

# Accounts for the Chief Constable for Kent Police

Audited Statement of Accounts 2021/22



# Contents

## WRITTEN STATEMENTS AND CHIEF FINANCE OFFICER NARRATIVE REPORT

### Narrative report

Page 4

### Independent Auditor's report

Page 9

### Statement of responsibilities for the Statement of Accounts

Page 14

### Annual governance statement 2021/22

Page 15

## CORE FINANCIAL STATEMENTS

### Comprehensive income and expenditure statements

Page 35

### Movement in reserves statement

Page 37

### Balance sheet

Page 39

### Cash flow statement

Page 43

## NOTES TO THE ACCOUNTS

### Notes supporting the comprehensive income and expenditure statement

Page 45

### Notes supporting the movement in reserves statement

Page 56

### Notes supporting the balance sheet

Page 59

### Notes supporting the cash flow statement

Page 70

### Other notes

Page 72

### Note 12 – Accounting policies

Page 73

## SUPPLEMENTARY ACCOUNTS

### Police officer pensions fund account

Page 91

## GLOSSARY AND CONTACTS

### Glossary of terms

Page 94

### Note references

Page 98

### Contact information

Page 99

**Written  
statements and  
chief finance  
officer  
narrative  
report**



## Narrative report

### Message from Temporary Chief Constable Tim Smith



As we reflect on 2021/22, I am extremely proud to be the Temporary Chief Constable of Kent Police following the outstanding service that officers, staff and volunteers have achieved against arguably one of the toughest backdrops policing continues to experience.

Throughout the year, the Force has maintained consistency in our priorities, which are simply to provide a quality service, to put victims and witnesses at the heart of everything we do, and to always do the right thing. These priorities are the foundation to everything we do, and of course complemented by our Mission, Values, Values and Priorities, our Force Control Strategy, and the Kent Police and Crime Commissioner's Making Kent Safer Plan. We have demonstrated excellent performance and service delivery but will not be complacent, and continuously seek to improve in order to ensure the service we provide in our communities is first-class.

The landscape of policing during 2021/22 has been under intense scrutiny from many areas, and quite rightly so. As a public service, we must be held accountable for our delivery and our actions, in order to preserve the trust and confidence that our communities have in us to do the job. The financial landscape is one such area whereby we must demonstrate that we are operating in a way that is value for money.

The financial year 2021/22 has continued to see Kent Police grow in number, with the support of both the Government's police officer uplift

programme and the Kent PCC through local precept funding. During 2021/22, a further 360 officers joined the Force (through all entry routes), with an end of year establishment of 3949.90 officers. The projected establishment for the end of year 2022/23 is 4144.90 officers, with application numbers remaining strong each year. This will put us at the highest level of police officers ever seen in Kent Police history. These numbers are as a result of a hugely successful recruitment campaign, attracting in record numbers of applicants for police officer roles, but also more widely in police staff and volunteer roles.

The Government's commitment to policing through the Funding Settlement announcements and the continued support of the PCC, Mr Scott, has allowed us to continue investing resources into priority areas such as domestic abuse, county lines and gangs, schools officers, local Task Forces, and so on. The themes of Vulnerability, Visibility and Contact, being a constant thread throughout those investment decisions. In addition, we have continued to invest in the wellbeing of our workforce, and ensuring that they are fully supported, equipped and trained to do the jobs we ask them to do.

As a Force we are not complacent, and against a backdrop of continued financial savings since the commencement of the Spending Review in 2010, we know that it is increasingly important to be as effective and efficient as possible, and to make best use of our finances whilst still achieving the quality service the public rightly expect and deserve. In the same way that we project demand going forward, via the use of our Force Management Statement, we must also have strong, robust and accountable financial planning and governance in place.

Notwithstanding the commitment of additional resources, the operational pressures on Kent Police continue to grow. In 2021/22 alone, there were significant operations and major investigations that require a dedicated resource, alongside the requirement to maintain day to day business delivery. Therefore, the force continues to apply medium and long term planning, in order to drive forward with major savings initiatives, which will maximise operational delivery with full organisational support. The

Force has a strong track record in this regard and the Chief Officer Team and I, will direct and oversee these efforts.

**Non-financial performance**

The Kent Police priorities are articulated within the Mission, Vision, Values and Priorities and listed as follows:

- Put victims and witnesses first
- Tackle crime and anti-social behaviour
- Provide visible, local policing at the heart of our policing model
- Protect the public from harm and ensure an effective response to those who are most vulnerable in our communities
- Deliver an efficient and effective service that represents value for money
- Develop and support our committed workforce

The published Control Strategy sets out the operational priorities for the force and sets long-term priorities for crime prevention, intelligence, and enforcement.

**Kent Control Strategy 2020/21 and 2021/22**



In terms of demand into the Force Control Room, telephony operators received 354,887 Emergency (999) calls, a 12.3% increase (+38,957) and 360,181 Non-Emergency (101) calls, a -3.9% decrease (-14,508), 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 28.6% (+8,792) and the use of Live Chat increased by 14,7% (+7,566). The total number of incidents created from all methods of contact has increased by 3.3% (+2,272).

Following the global pandemic in 2020/21 and the change in the profile of demand and associated criminality within the county during this time, levels of crime are not in line with the previous year; due to the lower volumes in 2020/21 most crime types are experiencing an increase on 2020/21 and are more in line with 2019/20 and previous years.

All recorded crime has experienced an increase of 9.4%, with 15,470 more offences over the last 12 months. However, when compared to the pre-pandemic period the force has seen a -5.2% decrease (-9,886 less offences) on 2019/20.

Victim based crime experienced an increase of 10.3%, with 14,436 more offences and a -5.8% decrease on 2019/20 (-9,512). When comparing against the last 12 months, with the exception of Robbery (-2.0%) and Burglary Residential (-4.9%), all other crime types have seen increases. The force has arrested/interviewed 43,785 suspects, charged 12,008 offenders, and achieved 18,361 solved outcomes.

Domestic Abuse experienced a -1.1% decrease, with 442 less offences. In the last 12 months, the force has arrested / interviewed 14,055 suspects, charged 2,024 offenders and achieved 2,785 solved outcomes for victims.

Hate Crime experienced a 25.8% increase, with 1015 more offences. The force has seen a 14.7% (+186) increase in suspects arrested / interviewed, charged 14.9% (+60) more offenders and achieved 18.1% (+105) more solved outcomes for victims.

Further reductions in crime are seen in the following areas:

- Theft From Motor Vehicle down 2.3%
- Drug offences down 7.5%

Further increases in crime are seen in the following areas:

- Violence with injury is up 12.4%
- Sexual offences are up 22.5%
- Burglary business and Community is up 7.5%
- Theft & handling offences are up 15.9%
- Public order is up 8.4%

In the last 12 months there have been 12,145 stop searches across the county.

Anti-Social Behaviour (ASB) has seen a -42.7% (-24,275) decrease over the last 12 months, the reduction will be down to increased reporting during the global pandemic which is aligned to COVID-19 regulations.

The number of people killed or seriously injured on Kent roads has decreased by -10.8% (-11).

### **Governance**

Through established governance mechanisms, the Force ensures operational decision-making and financial planning are linked and aligned. The investment programme continues to have a strong focus on major estate transformation that will still benefit and support operational delivery across the county. Elsewhere, investments into digital technology and data storage all have the continued desire to make our systems and processes ever more efficient, whilst reducing the revenue cost base.

To scrutinise our financial planning and processes, the Force is reviewed by professional auditors across a broad range of services from treasury management to the storage and destruction of firearms. The findings from these audits are reported to the PCC's Performance and Delivery Board and the Joint Audit Committee (JAC) along with any recommendations, agreed management actions and implementation dates for these actions. Audit reports also contain an opinion on the level

of assurance that can be gained from the controls around the area of business being reviewed.

For the financial year 2021/22, of the nineteen completed (including follow ups), fifteen were positive. The four audits that received substantial assurance included capital accounting and fixed assets, debt collection and recovery, creditors and ill-health retirement. The nine gaining reasonable assurance include estates strategy, risk management, gifts and hospitality, general ledger, IT, medium term financial planning, FOI and SAR, complaints and treasury management. Those receiving partial assurance were procurement, pensions and health and safety. There were also two follow-up audits concluded, both achieving good progress status.

All audit recommendations are reviewed, and implementation monitored to ensure the force progresses the agreed process and control improvements.

### **Organisational risks**

Policing remains a complex and dynamic service, with an ever-evolving population and growing demands through increased use of technology as well as meeting the needs for public reassurance and visibility. Kent Police operates a risk register at department, directorate and force level depending on the agreed severity of each risk. These risks are formally considered and discussed by the Chief Officer Team quarterly with risk owners managing the day to day impacts and mitigations of these risks. Kent Police holds a regular Star Chamber, chaired by the Deputy Chief Officer, Chair of the JAC and PCC's CFO where all force level risks are scrutinised with the risk owner. Due to the nature of many of the risks inherent in policing, the register is not publicly available but does cover operational as well as business risks. Discussion of the risk register is also a standing agenda item at the quarterly JAC in the closed session of the meeting.

Overall, 2021/22 has been as equally challenging as it has been rewarding. It has seen the Force lead the way both locally and nationally, with a workforce that is hugely professional, determined and indeed proud – and quite rightly so. There will be inevitable challenges going

forward, both financially and more widely in managing both organisational and operational demands, however what will remain consistent is our 3 priorities of providing a quality service, putting victims and witnesses at the heart of everything we do and to always do the right thing.

### **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 2021/22 for policing.

The accounts that follow show the Chief Constable's financial results for 2021/22. 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 2021/22. Ordinarily the Police and Crime Commissioner (PCC) is elected by the public every four years to secure the maintenance of an efficient and

effective policing service for the county and to hold the CC accountable for the exercise of their functions and those persons under their direction and control. Due to the Covid-19 pandemic the PCC elections were deferred by the Government, hence the Commissioner, Matthew Scott, served for a five-year term before commencing his second term with effect from May 2021.

### **Financial overview of 2021/22**

While much of the financial year 2021/22 went as planned, there were several significant events that materially changed the delivery and financing of policing services.

- Covid continued to have an impact on much of the functioning in 2021/22. This included adverse effects on operational changes and hence costs including Personal Protective Equipment, additional technology to enable greater home-working and adverse effects on income recovery.
- There continue to be pressures associated with the ports with "Operation Brock" in place for large parts of the year.

Although the above had disruptive effects on the force, Kent Police is grateful that much of the above was reimbursed through Home Office financial support via special grants.

The Home Office is also seeking to increase the total number of Police Officers by 20,000 nationally over the years 2020/21 through to 2022/23. Kent Police agreed to and achieved an increase of 147 officers in 2020/21, 145 in 2021/22 and have a target of 195 officers for 2022/23. These officer uplifts are reimbursed by a combination of an uplift to the Core Grant and a conditional one-time 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 2021/22 this budget was £350.3million and the final expenditure for the year £351.7million resulting in a force overspend of £1.4million. This overspend is funded, with the agreement of the Commissioner's Chief Finance Officer, by a transfer from reserves to ensure a balanced position at the year end.

Key reasons for the overspend include:

- Lower than expected police officer and staff attrition particular in the first six months of 2021/22.
- Police officers leaving left at an average cost lower than that budgeted based on prior year trends.
- Recruitment of police officers being quicker than the profile budgeted. This was to mitigate the risk of being under profile at the end of the financial year but came with a cost implication
- Additional costs associated with change programmes

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

This overspend was covered by use of both earmarked and general reserves. The general reserves have been maintained at a level of 3% of Net Revenue Expenditure (c£10.5million).

The 2021/22 Investment Plan had a budget of £21.8million, while actual capital expenditure was £11.6million, resulting in a £10.2million underspend. Key reasons for the investment spends being lower than planned are largely due to delays in estates and IT projects due to the challenging operating environment at the moment. These costs will need to be incurred still so will be factored into planning for the 2022/23 year. Project delays are expected to continue in the next year due to availability of materials so this will be factored into planning for 2022/23 as well. Cost increases on materials, vehicles and construction are 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 15.

### **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 2022/23 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 9. 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 14). 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, is shown starting on page 15. The Summary of Accounting Policies is shown in Note 12.

### **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.

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



## INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF KENT

### Opinion

We have audited the financial statements of the Chief Constable of Kent Police for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Chief Constable of Kent Movement in Reserves Statement;
- Chief Constable of Kent Comprehensive Income and Expenditure Statement;
- Chief Constable of Kent Balance Sheet;
- Chief Constable of Kent Cash Flow Statement and the related notes 1 to 19; and
- Chief Constable of Kent Pension Fund Account.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Kent Police as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Chief Constable for Kent Police in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period to the 31 March 2024.

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

### Other information

The other information comprises the information included in the '*Audited Statement of Accounts 2021/22*', other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the '*Audited Statement of Accounts 2021/22*'.

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

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

We have nothing to report in this regard.

### Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended);
- we are not satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in these respects.

### Responsibilities of the *Chief Finance Officer*

As explained more fully in the “*Statement of Responsibilities for the Statement of Accounts for the Chief Constable of Kent*” set out on page 14, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/21, and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable either intends to cease operations, or has no realistic alternative but to do so.

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

### Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant are:
  - Local Government Act 1972,
  - Local Government Act 2003,
  - The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
  - The Local Audit and Accountability Act 2014 (as amended),
  - The Accounts and Audit Regulations 2015,
  - The Police Reform and Social Responsibility Act 2011,
  - Anti-social behaviour, Police and Crime Act 2014,
  - Police Pensions scheme regulations 1987,
  - Police Pensions regulations 2006; and
  - Police Pensions regulations 2015.

