Unaudited annual finance report for the Chief Constable of Kent for year ending 31 March 2024

Contents page

Annual financial report

The Chief Constable for Kent's Annual Financial Report for 2023/24 provides a record of how the Chief Constable has used his financial resources during the year.

The Annual Financial Report has the following sections:

- this review of the force's performance, which gives a background to its financial performance.
- an Annual Governance Statement showing how the force met set standards when carrying out its responsibilities
- a report from the external auditors EY, after they have reviewed the accounts
- the Statement of Accounts – see below and,
- a glossary to explain any technical terms used in the report.

The Statement of accounts

The Statement of Accounts provides a record of the Kent Police force's financial position and performance for the year ended 31 March 2024.

Please note that a separate Annual Financial Report for 2023/24 for the PCC and the Kent PCC Group is also available.

Please note that comparable figures between different notes in the Accounts may vary slightly due to rounding.

The convention in this document is that when figures are presented as £m that means they are in millions of pounds and £k means they are in thousands of pounds.

Kent Police Pledge

- Provide a **high-quality** policing service, delivered with **absolute integrity**
- **Support** and **protect** victims
- **Catch criminals** and **solve crime**

My commitment

- I will prioritise your health, safety and wellbeing, ensuring you have appropriate support services, and that those who assault or abuse you in the course of your duty are dealt with robustly
- I will do all I can through partnerships, technology and process improvement to reduce unnecessary bureaucracy and inappropriate demands you face, ensuring workloads are reasonable
- I will ensure the resourcing of frontline teams is prioritised
- I will ensure you are all skilled and equipped to perform your roles, with professional continuous development available to all
- I will ensure selection, promotion, grievance and discipline processes are fair to all
- I will trust and empower you to make the decisions you need to make. When honest, genuine mistakes are made and you have acted in good faith, I will support your learning and development

Tim Smith
Chief Constable

Our commitment

We will deliver the core elements of policing to the highest standards – responding to contact from the public, preventing crime and anti-social behaviour, investigating and solving crime, and relentlessly pursuing those who commit crime. In doing so we will:

- be accessible and visible
- listen and talk to all communities and ensure the public can have trust and confidence in Kent Police in all that we do and
- ensure Neighbourhood Policing remains the bedrock of our service to the public, with locally based named police officers for every ward in Kent

Our priorities

- We will respond appropriately and effectively to all contact from our public, always prioritising our response when there is the greatest urgency, risk of harm and vulnerability
- We will focus on solving crimes through thorough investigations, and the relentless pursuit of criminals
- We will support and protect those that are victims and witnesses of crime, explaining our actions and keeping them informed of progress
- We will have a clear focus on preventing crime and anti-social behaviour, as well as stopping offenders from causing harm to our public and our communities
- We will have a relentless focus on eradicating violence against women and girls

Our values

- We will always act professionally and with integrity, behaving in accordance with the Code of Ethics and Standards of Professional Behaviour
- We will treat everyone with dignity and respect, without prejudice, whatever the circumstances
- We will not discriminate or abuse our position of trust and authority in society and will actively pursue those that do
- We will respect and support each other
- We will proactively root out racism, misogyny and sexism in our force
- We will ensure colleagues feel valued, included, and confident to be themselves in the workplace, and that our force is representative of the communities we serve

Written statements

Narrative report

Message from Chief Constable Tim Smith

As the Chief Constable for Kent Police, I am extremely proud of how all our officers, staff and volunteers continue to strive to deliver a high-quality policing service, protecting and serving Kent communities. This in the context of a policing landscape that during 2023/24, has continued to evolve, dealing with increasing complexity and criticality against a continued challenging financial backdrop.

Policing has been under intense scrutiny during 2023/24 and rightly so. As a public service, we must be held accountable for our delivery and actions, to ensure Kent communities can have the trust and confidence in us to do the job. This is a clear area of focus for us, and one I am wholly committed to as outlined in the Kent Police Pledge. One such area where we must demonstrate we are operating in a way that is value for money is through our financial management.

The financial year 2022/23 was the final year of the Government's Police Officer Uplift Programme, marking the end of an extensive recruitment programme which has led to Kent having the highest number of police officers in our history. There is a financial imperative set by the Government to retain the headcount numbers we have achieved at two auditable points in the year. For September 2023 and March 2024, we have met those headcount requirements, totalling 4,225 (as at 31 March 2024).

With the Uplift Programme and a further increase in the precept funding, we have been able to continue investing resources into priority areas, most notably into our enhanced Neighbourhood Policing Model which will be fully implemented by September 2024. The model within each policing district is focused around 3 distinct teams; namely Beat Teams, Child Centred Policing Teams and Neighbourhood Task Forces, supported by specialist Anti-Social Behaviour and Licensing Officers. The Rural Task Force has also benefitted from additional resource. In addition, we have continued to invest in the health and wellbeing of our workforce, ensuring they are fully supported, equipped and trained to perform their roles.

The published Control Strategy within this annual statement sets out the force's current and long-term operational priorities crime prevention, intelligence, and enforcement. Whilst we have been able to invest in areas of our policing service, we have continued to make difficult decisions during 2023/24 in order to achieve savings requirements of circa £14.1 million. I remain incredibly grateful to all the officers, staff and volunteers that continue to show their tireless dedication and commitment to their service even in these toughest of times.

As Chief Constable, I remain wholly committed to working with my Chief Officer Team to ensure that our financial planning is robust, whilst ensuring that ultimately, we continue to deliver a high-quality policing service with absolute integrity.

Tim Smith, Chief Constable

Force performance

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspects crime data integrity for Kent, effectively measuring how well does Kent Police record crime. This was last inspected approximately four years ago and resulted in a crime recording rate of 96.6%. Since then, the criteria for recording crime have changed, however, despite these new changes, Kent Police's crime recording rate improved to 96.7%. This is the best rate in the country and means if you report a crime in Kent, it will be properly recorded. Crime is falling across Kent; victim-based crime has fallen by 2.9% when compared to financial year 2021/22, 4,455 less crimes recorded.

A County Line must have the following four elements: the movement of drugs - the practice of trafficking drugs into rural and smaller towns away from major cities, communication - the mobile technology used to run the line, violence and vulnerability, which includes exploitation of individuals. The number of county lines in Kent has increased by one from May 2022 (36) to May 2023 (37).

In terms of emergency calls to the force, telephony operators received 377,611 Emergency (999) calls, a 6.4% increase (+22,724) and 312,321 non-Emergency (101) calls, a -13.3% decrease (-47,860), against the previous year. There has been a continuation of the change in the way that the public are contacting Kent Police; online crime and incident recording has increased by 23.2% (+9,153) and the use of Live Chat increased by 60.8% (+26,616). Single Online Home (SOH) has an option for the public to contact Kent Police, this method has seen an 86% increase (+12,568), additionally Kent Police introduced email contact in April 2022, for this financial year there has been 105,905 emails. Overall crime/incident recording from all methods of contact has increased by 15.9% (+129,106).

All recorded crime has experienced a decrease of -3.5%, with 6,351 less offences over the last 12 months, when comparing against the last 12 months, with the exception of robbery (5.8%), vehicle crime (7.2%) and theft offences (14.4%), all other crime types have seen decreases. The force has arrested/interviewed 39,492 suspects, charged 13,608 offenders, and achieved 18,584 solved outcomes.

Domestic Abuse experienced a -10.2% decrease, with 3,967 less offences. In the last 12 months, the force has arrested / interviewed 11,662 suspects, charged 2,366 offenders and achieved 3,009 solved outcomes for victims. Hate Crime experienced a 2.7% decrease, with 133 less offences. The force has arrested/interviewed 1,330 suspects, charged 494 offenders and achieved 672 solved outcomes.

Further reductions in crime are seen in the following areas:

- Sexual offences are down 4.4%
- Stalking and Harassment is down 18.2%
- Residential burglary is down 1.3%
- Public order is down 18.0%

Further increases in crime are seen in the following areas:

- Burglary business and Community is up 10.8%
- Theft of motor vehicle is up 11.4%
- Drug offences are up 16.2%
- Possession of weapons is up 5.5%

Anti-Social Behaviour (ASB) has seen a -15.4% decrease (-5,023) over the last 12 months.

The number of people killed or seriously injured on Kent roads has decreased by -17.6% (-16).

Narrative report of the Chief Finance Officer to the Chief Constable

This provides a commentary on how Kent Police used resources to achieve its outcomes in line with its objectives and strategies.

The Police Reform and Social Responsibility Act 2011 established the Chief Constable and the Police and Crime Commissioner (PCC) as separate legal entities (corporation sole). The primary function of the Chief Constable is the exercising of operational policing duties under the Police Act 1996. The PCC's function is to hold the Chief Constable to account for the exercise of these duties, thereby securing the maintenance of an efficient and effective police force in Kent. The Chief Constable is accountable to the PCC.

Both the PCC and the Chief Constable are required to publish statement of accounts. For accounting purposes, the PCC and the Chief Constable together are known as the Group. A separate set of statutory accounts has been published for the Group to recognise all financial transactions incurred during 2023/24 for policing.

The accounts that follow show the Chief Constable's financial results for 2023/24. The Chief Constable has full operational control of officers and employs the majority of the staff. The Chief Constable (CC) has a statutory responsibility for the control, direction and delivery of operational policing services for Kent and Medway.

The PCC has strategic control of all assets and liabilities and is responsible for reserves policy and controlling all cash flow. These statutory accounts explain how the resources provided by the PCC have been used to deliver operational policing for the financial year 2023/24.

Financial overview of 2023/24

While much of the financial year 2023/24 went as planned and the final outturn position was a variance of 0.7% to budget, there were several significant events that materially impacted the financing of policing services. These include:

- High Inflation- inflation continued to be at high levels. This inflationary pressure has caused significant in year financial pressure when it came to contractual prices linked to RPI, contract renewals, building work and energy costs
- Pay Award- the pay award of 7% was far above that budgeted. Whilst the Home Office funded a significant amount of this pay award, due to the methodology in which they fund it, Kent Police incurred a recurring financial pressure as a result. In-year savings were required to mitigate that and further savings in 2024/25 and beyond will be required too
- Increased costs compared to the provision set aside in relation to the "Allard and Others vs Devon and Cornwall Police" legal case
- Higher costs in respect of the "McCloud Remedy" pension legislation introduced in October 2023

We remain grateful to the Home Office for providing support in respect of some of these pressures; in particular the additional one-off funding provided for inflationary cost pressures.

The Home Office sought to increase the total number of Police Officers by 20,000 nationally over the years 2020/21 through to 2022/23. In 2023/24, they sought to maintain at that number. These officer uplifts are reimbursed by a combination of an uplift to the Core Grant and a conditional grant payment for achieving the recruitment target. It should also be noted that there are considerable training requirements before new officers can be productively engaged in policing.

For 2023/24 the revenue budget was £386.2 million and the final expenditure for the year £383.4 million resulting in an underspend of £2.8 million. However, all of this was transferred to capital to contribute towards funding the capital programme and reduce borrowing costs associated in the future.

Whilst the overall position therefore was balanced, there are several key areas of variance in the year. These include:

- The 7% pay award being above that budgeted
- Increase in costs associated with the McCloud remedy and the Allard legal case
- Significant overtime costs above those budgeted due to recruitment challenges particularly in the Force Control and Incident Response Room
- High vacancy rates across Police Staff generating a significant financial benefit in 2023/24. However, it should be noted that by the end of the financial year, this vacancy rate had significantly reduced and is not expected to provide a benefit in 2024/25.
- Various rate rebates following successful appeals
- Delays in IT projects and Estates work leading to a one-off benefit in 2023/24
- One-off income in respect of inflationary pressures from the Home Office

Many of the other gross costs expenditure that exceeded budgets was offset by underspends elsewhere or grants received as reimbursement of these costs.

The general reserves have been maintained at a level of 3% of Net Revenue Expenditure (£12.3 million).

The revised capital budget for 2023/24 was £29.3 million, while actual capital expenditure on a funding basis was £22.1 million, resulting in a £7.2 million underspend. Key reasons for the spend being lower than planned are largely due to delays in Estates and IT projects. The majority of these costs (£4.9 million) will need to be incurred still so will be factored into planning for the 2024/25 year. Cost increases on materials, vehicles and construction remain a risk and close attention will be paid to this in order to mitigate the potential impact as much as possible.

Governance

Kent Police's approach to effective governance is discussed in the Annual Governance Statement shown on page 65.

Financial outlook

Kent Police expects the finite resources to only modestly increase in the medium-term. The implications of meeting increasing demand and policing in times of increased complexity will bring additional challenges that are largely unfunded. Considerable work is being focused on challenging the effectiveness and efficiency of our service, constantly driving to ensure our resources are directed to the highest priority areas.

The medium-term financial plan highlights a number of financial challenges in 2024/25 and beyond. Kent Police will therefore be continuing to identify and realise efficiencies to ensure any cost pressures are bridged.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA).

Structure of the accounts

The accounts begin with this Narrative Report followed by the Auditor's Report on page 12 and the statement of the responsibilities of the CC for Kent and his CFO in relation to the management and reporting arrangements for the CC's resources (page 16). The PCC for Kent and CC for Kent have a combined 'Annual Governance Statement (AGS)', which broadens the coverage of the previous Statement of Internal Control to embrace all of the organisation's key governance processes and safeguards and is shown starting on page 65. The Summary of Accounting Policies is shown in Note 11.

The main financial statements comprise:

- Comprehensive income and expenditure statement
- Movement in reserves statement
- Balance sheet
- Cash flow statement

In addition to these primary statements there are a number of notes which help explain the figures, including a set of accounting policies showing the approach the CC for Kent has taken in compiling the accounts.

