For example, the largest element was spent on Police Officer Pay which accounted for £77.3m of the total in 2023/24 (2022/23: £96.3m). The variation in cost of service is impacted significantly by the movement in pension liabilities and capital depreciation entries.

The Balance Sheet provides a snapshot of the Commissioner's assets and liabilities as at 31 March 2024.

The Group Balance Sheet is dominated by the long-term liability of £1,053m (previously £1,073m) that exists in respect of future pension liabilities for police officers and staff. This represents the amount that would need to be set aside at the balance sheet date to cover future payments of pensions for all current serving and retired officers and staff. This figure has been calculated independently on an actuarial basis and takes account of future salary levels, inflation, mortality rates, etc. There has been a small reduction in this liability since March 2023 which is due to changes in actuarial assumptions including the discount factor.

The next largest item on the Balance Sheet is the £96.4m (2022/23: £80.3m) of property, plant & equipment owned by the Commissioner which have been subject to formal independent revaluation at the end of March 2024. In addition to these long-term assets, the Commissioner held £27.8m (2022/23: £18.2m) of short-term assets which are predominately short-term debtors and cash. Current liabilities total £29.9m on 31<sup>st</sup> March 2024 (2022/23: £20.9m) with the short-term borrowing of £10m undertaken in February 2024 accounting for the bulk of the variance in current assets and liabilities.

### Financial Performance and Budget Variance Analysis 2023/24

The Commissioner set a budget of £133.4m as a Revenue Budget for the financial year 2023/24 which incorporated a use of reserves of £2.6m, as well as financial savings of £6.4m (4.6%). These were deducted from baseline budgets despite a council tax increase of 7.75%. This reflected the unprecedented cost increases that Dyfed-Powys Police faced in energy, general inflation, and interest rates etc. Going into the financial year, the Force also faced the risk of cost escalation from unfunded pay awards and on-going significant operations in relation to asylum centre protests (Operation Cambrian).

The 2023/24 financial year has been a year of significant financial variances, the vast majority of which are positive. The following table sets out the final out-turn position for 2023/24 and compares this to the original budget. The revised budget is also shown which reflects the additional budgets and reserve movements approved during the year for budget monitoring purposes approved in accordance with the Corporate Governance Framework.

Variation Statement	Original Budget	Revised Budget	Actual	Variance (Positive for Saving)
Budget Holder	£m	£m	£m	£m
<b>Police and Crime Commissioner</b>				
Office and Commissioning Costs	2.4	2.4	2.4	0.0
Transfer to/(from) Reserves - Commissioner	0.0	0.0	(0.1)	0.1
<b>Total Commissioner Revenue Budget Costs</b>	<b>2.4</b>	<b>2.4</b>	<b>2.3</b>	<b>0.1</b>
<b>Chief Constable</b>				
Police Pay and Allowances	76.4	78.1	76.6	(0.2)
Police Officer Overtime	2.0	1.9	2.1	(0.1)
Bank Holidays	1.1	1.1	1.0	0.1
Police Staff Pay and Allowances	36.6	37.8	37.2	(0.6)
Police Staff Overtime	0.2	0.2	0.2	0.0
Pension Costs	1.7	1.7	1.9	(0.2)
Recruitment, Insurance and Training	3.5	3.4	2.7	0.8
Premises Costs	6.3	6.3	5.7	0.6
Other Non-Pay Costs	11.9	11.6	10.9	1.0
Telephone Analysis and Forensics	2.6	2.6	2.3	0.3
Collaboration Payments	4.6	4.7	3.9	0.7
Grants	(11.6)	(14.4)	(15.1)	3.5
Income	(4.5)	(5.0)	(5.0)	0.5
Capital Financing	3.3	4.9	4.9	(1.6)
Recharges	(0.5)	(0.7)	(0.6)	0.1
<b>Total Budget - Force</b>	<b>133.6</b>	<b>134.2</b>	<b>128.7</b>	<b>4.9</b>
<b>Total Budget - Police and Crime Commissioner and Chief Constable</b>	<b>136.0</b>	<b>136.6</b>	<b>131.0</b>	<b>5.0</b>
Contribution to/(from) Reserves - Chief Constable	(2.6)	(3.2)	2.4	(5.0)
<b>Net Spending After Transfer from Revenue to Reserves</b>	<b>133.4</b>	<b>133.4</b>	<b>133.4</b>	<b>0.0</b>
<b>Holding Accounts and self-balancing accounts</b>				
Driver Retraining Programme	0.0	0.0	(0.3)	0.3
Transfer to/(from) Reserves - Driver Retraining	0.0	0.0	0.3	(0.3)
Go Safe Partnership	0.0	0.0	0.9	(0.9)
Transfer to/(from) Reserves – Go Safe	0.0	0.0	(0.9)	0.9
Direct Revenue Financing - Capital	0.0	0.0	0.0	0.0
Transfer to/(from) Reserves - Capital	0.0	0.0	0.0	0.0
<b>Total Holding Accounts</b>	<b>133.4</b>	<b>133.4</b>	<b>133.4</b>	<b>0.0</b>

The Police and Crime Commissioner's spending was in-line with budget with a small transfer from reserves of £0.1m being utilised to fund some revenue costs in year. Dyfed-Powys Police



expenditure was £4.9m within budget. This meant that a transfer to reserves of £2.4m could be processed rather than the £2.6m transfer from Commissioner's reserves that was budgeted.

As was reported throughout the year, officer pay was running very close to the original budget. This was despite a pay award of 7% being approved by UK Government for payment from September 2023 against a budgeted increase of 2.75%. Officer leavers were significantly higher than anticipated and almost exactly matched the additional cost of the pay award. Additional recruitment at the end of the year led to the Force exceeding its officer uplift targets for the year.

Police staff budgets were approximately £0.6m over budget with the additional Government pay award contributing £1.0m towards this. The underlying position has been an underspend of around £0.4m with the recruitment freeze for PCSOs and the Force Review, combining contributing factors such as difficulties in attracting and recruiting staff in a timely manner. Police staff overtime, bank holidays and officer pension costs were largely on target against budget.

The recruitment, training and insurance line included a one-off cost of £1.5m to fund Force Review transitional costs. Vacancy management resulted in a lower compulsory, voluntary and early retirement requirement to implement structural changes and meant that only £0.6m of the costs of change were incurred. A small overspend of £0.1m against training and other budgets resulted from additional training requests being approved in lieu of the overall budget position.

Some significant cost increases were budgeted for premises headings due to anticipated inflationary increases in gas and electricity costs, as well as additional running costs from May 2023 for the new Custody Facility in Dafen. The year also saw changes implemented in relation to facilities management arrangements, with a savings target of £0.4m being set for such headings in 2023/24 as part of a £1.0m three-year target for the Estates Department (10% of the Force Review target). It is pleasing that the overall budget position is some £0.6m in hand at the end of the year which reflects significant effort by the Estates Team, with savings being delivered through energy management, rates appeals, agile working, premises rationalisation, and income generation.

Other non-pay budget headings are some £1.0m within budget, with delays in implementation of the Contact Management System (CMS) and telephony solution in the control room contributing £0.5m of this. Savings of £0.3m against the Insurance and Litigation Provision have also been experienced due to the accounting statements being held open for longer, as a result of delays in the audit process. This meant that £0.3m of claims received in relation to 2022/23 had to be charged back to that year, with a reduction in the Insurance and Litigation Reserve funding this in 2022/23. An additional transfer to reserves has been included in the 2023/24 accounts to replenish the Insurance and Litigation reserve back up to £0.4m. This incorporates a reduction of £0.05m in respect of claims received in 2024/25.

Savings against telephone analysis and forensic services costs of around £0.3m have been experienced during the year. Some £0.1 million was deleted from budgets in 2024/25 in recognition of this. The 2023/24 financial year saw limited serious crime investigations, so demand in terms of forensics was lower. In addition, the escalating costs of roadside drug testing were contained.

Collaboration budgets remain the most difficult to predict with Collaborative Units, mainly Regional Organised Crime Unit (Tarian), and the Joint Firearms Units coming in well within budgets, again mainly due to staffing issues. Contributions to other National Joint Arrangements were also lower than anticipated at budget setting time.

By far the biggest variation against budgets was seen against grant headings, which contributed £3.5m towards the underspend. This included unexpected additional grant such as the £2.3m

Special Grant towards pay awards, and £0.5m additional grant due to achieving uplift acceleration. Additional unannounced funding was also received from the Home Office in respect of Disclosure and Barring, software cost increases and the National Law Enforcement Data (LEDS) Programme.

Other non-grant income was over budget by £0.5m with interest receipts contributing the vast majority of this. The Home Office pensions top-up grant and Welsh Government top-up grant were paid early in April and with interest rates being +5% this made a significant saving. Additional income was also received for Mutual Aid support given to other Forces. Driver training income (Metropolitan Police) and traffic prosecution costs recovered saw shortfalls in income due to staffing difficulties and other pressures.

The MTFP set in January 2024 assumed that £1.1m additional Direct Revenue Financing charges were to be made to reduce statutory repayment and interest charges in 2024/25 when balancing budgets. In addition, some items of equipment over the capitalisation de-minimis of £6k, paid for from departmental revenue budgets needed to be capitalised and charged to this heading which resulted in savings against non-pay budgets, but increased capital charges.

Additional internal recharges against grants, capital and collaborative units resulted in a net saving of £0.1m against these budget headings.

As in previous years, the Driver Retraining Scheme made a cost surplus of around £0.3m, however the Safety Camera Partnership - Go Safe - which the Force administers, did make a financial loss in the year which necessitated the utilisation of £0.9m from reserves and a surplus contribution from Forces (due to lost speed enforcement income during the rollout of the 20 MPH limits by Welsh Government).

As highlighted above, the favourable budget position overall did allow the Police and Crime Commissioner to increase revenue reserves by £1.7m overall from £19.7m to £21.4m. Taking account of Holding Account transfers, the overall increase for the Police and Crime Commissioner Reserves is £2.3m.

Reserves Transfer Headings	Reserves Transfers £m
<b>Overall Reserves Movement including Holding Accounts</b>	<b>1.7</b>
<b>Adjust for Holding Accounts and self-balancing accounts</b>	
Add Go Safe Reserves Utilisation	0.9
Less: Driver Retraining Reserves Movement	(0.3)
<b>Police and Crime Commissioner and Chief Constable Reserves Movements</b>	<b>2.3</b>

Both the Commissioner and the Chief Constable exercised considerable financial restraint and prudence over the year despite continued operational demands. Several fortuitous events and proactive commercial decisions made the final outturn position far more favourable than expected. The year-end position is very positive and puts Dyfed-Powys Police in a stronger position to deal with future financial challenges.

At the Policing Board meeting of the 17<sup>th</sup> May 2024, the Police and Crime Commissioner made decisions on the allocation of reserves towards meeting capital slippage costs and current / future cost pressures including:

- An increase in General Reserves to 4% of budget to mitigate potential future financial risks and ensure improved financial resilience.
- An increase in Capital Reserves to reduce future borrowing requirements.
- The earmarking of reserves towards future innovative ICT, partnership working and commissioning initiatives over the next four years.
- To pay for slippage and additional current year cost challenges in respect of capital schemes to mitigate against future borrowing requirements.
- To meet several short-term cost pressures in relation to Welsh language translation, diversity, staff wellbeing and professional standards.

Full details of the movement in reserves and outstanding reserves are reported in 'Note 10 - Transfers to/from Earmarked Reserves'.

In relation to Capital Spending, the Commissioner set an original budget of £18.2m in February 2023 for the financial year 2023/24, which was reduced to £11.4m in January 2024 due to delays in relation to some major schemes.

The capital programme was funded from grants, capital receipts (sales of assets), earmarked reserves and prudential borrowing. In total, a sum of £7.4m had been spent by the end of the financial year. A summary of the final spending and funding position against budget is shown in the following table, along with high level budget variation:

	Original Budget 2023/24	Revised Budget 2023/24	Actual Spending 2023/24	Variance
	£m	£m	£m	£m
<b>Capitalised Expenditure</b>				
Estates Programme	11.2	5.6	3.6	2.0
Vehicles	1.3	1.8	1.3	0.5
ICT Major Projects	1.7	1.6	0.8	0.8
ICT Infrastructure Projects	0.5	0.5	0.3	0.2
Recurring ICT Device Replacements	2.4	1.2	1.1	0.1
Other Capital Equipment Replacements	1.1	0.6	0.2	0.4
<b>Sub Total Capitalised Expenditure</b>	<b>18.2</b>	<b>11.3</b>	<b>7.3</b>	<b>4.0</b>
Self/ Own Revenue Financing Projects	0.0	0.1	0.1	0.0
<b>Total Expenditure</b>	<b>18.2</b>	<b>11.4</b>	<b>7.4</b>	<b>4.0</b>
<b>Financing</b>				
Capital Grant	0.1	0.1	0.0	0.1
Direct Revenue Financing	2.3	4.2	4.2	0.0
Capital Receipts - Buildings	0.3	0.8	0.9	(0.1)
Capital Receipts - Vehicles	0.1	0.1	0.0	0.1
Capital Reserve Utilised	4.3	2.8	0.0	2.8
Sustainability Fund	0.0	0.5	0.0	0.5
Prudential Borrowing	11.1	2.9	2.0	0.9
<b>Sub Total Financing</b>	<b>18.2</b>	<b>11.4</b>	<b>7.1</b>	<b>4.3</b>
Self/ Own Revenue Financing Projects	0.0	0.0	0.3	(0.3)
<b>Total Financing</b>	<b>18.2</b>	<b>11.4</b>	<b>7.4</b>	<b>4.0</b>

The Carmarthenshire Station and Custody Facility Scheme in Dafen opened on schedule in June 2023. There has been some unavoidable slippage experienced against some projects including the new Brecon Station and some minor works schemes for which funding will need to be carried over into the next financial year.

There was some slippage against vehicle purchases, attributable to longer lead times, and delays associated with delivery. The Force is replacing infrastructure, including within its Control Room, and slippage was experienced against this budget heading.

In terms of capital financing, the slippage in spending has meant that the Commissioner has not needed to borrow as much as anticipated. The favourable year end revenue position allowed for an additional Direct Revenue Financing charge which allowed for less utilisation of Capital Reserves than planned. The Commissioner approved for slippage of £3.2m to be carry forward to support the capital schemes ongoing into 2024/25 and beyond.

## 6 Risks, Opportunities, and the Medium-Term Financial Outlook

Risks are managed at all levels of the organisation through the Governance Structure, and a Corporate Risk Register is used to record, manage, and mitigate the main risks which could affect the delivery of Police and Crime Plan outcomes and the Chief Constable's priorities.

The main risks that remained 'live' at the end of 2023/24 included:

- Aberystwyth Sexual Assault Referral Centre - concerns around funding, timescales, and accreditation requirements by October 2025 for the new premises given a fixed lease termination date at the current site. This position is being closely monitored collaboratively. [residual score 16]
- CCTV storage capabilities in custody – risk of system failures impacting footage storage whilst a programme of system upgrades is rolled out. [residual score 15]
- Safety Camera Partnership financing in Wales – the Go-Safe Partnership is experiencing financial deficits that are being underwritten by Forces, caused by fluctuating ticket income and inflationary pressures, exacerbated by fixed grant funding. A recovery plan is being formulated. [residual score 15]
- Departmental Business Continuity Plans – Policy updates and more timely testing of Business Continuity arrangements are being implemented to address Internal Audit recommendations [residual score 12]
- Future funding risk – There is a risk that a Funding Formula Review being undertaken by the Home Office may result in grant funding reductions. The Force is awaiting further consultation and determinations from the Home Office [residual score 12]
- Health Care Professionals in Custody – A failure to meet attendance times at Newtown by the outsourced service provider due to nurse recruitment and vetting issues that are being addressed. [residual score 12]
- Goleudy Victim Services – a delay in transitioning to a new service provider has required a 3-month extension of Force provision. The Force will be unable to fill vacancies over this period which could result in gaps in services to victims. The team does currently retain the capacity to deliver the service. [residual score 12]
- Withdrawal of Welsh Government funding for Police Community Support Officers – this has impacted 2024/25 budgets with the number of grant funded positions reducing from 89 in April 2023/24 to 44 by April 2025, with an impact on neighbourhood policing capacity. This is

mitigated in part by additional funding for 14 PCSOs provided through precept increases. [residual score 9]

- Health and Safety Training and Compliance – withdrawal of 32 courses by the College of Policing. Mandatory training courses are being planned internally or outsourced to other providers. [residual score 9]
- Information Management - Disclosure and Baring Service - backlogs potentially leading to Service Level Agreement non-compliance caused by new systems and staffing absence, mitigated by additional resources that are reducing backlogs. [residual score 9]
- Information Management - Freedom of Information – backlogs in responding to queries within the 20-day statutory deadline due to new systems and staff absence. Additional staff have been assigned which are reducing backlogs. [residual score 9]
- Property and exhibit management – the risk of damage or loss to property / exhibits detained as part of criminal cases. Investment in premises, staffing and reassignment of supervisory structures have been implemented, linked to the new Records Management System and the Force Review, and an improved audit report was received in March 2024. [residual score 9]
- Finance Department Resourcing Pressures – increased demand from delays in final accounts completion and audit. The 2021/22 and 2022/23 accounts have now been signed-off by the Auditor General. [residual score 4]

The Risk Register is monitored regularly to ensure that risks are allocated a Risk Owner responsible for applying appropriate mitigations and actions. Further details in relation to risk management are included within the Annual Governance Statement (AGS).

Dyfed-Powys Police has updated its Medium-Term Financial plans as part of the budget and precept setting process for 2024/25. It has faced significant financial challenges since 2010 due to reductions in funding from Central Government, along with cost pressures and increases in the demand for policing services. These have been set against an increasingly challenging financial and economic landscape that have necessitated significant cost reductions and above inflation increases in council tax precept over the period.

Recent years have been unprecedented for a variety of reasons, but 2023/24 unfortunately continued in this vein with a weakening economy, higher interest rates, and soaring inflation. The impacts of the cost-of-living crisis are far reaching and are also set against the backdrop of the War in Ukraine, the effects of Brexit, the Covid-19 pandemic, and political turmoil, which have all contributed to a volatile economic landscape.

Significant cost pressures have been experienced in gas and electricity budgets which needed to be increased from £0.8m in 2022/23 to £2.2m in 2023/24. This is alongside double-digit increases in non-pay contracts linked to inflation and pay awards of 7% for staff and officers from September 2023.

Having recognised the extent of the future financial challenges, the Chief Constable initiated a Force Review in June 2022 to assess all areas of activity, seeking efficiencies, cost reductions, savings, and transformational opportunities. A very challenging 3-year cost reduction target of £10m was set. The budget position for 2023/24 was such that £6.4 million of these cost reductions were needed in 2023/24 to balance revenue budgets despite the utilisation of reserves of £2.6m and a £22 (7.75%) increase in council tax at Band D. Un-hypothecated central government grants increased by just 0.3% in the original settlement.

The Commissioner and the Chief Constable took a range of further steps to proactively contain expenditure within 2023/24. These steps allowed for some flexibility in mitigating financial burdens and will assist in meeting one-off cost pressures arising in 2024/25.

In January 2024, the Police and Crime Panel unanimously agreed the 6.2% precept (or £19.38 increase in Council tax at Band D) as proposed by the Police and Crime Commissioner for 2024/25 resulting in a net budget of £143.9m. Within this budget level there are several assumptions, including:

- A headcount of 1,318 officers as required to meet central government officer uplift targets.
- An additional investment of 21 Full Time Equivalents (FTEs) in the FCC.
- An additional collaborative investment in accreditation through the creation of a Welsh Forensic Alliance.
- The funding of the new Sexual Assault Referral Centre (SARC) service.
- A reduction in PCSOs from an establishment of 163 FTE to 132 FTE by the end of 2025, through natural wastage.
- Funding to offset the reduction in Welsh Government School Liaison Programme grant.
- The budget incorporates a 2.5% increase in pay from September 2024 and inflation increases also at 2.5%, as well as a cost reduction plan requirement of £2.2m.
- An increase in police staff vacancy factor to 4% has also needed to be built in.
- An increase in the police officer pensions contribution rate of 4.4% is funded by an additional specific grant of £2.6m.