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

- We understood how Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, Internal Audit, those charged with governance and the Monitoring Officer and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance.
- We corroborated this through reading of the Chief Constable's committee minutes, policies and procedures and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified management override of controls to be our fraud risk.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in December 2021, as to whether the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Chief Constable of Kent has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

#### **Delay in certification of completion of the audit**

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

In addition, we cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2022. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

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

#### **Use of our report**

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

*E. Jackson*  
*Ernst & Young LLP*

*Elizabeth Jackson (Key Audit Partner)*  
*Ernst & Young LLP (Local Auditor)*

*Luton*  
7 October 2022

## Statement of Responsibilities for the Statement of Accounts for the Chief Constable of Kent

### The Chief Constable's responsibilities

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;
- To manage his affairs to ensure economic, efficient and effective use of resources and safeguard its assets;
- To approve the Statement of Accounts.
- Due to the Covid 19 pandemic changes to the Accounts and Audit Regulations 2015 were made to extend the publication of the draft 2021/22 accounts from 31 May to the 31 July 2022. The publication of audited accounts moves from the 31 July to 30 November 2022.

### Completion of the approval process by the Chief Constable of Kent Police

I approve this Statement of Accounts for 2021/22.



Tim Smith

Temporary Chief Constable

7 October 2022

### 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 CIPFA / LASAAC 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.

The CFO of the CC has also:

- Ensured that proper accounting records are kept which are up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of accounts for the CC for Kent for the year ended 31 March 2022 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 2022 and his income and expenditure for the year then ended.



Jonathan Castle

Chief Finance Officer to the Chief Constable

7 October 2022

## Annual Governance Statement 2021/22

This Annual Governance Statement (AGS) explains how both the Police and Crime Commissioner (PCC) and Chief Constable for Kent have complied with their published corporate governance framework for the year ended 31 March 2022, including plans for the financial year 2022/23.

The PCC's role is to hold the Chief Constable to account for an efficient and effective police service, whilst Kent Police must deliver on both their own Control Strategy and the PCC's Police and Crime Plan. The two organisations share a Joint Audit Committee, and are operationally interconnected in many ways, hence a combined AGS is produced.

Both the Chief Constable and the PCC work to ensure that Kent is a safe and welcoming place to live and work, through a relentless focus on tackling crime, supporting victims and engaging with all the communities across the county.

The Covid 19 pandemic continued to have a significant impact on both Kent PCC and Kent Police during 2021-22. The governance framework underwent a number of key changes as both a response to the pandemic and the Force's Operation Zenith (the Force's estate management and flexible working programme), and measures such as working from home and virtual meetings were developed and maintained. Further details of these and an assessment of effectiveness are provided throughout the document. Engagement with stakeholders remained challenging, but the number of changes implemented during 20-21, plus legislation becoming less restrictive, meant that a high level of meaningful engagement could continue.

### Introduction and Summary

The PCC and Chief Constable endorse the code of governance consistent with the principles outlined in CIPFA's 'Delivering Good Governance Guidance Notes for Policing Bodies in England and Wales 2016'. They do not have a formal local governance code, but a complex and interlinked governance framework which encompasses both formal and informal

interaction which is outlined in detail as part of this AGS. It enables the PCC to monitor the achievement of objectives including value for money and has been developed to reflect his priorities and enables the Chief Constable to meet his responsibility to put in place proper arrangements for the governance of the Force. The key principles of the framework are dynamic and risk-based and take account of and have due regard for each party's distinct role as set out in legislation and the schemes of consent.

The AGS will cover:

- Scope of responsibilities
- Purpose of the Governance Framework
- The Governance Framework, including the seven principles
- Value for Money arrangements
- Significant Governance issues
- Risks and mitigation

### Risk summary

Key Risks identified for the year covered by the AGS (2021/22) were as follows:

- Financial Resilience
- Complaints Management
- Freedom of Information and Subject Access Requests
- Commissioning
- Op Zenith, the Force's plan to rationalise the estate and move to hybrid working
- Medium Term Financial Planning
- Post-Pandemic Working
- One significant governance issue was identified with the short-notice resignation of the Force CFO in January 2021. Two further audits were undertaken at this point by the internal auditors to provide assurance to the Senior Management team of the Force, the PCC and the external auditors that our financial controls were robust and working. The Key Financial Controls obtained substantial assurance, while the Budget and Medium-Term Financial Plan review received partial assurance. No further governance issues were identified from either audit. All of the

recommendations made either have been implemented or will be by September 2022.

An update on what actions were taken to mitigate these risks is set out in tabular form on page 28, under section F.

### **Audit summary**

The majority of the audits in the original audit plan for 2021/22 obtained a positive assurance i.e. either reasonable or substantial assurance. The ones that received a negative assurance are listed below. This accounted for three out of 20 audit (with one advisory) albeit three are still in progress. In all instances, action plans have been agreed and are being implemented, and regular progress updates are collated externally and reported to the JAC quarterly.

<b>Name</b>	<b>Score</b>
Off-payroll Workers	N/A Advisory (15 recommendations)
Health and Safety-Contractors	Partial assurance (draft)
Pensions and Ill Health Retirement (Joint with Essex)	Partial (pensions only)/Substantial
Procurement (Joint with Essex)	Partial assurance (draft)
Business Continuity and Disaster Recovery (Joint with Essex) Payroll Anti-Fraud Review	FIELDWORK IN PROGRESS

### **Scope of Responsibilities and Legislative/Governance Framework**

The PCC and the Chief Constable are responsible for ensuring that business is conducted in accordance with the law, proper standards as per the legislation laid out below, and that public money is safeguarded, properly accounted for and is used efficiently and effectively. More specifically, there is a number of statutory responsibilities that flow from the [Police Reform and Social Responsibility Act 2011 \(PRSA 2011\)](#). In discharging these

various responsibilities, both are responsible for putting in place proper arrangements for the governance of their affairs including the identification and management of risk.

The PRSA 2011 also sets out specific responsibilities for the Chief Executive and Monitoring Officer and the Chief Finance Officers (CFOs) to the PCC and Chief Constable. The CFOs are bound by both professional standards and specific legislative responsibilities. It has been established in law that the CFO is not merely a servant of the authority (the PCC / Chief Constable) but holds a fiduciary responsibility to local taxpayers. The PRSA 2011 requires them to comply with relevant provisions within the Local Government Acts.

In order to support CFOs in the fulfilment of their duties and to ensure that police Forces have access to effective financial advice at the highest level, CIPFA has introduced a 'comply or explain' requirement in the annual governance statement (AGS) in the revised version of 'The role of CFOs in Policing' of March 2021.

Both the Force CFO and the PCC CFO are guided by this document and both acknowledge the principles contained within that are independent of each other but also where they overlap. By acknowledging these principles, they ensure that they work in a complementary way and together form a critical axis within and between the two corporations sole to ensure financial and resourcing matters are properly addressed and on a sustainable footing.

It should be noted that the Force had an interim CFO who undertook all the S151 responsibilities while a permanent CFO was recruited. The new Force CFO took up position in November 2021.

The scope of the PCC and Chief Constable responsibilities are set out in the following legislation and policies:

- Constitution, including the Schemes of Delegation and Consent
- The Elected Local Policing Bodies (Specified Information) Order 2011 and the Elected Local Policing Bodies (Specified Information) (Amendment) Orders 2012, 2013 and 2021
- Kent and Medway Information Sharing Agreement

- Revised Financial Management Code of Practice for the Police Forces of England and Wales
- Policing Protocol Order 2011
- The Strategic Policing Requirement
- The Police (Complaints and Misconduct) Regulations 2012 (superseded with effect from 1 February 2020 with the Police (Complaints and Misconduct) Regulations 2020)
- The Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012
- The Police and Crime Commissioner Elections (Declaration of Acceptance of Office) Order 2012
- Government Security Classifications
- Financial and Procurement Regulations
- Anti-Fraud & Bribery Policy
- Statutory Guidance for Police Collaboration
- Police Reform and Social Responsibility Act 2011
- Police Reform Act 2002
- IOPC Statutory Guidance and Home Office Guidance

Copies of these documents are available on the PCC's website at [www.kent-pcc.gov.uk](http://www.kent-pcc.gov.uk)

The PCC and Chief Constable do not have a local governance code. Their governance framework encompasses both formal and informal interaction and has been developed to reflect the PCC's priorities.

The following is an overview of the PCC and Chief Constables governance framework:

- The OPCC and Kent Police encourage informal face to face discussions, and these occur frequently to ensure that both principals and the senior leadership team are fully briefed
- Joint PCC & Chief Constable Briefing is held on a weekly basis. Once a month, the Chief Constable and his two Deputies provide a more detailed update on overall Force performance.
- Performance & Delivery Board, held quarterly. During the pandemic the meetings were held online, but physical meetings recommenced in September 2021. The public is able to attend,

and the meeting is also broadcast live via the OPCC website. Papers and meeting notes are published on the OPCC website. A special Violence Against Women and Girls (VAWG) Board was held in 2021 to highlight what was being done in Kent.

- Weekly Chief Officer Management Board (COMB)
- OPCC Senior Management Team (SMT) meetings held monthly and chaired by the Chief Executive.
- PCC SMT meeting held monthly chaired by the PCC
- Kent Police Culture Board
- Kent & Essex Collaboration Oversight Meeting, held twice-yearly and run by the two OPCCs in rotation with corresponding rotation of the PCC/PFCC as Chair
- Other strategic and tactical boards including the Strategic Change and Resourcing Board, Finance Oversight Board, Force Performance Committee and Directorate Boards each chaired by the relevant Chief Officer lead.

External and/ or Independent assurance and scrutiny is provided by:

- [Joint Audit Committee \(JAC\)](#), with meetings held five times a year to provide the PCC and the Chief Constable with independent assurance on matters of governance and risk management. The Committee is entirely independent of the PCC, the Chief Constable, and their respective executive teams. Members of the JAC also attend a number of the governance meetings held by the Force and OPCC.
- [The Kent and Medway Police and Crime Panel \(KMPCP\)](#), which meets quarterly in public and is responsible for reviewing and reporting on the actions and decisions of the PCC.
- Internal Auditors
- External Auditors
- [Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service \(HMICFRS\)](#)
- Office of the Surveillance Commissioner
- [Independent Office for Police Conduct \(IOPC\)](#)
- Health and Safety Executive (HSE)
- Pensions Ombudsman and Regulator

- Independent Police Advisory Groups (IPAGs) who work as a critical friend to the Force on diversity and community engagement issues.
- [Information Commissioner's Office \(ICO\)](#)

As the individual charged with holding the Chief Constable to account, it should be noted that in order to gain further independent assurance, the PCC also receives information from a range of sources, including:

- Independent Custody Visitors Scheme
- Senior OPCC staff attending key Force meetings (including the Force Performance Management Committee)
- Briefings from the Force to the PCC and/or other senior OPCC staff
- Senior OPCC staff attending external advisory group meetings and providing briefings
- OPCC staff audit complaints and conduct matters recorded by Kent Police
- Senior OPCC officers attending key boards within the Force

### **The Governance Framework including the Seven Principles of Good Governance**

As well as endorsing the principles in the relevant CIPFA documents, both organisations also endorse and comply with the relevant specific codes produced by both CIPFA and the Home Office arising out of or related to the PRSRA 2011. This includes relevant parts of the Account and Audit Regulations 2015 and the CIPFA Financial Management Code of Practice (FMCOP). The new and revised FMCOP provides guidance on good and sustainable financial management within policing. It identifies risks to financial sustainability and introduces a framework of assurance built on existing successful practices, setting explicit standards of financial management. Compliance with the FMCOP is the responsibility of the PCC and Chief Constable and their respective CFOs alongside the Senior Leadership teams of Kent Police and the OPCC. 2021/2022 is the first full year of compliance with the Code. In order to show how Kent Police and PCC have prepared for this new code of practice a separate document is being presented alongside this governance statement. This statement is available on the OPCC and Force websites.

The PCC has Schemes of Consent for the statutory officers and the Chief Constable, and all policies are owned by a specific individual. These policies are reviewed regularly with the policy owner charged with ensuring they remain up-to-date and accurate with any changes consulted on and communicated to all officers and staff through email and or the intranet.

This document is subdivided into a number of areas, all of which relate to one of the seven principles in the framework.

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

The roles and responsibilities of the PCC and Chief Constable are set out in law in the [Policing Protocol Order](#).

**Both organisations** maintain an up-to-date gifts and hospitality register, and a record of Chief Officers', PCC's, and senior officers' expenses, all of which are publicly available on the respective websites and are reported to the JAC annually. As is required by statute, all expenditure over £500 is published online for both the Force and the OPCC.

Legal advice and support are provided by Kent Police's Legal Services Department across a wide range of matters, such as civil actions, contracts and indemnities, orders in respect of sexual, violent and domestic offenders, and inquests. Independent, external support can be commissioned for significant issues and for gross misconduct matters. The PCC's Office can also access independent legal advice where there may be a conflict of interest with Kent Police.

Both organisations have up to date policies on complaints and whistleblowing, and a report on anti-fraud and counter corruption policies is presented to the JAC on an annual basis. The Force and OPCC handle all complaints and Freedom of Information (FOI) and Subject Access Requests (SARs) as required by legislation and with oversight from external organisations such as the Information Commissioner's Office (ICO) and the Independent Office of Police Conduct (IOPC).

**The PCC's** strategic vision for Kent is set out in the Police and Crime Plan, 'Safer in Kent: The Community Safety and Criminal Justice Plan' (the Plan). It also set the PCC's priorities and direction for the Chief Constable. The Plan set out the basis for the leadership of the organisations as strong ethics, transparency, and integrity at all times. The PCC also sets out his personal commitment to acting with integrity and to the highest standards, emphasising that he has signed and published the Committee on Standards in Public Life ethical checklist and a personal Code of Conduct which reflected the Nolan principles.

In 2021/22 the trend of substantial increases in the number of FOI and SAR requests has continued for the OPCC and constitutes a significant demand on the organisation. The recent internal audit of this area noted that, as a result of this and limited resources, that SARs were not being responded to within the timeframe. As a result, potential for a new information management system and further resources are being explored. In relation to complaints, in addition to the responsibility for complaints against the Chief Constable and initial handling of PCC complaints, the OPCC is now responsible for the majority of reviews (appeals) against Force complaints. The OPCC had estimated, based on the last data set for Kent Police (who used to handle them) that there would be c.80 reviews; however, in the last year there were 276. As a result, a new post in the OPCC has been created in this area. The recent internal audit of this area noted that all elements of the process were operating effectively, but policies required updating. This has now been tasked to the entire team, so that a comprehensive suite of new policies is produced.