The statements are produced using figures rounded to the nearest thousand. This has led to rounding variances in some of the totals included within the statements and the notes to the accounts.

Finally, this Statement of Accounts represents a considerable amount of work undertaken by a relatively small group of experienced and professional staff who have worked tirelessly. Without all of their hard work and diligence, producing these accounts would not have been possible.

Independent auditor's report to the Chief Constable for Kent Police

These draft accounts will be audited by EY.

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Statement of responsibilities for the statement of accounts for the Chief Constable of Kent

The Chief Constable is required to:

- make arrangements for the proper administration of his financial affairs and to ensure that one of his officers (the CFO for the CC) has the responsibility for the administration of those affairs
- manage his affairs to ensure economic, efficient and effective use of resources and safeguard his assets
- approve the Statement of Accounts

I approve this Statement of Accounts for 2023/24.

Tim Smith

Chief Constable

This will be signed and dated for the audited version of the Accounts

The Chief Finance Officer to the Chief Constable's responsibilities:

The CFO to the CC is responsible for the preparation of the Statement of Accounts for the CC of Kent in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy/ Local Authority (Scotland) accounts Advisory Committee Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts the CFO has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I confirm that the Statement of Accounts for the CC for Kent for the year ended 31 March 2024 have been prepared in accordance with proper practices and provide a true and fair view of the financial position of the CC on 31 March 2024 and his income and expenditure for the year then ended.

I confirm that the statement of accounts is unaudited and may be subject to change

Jonathan Castle
Chief Finance Officer to the Chief Constable
30 May 2024

Core financial statements

Comprehensive income and expenditure statement

The accounting year runs from 1 April to 31 March.

The Comprehensive Income and Expenditure Statement (CIES) shows the accounting cost in the year of providing services in accordance with generally accepted proper practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different to the accounting cost.

The PCC CIES includes a recharge between the Chief Constable and PCC accounts. This reflects the financial resources consumed by the Chief Constable on behalf of the PCC.

The 2022/23 figures have been restated to reflect the latest organisational structure with Police pay shown separately to reflect how this cost was reported and monitored during the year as well as other non-material presentational changes. A guide to the services is shown beneath the tables.

The PCC contribution is provided to cover the Chief Constable's net expenditure on the General Fund (on the basis of the rules by which annual revenue spending in local government is calculated). This is different from the way in which expenditure is measured for the CIES for accounting purposes. Consequently, the contribution leaves a surplus or deficit on the CIES, which is cleared in the Movement in Reserves Statement, where expenditure is adjusted from an accounting to a funding basis.

The total line of this statement shows that in 2023/24 there was a reduction of £21 million in the value of the CC's liabilities and this is the total of the movement from 2022/23 to 2023/24 on the net assets on the Balance Sheet, mainly due to the reduction in pension liabilities (see note 10 for more details). The reduction in the Cost of Services from 2023/24 compared to 2022/23 is due to the lower accounting cost of pensions.

	2022/23		**CIES for Kent Police Chief Constable**		**2023/24**	
Gross Expenditure	**Gross Income**	**Net Expenditure**		**Gross Expenditure**	**Gross Income**	**Net Expenditure**
£'000's	**£'000's**	**£'000's**		**£'000's**	**£'000's**	**£'000's**
259,780	0	**259,780**	Police pay	213,425	0	**213,425**
28,795	0	**28,795**	Central Operations	26,386	0	**26,386**
17,104	0	**17,104**	Crime	14,868	(90)	**14,778**
12,101	0	**12,101**	Local Policing and Partnerships	7,358	0	**7,358**
5,038	0	**5,038**	Professional Standards	5,250	0	**5,250**
18,967	(3,995)	**14,972**	Serious Crime	17,797	(4,373)	**13,424**
5,759	(331)	**5,428**	Chief Officer and Corporate Teams	4,494	(153)	**4,341**
1,658	0	**1,658**	Corporate Communications and Citizens in Policing	1,430	0	**1,430**

2022/23			CIES for Kent Police Chief Constable	2023/24		
Gross Expenditure	**Gross Income**	**Net Expenditure**		**Gross Expenditure**	**Gross Income**	**Net Expenditure**
£'000's	**£'000's**	**£'000's**		**£'000's**	**£'000's**	**£'000's**
8,116	(1,317)	**6,799**	Human Resources	8,140	(1,339)	**6,801**
626	0	**626**	Legal	497	0	**497**
1,036	0	**1,036**	Strategic Change	1,039	0	**1,039**
25,335	(5,884)	**19,451**	Support Services	27,282	(7,020)	**20,262**
308	0	**308**	Police and Crime Commissioner's Office	118	0	**118**
384,623	**(11,527)**	**373,096**	**Cost of Services**	**328,084**	**(12,975)**	**315,109**
			Other Operating Expenditure			
		(341,064)	Recharge for Chief Constable's Net Service Cost			(364,702)
		(341,064)	**Total Other Operating Expenditure**			**(364,702)**
			Financing and Investment Income and Expenditure			
		109,440	Pensions interest cost			125,452
		109,440	**Total Financing and Investment Income and Expenditure**			**125,452**
		141,472	**Deficit on the Provision of Services**			**75,859**
		(1,444,700)	Remeasurement of the net defined benefit liability - Police Pension			(98,700)
		(271,180)	Remeasurement of the net defined benefit liability - Local Government Pension Scheme			1,514
		(1,574,408)	**Total Comprehensive Income**			**(21,327)**

Name of Service in CIES	Purpose
Central Operations	Tactical Operations supports divisions with dog teams, armed response vehicles, roads policing and other specialist assets. Counter Terror works with the UK intelligence to help protect the public and national security by preventing, investigating and disrupting terrorist activity. Incident Management Unit is responsible for recording and managing all reported crime and ensuring compliance with the Home Office Counting Rules and the National Crime Recording Standards. Force Control and incident Response Room is responsible for taking all 999 and 101 calls, recording information and allocation of patrols.
Crime	Crime Squad provides support to divisions on both robbery and burglary offences, as well as other force priorities. County Line and Gangs Team provides a proactive and preventative capability to reduce the harm caused to Kent communities. Victim Justice ensure we comply with the Victim Code of Practice and the Witness Charter, which is essential for us delivering an effective, quality service for the people of Kent. Protecting Vulnerable People acts as the lead for vulnerability in Kent Police, ensuring policies are kept up to date and that multi-agency working is effective – the aim is to support Kent Police to be sure that vulnerability is at the heart of everything we do. Crime Academy aims to maintain/enhance/develop the skills of detectives and other key personnel in investigation of serious and complex crime.
Local Policing and Partnerships	Neighbourhood Policing and Victim Based Crime Teams are split into three Divisions across the force formed of eleven districts: - North Division: Dartford and Gravesham, Swale and Medway Unitary Authority - East Division: Ashford and Shepway, Canterbury, Dover and Thanet - West Division: Maidstone, Sevenoaks, Tonbridge and Malling and Tunbridge Wells
Professional Standards	Compromises of four main functions: Complaints, Internal Conduct Investigations, Counter Corruption and Vetting. The main purpose as a department is to uphold standards of service to the public and protect the professional reputation of the force.
Serious Crime	Responsible for tackling the most serious of crimes committed across Kent and Essex Police collaboratively. This includes Major, Economic and Cyber Crime. Serious and Organised Crime, Covert Support, Forensics and Intelligence.
Chief Officer and Corporate Teams	The Command Team for the force made up of both Police and Police Support Staff, along with their Staff Officers and PA's.
Corporate Communications and Citizens in Policing	The Corporate Communications team aims to protect the reputation of the force, maintain public confidence in policing, and ensure that internal communications within the force are clear, relevant, and timely. Citizens in Policing includes: Special Constabulary which comprises of around 200 trained volunteers to support delivery of high visibility policing and public order; the Police Cadets for young people aged 13-17 to get involved in activities which support policing and learn about responsible citizenship; volunteers who give their time to support/enhance the day-to-day work undertaken addressing policing issues, enhancing service delivery, and strengthening links between policing and the community.
Human Resources	Human Resources Teams consists of Operational HR, Health and Wellbeing Services, People Development, Organisational Management, Resource Planning, Recruitment, HR Strategy, Diversity and Inclusion, Performance Improvement and Learning and Development
Legal	Provides assistance, advise and support to all officers and police staff in most areas of law. For example: public liability claims, employer liability claims, judicial reviews, domestic violence protection orders, stalking protection orders, sexual and violent offenders orders, closure orders, civil injunctions, property disputes, employment tribunals, inquests, firearms appeals and dog control orders.
Strategic Change	To deliver change on behalf of the force, improve service delivery, undertake projects and programmes of change that have been commissioned by Chief Officers on behalf of departments around the force.
Support Services	The Support Services Team provides back-office support to the force and is made up of the following departments: Business Services, Corporate Finance (including Payroll and Insurance), Estates and Facilities, IT Services, Transport Services and 7 Force Procurement
Police and Crime Commissioner's Office	Holds the force to account, to scrutinise their performance on behalf of the public they serve. They also set the annual budget for the force and decide the level of the slice of council tax which is dedicated to police funding, known as the police precept.

The Movement in reserves statement

This statement shows the movement in year on the different reserves, analysed into 'usable' (those that can be applied to fund expenditure or reduce local taxation) and 'unusable' reserves. The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the policing services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes.

2022/23 has been restated mainly to reflect the accounting changes made for the Local Government Pension Scheme after the unaudited 2022/23 accounts had been published and a late notification by a Billing Authority of an amended Council Tax Collection Fund balance.

Movement in Reserves Statement for Kent Police Chief Constable 2023/24	General Fund	Earmarked Reserves	Capital Receipts and Capital Contributions Unapplied Reserves	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Balance as at 1 April 2023	**0**	**0**	**0**	**0**	**2,681,025**	**2,681,025**
Restated					**56,254**	**56,254**
Restated Balance as at 1 April 2023					**2,737,279**	**2,737,279**
Deficit on the Provision of Services on an accounting basis	75,857	0	0	**75,857**	0	**75,857**
Other comprehensive income and expenditure	0	0	0	0	(97,186)	**(97,186)**
Total Comprehensive Income and Expenditure	**75,857**	**0**	**0**	**75,857**	**(97,186)**	**(21,329)**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(75,857)	0	0	**(75,857)**	75,857	**0**
Net (increase) / decrease before transfers to earmarked reserves	**0**	**0**	**0**	**0**	**(21,329)**	**(21,329)**
Transfer (to) / from reserves	0	0	0	**0**	0	**0**
Decrease in the year	0	0	0	**0**	34,925	**34,925**
Balance as at 31 March 2024	**0**	**0**	**0**	**0**	**2,715,950**	**2,715,950**

Movement in Reserves Statement for Kent Police Chief Constable 2022/23 Restated	General Fund	Earmarked Reserves	Capital Receipts and Capital Contributions Unapplied Reserves	Total Usable Reserve	Total Unusable Reserves	Total Reserves
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Balance as at 1 April 2022	**0**	**0**	**0**	**0**	**4,311,686**	**4,311,686**
Deficit on the Provision of Services on an accounting basis	141,473	0	0	141,473	0	**141,473**
Other comprehensive income and expenditure	0	0	0	0	(1,772,134)	**(1,772,134)**
Restated Other comprehensive income and expenditure					56,254	**56,254**
Total Comprehensive Income and Expenditure	**141,473**	**0**	**0**	**141,473**	**(1,715,880)**	**(1,574,407)**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(141,473)	0	0	(141,473)	141,473	0
Net (increase) / decrease before transfers to earmarked reserves	**0**	**0**	**0**	**0**	**(1,574,407)**	**(1,574,407)**
Transfer (to) / from reserves	0	0	0	0	0	**0**
(Increase) in the year	0	0	0	0	(1,574,407)	**(1,574,407)**
Balance as at 31 March 2023	**0**	**0**	**0**	**0**	**2,737,279**	**2,737,279**

The Balance sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the CC. The net assets of CC (assets less liabilities) are matched by the reserves held by the CC. Unusable reserves deal with accounting entries only and the CC is not able to use them to provide services.

From 2022/23 to 2023/24 the negative value of the net assets reduced by £21 million which was due to the decrease in the pension liability. The CC does not have any long-term or current assets or reserves.

2022/23 has been restated mainly to reflect the material accounting changes made for the Local Government Pension Scheme after the unaudited 2022/23 accounts had been published. However, this was a change that did not affect the opening balances for 2022/23 so they do not have to be restated.

31 March 2023 Restated £'000's	Notes	Balance Sheet	31 March 2024 £'000's
(4,405)	8	Short-term Creditors	(4,573)
(4,405)		**Total Current Liabilities**	**(4,573)**
(2,732,875)	9	Police Officer and Police Staff Pension Liability	(2,711,378)
(2,732,875)		**Total Long-term Liabilities**	**(2,711,378)**
(2,737,280)		**Net Assets**	**(2,715,951)**
		Unusable Reserves	
2,732,875	9	Pensions Reserve	2,711,378
4,405	8	Short-term Accumulated Compensated Absences Account	4,573
2,737,280		**Total Unusable Reserves**	**2,715,951**
2,737,280		**Total Reserves**	**2,715,951**

JCastle

Jonathan Castle

Chief Finance Officer to the Chief Constable for Kent Police

30 May 2024

Please note that this has been signed for the draft unaudited Accounts and the final audited Accounts will be signed again after approval by the Joint Audit Committee.

The Cash flow statement

All cash and cash equivalents are managed and held by the PCC and therefore there are no entries in this statement.