In relation to capital, reserves and borrowing, the MTFP is predicated on:

- Reserves falling from £14.6m in March 2024 to £9.4m by March 2026.
- A Capital Programme for 2024/25 of £21.3m, including work commencing on a new station in Brecon and a Collaborative Joint Firearms Unit training facility for Southern Wales.
- This necessitates an additional capital financing (borrowing) requirement of £46m by March 2029 with an external borrowing requirement of £53.3m.

The Commissioner considers and publishes an Annual Reserves Strategy which underpins the MTFP and its assessment of strategic, operational and financial risk exposure, and mitigation measures.

The Commissioner and the Force face numerous unknown and uncertain potential future financial commitments and liabilities which are referred to further in the contingent liabilities and pensions notes. The UK Government recommenced the Funding Formula Review in May 2021. The work has been ongoing but there is no clarity around timelines, and the outcome of this remains a risk.

Despite the assumed increases in council tax precept there is a need for continued efficiency requirements over the term of the MTFP. With uncertainties around future core and specific grant funding, complexities in relation to pensions costs set against the wider economic landscape mean that the financial environment is likely to remain challenging for the foreseeable future.

The full MTFP document for 2024/25 can be found at:

<https://www.dyfedpowys-pcc.org.uk/en/finance/precept-and-medium-term-financial-plan/>

## 7 Basis of Preparation and Presentation

Both the Commissioner and Chief Constable as separate legal entities must produce their own Statement of Accounts, with the Commissioner being responsible for production of the Group Accounts, within which the Commissioner's accounts are contained.

The Accounts and Audit (Wales) Regulations 2014 as amended, require local government bodies to prepare a Statement of Accounts in accordance with proper practices. The Chartered Institute of Public Finance & Accountancy's Code of Practice is identified as representing proper practices.

The following is an explanation of the statements that follow, their purpose and the relationship between them:

- **Statement of Responsibilities for the Statement of Accounts** - this statement sets out the responsibilities of the Commissioner and their Chief Finance Officer;
- **Independent Auditor's Report** - this sets out the opinion of the external auditor, the Auditor General for Wales, on whether the Group accounts presented give a 'true and fair view' of the financial position and operations of the Commissioner for 2023/24;
- **Expenditure and Funding Analysis (EFA)** - this statement shows how annual expenditure is used and funded by the Group from resources as reported by management, split across directorates and services in comparison with those resources consumed or earned by the Group reported in accordance with generally accepted accounting practices;
- **Comprehensive Income and Expenditure Statement (CIES)** - this core statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day-to-day expenses and related income on an accrual basis, as well as transactions measuring the value of fixed assets consumed and the real projected value of retirement benefits earned by employees in the year;
- **Movement in Reserves Statement (MiRS)** - this statement shows the movement in the year on the reserves held by the Group, analysed into usable reserves (monies which can be applied to fund capital expenditure or to reduce local taxation) and unusable reserves (monies that cannot be used to provide services and exist through the application of accounting standards, for example, the pensions reserves which match the pension liability);
- **Balance Sheet** - this core statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The Commissioner owns the land, buildings and other assets used by the Force. The net assets (assets less liabilities) are matched by the usable and unusable reserves;
- **Cash Flow Statement** - this statement summarises changes to cash and cash equivalents during the reporting period;
- **Police Pension Fund Account** - is a statement that shows expenditure, income, assets and liabilities pertaining to Police Pensions in the year. The account shows the top up grant due from the Group to the Pension Fund Account. Subsequently the Home Office reimburses the Group for money paid over to the account and effectively underwrites the deficit. This practice would work in reverse if the Pensions Fund Account were to show a surplus at the year-end;

- **Notes to the financial statements** - these provide additional information that further explains items included within the main statements with an aim of improving the readers' understanding of the main financial statements. They set out the Accounting Policies used as the basis of preparing the financial statements as required by the Code of Practice;
- **Glossary of terms** - these provide additional narrative to explain terms used within the statement with an aim of improving the readers' understanding as required by the Code of Practice;
- **A Joint Annual Governance Statement (AGS)** is published separately to this Statement of Accounts and sets out details of how the Commissioner and Chief Constable exercise governance over their affairs. The Statement is a statutory document for each corporation sole, albeit it continues to be a combined statement for 2023/24. This aims to aid transparency and understanding to the reader, clearly demonstrating where arrangements are consistent and where they differ between the Commissioner and the Chief Constable. The statement includes an annual review of the adequacy of the governance arrangements and provides assurance on the systems of internal control.



## Statement of Responsibilities

The purpose of this statement is to set out the responsibilities of the Commissioner and the Chief Financial Officer in respect of the Statement of Accounts.

### The Commissioner's responsibilities

The Commissioner is required to:

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

I approve the Statement of Accounts for financial year 2023/24.




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**Police and Crime Commissioner for Dyfed-Powys**

**Date: 27 November 2024**

### The Chief Financial Officer's responsibilities

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

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Local Authority Code.

The Chief Financial Officer has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Group/Commissioner at the reporting date and of its expenditure and income for the year ended 31 March 2024.




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**Chief Financial Officer**

**Date: 27 November 2024**

## **The Independent Auditor's report of the Auditor General for Wales to the Police and Crime Commissioner for Dyfed-Powys**

### **Opinion on financial statements**

I have audited the financial statements of:

- Police and Crime Commissioner for Dyfed Powys;
- Police and Crime Commissioner for Dyfed Powys Group which comprises the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police; and
- Dyfed Powys Police Pension Fund

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Police and Crime Commissioner for Dyfed Powys financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The Police and Crime Commissioner for Dyfed Powys Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Movement in Reserves Statement, the Group Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The Dyfed Powys Police Pension Fund financial statements comprise the Fund Account and Net Assets Statement and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

### **In my opinion the financial statements:**

- give a true and fair view of the financial position of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police Pension Fund as at 31 March 2024 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police Pension Fund, in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other

ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner for Dyfed Powys', the Police and Crime Commissioner for Dyfed Powys Group's, and the Dyfed Powys Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- the information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Dyfed Powys and the Chief Constable for Dyfed Powys for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police

Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 24, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Police and Crime Commissioner for Dyfed Powys', the Police and Crime Commissioner for Dyfed Powys Group's, and the Dyfed Powys Police Pension Fund'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 responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police Pension Fund will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police Pension Fund policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
  - obtaining an understanding of the Police and Crime Commissioner for Dyfed Powys', the Police and Crime Commissioner for Dyfed Powys Group's, and the Dyfed Powys Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Police and Crime Commissioner for Dyfed Powys and the Police and Crime Commissioner for Dyfed Powys Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police Pension Fund, and
  - obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Police and Crime Commissioner for Dyfed Powys', the Police and Crime Commissioner for Dyfed Powys Group's, and the Dyfed Powys Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

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

**Other auditor’s responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Certificate of completion of audit**

I certify that I have completed the audit of the accounts of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group, and the Dyfed Powys Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales’ Code of Audit Practice.



Adrian Crompton  
Auditor General for Wales  
29 November 2024

1 Capital Quarter  
Tyndall Street  
Cardiff,  
CF10 4BZ

The maintenance and integrity of the Police and Crime Commissioner for Dyfed Powys’ website is his responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded by the Group from resources (government grants, rents and council tax), in comparison with those resources consumed or earned by the Group in accordance with generally accepted accounting practices. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure & Funding Analysis 2023/24	Net Expenditure Chargeable to the General Fund £'000	Adjustments (please refer to Note 8 for details) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Police Officer Pay and Pensions *	80,848	(3,547)	77,301
Police Officer Overtime	3,253	0	3,253
Police Staff Pay and Pensions *	39,277	(57)	39,220
Police Staff Overtime	209	0	209
Other Employee Related Costs	2,704	0	2,704
Premises Costs	5,865	(411)	5,454
Transport Costs	2,409	(5)	2,404
Supplies & Services	13,110	44	13,154
Agency & Contracted Services	7,860	750	8,610
Capital Financing Costs	4,743	413	5,156
Grants	(17,140)	204	(16,936)
Other Income	(11,507)	459	(11,048)
Exceptional Items – Revaluation of Non-Current Assets	0	2,726	2,726
<b>Net Cost of Services</b>	<b>131,631</b>	<b>576</b>	<b>132,207</b>
Other Income and Expenditure	(133,414)	32,008	(101,406)
<b>Surplus/(Deficit) (Before Reserve Transfers)</b>	<b>(1,783)</b>	<b>32,584</b>	<b>30,801</b>
Transfers to Earmarked Reserves	1,133		
<b>Surplus or Deficit for the Year</b>	<b>(650)</b>		
Opening General Fund Balance as at 1 April 2023	(4,862)		
Less Deficit on General Fund Balance in Year	(650)		
<b>Closing General Fund Balance as at 31 March 2024</b>	<b>(5,512)</b>		

\* Pay and Pension costs have previously been presented on separate lines in the CIES and EFA but have now been amalgamated into one line. Pension contributions are reversed out of the CIES and are replaced with current service cost (as assessed by Mercer Ltd, the Force actuary). Current service costs for officer and staff pensions are significantly lower for 2023/24 than in previous years, and this has resulted in the net figure for pensions being a credit. The Pay and Pension costs have therefore been amalgamated into one line to avoid any ambiguity to the reader of the accounts. There is no impact on the overall totals for Pay and Pensions for both the 2022/23 and 2023/24 accounts.

Expenditure & Funding Analysis 2022/23 (Restated)	Net Expenditure Chargeable to the General Fund £'000	Adjustments (please refer to Note 8 for details) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Police Officer Pay and Pensions *	74,916	21,356	96,272
Police Officer Overtime	3,536	0	3,536
Police Staff Pay and Pensions *	37,821	7,189	45,010
Police Staff Overtime	237	0	237
Other Employee Related Costs	1,786	15	1,801
Premises Costs	4,640	(440)	4,200
Transport Costs	2,429	40	2,469
Supplies & Services	12,022	(51)	11,971
Agency & Contracted Services	7,435	(245)	7,190
Capital Financing Costs	5,483	(1,015)	4,468
Grants	(13,205)	(477)	(13,682)
Other Income	(10,354)	1,039	(9,315)
Exceptional Items – Revaluation of Non-Current Assets	0	1,055	1,055
<b>Net Cost of Services</b>	<b>126,746</b>	<b>28,466</b>	<b>155,212</b>
Other Income and Expenditure	(127,445)	29,439	(98,006)
<b>Surplus/(Deficit) (Before Reserve Transfers)</b>	<b>(699)</b>	<b>57,905</b>	<b>57,206</b>
Transfers to Earmarked Reserves	(131)		
<b>Surplus or Deficit for the Year</b>	<b>(830)</b>		
Opening General Fund Balance as at 1 April 2022	(4,032)		
Less Deficit on General Fund Balance in Year	(830)		
<b>Closing General Fund Balance as at 31 March 2023</b>	<b>(4,862)</b>		

\* Pay and Pension costs have previously been presented on separate lines in the CIES and EFA but have now been amalgamated into one line. Pension contributions are reversed out of the CIES and are replaced with current service cost (as assessed by Mercer Ltd, the Force actuary). Current service costs for officer and staff pensions are significantly lower for 2023/24 than in previous years, and this has resulted in the net figure for pensions being a credit. The Pay and Pension costs have therefore been amalgamated into one line to avoid any ambiguity to the reader of the accounts. There is no impact on the overall totals for Pay and Pensions for both the 2022/23 and 2023/24 accounts.



## Comprehensive Income and Expenditure Statement

The following statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year.

Group					Commissioner		
Gross Expend. £'000	Gross Income £'000	Net Expend. £'000	Comprehensive Income and Expenditure Statement 2023/24	Note	Gross Expend. £'000	Gross Income £'000	Net Expend. £'000
77,301	0	77,301	Police Officer Pay and Pensions *		0	0	0
3,253	0	3,253	Police Officer Overtime		0	0	0
39,220	0	39,220	Police Staff Pay and Pensions *		1,004	0	1,004
209	0	209	Police Staff Overtime		0	0	0
2,704	0	2,704	Other Employee Related Costs		11	0	11
5,454	0	5,454	Premises Costs		0	0	0
2,404	0	2,404	Transport Costs		2	0	2
13,154	0	13,154	Supplies & Services		470	0	470
8,610	0	8,610	Agency & Contracted Services		2,176	0	2,176
5,156	0	5,156	Capital Financing Costs		598	0	598
0	(16,936)	(16,936)	Grants	31	0	(16,936)	(16,936)
0	(11,048)	(11,048)	Other Income	31	0	(11,048)	(11,048)
			<b>Exceptional items:</b>				
2,775	(49)	2,726	Revaluation of non-current assets	6	2,775	(49)	2,726
<b>160,240</b>	<b>(28,033)</b>	<b>132,207</b>	<b>Total Cost of Services</b>		<b>7,036</b>	<b>(28,033)</b>	<b>(20,997)</b>
1,370	(18,069)	(16,699)	Other Operating Income & Expenditure	11	1,370	(18,069)	(16,699)
50,773	(2,017)	48,756	Financing & Investment Income & Expenditure	12	702	(2,017)	(1,315)
0	(133,463)	(133,463)	Taxation & Non-specific Grant Income	13	0	(133,463)	(133,463)
0	0	0	Commissioning Costs (Intra-group transfer)		203,275	0	203,275
<b>212,383</b>	<b>(181,582)</b>	<b>30,801</b>	<b>Surplus/Deficit on Provision of Services</b>		<b>212,383</b>	<b>(181,582)</b>	<b>30,801</b>
		(1,877)	(Surplus) or deficit on revaluation of fixed assets	6			(1,877)
		(50,795)	Actuarial (gains)/losses on pension asset/liabilities				9
		0	Commissioning Costs (Intra-group transfer)				(50,804)
		<b>(21,871)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(21,871)</b>

\* Pay and Pension costs have previously been presented on separate lines in the CIES but have now been amalgamated into one line. Pension contributions are reversed out of the CIES and are replaced with current service cost (as assessed by Mercer Ltd, the Force actuary). Current service costs for officer and staff pensions are significantly lower for 2023/24 than in previous years, and this has resulted in the net figure for pensions being a credit. The Pay and Pension costs have therefore been amalgamated into one line to avoid any ambiguity to the reader of the accounts. There is no impact on the overall totals for Pay and Pensions for both the 2022/23 and 2023/24 accounts.

Group (Restated)					Commissioner(Restated)		
Gross Expend. £'000	Gross Income £'000	Net Expend. £'000	Comprehensive Income and Expenditure Statement 2022/23 (Restated)	Note	Gross Expend. £'000	Gross Income £'000	Net Expend. £'000
96,272	0	96,272	Police Officer Pay and Pensions *		0	0	0
3,536	0	3,536	Police Officer Overtime		0	0	0
45,010	0	45,010	Police Staff Pay and Pensions *		1,035	0	1,035
237	0	237	Police Staff Overtime		0	0	0
1,801	0	1,801	Other Employee Related Costs		13	0	13
4,200	0	4,200	Premises Costs		0	0	0
2,469	0	2,469	Transport Costs		4	0	4
11,971	0	11,971	Supplies & Services		110	0	110
7,190	0	7,190	Agency & Contracted Services		2,279	0	2,279
4,468	0	4,468	Capital Financing Costs		512	0	512
0	(13,682)	(13,682)	Grants	31	0	(13,682)	(13,682)
0	(9,315)	(9,315)	Other Income	31	0	(9,315)	(9,315)
			<b>Exceptional items:</b>				
1,055	0	1,055	Revaluation of non-current assets	6	1,055	0	1,055
<b>178,209</b>	<b>(22,997)</b>	<b>155,212</b>	<b>Total Cost of Services</b>		<b>5,008</b>	<b>(22,997)</b>	<b>(17,989)</b>
225	(16,701)	(16,476)	Other Operating Income & Expenditure	11	225	(16,701)	(16,476)
47,615	(1,442)	46,173	Financing & Investment Income & Expenditure	12	641	(1,442)	(801)
0	(127,703)	(127,703)	Taxation & Non-specific Grant Income	13	0	(127,703)	(127,703)
0	0	0	Commissioning Costs (Intra-group transfer)		220,175	0	220,175
<b>226,049</b>	<b>(168,843)</b>	<b>57,206</b>	<b>Surplus/Deficit on Provision of Services</b>		<b>226,049</b>	<b>(168,843)</b>	<b>57,206</b>
		(5,762)	(Surplus) or deficit on revaluation of fixed assets	6			(5,762)
		(686,370)	Actuarial (gains)/losses on pension asset/liabilities				(1,943)
		0	Commissioning Costs (Intra-group transfer)				(684,427)
		<b>(634,926)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(634,926)</b>

\* Pay and Pension costs have previously been presented on separate lines in the CIES but have now been amalgamated into one line. Pension contributions are reversed out of the CIES and are replaced with current service cost (as assessed by Mercer Ltd, the Force actuary). Current service costs for officer and staff pensions are significantly lower for 2023/24 than in previous years, and this has resulted in the net figure for pensions being a credit. The Pay and Pension costs have therefore been amalgamated into one line to avoid any ambiguity to the reader of the accounts. There is no impact on the overall totals for Pay and Pensions for both the 2022/23 and 2023/24 accounts.