**Kent Police** operates under a [Code of Ethics](#) and the Force's [Control Strategy](#) is clear that the service provided to residents in Kent will be delivered professionally and above all ethically. The culture for the Force is set by the leadership and is supported by the Internal Ethics Committee, which meet quarterly and have a set quorum of members plus additional inclusive representation from across the organisation. All formal, official Force Boards and Forums have an agenda that includes a formal reminder of the Code of Ethics with specific reference to clause 4.1.7 which in essence states that you should not do or say anything that you wouldn't be prepared to defend in public. For the primary Force decision making body,

COMB, the Deputy Chief Constable (DCC) is formally charged with undertaking the challenge and scrutiny role as well as ensuring compliance with the Code of Ethics. There is a Chief Superintendent for Diversity and Inclusion in post who attends COMB.

The Chief Constable personally chairs 6 Culture Boards per year, one of which is an Annual Culture Conference in the first quarter of every year from which consultation is utilised to feed into wider Force workstreams and actions plans, such as the Zenith Programme. Formal minutes are not undertaken at the Culture Board, but any actions will be recorded by the Chief of Staff and discharged outside of the meeting, with updates from business owners coming back to the Board as agreed. Records of the agenda and any presentations are retained by the Chief of Staff and the relevant speakers as appropriate. At the Chief Constable's direction all directorates have their own Culture boards. Although once more held in person, these Boards continued virtually during the pandemic and were well attended.

Kent Police's work on ensuring legitimacy, transparency and high ethical standards are reflected in the judgement of the national inspectorate. For four consecutive years, HMICFRS graded Kent Police 'Outstanding' for legitimacy, and under the new rating system is ['good' for promoting an ethical and inclusive culture](#).

Kent Police's Professional Standards Department comprises four areas: complaints; internal conduct matters; counter corruption; and vetting. The main purpose is to uphold standards of service to the public and protect the professional reputation of the Force. It is both in close liaison with, and subject to the oversight of, the Independent Office for Police Conduct, and the Police and Crime Commissioner's Office. There are numerous meetings at the strategic and operational levels between the three organisations, and with the Home Office. A recent inspection by HMICFRS gave positive initial feedback, with the full response expected in the Autumn. The key challenges in this area vary across the department. In complaints, the volume has increased significantly following the 2020 legislative changes, made more challenging by the age of the Centurion system, which is used to record, track and manage complaints, and to collate the necessary data

for internal purposes and external agencies such as the IOPC. Professional Standards Department (PSD) are working with the IOPC and Single Online Home to create a form that will eliminate the need to double key data. In the conduct team, there have been significant staffing issues, with the team at below 50% capacity for much of the year. This has now been addressed, but it will take some time to clear the backlog. The Counter Corruption Unit workload is stable. For the Hearings Team, there is a backlog at a national level, owing to demands on Legally Qualified Chairs' (LQCs) time driven by the delays that arose from COVID; equally, the on-going issue of LQCs' indemnity presents a risk to arranging future hearings.

The levels of demand on the vetting unit were reduced during COVID, but subsequently the need for social media checks; prioritisation of the national uplift of police officers; and the time taken by the national vetting system has meant that the team is experiencing very high workloads.

## **B. Ensuring openness and comprehensive stakeholder engagement**

It is the case that both the **PCC and Kent Police** are legally and historically obligated to maintain a high level of engagement with residents. All Forces must operate '[policing by consent](#)' which recognises that policing is dependent on the public and its approval. PCCs are required by law, under the Police Reform and Social Responsibility Act 2011, to seek the views of the electorate, to enable the creation of the Police and Crime Plan and to act as a conduit between the Force and the people. Therefore, an effective engagement strategy is an essential part of the governance framework.

The Covid 19 pandemic had a major impact on how the Force and OPCC engaged with stakeholders and ensured openness to the public. Public meetings that would have been held physically were taken online and, where possible, invitations were issued to those who would like to attend. Due to the limits of the technology not all meetings were available for members of the public to attend as usual. In these cases, such as the Performance and Delivery Board, meetings were recorded and published through social media so the public could still see the PCC holding the Chief Constable to account. Live links were also provided to the local media, so

they could cover the sessions as usual.

The JAC met 6 times during 2021/22 with some meetings either completely virtual or as a hybrid of virtual and physical attendees. All non-restricted papers including minutes of the meetings were published on the PCC website. The JAC also produced an annual report on their activities which is published on the PCC website.

One of the principal ways that the **PCC** holds the Chief Constable to account for delivery of the Plan is through his quarterly Performance and Delivery Board. It is a meeting held in public and the Chief Constable is required to attend and answer questions about policing in the county. Through the use of real-life case studies and a variety of metrics, these meetings enable the Chief Constable to illustrate activity against the Plan priorities and provide the PCC with assurance that they are effectively being delivered.

As well as the Performance and Delivery Board, the PCC has regular weekly briefings with the Chief Constable. Virtual briefings from the Chief Constable were provided to local MPs on a regular basis and to the KMPCP.

In accordance with the PRSRA 2011, the PCC is committed to consulting with victims and the wider community and to keeping the Plan under review, particularly in light of changes to the Strategic Policing Requirement (SPR) and/or recommendations made by the KMPCP.

The PCC consulted with the 1.8 million people living in Kent and Medway during 2020/21 through a questionnaire available online. This was for two reasons: firstly, to ensure the Plan continued to reflect the concerns of local communities; and secondly, with the elections re-scheduled for May 2021, to help inform any incoming PCC's new plan.

As well as formal meetings of the KMPCP, the PCC meets with the Chair twice a year and there are agreed levels of information provision. The KMPCP agenda provides the opportunity for members to submit questions to the PCC in advance of each meeting and receive a verbal response. KMPCP members have a standing invitation to the Performance and Delivery Board and are also provided with details of how to watch live online; they are also invited to ad hoc OPCC/Force events. Annually, at the invitation of the PCC,

the Chief Constable provides a briefing to members so they can receive operational updates and engage with the Chief Constable direct; in February 2021 the briefing focused on Kent Police's response to Covid-19. To enhance the working relationship and encourage open dialogue, informal meetings between the PCC and KMPCP Members are also held.

Engagement with the KMPCP has been, and continues to be, strong and effective. This is reflected in the [KMPCP 2021/22 Annual Report](#). Since the risks from the pandemic have receded, the OPCC/PCC have taken every opportunity to engage in person at every level, from community visits, to meeting government representatives. Over the course of the last year the Commissioner met local MPs and Councillors about twenty times in person. They discussed a variety of local issues including antisocial behaviour, Operation Brock (the Kent port traffic management system), establishment of new Police Cadet programmes, they attended job fair events together and attended the opening of various community projects.

On top of that, the Commissioner hosted several online round table meetings with members of local councils' community safety partnerships, to discuss issues relating to violence against women and girls.

**Kent Police** offers a range of digital and face-to-face discussion channels to its communities from online transactions via the website (crime reporting and payment of licenses), to Live Chat (for those who prefer to dialogue about non-emergency issues using a text tool) to Beat meetings, in which officers meet with communities at local venues. The Force's Press Office also provides, via local and national media outlets, reassurance around critical incident management, advice for the public, and reputation management.

Kent Police's flagship public engagement, however, is the annual public Open Day which has attracted over 14,000 visitors in the past. As part of this three-day event, the Force provides a separate day for school children and another for staff and their families, so colleagues can showcase the work environment to their loved ones. Open Day has seen the Force win an international award for its commitment to openness and engagement with those it serves.

Due to the pandemic, the event had to be cancelled in 2020 but resumed in September 2021.

Alongside the Open Day the Force contributes to a number of other engagement opportunities, albeit not on the same scale. These include: local policing stands at community events; police participation in events such as Pride and Vaisakhi and the Bluewater Safety Store, as well as a number of recruitment outreach events to engage with communities and their perceptions of the Force.

Kent Police has also organised themed face-to-face events on specific offence types to support victims and prevent crime, such as the community engagement events led by the Chief Constable to discuss the issue of violence against women and girls. These events in 2021 saw over 1,000 people engage with senior leaders of the Force around this particular issue and the feedback received by the public has helped shape the Force's new Tackling Violence Against Women and Girls Strategy.

For those who prefer remote engagement, Kent Police has a presence on a variety of social media platforms (with over 368,000 followers on its main Facebook and Twitter accounts). These are monitored in and out of hours and the dialogue with Kent's residents provides a valuable means of measuring community sentiment.

The Force has also launched My Community Voice, a new two-way engagement tool where communications such as safety advice and community news can be shared with those who have taken up a free subscription. Communications can be issued and members of the public can reply on the platform and expect a response from the Force.

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

The **PCC and Chief Constable** are committed to identifying collaboration opportunities across systems, processes, and resourcing to sustain service delivery and increase the capacity and resilience of the organisation. The longstanding collaboration with Essex (which includes Serious Crime, HR, L&D and Support Services), Seven Force (7F) Procurement, the South

Eastern and Eastern Region Police Insurance Consortium (SEERPIC), National Police Air Service (NPAS) and the 9 Force Athena Consortium are evidence of that. These partnerships and collaborations as well as others are governed by formal S22 collaboration agreements and Chief Officer level board and other prescribed oversight structures.

Financial sustainability is maintained by a strong financial performance framework, headed by the production of an active medium term financial planning process and a robust financial monitoring programme. The MTFP is reviewed by the CFOs on a regular basis and reported regularly to senior leaders, ensuring that any significant changes can be identified early and appropriate action taken.

The newly inaugurated Finance Oversight Board includes senior leaders from across the Force, the two CFOs, and is chaired by the Director of Support Services. This forum covers the whole spectrum of finance, from revenue to capital, the MTFP, payroll, savings and insurance, amongst other issues. It enables the Force and PCC to gather assurance on the financial position, both now and in the future, and allows for any corrective action to be discussed and agreed.

All contracts now include an element of social value ensuring that there are wider benefits to the community.

Joint collaboration oversight boards, such as the Kent and Essex Collaboration Oversight Board, the 7F Commercial Strategic Oversight Board and Executive Board, and the Violence Reduction Unit (VRU) Oversight panel provide strategic oversight for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration, supported by change professionals from the respective Force departments and other collaboration partners.

**The PCC** formally monitors progress against his Police and Crime Plan through:

- a quarterly Hold to Account meeting – the Performance and Delivery Board – at which he receives a written report from the

Chief Constable outlining the Force's progress in delivering against his priorities. The report includes data analytics, strategic and tactical updates as well as operational examples evidencing officers and staff delivering on the priorities.

- the production of an Annual Report which outlines progress in delivering the totality of the Police and Crime Plan during that year. It comprehensively documents progress in meeting the police and crime objectives set in the plan, including the Chief Constable's priorities and the PCC's own priorities/policies as well as overall vision for policing and community safety in the county.

Under the Police Reform and Social Responsibility Act 2011, the PCC is required to publish the [Annual Report](#) which is made available via the website. It is also presented at a public meeting of the Kent and Medway Police and Crime Panel where Members can ask questions and make recommendations. Panel Members also have a standing invitation to the Performance and Delivery Board. Progress against the plan is not judged only on stipulated numerical targets, but considers other feedback, including anecdotal examples of delivery by officers and staff, HMICFRS reports, other independent publications and feedback from staff and the public.

In certain areas the PCC has taken an active role in improving services to the public by chairing strategic and partnership boards. These include the Mental Health Crisis Care Board and [the Kent Criminal Justice Board \(KCJB\)](#). The PCC also sits as a member of the [Kent and Medway Fire and Rescue Authority \(KFRS\)](#).

Working in partnership is a vital element to both organisations' success, the PCC is responsible for commissioning services to reduce crime and anti-social behaviour, and to provide services to victims of crime. The PCC has an overarching [Commissioning Strategy](#) which drives activity during the financial year. Grant funding and commissioning can be impacted by several variables, including emerging trends and increasing demands, which may result in commissioning approaches being revised during the financial year. As a result, commissioning intentions may be subject to change during the year, but clear governance is in place to ensure that public money is

directed effectively and efficiently. The outcomes of commissioned services and the benefits they bring are set out in the annual report to the PCP and within the narrative foreword of the statement of accounts. HL

The **Force** has a Control Strategy that reflects the PCC's Plan and is reviewed annually following the production of a Strategic Assessment. It considers national policing issues, policing priorities for Kent (including joint working with other public sector agencies) and the direction set by the PCC in consultation with the communities within Kent.

Kent Police has a fully embedded policing model built around vulnerability and the Control Strategy features many of the key themes, allowing the Force to effectively use its resources against priorities such as: violence against women and girls (VAWG), domestic abuse, knife crime, sexual and criminal exploitation, hate crime, drugs, gangs, county lines, modern slavery and human trafficking. The Police, the PCC and other key bodies are working together to raise awareness of these issues in order to protect both adults and young people from harm, support victims of crime by guaranteeing their rights through the Victims' Code, tackle hate crime and ensure those perpetrating serious and heinous crimes are brought to justice.

The MTFP is built around the Plan and the Chief Constable's Control Strategy to ensure that all strategic direction is consistent. It also ensures that the planned activities to support the objectives in the Plan and Control Strategy are financially costed and sustainable, both in the short term and the longer term. This has been particularly challenging during the year, with significant demands on policing due to the Covid pandemic, EU transition, and several high-profile operations. Although there has been financial support from the Home Office, these events have put a strain on the financial resources of the Force and PCC and will require careful financial monitoring during the 2022/23 financial year and the delivery of a substantial savings target. A plan is already in place to manage this, which is kept under regular review. Success against the Plan is measured and monitored in a number of ways:

- The primary measure is through monthly finance reporting where the forecast is compared to the budget

- There are also several boards at which financial performance is monitored. These include the JAC, the Finance Oversight Board and the Performance Delivery Board

The pandemic continues to present challenges for commissioned and grant funded services, including increased demands, greater complexity of need, and resource challenges. It is envisaged these impacts will continue into 2022-23 and the capacity and risk to service provision will continue to be closely monitored.