Notes to the accounts

Notes supporting the comprehensive income and expenditure statement

Note 1 – Expenditure and funding analysis

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

The net expenditure chargeable to the general fund is the annual expenditure on a funding basis and is the final spend of the year. The adjustments between funding and accounting basis shows the changes that have to be made in order to report the annual expenditure on an accounting basis which is shown as the net expenditure in the CIES.

2022/23			**Expenditure and Funding Analysis for Chief Constable**	2023/24		
Net Expenditure Chargeable to General Fund	**Adjustments Between Funding and Accounting Basis**	**Net Expenditure in the CIES**		**Net Expenditure Chargeable to General Fund**	**Adjustments Between Funding and Accounting Basis**	**Net Expenditure in the CIES**
£'000's	**£'000's**	**£'000's**		**£'000's**	**£'000's**	**£'000's**
243,268	16,511	**259,779**	Police pay	264,500	(51,079)	**213,421**
24,293	4,502	**28,795**	Central Operations	26,251	135	**26,386**
14,269	2,835	**17,104**	Crime	14,701	77	**14,778**
11,380	721	**12,101**	Local Policing and Partnerships	7,337	21	**7,358**
4,227	811	**5,038**	Professional Standards	5,223	27	**5,250**
12,928	2,044	**14,972**	Serious Crime	13,354	70	**13,424**
4,554	874	**5,428**	Chief Officer and Corporate Teams	4,318	23	**4,341**
1,412	246	**1,658**	Corporate Communications and Citizens in Policing	1,422	8	**1,430**
5,841	958	**6,799**	Human Resources	6,765	36	**6,801**
521	105	**626**	Legal	494	3	**497**
897	139	**1,036**	Strategic Change	1,034	5	**1,039**
17,475	1,976	**19,451**	Support Services	19,192	1,070	**20,262**
0	308	**308**	Police and Crime Commissioner's Office	109	9	**118**
341,065	**32,030**	**373,095**	**Net Cost of Services**	**364,700**	**(49,595)**	**315,105**

2022/23			Expenditure and Funding Analysis for Chief Constable	2023/24		
Net Expenditure Chargeable to General Fund	**Adjustments Between Funding and Accounting Basis**	**Net Expenditure in the CIES**		**Net Expenditure Chargeable to General Fund**	**Adjustments Between Funding and Accounting Basis**	**Net Expenditure in the CIES**
£'000's	**£'000's**	**£'000's**		**£'000's**	**£'000's**	**£'000's**
(341,064)	0	(341,064)	Recharge for Chief Constable's Net Service Cost	(364,700)	0	(364,700)
0	**32,030**	**32,030**	**Cost of Services**	**0**	**(49,595)**	**(49,595)**
0	109,440	109,440	Other income and expenditure	0	125,452	125,452
0	**141,470**	**141,470**	**Deficit**	**0**	**75,857**	**75,857**

Note 2 – Note to the expenditure and funding analysis

2022/23			Expenditure and Funding Analysis for Chief Constable	2023/24		
Net Change for Pensions Adjustments (Note 1) £'000's	**Short-term Accumulated Absences (Note 2) £'000's**	**Total Adjustments £'000's**	**Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts**	**Net Change for Pensions Adjustments (Note 1) £'000's**	**Short-term Accumulated Absences (Note 2) £'000's**	**Total Adjustments £'000's**
17,100	(589)	16,511	Police pay	(51,200)	125	(51,075)
4,503	0	4,503	Central Operations	134	0	134
2,835	0	2,835	Crime	77	0	77
721	0	721	Local Policing and Partnerships	21	0	21
812	0	812	Professional Standards	27	0	27
2,044	0	2,044	Serious Crime	70	0	70
875	0	875	Chief Officer and Corporate Teams	23	0	23
247	0	247	Corporate Communications and Citizens in Policing	7	0	7
958	0	958	Human Resources	36	0	36
105	0	105	Legal	2	0	2
139	0	139	Strategic Change	4	0	4
2,408	(432)	1,976	Support Services	1,027	43	1,070
308	0	308	Police and Crime Commissioner's Office	9	0	9
33,055	**(1,021)**	**32,034**	**Net Cost of Services**	**(49,763)**	**168**	**(49,595)**
109,440	0	109,440	Other income and expenditure	125,452	0	125,452
142,495	**(1,021)**	**141,474**	**Difference between General Fund and Expenditure Statement Deficit**	**75,689**	**168**	**75,857**

Note 1 – This column shows the lines which have been affected by the removal of pension contributions and replaced with IAS 19 debits and credits.

Note 2 – This shows the value from accruing for compensated absences earned but not taken in the year such as annual leave entitlement and time off in lieu of payment carried forward at end of year.

Note 3 – Officers' remuneration

2022/23 Re-stated	Number of Employees Remuneration Band (£)	2023/24
45	50,000 to 54,999	75
25	55,000 to 59,999	39
13	60,000 to 64,999	15
4	65,000 to 69,999	10
7	70,000 to 74,999	2
1	75,000 to 79,999	5
5	80,000 to 84,999	2
2	85,000 to 89,999	2
10	90,000 to 94,999	2
5	95,000 to 99,999	8
4	100,000 to 104,999	9
0	105,000 to 109,999	1
2	110,000 to 114,999	0
1	115,000 to 119,999	1
1	120,000 to 124,999	2
2	125,000 to 129,999	1
3	130,000 to 134,999	0
0	135,000 to 139,999	3
1	140,000 to 144,999	1
0	145,000 to 149,999	0
0	150,000 to 154,999	1
0	155,000 to 164,999	0
1	165,000 to 169,999	0
0	170,000 to 199,999	0
0	200,000 to 204,999	1
132	**Total**	**180**

There is a specific requirement on the CC of Kent to disclose the number of employees whose taxable remuneration falls within certain brackets.

Accordingly, the number of employees whose remuneration, excluding pension contributions was £50,000 or more in bands of £5,000 is shown in the table.

The amended regulations introduce a requirement to disclose individual remuneration details for senior employees whose salary is £50,000 or more per year. For these employees their salaries are listed individually by way of job title. Additionally, persons whose salary is £150,000 or more per year must be identified by name.

A senior employee is considered one whose salary is greater than £50,000 per year (calculated pro rata for part time employees) and who is responsible for the management of Kent Police to the extent that the person has power to control the major activities of the service, in particular activities involving the expenditure of money, whether solely or collectively with other persons. This includes all police officers of rank of Chief Superintendent and above, the Deputy Chief Officer (DCO), the Director of Essex and Kent Support Services, Director of Essex and Kent HR and Learning and Development, the Director of Corporate Communications and Citizens in Policing and the force CFO. These individuals have also been accounted for under the remuneration band table above.

The increase in the number of employees from 2022/23 to 2023/24 is largely due to pay awards (7%), increments and additional overtime.

The officers listed in the banding disclosure note are also included in the following remuneration note in order to provide a complete analysis.

Post Title	Note	2023/24 Salary Including Allowances £	Benefits in Kind £	Pension Contributions £	Total Remuneration £
Chief Constable, Mr Tim Smith		201,659	1,343	61,124	**264,126**
Deputy Chief Constable		151,219	6,137	45,948	**203,304**
Deputy Chief Constable – Op Magenta	1	49,978	0	0	**49,978**
Deputy Chief Officer		140,909	1,625	17,191	**159,725**
Assistant Chief Constable (Local Policing)		137,310	0	39,081	**176,391**
Assistant Chief Constable (Serious Crime Directorate)	2	123,452	1,363	37,307	**162,122**
Assistant Chief Constable (Central Operations)	3	119,421	869	36,088	**156,378**
Assistant Chief Constable (Crime Directorate)		121,973	6,862	36,882	**165,717**
Director of Human Resources and Learning and Development		136,574	212	16,510	**153,296**
Director of Corporate Communications and Citizens in Policing		135,324	0	16,510	**151,834**
Chief Finance Officer to the Chief Constable		101,071	0	11,996	**113,067**
Total		**1,418,890**	**18,411**	**318,637**	**1,755,938**

2023/24 Notes:

1. Deputy Chief Constable – Op Magenta was appointed 18.09.2023. The post is externally funded, 100% of costs are recharged to Hampshire Police. Full costs are shown against Kent as the employing force.

2. ACC Serious Crime is a shared post 50:50 between Kent and Essex Police. 50% of their costs were recharged to Essex Police in 2023-24. Full costs are shown against Kent as the employing force.

3. Director of Human Resources and Learning and Development is a shared post 50:50 between Kent and Essex Police. 50% of their costs were recharged to Essex Police in 2023-24. Full costs are shown against Kent as the employing force.

Post Title	Note	2022/23 Salary Including Allowances £	Benefits in Kind £	Pension Contributions £	Total Remuneration £
Chief Constable, Mr Alan Pughsley	1	117,930	0	0	**117,930**
Chief Constable, Mr Tim Smith	2	93,376	1,709	28,252	**123,337**
Deputy Chief Constable	3	72,652	0	21,827	**94,479**
Deputy Chief Constable	4	72,588	6,137	22,037	**100,762**
Deputy Chief Officer		134,588	1,625	17,766	**153,979**
Assistant Chief Constable (Local Policing)	5	61,060	0	18,528	**79,588**
Assistant Chief Constable (Local Policing)	6	46,115	4,056	0	**50,171**
Assistant Chief Constable (Local Policing)	7	13,023	0	3,129	**16,152**
Assistant Chief Constable (Serious Crime Directorate)	8	110,788	3,924	33,477	**148,189**
Assistant Chief Constable (Central Operations)	9	123,121	5,410	37,302	**165,833**
Assistant Chief Constable (Central Operations)	10	50,679	4,079	11,316	**66,074**
Assistant Chief Constable (Central Operations)	11	22,671	869	6,988	**30,528**
Assistant Chief Constable (Crime Directorate)	12	113,708	0	33,577	**147,285**
Assistant Chief Constable (Crime Directorate)	13	14,913	6,862	4,150	**25,925**
T/Assistant Chief Constable (Crime Directorate)	14	84,684	4,192	25,463	**114,339**
Director of Support Services (Kent and Essex Police), Mr Mark Gilmartin	15	142,086	0	17,640	**159,726**
Director of Human Resources and Learning and Development	16	130,472	212	17,057	**147,741**
Director of Corporate Communications and Citizens in Policing		129,222	0	17,057	**146,279**
Chief Finance Officer to the Chief Constable		97,081	0	12,102	**109,183**
Total		**1,630,757**	**39,075**	**327,668**	**1,997,500**

2022/23 Notes:

1. Chief Constable retired from Kent Police 03 October 2022.

2,3. Deputy Chief Constable (3) was promoted to Chief Constable (2) 03 October 2022.

4,5. ACC Local Policing and Partnerships (5) was promoted to Deputy Chief Constable (4) 03 October 2022.

6. ACC Local Policing and Partnerships was appointed 03 October 2022.

7,12. ACC Crime (12) transferred to ACC Local Policing and Partnerships (7) 27 February 2023.

8. ACC Serious Crime is a shared post 50:50 between Kent and Essex Police. Full costs are shown against Kent as the employing force.

9. ACC Central Operations was seconded to HMICFRS from 17 October 2022. Full costs are shown against Kent as the employing force.

10. ACC Central Operations was appointed 10 October 2022 and remained in post until 26 February 2023

11. ACC Central Operations was appointed 16 January 2023

13. ACC Crime was appointed 13 February 2023

14. T/ACC Crime retired from Kent Police 21 December 2022

15. Director of Kent and Essex Support Services resigned from Kent Police 01 February 2022. This is a shared post 50:50 Kent and Essex Police. Full costs are shown against Kent as the employing force. From 02 February 2023 the post was covered by an Essex Police employee on a temporary basis. Their remuneration is disclosed in the Essex Police Statement of Accounts.

16. Director of Human Resources and Learning and Development is a shared post 50:50 Kent and Essex Police. Full costs are shown against Kent as the employing force.

Note 4 – Termination benefits

There were 16 terminated contracts during 2023/24 (20 in 2022/23). Termination payments are made to staff made redundant mostly on a voluntary basis, as part of the Kent Police rationalisation of the service. Payments are made to staff in accordance with Kent Police policy and are calculated on a combination of age, length of service and pay scale of the employee at the time of their leaving the organisation.

The following table shows the number of people leaving the organisation through redundancy in bands of £20,000.

2022/23					2023/24			
Number of People	**Redundancy Cost**	**Pension Cost**	**Total**	**Cost to Kent Police**	**Number of People**	**Redundancy Cost**	**Pension Cost**	**Total**
	£'000's	**£'000's**	**£'000's**	**£'000's**		**£'000's**	**£'000's**	**£'000's**
12	139	0	**139**	0 to 20	6	80	0	**80**
3	47	55	**102**	20 to 40	5	121	7	**128**
1	17	43	**60**	40 to 60	3	52	105	**157**
3	70	135	**205**	60 to 80	1	21	40	**61**
1	19	73	**92**	80 to 100	1	28	52	**80**
20	**292**	**306**	**598**	**Total**	**16**	**302**	**204**	**506**

Note 5 – External audit costs

2022/23 £'000's		2023/24 £'000's
18	External audit fees for the year	54
21	Variation fees	0
0	Non audit services	0
39	**Total**	**54**

The Kent Police's auditors are Ernst and Young LLP. Although no costs have been incurred in 2023/24, an assumption has been made to accrue for the Audit Fees based on the Public Sector Audit Appointments scale fee notification sent to the CC.