## Movement in Reserves Statement

Financial Year 2023/24	Note Ref	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2023</b>		<b>(4,862)</b>	<b>(14,690)</b>	<b>(19,552)</b>	<b>0</b>	<b>(107)</b>	<b>(19,659)</b>	<b>996,514</b>	<b>976,855</b>
Movement in reserves during 2023/24									
(Surplus) or deficit on the provision of services	<b>CIES</b>	30,801	0	30,801	0	0	30,801	0	<b>30,801</b>
Other Comprehensive Income and Expenditure	<b>CIES</b>	0	0	0	0	0	0	(52,672)	<b>(52,672)</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>30,801</b>	<b>0</b>	<b>30,801</b>	<b>0</b>	<b>0</b>	<b>30,801</b>	<b>(52,672)</b>	<b>(21,871)</b>
Adjustments between accounting basis and funding basis under Regulations	<b>9</b>	(32,584)	0	(32,584)	0	0	(32,584)	32,584	<b>0</b>
<b>Net (Increase)/Decrease before Transfers to/from Earmarked Reserves</b>		<b>(1,783)</b>	<b>0</b>	<b>(1,783)</b>	<b>0</b>	<b>0</b>	<b>(1,783)</b>	<b>(20,088)</b>	<b>(21,871)</b>
Net transfers (to)/from earmarked reserves	<b>10</b>	1,133	(1,133)	0	0	0	0	0	<b>0</b>
<b>(Increase)/Decrease in 2023/24</b>		<b>(650)</b>	<b>(1,133)</b>	<b>(1,783)</b>	<b>0</b>	<b>0</b>	<b>(1,783)</b>	<b>(20,088)</b>	<b>(21,871)</b>
<b>Balance at 31 March 2024</b>		<b>(5,512)</b>	<b>(15,823)</b>	<b>(21,335)</b>	<b>0</b>	<b>(107)</b>	<b>(21,442)</b>	<b>976,426</b>	<b>954,984</b>

Financial Year 2022/23	Note Ref	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2022</b>		<b>(4,032)</b>	<b>(14,821)</b>	<b>(18,853)</b>	<b>0</b>	<b>(107)</b>	<b>(18,960)</b>	<b>1,630,741</b>	<b>1,611,781</b>
Movement in reserves during 2022/23									
(Surplus) or deficit on the provision of services	<b>CIES</b>	57,206	0	57,206	0	0	57,206	0	<b>57,206</b>
Other Comprehensive Income and Expenditure	<b>CIES</b>	0	0	0	0	0	0	(692,132)	<b>(692,132)</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>57,206</b>	<b>0</b>	<b>57,206</b>	<b>0</b>	<b>0</b>	<b>57,206</b>	<b>(692,132)</b>	<b>(634,926)</b>
Adjustments between accounting basis and funding basis under Regulations	<b>9</b>	(57,905)	0	(57,905)	0	0	(57,905)	57,905	<b>0</b>
<b>Net (Increase)/Decrease before Transfers to/from Earmarked Reserves</b>		<b>(699)</b>	<b>0</b>	<b>(699)</b>	<b>0</b>	<b>0</b>	<b>(699)</b>	<b>(634,227)</b>	<b>(634,926)</b>
Net transfers (to)/from earmarked reserves	<b>10</b>	(131)	131	0	0	0	0	0	<b>0</b>
<b>(Increase)/Decrease in 2022/23</b>		<b>(830)</b>	<b>131</b>	<b>(699)</b>	<b>0</b>	<b>0</b>	<b>(699)</b>	<b>(634,227)</b>	<b>(634,926)</b>
<b>Balance at 31 March 2023</b>		<b>(4,862)</b>	<b>(14,690)</b>	<b>(19,552)</b>	<b>0</b>	<b>(107)</b>	<b>(19,659)</b>	<b>996,514</b>	<b>976,855</b>

## Balance Sheet

Group 2022/23 £'000	Commissioner 2022/23 £'000		Note	Group 2023/24 £'000	Commissioner 2023/24 £'000
80,348	80,348	Property, plant & equipment	14	96,458	96,458
0	0	Intangible assets	14	947	947
3,200	3,200	Investment property	15	3,288	3,288
74	74	Surplus assets	14	54	54
18,205	18,205	Assets under construction	14	1,278	1,278
<b>101,827</b>	<b>101,827</b>	<b>Long term assets</b>		<b>102,025</b>	<b>102,025</b>
0	0	Short term investments	17	0	0
535	0	Inventories		640	0
5	5	Assets held for sale	20	8	8
11,937	10,132	Short term debtors	18	15,936	14,238
5,731	5,731	Cash and cash equivalents	19	11,258	11,258
0	2,340	Intra-group transfer		0	2,338
<b>18,208</b>	<b>18,208</b>	<b>Current assets</b>		<b>27,842</b>	<b>27,842</b>
(303)	(303)	Short term borrowing	17	(10,386)	(10,386)
(18,974)	(1,180)	Short term creditors	21	(17,487)	(440)
(1,588)	(1,588)	Short term provisions	22	(2,081)	(2,081)
0	(17,794)	Intra-group transfer		0	(17,047)
<b>(20,865)</b>	<b>(20,865)</b>	<b>Current liabilities</b>		<b>(29,954)</b>	<b>(29,954)</b>
(684)	(684)	Long term borrowing	17	(358)	(358)
(1,073,421)	(1,073,421)	Other long-term liabilities	37	(1,053,173)	(1,053,173)
(1,920)	(1,920)	Long term provisions	22	(1,366)	(1,366)
<b>(1,076,025)</b>	<b>(1,076,025)</b>	<b>Long term liabilities</b>		<b>(1,054,897)</b>	<b>(1,054,897)</b>
<b>(976,855)</b>	<b>(976,855)</b>	<b>Net (liabilities)/assets</b>		<b>(954,984)</b>	<b>(954,984)</b>
(19,659)	(19,659)	Usable reserves	MIRS	(21,442)	(21,442)
996,514	996,514	Unusable reserves	23	976,426	976,426
<b>976,855</b>	<b>976,855</b>	<b>Total reserves</b>		<b>954,984</b>	<b>954,984</b>

## Cash Flow Statement

Group 2022/23 £'000	Commissioner 2022/23 £'000		Note	Group 2023/24 £'000	Commissioner 2023/24 £'000
57,206	57,206	<b>Net (surplus) or deficit on the provision of services</b>	<b>CIES</b>	<b>30,801</b>	<b>30,801</b>
(61,397)	(61,397)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	24	(35,049)	(35,049)
6,317	6,317	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	(2,123)	(2,123)
<b>2,126</b>	<b>2,126</b>	<b>Net cash flows from Operating Activities</b>	<b>24</b>	<b>(6,371)</b>	<b>(6,371)</b>
7,186	7,186	Investing Activities	25	7,042	7,042
(5,300)	(5,300)	Financing Activities	26	(6,198)	(6,198)
<b>4,012</b>	<b>4,012</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>19</b>	<b>(5,527)</b>	<b>(5,527)</b>
9,743	9,743	Cash and cash equivalents at the beginning of the reporting period	19	5,731	5,731
<b>5,731</b>	<b>5,731</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19</b>	<b>11,258</b>	<b>11,258</b>

## Police Pension Fund

Group 2022/23 £'000	Commissioner 2022/23 £'000	Fund Account	Group 2023/24 £'000	Commissioner 2023/24 £'000
		Contributions receivable		
(15,058)	0	Employer contributions	(16,399)	0
(905)	0	Other income (Employers ill health contributions) *	281	0
(6,469)	0	Officers' contributions	(7,084)	0
<b>(22,432)</b>	<b>0</b>	<b>Contributions receivable</b>	<b>(23,202)</b>	<b>0</b>
<b>(708)</b>	<b>0</b>	<b>Transfers in from other pension funds</b>	<b>(528)</b>	<b>0</b>
		Benefits payable		
31,547	0	Pensions	35,395	0
7,523	0	Commutations and lump sum retirement benefits *	5,640	0
<b>39,070</b>	<b>0</b>	<b>Benefits Payable</b>	<b>41,035</b>	<b>0</b>
		Payments to and on account of leavers		
40	0	Refunds of contributions	53	0
480	0	Scheme Pays tax payments **	(41)	0
<b>520</b>	<b>0</b>	<b>Payments to and on account of leavers</b>	<b>12</b>	<b>0</b>
<b>16,450</b>	<b>0</b>	<b>Net amount payable for the year</b>	<b>17,317</b>	<b>0</b>
(16,450)	(16,450)	Additional contribution from the Police Fund (re: Home Office Grant)	(17,317)	(17,317)
	16,450	Intra-group transfer		17,317
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>0</b>

\* In respect of 'Other Income (Employers ill health contributions)', and 'Commutations and lump sum retirement benefits', there were accounting entries relating to 2022/23 that were not put through until 2023/24. This has resulted in the figures being overstated in 2022/23 and understated in 2023/24. In 2023/24, the understatement against 'Other Income (Employers ill health contributions)' has led to the figure becoming a debit (instead of a credit).

The above entries negate to nil, therefore, for each financial year, the adjustments have not affected the 'Additional contribution from the Police fund (re: Home Office Grant)'.

\*\* In respect of 'Scheme Pays tax payments', there was an accounting entry relating to 2022/23 that was not put through until 2023/24. This has resulted in the figure for 'Scheme Pays tax payments' being overstated in 2022/23 and understated in 2023/24. In 2023/24, the understatement has led to the figure becoming a credit (instead of a debit).

This adjustment has also resulted in the 'Additional contribution from the Police fund (re: Home Office Grant)' being overstated in 2022/23, with a corresponding understatement in 2023/24.

Group 2022/23 £'000	Commissioner 2022/23 £'000	Net Assets Statement	Group 2023/24 £'000	Commissioner 2023/24 £'000
		Current Assets		
1,215	0	Debtor – net balances owed from the Police fund	255	0
<b>1,215</b>	<b>0</b>	<b>Current Assets</b>	<b>255</b>	<b>0</b>
		Current Liabilities		
(1,215)	0	Creditors – benefits payable to retiring officers end of March paid April	(255)	0
<b>(1,215)</b>	<b>0</b>	<b>Current Liabilities</b>	<b>(255)</b>	<b>0</b>
<b>0</b>	<b>0</b>	<b>Net Assets</b>	<b>0</b>	<b>0</b>

### Notes to the Police Pension Fund Accounts

- The accounting policies followed, and assumptions made regarding the Police Pensions Account are in line with those set out in Note 1 - Accounting Policies;
- The Police Pension Scheme is administered by Carmarthenshire County Council under a Service Level Agreement;
- There are no investment assets in the fund. The payments in and out of the Pension fund are balanced to nil each year by receipt of additional contributions from the General Police Fund, which in turn is reimbursed by a specific Home Office grant (Top-Up Grant). This grant is received by the Commissioner and passed on to the Chief Constable by way of an intra-group transfer;
- The Pension Fund's financial statements do not take account of future pension obligations after the 31 March 2024. However, these are presented on the Balance Sheet under 'Other Long-Term Liabilities', with detailed disclosures in Note 37 – Defined Benefit Pension Schemes.



## Notes to the Accounts

### 1. Accounting Policies

#### General Principles

The Statement of Accounts summarises the Group's transactions for the 2023/24 financial year and the position at the year-end of 31 March 2024. The Commissioner is required to prepare an annual Statement of Accounts for himself and the Group by the Accounts and Audit (Wales) Regulations 2014 as amended, which require them to be prepared in accordance with proper accounting practice. This practice primarily comprises the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

#### Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment. Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the financial position or financial performance of the Group. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

#### Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Group transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- Revenue from the provision of services is recognised when the Group can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **Overheads and Support Services**

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

### **Exceptional Items**

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

### **Events after the Balance Sheet Date**

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

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

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

### **Property, plant and equipment**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it incurred.

Expenditure falling below a de-minimis level of £6,000 per item is treated as Revenue and charged when it is incurred.

Assets are initially measured at cost and are then carried in the Balance Sheet using the following measurement bases:

- Land – fair value;
- Assets under construction – historic cost;

- Operational buildings – fair value. Non-specialised assets – Existing use value (EUUV), Specialised assets – Depreciated replacement cost (DRC);
- Surplus assets – fair value – reviewed annually;
- Assets held for sale – fair value - reviewed annually;
- Investment properties – fair value - reviewed annually;
- All other fair value assets – revalued every four years and determined as the amount that would be paid for the asset in its existing use;
- Vehicles, equipment and furniture – historic cost.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the CIES.

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives on a straight-line basis. The useful economic lives of assets and their residual values are summarised in the table below:

Asset Category	Useful Economic Life	Residual Value
Property		
Land	No depreciation	No depreciation
Operational buildings	10-155 years	Nil
Investment properties	No depreciation	No depreciation
Surplus assets	10-155 years	Nil
Assets under construction	No depreciation	No depreciation
Assets held for sale	No depreciation	No depreciation
Boats		
Boat 1 - Hull	32 years	Nil
Boat 2 - Engine	12 years	Nil
Boat 2	10 years	Nil
Vehicles		
Rapid response	3 years	Nil
Other	3-5 years	Nil
Equipment		
Computer & other equipment	5 years	Nil
Intangible assets		
Other	3-5 years	Nil

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

The Group has applied the following de-minimis limits, below which, the component is not separately quantified:

Life of component (years)	0-10	10-15	15-20	20-30	30-40	Over 40
De-minimis (£'000)	50	100	200	300	750	1,000

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

#### Surplus Assets

Surplus assets are those that are not being actively used in the business (such as vacant properties) and that cannot be classed as “assets held for sale”. Surplus assets will be measured at fair value at each reporting date, based on the amount at which the asset could be exchanged between knowledgeable parties at arm’s-length. Gains and losses on revaluation are posted to the

Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

### Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES.

Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Amounts received for a disposal of any asset in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts reserve and can only be used for new capital investment (or set aside to reduce the Group's underlying need to borrow – the capital financing requirement).

### **Charges to Revenue for Non-Current Assets**

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

### **Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

### **Accounting for Annual Contribution from Revenue**

The Group is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in their overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Group as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Group.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no

intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost.

### Minimum Revenue Provision

The Local Authorities (Capital Finance and Accounting) Regulations 2003 requires the Commissioner to set aside an amount from revenue each year to provide for the repayment of debt. This is known as Minimum Revenue Provision (MRP). The MRP is measured by the underlying need to borrow rather than the actual debt. Commissioners are required to prepare an annual statement of their policy on making MRP in accordance with statutory guidance and should be calculated on a prudent basis. The policy for 2023/24 includes:

#### **ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT**

The following policy has been set by the Commissioner in relation to MRP for 2023/24.

#### **Prudential Borrowing - Depreciation Method**

MRP is to be equal to the provision required in accordance with depreciation accounting in respect of the asset on which expenditure has been financed by prudential borrowing or unsupported credit arrangements. This reflects the useful life of the asset which has been estimated at 50 years in respect of Estates assets, 10 years in respect of IT infrastructure assets (e.g., Control Room, RMS) and 5 years for other IT assets.

(a) MRP will continue to be made annually until the cumulative amount of such provision is equal to the expenditure originally financed.

(b) On disposal of the asset, the amount of the capital receipt will not be taken to the revenue account and the Commissioner will comply with the normal requirements of the 2003 Act on the use of capital receipts.

(c) Where the percentage of the expenditure on the asset financed by prudential borrowing or unsupported credit arrangements is less than 100%, MRP will be equal to the same percentage of the provision required under depreciation accounting.

### Financial Instruments

#### Financial Liabilities

These are initially measured at fair value and are carried at their amortised cost. Annual charges to the Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The amount presented in the Balance Sheet is the outstanding principal plus accrued interest.

### Financial Assets

Loans and Receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Group has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest.

### Foreign currency translation

Where the Group has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

### **Inventories**

Inventories are included in the Balance Sheet at current cost price. International Accounting Standard (IAS) 2 states that Inventories should be measured at the lower of cost and net realisable value. The policy does not therefore comply with IAS 2, but the difference is not material.

### **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **Provisions and Contingent Liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

### **Reserves**

Amounts set aside for purposes falling outside the definition of provisions are considered as reserves. Revenue reserves are available to finance expenditure. Certain capital reserves created as a result of the capital accounting scheme are not available to meet current expenditure and include:

- Revaluation Reserve which records the accumulated gains on the fixed assets held by the Group arising from increases in value, to the extent that these gains have not been consumed by subsequent downward movements in value;
- Capital Adjustment Account, which provides a balancing mechanism between the different rates at which assets are depreciated and are financed through the capital controls system, by accumulating;

- On the debit side – the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal;
- On the credit side – the resources that have been set aside to finance capital expenditure.

### **Joint arrangements - Accounting for the consolidation of joint arrangements**

Where the Commissioner or the Chief Constable have entered into collaborative arrangements with other Commissioners and Chief Constables, an assessment has been made against IFRS 11 Joint Arrangement to determine the appropriate accounting treatment. IFRS 11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All such arrangements are classed as Joint Operations where the Commissioner or the Chief Constable is entitled to their fair share of the Joint Operation's Assets and Liabilities.

Further details can be found under the Collaborative Arrangements note.

### **Employee Benefits**

#### Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which the employees render service. An accrual is made for the cost of holiday entitlements (including time off in lieu and flexi leave) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Commissioner and the Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

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

#### Post-Employment Benefits

Police officers and police staff have the option of belonging to one of two separate pension schemes relevant to them:

- Police Officers Pension Scheme, administered through a Police Pension Fund.
- Local Government Pensions Scheme, administered by Carmarthenshire County Council.



Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees having worked for the Group.

This Police Officer Pension scheme is “unfunded” which means that no investment assets are built up to pay pensions and other benefits in the future, and therefore no provision to meet the liability for future payments of benefits is included in the Balance Sheet. The liabilities of the Local Government Scheme that are attributable to the Group are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.

#### Discretionary Benefits

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

#### **Government grants and contributions**

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

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

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

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

#### **Leases**

Costs are charged to the Comprehensive Income and Expenditure Statement over the life of the lease.

#### **Value Added Tax (VAT)**

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

## 2. Previous period adjustments

### Grants and Other Income

Grant income was received in 2022/23 where other Forces were responsible for collating the grant claims and drawing down funding from the relevant body. Once received, the appropriate amount of funding was then forwarded to the Police and Crime Commissioner for Dyfed-Powys.

In the Commissioner's CIES, and in 'Note 31 – Grants and Other Income', such grants have previously been categorised as 'Contributions from Other Public Bodies' rather than 'Revenue Grants'. However, due to the high value of some of these grants in recent years, and to provide more clarity to the reader of the accounts, it is now deemed more appropriate to recognise this income as 'Grant Income' rather than 'Contributions'.

The Commissioner's CIES and 'Note 31 – Grants and Other Income' has been restated for 2022/23 in order to reflect the changes as follows:

	2022/23 £'000	2022/23 Restated £'000	Adjustment £'000
Credited to services			
<i>Revenue grants</i>			
National Law Enforcement Data (LEDS) Programme Grant	0	(13)	(13)
Policing Education Qualifications Framework (PEQF) Grant	0	(337)	(337)
Serious Violence Duty Grant	0	(13)	(13)
Specialist Cyber Crime - Option 3 Grant	0	(118)	(118)
Other Revenue Grants	(96)	(94)	2
<b>Grants credited to services</b>	<b>(96)</b>	<b>(575)</b>	<b>(479)</b>

	2022/23 £'000	2022/23 Restated £'000	Adjustment £'000
Credited to services			
<i>Other Income</i>			
Contributions from Other Public Bodies	(1,099)	(620)	479
<b>Other income credited to services</b>	<b>(1,099)</b>	<b>(620)</b>	<b>479</b>

## 3. Accounting standards issued but not yet adopted

The Code requires the Police and Crime Commissioner to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- IFRS16 Leases - issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year). The Police and Crime Commissioner will adopt IFRS 16 from 1st April 2024 (2024/25). There will not be a requirement in 2024/25 to restate the 2023/24 comparative figures in the CIES, MiRS and Notes to the Accounts.

IAS17 is the current accounting standard for leases, which cover the accounting treatment for Operating and Finance leases. IFRS16 will replace IAS17. All arrangements that meet the Code's definition; a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time will be identified as a lease under the new accounting standard IFRS16.

IFRS16 recognises the lease as a Right of Use (RoU) asset and will see that moved onto the balance sheet with a corresponding lease liability. Lessor accounting is effectively unchanged.

The Police and Crime Commissioner has undertaken an assessment to identify leases the Force holds across all departments. The review has concluded that requirements of the new standard will not have a material impact on the information provided in the financial statements when adopted.

- Classification of Liabilities as Current or Non-current (Amendments to IAS1) - issued in January 2020;
- Lease Liability in a Sale and Leaseback (Amendments to IFRS16) - issued in September 2022;
- Non-current Liabilities with Covenants (Amendments to IAS1) - issued in October 2022;
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS12) - issued in May 2023;
- Supplier Finance Arrangements (Amendments to IAS7 and IFRS7) - issued in May 2023.

It is anticipated that the above changes will have no impact on the current Financial Statements. When compiling the Financial Statements for 2024/25, the effect of the changes will be reassessed and if necessary, the comparative figures restated.

#### **4. Critical judgements in applying accounting policies**

There continues to be a high degree of uncertainty about future funding levels for the Police and Crime Commissioner for Dyfed-Powys. The Home Office continue their work on the Police Funding Formula review which is used to allocate resources amongst policing bodies in England and Wales, timescales remain unclear, and this continues to be a risk. These matters will take some time to crystallise both in terms of local impact and also within the wider economic and political landscape and are reviewed and monitored as part of ongoing work on the Medium-Term Financial Plan. The Commissioner has determined that this uncertainty is not yet sufficiently defined to provide an indication if assets may be impaired, as a result of a need to close facilities, or of a need to reduce the level of service provision.