#### **D. Determining the actions necessary to achieve the intended outcomes**

The **two organisations' priorities** naturally combine and synchronise without directly correlating. The Force's Mission, Vision, Values and Priorities (MVVP) encapsulates the PCC's Police and Crime Plan, with both reflecting key policing issues. The foundation of the Police and Crime Plan priorities is the **PCC's** overall vision for policing and community safety in the county as well as the manifesto commitments which formed the basis of his election campaign.

Under the Police Reform and Social Responsibility Act 2011, there is a duty on PCCs to consult with victims and the wider community in the development of the priorities and so annually, the PCC invites residents and stakeholders to complete a Police and Crime Plan survey. The PCC also considers the findings from other public consultations conducted by his office, feedback from attendance at engagement events and the themes identified through public correspondence received by his office. Additionally, in setting the priorities, the PCC takes account of a number of other documents and factors, including:

- the Strategic Policing Requirement;
- Government and local Council plans and strategies;
- the Policing Vision;
- Kent and Medway Police and Crime Panel observations;
- Emerging local threats and risks; and
- the priorities of local criminal justice bodies and community safety partners.

The PCC's priorities are reflected within the Force's Mission, Vision, Values and Priorities and their delivery sits at the heart of the Chief Constable's annual review process.

**The Force's** MVVP have been clearly communicated by the Chief Constable and are embedded within InSite, the Force's intranet, available to all officers and staff. These simple, clear and effective statements can be summarised by the Chief's consistent mantras of 'Victims and Witnesses at the heart of everything'; 'Provide a quality service' and 'Do the right thing' which ties to the Code of Ethics.

Kent, like all Forces, is required to prepare and produce a [Force Management Statement \(FMS\)](#) that is provided to HMICFRS each year. The 2020/21 FMS shows the following areas as facing the greatest demand in the short to medium term (up to 4years):

- rape and serious sexual assault (general demand and accredited detective capacity)
- domestic abuse (general demand and accredited detective capacity)
- child safeguarding (general demand)
- responding to the public (specifically mid-term PEQF capacity and retention capability);
- operational matters where there are digital consequences (such as the seizure of digitally based evidence);
- some matters connected to witness and victim care (caused by a Covid-19 related backlog in cases in the courts)
- some aspects of fraud (especially cyber-fraud)

As reported previously, FMS risks will align with some but certainly not all of those detailed in the Force Risk Registers. This is because an FMS tests (only) *demand* (short to medium-term), along with the condition of the workforce. It is not as broad as the Force Risk Registers. Conversely, the Force Risk Registers covers a rolling 12-month period and does not project so far into the future as the FMS, the latter of which reaches up to a 4-year timespan.

The FMS has a bespoke risk assessment (referred to as a MORiLE strategic risk assessment) which is available for inspection in Part 1 of the 21/22 FMS.

With 96.7% crime recording accuracy, the highest percentage to date, Kent Police has been graded 'Outstanding' by HMICFRS for second consecutive year; however, ongoing work by individual forces to improve accuracy continues to make interpretation of trends over time, and between forces, difficult.

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

Both the **Force and the OPCC** aim to attract, develop and support the best people, and be employers of choice. With the first lockdown in March 2020, there was a move to home working for all officers and staff who could do so. This developed further into Op Zenith, an all-encompassing project to ensure the PCC and force were deriving the best value from their estate and the introduction of home/ agile working to maintain the improvement on performance shown during the lockdown period. This Smarter Working Strategy is being rolled out in stages across both organisations and take-up has been encouraging.

The pandemic changed how people worked, with staff and officers working from home where they could. This involved practical support to ensure that people were safe working from home, including the provision of IT equipment and desks. It also involved providing emotional support to ensure that people could seek help when required. Enhanced welfare services were introduced to ensure people could access support when feeling isolated or suffering with mental health issues. Risk assessments were carried out for all homeworkers.

There is a strong commitment to the development of staff at all levels in both organisations, with staff being encouraged to gain further qualifications and experience through in-house and external training, and by mentoring. There are several overarching strategies in place that outline this commitment and are supported by policies and processes which both

organisations adhere to, as well as new initiatives such as 'Develop You', a centralisation of all the lateral development opportunities in the Force.

The **OPCC** is a small organisation in comparison to the Force, with only c.20 employees. To ensure there is parity, and to reduce bureaucracy, the OPCC aligns with the Force's HR policies where appropriate (complaints being an exception, as staff do not fall under the Police Reform Act 2002) but retain the flexibility needed to be responsive to the PCC's needs.

As noted in the OPCC risk register, there is an issue around the ever-increasing demands on OPCCs in areas such as Criminal Justice, Commissioning and Complaints, and with a small workforce, the OPCC is vulnerable should a member of staff be absent. To tackle this, the OPCC has brought in more staff in areas of high demand and is working towards a more sustainable approach to workload, spreading it out so that there is no single point of failure.

Following the easing of the pandemic, the OPCC has started a programme of 'reconnection days', where the whole organisation meets to discuss how the organisation can best support the PCC and develop and improve ways of working.

The overarching strategy for how the **Force** attracts, develops and supports people is outlined in their People and Learning Strategy which sets out the vision of a skilled, engaged, motivated and diverse workforce, and how this will be achieved. It takes into account the context and landscape of policing and crime; notes how it will support the Force's strategic and operational priorities; and also focuses on the delivery of the Learning and Development Plan.

In addition, the Kent Police [Diversity and Inclusion Strategy](#) is still the fundamental bedrock of creating an inclusive organisation, where all staff can be authentic, feel valued and understand their unique and added value, which supports Kent Police achieve its mission, vision, values and priorities.

The Force continues to comply with its [legal obligations under the Equality Act 2010 and publishes its Statutory Report on the Kent Police website](#). The Force overview continues to be monitored at the Diversity and Inclusion

Board by way of a 'dashboard' completed and presented by the analytical team.

In July 2021, the 2021 to 2024 Diversity and Inclusion Strategy was launched. Delivery against the strategy is governed by the Deputy Chief Officer (DCO), who chairs a quarterly Diversity and Inclusion Board. The board focuses on linking the key elements of the Diversity and Inclusion Strategy into the everyday thinking, culture and behaviour of the organisation. The Board also monitors activity against the National Police Chiefs' Council (NPCC) Workforce Toolkits, which focus on attraction, recruitment, retention, and progression, and [detail are included in papers](#) presented to the Board. Divisions and Directorates are also held to account in respect of their role in the overall delivery of the Diversity and Inclusion objectives.

The Diversity and Inclusion Command, which is made up of the newly formed Diversity and Inclusion Academy and the Positive Action Team, has overall strategic responsibility for delivery of the strategy by supporting, engaging, raising awareness and building trust and confidence, both internally and with the communities we serve.

The Diversity and Inclusion Academy has 160+ Specific Points of Contact (SPOC), who support the delivery of the Diversity and Inclusion strategy, volunteering to take part in events, sharing key messages and being the Diversity and Inclusion link for their teams and the wider organisation. The SPOCs are individuals who don't fall into a particular 'protected characteristic' but have a keen interest in Diversity and Inclusion.

Centralisation of the Community Liaison Officers under the Diversity and Inclusion Academy has improved tasking, resilience, consistency and service delivery across the County. The Positive Action Team (PAT) has increased focus on making Kent Police representative of the communities we serve with the creation of Positive Action Task Force, a dedicated resource targeting the recruitment of under-represented groups.

The Staff Support Associations continue to thrive, and the Head of the Diversity and Inclusion Command chairs bimonthly meetings with all the Chairs of the support groups to ensure that common themes and issues are quickly identified and addressed. There is also an increased drive to ensure the intersectional needs of the different Support Associations are recognised, which has resulted in closer working between the different Staff Support Associations.

The purpose of the Force Culture Board (FCB), chaired by the Chief Constable, is to continue the development of a culture which is consistent with the Force's MVVP. The FCB helps ensure all officers and staff have an opportunity to raise issues with the Chief in an open and transparent forum. There is also an on-line communication tool on the intranet which enables staff to express their ideas and receive replies to their questions and comments. This latter tool has proven to be very widely used and is reviewed at a Chief Officer level to ensure the corporate replies are timely and comprehensive, as well as being actioned if appropriate.

The Chief Constable's top team regularly engage in "Chief Officer All Out Days" where the whole team spend time with officers/staff locally on Division or with Departments to engage the workforce. These have continued where possible in line with Covid regulations. The frequent visibility of Chief Officers amongst the workforce during all-out days has proved invaluable and has been the subject of very positive feedback from staff.

The Chief Constable holds Leadership events, Senior events for the senior leadership of the organisation and Junior events open to all. The PCC and their staff are invited to attend these events. The events cover personal and professional development from a police and non-police perspective with a wide array of guest speakers from all walks of life.

A variety of face-to-face and online channels provide two-way engagement opportunities for all staff, whether based at a Force location or working remotely. These include our intranet, available on desktops and mobile devices, featuring daily operational bulletins, the Chief's blog and guidance around best working practices. The intranet also hosts 'Ask The Chief' – a

direct route to ask questions of the Chief Constable; Yammer, an internal social media forum, which encourages staff at all levels to share and discuss positive contributions to Force development; and Relay magazine, the in-house publication celebrating Force successes.

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

The Financial Regulations cover **both organisations** and are reviewed annually and maintained between the Force and PCC's CFOs. For 2022/23 the Financial Regulations will be presented to the JAC for scrutiny. These are shared with budget holders and managers ahead of the new financial year to ensure best practice in following the schemes of consent outlined above and are published on the respective websites.

Both organisations have a suite of control measures, relative to their size, to ensure strong management across all departments and functions.

The JAC is a key part of monitoring and reviewing these risks, including the mitigations and controls, at their meetings. In addition, recently published HMICFRS reports are a standing item at both the JAC and the Performance and Delivery Board and the Chief Executive in the OPCC regularly meets with the DCC to review the reports and performance against them. The JAC also identify key areas for 'deep dives', to enable them to focus in detail on specific areas of business or risk. As with the Force's Star Chamber process, this process allows enhanced understanding and a full exploration of how the risk is being managed and the governance around it.

The Internal and External Auditors both attend and present reports to the JAC. Both sets of auditors have access to members when officers are not present to ensure all issues are raised when needed.

The JAC produce an annual report reviewing the work that they have undertaken during the year, thereby contributing to the evaluation of the governance arrangements and the management of risk. The 2020/21 reported that *"the 2021-22 financial year has been a demanding period in terms of risks, governance and controls. This has been alongside a busy operating environment in the policing of Kent and Medway including*

*pressures from policing through Covid, recruiting new police officers and the requirement to make substantial financial savings without adverse impact on performance. This is at a time when there has been a new 'Making Kent Safer' Police and Crime Plan, following the re-election of the PCC, and national targets including the Strategic Policing Requirement, new border arrangements and extensive delays in the courts.*

*The JAC's view, supported by internal and external audit reports during the year and HM Inspectorate of Constabulary & 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."*

The Force and the PCC have risk registers, both at a strategic and operational level. These are reviewed and challenged by the JAC at every meeting. The Force strategic risk register is managed by the DCO and operational risks are managed at all levels throughout the organisation. Following the PCC elections, it was decided to revise the OPCC's risk register (and supporting policies) and to have it simultaneously audited by RSM. The aim was to streamline the document to focus on the high- level risks and to provide more assessment of them. The audit result was of 'reasonable assurance'.

Both registers form part of the established management processes within respective operations and are used as a key driver for improvement. Along with assurance mapping they inform the Internal Audit programme, which is agreed following discussion at the JAC, delivered by the internal auditors with progress reported to each meeting of the JAC. The implementation of any recommendations from the internal audit reports are followed up at each JAC meeting with progress closely followed and challenged, should timescales for implementation slip.

The **OPCC's** risk register review process is led by the PCC's CFO and features as part of routine discussion on overall delivery in both the PCC's regular meetings with his senior team, and senior officers' monthly management meetings.

Understandably, the Force's risk management needs to be much more complex given the size of the organisation and the inherent risks in operational policing. **Kent Police** has designated the Deputy Chief Officer to act as the Senior Information Risk Owner, with responsibility for Information Assurance and Governance in line with the National Police Chiefs Council guidance, to ensure that information risks and security are managed.

The quarterly Force Security and Integrity Committee is attended by all Information Asset Owners and ensures that Information Governance at a Strategic Level is maintained and overseen at Deputy Chief Officer level. The focus is on identifying and mitigating risks, setting strategic direction in relation to information governance and promulgating best practice throughout the Force. This executive meeting is also supported by the Professional Standards Department who direct the Information Asset Owners.

The Information Management Directorate supports Kent Police to meet its obligations under the Data Protection Act, Systems Assurance and professional Records Management.

Information Management work closely with the Information Technology Services (ITS) Directorate to ensure that any new systems implemented meet the baseline security requirements. Additionally, processes are in place to ensure that Data Protection Impact Assessments are completed and reviewed for systems which process Personal Data, and that there is always consideration given to the Force's obligations to Retain, Review and Destroy records in line with Legislation and National Guidance.

The Force holds a review of all strategic risks ('Star Chamber') three times a year. It is chaired by the DCO and includes the PCC's CFO and a member of the JAC as panellists. All risks owners are invited to the meeting to explain the risk and its mitigation along with how it is being pro-actively managed by the Force. This has enhanced the understanding of risk at both the strategic and operational level and is viewed as an effective addition to the risk governance framework. In addition to this challenge day, changes and updates to the Risk Register are reported to the COMB quarterly a process

designed to ensure transparency and ensure all organisational risks are understood and balanced against resources and demand.

In terms of the risks identified for the reporting period of 2021-22 as outlined in the introduction, an update is given below on the actions taken to mitigate the risks.

<b>Title</b>	<b>Owner</b>	<b>Issue</b>	<b>Position at 31 March 2022</b>
Financial Resilience	Force and OPCC	Ensure that financial reports to senior officers are accurate and timely, and support decision making to meet significant financial challenges by delivering substantial savings.	Internal Audit recommendations implemented.  2020/21 accounts were signed off with an unqualified opinion on the statements and no issues with Going Concern. Comments were made in relation to VfM which are included in this year's AGS.  Budget and precept for 2022/23 approved in February 2022 with a robust savings plan.
Complaints Management	OPCC	Change in the definition of complaints and the process of dealing with them has increased the volume of complaints that need to be dealt with.	Two new caseworkers in place to handle the increased volume. Second person in place to help manage reviews. Workload is more manageable, and team is performing well. Early indications from audit conducted Feb 22 is that the external assessment is positive.