Notes supporting the movement in reserves statement

Note 6 – Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the CC in the year, in accordance with proper practice, to the resources that are specified by statutory provisions as being available to the CC to meet future capital and revenue expenditure.

2023/24	General Fund £'000's	Total Usable Reserves £'000's	Total Unusable Reserves £'000's
Included in the Comprehensive Income and Expenditure Account			
Pensions			
Pension costs	75,689	**75,689**	**(75,689)**
Accumulated Compensated Absences Account			
Reversal of leave accrual	168	**168**	**(168)**
Total	**75,857**	**75,857**	**(75,857)**

2022/23	General Fund £'000's	Total Usable Reserves £'000's	Total Unusable Reserves £'000's
Included in the Comprehensive Income and Expenditure Account			
Pensions			
Pension costs	142,494	**142,494**	**(142,494)**
Accumulated Compensated Absences Account			
Reversal of leave accrual	(1,021)	**(1,021)**	**1,021**
Total	**141,473**	**141,473**	**(141,473)**

Note 7 – Income and expenditure analysed by nature

2022/23 Restated £'000's	Chief Constable for Kent	2023/24 £'000's
	Expenditure	
474,276	Employee benefits expenses	440,797
40	Supplies and services	43
19,748	Third party payments	12,693
494,064	**Total Expenditure**	**453,533**
	Income	
(341,064)	Recharge for Chief Constable's Net Service Cost (includes support service recharges expenditure)	(364,702)
(11,527)	Contributions from other public bodies	(12,975)
(352,591)	**Total Income**	**(377,677)**
141,473	**Deficit on the Provision of Services**	**75,856**

The 2022/23 figures were restated following a review of the categories; however this is not a material change.

The most significant movement between years is on employees which is due to the reduction in the accounting cost of pensions as a result of the increase in the discount rate which lowered the pension liabilities.

Notes supporting the balance sheet

Note 8 – Short-term creditors

31 March 2023 £'000's	Short-term creditors	31 March 2024 £'000's
4,405	Short-term compensated absences	4,573
4,405		**4,573**

Note 9 – Net pension liability

31 March 2023 Re-stated £'000's	Net pension liability	31 March 2024 £'000's
2,731,800	Net pension liability – police pension scheme	2,710,400
1,075	Net pension liability – local government pension scheme	978
2,732,875	**Net Pension Liability**	**2,711,378**

Note 10 – Defined benefit pension schemes

The Police Officer pension scheme is an unfunded scheme meaning there are no assets built up to meet the pension liabilities and cash has to be generated to meet pension payments as they fall due. Both Police Officers and the employer make contributions to the Police Pension Fund. Any difference between the pension income and the actual pensions paid out is reimbursed by the Home Office through a top up grant.

All Police Staff are eligible to join the Local Government Pension Scheme (LGPS) administered by Kent County Council. Both the staff and the employer make contributions to the Scheme; however, the LGPS is a fully funded scheme meaning contributions are invested to help fund future liabilities. The amount the employer pays is determined by a valuation which takes place every three years.

Police pension scheme

When referred to the Police Pension Schemes this includes all Police Pension Schemes including the New Police Pension Scheme where additional disclosure has been provided under Note 11 – Accounting Policies.

Transactions relating to retirement benefits

The CC recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge the CC is required to make against the council tax however, is based on the cash payable in the year and therefore the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement. The following transactions have been made in the CC's accounts during the year.

2022/23 £'000's	**Police Officer Pension Schemes (Combined)**	**2023/24 £'000's**
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
102,800	Current service cost	37,500
600	Past service cost / (gain)	0
	Financing and Investment Income and Expenditure:	
109,600	Net interest on the net defined benefit liability (asset)	128,500
213,000	**Sub-total Charged to the (Surplus) / Deficit on the Provision of Services**	**166,000**
	Other Post-employment Benefit Charged to Other Comprehensive Income and Expenditure	
(45,700)	Actuarial losses (gains) arising from change in demographic assumptions	(14,300)
(1,526,800)	Actuarial losses (gains) arising from change in financial assumptions	(155,900)
127,800	Other experience	71,500
(1,444,700)	**Sub-total Charged to Other Comprehensive Income and Expenditure**	**(98,700)**
(1,231,700)	**Total Charged to the Comprehensive Income and Expenditure Statement**	**67,300**
	Movement in Reserves Statement	
(213,000)	Reversal of net charges made to the (surplus) / deficit on the Provision of Services for post-employment benefits	(166,000)
	Actual Amount Charged to the General Fund for Pensions	
86,300	Actuarial Contributions to Fund	88,700

Assets and liabilities in relation to retirement benefits

The following table reconciles the present values of the liabilities of the police pension schemes.

2022/23 £'000's	Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)	2023/24 £'000's
(4,049,800)	**Benefit Obligation at 1 April**	**(2,731,800)**
(102,800)	Current service cost	(37,500)
(109,600)	Interest on pension liabilities	(128,500)
1,444,700	Actuarial losses/ (gains)	98,700
(19,100)	Contributions by scheme participants	(20,800)
(600)	Past service gains	0
106,000	Benefits paid / (received)	109,400
(600)	Transfers in from / (out to) other authorities	100
(2,731,800)	**Benefit Obligation at 31 March**	**(2,710,400)**

2022/23 £'000's	Reconciliation of Movements in the Fair Value of the Scheme (Plan)	2023/24 £'000's
0	**Opening Fair Value of Assets**	**0**
86,300	Contributions by employer	88,700
19,100	Contributions by participants	20,800
600	Transfers in from / (out to) other authorities	(100)
(106,000)	Net benefits paid out	(109,400)
0	**Closing Fair Value of Assets**	**0**

Pensions assets and liabilities recognised in the balance sheet

2022/23 £'000's	Police Pension Scheme (Combined)	2023/24 £'000's
(2,731,800)	Present value of Police Pension Scheme defined benefit obligation	(2,710,400)
(2,731,800)	**Net Liability Arising from the Defined Benefit Obligation**	**(2,710,400)**

The liabilities show the underlying commitments that the CC has in the long-term to pay retirement benefits. The total liability of £2.71 billion (2022/23, £2.73 billion) has a substantial impact on the net worth of the CC as recorded in the Balance Sheet.

Statutory arrangements for funding the deficit however, mean that the financial position of the CC remains healthy. Police Pensions are charged to the Police Pension Fund Account (see note below) and any shortfall between the value of pensions paid in the year and the receipts into the account from the employer and employee contributions is funded from the General Fund. A top-up grant from the Government is then claimed to cover the deficit or, in the event of a surplus, repaid to the Government for 2023/24 this was £36.3 million (£37.1 million, 2022/23).

Basis for estimating assets and liabilities (PPS)

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Pension Schemes have been assessed by Hymans Robertson LLP, an independent firm of actuaries.

The principal assumptions used in their calculations are shown below:

2022/23	Actuarial Assumptions:	2023/24
	Longevity at 60 for current pensioners:	
26.7	Men	26.5
29.2	Women	29.4
	Longevity at 60 for future pensioners:	
28.1	Men	27.9
30.6	Women	30.7
3.2%	Rate of inflation (RPI)	3.1%
3.2%	Rate of increase in salaries	3.1%
3.0%	Rate of increase on pensions	2.8%
4.8%	Rate of discounting for scheme liabilities	4.9%
90.0%	Take up of option to convert annual pension into retirement lump sum	90.0%

Local government pension scheme

2022/23 Re-stated £'000's	Local Government Pension Scheme	2023/24 £'000's
	Comprehensive Income and Expenditure Statement	
	Service Cost:	
25,670	Current service cost	10,546
3	Past service cost / (gain)	440
124	(Gain) / loss on curtailments and settlements	0
	Financing and Investment Income and Expenditure:	
20,188	Interest costs	27,201
(20,348)	Expected return on assets in the scheme	(30,249)
336	Administration expenses	509
25,973	**Sub-total Charged to the (Surplus) / Deficit on the Provision of Services**	**8,447**
	Other Post-employment Benefits Charged to Other Comprehensive Income and Expenditure	
13,215	Return on plan assets (excluding amount included in net interest expense)	9,112
(18,091)	Actuarial (gains) / losses arising from demographic assumptions	(6,635)
(376,548)	Actuarial (gains) / losses arising from financial assumptions	(12,665)
56,254	Actuarial (gain) / losses arising from the impact of the Asset Ceiling	10,150
56,731	Experience (gains) / losses	1,552
(2,741)	Other (gains) / losses	0
(271,180)	**Sub-total Charged to Other Comprehensive Income and Expenditure**	**1,514**
(245,207)	**Total Charged to the Comprehensive Income and Expenditure Statement**	**9,961**
	Movement in Reserves Statement	
(25,973)	Reversal of net charges made to the (surplus) / deficit on the Provision of Services for post-employment benefits	(8,447)
	Actual Amount Charged to General Fund for Pensions in the Year	
10,179	Employers' contribution payable to the scheme	10,058

The actual return on scheme assets in the year was £30.25 million (2022/23, £20.3 million).

Pensions assets and liabilities recognised in the balance sheet

2022/23 Re-stated £'000's	Local Government Pension Scheme	2023/24 £'000's
(508,068)	Present value of liabilities	(513,882)
563,247	Fair value of assets	582,333
55,179	**Surplus**	**68,451**
(56,254)	Impact of LGPS asset ceiling	(69,429)
(1,075)	**Total (Liability)**	**(978)**

Reconciliation of present value of the scheme assets and liabilities

The following tables reconcile the present value of liabilities and assets of the Local Government Pension Scheme attributable to the CC. Asset returns have been higher than the discount rate assumed at the previous valuation and discount rates used have increased, both have led to the increase of £13.2 million in the impact of the LGPS asset ceiling.

2022/23 £'000's	Local Government Pension Scheme Reconciliation of the Value of Liabilities and Assets	2023/24 £'000's
806,980	**Balance Brought Forward**	**508,068**
25,670	Current service cost	10,546
20,188	Interest cost	24,176
4,974	Contributions by scheme participants	5,027
	Remeasurement (Gains) and Losses	
(18,091)	Actuarial gains / losses arising from changes in demographic assumptions	(6,635)
(376,548)	Actuarial gains / losses arising from changes in financial assumptions	(12,665)
56,731	Experience (gains)/losses on defined benefit obligation	1,552
3	Past service costs	440
(13,107)	Benefits paid / transfers paid	(16,505)
1,398	Liabilities extinguished on settlements	0

2022/23 £'000's	Local Government Pension Scheme Reconciliation of the Value of Liabilities and Assets	2023/24 £'000's
(130)	Unfunded pensions payments	(122)
508,068	**Balance Carried Forward**	**513,882**

Reconciliation of present value of the scheme assets

The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

31 March 2023 £'000's	31 March 2023 %	Pension Scheme Assets	31 March 2024 £'000's	31 March 2024 %
359,418	64	Equities	338,765	59
3,085	1	Gilts	42,668	7
73,975	13	Other Bonds	83,847	14
56,218	10	Property	52,247	9
10,104	2	Cash	9,273	2
41,259	7	Target Return Portfolio	29,424	5
19,188	3	Infrastructure	26,109	4
563,247	**100**	**Total**	**582,333**	**100**

Reconciliation of the movements in fair value of scheme assets

2022/23 £'000's	Local Government Pension Scheme	2023/24 £'000's
550,519	**Opening Fair Value of the Scheme Assets**	**563,247**
20,348	Interest Income	30,249
2,741	Remeasurement gain / (loss)	0
(13,215)	Expected return on assets	(9,112)
(336)	Administration Expenses	(509)

2022/23 £'000's	Local Government Pension Scheme	2023/24 £'000's
10,179	Employer contributions	10,058
4,974	Contributions by employees into the scheme	5,027
(13,237)	Benefits paid	(16,627)
1,274	Settlements received/(paid)	0
563,247	**Closing Fair Value of the Scheme Assets**	**582,333**

Basis for estimating assets and liabilities (LGPS)

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme (LGPS) liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries. Estimates for the LGPS scheme are based on the 12-months valuation of the scheme as at 31 March 2024.

The principal assumptions used in their calculations have been:

2022/23	Local Government Pension Scheme	2023/24
Years	Mortality assumptions:	Years
	Longevity at 65 for current pensioners:	
21.1	Men	20.8
23.5	Women	23.3
	Longevity at 65 for future pensioners:	
22.3	Men	22.0
25	Women	24.7
%		
3.2%	Rate of inflation (RPI)	3.2%
2.9%	Rate of inflation (CPI) on which Pensions are based	2.9%
3.9%	Rate of increase in salaries	3.9%
2.9%	Rate of increase on pensions	2.9%
4.8%	Rate of discounting for scheme liabilities	5.0%
50.%	Take up of option to convert annual pension into retirement lump sum	50.0%

McCloud consideration

In 2018 the Government was found to have discriminated against younger members of public service pension schemes. The judgment, known as McCloud, resulted in the Government making changes to public service pension schemes to remedy discrimination which had taken place. In the Lord Chancellor v McCloud and others, the Court of Appeal ruled that younger members of the judges' and firefighters' pension schemes had been unlawfully discriminated against because the protections from the reforms did not apply to them. As a result, the Government accepted that the judgment would apply to all public service schemes, including the police and the LGPS, which had similar arrangements protecting members closer to retirement from the reform.

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

Other notes

The accounting policies have been updated to include the changes to the 2023/24 Code.