#### **5. Assumptions and other major sources of estimation uncertainty**

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

The items in the Balance Sheet as at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Property, plant and equipment</b>	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Commissioner will be able to sustain his current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
<b>Pensions liability</b>	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.	The effects on the liability of changes in individual assumptions can be measured. For instance, an increase of 0.25% in pay award for the police officer pension scheme would result in an increase to the police pension fund liability from £1,053m to £1,064m.

## 6. Material items of income and expense

The following are included as material exceptional items, included on the face of the Group and Commissioner's Comprehensive Income and Expenditure Statement.

### Revaluation of non-current assets

Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. A full revaluation of all land and buildings was undertaken in 2021/22 and 2022/23. From 2023/24 onwards the valuation is based on a 4-year rolling programme.

The accounting entries in respect of the revaluations are as follows:

2022/23 £'000	Comprehensive Income & Expenditure Statement	2023/24 £'000
1,055	Cost of Services	2,726
(170)	Financing and Investment Income and Expenditure	(261)
(5,762)	Other Comprehensive Income and Expenditure	(1,877)
	<b>Balance Sheet</b>	
4,701	Property, plant & equipment	(830)
170	Investment property	261
5	Surplus assets	(19)
0	Assets held for sale	0
886	Capital Adjustment Account	2,465
(5,762)	Revaluation Reserve	(1,877)

## 7. Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 28 June 2024.

There are no events after the reporting period to report.

## 8. Note to the Expenditure and Funding Analysis

The following note presents further detail in support of the Expenditure and Funding Analysis and provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

<b>2023/24</b> Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for Capital Purposes (Column A) £'000	Net Change for the Pensions Adjustments (Column B) £'000	Other Differences (Column C) £'000	Total Adjustments £'000
Police Officer Pay and Pensions	0	(2,335)	(1,212)	<b>(3,547)</b>
Police Staff Pay	0	142	(199)	<b>(57)</b>
Other Employee Related Costs	0	0	0	<b>0</b>
Premises Costs	0	0	(411)	<b>(411)</b>
Transport Costs	0	0	(5)	<b>(5)</b>
Supplies & Services	0	0	44	<b>44</b>
Agency & Contracted Services	0	0	750	<b>750</b>
Capital Financing Costs	413	0	0	<b>413</b>
Grants	0	0	204	<b>204</b>
Other Income	0	0	459	<b>459</b>
Exceptional Items – Revaluation of Non-Current Assets	2,726	0	0	<b>2,726</b>
<b>Net Cost of Services</b>	<b>3,139</b>	<b>(2,193)</b>	<b>(370)</b>	<b>576</b>
Other Income and Expenditure	303	32,742	(1,037)	<b>32,008</b>
<b>Surplus / (Deficit) for the Year</b>	<b>3,442</b>	<b>30,549</b>	<b>(1,407)</b>	<b>32,584</b>
<b>2022/23</b> Adjustments from General Fund to arrive at the Comprehensive Income And Expenditure Statement	Adjustments for Capital Purposes (Column A) £'000	Net Change for the Pensions Adjustments (Column B) £'000	Other Differences (Column C) £'000	Total Adjustments £'000
Police Officer Pay	0	0	119	<b>119</b>
Police Officer Pensions	0	21,237	0	<b>21,237</b>
Police Staff Pay	0	0	67	<b>67</b>
Police Staff Pensions	0	7,122	0	<b>7,122</b>
Other Employee Related Costs	0	0	15	<b>15</b>
Premises Costs	0	0	(440)	<b>(440)</b>
Transport Costs	0	0	40	<b>40</b>
Supplies & Services	0	0	(51)	<b>(51)</b>
Agency & Contracted Services	0	0	(245)	<b>(245)</b>
Capital Financing Costs	(1,015)	0	0	<b>(1,015)</b>
Grants	0	0	(477)	<b>(477)</b>
Other Income	0	0	1,039	<b>1,039</b>
Exceptional Items – Revaluation of Non-Current Assets	1,055	0	0	<b>1,055</b>
<b>Net Cost of Services</b>	<b>40</b>	<b>28,359</b>	<b>67</b>	<b>28,466</b>
Other Income and Expenditure	(455)	30,571	(677)	<b>29,439</b>
<b>Surplus / (Deficit) for the Year</b>	<b>(415)</b>	<b>58,930</b>	<b>(610)</b>	<b>57,905</b>

**Column A - Adjustments for Capital Purposes**

For Services – adds in depreciation, impairment and revaluation gains and losses. Statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from services as these are not chargeable under generally accepted accounting practices. Capital grants are adjusted for income not chargeable under generally accepted accounting practices.

For Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

**Column B - Net Change for the Pensions Adjustments**

Net change for the removal of pension contributions and the addition of IAS19 *Employee Benefits* pension related expenditure and income:

For Services – this represents the removal of the employer pension contributions made by the Group as allowed by statute and the replacement with current service costs and past service costs.

For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

For Other Operating income and Expenditure – the Home Office Pensions 'Top-Up Grant' is credited to the CIES.

**Column C - Other Differences**

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

For Services – adjusted by the amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.

For Financing and Investment Income and Expenditure – adjusted by the amount by which finance costs charged to the Comprehensive Income and Expenditure Statement in relation to Financial Instruments differ from finance costs chargeable in the year in accordance with statutory requirements.

A number of presentational adjustments have also been made between Services and Other Income and Expenditure (i.e., above and below the line). Overall, these adjustments have a nil effect.

**9. 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 Group/Commissioner in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Commissioner to meet future capital and revenue expenditure.

	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
2023/24	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the CIES				
Charges for depreciation and impairment of non-current assets	(5,155)	0	0	5,155
Movement in the Fair Value of Investment Properties	261	0	0	(261)
Revaluation losses on property, plant and equipment	(2,775)	0	0	2,775
Revaluation gains on property, plant and equipment	49	0	0	(49)
Capital grants and contributions applied	49	0	0	(49)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(1,543)	0	0	1,543
Insertion of items not debited or credited to the CIES				
Statutory provision for the financing of capital investment	220	0	0	(220)
Capital expenditure charged against the General Fund	4,523	0	0	(4,523)
Adjustments primarily involving the Capital Receipts Reserve				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	929	0	0	(929)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the CIES	17,317	0	0	(17,317)
Employer's pensions contributions and direct payments to pensioners payable in the year	(47,864)	0	0	47,864
Adjustments primarily involving the Accumulated Balances Account				
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,772	0	0	(1,772)
Other Adjustments				
Adjustments in respect of fair share of Collaborative Arrangements	(367)	0	0	367
<b>Total Adjustments</b>	<b>(32,584)</b>	<b>0</b>	<b>0</b>	<b>32,584</b>



	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
2022/23	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the CIES				
Charges for depreciation and impairment of non-current assets	(4,468)	0	0	4,468
Movement in the Fair Value of Investment Properties	170	0	0	(170)
Revaluation losses on property, plant and equipment	(1,192)	0	0	1,192
Revaluation gains on property, plant and equipment	136			(136)
Capital grants and contributions applied	258	0	0	(258)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(224)	0	0	224
Insertion of items not debited or credited to the CIES				
Statutory provision for the financing of capital investment	169	0	0	(169)
Capital expenditure charged against the General Fund	5,313	0	0	(5,313)
Adjustments primarily involving the Capital Receipts Reserve				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	252	0	0	(252)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the CIES	16,450	0	0	(16,450)
Employer's pensions contributions and direct payments to pensioners payable in the year	(75,380)	0	0	75,380
Adjustments primarily involving the Accumulated Balances Account				
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	367	0	0	(367)
Other Adjustments				
Adjustments in respect of fair share of Collaborative Arrangements	244	0	0	(244)
<b>Total Adjustments</b>	<b>(57,905)</b>	<b>0</b>	<b>0</b>	<b>57,905</b>

## 10. Transfers to/from Earmarked Reserves

This note shows the amounts set aside from the Police Fund in earmarked reserves to provide financing for future expenditure plans. The note also shows the amounts posted back from earmarked reserves to meet Police Fund expenditure in 2023/24.

Reserve	As at 31 March 2022 £'000	Transfers in 22/23 £'000	Transfers out 22/23 £'000	As at 31 March 2023 £'000	Re-classifications 2023/24	Transfers in 23/24 £'000	Transfers out 23/24 £'000	As at 31 March 2024 £'000
<b><u>Force Reserves:</u></b>								
Energy Costs Reserve	0	(424)	0	(424)	0	0	424	0
Departmental Budget Reserve	0	(262)	0	(262)	0	0	262	0
Sexual Assault Referral Centre (SARC) Reserve	0	(107)	0	(107)	0	0	0	(107)
Pay Inflation Reserve	0	(508)	0	(508)	105	0	0	(403)
Go Safe Force Contingency Reserve	0	(249)	0	(249)	0	(80)	0	(329)
Insurance & Litigation Reserve	(450)	0	323	(127)	0	(323)	49	(401)
Budget Mitigation Reserve	(75)	0	75	0	(717)	(601)	15	(1,303)
Police Education Qualifications Framework (PEQF) Reserve	(120)	0	37	(83)	0	0	83	0
Bank Holiday Reserve	(511)	(90)	311	(290)	0	0	290	0
Chief Constable Operational Fund	(499)	(46)	0	(545)	0	0	0	(545)
Covid-19 Pandemic / Training Backlog Reserve	(400)	0	226	(174)	0	0	174	0
Transformational Projects Reserve	(1,068)	(414)	0	(1,482)	305	0	682	(495)

	As at 31 March 2022	Transfers in 22/23	Transfers out 22/23	As at 31 March 2023	Re- classificati ons 2023/24	Transfers in 23/24	Transfers out 23/24	As at 31 March 2024
	£'000	£'000	£'000	£'000		£'000	£'000	£'000
Driver Retraining Scheme Reserve – Chief Constable	0	0	0	0	0	(341)	0	(341)
Welsh Language/Translation Reserve	0	0	0	0	0	(51)	0	(51)
Police Race Action Reserve	0	0	0	0	0	(77)	0	(77)
Innovation Reserve – Robotic Process Automation (RPA)	0	0	0	0	0	(640)	0	(640)
People Services and Organisational Development Reserve	0	0	0	0	0	(126)	0	(126)
Disciplinary Hearing Reserve	0	0	0	0	0	(42)	0	(42)
<b><u>Commissioner's Reserves:</u></b>								
Proceeds of Crime Act Reserve	(145)	(66)	86	(125)	0	(389)	93	(421)
Commissioner's Fund	(474)	0	101	(373)	0	(143)	223	(293)
Forfeiture Reserve	(34)	(37)	0	(71)	0	(74)	44	(101)
Sale of Found Property Reserve	(23)	(6)	3	(26)	0	0	7	(19)
Driver Retraining Scheme Reserve - Commissioner	(793)	(458)	165	(1,086)	0	0	48	(1,038)
Drug Intervention Reserve	(78)	0	34	(44)	0	0	33	(11)
Office of the Police and Crime Commissioner (OPCC) Reserve	0	0	0	0	0	(37)	0	(37)
Police and Crime Commissioner Innovation Funding Reserve	0	0	0	0	0	(1,000)	0	(1,000)

	As at 31 March 2022	Transfers in 22/23	Transfers out 22/23	As at 31 March 2023	Re- classificatio ns 2023/24	Transfers in 23/24	Transfers out 23/24	As at 31 March 2024
	£'000	£'000	£'000	£'000		£'000	£'000	£'000
<b>Total Specific Earmarked Revenue Reserves</b>	<b>(4,670)</b>	<b>(2,667)</b>	<b>1,361</b>	<b>(5,976)</b>	<b>(307)</b>	<b>(3,924)</b>	<b>2,427</b>	<b>(7,780)</b>
Sustainability Fund	(494)	0	0	(494)	0	0	0	(494)
Roads Policing Unit (RPU) Vehicle Reserve	0	0	0	0	0	(235)	0	(235)
Other Earmarked Capital Reserves	(8,038)	(900)	1,874	(7,064)	0	(250)	0	(7,314)
<b>Total Earmarked Capital Reserves</b>	<b>(8,532)</b>	<b>(900)</b>	<b>1,874</b>	<b>(7,558)</b>	<b>0</b>	<b>(485)</b>	<b>0</b>	<b>(8,043)</b>
Regional Collaboration Reserve	(307)	0	0	(307)	307	0	0	0
'Go Safe' Road Safety Partnership Reserve	(1,312)	0	463	(849)	0	0	849	0
<b>Total Ring-Fenced Revenue &amp; Capital Reserves</b>	<b>(1,619)</b>	<b>0</b>	<b>463</b>	<b>(1,156)</b>	<b>307</b>	<b>0</b>	<b>849</b>	<b>0</b>
<b>Total Usable Reserves</b>	<b>(14,821)</b>	<b>(3,567)</b>	<b>3,698</b>	<b>(14,690)</b>	<b>0</b>	<b>(4,409)</b>	<b>3,276</b>	<b>(15,823)</b>

The purpose for each Reserve held by the Group is detailed below:

#### General Reserve

In accordance with CIPFAs Guidance Note on Local Authority Reserves and Balances, the Commissioner also maintains a General Reserve to act as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, and a contingency to cushion the impact of unexpected events or emergencies.

#### Energy Costs Reserve

This reserve was created to mitigate the high inflationary increases in energy costs in 2023/24.

#### Departmental Budget Reserve

This reserve was set up in 2022/23 to meet expenditure for goods which were not received before year end due to supply chain and market delays.

#### Sexual Assault Referral Centre (SARC) Reserve

To mitigate anticipated costs arising from the regionalisation project for Sexual Assault Referral Centres.

#### Pay Inflation Reserve

This reserve has been created to mitigate against levels of future pay inflation being higher than those anticipated.

#### 'Go Safe' Force Contingency Reserve

This contingency reserve has been established to mitigate against uncertainties and financial deficits within the Go Safe Partnership.

#### Insurance and Litigation Reserve

To assist in mitigating the financial impacts of changes to self-insured levels as a consequence of increases in insurance premiums and litigation exposure.

#### Budget Mitigation Reserve

The Commissioner initially set aside a specific reserve of £75K in 2021/22 to offset an error in the calculation of the council tax base that occurred during budget setting for 2022/23. This reserve was released during 2022/23 with the issue being addressed on a recurring basis as part of the 2023/24 and 2024/25 budget setting process. The current balance represents one-off cost pressures which were to be funded non-recurringly over future years.

#### Police Education Qualifications Framework (PEQF) Reserve

The PEQF Reserve was held to mitigate increases in officer uplift training costs and has been released accordingly.

#### Bank Holiday Reserve

The creation of a Bank Holiday Reserve sought to mitigate the costs of the pattern of bank holidays over two years and has been released accordingly.

#### Chief Constable Operational Fund

This reserve assists in mitigating against the consequential costs of notable peaks in operational activity.

#### Covid-19 Pandemic / Training Backlog Reserve

This reserve was established to assist in partially mitigating the financial implications arising from the Covid-19 pandemic linked particularly to training backlogs.

#### Transformational Projects Reserve

This reserve was set up to fund activities seeking to deliver organisational transformational projects.

#### Driver Retraining Scheme Reserve – Chief Constable

This reserve is to support activities in relation to road and community safety initiatives.

#### Welsh Language / Translation Reserve

This reserve has been set up to address the backlog in the translation of Freedom of Information (FOI) responses for publication on the Force Internet.

#### Police Race Action Reserve

This reserve is to fund a Police Race Action Plan Co-ordinator position to take forward this piece of work substantively.

#### Innovation Reserve – Robotic Process Automation (RPA)

This reserve is to enhance the delivery of RPA, continuous development, and Power BI dashboard development.

#### People Services and Organisational Development Reserve

This reserve is to fund changes within the People Services Department. This includes appointing a Head of Training/Talent, Wellbeing Lead, and Counselling Support to manage the wider recruitment and retention challenges.

#### Disciplinary Hearing Reserve

This reserve is to fund a part time post to manage the workloads of disciplinary hearings.

#### Proceeds of Crime Act Reserve

Funds are allocated as a result of confiscation orders arising from proceeds of crime. The reserves are utilised to support operational activities which assist in bringing criminals to justice.

#### Commissioner's Fund

This reserve is to support Term 3 Police and Crime Plan priorities.

#### Forfeiture Reserve

Money seized under Section 27 Misuse of Drugs Act 1971 and following forfeiture at Court is transferred to the Forfeiture Reserve for use by the Commissioner. The reserves are utilised to fund operations targeting drug related crime and drug abuse.

#### Sale of Found Property Reserve

The Sale of Found Property Fund is made up of monies received by the Commissioner from the sale of found property. It is current policy to provide annual donations to local charities.

#### Driver Retraining Scheme Reserve - Commissioner

This reserve is to support activities in relation to road and community safety initiatives.

Drug Intervention Reserve

This reserve will be utilised to support drug testing.

Office of the Police and Crime Commissioner (OPCC) Reserve

Funding to meet additional costs to backfill CFO post due to long term sickness absence.

Police and Crime Commissioner Innovation Funding Reserve

To deliver innovation projects in line with the Commissioners priorities e.g. Rural Crime initiatives/pilot projects.

Sustainability Fund

This reserve is to assist in funding 'invest to save' and sustainability activities.

Roads Policing Unit (RPU) Vehicle Reserve

To fund additional vehicles for the new local Roads Policing Programme.

Earmarked Capital Reserve

This reserve will be used to support the significant capital investment in Estates, Information Communication Technology and Fleet, as outlined within the MTFP and Capital Strategy.

Regional Collaboration Reserve

This reserve represented the share of funds held for collaborative police services, including the Regional Organised Crime Unit and the Regional Task Force.

During 2023/24 it was established that the funds held were no longer required and they have therefore been reclassified in line with the Force's requirements.

'Go Safe' Road Safety Partnership Reserve

This Earmarked Reserve was being held on behalf of the All-Wales 'Go Safe' Road Safety Partnership and has been utilised in line with their business requirements.

## 11. Other operating income and expenditure

This line contains corporate items of income and expenditure that cannot reasonably be allocated or apportioned to services.

Group 2022/23 £'000	Commissioner 2022/23 £'000		Group 2023/24 £'000	Commissioner 2023/24 £'000
225	225	Loss on the disposal of non-current assets	1,370	1,370
(251)	(251)	Gain on the disposal of non-current assets	(752)	(752)
(16,450)	(16,450)	Home Office Police Officers Pensions top-up grant	(17,317)	(17,317)
<b>(16,476)</b>	<b>(16,476)</b>	<b>Total</b>	<b>(16,699)</b>	<b>(16,699)</b>

## 12. Financing and investment income and expenditure

This line contains corporate items of income and expenditure arising from involvement in financial instruments and similar transactions involving interest.

Group 2022/23 £'000	Commissioner 2022/23 £'000		Note	Group 2023/24 £'000	Commissioner 2023/24 £'000
111	111	Interest payable and similar charges	17	140	140
47,020	46	Net interest on the net defined benefit liability	37	50,059	(12)
59	59	Deficit on revaluation of investment properties	15	106	106
(229)	(229)	(Surplus) on revaluation of investment properties	15	(367)	(367)
0	0	Gains on the disposal of investment properties		(6)	(6)
(297)	(297)	Interest receivable and similar income	17	(729)	(729)
(916)	(916)	Income in relation to investment properties and changes in their fair value		(902)	(902)
425	425	Expenditure in relation to investment properties and changes in their fair value		456	456
<b>46,173</b>	<b>(801)</b>	<b>Total</b>		<b>48,757</b>	<b>(1,314)</b>



### 13. Taxation and non-specific grant incomes

This note consolidates all grants and contributions that cannot be identified to a particular service.