<b>Title</b>	<b>Owner</b>	<b>Issue</b>	<b>Position at 31 March 2022</b>
Freedom of Information and Subject Access Requests	OPCC	The volume of FOI and SAR has increased substantially and the complexities of ensuring that responses comply with legislation is time consuming.	Whilst the volume of FOI's continues to increase and impacts on capacity to manage them, the process is efficient and effective. SARs remain more problematic in terms of process and complexity, particularly those linked to Reviews. Review recipients now receive clear guidance as to the role of the OPCC and who to contact with regards to personal information related to their complaint (this has reduced the number of SARs). Exploratory work is underway with IT to identify a new system to manage all incoming and outgoing correspondence to make processing of SARs more efficient. The Internal Auditors are currently conducting a review of how FOI and SAR requests are managed by the OPCC.
Commissioning	OPCC	The change in central government's	Further external funding was requested and received during

Title	Owner	Issue	Position at 31 March 2022
		allocation of additional commissioning funds from allocation to bidding increases the workload on the Commissioning team and provides challenges to ensure that services and funding streams are matched up.	2021/22, enabling further crime reduction activities to take place and to support victims of crime. Internal Audit on commissioning was delayed until 2022/23 due to other audits taking precedent.
Op Zenith, the Force's plan to rationalise the estate and move to hybrid working	Force	Zenith is a Kent Programme to transform the use of the estate and smarter ways of working. The initiative has many 'moving parts' and as such timing, cost and benefits delivery will need to flex.	The Zenith Governance oversight is now incorporated in a single monthly governance board. Agenda items include overview, risks, benefits, and costs associated with the programme. The papers produced for the governance board are presented at the JAC for their update and have been adjusted based on feedback from the JAC. In the March 2022 JAC, it was confirmed that the papers gave the committee the level of overview required.

Title	Owner	Issue	Position at 31 March 2022
Medium Term Financial Planning	Force and OPCC	A review of the medium-term financial position has taken place in March and April 2021. This identified several additional pressures associated with the running costs of the Force.	As per policy, the general fund reserves were topped up by a revenue transfer in April 21. The Force has managed spend in the year to avoid a general fund reserve top-up in 22-23.  A comprehensive saving plan is in place for 22/23 and significant savings have been identified for the years beyond that.  For 22/23 this saving plan has identified initiatives to bridge the £6.8m budgetary gap identified in Feb 22.  23/24 has significant budgetary pressures identified already. Large and significant schemes have been identified to mitigate this pressure and are being worked on during 22/23.
Post-Pandemic Working	Force and OPCC	Ensuring that as restrictions ease, the governance structures and arrangements adopt the most	Smarter working protocols have been drafted to reflect the transition the Force has made towards agile working. These

Title	Owner	Issue	Position at 31 March 2022
		effective mix of old and new ways of working.	protocols are being consulted on with staff associations and support groups. When this consultation is complete, they will be proposed to the Zenith Governance Board for formal acceptance.
One significant governance issue was identified with the short notice resignation of the Force CFO.	Force		Two further audits were undertaken at this point by the internal auditors to provide assurance to the Senior Management team of the Force, the PCC and the external auditors that our financial controls were robust and working. The Key Financial Controls obtained substantial assurance, while the Budget and Medium-Term Financial Plan review received partial assurance. No further governance issues were identified from either audit. All of the recommendations made either have been implemented or will be by September 2022.

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

As outlined under the section 'Scope of Responsibilities and Legislative/Governance Framework', there are a significant number of external organisations which scrutinise the **PCC and the Chief Constable**, and substantial, multi-layered reporting responsibilities for both organisations.

The JAC plays a key part in enabling both organisations to discharge these duties. Their regular independent scrutiny of both organisations strengthens the governance arrangements and understanding of risk. The issues and concerns raised in the JAC annual report and the letters sent to the PCC and Chief Constable following each JAC meeting highlight any issues of concern and inform the ongoing work in both organisations.

Both organisations employ internal auditors who, in discussion with managers, propose a programme of audits and reviews on key areas of risk and/or concern. This programme is considered by the JAC, which receives the reports of completed audits and tracks progress on implementing recommendations. For 2021/22, due to an issue with letting the contract, the audit plan was again condensed into the final 9 months of the year, and the majority of audit work was done remotely. All scopes for the areas to be audited included a review of best practice. The Internal Auditors report to the JAC at every meeting and have access to JAC members outside meetings.

The external auditors are appointed through the Public Service Audit Appointments Ltd (PSAA) and attend all JAC meetings. The JAC reviews the external audit strategy and the specified areas of risk and definitions of materiality. The external auditors' primary focus is on the Statement of Accounts and regular meetings are held with all principles involved in the production of the accounts as well as JAC members outside of the regular meeting cycle where necessary.

For the 2020/21 accounts there was a significant focus on the 'Going Concern' element of the notes to the accounts. The conclusion in the Annual Audit Letter was: 'Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that,

individually or collectively, may cast significant doubt on the police and crime commissioner's ability to continue as a going concern for a period up to the 31 March 2023'. However, due to the issues raised in the specially commissioned MTFP and financial control audit, the auditors did state that the report 'provides evidence of a significant weakness in proper arrangements for the financial sustainability and governance value for money reporting criterion'. The auditors reiterated the need to implement the recommendations in the report and indicated that they would review these in next year's audit of the accounts. Due to these and other issues around pension valuations, the final sign off the accounts occurred after the statutory deadline of 30 November, in December 2021 with an unqualified opinion. A full explanation was provided to the JAC and displayed on both the OPCC and Force websites.

**Value for Money arrangements**

Value for money (VfM) is a key element of the Plan; it underpins everything the Force and PCC do and is embedded within the two organisations and financial regulations. The external view on value for money is provided by the External Auditors. The Force makes extensive use of the [HMICFRS VfM profiles](#) to determine performance against their most similar Forces, which helps identify areas of potential strength and weakness and initiate business improvement plans. An annual VfM report is presented to the JAC who assess future business improvement plans.

The External Auditors provided the annual audit letter for 2020/2021 which reported a significant weakness as part of their value for money conclusion. This related to the significant governance issue reported in last year's AGS. The recommendations within this report have been implemented and a further internal audit of the MTFP has been undertaken. The results of this internal audit are an overall audit opinion of reasonable assurance.

In their Annual Report, it was noted there were three audits within the initial plan that had partial assurance. The Budget and MTFP review undertaken post the departure of the Force CFO received a partial assurance.

**Significant Governance issues**

It should be noted that HMICFRS's PEEL report HL was released in April 2022, and therefore falls outside of the scope of this AGS. However, given

that overall, the Force's scores were downgraded in some areas, it was necessary to highlight some of the findings from the inspection which had taken place during the relevant period. In the action plan below, an overview is given of the governance arrangements to drive improvements.

**Issues and Action Plan for 2022-23**

A number of actions have been identified from the audit reports, risk registers and other documents to enhance the control environment and are collated into a plan below.

Title	Issue	Current proposed actions
Medium Term Financial Plan	<p>A review of the medium-term financial position has taken place in Feb 2022. This has identified a requirement for savings across the MTFP with the most significant requirement being in 22-23 and 23-24.</p> <p>The review reflects major changes, and this includes the current inflationary pressures that will potentially add to the savings target.</p>	<p>Savings initiatives for these pressures have already been identified and in year will be managed through finance oversight board and a tactical savings group.</p> <p>There is a requirement of £6.8m in 22/23 which will be met through various initiatives identified. The force's approach to savings will always firstly look at non-staffing areas before looking at staffing as a last resort</p>

Title	Issue	Current proposed actions
Audits with partial/no assurance		<p>All audit actions will be assigned to action owners with completion dates agreed. These actions will be monitored within the force and also reported on to JAC at each of the quarterly meetings. For actions to be signed off as complete, evidence has to be provided to the Force CFO for force actions and the OPCC CFO for OPCC actions.</p> <p>Follow up reports by the internal auditors will also present an independent opinion on whether these actions have been successfully discharged and this will be reported to the JAC.</p>
PEEL	HMICFRS's PEEL provided an assessment of ten core areas of policing between March and October 2021 with the report published in April 2022. The main areas of improvement centre on investigations, response	A PEEL improvement plan has been agreed and governance will take place through the well-established Force Improvement Board chaired by the DCC and a new PEEL Oversight Board chaired by the Chief Constable which will

Title	Issue	Current proposed actions
	and managing offenders.	include regular reporting to the PCC. JAC members are currently in discussion about their inclusion in this process.
OPCC staffing	<p>As identified on the risk register, the OPCC is facing issues with maintaining the appropriate level of staffing to carry out its functions. This is the result of:</p> <ul style="list-style-type: none"> <li>- Being a small organisation which results in less resilience/single points of failure</li> <li>- Vetting delays</li> <li>- Growing and changing demand across most areas of work.</li> </ul>	<p>Currently recruiting to fill a vacancy in the Commissioning Team. Complaints Team now fully staffed with additional Reviews officer to be made permanent. Work in this team is now able to be carried out by at least two people so no more single point of failure. Meetings to be held in June to discuss the vacancies/maternity leave in Commissioning and Committee support. Further meetings to be held in June with Chief Executive, CFO and PCC to discuss overall Office staffing, with a view to recruiting more staff</p>

### Statement on the effectiveness of the current governance framework

The PCC and the Chief Constable have a shared responsibility to ensure an annual review of the overall effectiveness of the governance system. The review is informed by regular reviews of the risk landscape, the work of the JAC, external and internal auditors, HMRCFRS and of key managers within the OPCC and the Chief Constable team (with collaboration benefits from sharing the same internal auditors with Essex). It is also informed by the comments of external agencies as they apply to governance.

The view of the PCC, supported by his statutory officers; the Chief Constable, supported by his Chief Officers; 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

Temporary Chief Constable for Kent

7 October 2022



Matthew Scott

Police Crime Commissioner for Kent

7 October 2022



## Core financial statements

## Comprehensive income and expenditure statements

(for the year ended 31 March 2022)

The comprehensive income and expenditure statements show 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.

Divisions and departments within directorates were reviewed for 2021/22 and the main changes were Support Services moved within the DCO Portfolio and Public Protection, the Chief Constable's Crime Squad, County Lines and Gangs Team moved from Central Operations to create the Crime Directorate. 2020/21 information is shown in the new Directorates grouping.

2020/21			Kent Police Chief Constable	2021/22		
Gross Expenditure (Restated) £'000's	Gross Income (Restated) £'000's	Net Expenditure (Restated) £'000's		Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's
150,093	0	<b>150,093</b>	Divisions and Local Policing and Partnerships	183,412	0	<b>183,412</b>
75,704	0	<b>75,704</b>	Central Operations	84,577	0	<b>84,577</b>
24,658	0	<b>24,658</b>	Crime	26,691	0	<b>26,691</b>
30,548	0	<b>30,548</b>	Serious Crime Directorate	37,521	0	<b>37,521</b>
2,329	0	<b>2,329</b>	Chief's Office	3,110	0	<b>3,110</b>
12,312	0	<b>12,312</b>	DCC Portfolio	14,686	0	<b>14,686</b>
19,036	0	<b>19,036</b>	DCO Portfolio	21,307	0	<b>21,307</b>
15,360	0	<b>15,360</b>	HR & Learning and Development	21,136	0	<b>21,136</b>
48,885	0	<b>48,885</b>	Corporate Charges	46,428	0	<b>46,428</b>
<b>378,925</b>	<b>0</b>	<b>378,925</b>	<b>Net Cost of Policing Services</b>	<b>438,868</b>	<b>0</b>	<b>438,868</b>
		(353,515)	Intra Group Funding For Chief Constable's Net Service Cost			(369,769)
		<b>25,410</b>	<b>Net Cost of Services</b>			<b>69,099</b>

## Comprehensive income and expenditure statements (continued)

2020/21			Kent Police Chief Constable	2021/22		
Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's		Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's
<b>Other Operating Expenditure</b>						
		0	Net (Gains) / Losses on disposal of fixed assets			0
		<b>0</b>	<b>Total Other Operating Expenditure</b>			<b>0</b>
<b>Financing &amp; Investment Income &amp; Expenditure</b>						
		0	Interest Element of Finance Leases			0
		<b>0</b>	<b>Interest Payable on PFI Unitary Payments</b>			<b>0</b>
		82,260	Pensions Interest Cost			90,985
		<b>0</b>	<b>Investment Interest Income</b>			<b>0</b>
		0	Income & expenditure in relation to investment properties & changes in their fair value			0
		<b>82,260</b>	<b>Total Financing &amp; Investment Income &amp; Expenditure</b>			<b>90,985</b>
<b>Taxation &amp; Non Specific Grant Income</b>						
		0	Capital Grants			0
		0	Precept Income			0
		0	Non-service related Government Grants			0
		0	Home Office Pension Grant			0
		<b>0</b>	<b>Total Taxation &amp; Non Specific Grant Income</b>			<b>0</b>
		<b>107,670</b>	<b>Deficit / (Surplus) for the year</b>			<b>160,084</b>
		0	Deficit / (Surplus) on Revaluation of Non-Current Assets			0
		0	Deficit in the fair value of Property and Other Investment Funds			0
		902,308	Remeasurement of the net defined benefit liability			(386,035)
		<b>1,009,978</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(225,951)</b>

## The movement in reserves statement

This statement shows the movement in year on the different reserves held by Kent Police, analysed into 'useable' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