Note 11 – Accounting policies

i. General principles

The Statement of Accounts summarises the CC for Kent's transactions for the 2023/24 financial year and its position for the year ended 31 March 2024. The Accounts and Audit Regulations 2015 (SI 2015 No 234) require the CC to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2023/24, these proper accounting practices principally comprise:

- the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code)
- the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 3146, as amended) (the 2003 Regs)

The CC's Accounts show all expenditure related to the delivery of policing services for the year including staff costs, pension costs and the provision for short-term compensated absences whilst the PCC's Single Entity Accounts only show those costs directly related to the Office of the PCC.

The CC of Kent has direct control of all police officers, PCSOs and all police staff except those working in the Office of the PCC. Although the employment contracts for all staff are held by the PCC the substance of the relationship is that the CC has the effective power to control how these resources are deployed and used. Whether posts are recruited if they become vacant, whether posts can be made redundant or where posts can be located and what roles are assigned to them are also decisions within the control of the CC.

Included within staff costs are the IAS 19 pension costs for officers and staff and also any short-term compensated absences such as the provision for payment of outstanding annual leave and time off in lieu balances at the year-end date. These costs follow the rest of the pay related costs and therefore logically sit with the CC.

The CC's accounts therefore include staff costs for the above groups of employees only.

ii. 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 CC 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 organisation
- revenue from the provision of services is recognised when the organisation 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 organisation
- 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
- accruals are recognised where the value exceeds £10,000
- 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 and

- interest receivable on investments and interest 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.

iii. 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 in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

iv. Employee benefits

Benefits payable during employment

The majority of staff costs are accounted for within the CC's Statement of Accounts as it is he who has direction and control over them. The PCC for Kent's Accounts only reflect those staff directly employed in the Office of the PCC for Kent. All staff costs are shown in the Kent Police Group statements.

Short-term employee benefits are those due to be settled within 12 months of the year-end. An accrual is made for the cost of holiday entitlements or time off in lieu earned by employees but not taken before the year-end which employees can carry forward into the next financial year. This is shown in the short-term accumulated compensated absences account.

The Apprenticeship Levy was introduced from 1 April 2017. The Apprenticeship Levy is a charge on all large UK employers with a pay bill of over £3 million per annum. Kent Police is required to pay 0.5% of its annual payroll into the Levy and these funds will be used to pay for new apprenticeships. There were 372 apprenticeships funded during 2023/24 (2022/23, 236 apprenticeships).

Termination benefits

Termination benefits are amounts payable as a result of a decision by the CC for Kent to terminate an employee's contract before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to overheads in the Comprehensive Income and Expenditure Statement. Termination benefits are recorded in the accounts when Kent Police have confirmed and communicated their decision to those affected.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by Kent Police 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

Kent Police participates in two pension schemes. Post-employee benefits are associated with the Kent Police Group and CC's Accounts.

- The 2015 Police Pension Scheme, regulated under the Police Pension Regulations 2015.
- The Local Government Pensions Scheme, administered by Kent County Council.

As a result of requirements under International Accounting Standard 19 (IAS19) the net pensions liability is analysed into several components:

- service cost – comprising:
  - current service cost – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
  - past service cost – debited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
  - gains or losses on settlements and curtailments – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- interest cost – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- re-measurement of the net defined benefit liability – comprising:
  - actuarial gains and losses arising on changes in demographic assumptions – debited to the Pensions Reserve
  - actuarial gains and losses arising on changes in financial assumptions – debited to the Pensions Reserve

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

Police pension schemes

The police pension scheme is a contributory occupational pension scheme with officers making varying levels of contributions dependent on their salary level. The Police pension scheme is a defined benefit scheme (without managed pension assets). The employer's contribution for each serving officer is common to all schemes at 35.3% of pensionable pay from 1st April 2024. This is set nationally and is subject to a three-yearly review. Accrued net pension liabilities have been assessed on an actuarial basis in accordance with IAS 19. The net liability and a pensions reserve incorporating all pension schemes have been recognised in the Balance Sheet, as have entries in the Comprehensive Income and Expenditure Statement for movements in the asset / liability relating to the defined benefit scheme. Transfers into and out of the scheme representing joining and leaving the Police are recorded on a cash basis in the Pension Account as a result of the time taken to finalise the sums involved.

The liabilities of the Police pension scheme attributable to Kent Police are included in the Balance Sheet on an actuarial basis using the projected unit method and 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 and projections of earnings for current employees.

Liabilities as well as anticipated gains and losses are discounted to their value at current prices using a discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds.

The Local government pension scheme

The Local government pension scheme (LGPS) is a contributory occupational pension scheme with Police staff making contributions dependent on their salary level.

The Local government scheme is accounted for as a defined benefits scheme.

The liabilities of the pension fund attributable to Kent Police are included in the Balance Sheet on an actuarial basis using the projected unit method which is 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, and projections of projected earnings for current employees. The liabilities of the LGPS for PCC staff are not identified separately as this would not be material to the understanding of the Accounts.

Liabilities are discounted to their value at current prices. The assets of the pension fund attributable to Kent Police are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

Discretionary benefits

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

v. 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, and
- 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. This text will be reviewed before the publication of the audited accounts.

vi. VAT

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

Note 12 – Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities in the next financial year are listed below:

Police pension schemes

The range of sensitivities regarding the principal assumptions used to measure the combined Police pension schemes' liabilities are set out below:

Police pension scheme (schemes combined)

Sensitivity Analysis Police Pension Scheme	£'000's	£'000's	£'000's
Adjustment to discount rate	0.50%	0.00%	-0.50%
Present value of total obligation	2,629,090	2,710,400	2,791,710
Projected service cost	32,200	33,100	34,000
Adjustment to member life expectancy	+1 year	None	-1 Year
Present value of total obligation	2,692,830	2,710,400	2,727,970
Projected service cost	33,100	33,100	33,100

Sensitivity Analysis Police Pension Scheme	£'000's	£'000's	£'000's
Adjustment to salary increase rate	0.50%	0.00%	-0.50%
Present value of total obligation	2,706,260	2,710,400	2,714,540
Projected service cost	28,960	33,100	37,240
Adjustment to pension increases and deferred revaluation	0.50%	0.0%	-0.50%
Present value of total obligation	2,706,260	2,710,400	2,714,540
Projected service cost	28,960	33,100	37,240

Local government pension scheme (LGPS)

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

Sensitivity Analysis LGPS	£'000's	£'000's	£'000's	£'000's	£'000's
Adjustment to discount rate	0.50%	1.00%	0.00%	-1.00%	-0.50%
Present value of total obligation	467,556	504,063	513,882	523,998	567,677
Projected service cost	10,024	11,813	12,303	12,811	15,049
Adjustment to member life expectancy	0.50%	1.00%	0.00%	-1.00%	-0.50%
Present value of total obligation	518,383	514,764	513,882	513,008	509,600
Projected service cost	12,345	12,311	12,303	12,294	12,260
Adjustment to salary increase rate	0.50%	1.00%	0.00%	-1.00%	-0.50%
Present value of total obligation	564,046	523,310	513,882	504,734	470,768
Projected service cost	15,123	12,819	12,303	11,806	9,957
Adjustment to pension increases and deferred revaluation		+1 year	None	-1 Year	
Present value of total obligation		532,280	513,882	496,195	
Projected service cost		12,780	12,303	11,838	

Police pension scheme and LGPS

Information from the actuaries is reviewed against the information previously provided and market commentaries for reasonableness and compared with other force's expectations and returns through the Police and Crime Commissioners Treasurers' Society (PACCTS) network. The tables included above are taken directly from the actuarial statements.

Given the high values for the liabilities in the pension's schemes they are susceptible to small fluctuations in discount rates causing relatively large variation in the values. Therefore, the sensitivity analysis tables have been included in the statement of accounts.

Note 13 – Events after the balance sheet date

The Statement of Accounts was authorised for issue by the CFO on 30 May 2024. Events taking place after this date are not reflected in the financial statement or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect this information. There are no material non-adjusting events to report. This text will be reviewed before the publication of the audited accounts.

Note 14 – Related parties

The CC for Kent Police is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the authority or to be controlled or influenced by Kent Police. Disclosure of these transactions allows readers to assess the extent to which the CC might have been constrained in their ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the CC.

Central government

Central government has effective control over the general operations of the CC of Kent – it is responsible for providing the statutory framework within which the CC operates and prescribes the terms of many of the transactions that the Kent Police has with other parties (for example council tax bills).

Officers

The CC and the Kent Police Chief Officer team lead by the CC has direct control over all operational decisions and the day-to-day running of Kent Police as well strategic decision making in conjunction with the Commissioner. All Chief Officers have been contacted and there are no material related party transactions to disclose for 2023/24.

Other public bodies

Kent Police has a number of business relationships with public organisations such as local authorities in Kent and other police forces in England and Wales mainly Kent County Council, Essex Police and West Yorkshire Police for the National Police Air Service (NPAS). Kent Police has collaborative agreements with Essex Police covering Serious Crime, Support Services, the Information Technology Department (ITD) and Human Resources. Kent Police is a member of the Seven Forces Procurement Team in collaboration with other police forces. Jointly controlled operations are further explained in note 37 in the Kent Police Group Accounts.

Police and crime commissioner

The CC for Kent and PCC for Kent are separate legal entities as described in the narrative report. Despite this the two entities are intrinsically linked with the PCC for Kent holding all bank accounts, assets, liabilities and reserves for both entities.

The CC for Kent has a budget approved by the Commissioner with any underspends against that budget transferring back to the PCC at the end of the financial year. As such the PCC for Kent is described as a related party.

Note 15 – Accounting standards issued but not yet adopted

The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. It also requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

The standards introduced by the 2023/24 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of the Code are:

- IFRS 16 Leases issued in January 2016
- Application of IFRS 16 to service concession arrangement (PFI PPP) liabilities on first time application
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements

There are no changes in accounting requirements for 2024/25 other than IFRS 16 that are anticipated to have a material impact on the force’s financial performance or financial position. The impact of IFRS 16 on 2024/25 is detailed in the Kent Police Group Accounts.

Note 16 – Going concern

The accounts are prepared on a going concern basis reflecting the economic and statutory environment in which Police Forces operate. These provisions confirm that as they cannot be created or dissolved without statutory prescription it is only appropriate for their financial statements to be prepared on a going concern basis. The going concern assumption under the Code is therefore drawn up to assume that the services of Police Forces will continue to operate for the foreseeable future.

Note 17 – Date of authorisation of the statement of accounts for issue

The Statement of Accounts was authorised for issue on TBC by Mr Jonathan Castle, Chief Finance Officer to the Chief Constable for Kent Police.

This date will be completed once the Accounts have been approved by the Joint Audit Committee.

Supplementary accounts

Police officer pension fund account

Introduction

The Police officer pension fund account was established under the Police Pension fund Regulations 2007 (SI 2007 No 1932). It is administered on behalf of the PCC by XPS Pensions Group.

The fund receives income each year from:

- employer's contributions from the PCC, based on a percentage of pay
- contributions from serving police officers
- other receipts.

Pensions to retired officers, lump sum payments and other benefits are paid from the Fund. The account is balanced to nil at the end of the year by a contribution from or to the PCC.

The account is not backed by any investment assets, and its outgoings are funded entirely from the receipts identified above. The Fund accounts solely for the benefits payable in the financial year and does not account for benefits payable after the period end.

The above statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date. The liabilities for future retirement benefits are disclosed in note 10 of these accounts.

From 2023/24, the employer contribution rate is 31%.

2022/23 £'000's	Kent Police Officer Pension Fund Account Statement	2023/24 £'000's
	Contributions receivable	
(44,487)	Police and Crime Commissioner for Kent	(48,099)
(19,123)	Serving Police officers	(20,810)
(659)	Capital equivalent payment for ill-health	(931)
	Transfers In	
(1,066)	Individual transfers in from other schemes	(610)
(65,335)	**Total Receipts**	**(70,450)**
	Benefits payable	
82,060	Pensions	90,985
20,041	Commutations and lump sum payments	14,791
5	Lump sum death benefits	136

2022/23 £'000's	Kent Police Officer Pension Fund Account Statement	2023/24 £'000's
	Payments to and on account of leavers	
171	Refund of contributions	244
157	Individual transfers out to other schemes	636
102,434	**Total Payments**	**106,792**
37,100	Sub-total for the year before transfer from Police and Crime Commissioner for Kent of amount equal to the deficit	**36,343**
(37,100)	Transfer of amount from the Police and Crime Commissioner for Kent of amount equal to the deficit which is then recouped by a government grant	(36,343)
0	**Net Amount Payable for the Year**	**0**

Pension fund net asset statement

2022/23 £'000's		2023/24 £'000's
0	Unpaid pension benefits	0
0	Amount owing from the general fund	0
0	Net current assets and liabilities	0

Glossary and contacts

Glossary

ACC

Assistant Chief Constable

Accruals accounting

A basis of accounting in which the effects of transactions and other events on an authority's resources are accounted for when the effects occur; not when the relevant cash receipts or payments take place

Actuarial gains and losses

Changes in the force's pensions liabilities calculated at the end of the previous year as a result of actual events being different from those predicted by the actuary or because the actuary has updated their assumptions

AFI

Areas for Improvement

AGS

Annual Governance Statement. A statement published with the Statement of Accounts prepared in accordance with the CIPFA/SOLACE publication Delivering Good Governance in Local Government: Framework. It assesses the effectiveness of the arrangements the Council has put in place to govern decision-making and accountability

Appropriations

Transfer of monies between the revenue account and the balance sheet

ASB

Anti-social behaviour

CC

Chief Constable

Central Ops

Stands for Central Operations, this includes: Central Investigation Command; Tactical Operations Command

CFO

Chief Finance Officer

Chief Officers

Include the Chief Officers and Directors in the senior management team.