Group 2022/23 £'000	Commissioner 2022/23 £'000		Note	Group 2023/24 £'000	Commissioner 2023/24 £'000
(66,761)	(66,761)	Precept income		(72,518)	(72,518)
(190)	(190)	National Non-Domestic Rates (NNDR)		(173)	(173)
(60,494)	(60,494)	Non-ring-fenced government grants	31	(60,723)	(60,723)
(258)	(258)	Capital grants and contributions	31	(49)	(49)
<b>(127,703)</b>	<b>(127,703)</b>	<b>Total</b>		<b>(133,463)</b>	<b>(133,463)</b>

## 14. Property, plant and equipment

	Land	Buildings	Boat	Vehicles	Equipment	Total Property, Plant & Equipment	Intangible Assets	Surplus Assets	Assets Under Construction
2023/24	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation at 1 April 2023</b>	<b>6,795</b>	<b>61,334</b>	<b>870</b>	<b>7,662</b>	<b>18,057</b>	<b>94,718</b>	<b>178</b>	<b>74</b>	<b>18,205</b>
Additions	0	2,844	48	1,283	1,655	5,830	947	0	710
Revaluation increases/(decreases) recognised in the Revaluation Reserve	457	1,437	0	0	0	1,894	0	(19)	0
Revaluation increases/(decreases) recognised in surplus/deficit on the Provision of Services	(14)	(2,712)	0	0	0	(2,726)	0	0	0
Derecognition – disposals	(240)	(1,118)	0	(659)	(834)	(2,851)	0	0	0
Assets reclassified	253	17,384	0	(157)	0	17,480	0	0	(17,637)
Write off of Accumulated Depreciation on Revaluation	0	(339)	0	0	0	(339)	0	0	0
<b>At 31 March 2024</b>	<b>7,251</b>	<b>78,830</b>	<b>918</b>	<b>8,129</b>	<b>18,878</b>	<b>114,006</b>	<b>1,125</b>	<b>55</b>	<b>1,278</b>
<b>Accumulated depreciation and impairment at 1 April 2023</b>	<b>0</b>	<b>0</b>	<b>(161)</b>	<b>(4,621)</b>	<b>(9,588)</b>	<b>(14,370)</b>	<b>(178)</b>	<b>0</b>	<b>0</b>
Depreciation charge	0	(1,353)	(39)	(1,077)	(2,685)	(5,154)	0	(1)	0
Derecognition disposals	0	23	0	634	831	1,488	0	0	0
Assets reclassified	0	0	0	149	0	149	0	0	0
Write off of Accumulated Depreciation on Revaluation	0	339	0	0	0	339	0	0	0
<b>Accumulated depreciation and impairment at 31 March 2024</b>	<b>0</b>	<b>(991)</b>	<b>(200)</b>	<b>(4,915)</b>	<b>(11,442)</b>	<b>(17,548)</b>	<b>(178)</b>	<b>(1)</b>	<b>0</b>
<b>Net book value at 31 March 2024</b>	<b>7,251</b>	<b>77,839</b>	<b>718</b>	<b>3,214</b>	<b>7,436</b>	<b>96,458</b>	<b>947</b>	<b>54</b>	<b>1,278</b>
<b>Net book value at 31 March 2023</b>	<b>6,795</b>	<b>61,334</b>	<b>709</b>	<b>3,041</b>	<b>8,469</b>	<b>80,348</b>	<b>0</b>	<b>74</b>	<b>18,205</b>

	Land	Buildings	Boat	Vehicles	Equipment	Total Property, Plant & Equipment	Intangible Assets	Surplus Assets	Assets Under Construction
2022/23	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation at 1 April 2022</b>	<b>6,800</b>	<b>56,134</b>	<b>700</b>	<b>7,921</b>	<b>14,003</b>	<b>85,558</b>	<b>178</b>	<b>70</b>	<b>5,282</b>
Additions	0	1,719	170	1,269	4,074	7,232	0	0	12,923
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	5,757	0	0	0	5,757	0	5	0
Revaluation increases/(decreases) recognised in surplus/deficit on the Provision of Services	(5)	(1,051)	0	0	0	(1,056)	0	0	0
Derecognition – disposals	0	0	0	(1,028)	(20)	(1,048)	0	0	0
Assets reclassified	0	0	0	(500)	0	(500)	0	0	0
Write off of Accumulated Depreciation on Revaluation	0	(1,225)	0	0	0	(1,225)	0	(1)	0
<b>At 31 March 2023</b>	<b>6,795</b>	<b>61,334</b>	<b>870</b>	<b>7,662</b>	<b>18,057</b>	<b>94,718</b>	<b>178</b>	<b>74</b>	<b>18,205</b>
<b>Accumulated depreciation and impairment at 1 April 2022</b>	<b>0</b>	<b>0</b>	<b>(137)</b>	<b>(4,973)</b>	<b>(7,498)</b>	<b>(12,608)</b>	<b>(178)</b>	<b>0</b>	<b>0</b>
Depreciation charge	0	(1,225)	(24)	(1,111)	(2,108)	(4,468)	0	(1)	0
Derecognition disposals	0	0	0	968	18	986	0	0	0
Assets reclassified	0	0	0	495	0	495	0	0	0
Write off of Accumulated Depreciation on Revaluation	0	1,225	0	0	0	1,225	0	1	0
<b>Accumulated depreciation and impairment at 31 March 2023</b>	<b>0</b>	<b>0</b>	<b>(161)</b>	<b>(4,621)</b>	<b>(9,588)</b>	<b>(14,370)</b>	<b>(178)</b>	<b>0</b>	<b>0</b>
<b>Net book value at 31 March 2023</b>	<b>6,795</b>	<b>61,334</b>	<b>709</b>	<b>3,041</b>	<b>8,469</b>	<b>80,348</b>	<b>0</b>	<b>74</b>	<b>18,205</b>
<b>Net book value at 31 March 2022</b>	<b>6,800</b>	<b>56,134</b>	<b>563</b>	<b>2,948</b>	<b>6,505</b>	<b>72,950</b>	<b>0</b>	<b>70</b>	<b>5,282</b>

## Revaluations

Up to 2021/22, the Commissioner carried out a rolling programme that ensured all Property, Plant and Equipment (that was required to be measured at fair value) is re-valued at least every five years. A full revaluation of all land and buildings was undertaken in 2021/22 and 2022/23 carried out by external valuers, Wilks Head and Eve LLP. From 2023/24 onwards the valuation will be based on a 4-year rolling programme, in terms of inspections.

As at 31<sup>st</sup> March 2024, a revaluation of land and buildings was undertaken by Wilks Head and Eve LLP. The formal valuation was prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Standards with the two approaches being:

1. Valuations based on comparable market evidence (Current Value and Fair Value), and;
2. valuations based on a Depreciated Replacement Cost (DRC).

No significant assumptions have been applied.

## 15. Investment properties

The following table summarises the movement in the fair value of investment properties over the year.

2022/23 £'000		2023/24 £'000
3,028	Balance at start of year	3,200
2	Additions in the year	0
0	Disposals in the year	(173)
170	Net gains/(losses) from fair value adjustments	261
<b>3,200</b>	<b>Balance at end of year</b>	<b>3,288</b>

Investment properties are measured at fair value based on market evidence.

Details of the Commissioner's investment properties and information about the fair value hierarchy as at 31 March 2024 and 31 March 2023 are as follows:

31 March 2024	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair value as at 31 March 2024 £'000
Radio Mast Sites	0	2,192	0	2,192
Office Units	0	1,096	0	1,096
31 March 2023	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair value as at 31 March 2023 £'000
Radio Mast Sites	0	1,826	0	1,826
Office Units	0	1,374	0	1,374

Valuation techniques used to determine level 2 and 3 fair values for investment properties*Significant observable inputs – level 2.*

The fair value for the radio mast units and office units has been based on the market approach using current market conditions, the duration of leases and rental income.

**16. Capital Commitments**

Future expenditure commitments under outstanding purchase orders for capital schemes are as follows:

2022/23 £'000	Capital Commitments	2023/24 £'000
1,338	Land and Buildings	15,782
4,057	Equipment	4,152
879	Vehicles	2,533
<b>6,274</b>	<b>Total</b>	<b>22,467</b>

The table above includes contractual commitments only and does not reflect other schemes that the Force plans to progress as outlined in the Capital Programme.

Most of the contractual commitment for Equipment covers ICT projects, including CMS (£1m), Body Worn Video (£1m) and Digital Interviewing (£0.4m).

The contractual commitment of £15.8m for Land and Building in 2023/24 includes £14.5m as the Force contribution towards the tri-force Joint Firearms Range training facility which is currently under construction.

**17. Financial Instruments**

A Financial Instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A Financial Liability is an obligation to transfer economic benefits controlled by the Commissioner and can be represented by a contractual obligation to deliver cash or financial assets. It is also an obligation to exchange financial assets and liabilities with another entity that are potentially unfavourable to the Commissioner.

Financial Assets

A Financial Asset is a right to future economic benefits controlled by the Commissioner that is represented by cash or other instruments. It is also a contractual right to receive cash or another financial asset.

Financial Instrument – Balances

The following categories of financial instrument are carried in the Balance Sheet as at 31 March 2023 and 31 March 2024:

**Group**

	Long Term		Current	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£'000	£'000	£'000	£'000
Borrowing (PWLB)	(684)	(358)	(303)	(10,386)
Creditors	0	0	(18,974)	(17,487)
<b>Total Financial Liabilities</b>	<b>(684)</b>	<b>(358)</b>	<b>(19,277)</b>	<b>(27,873)</b>
Loans and receivables				
Investments	0	0	0	0
Debtors	0	0	11,937	15,936
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>11,937</b>	<b>15,936</b>

**Commissioner**

	Long Term		Current	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£'000	£'000	£'000	£'000
Borrowing (PWLB)	(684)	(358)	(303)	(10,386)
Creditors	0	0	(1,180)	(440)
<b>Total Financial Liabilities</b>	<b>(684)</b>	<b>(358)</b>	<b>(1,483)</b>	<b>(10,826)</b>
Loans and receivables				
Investments	0	0	0	0
Debtors	0	0	10,132	14,238
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>10,132</b>	<b>14,238</b>

With regards to borrowing, the tables reflect external borrowing only.

**Gains and Losses****Financial Instruments – Gains and Losses**

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following items:

2022/23		Financial Liabilities - Measured at amortised cost	Financial Assets - Loans and receivables	2023/24
£'000		£'000	£'000	£'000
(111)	Interest expense	(140)	0	(140)
297	Interest income	0	729	729
<b>186</b>	<b>Net gain/(loss) for the year</b>	<b>(140)</b>	<b>729</b>	<b>589</b>

**Fair Values**

Financial assets classified as available for sale and all derivative assets and liabilities are carried in the Balance Sheet at fair value. For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price. The fair

values of other instruments have been estimated calculating the net present value of the remaining contractual cash flows at 31 March 2024, using the following methods and assumptions:

- Certificates of deposit and forward loan contracts have been discounted at market interest rates for instruments of similar credit quality and remaining term to maturity.
- The Public Works Loan Board (PWLB) has provided the Commissioner with fair value amounts in relation to its debt portfolio. The PWLB has assessed the fair values by calculating the amounts the Commissioner would have had to pay to extinguish the loans on these dates.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including creditors and debtors, is assumed to approximate to the carrying amount.
- For creditors and debtors, the carrying value has been used as a reasonable approximation of fair value.
- Fair values are shown in the table on the following page, split by their level in the fair value hierarchy:
  - 1) Level 1 – Fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g., bond prices. This also applies to property valuations for surplus assets, assets held for sale and investment properties;
  - 2) Level 2 – Fair value is calculated from inputs other than quoted prices that are observable for the asset or liability e.g. interest rates or yields for similar instruments;
  - 3) Level 3 – Fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

There were no transfers between input levels 1 and 2 during the year and there has been no change in the valuation technique used during the year.

Group		2023/24	Fair value Level	Commissioner	
Carrying amount	Fair value	Carrying amount		Fair value	
31 March 2024 £'000	31 March 2024 £'000	31 March 2024 £'000		31 March 2024 £'000	
		Financial Liabilities			
(358)	(398)	Long Term Borrowing		(358) (398)	
		Liabilities for which fair value is not disclosed			
(10,386)	(10,386)	Short Term Borrowing		(10,386) (10,386)	
(17,487)	(17,487)	Creditors		(440) (440)	
<b>(27,873)</b>	<b>(27,873)</b>	<b>Total Financial Liabilities</b>		<b>(10,826) (10,826)</b>	
		Assets for which fair value is not disclosed			
15,936	15,936	Debtors		14,238 14,238	
<b>15,936</b>	<b>15,936</b>	<b>Total Financial Assets</b>		<b>14,238 14,238</b>	

Group		2022/23	Fair value Level	Commissioner	
Carrying amount	Fair value			Carrying amount	Fair value
31 March 2023	31 March 2023			31 March 2023	31 March 2023
£'000	£'000			£'000	£'000
		Financial Liabilities			
(684)	(760)	Long Term Borrowing	2	(684)	(760)
		Liabilities for which fair value is not disclosed			
(303)	(303)	Short Term Borrowing		(303)	(303)
(18,974)	(18,974)	Creditors		(1,180)	(1,180)
<b>(19,961)</b>	<b>(20,037)</b>	<b>Total Financial Liabilities</b>		<b>(2,167)</b>	<b>(2,243)</b>
		Assets for which fair value is not disclosed			
11,937	11,937	Debtors		10,132	10,132
<b>11,937</b>	<b>11,937</b>	<b>Total Financial Assets</b>		<b>10,132</b>	<b>10,132</b>

## 18. Short-Term Debtors

Group	Commissioner		Group	Commissioner
31 March 2023	31 March 2023		31 March 2024	31 March 2024
£'000	£'000		£'000	£'000
1,625	1,625	Trade receivables	1,827	1,827
8,881	8,507	Other receivables	12,412	12,411
1,431	0	Prepayments	1,697	0
<b>11,937</b>	<b>10,132</b>	<b>Total</b>	<b>15,936</b>	<b>14,238</b>

## 19. Cash and Cash Equivalents

	31 March 2023	31 March 2024	Increase or (decrease) in Cash and Cash Equivalents
	£'000	£'000	
Cash held	20	19	(1)
Bank current accounts	1,694	2,200	506
Short term deposits	4,017	9,039	5,022
<b>Total</b>	<b>5,731</b>	<b>11,258</b>	<b>5,527</b>



## 20. Assets held for sale

	31 March 2023 £'000	31 March 2024 £'000
Balance outstanding at start of year	162	5
Assets newly classified as held for sale		
Property, plant and equipment	0	0
Assets reclassified	5	8
Revaluation (losses)/gains	0	0
Assets sold	(162)	(5)
<b>Balance outstanding at year end</b>	<b>5</b>	<b>8</b>

## 21. Short-Term Creditors

Group 31 March 2023 £'000	Commissioner 31 March 2023 £'000		Group 31 March 2024 £'000	Commissioner 31 March 2024 £'000
(5,930)	(478)	Trade payables	(3,349)	(323)
(13,044)	(702)	Other payables	(14,138)	(117)
<b>(18,974)</b>	<b>(1,180)</b>	<b>Total</b>	<b>(17,487)</b>	<b>(440)</b>

## 22. Provisions

### Short Term Provisions

These are amounts which are expected to be paid within 12 months of the reporting period.

	Statutory Funds £'000	Injury Awards and Ill Health Retirements £'000	Other Provisions £'000	Total £'000
<b>Balance at 1 April 2023</b>	<b>(1,152)</b>	<b>(401)</b>	<b>(35)</b>	<b>(1,588)</b>
Additional provisions made in 2023/24	(1,073)	(819)	0	(1,892)
Amounts used in 2023/24	963	215	0	1,178
Unused amounts reversed	0	186	35	221
Reclassification	0	0	0	0
<b>Balance at 31 March 2024</b>	<b>(1,262)</b>	<b>(819)</b>	<b>0</b>	<b>(2,081)</b>

### Statutory Funds

The Commissioner is empowered to seize monies or property used, or intended for use, for the purpose of crime. These seized monies are held pending a ruling by the courts. Once this ruling is made, the funds can be disposed of in line with relevant legislation.

Injury Awards and Ill Health Retirements

A provision has been established to meet the cost of injury awards and ill health retirement payments for those employees who, at the year end, were deemed unlikely to return to work but for whom the full health assessment had yet to be completed.

**Long Term Provisions**

These are amounts which are expected to be paid more than 12 months after the reporting period.

	Insurance and Litigation Provision	Municipal Mutual Insurance Ltd	Total
	£'000	£'000	£'000
<b>Balance at 1 April 2023</b>	<b>(1,463)</b>	<b>(457)</b>	<b>(1,920)</b>
Additional provisions made in 2023/24	(929)	0	<b>(929)</b>
Amounts used in 2023/24	1,125	0	<b>1,125</b>
Unused amounts reversed in 2023/24	358	0	<b>358</b>
<b>Balance at 31 March 2024</b>	<b>(909)</b>	<b>(457)</b>	<b>(1,366)</b>

Insurance and Litigation Provision

An assessment of the likely settlement of insurance claims to be made by the Commissioner has been carried out and this amounted to £707k.

On 10 October 2022, the High Court of Justice handed down judgment in the case of KSO and others v Commissioner of the Metropolis (2019) in favour of the Claimants who sought settlement of on call provision for dedicated source handling duties. The Chief Constable has settled all claims for debt, leaving only the settlement of claimant costs to resolve, along with our associated legal costs. These costs have been estimated at £200k and a provision has been made accordingly.

In addition to the above, an amount of £2.4k has also been set aside for the likely settlement of Civil proceedings arising out of conduct of an officer seconded to the National Public Order Intelligence Unit (NPOIU).

Municipal Mutual Insurance Ltd. (MMI)

MMI is a former insurer of public bodies which ceased trading in 1992. The Commissioner is in a scheme of arrangement to meet all claims that were outstanding at the time the company went out of business.

## 23. Unusable Reserves

2022/23 £'000		2023/24 £'000
(27,826)	Revaluation Reserve	(29,108)
(52,016)	Capital Adjustment account	(49,168)
3,299	Accumulated Absences account	1,526
1,073,421	Pensions Reserve	1,053,173
(364)	Collaboration Fair Share Reserve	3
<b>996,514</b>	<b>Total</b>	<b>976,426</b>

### Revaluation Reserve

This reserve represents the accumulated gains on the fixed assets held by the PCC/Group arising from increases in value, as a result of inflation and other factors, to the extent that these gains have not been consumed by subsequent downward movements in value.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022/23 £'000		2023/24 £'000
<b>(22,531)</b>	<b>Balance at 1 April</b>	<b>(27,826)</b>
(5,762)	(Upward)/downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on Provision of Services	(1,877)
<b>(28,293)</b>	<b>(Surplus) or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services</b>	<b>(29,703)</b>
467	Amounts written off to the Capital Adjustment Account	595
<b>(27,826)</b>	<b>Balance at 31 March</b>	<b>(29,108)</b>

### Capital Adjustment Account

The Capital Adjustment Account 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 Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Group/Commissioner.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007.

2022/23 £'000		2023/24 £'000
<b>(51,135)</b>	<b>Balance at 1 April</b>	<b>(52,016)</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
4,468	Charges for depreciation and impairment of non-current assets	5,155
1,192	Revaluation losses on property, plant and equipment	2,775
(136)	Revaluation gains on property, plant and equipment	(49)
224	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,543
	Adjusting amounts written out of the revaluation reserve:	
(467)	- Fair Value Depreciation	(595)
0	- Correction of prior year balances written out of Revaluation Reserve	0
<b>(45,854)</b>		<b>(43,187)</b>
	Capital financing applied in the year	
(252)	Use of Capital Receipts to finance new capital expenditure	(929)
(258)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(49)
0	Application of grants to capital financing from the Capital Grants Unapplied Account	0
(169)	Statutory provision for the financing of capital investment charged against the Police Fund	(220)
(5,313)	Capital expenditure charged against the General Fund	(4,522)
<b>(5,992)</b>		<b>(5,720)</b>
(170)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(261)
<b>(52,016)</b>	<b>Balance at 31 March</b>	<b>(49,168)</b>

### Accumulated Absences Account

This account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to, or from, the Account.