Kent Police Chief Constable Statement 2021/22	General Fund (Includes Earmarked reserves and Insurance Fund)  £'000's	Capital Reserve & Capital Contributions Unapplied Reserve  £'000's	Total Useable Reserve  £'000's	Total Unusable Reserves  £'000's	Total Reserves  £'000's
<b>BALANCE AS AT 1 April 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,537,637)</b>	<b>(4,537,637)</b>
Surplus / (Deficit) on the Provision of Services on an accounting basis	(160,084)	0	<b>(160,084)</b>	0	<b>(160,084)</b>
Other Comprehensive Income & Expenditure	0	0	<b>0</b>	386,035	<b>386,035</b>
<b>TOTAL COMPREHENSIVE INCOME &amp; EXPENDITURE</b>	(160,084)	0	<b>(160,084)</b>	386,035	<b>225,951</b>
Adjustments between accounting basis and funding basis under regulations (Note 6)	160,084	0	<b>160,084</b>	(160,084)	<b>0</b>
<b>Net increase / decrease before transfers to Earmarked Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225,951</b>	<b>225,951</b>
Transfer to / (from) Reserves	0	0	<b>0</b>	0	<b>0</b>
Increase / (Decrease) in the year	0	0	<b>0</b>	225,951	<b>225,951</b>
<b>BALANCE AS AT 31 March 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,311,686)</b>	<b>(4,311,686)</b>

## The movement in reserves statement (continued)

Kent Police Chief Constable statement 2020/21	General Fund (includes earmarked reserves and Insurance Fund) £'000's	Capital reserve and capital contributions unapplied reserve £'000's	Total useable reserve £'000's	Total unusable reserves £'000's	Total reserves £'000's
<b>BALANCE AS AT 1 April 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,527,659)</b>	<b>(3,527,659)</b>
Surplus / (Deficit) on the provision of services on an accounting basis	(107,670)	0	<b>(107,670)</b>	0	<b>(107,670)</b>
Other comprehensive income and expenditure	0	0	<b>0</b>	(902,308)	<b>(902,308)</b>
<b>TOTAL COMPREHENSIVE INCOME AND EXPENDITURE</b>	(107,670)	0	<b>(107,670)</b>	(902,308)	<b>(1,009,978)</b>
Adjustments between accounting basis and funding basis under regulations (Note 6)	107,670	0	<b>107,670</b>	(107,670)	<b>0</b>
<b>Net increase / decrease before transfers to earmarked reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,009,978)</b>	<b>(1,009,978)</b>
Transfer to / (from) reserves	0	0	<b>0</b>	0	<b>0</b>
Increase / (Decrease) in the year	0	0	<b>0</b>	(1,009,978)	<b>(1,009,978)</b>
<b>BALANCE AS AT 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,537,637)</b>	<b>(4,537,637)</b>

## The balance sheet

The balance sheet shows the value as at 31 March 2022 of the assets and liabilities recognised by the CC. The net assets of (assets less liabilities) are matched by the reserves held by the CC. Reserves are reported in two categories: The reserves are presented within two categories, usable reserves and unusable reserves. Useable reserves may be used to provide services subject to statutory limitations on their use and the need to maintain prudent level of reserves for financial stability. Unusable reserves cannot be used to fund Kent Police.

31 March 2021 £'000's	Notes	31 March 2022 £'000's
	<b>Property, Plant &amp; Equipment</b>	
0	Land and Buildings	0
0	Vehicles, Plant & Equipment	0
0	Surplus Assets	0
0	Heritage Assets	0
0	Investment Properties	0
	<b>Intangible Assets</b>	
0	Software	0
	<b>Long Term Investments</b>	
0	Non Property Investments	0
0	Long Term Debtors	0
<b>0</b>	<b>Total Long Term Assets</b>	<b>0</b>

## The balance sheet (continued)

31 March 2021 £'000's	Notes		31 March 2022 £'000's
0		Short Term Investments	0
0		Inventories	0
0		Short Term Debtors	0
0		Cash & Cash Equivalents	0
0		Assets Held for Sale	0
<b>0</b>		<b>Total Current Assets</b>	<b>0</b>
(6,712)	8	Short Term Creditors	(5,425)
0		Provisions falling due within one year	0
<b>(6,712)</b>		<b>Total Current Liabilities</b>	<b>(5,425)</b>
0		Long Term Creditors	0
0		Provisions falling due after one year	0
		<b>Other Long Term Liabilities</b>	
(4,530,925)	9	Police Officer & Police Staff Pension Liability	(4,306,261)
<b>(4,530,925)</b>		<b>Total Long term Liabilities</b>	<b>(4,306,261)</b>
<b>(4,537,637)</b>		<b>Net Assets</b>	<b>(4,311,686)</b>

## The balance sheet (continued)

31 March 2021 £'000's	Notes		31 March 2022 £'000's
		<b>Usable Reserves</b>	
0		General Fund	0
0		Earmarked Revenue Reserves	0
0		Capital Reserve	0
0		Capital Contributions Unapplied Reserve	0
0		Insurance Fund	0
<b>0</b>		<b>Total Usable Reserves</b>	<b>0</b>
		<b>Unusable Reserves</b>	
0		Revaluation Reserve	0
(4,530,925)	9	Pensions Reserve	(4,306,261)
0		Capital Adjustment Account	0
0		Financial Instruments Adjustment Account	0
0		Collection Fund Adjustment Account	0
(6,712)	8	Short Term Accumulated Compensated Absences Account	(5,425)
0		Financial Instruments Revaluation Reserve	0
<b>(4,537,637)</b>		<b>Total Unusable Reserves</b>	<b>(4,311,686)</b>
<b>(4,537,637)</b>		<b>Total Reserves</b>	<b>(4,311,686)</b>

## The balance sheet (continued)

These financial statements replace the unaudited financial statements certified by Mr Jonathan Castle, Chief Finance Officer to the Chief Constable on 30 June 2022.

A handwritten signature in black ink, appearing to read 'J Castle', with a horizontal line underneath the signature.

**Jonathan Castle Chief Finance Officer to the  
Chief Constable for Kent Police**

7 October 2022

## The cash flow statement

The cash flow statement shows the changes in cash and cash equivalents of the CC during the reporting period. All cash and cash equivalents are held by the PCC and therefore there are no entries in this statement.

<b>2020/21</b>	<b>Cash Flow Statement for Kent Chief Constable for Kent</b>	<b>2021/22</b>
<b>£'000's</b>		<b>£'000's</b>
107,670	Net (surplus) or deficit on the provision of services	160,084
(107,670)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 11)	(160,084)
0	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	0
<b>0</b>	<b>Net Cash flows from Operating Activities</b>	<b>0</b>
0	Investing Activities	0
0	Financing Activities	0
<b>0</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>0</b>
0	Cash and cash equivalents at the beginning of the reporting period	0
<b>0</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>0</b>

# Notes to the accounts





**Notes  
supporting the  
comprehensive  
income and  
expenditure  
statement**

## Note 1 – Expenditure and funding analysis

Divisions and departments within directorates were reviewed for 2021/22 and the main changes were Support Services moved within the DCO Portfolio and Public Protection, the Chief Constable's Crime Squad, County Lines and Gangs Team moved from Central Operations to create the Crime Directorate. 2020/21 information is shown in the new Directorates grouping.

2020/21		CC Analysis		2021/22		
Net Expenditure chargeable to General Fund (Restated) £'000's	Adjustments between Funding and Accounting basis (Restated) £'000's	Net Expenditure in the CIES (Restated) £'000's		Net Expenditure chargeable to General Fund £'000's	Adjustments between Funding and Accounting basis £'000's	Net Expenditure in the CIES £'000's
152,705	(2,612)	150,093	Divisions and Local Policing and Partnerships	157,195	26,217	183,412
63,823	11,881	75,704	Central Operations	62,859	21,718	84,577
24,658	0	24,658	Crime	26,691	0	26,691
27,424	3,124	30,548	Serious Crime Directorate	30,412	7,109	37,521
2,037	292	2,329	Chief's Office	2,505	605	3,110
9,063	3,249	12,312	DCC Portfolio	9,586	5,100	14,686
15,904	3,132	19,036	DCO Portfolio	17,417	3,890	21,307
14,101	1,259	15,360	HR & Learning and Development	17,109	4,027	21,136
43,800	5,085	48,885	Corporate Charges	45,995	433	46,428
<b>353,515</b>	<b>25,410</b>	<b>378,925</b>	<b>Net cost of Policing Services</b>	<b>369,769</b>	<b>69,099</b>	<b>438,868</b>
(353,515)	0	(353,515)	Intra Group Funding For Chief Constable's Net Service Cost	(369,769)	0	(369,769)
<b>0</b>	<b>25,410</b>	<b>25,410</b>	<b>Net cost of Services</b>	<b>0</b>	<b>69,099</b>	<b>69,099</b>
0	82,260	82,260	Other income and expenditure	0	90,985	90,985
<b>0</b>	<b>107,670</b>	<b>107,670</b>	<b>(Surplus) or deficit</b>	<b>0</b>	<b>160,084</b>	<b>160,084</b>
0			<sup>1</sup> Opening General Fund balance	0		
0			Plus (Deficit)/Surplus on General Fund	0		
<b>0</b>			<b>Closing General Fund balance <sup>1</sup></b>	<b>0</b>		

<sup>1</sup> General Fund includes earmarked reserves and the Insurance Fund.

## Note 2 – Note to the expenditure and funding analysis

Divisions and departments within directorates were reviewed for 2021/22 and the main changes were Support Services moved within the DCO Portfolio and Public Protection, the Chief Constable's Crime Squad, County Lines and Gangs Team moved from Central Operations to create the Crime Directorate. 2020/21 information is shown in the new Directorates grouping.

2020/21				CC	2021/22			
Adjustment for Capital Purposes (Restated) (Note 1)	Net Change for Pensions Adjustments (Restated) (Note 2)	Other Differences (Restated) (Note 3)	Total Adjustments (Restated)	Adjustments from General Fund to arrive at the comprehensive Income and Expenditure Statement amounts	Adjustment for Capital Purposes (Note 1)	Net Change for Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
£'000's	£'000's	£'000's	£'000's		£'000's	£'000's	£'000's	£'000's
0	(2,612)	0	(2,612)	Divisions and Local Policing and Partnerships	0	26,216	0	26,216
0	11,881	0	11,881	Central Operations	0	21,718	0	21,718
0	0	0	0	Crime	0	0	0	0
0	3,124	0	3,124	Serious Crime Directorate	0	7,110	0	7,110
0	292	0	292	Chief's Office	0	605	0	605
0	3,249	0	3,249	DCC Portfolio	0	5,100	0	5,100
0	3,132	0	3,132	DCO Portfolio	0	3,891	0	3,891
0	1,259	0	1,259	HR & Learning and Development	0	4,026	0	4,026
0	1,948	3,137	5,085	Corporate Charges	0	1,720	(1,287)	433
<b>0</b>	<b>22,273</b>	<b>3,137</b>	<b>25,410</b>	<b>Net cost of Services</b>	<b>0</b>	<b>70,386</b>	<b>(1,287)</b>	<b>69,099</b>
0	82,260	0	82,260	Other income and expenditure	0	90,985	0	90,985
<b>0</b>	<b>104,533</b>	<b>3,137</b>	<b>107,670</b>	<b>Difference between General Fund (Surplus) or Deficit and Expenditure Statement (Surplus) or Deficit</b>	<b>0</b>	<b>161,371</b>	<b>(1,287)</b>	<b>160,084</b>

Note 1 – This column adds in depreciation, impairments and revaluation gains and losses. It also adjusts for capital disposals with a transfer of the income on the disposal and the amounts written-off. MRP is deducted, adjustments are also made to recognise capital grant income.

Note 2 – This column shows the lines which have been affected by the removal of pension contributions and replaced with IAS 19 debits and credits.

Note 3 – Other differences includes short term accumulated absences and the Collection Fund adjustment.

### Note 3 – Officers' remuneration

2020/21	Number of Employees Remuneration Band (£)	2021/22
427	50,000 – 54,999	594
254	55,000 – 59,999	273
119	60,000 – 64,999	170
31	65,000 – 69,999	41
9	70,000 – 74,999	16
16	75,000 – 79,999	13
8	80,000 – 84,999	12
5	85,000 – 89,999	11
10	90,000 – 94,999	8
6	95,000 – 99,999	7
1	100,000 – 104,999	0
0	105,000 – 109,999	1
3	110,000 – 114,999	1
2	115,000 – 119,999	0
0	120,000 – 124,999	2
1	125,000 – 129,999	1
1	130,000 – 134,999	1
0	135,000 – 139,999	0
1	140,000 – 144,999	1
0	145,000 – 149,999	0
0	150,000 – 154,999	0
1	155,000 – 159,999	1
0	160,000 - 214,999	0
1	215,000 - 219,999	0
0	220,000 - 224,999	1
<b>896</b>	<b>Total</b>	<b>1,154</b>

Regulation 4 of the Accounts and Audit Regulations 2015 places 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 National Police Chiefs' Council (NPCC) ranking police officers, the Deputy Chief Officer (DCO), the Director of Essex and Kent Support Services, Director of Essex and Kent HR and L&D 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 2020/21 to 2021/22 is largely due to pay increments, inflation and additional overtime.