CIES

Comprehensive Income and Expenditure Statement. The financial statement that summarises the expenditure that the force has incurred in providing services and the income it has generated during the year and other gains and losses arising from changes in the value of assets and liabilities

CIPFA

The Chartered Institute of Public Finance and Accountancy - the accountancy body primarily concerned with public services that issues guidance on accounts preparation for local authorities

CJS

Criminal Justice System

Contingency

An event that may occur but that where the likelihood and financial impact are uncertain

COMB

Chief Officer Management Board

CPI

Consumer Price Index, a measure of inflation which has replaced the RPI

CPS

Crown Prosecution Service

DCC Portfolio

Deputy Chief Constable's portfolio. This includes the following departments: Local Policing, Central Operations, Serious Crime, Crime, Professional Standards and Corporate Services

DCO Portfolio

Deputy Chief Officer's portfolio. This includes the following departments: Support Services, Human Resources, Corporate Communications, Strategic Change and Legal Services

EY

Ernst and Young - auditors

FCIR

Force Control and Incident Room

FMCOP

Financial Management Code of Practice

FOI

Freedom of Information

FRS

Financial Reporting Standard

FTE

Full Time Equivalent

GDPR

General Data Protection Regulation

HDW

Historic Data Wash

HMCTS

HM Courts and Tribunals Service

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services

HR

Human Resources

HSE

Health and Safety executive

IAGs

Independent Advisory Groups

IAS

International Accounting Standards

ICO

Information Commissioner's Office

IE

Income and Expenditure

IFRS

International Financial Reporting Standards

IOPC

Independent Office for Police Conduct

ITD

Information Technology Department

JAC

Joint Audit Committee

KCJB

Kent Criminal Justice Board

KFRS

Kent Fire and Rescue Services

KMPCP

The Kent and Medway Police and Crime Panel

LGPS

Local Government Pension Scheme

MTFP

Medium Term Financial Plan

NPAS

National Police Air Service

OPCC

Office of the Police and Crime Commissioner

PACCTS

Police and Crime Commissioners Treasurers Society

PCC

Police and Crime Commissioner

PCSO

Police Community Support Officer

PFCC

Police Fire and Crime Commissioner

PFI

Private Finance Initiative

PRSRA

Police Reform and Social Responsibility Act 2011

PSD

Professional Standards Department

PSE

Police Staff Employee, an employee of Kent Police who is not a Police Officer. Police Community Support Officers (PCSOs) are PSEs

Remuneration

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

Reserves

The balances in the Balance Sheet that show variously the revenue and capital resources available to support the provision of services by the force, the cumulative effect of statutory adjustments to manage the availability of those resources for particular financial years, and balances of revaluation gains and losses on assets that have yet to be realised

Return on Plan Assets

Interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less: a) any costs of managing plan assets, and b) any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation

Revenue Expenditure

Spending on day **to day running expenses of the PCC and force**

RPI

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

RSM

Auditing Company

SAP

The Enterprise Resource Planning software that Kent Police use for Finance, HR and Payroll

SAR

Subject Access request

SCD

Serious Crime Directorate

SEERPIC

South Eastern and Eastern Region Police Insurance Consortium

SMT

Senior Management Team

SSD

Support Services Directorate

T/ACC

Temporary Assistant Chief Constable

VAWG

Violence Against Women and Girls

VRU

Violence Reduction Unit

Contact information

This document gives details of Kent Police Chief Constable’s annual accounts and is available on the website at www.kent.police.uk

Contact for further information

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Annual governance statement

Annual Governance Statement

2023-2024

Kent Police

Protecting and **serving** the people of Kent

Introduction

Each year, Kent Police is required to produce an Annual Governance Statement (AGS) which assesses how its corporate governance arrangements, as outlined in the Local Code of Governance, are working. This is informed by internal and external audit, the risk register, external oversight bodies, and other areas such as engagement with the public and new legislation.

The Local Code sets out the overall governance framework within which Kent Police operates, and the AGS provides assurances as to how Kent Police is complying with it. The AGS identifies areas of both success during 2023-24, and where the Kent Police can and will improve.

Document key:

Area of strength - GREEN	**Area for improvement - AMBER**	**Area of challenge - RED**
The policies and procedures in place, as set out in the Local Code of Governance, are effective, with a high level of internal and external assurance. There are potentially some areas for improvement, but these have no material impact on the strength of the governance framework.	The policies and procedures in place, as set out in the Local Code of Governance, are mainly effective. However, there are areas where there remain challenges or the potential for improvement, which have a limited impact on the strength of the governance framework. There are plans in place to address this.	Failings have been identified in the policies and procedures, which may have a material impact on the governance arrangements in this area, and therefore on the wider operation of the OPCC. Significant remedial work is being taken to address these risks.

Assessment of Kent Police's governance

Core Principle of the Framework

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

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section A. He has assessed that there is adequate assurance, and that this is overall an area of <u>strength.</u>

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Vetting and Professional Standards	Internal Audit Report on Vetting	An internal audit in 2023/24 gave reasonable assurance to this area. The team has been uplifted in strength in the past year to deal with the increased demand as part of the Police Officer Uplift programme. The report noted strengths in a number of areas including but not limited to: • Review of appeals where individuals have been refused clearance • All transferees and re-joiners were re-vetted • Force Vetting Manager reviewing officers where misconduct has occurred and makes a decision on whether vetting clearance levels remain appropriate • Backlogs well managed and reducing	The report made 3 recommendations, 2 medium and 1 high. These were: • Ensuring all authentication and security checks are carried out in a timely manner to the date of clearance being granted • Continue to work through the backlog and ensure all vetting appraisals are scheduled on a yearly basis and are conducted in a timely manner • Core-Vet reviews are conducted on a scheduled basis to confirm those with access are still employed and the access level is still appropriate	

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Maintains effective vetting arrangements	Audit Risk Register	Kent Police has approved an increase in resources within the Force Vetting Unit to ensure that capacity continues to be able meet demand in light of increased requirements		
Angiolini Inquiry Part 1 Report	Angiolini Inquiry	Robust improvement plan in place to take forward the recommendations, overseen by the DCC. Significant work has already been undertaken with changes to policy, increased performance scrutiny, reviews of training provision and engagement with CPS colleagues to enhance response. Forcewide communication on the findings and response, supported by event in which over 500 officers and staff gathered to discuss standards and culture within Kent Police.	Report makes 16 recommendations, five of which are police led focused on investigation of predatory sexual offences, vetting and culture and standards. Five recommendations are for other lead agencies such as the Home Office, College of Policing (CoP) or National Police Chiefs' Council (NPCC) in conjunction with police forces. Six are directly for other agencies but will have an impact on forces once completed. A number of the recommendations require national work to take place by Home Office, College of Policing (CoP) or National Police Chiefs' Council (NPCC) before policing can respond.	

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Operates under a Code of Ethics and officers subject to Standards of Professional Behaviour.	Local Policies and Codes	The DCC has formal responsibility for ensuring force compliance with the Code of Ethics and the Standards of Professional behaviour. Kent Police implemented the revised Code of Ethics in January 2024, ensuring that all officers and staff were briefed and trained on the revised code. Learning has been reinforced through local and force-wide communications and engagements events. Kent Police policies P01 (Wrongdoing) and P02 (Standards of Professional Behaviour) formally set out the expectations of all officers and staff and these expectations are further reinforced through the Chief Constable's Pledge, training and development courses, effective leadership and supervision, force communication strategies and staff engagement from the Professional Standards Department and the Chief Officer Team.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Has effective whistleblowing processes	Local Policies and Codes	Kent Police policies sets out provisions to ensure that officers and staff are confident in reporting wrongdoing and do not fear detrimental treatment by the force or colleagues as a result of doing so. Force policy closely follows Home Office Guidance, recognising that any person reporting wrongdoing by others should be considered a potential whistle-blower. Any officer or member of staff making a protected disclosure is immediately subject of a risk assessment carried out by the Professional Standards Department. This risk assessment determines the degree of support which is required within the workplace. Officers and staff have a range of options available to them to report and challenge wrong-doing including reporting concerns internally through their line-managers or to PSD, as well as external reporting options such as the Independent Office for Police Conduct (IOPC). Officers and staff also have anonymous reporting routes open to them. Adherence to the Counter Corruption Control Strategy and levels of intelligence submissions are reported quarterly to the Force Security and Integrity Committee.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Has an effective complaints process	Local Policies and Codes	Kent Police complies with the Police (Complaints and Misconduct) Regulations 2020. Where complaint investigation outcomes are appealed by a complainant these appeals are considered by either the Office for the Police and Crime Commissioner (OPCC) or the Independent Office for Police Conduct (IOPC). The percentage of Kent investigation appeals upheld by the IOPC continues to be below the national average. Learning identified from public complaints and IOPC thematic reviews are discussed and disseminated through the Professional Standards Department Lessons Learned Forum. The Professional Standards Department reports annually to the Joint Audit Committee in respect of complaints performance.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Ethics and Fairness Committee	Local Policies and Governance	The culture of Kent Police is set by the Chief Officer Team and is supported by the Force Ethics and Fairness Committee and local Culture Boards. The committee has a set quorum of members plus additional inclusive representation from across the organisation. Topics and issues can be submitted either openly or anonymously and are either discussed at the Ethics and Fairness Committee or alternatively a written response is published on the force intranet. Minutes and actions form the Ethics and Fairness Committee are also published on the intranet to ensure transparency. Attendees at the pre-meeting selection process will usually include PSD, the force Diversity and Inclusion Manager, an HR representative, a Unison representative, a Police Federation representative and a representative from the Diversity and Inclusion Academy. Kent Police departments each hold local culture boards for their staff where topics and issues relevant to the culture of the department or the wider force can be discussed. These topics are then brought to the attention of the Chief Constable at a quarterly meeting of the Culture Board chairs. Kent Police culture is further reinforced through the Chief Constable's Pledge and a rolling series of 'Delivering the Pledge' engagement events.		

Assessment of Kent Police's governance

Issue	**Identified from**	**Strength - GREEN**	**Area for improvement - AMBER**	**Area of challenge - RED**
Local Culture Boards	Staf Local Policies and Governance	Opportunity to relay areas of concern and good practice, that can then be shared with colleagues elsewhere in the force. Improvements for staff and the public have been made because of the work of local culture boards.		
Subject Access Request (SAR) and Freedom of Information requests (FOI)	ICO Audit and in force Key Performance Indicators	The SAR team have increased their timeliness on new requests to a consistent 85%, and the FOI team have managed to maintain a timeliness of 71%.		

Core Principle of the Framework

B. Ensuring openness and comprehensive stakeholder engagement.

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section B. He has assessed that there is adequate assurance, and that this is overall an area of strength.

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Independent Advisory Group (IAG)	Independent Advisory Group (IAG)	The IAG advise and work with the police to improve both the service provided to minority communities and the relationship between those communities and Kent Police. Members of the IAG provide their own independent advice based on their lived experiences. The IAG is as an essential engagement structure for the force and also a way for diverse community members to feedback and work with Kent Police.		
Staff Support Groups	Staff Support Groups	Kent Police has multiple staff support groups. These internal stakeholders feedback to Chief Officers on a bi-annual basis.		
Open Day	Open Day	The Kent Police Open Day is the force's biggest engagement event of the year and provides the perfect opportunity to demonstrate how teams across the county keep the people of Kent safe through their work to catch criminals, solve crime and protect victims and witnesses. Almost 20,000 people attended in June 2023 and the same number is expected in June 2024 across the three-day event. The event also provides an excellent opportunity for recruitment to promote the different career paths within the force. During the 2023 event, the recruitment team received 42 registers of interest for PC roles and 5 for FCR.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Violence against Women and Girls (VAWG) Community Engagement Survey	VAWG Community Engagement Survey	The results are viewed and used to shape future campaigns which resonate with the public and ensuring our communications are in-line with our wider VAWG strategy.		

Assessment of Kent Police's governance

Core Principle of the Framework

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

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section C. He has assessed that there is adequate assurance, and that this is overall an area for improvement.