2022/23 £'000		2023/24 £'000
<b>3,666</b>	<b>Balance at 1 April</b>	<b>3,299</b>
(3,666)	Settlement or cancellation of accrual made at the end of the preceding year	(3,299)
3,299	Amounts accrued at the end of the current year	1,526
<b>3,299</b>	<b>Balance at 31 March</b>	<b>1,526</b>

Pensions Reserve

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

2022/23 £'000		2023/24 £'000
<b>1,700,861</b>	<b>Balance at 1 April</b>	<b>1,073,421</b>
(686,370)	Actuarial (gains) or losses on pensions assets and liabilities	(50,795)
(16,450)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(17,317)
75,380	Employer's pensions contributions and direct payments to pensioners payable in the year.	47,864
<b>1,073,421</b>	<b>Balance at 31 March</b>	<b>1,053,173</b>

Collaboration Fair Share Reserve

The Collaboration Fair Share Reserve has been set up to represent the restatement of collaborative costs and reflects the difference between the fair value of collaborative costs and actual expenditure incurred in accordance with accounting standards.

2022/23 £'000		2023/24 £'000
<b>(120)</b>	<b>Balance at 1 April</b>	<b>(364)</b>
120	Reversal of adjustment made at the end of the preceding year	364
(364)	Amounts adjusted at the end of the current year	3
<b>(364)</b>	<b>Balance at 31 March</b>	<b>3</b>

**24. Cash flow statement – operating activities**

2022/23 £'000		2023/24 £'000
57,206	<b>Net (surplus) or deficit on the provision of services</b>	<b>30,801</b>
	Adjustments for non-cash movements	
(4,468)	Depreciation	(5,155)
(5,762)	(Surplus) or Deficit on Revaluation of Fixed Assets	(1,877)
4,876	Revaluation gains/(losses) on Property, Plant & Equipment	(590)
(58,930)	Net charges made for Retirement Benefits	(30,547)
(224)	Sale of Fixed Assets (NBV)	(1,543)
(413)	Contribution (to)/from Provisions	61
(14)	Increase/(Decrease) in Interest on Investments accrual	0
1	(Increase)/Decrease in Interest on Borrowing accrual	(54)
(73)	Increase/(Decrease) in Stock	105
768	Increase/(Decrease) in Debtors	3,999
2,842	(Increase)/Decrease in Creditors	552
<b>(61,397)</b>		<b>(35,049)</b>
	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	
252	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	929
5,574	Other payments for financing activities – Agency arrangements	(3,500)
491	Payments for and Receipts from investing activities	448
<b>6,317</b>		<b>(2,123)</b>
<b>2,126</b>	<b>Net cash flows from operating activities</b>	<b>(6,371)</b>

**25. Cash flow statement – investing activities**

2022/23 £'000		2023/24 £'000
19,930	Purchase of property, plant and equipment, investment property and intangible assets	8,419
68,000	Purchase of short-term and long-term investments	55,000
425	Other payments for investing activities	455
(252)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(929)
(80,000)	Proceeds from short-term and long-term investments	(55,000)
(917)	Other receipts from investing activities	(903)
<b>7,186</b>	<b>Net cash flows from investing activities</b>	<b>7,042</b>

## 26. Cash flow statement – financing activities

2022/23 £'000		2023/24 £'000
274	Repayments of short and long-term borrowing	(9,698)
(5,574)	Other payments for financing activities	3,500
<b>(5,300)</b>	<b>Net cash flows from financing activities</b>	<b>(6,198)</b>

## 27. Agency Services

In accordance with the requirements of IAS 18 *Revenue*, the Code of Practice requires that where an organisation acts as an agent, transactions will not be reflected in an authority's financial statements, with the exception of cash collected or expenditure incurred by the agent on behalf of the principal, in which case there is a debtor or creditor position and the net cash is included in Financing Activities in the Cash Flow Statement.

### Go Safe

Since April 2015, The Police and Crime Commissioner for Dyfed-Powys has been the strategic lead for the financial administration of the Go Safe Partnership. Go Safe is the public facing image of the Wales Road Casualty Reduction Partnership which comprises the four Welsh police forces, 22 unitary authorities for Wales and the Welsh Government (as the trunk road authority).

The Go Safe Partnership is funded from two principal sources: a Welsh Government grant, and utilisation of income received from attendance of offenders on Speed Awareness Courses. During 2023/24, the Police and Crime Commissioner for Dyfed-Powys submitted grant claims totalling £3.6m (2022/23: £2.9m), and incurred expenditure to the value of £8.5m (2022/23: £7.8m), on behalf of the Partnership.

### Photo at the Roadside (PARS) and Law Enforcement Database (LEDS)

In 2021/22, the Police and Crime Commissioner, on behalf of the Home Office, was designated as the national lead for two agency arrangements known as "PARS – Photo at the Roadside" and "LEDS - Law Enforcement Database". LEDS is a Home Office capital project for the replacement of the Police National Computer and Police National Database ICT systems. The Police and Crime Commissioner has been administering the distribution of grant funding to Forces on behalf of the Home Office.

There has been no adverse financial impact as costs incurred in providing the administration function have been refunded under the arrangements.

From the 31<sup>st</sup> March 2024 onwards, we have been advised by the Home Office to amalgamate the balances that are being held in respect of these two agency arrangements. At the 31 March 2024, the Commissioner held £130k of undistributed funds (31 March 2023: £470k). It is anticipated that this balance will be distributed during 2024/25 and costs incurred will be recovered.

## 28. Collaborative Arrangements

Police Forces in Wales have a long, successful history of collaborating to develop specialist areas of policing. This included those under the remit of the former Police Authorities of Wales Joint Committee. Future collaboration will be driven by the need to satisfy the Strategic Policing Requirement and by the outcomes of the Regional Strategic Assessment of threats, risks and harm to the southern region of Wales.

The Police and Crime Commissioner for each police force will be responsible for ensuring the strategic policing requirement is met. As part of this, the Commissioner will look to work in collaboration with other Commissioners and forces to provide the most effective service possible. Such agreements are regulated by Section 22A of the Police Act 1996, as amended by the Police Reform and Social Responsibility Act 2011.

The collaborative services and their funding continue under revised Commissioner and Force Governance Arrangements. These are in effect considered as 'Pooled Budgets' with agreements for funding contributions made and varied from time to time, supported by certain specific government grants. The pooled budgets are effectively hosted by the Police and Crime Commissioner and Chief Constable for South Wales Police on behalf of the four police forces in Wales.

The total costs of the collaborative team in 2023/24 were £422k (2022/23 £198k) and Dyfed-Powys Police's contribution to these costs was £109k in 2023/24 (2022/23 £49k).

Income and Expenditure for the main activities of the collaborative units is presented below along with the funding contributions made by each participating Force.

Included in accounting policies under collaborative arrangements is an explanation of the accounting requirements for joint operations. IFRS11, Accounting for Joint Arrangements, requires income and expenditure to be subject to a different accounting treatment than actually incurred. Accordingly, expenditure in the Comprehensive Income and Expenditure Statement has been increased by £2,506k (2022/23: £1,311k) and income/grants have been increased by £2,503k (2022/23: £1,675k); a net increase in expenditure of £3k (2022/23: decrease of £364k). This net increase has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

Assets, debtors and creditors in respect of the arrangements have remained in the balance sheets of Forces on the basis of materiality.

*\* North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police Contribute to the North West Region of England and North Wales.*



Expenditure and Income Statements for 2023/24 for the main collaborative arrangements were as follows:

Service Classification	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing £'000	National Policing £'000	National Policing £'000	Intelligence Investigation £'000	Intelligence £'000	Specialist Operations £'000	
Pay Expenditure	9,241	627	3,697	11,642	1,663	14,666	<b>41,536</b>
Non-Pay Expenditure	2,314	64	529	2,338	560	2,374	<b>8,179</b>
<b>Gross Expenditure</b>	<b>11,555</b>	<b>691</b>	<b>4,226</b>	<b>13,980</b>	<b>2,223</b>	<b>17,040</b>	<b>49,715</b>
Specific Grant Income	(11,492)	(691)	(4,226)	(7,316)	0	(1,336)	<b>(25,061)</b>
Income	(63)	0	0	(116)	(29)	(844)	<b>(1,052)</b>
<b>Total Income &amp; Grants</b>	<b>(11,555)</b>	<b>(691)</b>	<b>(4,226)</b>	<b>(7,432)</b>	<b>(29)</b>	<b>(2,180)</b>	<b>(26,113)</b>
<b>(Surplus) or Deficit - to be funded from Force contributions as follows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,548</b>	<b>2,194</b>	<b>14,860</b>	<b>23,602</b>
Force contributions (net)							
Dyfed-Powys	0	0	0	(1,332)	(446)	(4,458)	<b>(6,236)</b>
Gwent	0	0	0	(1,701)	(570)	(2,972)	<b>(5,243)</b>
South Wales	0	0	0	(3,515)	(1,178)	(7,430)	<b>(12,123)</b>
<b>Total Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,548)</b>	<b>(2,194)</b>	<b>(14,860)</b>	<b>(23,602)</b>

Each Force's contribution towards Expenditure and Income for 2023/24 was as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	Intelligence/ Investigation (Population – national benefit basis) £'000	Intelligence (Agreed Financial Contribution – local delivery) £'000	Specialist Operations (Agreed Financial Contribution – local delivery) £'000	
Dyfed-Powys	1,915	115	430	2,969	452	5,112	<b>10,993</b>
Gwent	2,182	131	490	3,384	577	3,408	<b>10,172</b>
North Wales*	2,539	152	2,202	0	0	0	<b>4,893</b>
South Wales	4,919	293	1,104	7,627	1,194	8,520	<b>23,657</b>
<b>Gross Expenditure</b>	<b>11,555</b>	<b>691</b>	<b>4,226</b>	<b>13,980</b>	<b>2,223</b>	<b>17,040</b>	<b>49,715</b>
Dyfed-Powys	(1,915)	(115)	(430)	(1,579)	(6)	(654)	<b>(4,699)</b>
Gwent	(2,182)	(131)	(490)	(1,799)	(7)	(436)	<b>(5,045)</b>
North Wales*	(2,539)	(152)	(2,202)	0	0	0	<b>(4,893)</b>
South Wales	(4,919)	(293)	(1,104)	(4,054)	(16)	(1,090)	<b>(11,476)</b>
<b>Total Income &amp; Grants</b>	<b>(11,555)</b>	<b>(691)</b>	<b>(4,226)</b>	<b>(7,432)</b>	<b>(29)</b>	<b>(2,180)</b>	<b>(26,113)</b>

Expenditure and Income Statements for 2022/23 for the main collaborative arrangements are as follows:

Service Classification	Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing £'000	National Policing £'000	National Policing £'000	Intelligence Investigation £'000	Intelligence £'000	Specialist Operations £'000	
Pay Expenditure	9,233	551	3,661	9,046	1,840	14,466	<b>38,797</b>
Non-Pay Expenditure	1,468	43	441	1,893	510	1,751	<b>6,106</b>
<b>Gross Expenditure</b>	<b>10,701</b>	<b>594</b>	<b>4,102</b>	<b>10,939</b>	<b>2,350</b>	<b>16,217</b>	<b>44,903</b>
Specific Grant Income	(10,689)	(594)	(4,102)	(5,804)	0	(1,493)	<b>(22,682)</b>
Income	(12)	0	0	0	(42)	(671)	<b>(725)</b>
<b>Total Income &amp; Grants</b>	<b>(10,701)</b>	<b>(594)</b>	<b>(4,102)</b>	<b>(5,804)</b>	<b>(42)</b>	<b>(2,164)</b>	<b>(23,407)</b>
<b>(Surplus) or Deficit - to be funded from Force contributions as follows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,135</b>	<b>2,308</b>	<b>14,053</b>	<b>21,496</b>
Force contributions (net)							
Dyfed-Powys	0	0	0	(1,044)	(469)	(4,216)	<b>(5,729)</b>
Gwent	0	0	0	(1,333)	(599)	(2,811)	<b>(4,743)</b>
South Wales	0	0	0	(2,758)	(1,240)	(7,026)	<b>(11,024)</b>
<b>Total Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,135)</b>	<b>(2,308)</b>	<b>(14,053)</b>	<b>(21,496)</b>

Each Force's contribution towards Expenditure and Income for 2022/23 is as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	Intelligence/ Investigation (Population – national benefit basis) £'000	Intelligence (Agreed Financial Contribution – local delivery) £'000	Specialist Operations (Agreed Financial Contribution – local delivery) £'000	
Dyfed-Powys	1,778	99	425	2,334	478	4,865	<b>9,979</b>
Gwent	2,027	113	484	2,661	610	3,243	<b>9,138</b>
North Wales*	2,368	131	2,113	0	0	0	<b>4,612</b>
South Wales	4,528	251	1,080	5,944	1,262	8,109	<b>21,174</b>
<b>Gross Expenditure</b>	<b>10,701</b>	<b>594</b>	<b>4,102</b>	<b>10,939</b>	<b>2,350</b>	<b>16,217</b>	<b>44,903</b>
Dyfed-Powys	(1,778)	(99)	(425)	(1,244)	(9)	(649)	<b>(4,204)</b>
Gwent	(2,027)	(113)	(484)	(1,402)	(11)	(433)	<b>(4,470)</b>
North Wales*	(2,368)	(131)	(2,113)	0	0	0	<b>(4,612)</b>
South Wales	(4,528)	(251)	(1,080)	(3,158)	(22)	(1,082)	<b>(10,121)</b>
<b>Total Income &amp; Grants</b>	<b>(10,701)</b>	<b>(594)</b>	<b>(4,102)</b>	<b>(5,804)</b>	<b>(42)</b>	<b>(2,164)</b>	<b>(23,407)</b>

### Tri-Force Firing Range – Capital Project

The Tri-Force Firing Range Project is a joint capital project between South Wales Police (SWP), Gwent Police (GWP) and Dyfed-Powys Police (DPP) to construct and operate a joint asset which will deliver a new operational training facility for the Joint Firearms Unit. The Asset is being constructed within the South Wales Police Force area but will be jointly funded, owned and operated by the three forces.

Total Expenditure on the Asset Under Construction at 31st March 2024 is £4.709m, with expenditure of £2.674m during the financial year 2023/24. The breakdown of this expenditure and the funding for it from the 3 partner forces is shown in the table below:

Assets Under Construction	Dyfed-Powys Police 26.72%	South Wales Police 44.35%	Gwent Police 28.93%	Total
	£'000	£'000	£'000	£'000
<b>Opening Balance 01/04/23</b>	544	903	588	<b>2,035</b>
Expenditure 2023/24	714	1,186	774	<b>2,674</b>
<b>Closing Balance 31/03/24</b>	<b>1,258</b>	<b>2,089</b>	<b>1,362</b>	<b>4,709</b>

**29. Officers' remuneration**

Senior Employees 2023/24	From	To	Full-time equivalent salary as at 31.03.24 or end date £	Actual salary, including allowances £	Benefits in kind – lease cars £	Benefits in kind – relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration £
Chief Constable	01/04/2023	31/03/2024	<b>174,633</b>	169,873	0	0	0	<b>169,873</b>	52,661	<b>222,534</b>
Deputy Chief Constable**	01/04/2023	11/12/2023	<b>133,248</b>	90,885	5,312	0	0	<b>96,197</b>	27,633	<b>123,830</b>
Temporary Deputy Chief Constable***	04/06/2023	31/03/2024	<b>133,248</b>	110,209	7,411	0	0	<b>117,620</b>	33,578	<b>151,198</b>
Assistant Chief Constable	16/07/2023	31/03/2024	<b>122,307</b>	81,401	3,225	0	0	<b>84,626</b>	25,175	<b>109,801</b>
Temporary Assistant Chief Constable (A)	01/04/2023	15/07/2023	<b>107,502</b>	31,210	1,190	0	0	<b>32,400</b>	9,675	<b>42,075</b>
Temporary Assistant Chief Constable (B)	01/04/2023	03/06/2023	<b>114,306</b>	20,364	1,564	0	0	<b>21,928</b>	6,201	<b>28,129</b>
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2023	31/03/2024	<b>103,134</b>	100,357	0	0	0	<b>100,357</b>	16,860	<b>117,217</b>
Director of People and Organisation Development****	07/08/2023	31/03/2024	<b>86,934</b>	56,125	0	0	0	<b>56,125</b>	9,429	<b>65,554</b>
Commissioner	01/04/2023	31/03/2024	<b>68,202</b>	68,202	0	0	0	<b>68,202</b>	11,458	<b>79,660</b>
Chief Financial Officer to the Commissioner*	01/04/2023	31/03/2024	<b>92,652</b>	60,015	0	0	0	<b>60,015</b>	10,083	<b>70,098</b>
Chief Executive*	01/04/2023	31/03/2024	<b>92,652</b>	88,196	0	0	0	<b>88,196</b>	14,817	<b>103,013</b>
Director of Commissioning and Partnership*	01/04/2023	31/03/2024	<b>60,678</b>	59,824	0	0	0	<b>59,824</b>	9,882	<b>69,706</b>
<b>Total 2023/24</b>				<b>936,661</b>	<b>18,702</b>	<b>0</b>	<b>0</b>	<b>955,363</b>	<b>227,452</b>	<b>1,182,815</b>

\*staff under the direction and control of the Commissioner

\*\*on the 20 March 2023, the Deputy Chief Constable started a secondment with the University of South Wales in the position of Programme Manager – HYDRA Research and Innovation. No income was received for this secondment

\*\*\*the salary includes a £493 back payment from 2021/22 for their time as ACC Regional Collaboration. There is £153 within pension contributions relating to this too

\*\*\*\*this is a new post created in the 2023/24 year

The Chief of Staff role has been renamed to Chief Executive and was held by the same employee for the full year.

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of the ITEPA, which states: "1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances, 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit.

Senior Employees 2022/23	From	To	Full-time equivalent salary as at 31.03.23 or end date £	Actual salary, including allowances £	Benefits in kind – lease cars £	Benefits in kind – relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration £
Chief Constable	01/04/2022	31/03/2023	<b>163,208</b>	162,336	0	0	0	<b>162,336</b>	50,324	<b>212,660</b>
Deputy Chief Constable**	01/04/2022	19/03/2023	<b>124,530</b>	126,245	0	0	0	<b>126,245</b>	41,412	<b>167,657</b>
Assistant Chief Constable	01/04/2022	20/08/2022	<b>119,220</b>	46,150	0	0	0	<b>46,150</b>	14,306	<b>60,456</b>
Temporary Assistant Chief Constable (A)	05/03/2023	31/03/2023	<b>107,622</b>	7,803	6,099	0	0	<b>13,902</b>	2,419	<b>16,321</b>
Temporary Assistant Chief Constable (B)	10/07/2022	31/03/2023	<b>114,306</b>	84,314	4,800	0	0	<b>89,114</b>	25,635	<b>114,749</b>
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2022	31/03/2023	<b>96,468</b>	96,468	0	0	0	<b>96,468</b>	17,171	<b>113,639</b>
Commissioner	01/04/2022	31/03/2023	<b>68,202</b>	68,044	0	0	0	<b>68,044</b>	12,055	<b>80,099</b>
Chief Financial Officer to the Commissioner*	01/04/2022	31/03/2023	<b>86,469</b>	56,732	0	0	0	<b>56,732</b>	10,098	<b>66,830</b>
Chief of Staff*	01/04/2022	05/06/2022	<b>86,469</b>	15,612	0	0	0	<b>15,612</b>	2,779	<b>18,391</b>
Chief Executive*	06/06/2022	31/03/2023	<b>86,469</b>	69,604	0	0	0	<b>69,604</b>	12,389	<b>81,993</b>
Director of Commissioning and Partnership*	01/04/2022	31/03/2023	<b>56,229</b>	56,117	0	0	0	<b>56,117</b>	9,989	<b>66,106</b>
<b>Total 2022/23</b>				<b>789,425</b>	<b>10,899</b>	<b>0</b>	<b>0</b>	<b>800,324</b>	<b>198,577</b>	<b>998,901</b>

\*staff under the direction and control of the Commissioner

\*\* on the 20 March 2023, the Deputy Chief Constable started a secondment with the University of South Wales in the position of Programme Manager – HYDRA Research and Innovation. No income was received for this secondment

The Director of Commissioning and Partnership post was excluded from the 2022/23 accounts because the FTE salary was below £60,000. It is included as a comparative for the 2023/24 accounts.