**Note 3 – Officers' remuneration (continued)**

Post Title	Note	2021/22						
		Salary including allowances	Other Payments (Police Staff)	Benefits in kind	Other Payments (Police Officers)	Total remuneration (excl pension contributions)	Pension contributions	Total remuneration (including pension contributions)
		£	£	£	£	£	£	£
Chief Constable, Mr Alan Pughsley		220,149	0	5,262	0	<b>225,411</b>	0	<b>225,411</b>
Deputy Chief Constable	1	2,624	0	29	0	<b>2,653</b>	726	<b>3,379</b>
Deputy Chief Constable	2	142,973	0	5,342	0	<b>148,315</b>	42,850	<b>191,165</b>
Deputy Chief Officer		133,479	0	10,835	0	<b>144,314</b>	17,619	<b>161,933</b>
Assistant Chief Constable (Local Policing)		121,720	0	5,370	0	<b>127,090</b>	36,958	<b>164,048</b>
Assistant Chief Constable (Serious Crime Directorate)	3	19,876	0	619	0	<b>20,494</b>	6,091	<b>26,586</b>
T/Assistant Chief Constable (Serious Crime Directorate)	4	92,320	0	5,198	0	<b>97,518</b>	27,614	<b>125,132</b>
Assistant Chief Constable (Central Operations)	5	22,904	0	2,114	0	<b>25,018</b>	6,955	<b>31,973</b>
T/Assistant Chief Constable (Central Operations)	6	98,816	0	8,400	0	<b>107,216</b>	30,004	<b>137,219</b>
T/Assistant Chief Constable (Central Operations)	7	43,909	0	1,460	0	<b>45,370</b>	9,931	<b>55,301</b>
Assistant Chief Constable (Crime Directorate)	8	1,623	0	59	0	<b>1,683</b>	585	<b>2,267</b>
Assistant Chief Constable (Crime Directorate)	9	21,622	0	0	0	<b>21,622</b>	6,557	<b>28,179</b>
Assistant Chief Constable (Crime Directorate)	10	19,378	0	1,022	0	<b>20,401</b>	5,808	<b>26,208</b>
T/Assistant Chief Constable (Crime Directorate)		106,866	0	4,980	0	<b>111,846</b>	29,114	<b>140,960</b>
T/Assistant Chief Constable Op Iowa	11	59,600	0	0	0	<b>59,600</b>	17,516	<b>77,116</b>
Director of Support Services (Kent & Essex Police), Mr Mark Gilmartin		159,414	0	0	0	<b>159,414</b>	21,043	<b>180,457</b>
Director of Human Resources and Learning & Development		129,362	0	0	0	<b>129,362</b>	16,911	<b>146,273</b>
Director of Corporate Communications and Citizens in Policing	12	93,673	0	0	0	<b>93,673</b>	12,365	<b>106,038</b>
Chief Finance Officer to the Chief Constable	13	37,487	0	0	0	<b>37,487</b>	4,665	<b>42,153</b>
<b>Total</b>		<b>1,527,796</b>	<b>0</b>	<b>50,690</b>	<b>0</b>	<b>1,578,486</b>	<b>293,311</b>	<b>1,871,797</b>

### Note 3 – Officers' remuneration (continued)

#### Notes:

1. Deputy Chief Constable retired from Kent Police on 7 April 2021.
2. Deputy Chief Constable was appointed on 6 April 2021.
3. ACC (Serious Crime Directorate) was appointed 24 January 2022. This is a shared post, 50:50 Kent Police and Essex Police. Full costs are shown against Kent as the employing Force.
4. Temporary ACC (Serious Crime Directorate) temporary appointment continued from 2020/21 and ended on 30 January 2022. This was a shared post, 50:50 Kent Police and Essex Police. Full costs are shown against Kent as the employing Force.
5. & 6. Temporary ACC (Central Operations) (6) was promoted to the permanent role (5) on 24 January 2022.
7. Temporary ACC (Central Operations) was appointed on 1 September 2021. This temporary role ended on 30 January 2022.
8. ACC Crime was promoted to Deputy Chief Constable on 6 April 2021. See note 2.
9. ACC Crime was appointed on 24 January 2022.
10. ACC Crime was appointed on 31 January 2022.
11. Temporary ACC (Op Iowa) retired from Kent Police on 1 October 2021.
12. Director of Corporate Communications and Citizens in Policing returned from an external secondment in July 2021. Full costs are shown against Kent as the employing Force.
13. Chief Finance Officer to the Chief Constable was appointed 8 November 2021.

Following the resignation of the Chief Finance Officer (CFO) to the Chief Constable in January 2021, the OPCC CFO agreed to fulfil the statutory role and responsibilities of the Section 151 officer until a replacement could be found. The force Director of Kent and Essex Support Services took on the non-statutory responsibilities of the post. The OPCC CFO and the Director of Kent and Essex Support Services were not paid any additional salary for covering the role. In March 2021, an interim CFO for the force was appointed until a permanent CFO was appointed in November 2021.

In addition to the police officers and police staff shown in the table, the Kent Police Chief Officer Management Team also included the following shared posts:

Member of the Kent Police Chief Officer team

a) Assistant Chief Constable Serious Crime

The post holder was on the Essex Police payroll and 50% of their costs were recharged to Kent Police during 2021/22 until they transferred to Kent Police 24 January 2022. Their remuneration for the period of April up to 23 January 2022 is disclosed in full in the Essex Police Statement of Accounts.

### Note 3 – Officers' remuneration (continued)

Post title	Note	2020/21								
		Salary including allowances	Performance related pay	Expenses allowances	Other payments (police staff)	Benefits in kind	Other payments (police officers)	Total remuneration (excluding pension contributions)	Pension contributions	Total remuneration (including pension contributions)
		£	£	£	£	£	£	£	£	£
Chief Constable, Mr Alan Pughsley		218,032	0	0	0	5,029	0	<b>223,061</b>	0	<b>223,061</b>
Deputy Chief Constable		142,940	0	0	0	14,242	0	<b>157,182</b>	43,113	<b>200,295</b>
Deputy Chief Officer		129,712	0	0	0	14,153	0	<b>143,865</b>	17,440	<b>161,305</b>
Assistant Chief Constable (Local Policing)		118,957	0	0	0	5,470	0	<b>124,427</b>	36,102	<b>160,529</b>
Assistant Chief Constable (Serious Crime Directorate)	1	34,754	0	0	0	4,982	0	<b>39,736</b>	10,850	<b>50,587</b>
T/Assistant Chief Constable (Central Operations)		116,261	0	0	0	10,731	0	<b>126,992</b>	35,266	<b>162,258</b>
Assistant Chief Constable (Crime Directorate)		114,711	0	0	0	5,401	0	<b>120,112</b>	34,170	<b>154,282</b>
T/Assistant Chief Constable (Crime Directorate)	2	7,701	0	0	0	0	0	<b>7,700</b>	2,370	<b>10,070</b>
T/Assistant Chief Constable Op Iowa	3	112,141	0	0	0	0	0	<b>112,141</b>	32,938	<b>145,079</b>
T/Assistant Chief Constable (Seconded)	4	30,371	0	0	0	920	0	<b>31,291</b>	7,901	<b>39,193</b>

## Note 3 – Officers' remuneration (continued)

Post title	Note	Salary including allowances £	Performance related pay £	Expenses allowances £	Other payments (police staff) £	Benefits in kind £	Other payments (police officers) £	Total remuneration (excluding pension contributions) £	Pension contributions £	Total remuneration (including pension contributions) £
Director of Support Services (Kent and Essex Police), Mr Mark Gilmartin	5	158,669	0	0	0	0	0	<b>158,669</b>	20,829	<b>179,498</b>
Director of Human Resources and Learning and Development	6	128,310	0	0	0	0	0	<b>128,310</b>	16,739	<b>145,048</b>
Director of Corporate Communications and Citizens in Policing	7	62,754	0	0	0	0	0	<b>62,754</b>	9,233	<b>71,987</b>
Chief Finance Officer to the Chief Constable	8	111,763	0	0	0	0	0	<b>111,763</b>	13,375	<b>125,138</b>
<b>Total</b>		<b>1,487,075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,928</b>	<b>0</b>	<b>1,548,002</b>	<b>280,327</b>	<b>1,828,328</b>

### Note 3 – Officers' remuneration (continued)

#### Notes:

1. Assistant Chief Constable (Serious Crime Directorate) was appointed on 7 December 2020. This is a shared post 50:50 between Kent and Essex Police. Full costs are shown against Kent as the employing force.
2. T/Assistant Chief Constable Crime was appointed 2 March 2021.
3. T/Assistant Chief Constable Op Iowa lead Kent Police's response to the COVID-19 pandemic.
4. T/Assistant Chief Constable (Seconded) retired 29 June 2020. Full costs are shown against Kent as the employing force, all costs were recovered under the secondment agreement.
5. Director of Essex and Kent Support Services is a shared post, 50:50 Kent Police and Essex Police. Full costs are shown against Kent as the employing force.
6. Director of Human Resources is a shared post, 50:50 Kent Police and Essex Police. Full costs are shown against Kent as the employing force.
7. Director of Corporate Communications and Citizens in Policing is currently on secondment. Full costs are shown against Kent as the employing force.
8. Chief Finance Officer to the Chief Constable resigned with effect 31 January 2021.

Following the resignation of the Chief Finance Officer (CFO) to the Chief Constable in January 2021, the OPCC CFO agreed to fulfil the statutory role and responsibilities of the Section 151 officer until a replacement could be found. The force Director of Kent and Essex Support Services took on the non-statutory responsibilities of the post. The OPCC CFO and the Director of Kent and Essex Support Services were not paid any additional salary for covering the role. In March 2021, an interim CFO for the force was appointed.

In addition to the police officers and police staff shown in the table, the Kent Police Chief Officer Management Team also included the following shared posts:

Members of the Kent Police Chief Officer team

- a) Assistant Chief Constable Serious Crime

The postholder is on the Essex Police payroll and 50% of their costs were recharged to Kent Police during 2020/21. Their remuneration is disclosed in full in the Essex Police Statement of Accounts.

## Note 4 - Termination benefits

There were no terminated contracts during 2021/22 (4 in 2020/21). 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 L1280, available on the Kent Police website, <https://www.kent.police.uk/foi-ai/kent-police/Policy/human-resources/employment-security-and-redeployment-protocol-l1280/> 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. A national review is taking place on Local Government exit payments following the removal of a cap on exit payments. Once the review has taken place Kent Police will review their exit payment policy.

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

2020/21					2021/22				
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	
0	0	0	<b>0</b>	0 – 20	0	0	0	<b>0</b>	
0	0	0	<b>0</b>	20 – 40	0	0	0	<b>0</b>	
0	0	0	<b>0</b>	40 – 60	0	0	0	<b>0</b>	
2	45	102	<b>147</b>	60 - 80	0	0	0	<b>0</b>	
0	0	0	<b>0</b>	80 - 100	0	0	0	<b>0</b>	
1	39	86	<b>126</b>	120-140	0	0	0	<b>0</b>	
1	54	154	<b>208</b>	200-220	0	0	0	<b>0</b>	
<b>4</b>	<b>138</b>	<b>342</b>	<b>480</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Note 5 – External audit costs

In 2021/22 the following fees were incurred relating to external audit and inspection, carried out by our appointed external auditors, Ernst & Young LLP. These are the fees that were agreed through the contract with Public Sector Audit Appointments Limited (PSAA). A request for additional fees was received from Ernst & Young LLP in relations to further work carried out during the 2019/20 audit for the McCloud/Sargent pension changes, Covid-19 and Going Concern reviews. These totalled approximately £6,000 and were submitted through the process run by PSAA.

Additional fees for 2020/21 of £11,245 have been agreed by PSAA.  
Additional fees for 2021/22 are subject to agreement by PSAA.

<b>2020/21</b>		<b>2021/22</b>
<b>£'000's</b>		<b>£'000's</b>
14	Fees payable in respect to External Audit Fees	20
<b>14</b>	<b>Total</b>	<b>20</b>

**Notes  
supporting the  
movement in  
reserves  
statement**



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

2021/22	General Fund (Includes Earmarked reserves and Insurance Fund) £'000's	Capital Reserve & Capital Contributions Unapplied Reserve £'000's	Total Useable Reserves £'000's	Total Unusable Reserves £'000's
<b>Included in the Comprehensive Income &amp; Expenditure Account</b>				
<b>Pensions Reverse</b>				
Reversal of pension charges made during the year	(92,490)	0	(92,490)	92,490
Pension payments appropriated to the pension reserve	253,861	0	253,861	(253,861)
<b>Accumulated Compensated Absences Account</b>				
Reversal of leave accrual	(1,287)	0	(1,287)	1,287
<b>Total</b>	<b>160,084</b>	<b>0</b>	<b>160,084</b>	<b>(160,084)</b>
2020/21	General Fund (includes earmarked reserves and Insurance Fund) £'000's	Capital reserve and capital contributions unapplied reserve £'000's	Total useable reserves £'000's	Total unusable reserves £'000's
<b>Included in the comprehensive income and expenditure account</b>				
<b>Pensions reverse</b>				
Reversal of pension charges made during the year	(86,548)	0	(86,548)	86,548
Pension payments appropriated to the pension reserve	191,081	0	191,081	(191,081)
<b>Accumulated compensated absences account</b>				
Reversal of leave accrual	3,137	0	3,137	(3,137)
<b>Total</b>	<b>107,670</b>	<b>0</b>	<b>107,670</b>	<b>(107,670)</b>

**Note 7 - Income and expenditure analysed by nature**

2020/21 £'000's	CC	2021/22 £'000's
<b>Expenditure</b>		
372,127	Employee benefits expenses	432,027
6,798	Other service expenses	6,841
0	Depreciation, amortisation and impairment	0
0	Interest Payments	0
82,260	Pensions interest cost	90,985
<b>461,185</b>	<b>Total expenditure</b>	<b>529,853</b>
<b>Income</b>		
0	Fees, charges and other service income	0
0	Income from Council tax and Business Rates	0
0	Government grants and contributions	0
0	Home Office Pension top-up grant	0
0	Interest and investment income	0
0	Income in relation to investment properties & changes in their fair value	0
0	Gains on disposal of non-current assets	0
(353,515)	Intra group funding for Chief Constables net service cost (Includes Support service recharges expenditure)	(369,769)
<b>(353,515)</b>	<b>Total income</b>	<b>(369,769)</b>
<b>107,670</b>	<b>(Surplus) or Deficit on the Provision of Service</b>	<b>160,084</b>



**Notes  
supporting  
the balance  
sheet**

## Note 8 – Short term creditors

2020/21 £'000's		2021/22 £'000's
6,712	Short Term Compensated Absences	5,425
<b>6,712</b>		<b>5,425</b>

## Note 9 – Net pension liability

2020/21 £'000's		2021/22 £'000's
4,530,925	Net Pension Liability	4,306,261
<b>4,530,925</b>		<b>4,306,261</b>

## Note 10 – Defined benefit pension schemes

### 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 12 – 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.

## Note 10 – Defined benefit pension schemes (continued)

The following transactions have been made in the CC's accounts during the year.