Issue	**Identified from**	**Strength - GREEN**	**Area for improvement - AMBER**	**Area of challenge - RED**
Medium Term Financial Plan	Chief Officer Management Board (COMB) Papers and Police and Crime Panel Papers	A clear budget setting timetable, covering both revenue and capital budget is approved annually by both the Chief Constable via COMB and the PCC via the Police and Crime Panel. This ensures that budgets are prepared in accordance with strategic objectives. Within this process, there are a number of meetings held with Chief Officers within the force and also with the PCC. Scenario planning and savings initiatives are discussed. The key part of these discussions is ensuring that any savings plans agreed have a minimal impact on front line policing.		The funding formula has not been reviewed for over a decade. This has led to disparities in funding where a force a similar size to Kent with circa 900 less officers receives grant of circa £14.5m more per annum. The cumulative effect of this over a long period of time has led to an increasingly difficult and unsustainable financial position. Should this continue in the future, it will be catastrophic for the finances of Kent Police. This issue is compounded when it comes to pay award funding. Whilst pay awards above the average budgeted percentage in 23/24 attracted additional funding, it was distributed

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
				using the same apportionment as the funding formula. This led to forces with significantly less officers than Kent getting more funding than Kent. This therefore creates further financial pressure within Kent Police and is then compounded for future years. Further to this, the requirement to maintain officer headcount numbers and the penalties involved for not doing so reduces the ability of Kent Police to respond to the financial challenge caused by the funding formula. A final area of challenge is around key variables that are unknown at the time of budget setting. For example, as an organisation with circa 80% of costs in Police Officer and Staff pay, not knowing the percentage pay increase for the

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
				following year or having a medium term funding settlement is a challenge when setting a balanced budget.
Reporting	COMB, Strategic Change Board Reports	All reports that go to the decision forums (COMB and Strategic Change Board) have a requirement to articulate the equality, diversity and inclusion implications of proposals.		
Collaborative procurement	Regional Commercial executive Board and Government Commercial Function benchmarking	Kent has benefitted from the commercial expertise within the regional 7 force commercial services. The function has been benchmarked against the Government Commercial Operating Standards and achieved a score of 79% (Better) in January 2023 and re-baselined again in December 2023).		
Procurement and management of 3rd party services	Commercial Executive Board reporting	7 Force Commercial services procured a diverse range of contracts for Kent including collaborative ones such as the SEERPIC Motor Insurance contract which generated cashable savings in spite of a historically challenging market. 7FCS also manages a number of strategic collaborative contracts including Waste, Cleaning and Grounds Maintenance, agency staff, consultancy. 7FCS have also procured an IT licencing partner to make the renewal of IT licences more effective and seek to optimise the benefits across the region through aggregation of the same product types.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
His Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) PEEL 2023-25	HMICFRS Report	Kent awarded six good gradings - treating the public fairly, preventing crime, protecting vulnerable people, serious and organised crime, workforce and leadership. HMICFRS closed 14 of the 19 AFIs issued from PEEL 2021/22, the remainder having been superseded. Despite the grade (see Area for Improvement) positive narrative reported regarding the quality of investigations. Robust improvement plan in place to take forward the areas for improvement, overseen by the DCC through a well-established governance framework.	Requires improvement grade received by HMICFRS in respect of: • Responding to the Public: performance improvements in 999, 101, attendance at high graded calls and advice provided to callers required. • Investigating Crime: performance improvements in outcome rates, administration of outcomes, completion of victim needs assessment all require improvements. • Performance improvements (monitored via the governance framework in place) already seen in these two areas.	

Assessment of Kent Police's governance

Core Principle of the Framework

D. Determining the actions necessary to achieve the intended outcomes

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section D. He has assessed that there is adequate assurance, and that this is overall an area of strength.

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Budget Setting	Chief Officer Management Board (COMB) Papers and Police and Crime Panel Papers	A clear budget setting timetable, covering both revenue and capital budget is approved annually by both the Chief Constable via COMB and the PCC via the Police and Crime Panel. This ensures that budgets are prepared in accordance with strategic objectives. Within this process, there are a number of meetings held with Chief Officers within the force and also with the PCC. Scenario planning and savings initiatives are discussed. The key part of these discussions is ensuring that any savings plans agreed have a minimal impact on front line policing.		
Strategic Change Board	Governance Framework and Change Board Papers	A strategic change board is held on a monthly basis. This change board looks at areas where change has been requested and assesses the impact of change on operational performance. By having a board to do this with a diverse membership from all commands and organisational departments, this ensures change is well managed within the force.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Force Management Statement	HMICFRS	Robust process in place to ensure the FMS is produced and provided to HMICFRS on an annual basis by the required deadline in line with the HMICFRS guidance. FMS informed by the business leads to ensure capacity, capability and condition of policing is reflective of the current and future provision. FMS is part of the force strategic planning cycle which sees it reviewed twice a year by senior and chief officers as part of the Strategic Coordination Group chaired by the Chief Constable. Enables horizon scanning and identification of possible future issues for consideration and remedy. FMS is publicly available via the Kent Police website to ensure transparency.		

Assessment of Kent Police’s governance

Core Principle of the Framework

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

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section E. He has assessed that there is adequate assurance, and that this is overall an area of strength.

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Performance Development Review (PDR)	Force Policies	All staff and officers of Kent Police are subject to an annual PDR and mid-year review to support their development and value their contributions. This directly influences access to promotion and career development programmes.		
Corporate Finance	Business Case	The requirements of the Chief Constable’s Corporate Finance team have changed considerably over recent years due to a) the growing financial challenge and b) the increase in size in the force as part of the uplift programme and c) a greater focus on financial planning and the link with operational objectives. Feedback following an independent review in 2021/22 from CIPFA flagged a lower than average number of qualified accountants in the finance team. As such, a business case was delivered in the 2023/24 financial year that increased the number of qualified accountants within the finance team to provide that expert support to the organisation.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Staff Wellbeing	Force Policies and Procedures	Staff and officers have access all year round to an Employee Assistance Programme by telephone, online or via an app. The offer includes a range of counselling and wellbeing services along with debt management advice and a legal and financial helpline. In addition to this, Occupational Health and Physiotherapy Services provide dedicated, professional medical support to all officers and staff. A Trauma Risk Incident Management (TRiM) welfare led process and protocol are in place to assess and support the response of staff, officers and volunteers who are or have been exposed to a potentially traumatic event(s) at work. The Peer Support Programme provides timely and approachable wellbeing support, advice and guidance for colleagues who need it most on a 1 to 1 basis. The Peer Support Network has 31 trained volunteers who provide ongoing wellbeing support, for Officers and Staff of all ranks and grades.		
Investigator Wellbeing	RSM Audit, HMICFRS	'Investigator Wellbeing' and 'Investigator Wellbeing for Leaders' sessions now form part of the business-as-usual proactive wellbeing delivery programme. RSM, the internal auditors, have completed an Investigator Wellbeing provision audit, concentrating on the high-risk roles with an overall assessment of 'substantial assurance'.		

Assessment of Kent Police's governance

Issue	**Identified from**	**Strength - GREEN**	**Area for improvement - AMBER**	**Area of challenge - RED**
Representation	Force Management Statement	• The D and I Strategy provides an overarching framework for the delivery of diversity and inclusion both internally and externally. • The force has a strong recruitment outreach programme that delivers a candidate pipeline with strong representation of ethnic minority and female candidates. • The Positive Action Team support officers and staff from underrepresented groups under the key strategic areas of: Attraction, Recruitment, Retention and Progression. • The force has a strong network of Support Associations, including the well supported Race Equality Network and Kent Network of Women who promote awareness, support and education. • The 'Police Race Action Plan' and 'Our Black Workforce' survey address race disparities affecting Black people working within or interacting with policing	The force recognises that being representative of the communities it serves throughout the organisation and across the rank structure is a long-term challenge. The force continues community outreach to attract and recruit ethnic minority and female officers. The force also continues to support and develop serving officers and staff from under-represented communities through the Diversity and Inclusion Strategy and Positive Action.	

Assessment of Kent Police's governance

Core Principle of the Framework

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

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section F. He has assessed that there is adequate assurance, and that this is overall an area of strength.

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Internal Controls	Internal Audit Progress Reports	As at April 2024, 9 audits had been completed by the force's internal auditors, RSM. All of these 9 had a positive assurance rating with 4 being the highest level of assurance, substantial and 5 being reasonable. This gives a good level of confidence regarding the force's internal control framework.	Across these 9 audits, there were a number of actions that need implementing. Of these actions, 1 was rated high priority and 10 medium actions. These will be tracked internally and reported on via the audit recommendations tracker that goes to the JAC each quarter.	
Financial Management	External Audit Value for Money Report	The following areas were considered as part of the report as having no significant risks or weaknesses identified: • Financial sustainability • Improving economy, efficiency and effectiveness		One area that was identified as a risk and will be challenging for the future is that of an identified issue with the North Kent (previously PFI) Police Station. This is subject to an ongoing legal case.

Assessment of Kent Police's governance

Core Principle of the Framework

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

The Chief Constable has assessed compliance with the framework as set out in the Local Code of Governance under section G. He has assessed that there is adequate assurance, and that this is overall an area of strength.

Issue	**Identified from**	**Strength - GREEN**	**Area for improvement - AMBER**	**Area of challenge - RED**
Joint Audit Committee	Joint Audit Committee	The Joint Audit Committee scrutinises internal processes, spending and risk management policies. It also has the power to review finance issues referred by the Police and Crime Commissioner and the Chief Constable and monitor internal control processes, audit reports and the annual statements of accounts. During the year, the Joint Audit Committee attend quarterly meetings where they provide valuable scrutiny. Outside of this, committee members attend various meetings and also use their experience to provide input into areas such as the annual governance statement and internal audit for example.		
Internal Audit	Internal Audit	Internal Audit for the force is performed independently by RSM. RSM have access to all senior officers and staff.		

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Transparency relating to procurement decisions	Other: National Legislation	As part of a review undertaken by the 7 Force Director of Commercial services of compliance with transparency obligations under the Specified Information Order (SIO) and the Public Contracts Regulations 2015 it was identified that contract award information for contracts over £60,000 was being published as this activity is managed by 7 Force Commercial services on behalf of forces/OPCCs in the eastern region.	Roll out and uptake of the Atamis e-tendering system currently used by 7 Force Commercial Services and its 'quick quote' functionality as this provides an audit trail to demonstrate compliance with Contract Standing Orders and automatically publishes the contract award information on Contracts Finder. Training has been provided to Kent staff and the technical system work complete to enable this activity. A monthly compliance board, chaired by the ACO for Support Services has been established to monitor its usage going forward.	

Assessment of Kent Police's governance

Issue	**Identified from**	**Strength - GREEN**	**Area for improvement - AMBER**	**Area of challenge - RED**
Procurement (Under £60k)	Internal Audit Report	An internal audit in 2023/24 gave reasonable assurance to this area. The report noted strengths in a number of areas including but not limited to: • Vendor setup and amendment accuracy • Budget accuracy and approval for purchases • Usage of E-requisitions for purchasing	The report made 6 recommendations, 3 medium and 3 low. The medium recommendations were: • Ensuring all orders between £6k and £60k had 3 written quote. The introduction of Atamis as above will help with this • Training to be provided by 7F regarding usage of the Atamis system • Remind suppliers and departments of the process and importance of raising and approving requisitions and monitor for non-compliance	

Assessment of Kent Police's governance

Issue	Identified from	Strength - GREEN	Area for improvement - AMBER	Area of challenge - RED
Internal Inspection Activity	Corporate Services	Force Inspectorate conduct a programme of internal inspections that focus on policy compliance, areas of risk and working practices providing independent assessment in key areas ensuring impartial and unbiased findings. Inspection areas are all approved by the DCC and have to be linked to either the Force Control Strategy, HMICFRS activity or threat, risk and harm. Findings are reported to Chief Officers. Inspection calendar in place with ability to flex to incorporate changes in strategic priorities. Many areas inspected have allowed remedial work to take place to improve processes prior to independent inspection activity by HMICFRS. Strong, learning culture amongst senior leaders and Chief Officers which ensures recommendations are accepted and progressed. All recommendations are progressed with accountability via well-established governance frameworks, overseen by the DCC.	Themes from inspections include investigation outcomes, supervision and management of risk. Recommendations in place to address and progress is positive.	

Update on last year's action plan

Issue	Plan as outlined in previous AGS	Current position
Financial Resilience/MTFP	The MTFP outlines a difficult financial environment. The force have identified savings plans for 2023/24 on top of a substantial neighbourhood policing review that delivered significant savings. The overriding risk to the sustainability of the plan is any potential pay award for officers and staff over and above the 2.5% currently budgeted for. Some mitigation is in place, but with inflation currently in double figures the risk of a higher pay award is high.	The force finished the 23/24 with an underspend and having delivered the majority of savings identified in full. Looking into 24/25, there is a savings plan of £7.3m required with initiatives identified to bridge that gap. Confidence levels are high in respect of 24/25 although there is considerable uncertainty around some of the key variables looking further ahead. For example pay award %, government grant, precept flexibility, inflation and officer numbers.
CJS backlog	Court backlogs continue to remain static, with no significant change or tangible recovery. Trial numbers continue to be of particular concern with 1413 awaiting trial in the Magistrates and 2344 in the Crown Courts. It is anticipated that further delays will be experienced at Canterbury Crown Court, with the loss of two circuit Judges and replacements not expected until late summer (no definitive timescales are known). This, along with the demand created by small boat crossing cases, is expected to further create delays for our victims. Uplift recruitment to the Victim and Witness Care Unit continues. All posts have been offered and two have cleared through vetting. Updates on start dates are being requested from HR Recruitment. There is no change identified with this risk. Chief Constable Smith, Assistant Chief Constable (Crime) Wilson and Detective Chief Superintendent Price attended a meeting at Maidstone Crown court on 27 April 2023 with the Police and Crime Commissioner (PCC) and the His Majesty's Courts and Tribunals Service (HMCTS) leads to discuss challenges and joint actions to resolve. There is no change identified with this risk.	Court backlogs continue to remain static, with no significant change or tangible recovery. Trial numbers continue to be of particular concern although lower than last year with 995 awaiting trial in the Magistrates and 1617 in the Crown Courts. Strong partnership working seeks to identify tactical and strategic solutions to improve the backlog, such as a sentencing blitz and pre trial readiness reviews. Uplift to the Victim and Witness Care Unit continues until April 2025 however as these are temporary posts, there are risks of staff moving into alternative permanent posts, decreasing resilience. Technical solutions to improve the victim and witness management processes are being explored, which will bring efficiencies however these are in early stages and are likely to have potential cost implications. This risk has been re-scored and new mitigating actions are being progressed.