The roles of Chief Constable and Deputy Chief Constable are provided with vehicles, however no liability to income tax arises in respect of the benefit as these two officers are on call at all times. This is in accordance with Section 248A of the ITEPA, which states: "1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances, 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit.

An overpayment of salary to the Chief Executive and Chief Finance Officer in 2021/22 was identified during 2022/23. The overpayment has been adjusted and the overpayments are being recovered.

Details of the overpayment are as follows:

	2021/22 Amount Paid £	2021/22 Amount due £	2021/22 Amount overpaid £	Amounts recovered £	Amounts outstanding as at 31/03/24 £
Chief Executive	104,193	99,765	4,428	3,690	738
Chief Finance Officer	70,401	67,409	2,992	2,992	0
	<b>174,594</b>	<b>167,174</b>	<b>7,420</b>	<b>6,682</b>	<b>738</b>

#### Other employees – (excludes senior officers – itemised above)

The other Group employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) in bands of £5,000 were:

2022/23 Number of employees		2023/24 Number of employees
39*	£60,000 - £64,999	72
10	£65,000 - £69,999	23
2	£70,000 - £74,999	7
5	£75,000 - £79,999	3
5	£80,000 - £84,999**	4
2	£85,000 - £89,999	0
5	£90,000 - £94,999**	6
0	£95,000 - £99,999	6
1	£100,000-£104,999	2
0	£105,000-£109,999	0
0	£110,000-£114,999	2
0	£115,000-£119,999	0
0	£120,000-£124,999	0
0	£125,000-£129,999	0

One employee receiving more than £60,000 for the year was employed by the Commissioner in 2023/24. They are included within the £60,000-64,999 banding.

\*2022/23 comparative was increase by one employee following a review of in-year leavers

\*\* Remuneration includes a compensation for loss of office payment

#### Salary over £150,000

One police officer Dr Richard Lewis, the Chief Constable, receives an annual remuneration of £174,633 (2022/23: £163,208).

#### Ratio of Chief Constable Remuneration/Chief Executive Remuneration

The Accounts and Audit Regulations (Wales) in 2014 as amended, requires disclosure of the following ratio information:

- a) the remuneration of the body's Chief Constable/Chief Executive during the year to which the accounts relate;
- b) the median full-time equivalent remuneration of all the body's employees in post at 31 March 2024; and
- c) the ratio of the amount in sub-paragraph (a) to the amount in sub-paragraph (b).

Remuneration includes basic salary, overtime, allowances and benefits in kind.

### Commissioner – Chief Executive

The remuneration of the Chief Executive for 2023/24 was £92,652 (2022/23: £86,469)

The median full-time equivalent remuneration of all the Commissioner's employees as at 31 March 2024 was £39,183 (2022/23: £39,183)

The ratio of the Chief Executive's remuneration to the median Commissioner employee's remuneration was 2:36:1 (2022/23: 2:21:1)

### Chief Constable

The annualised remuneration for the Chief Constable was £174,633 (2022/23: £163,208). The Chief Constable received no benefit in kind during 2023/24 (2022/23: nil)

The median full-time equivalent remuneration of all the Chief Constable's employees as at 31 March 2024 was £39,307 (2022/23: £37,083)

The ratio of the Chief Constable's remuneration to the median Chief Constable employee's remuneration was 4:44:1 (2022/23: 4:40:1)

### Joint Audit Committee Members

The following amounts were paid to members in 2023/24 and 2022/23.

Group 2022/23 £'000	Commissioner 2022/23 £'000		Group 2023/24 £'000	Commissioner 2023/24 £'000
4	4	Allowances	2	2
4	4	<b>Total</b>	<b>2</b>	<b>2</b>

### 30. External audit costs

The Commissioner and the Chief Constable jointly incurred external audit fees with Audit Wales. The total costs are split equally between the Group/Commissioner Statement of Accounts and the Chief Constable Statement of Accounts.

2022/23 £'000	Area of Audit Work	2023/24 £'000
92	Audit of Accounts	97
5	Use of Resources	6
<b>97</b>	<b>Total</b>	<b>103</b>



### 31. Grants and Other Income

The Commissioner credited the following grants to the Comprehensive Income and Expenditure Statement.

2022/23 £'000 (Restated)		2023/24 £'000
	Credited to Taxation and Non-specific grant income	
(34,311)	Police Revenue Grant	(34,432)
(17,706)	Welsh Floor Grant	(17,972)
(8,477)	Revenue Support Grant	(8,319)
(258)	Capital Grants and Contributions	(49)
<b>(60,752)</b>	<b>Total grants credited to Taxation and Non-specific grant income</b>	<b>(60,772)</b>
	Credited to services	
	<i>Revenue grants</i>	
(3,412)	Police Community Support Officers	(3,446)
(3,220)	Counter-Terrorism Grants	(3,349)
(1,302)	Specific Grant – pensions	(1,302)
(1,216)	Police Uplift Programme	(2,494)
(496)	Home Office Special Grant – Pay Award	(2,337)
(298)	Private Finance Initiative	(285)
(302)	All Wales Schools Liaison Programme	(300)
(318)	Disclosure and Barring Grant	(350)
(195)	Capital Loans Grant	(195)
(13)	National Law Enforcement Data (LEDS) Programme Grant	(162)
(337)	Policing Education Qualifications Framework (PEQF) Grant	(337)
0	Home Office Special Grant - Funding to support Software Licences Cost	(142)
0	Office of the Police Chief Scientific Advisor (OPCSA) Grant	(90)
(13)	Serious Violence Duty Grant	(183)
0	Grant for the co-ordination of NPCC actions in the End-to-End plan	(60)
(118)	Specialist Cyber Crime - Option 3 Grant	(68)
(94)	Other Revenue Grants	(150)
<b>(11,334)</b>	<b>Total Revenue Grants accounted for by the Force</b>	<b>(15,250)</b>
(1,405)	Victim Support Services	(1,417)
(91)	Safer Streets Fund	(443)
(318)	Domestic Abuse Perpetrator Programme Fund	0
(57)	Funding for the development of the Central Repository of the Single Unified Safeguarding Review	(30)
<b>(1,871)</b>	<b>Total Revenue Grants accounted for by the Commissioner</b>	<b>(1,890)</b>
	<i>** Collaborative Grants</i>	
(477)	Counter-Terrorism and Joint Firearms Unit grants – fair share adjustment	204
<b>(13,682)</b>	<b>Total grants credited to services</b>	<b>(16,936)</b>

The Commissioner credited the following other income to the Comprehensive Income and Expenditure Statement.

2022/23 Restated £'000		2023/24 £'000
	Credited to services	
	<i>Other Income</i>	
(537)	Mutual Aid to Other Police Forces	(452)
(620)	Contributions from Other Public Bodies	(1,116)
(2,198)	Income from Secondments	(2,433)
(803)	Sales and Charges	(703)
(75)	Insurance Receipts	(11)
(142)	Vehicle Recovery Scheme	(159)
(349)	Prosecution Costs Recovered	(244)
(5)	Donations	(12)
(115)	Custody Charging – Home Office	(423)
(1,835)	Fees and Charges – Driver Retraining	(1,565)
(1,273)	Other Income/Recoverables – Go Safe (Dyfed-Powys element)	(1,415)
(570)	Other Income	(463)
(299)	Internal Recharge Income - ICT	(140)
(431)	Internal Recharge Income - Other	(879)
<b>(9,252)</b>	<b>Total Other Income accounted for by the Commissioner</b>	<b>(10,015)</b>
	<i>** Collaborative Income</i>	
(63)	Collaborative Arrangements – fair share adjustment	(1033)
<b>(9,315)</b>	<b>Total other income credited to services</b>	<b>(11,048)</b>

\*\*Police and Crime Commissioners and police forces in Wales are complying with requirements arising from the CIPFA guidance on “Accounting for Collaboration”. This guidance requires them to assess all collaborative activity and to adjust for their fair share of grant and other income in their individual accounts.

## 32. Related parties

The Group/Commissioner is required to disclose material transactions with related parties, i.e., bodies or individuals that have the potential to control or influence the Group/Commissioner, or to be controlled or influenced by the Group/Commissioner. Disclosure of these transactions allows readers to assess the extent to which the Group/Commissioner may have been constrained in its ability to operate independently, or might have secured the ability to limit another party’s ability to bargain freely with the Group/Commissioner.

### Central Government and Other Public Bodies

Central government has significant influence over the general operations of the Group/Commissioner – it is responsible for providing the statutory framework within which the Group/Commissioner operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Group/Commissioner has with other

parties. A number of grants are received from the Home Office and the Welsh Government, most of which have strict terms and conditions, and these are set out in Note 31.

### Local Government

The Police and Crime Commissioner for Dyfed-Powys receives income in the form of precepts from the Council Tax Collection Funds of Local Authorities. The income received for 2023/24 and 2022/23 is provided below:

2022/23 £'000		2023/24 £'000
(21,675)	Carmarthenshire County Council	(23,471)
(17,481)	Pembrokeshire County Council	(18,712)
(18,301)	Powys County Council	(20,090)
(9,304)	Ceredigion County Council	(10,245)
<b>(66,761)</b>	<b>Total</b>	<b>(72,518)</b>

### Senior Officers

The Commissioner sat on the board of the Police ICT Company until October 2023. The Police ICT Company is a company limited by guarantee and is wholly owned by Police and Crime Commissioners across England and Wales. It was established to support policing to make people safer through better ICT and through seeking to act as a bridge between the policing, technological and commercial worlds. During the 2023/24 financial year, the Police and Crime Commissioner for Dyfed-Powys paid a total to the Police ICT Company of £284k (2022/23: £208k).

The Commissioner is a board member for the National Police Air Support Service (NPAS). NPAS provides air support to Police Forces across England and Wales. The Police and Crime Commissioner for Dyfed-Powys is invoiced by the Police and Crime Commissioner for West Yorkshire for this service and during 2023/24, the total amount invoiced in respect of NPAS was £381k (2022/23: £430k). The Force also seconds two officers to NPAS on a full cost recovery basis.

No other senior officers declared any related party relationships for 2023/24.

### Entities Controlled or significantly influenced by the Group/Commissioner

The Commissioner, Chief Constable, and both Chief Financial Officers are trustees of the "Safer Dyfed-Powys Diogel" trust. Further information about the Trust is included in note 40, 'Trust Funds'. During 2023/24, the Group did not undertake any financial transactions with Safer Dyfed-Powys Diogel (2022/23: nil).

### Joint Audit Committee Members

The total allowances and expenses paid to members during the year are shown in note 29.

During 2023/24, one member of the Joint Audit Committee has been employed by Barcud Housing Association, who is a partner of Dyfed-Powys Police. During the 2023/24 financial year, there were no transactions between the Police and Crime Commissioner for Dyfed-Powys and the Housing Association.

### 33. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Group/Commissioner, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Group/Commissioner that has yet to be financed.

2022/23 £'000		2023/24 £'000
7,824	<b>Opening capital financing requirement</b>	<b>21,991</b>
20,157	Property, Plant and Equipment	7,488
2	Investment Properties	0
0	Assets Held for Sale	0
	Sources of finance:	
(252)	Capital receipts	(929)
(258)	Government grants and other contributions	(49)
(974)	Sum set aside from Revenue (Earmarked Capital Reserve)	0
(4,339)	Direct revenue contributions	(4,523)
(169)	Minimum Revenue Provision	(220)
<b>21,991</b>	<b>Closing capital financing requirement</b>	<b>23,758</b>
	Explanation of movements in year:	
169	Capital Financing (Minimum Revenue Provision)	220
(14,336)	Increase in underlying need to borrowing (unsupported by government financial assistance)	(1,987)
<b>(14,167)</b>	<b>(Increase)/decrease in capital financing requirement</b>	<b>(1,767)</b>

The CFR measures the underlying need to borrow for capital purposes, although this borrowing may not necessarily take place externally. The table above represents any increase in the need to borrow, less any Minimum Revenue Provisions (MRP).

In 2023/24 the MRP is £220k (2022/23: £169k). MRP is chargeable in the year after the asset becomes operational, in line with the MRP policy included in the Treasury Management Strategy 2023/24, outlined in the Accounting Policy section.

### 34. Leases

#### Group/Commissioner as Lessee

##### Operating Leases

The Group/Commissioner leases property from other property owners where appropriate and affordable, to provide suitable accommodation for operational policing and support. The Group/Commissioner also has operating leases for plant and equipment which includes photocopiers.

The future minimum lease payments due under non-cancellable leases in future years are:

2022/23 £'000		2023/24 £'000
204	Not later than one year	192
402	Later than one year and not later than five years	443
645	Later than five years	746
<b>1,251</b>	<b>Total</b>	<b>1,381</b>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2022/23 £'000		2023/24 £'000
220	Minimum lease payments	232
<b>220</b>	<b>Total</b>	<b>232</b>

### Group/Commissioner as Lessor

#### Operating Leases

The Group/Commissioner leases out part of its property portfolio to provide suitable and affordable accommodation for other Public Sector Authorities.

The future minimum lease payments receivable under non-cancellable leases in future years are:

Group 2022/23 £'000	Commissioner 2022/23 £'000		Group 2023/24 £'000	Commissioner 2023/24 £'000
318	318	Not later than one year	293	293
1,015	1,015	Later than one year and not later than five years	1,058	1,058
740	740	Later than five years	640	640
<b>2,073</b>	<b>2,073</b>	<b>Total</b>	<b>1,991</b>	<b>1,991</b>

### 35. Impairment Losses

There were no Impairment Losses during 2023/24 (2022/23: £nil)

### 36. Termination benefits

2022/23	2022/23		2023/24	2023/24	2023/24
Number of Departures agreed	Departure cost (including payment in lieu of notice)		Number of Departures agreed (excluding Compulsory Redundancies)	Number of Compulsory Redundancies agreed	Departure cost (including payment in lieu of notice and Compulsory Redundancies)
FTE	£'000	Exit package cost band	FTE	FTE	£'000
1.0	2	£0 - £20,000	7.0	2.0	70
0.0	0	£20,001 - £40,000	3.0	1.0	104
0.0	0	£40,001 - £60,000	0.0	0.0	0
0.0	0	£60,001 - £80,000	1.0	2.0	196
0.0	0	£80,001 - £100,000	1.0	0.0	92
0.0	0	£100,001 - £150,000	2.0	0.0	228
<b>1.0</b>	<b>2</b>		<b>14.0</b>	<b>5.0</b>	<b>690</b>

Nineteen exit packages (including payment in lieu of notice) were paid during 2023/24 (2022/23: one). There was an increase due to a Force Savings Review.

### 37. Defined benefit pension schemes

#### Participation in Pension schemes

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

The Group participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), administered locally by Carmarthenshire County Council – this is a funded defined benefit CARE (Career Average Revalued Earnings) scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- The Police Officer Pension Scheme – this is an unfunded defined benefit CARE scheme, consequently the fund has no investment assets. Benefits payable are funded by contributions from employers and employees with any difference between benefits payable and contributions receivable being met by a top-up grant from the Home Office.

#### **Valuation of Scheme Liabilities**

As a key part of the annual Statement of Accounts compilation exercise, actuaries are engaged to undertake an assessment of pension liabilities, assets and costs for inclusion in the Balance Sheet and Comprehensive Expenditure and Income Statement under International Financial Reporting Standards (IFRS). Traditionally these have been undertaken on a full valuation basis every three years with a roll-forward approach being applied in the interim years.

### Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Group is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following table describes transactions that have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

An intra-group transfer has been processed from the Chief Constable's accounts to the Commissioner's accounts, as the Chief Constable is not responsible for holding reserves.

Local Government Pension Scheme		Police Pension Scheme			Local Government Pension Scheme		Police Pension Scheme	
Group	Commiss.	Group	Commiss.		Group	Commiss.	Group	Commiss.
2022/23	2022/23	2022/23	2022/23		2023/24	2023/24	2023/24	2023/24
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
				Comprehensive Income and Expenditure Statement (CIES)				
				Cost of services				
(12,296)	(270)	(38,181)	0	Current service cost	(5,196)	(103)	(16,005)	0
(119)	0	0	0	Other	(652)	0	0	0
				Financing and Investment Income and Expenditure				
(2,086)	(46)	(44,934)	0	Net interest expense	613	12	(50,672)	0
<b>(14,501)</b>	<b>(316)</b>	<b>(83,115)</b>	<b>0</b>	<b>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>(5,235)</b>	<b>(91)</b>	<b>(66,677)</b>	<b>0</b>
				Other Post Employment Benefit charged to the CIES				
				Remeasurement of the net defined benefit liability comprising:				
(9,423)	(207)	0	0	Return on plan assets (excluding the amount included in the net interest expense)	11,360	226	0	0
7,363	161	9,302	0	Remeasurement gains and losses arising on changes in demographic assumptions	2,233	44	20,752	0
124,637	2,733	676,302	0	Remeasurement gains and losses arising on changes in financial assumptions	6,993	139	36,862	0
(23,978)	(526)	(87,952)	0	Remeasurement gains/(losses) arising from experience	(781)	(16)	(6,348)	0
(9,881)	(218)	0	0	IFRIC 14 surplus adjustment	(20,276)	(403)	0	0
<b>74,217</b>	<b>1,627</b>	<b>514,537</b>	<b>0</b>	<b>Total Post Employment Benefit charged to the CIES</b>	<b>(5,706)</b>	<b>(101)</b>	<b>(15,411)</b>	<b>0</b>
0	72,590	0	514,537	Commissioning Costs (intra-group transfer)	0	(5,605)	0	(15,411)
<b>74,217</b>	<b>74,217</b>	<b>514,537</b>	<b>514,537</b>	<b>Total net cost</b>	<b>(5,706)</b>	<b>(5,706)</b>	<b>(15,411)</b>	<b>(15,411)</b>
				Movement in Reserves Statement				
14,501	14,501	83,115	83,115	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post - employment benefits in accordance with the Code	5,235	5,235	66,677	66,677
				Actual amount charged against the General Fund Balance for pensions in the year				
(5,293)	(5,293)	(33,393)	(33,393)	Employers' contributions payable to scheme	(5,706)	(5,706)	(35,659)	(35,659)



IFRIC surplus adjustment

The IAS19 Balance Sheet was showing a surplus for the Local Government Pension Scheme of £30.157m at 31 March 2024.

'IFRIC 4 - IAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction' addresses the extent to which an IAS19 surplus can be recognised on the balance sheet and states that when an entity has a surplus, it shall measure the net defined benefit asset as the lower of:

- a) The surplus in the defined benefit plan; and
- b) The asset ceiling, determined using the discount rate (IAS19).

The asset ceiling is "the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan".

Calculations were performed and it was determined that an asset ceiling adjustment was required to bring the net asset surplus down to £nil. This is to stop the LGPS showing an asset which belongs to the scheme members rather than the scheme itself.