Update on last year's action plan

Issue	Plan as outlined in previous AGS	Current position
FCIR recruitment and retention	This is an improving picture with the most recent intake of 31 new starters into the FCIR on 2 May 2023. This takes the command to 11.76 under establishment. Further courses are scheduled for June and July 2023 which will see the command meet establishment. However, a significant number of those staff members will be in training. A bespoke recruitment team has been established to provide support with ringfenced recruitment, vetting and FCIR Learning and Development staff. Weekly meetings with the Senior Leadership Teams (SLTs) from HR and FCIR are held. HR Recruitment do not have any concerns about the ability to meet the required numbers. It has been agreed that 26 of the 35 officers deployed to the FCIR will remain in post until November 2023. A further 9 are currently being recruited for a June 2023 intake. Leavers' attrition for the last 2 months has halved from 9 to around 4.5 which is a positive position in terms of retention.	There has been a significant improvement in this position over the last year. As at 29th April 2024, the deployable FTE strength is 6.7 over establishment with a further 25 new recruits being in their initial training programme. This is in line with the desire to be over establishment for the summer period when peak demand is experienced. Further intakes scheduled for June 2024 and October 2024 to maintain establishment. Further to this, 35 PC posts now exist within the FCR structure. There is a 12 month retention of a PC being posted to the FCR to ensure return on invest following their training.

Update on last year's action plan

Issue	Plan as outlined in previous AGS	Current position
PEEL report published in April 2022; identified areas for improvement, specifically Investigating Crime, Responding to the Public and Managing Offenders	PEEL improvement plan was agreed with governance through the well-established force Improvement and Development Board chaired by the DCC and a PEEL Oversight Board chaired by the Chief Constable which will include regular reporting to the PCC. Regular reporting on progress is also provided to the JAC. The PEEL inspection for Kent is now underway with continuous assessment taking place which will include an assessment of the progress of the previous areas for improvement. The final evidence gathering will take place in June/July 2023 with a report published in October 2023.	On 17 November 2023, HMICFRS published their PEEL inspection of Kent Police. The PEEL inspection assessed the force across eleven areas of policing and provided a grading for ten of these. Kent has been awarded six good gradings including treating the public fairly, preventing crime, protecting vulnerable people and serious and organised crime. Areas for improvement (AFIs) issued by HMICFRS are an indication of how well a force is performing. HMICFRS have agreed to close 14 of the 19 AFIs issued from PEEL 2021/22. Four of the five remaining AFIs have been superseded. The remaining AFI in respect of improving the recording of victim's protected characteristics issued in PEEL 2021/22 is not referenced in the most recent report as a result of the ongoing national work required to complete this however the force will carry this across into the new improvement plan to ensure continued monitoring and progress. The previous PEEL Improvement Plan has now been closed and a new plan created. Progress will be monitored via the Future Improvement and Development Board (FIDB) chaired by the DCC and Chief Officer Management Board chaired by the Chief Constable to ensure scrutiny at the very highest level. In addition to FIDB, regular reporting of progress will take place to both the PCC Performance and Delivery Board and the Joint Audit Committee.

Update on last year's action plan

Issue	Plan as outlined in previous AGS	Current position
New Chief Constable appointed in December 2022. Therefore, a new set of priorities and potential new governance structures will be introduced.	The force priorities are as follows: We will respond appropriately and effectively to all contact from our public, always prioritising our response when there is the greatest urgency, risk of harm and vulnerability We will focus on solving crimes through thorough investigations, and the relentless pursuit of criminals. We will support and protect those that are victims and witnesses of crime, explaining our actions and keeping them informed of progress. We will have a clear focus on preventing crime and anti-social behaviour, as well as stopping offenders from causing harm to our public and our communities. We will have a relentless focus on eradicating violence against women and girls. The implementation and achievements against these priorities will be monitored through the force Performance Committee and the PCC's Performance and Delivery Board.	The Policing Pledge has been agreed and circulated. This sets out the commitment, priorities and values for the force. The overarching Policing Pledge states Kent Police will: • Provide a high-quality policing service, delivered with absolute integrity • Support and protect victims • Catch criminals and solve crime • Priorities: • We will respond appropriately and effectively to all contact from our public, always prioritising our response when there is the greatest urgency, risk of harm and vulnerability • We will focus on solving crimes through thorough investigations, and the relentless pursuit of criminals • We will support and protect those that are victims and witnesses of crime, explaining our actions and keeping them informed of progress • We will have a clear focus on preventing crime and anti-social behaviour, as well as stopping offenders from causing harm to our public and our communities • We will have a relentless focus on eradicating violence against women and girls
Follow up report noted that management actions following internal audit reports were not being completed and/or followed up in a timely fashion	Work has been undertaken by force CFO to enhance monitoring of outcomes. Greater scrutiny is provided by him as an individual and the report is now presented to the Chief Officers in order that they have appropriate oversight. Internal audit actions will be regularly tracked and monitored by management in the force and reported on to COMB and JAC on a quarterly basis for enhanced scrutiny.	Over the last 12 months, internal audit actions have been tracked and each quarter these are reported to the JAC. Throughout these 12 months, the number of overdue actions has been consistently low and where actions are overdue a clear reason and recovery plan has been outlined. At the March JAC, the committee members commented on the positive improvement in respect of managing the overdue actions.

Update on last year's action plan

Issue	Plan as outlined in previous AGS	Current position
Audits: Overtime and Acting Up (draft) Three high and two medium priority management actions were identified in respect of temporary promotions, overtime and acting up payments	The audit is currently in draft form and being discussed with the Internal Auditors as management are providing further evidence. Once this discussion is complete, the audit will be published as final, and any actions will be assigned owners and completion dates. These actions will then be regularly tracked and monitored by management in the force and reported on to COMB and JAC on a quarterly basis for enhanced scrutiny.	Actions from this audit are being addressed and reported on at JAC as part of the quarterly audit recommendations tracker report. Good progress has been made on all five with three completed
Audit: Delivery of the Capital Programme (draft) One high and two medium priority actions were identified in relation to the Scheme of Delegation, Project Closure Reports, and Business Cases	The audit is currently in draft form and being discussed with the Internal Auditors as management are providing further evidence. Once this discussion is complete, the audit will be published as final, and any actions will be assigned owners and completion dates. These actions will then be tracked and monitored by management in the force and reported on to the JAC for enhanced scrutiny.	Actions from this audit are being addressed and reported on at JAC as part of the quarterly audit recommendations tracker report. The final report had 1 medium and 5 low recommendations. Good progress has been made on all six with 4 completed and the remaining 2 (low) on track to be completed in line within the expected date.

Update on last year's action plan

Issue	Plan as outlined in previous AGS	Current position
Audits: Payroll (draft) Three hight and three medium priority management actions were identified in relation to timeliness, retirements, amendments, deductions, advance payments and overpayments	The audit is currently in draft form and being discussed with the Internal Auditors as management are providing further evidence. Once this discussion is complete, the audit will be published as final, and any actions will be assigned owners and completion dates. It should also be noted that this audit focused predominantly on processes and evidence from 2022 when vacancies in the team were high including at times only 25% of the management team being in post. Since then, a new Head of Payroll and Pensions has joined as has a new Payroll Manager and new processes are being implemented to ensure controls are as strong as possible. These actions will then be tracked and monitored by management in the force and reported on to the JAC for enhanced scrutiny.	The latest audit on payroll has come back with the highest level of assurance and no actions. Actions relating to previous payroll audits are on track for completion.

This year's action plan

Ref	Core Principle	Issue	Owner	Action plan
1	A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Vetting Internal Audit Actions	Head of PSD	Implement agreed audit actions within the timescales agreed.
2	A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Angiolini Inquiry Part 1 Report- implement recommendations	Deputy Chief Constable	Implement recommendations within the timescales agreed. To be monitored through Future Improvement and Development Board as well as Chief Officer Management Board. For those recommendations that require national work, Kent Police to link in with NPCC.
3	C: Defining outcomes in terms of sustainable service and economic benefits	Medium term financial planning is difficult when key variables such as pay award, inflation, officer numbers are unknown	Chief Finance Officer	Continue to work with regional and national steering groups to check and challenge budget planning assumptions. Feed into national groups conversations regarding multi-year settlements, funding formula discussions and pay awards. Use external resources to inform inflationary assumptions.

This year's action plan

Ref	**Core Principle**	**Issue**	**Owner**	**Action plan**
4	C: Defining outcomes in terms of sustainable service and economic benefits	Requires improvement grade received by HMICFRS in respect of: • Responding to the Public: performance improvements in 999, 101, attendance at high graded calls and advice provided to callers required. • Investigating Crime: performance improvements in outcome rates, administration of outcomes, completion of victim needs assessment all require improvements.	Deputy Chief Constable	Performance improvements have already been seen in respect of these two areas. This will continue to be monitored and managed via the relevant frameworks in place; force Performance Management Committee, Future Improvement and Development Board and Chief Officer Management Board.
5	E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	Representation- The force recognises that being representative of the communities it serves throughout the organisation and across the rank structure is a long-term challenge.	Director of HR	The force will continue with community outreach to attract and recruit ethnic minority and female officers. The force will also continue to support and develop serving officers and staff from under-represented communities through the Diversity and Inclusion Strategy and Positive Action.
6	F: Managing risks and performance through robust internal control and strong public financial management	Internal audit actions	Chief Finance Officer	All actions will be tracked internally and reported on via the audit recommendations tracker that goes to the JAC each quarter. In between quarters, action owners will be asked for regular updates to ensure actions are on track and being delivered.
7	F: Managing risks and performance through robust internal control and strong public financial management	External Audit Value for Money Report- PFI: One area that was identified as a risk and will be challenging for the future is that of an identified issue with the North Kent	Deputy Chief Officer	See North Kent PFI section below

This year's action plan

Ref	Core Principle	Issue	Owner	Action plan
		(previously PFI) Police Station. This is subject to an ongoing legal case.		
8	G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	Internal audit report into procurement under £60k highlighted 6 actions required	Various action owners	Implement agreed audit actions within the timescales agreed. To enable some of these actions, further training to be provided to Kent staff on the Atamis e-tendering system and also a monthly compliance board, chaired by the Director for Support Services has been established.
9	G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	Internal Inspection Activity- recommendations	Head of Force Inspectorate	Implement agreed recommendations within the timescales agreed. Actions monitored and updated on via various governance boards including, Force Performance Management Committee, Future Improvement and Development Board, Chief Officer Management Board and Joint Audit Committee.

Other significant governance issues

National issues affecting external audit

Nationally, there have been ongoing issues concerning the timely completion of local audits. These delays are due to a number of reasons but primarily a lack of resources within the external audit sector, changes in statutory regulations and on occasions the quality of the accounts themselves. Kent PCC and Police have always prepared the accounts in accordance with the statutory deadlines and have continually received an unqualified opinion on the quality of those accounts. However, the final sign off and the issuing of an audit opinion has been affected by the delays in completing local audits with a late sign off for the 2021/22 accounts. For 2023/24 we were informed that by our auditors Ernst and Young LLP (EY) that they would be unable to complete the audit within the specified timescale. In July 2023, the Government set out proposals to clear the backlog of audits. This three-stage approach requires a Reset - clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024; Recovery - that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles; Reform - addressing systemic challenges in the local audit system and embedding timely financial reporting and audit. EY informed Kent PCC and Police and the JAC that they would not be auditing our accounts for 2022/23 in order for them to meet their obligations for 2023/24 accounting period. EY have carried out a Value for Money review and issued an interim report to the JAC in March 2024. No weaknesses were identified aside from the ongoing issue with the North Kent PFI project which is highlighted elsewhere in this statement.

North Kent PFI

North Kent Police Station is one of two Private Finance Initiative (PFI) police stations built through this initiative in Kent. The building has experienced significant issues with its roof, fire stopping and most significantly its ground source heating system. After a protracted period of failed negotiations to repair the building, Kent Police began making withholdings as allowed within the contractual arrangements. Subsequent to these withholdings the project company, Justice Support Services (JSS), went into administration. Further extended discussions and negotiations were conducted between the administrator and Kent Police and the Kent Police and Crime Commissioner (PCC). Ultimately, a negotiated settlement was not achievable. The PCC therefore served a notice on JSS on 27 May 2023 which stated the PCC's intention to terminate the PFI contract on the grounds of JSS's default. That notice started a process under the PFI contract and related contractual documents which ultimately resulted in the PFI contract terminating on 31st August 2023 and responsibility for the North Kent Police Station passed to the PCC on that date. The PCC and the administrators of JSS are currently in a formal dispute as to the grounds on which the PFI contract terminated and the amount of damages or compensation payable (if any) arising from the relevant termination grounds. The PCC is in the process of responding to and robustly refuting the claims made by the administrators of JSS. Throughout this protracted period, the Chief Constable and the PCC have been advised by specialist solicitors, barristers and other financial and technical advisers, making decisions based on this formal advice. Additionally, the Home Office (HO) and Infrastructure and Projects Authority (IPA) have been actively supporting and scrutinising throughout the development of this contract dispute.

Other significant governance issues

The internal auditors' view (outstanding) is that:

"The organisation(s) has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

The JAC's view (outstanding)

The JAC's view, supported by internal and external audit reports during the year and HM Inspectorate of Constabulary and Fire and Rescue Services ("HMICFRS") assessments, is that overall controls have been adequately maintained during this demanding period. Its view is tempered by the extent of the challenging requirements ahead: to make significant savings, ensure new officer recruits are effectively deployed, implement an extensive change programme and meet both national and local policing expectations." [1]

The external auditor is expected to provide an unqualified opinion on the OPCC's Statement of Accounts for 23-24 (outstanding)

Therefore, the view of the Chief Constable, supported by his senior officers; of the JAC; and of the Internal Auditors, is that overall, the effectiveness of governance, risk management and controls remain generally sound and that no significant weaknesses have been identified.

Tim Smith

Chief Constable

30 May 2024

[1] This conclusion is provided jointly for both the OPCC and Kent Police