Pensions Assets and Liabilities recognised in the Balance Sheet

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

	Local Government Pension Scheme	Police Pension Scheme	Total
2023/24	£'000	£'000	£'000
Present value of the defined benefit obligation	(178,496)	(1,053,173)	(1,231,669)
Fair value of plan assets	208,653	0	208,653
IFRIC 14 surplus adjustment	(30,157)	0	(30,157)
<b>Net liability arising from defined benefit obligation</b>	<b>0</b>	<b>(1,053,173)</b>	<b>(1,053,173)</b>

	Local Government Pension Scheme	Police Pension Scheme	Total
2022/23	£'000	£'000	£'000
Present value of the defined benefit obligation	(175,504)	(1,073,421)	(1,248,925)
Fair value of plan assets	185,385	0	185,385
IFRIC 14 surplus adjustment	(9,881)	0	(9,881)
<b>Net liability arising from defined benefit obligation</b>	<b>0</b>	<b>(1,073,421)</b>	<b>(1,073,421)</b>

Pensions Liability

The Pensions Liability which is disclosed on the Group Balance Sheet, reflects the underlying commitments that the Chief Constable has to pay retirement benefits.

Recognition of the total liability has a substantial impact on the net worth as recorded in the Balance Sheet. However statutory arrangements for funding the deficit mean that the financial position of the

Group remains healthy as actual pensions and commuted lump sums are being met directly by the Police Pension Fund Account, which is funded by the Home Office via the Commissioner. In the year 2024/25, the Chief Constable will make a pension contribution of 35.3% (2023/24: 31.0%) for police officers and 16.8% (2023/24: 16.8%) for police staff.

#### Reconciliation of the movements in the fair value of scheme (plan) assets

	Local Government Pension Scheme		Police Pension Scheme	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
<b>Opening fair value of scheme assets</b>	<b>185,847</b>	<b>185,385</b>	<b>0</b>	<b>0</b>
Interest income	5,322	8,972	0	0
Remeasurement gain / (loss) - The return on plan assets excluding the amount included in the net interest expense	(9,423)	11,360	0	0
Contributions from employer	5,293	5,706	33,393	35,659
Contributions from employees into the scheme	1,940	2,006	6,469	7,071
Benefits paid	(3,475)	(4,653)	(39,862)	(42,730)
Other (if applicable)	(119)	(123)	0	0
<b>Closing fair value of scheme assets</b>	<b>185,385</b>	<b>208,653</b>	<b>0</b>	<b>0</b>

The majority of the employment costs are incurred by the Chief Constable, therefore assets and liabilities relating to post-employment benefits remain within the Chief Constable and Group accounts.

#### Reconciliation of present value of the scheme liabilities (defined benefit obligation)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
<b>Opening Balance at 1 April</b>	<b>(265,357)</b>	<b>(175,504)</b>	<b>(1,621,351)</b>	<b>(1,073,421)</b>
Current service cost	(12,296)	(5,196)	(38,181)	(16,005)
Interest cost	(7,408)	(8,359)	(44,934)	(50,672)
Contributions from scheme participants	(1,940)	(2,006)	(6,469)	(7,071)
Remeasurement gains/ (losses) arising from changes in demographic assumptions	7,363	2,233	9,302	20,752
Remeasurement gains / (losses) arising from changes in financial assumptions	124,637	6,993	676,302	36,862
Remeasurement gains/(losses) arising from experience	(23,978)	(781)	(87,952)	(6,348)
Losses/(gains) on curtailment	0	(529)	0	0
Benefits Paid	3,475	4,653	39,862	42,730
<b>Closing balance at 31 March</b>	<b>(175,504)</b>	<b>(178,496)</b>	<b>(1,073,421)</b>	<b>(1,053,173)</b>

Fair Value of Scheme Assets (LGPS Scheme)

The LGPS scheme held assets as follows:

	31 March 2023	31 March 2024
Fair value of scheme assets (LGPS)	£'000	£'000
Cash and cash equivalents	1,335	1,044
Equity instruments	137,908	151,798
Bonds	14,126	19,633
Property	24,934	25,701
Alternatives	7,082	10,477
<b>Total Assets</b>	<b>185,385</b>	<b>208,653</b>

Basis for estimating Assets and Liabilities

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

Both the LGPS and Police Officer pension scheme liabilities have been estimated by Mercer Limited, an independent firm of actuaries.

The significant assumptions used by the actuary have been:

Mortality & Other Assumptions	Local Government Pension Scheme		Police Pension Scheme	
	2022/23	2023/24	2022/23	2023/24
Longevity at 65 (60 for police scheme) for current pensioners				
Men	21.9	21.5	25.9	25.4
Women	24.1	23.8	28.2	27.9
Longevity at 65 (60 for police scheme) for future pensioners				
Men	23.3	22.9	27.9	27.3
Women	26.0	25.6	30.1	29.7
Other assumptions				
Rate of inflation	2.7%	2.6%	2.7%	2.6%
Rate of increase in salaries	4.2%	4.1%	4.2%	4.1%
Rate of increase in pensions	2.8%	2.7%	2.8%	2.7%
Rate for discounting scheme liabilities	4.8%	4.9%	4.8%	4.9%

The assumptions for Police Pension Scheme have been prepared on a weighted average basis of the combined group of plans in use. The estimation of the defined benefit obligation is sensitive to actuarial assumptions set out in the table above.

The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. The sensitivity analyses assume for each

change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme i.e., on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analyses below did not change from those used in the previous period.

	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
<b>Local Government Police Scheme 2023/24</b>		
Longevity (increase by 1 year)	4,063	0
Rate of inflation (increase by 0.1%)	8,555	0
Rate of increase in salaries (increase by 0.1%)	2,189	0
Rate for discounting scheme liabilities (increase by 0.1%)	0	15,953

	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
<b>Police Pension Scheme 2023/24</b>		
Longevity (increase by 1 year)	21,800	0
Rate of inflation (increase by 0.1%)	48,063	0
Rate of increase in salaries (increase by 0.1%)	11,201	0
Rate for discounting scheme liabilities (increase by 0.1%)	0	86,378

### Impact on the Group's Cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next three years. The latest Actuarial Valuation was completed on 31 March 2023 and details of the current and future employer's rates are shown below:

Year	Employer rate
2025/26	16.8%
2024/25	16.8%
2023/24	16.8%

## Legal Cases

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation: Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

### McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures, the Actuary expects the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018/19 pension disclosures as a past service cost for four years remedy service from 2015 to 2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service. Now that the remedy window is closed, the Actuary has moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme where benefits are expected to be paid from.

### Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For the Police and Crime Commissioner, this effects the vast majority of pre-2012 joiners. Scheme actuaries originally estimated the increase in scheme liabilities to be 5.4% or £85.5m of the total police pension scheme liabilities of £1.589 billion. This was recognised in the 2018/19 and 2019/20 accounts.

The accounting figures prepared in 2021, 2022, and 2023 already include an allowance for McCloud that is substantially in line with the eligibility criteria and assumes that protected members currently accrue benefits in their legacy schemes.

For the 2024 exercise, an allowance has continued to be included for McCloud that is assessed in a similar manner to that adopted previously.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement on contribution rates for employers and employees was measured as part of the Police Pension valuation, which was reported in 2023/24. Employer contribution rates increased to 35.3% in 2024/25 (up from 31.0% in 2023/24).

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 body 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 Commissioner in the form of a central government top-up grant.

### Virgin Media Pensions Ruling

In June 2023, the High Court found in the Virgin Media case, that changes to member benefits in contracted-out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993. Changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in June 2024 but the appeal was dismissed.

For both the Local Government and Police Pension Scheme, The Government Actuary's Department (GAD) do not believe that there are any absent actuarial confirmations. Therefore, they do not expect any liability changes to arise following this judgement. GAD will confirm whether actuarial confirmations are available in due course.

## **38. Contingent Liabilities**

### Undercover Policing Inquiry

The purpose of this inquiry is to investigate and report on undercover police operations conducted by English and Welsh police forces in England and Wales since 1968. The inquiry is examining the contribution undercover policing has made to tackling crime, how it was and is supervised and regulated, and its effect on individuals involved – both police officers and others who came into contact with them.

A liability has been established and along with eleven other Forces, external solicitors are engaged to represent serving officer(s). There is an agreement for Dyfed-Powys Police to meet a 5% share of generic preparation costs incurred by the legal firm and all costs incurred to date have been reflected in revenue accounts.

At this stage, the inquiry is not far enough progressed to reliably estimate future costs therefore no provision has been made in the 2023/24 Accounting Statements. The Inquiry currently aims to publish its final report in 2026.

## **39. Nature and extent of risks arising from financial instruments**

The Commissioner has adopted CIPFA's Revised Code of Practice on Treasury Management (2021 version) and complies with the Revised Prudential Code of Capital Finance for Local Authorities (updated in 2021).

As part of the adoption of the Treasury Management Code, the Commissioner approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Commissioner also produces Treasury Management Practices, specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Welsh Government's Investment Guidance for Local Authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Commissioner's Treasury Management Strategy, together with their Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

- *Credit Risk*: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Commissioner.
- *Liquidity Risk*: The possibility that the Commissioner might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

### Credit Risk

#### **Investments**

The Commissioner manages credit risk by ensuring that investments are placed with Banks and Building Societies having sufficiently high credit worthiness, as set out in the Annual Investment Strategy. These include commercial entities with a high minimum long-term credit rating of A-, the UK Government, other Local Authorities, and organisations without credit ratings upon which the Commissioner has received independent investment advice.

The Commissioner's maximum exposure to credit risk in relation to 'non-specified' investments of £30m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Commissioner's deposits, but there was no evidence at the 31 March 2024 that this was likely to crystallise.

The table below summarises the nominal value of the Commissioner's investment portfolio at 31 March 2024, and confirms that all investments were made in line with the Commissioner's approved credit rating criteria:

Counterparty	Single Counterparty Limit £'000	Credit Rating Criteria Met When Investment Placed?	Credit Rating Criteria met on 31 March 2024?	Balance Invested as at 31 March 2024				Over 12 months £'000	Total £'000
				Up to 1 month £'000	> 1 month and < 3 months £'000	> 3 months and < 6 months £'000	> 6 months and < 12 months £'000		
UK Banks	2,000	Yes	Yes	0	0	0	0	0	0
Bonds	2,000	N/A	N/A	0	0	0	0	0	0
Money Market	3,000	Yes	Yes	9,039	0	0	0	0	9,039
Local Authorities	3,000	N/A	N/A	0	0	0	0	0	0
UK Government	Unlimited	N/A	N/A	0	0	0	0	0	0
<b>Total</b>				<b>9,039</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,039</b>

The above analysis shows that all deposits outstanding as at 31 March 2024 met the Commissioner's credit rating criteria.

## Outstanding Debts

The Commissioner does not generally allow credit for debtors, including balances owing by Government departments, other Local Authorities, business organisations and individuals. The overdue (but not impaired) debt can be analysed by age as follows:

31 March 2023 £'000		31 March 2024 £'000
315	Less than one month overdue	34
118	One to two months overdue	127
1	Two to three months overdue	354
62	More than three months overdue	219
<b>496</b>	<b>Total overdue debt</b>	<b>734</b>
<b>25</b>	Value of doubtful debts impaired	<b>49</b>
<b>5.0%</b>	Impairment of doubtful debts as % of total overdue debt	<b>7.0%</b>

## Liquidity Risk

The Commissioner has ready access to borrowing at favourable rates from the Public Works Loan Board and other Local Authorities, and at higher rates from banks and building societies. There is no perceived risk that the Commissioner will be unable to raise finance to meet his commitments. It is, however, exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

The maturity analysis of financial liabilities is as follows:

31 March 2023 £'000	Loans maturing within	31 March 2024 £'000
303	Under 1 Year	10,386
<b>303</b>	<b>Total Current Borrowing</b>	<b>10,386</b>
326	1 – 2 years	358
358	2 – 5 years	0
<b>684</b>	<b>Total Long-Term Borrowing more than 12 months</b>	<b>358</b>

All trade and other payables are due to be paid in less than one year.

## Market Risk

### Interest Rate Risk

The Commissioner is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- investments at fixed rates – the fair value of the assets will fall.



**Price Risk**

The Commissioner does not invest in pooled funds or equity shares and therefore is not subject to any price risk (i.e., the risk that the Commissioner will suffer loss as a result of adverse movements in the price of financial instruments).

**Foreign Exchange Risk**

The Commissioner has no financial asset or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

**40. Trust Funds**

The most recent set of accounts for Safer Dyfed-Powys Diogel are in respect of the 2022/23 financial year, and these were completed in April 2024.

The Charitable Incorporated Organisation (CIO) has been in a period of inactivity and did not receive any donations or incur any expenditure during 2023/24.

A decision has been made by the Trustees to dissolve the charity and to ring-fence the funds for use by the Dyfed-Powys Volunteer Police Cadets. Plans are underway to progress this in 2024/25.

## Glossary of Terms

Term	Definition
2023/24	This refers to the period covered by these accounts - 1 April 2023 to 31 March 2024.
2022/23	This refers to the period covered for comparative purposes by these accounts – 1 April 2022 to 31 March 2023.
Accounting policies	These are a set of rules and codes of practice used when preparing the accounts.
Accruals	The accounting treatment, where income and expenditure is recorded when it is earned or incurred not when the money is received or paid.
Amortisation	This is the measure of the wearing out, consumption or other reduction in the useful life of Intangible assets.
Capital expenditure	Expenditure on the acquisition or construction of assets, or expenditure which adds to the value of an existing asset, which have a long-term value to the Group e.g., land and buildings.
Capital receipts	Income from the sale of non-current assets, which can only be used to finance new capital expenditure or repay outstanding debt on assets financed from loans.  Usable capital receipts are those capital receipts which are not set aside for specific purposes but are available to be used for any capital purchases.
Carrying value	The carrying value of an asset or a liability is the value of the asset or liability that is recorded in the Balance Sheet.
CIPFA	The Chartered Institute of Public Finance and Accountancy, one of the professional accountancy bodies in the UK. CIPFA specialises in the public services and has responsibility for setting accounting standards for these services.
Commissioning	The entire cycle of assessing the needs of people in a local area, designing services, and then securing them.
Consumer Price Index (CPI)	Official measure of the general level of inflation as reflected in the retail price of goods and services – excludes mortgage interest payments, council tax and other housing costs.
Contingent liabilities	These exist where: <ul style="list-style-type: none"> <li>• a possible obligation arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or</li> <li>• a present obligation arises from past events but is not recognised because: <ul style="list-style-type: none"> <li>• it is not probable that a transfer of economic benefits will be required to settle the obligation, or</li> <li>• the amount of the obligation cannot be measured with sufficient reliability.</li> </ul> </li> </ul>
Corporation sole	A corporation sole is a legal entity consisting of a single ("sole") incorporated office, occupied by a single ("sole") man or woman i.e. the Commissioner and Chief Constable are both corporations sole under the PRSRA.
Creditors	Individuals or organisations to which the PCC/Group owes money at the end of the financial year split short-term (within 12 months) and long-term.

Term	Definition
Current assets	Current assets are items that can be readily converted into cash. By convention, the items are ordered by reference to the ease that such conversion into cash can be carried out.
Current liabilities	Current liabilities are items that are due immediately or in the short-term.
Current service cost (Pensions)	An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.
Debtors	Individuals or organisations that owe the PCC/Group money at the end of the financial year split short-term (within 12 months) and long-term.
Defined benefit scheme	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The schemes may be funded or unfunded.
Depreciation	This is the measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.
Fair value	The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase of the asset.
Financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A derivative financial instrument is a financial contract that derives its value from changes in underlying assets or indices.
Fixed Assets	These are items such as land, buildings, vehicles and major items of equipment, which give benefit to the PCC/Group over more than one year.
IFRS	International Financial Reporting Standard.
IFRIC	International Financial Reporting Interpretations Committee.
General Fund	This is the main revenue fund of the PCC/Group and includes the net cost of all services financed by local taxpayers and Government grants.
Group accounts	The financial statements of the group i.e., the two corporations sole, presented as a single economic entity.
Impairment	A reduction in the value of a non-current asset, below its carrying amount in the balance sheet.
Intangible Assets	These are assets that do not have a physical substance but are identifiable and controlled by the PCC/Group. Examples include software, licenses and patents.
Inventories	Amounts of unused or unconsumed stocks held in expectation of future use at the Balance Sheet date.
Leases	This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Term	Definition
Materiality	An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.
Minimum Revenue Provision	The prudent amount that the PCC/Group is statutorily required to set aside from revenue funds to meet the repayment of borrowing undertaken to support capital investment.
National Non- Domestic Rates (NNDR)	The non-domestic rates, or business rates, collected by local councils are the means by which businesses and others who occupy non-domestic property make a contribution towards the cost of local services. The rates are pooled by central government and redistributed to local councils and Commissioner according to a formula.
Net Book Value (NBV)	The amount at which non-current assets are included in the balance sheet i.e., their historical cost or current value less the cumulative amounts provided for depreciation.
Net Realisable Value (NRV)	The open market value of an asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.
Net Interest Cost (Pensions)	For a defined benefit scheme, this occurs during the period when the net defined benefit liability (asset) arises from the passage of time.
Non-current assets	These are items such as land, buildings, vehicles and major items of equipment, which give benefit over more than one year.
Operating Leases	An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.
Past service cost	For a defined benefit scheme, these arise from decisions taken in the current year but whose financial effect is derived from years of service earned in earlier years.
PCC	The abbreviation for the Police and Crime Commissioner. The PCC is a separate corporation sole which was established on the 22 November 2012 under the Police and Social Responsibility Act 2011. Also referred to as the Office of the Police and Crime Commissioner (OPCC).
Police Reform and Social Responsibility Act (PRSRA)	An Act of the Parliament of the United Kingdom which transferred the control of Police Forces from police authorities to elected Police and Crime Commissioners.
Precept	The amount levied and collected by the four Dyfed-Powys Local Authorities (Carmarthenshire, Pembrokeshire, Ceredigion and Powys) and paid over to the PCC/Group.
Provisions	<p>A provision is a liability of uncertain timing or amount. A provision is recognised if the following criteria are fulfilled:</p> <ul style="list-style-type: none"> <li>• an entity has a present obligation as a result of a past event;</li> <li>• it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;</li> <li>• a reliable estimate can be made of the amount of the obligation.</li> </ul>

Term	Definition
Prudential borrowing	Borrowing by local authorities without government financial support, but in accordance with the CIPFA prudential code of local authority borrowing.
PWLB	This is the Public Works Loan Board, which is an organisation financed by the Government. It lends money to Commissioners on set terms so that they can buy capital items.
Reserves	Balances that represent resources set aside for purposes such as general contingencies and cash flow management. Earmarked reserves are those set aside for specific policy purposes.
Retail Price Index (RPI)	Official measure of the general level of inflation as reflected in the retail price of a basket of goods and services, including mortgage costs, council tax and other household costs.
Revaluation of Non-Current Assets	A revaluation of Non-Current Assets is a technique required to accurately record the true value of capital assets held in the balance sheet. The purpose of a revaluation is to bring into the accounts the fair market value of non-current assets.
Revenue Budget	The estimate of annual income and expenditure requirements, which sets out the financial implications of policies and the basis of the annual precept to be levied on collection funds.
Revenue Support Grant (RSG)	A general government grant in support of local authority expenditure (including Commissioners) and fixed each year in relation to spending levels.
Senior Employee	An employee whose salary is more than £150,000 per year, or one whose salary is at least £60,000 per year (calculated pro rata for a part-time employee) and who is the designated head of paid service and a statutory chief officer. Typically, the Commissioner's Chief Executive and statutory Chief Officers.
The CIPFA Code of Practice	The CIPFA Code of Practice (The Code), incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003.