2020/21 £'000's	<b>Police Officer Pension Schemes (Combined)</b>	2021/22 £'000's
	<b><u>Comprehensive Income &amp; Expenditure Statement</u></b>	
	<b>Cost of Services:</b>	
69,400	Current service cost	119,700
300	Past service cost / (gain)	300
0	Effect of settlements	0
	<b><u>Financing &amp; investment Income &amp; Expenditure:</u></b>	
0	Interest income on plan assets	0
77,000	Interest costs on defined benefit obligations	85,500
0	Impact of Asset Ceiling on net interest	0
<b>146,700</b>	<b>Total post-employment benefit charged to the (surplus) / deficit on the Provision of Services</b>	<b>205,500</b>
	<b><u>Other post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement:</u></b>	
42,200	Actuarial losses (gains) arising from change in demographic assumptions	(40,900)
918,000	Actuarial losses (gains) arising from change in financial assumptions	(297,300)
(124,200)	Other experience	6,300
<b>982,700</b>	<b>Total post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>(126,400)</b>
	<b><u>Movement in Reserves Statement</u></b>	
(146,700)	Reversal of net charges made to the (surplus) / deficit on the Provision of Services for post-employment benefits	(205,500)
	<b><u>Actual amount charged to against the General Fund for Pensions in the year</u></b>	
<b>75,900</b>	<b>Actuarial Contributions to Fund</b>	<b>81,800</b>

## Note 10 – Defined benefit pension schemes (continued)

### Police Pension Scheme

#### Assets and liabilities in relation to retirement benefits

The following table reconciles the present values of the liabilities of the Police Pension Schemes:

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

2020/21 £'000's		2021/22 £'000's
<b>3,351,200</b>	<b>Benefit obligation at start of year</b>	<b>4,258,000</b>
69,400	Current Service Cost	119,700
77,000	Interest on Pension Liabilities	85,500
836,000	Actuarial losses/ (gains)	(331,900)
17,700	Contributions by scheme participants	18,300
300	Past Service Gains	300
(93,800)	Benefits paid / (received)	(100,000)
200	Transfers in from / (out to) other authorities	(100)
<b>4,258,000</b>	<b>Benefit obligation at end of year</b>	<b>4,049,800</b>

#### Reconciliation of movements in the fair value of the Scheme (plan)

2020/21 £'000's		2021/22 £'000's
<b>0</b>	<b>Opening Fair Value of Assets</b>	<b>0</b>
0	Expected return on assets	0
0	Actuarial gains (losses) on assets	0
75,900	Contributions by employer	81,800
17,700	Contributions by participants	18,300
200	Transfers in from / (out to) other authorities	(100)
(93,800)	Net benefits paid out	(100,000)
<b>0</b>	<b>Closing Fair Value of Assets</b>	<b>0</b>

## Note 10 – Defined benefit pension schemes – (continued)

### Police Pension Scheme

#### Pensions assets and liabilities recognised in the balance sheet

2020/21 £'000's	Police Pension Scheme (Combined)	2021/22 £'000's
4,258,000	Present value of Police Pension Scheme defined benefit obligation	4,049,800
0	Fair value of assets in the Police Pension Scheme	0
<b>4,258,000</b>	<b>Net Liability arising from the defined benefit obligation</b>	<b>4,049,800</b>

#### 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 have been:

2020/21	Mortality assumptions:	2021/22
	Longevity at 65 (60 for Police Officers) for current pensioners:	
27.4	Men	27.1
29.5	Women	29.4
	Longevity at 65 (60 for Police Officers) for future pensioners:	
28.7	Men	28.4
31	Women	30.8
3.3%	Rate of inflation (RPI)	3.7%
3.3%	Rate of increase in salaries	3.7%
2.9%	Rate of increase on pensions	3.2%
2.0%	Rate of discounting for scheme liabilities	2.7%
90.0%	Take up of option to convert annual pension into retirement lump sum	90.0%

#### Police Pension Scheme

The liabilities show the underlying commitments that the CC has in the long term to pay retirement benefits. The total liability of £4.0billion (£4.3billion – 2020/21) has a substantial impact on the net worth of the CC as recorded in the balance sheet.

## Note 10 – Defined benefit pension schemes – (continued)

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 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.

### Local Government Pension Scheme

2020/21 £'000's	Local Government Pension Scheme	2021/22 £'000's
	<b><u>Comprehensive Income &amp; Expenditure Statement</u></b>	
	Service Cost	
37,927	Current service cost	42,558
859	Past service cost / (gain)	0
0	(Gain) / Loss on curtailments & settlements	0
	Financing & investment Income & Expenditure:	
12,190	Interest costs	16,504
(6,930)	Expected return on assets in the scheme	(11,019)
254	Administration Expenses	318
<b>44,300</b>	<b>Total post-employment benefit charged to the (surplus) / deficit on the Provision of Services</b>	<b>48,361</b>
	<b><u>Other Post -employment Benefits charged to the Comprehensive Income and Expenditure Statement</u></b>	
(116,201)	Return on plan assets (excluding amount included in net interest expense)	(256)
(6,505)	Actuarial (gains) / losses arising from demographic assumptions	0
196,574	Actuarial (gains) / losses arising from financial assumptions	(55,509)
(7,560)	Experience (gains) / losses	1,630
0	Other (gains) / losses	0
<b>110,608</b>	<b>Total post-employment benefit charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>(5,774)</b>
	<b><u>Movement in Reserves Statement</u></b>	
<b>(44,300)</b>	Reversal of net charges made to the (surplus) / deficit on the Provision of Services for post-employment benefits	<b>(48,361)</b>
	<b><u>Actual amount charged to against the General Fund for Pensions in the year</u></b>	
<b>10,648</b>	Employers contribution payable to the scheme	<b>10,690</b>

## Note 10 – Defined benefit pension schemes – (continued)

### Local Government Pension Scheme

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

The actual return on scheme assets in the year was £11.3m (£123.1m – 2021/22).

### Pensions assets and liabilities recognised in the balance sheet

2020/21 £'000's	Local Government Pension Scheme	2021/22 £'000's
	Present value of liabilities	
(806,887)	Local Government Pension Scheme	(805,608)
535,462	Fair value of assets in the Local Government Pension Scheme	550,519
(271,425)		(255,089)
0	Other movements in the liability /(asset)	0
	Net liability arising from defined benefit obligation	
(1,500)	Local Government Pension Scheme	(1,372)
<b>(272,925)</b>	<b>Total</b>	<b>(256,461)</b>

## Note 10 – Defined benefit pension schemes – (continued)

### Local Government Pension Scheme

#### Reconciliation of present value of the scheme liabilities

The following tables reconcile the present value of liabilities and assets of the Local Government Pension Scheme attributable to the CC:

2020/21 £'000's	Local Government Pension Scheme	2021/22 £'000's
<b>580,803</b>	<b>Balance bought forward</b>	<b>808,387</b>
37,927	Current service cost	42,558
12,190	Interest cost	16,504
4,897	Contributions by scheme participants	5,150
	<b>Remeasurement (Gains) and Losses</b>	
(6,505)	Actuarial Gains / Losses arising from changes in demographic assumptions	0
196,574	Actuarial Gains / Losses arising from changes in financial assumptions	(55,509)
(7,560)	Experience (Gains)/Losses on defined benefit obligation	1,630
859	Past service costs	0
0	Losses/(Gains) on curtailments	0
0	Liabilities assumed on entity combinations	0
(10,653)	Benefits paid / transfers paid	(11,609)
0	Liabilities extinguished on settlements	0
(145)	Unfunded pensions payments	(131)
<b>808,387</b>	<b>Balance carried forward</b>	<b>806,980</b>

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

31 March 2021			31 March 2022	
£'000's	%		£'000's	%
344,800	64	Equities	354,379	64
3,182	1	Gilts	3,361	1
66,871	13	Other Bonds	76,010	14
55,418	10	Property	64,664	12
26,551	5	Cash	11,375	2
38,640	7	Target Return Portfolio	40,730	7
<b>535,462</b>	<b>100</b>	<b>Total</b>	<b>550,519</b>	<b>100</b>

## Note 10 – Defined benefit pension schemes – (continued)

### Local Government Pension Scheme

#### Reconciliation of the movements in fair value of scheme assets

2020/21 £'000's	Local Government Pension Scheme	2021/22 £'000's
<b>407,919</b>	<b>Opening fair value of the scheme assets</b>	<b>535,462</b>
<b>6,930</b>	Interest Income	<b>11,019</b>
	Remeasurement gain / (loss)	
116,201	Expected return on assets	256
0	Other	0
0	The effect of changes in foreign exchange rates	0
10,648	Employer contributions	10,690
4,897	Contributions by employees into the scheme	5,150
(10,798)	Benefits paid	(11,740)
(335)	Other	(318)
<b>535,462</b>	<b>Closing fair value of scheme assets</b>	<b>550,519</b>

### Local Government Pension Scheme (LGPS)

#### 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 2022.

## Note 10 – Defined benefit pension schemes – (continued)

The principal assumptions used in their calculations have been:

2020/21	Local Government Pension Scheme	2021/22
<u>Years</u>	<u>Mortality assumptions:</u>	<u>Years</u>
	Longevity at 65 (60 for Police Officers) for current pensioners:	
21.6	Men	21.6
23.6	Women	23.7
	Longevity at 65 (60 for Police Officers) for future pensioners:	
22.9	Men	23
25.1	Women	25.1
<u>%</u>		<u>%</u>
3.2%	Rate of inflation (RPI)	3.5%
2.9%	Rate of inflation (CPI) on which Pensions are based	3.2%
3.9%	Rate of increase in salaries	4.2%
2.9%	Rate of increase on pensions	3.2%
2.1%	Rate of discounting for scheme liabilities	2.6%
50.0%	Take up of option to convert annual pension into retirement lump sum	50.0%

The liabilities show the underlying commitments that the CC has in the long term to pay retirement benefits. The total liability (£256.5million) 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. The deficit on the Local Government Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

## Note 10 – Defined benefit pension schemes – (continued)

### McCloud consideration

The Chief Constable, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in October 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the government made clear through a written ministerial statement on 25 March 2020 that non-claimants would be treated in the same way.

On 16 July 2020 HM Treasury published their public service pension schemes consultation: changes to the transitional arrangements to the 2015 Schemes, which contained the proposed remedy regarding the McCloud/Sargeant remedy.

On 4 Feb 2021 HM Treasury published their response to the consultation. This response confirmed: that the legacy schemes would be closed from 31 March 2022; a remedy would be introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. Payments for some immediate detriment cases have been made.

On 19 July 2021 the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022.

The Act closed the legacy schemes from 31 March 2022 and brings the retrospective remedy into force by 1 October 2023.

It is now for Home Office to consult on the secondary regulations to bring the police determined by the act into force from 1 October 2023, this consultation is expected in January 2023.

**Notes  
supporting the  
cash flow  
statement**



**Note 11 – Cash flow statement**

<b>2020/21</b>		<b>2021/22</b>
<b>CC</b>	<b>Adjustments to net surplus / deficit on the provision for non-cash movements</b>	<b>CC</b>
<b>£'000's</b>		<b>£'000's</b>
(3,137)	(Increase) / decrease in creditors	1,287
(104,533)	Pensions liability	(161,371)
<b>(107,670)</b>	<b>Total</b>	<b>(160,084)</b>

# Other notes



The accounting policies have been updated to include the changes to the 2021/22 Code. The Covid 19 pandemic has meant the Accounts and Audit Regulations 2015 has extended the statutory audit deadline for 2021/22 financial year. This means the publication date for audited accounts will move from 31 July to 30 November 2022.

## Note 12 – Accounting policies

### i. General principles

The statement of accounts summarises the CC for Kent's transactions for the financial year 2021/22 and its position as at the 31 March 2022 subject to the notes below. The Accounts and Audit Regulations 2015 require the CC for Kent to prepare an annual statement of accounts in accordance with proper practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and the Chartered Institute of Public Finance and Accountancy (CIPFA) in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The requirements to use the going concern basis of accounting mean that the CC for Kent do not apply paragraph 25 of IAS 1 presentation of financial statements mandating management to make an assessment of CC for Kent's ability to continue as a going concern. But instead report on the impact of financial pressures in the narrative report – telling the story of the financial statements, and the relevant liquidity reporting requirements under the Code's adoption of IFRS 7 – Financial Instruments: Disclosures.

The 2021/22 Code guidance notes include additional clarification in relation to the expenditure and funding analysis – to provide additional guidance to assist accounts preparers in the preparation of the note.

At midnight on the 21 November 2012 all property, rights, assets and liabilities which previously belonged to the Kent Police Authority were transferred to the PCC for Kent. This includes all property, plant and equipment and income. 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 who 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.

## Note 12 – Accounting policies (continued)

As stated above all contracts and bank accounts are held by the PCC. All economic benefits arising from any transaction also falls to the PCC so all costs and income are held with the PCC. The CC is unable to enter into borrowing arrangements so costs such as the PFI contracts and any leasing arrangements must be held by the PCC.

As stated above all property plant and equipment is in the ownership of the PCC. Decisions around the amount of resources available for investing in capital activities are made by the PCC as are decisions around disposals. The PCC agrees the five year capital programme and monitors expenditure against it throughout the year.

Only salary transactions for police officers, PCSOs and all staff (other than those directly working in the OPCC) are shown in the accounts of the CC. All other transactions are shown in the PCC accounts.

### ii. Accruals of expenditure

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

### iii. Exceptional items

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

### iv. Prior period adjustments, changes in accounting policies and estimates and errors

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

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

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

## Note 12 – Accounting policies (continued)

### v. Employee benefits

#### **Benefits payable during employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the CC for Kent. 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. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the intra-group transfer from the PCC for Kent's Accounts.

Short-term compensated absences are those periods in which an employee does not provide services to the employer but continues to be paid. Compensated absences may be accumulating or non-accumulating.

Accumulating absences are those that are carried forward and can be used in future periods if the current entitlement is not used in full. For Kent Police this includes annual leave, flexi-leave and time off in lieu. Accumulating absences may be vesting or non-vesting. Where vesting, employees who leave are entitled to a cash payment in respect of any unused entitlement; where non-vesting, benefits lapse if an employee leaves before the vesting date.

For Kent Police vesting accumulated short term compensated absences are annual leave and time off in lieu only. Flexi-time is non-vesting. Short term accumulating compensated absences shall be:

- recognised when employees render services that increases their entitlement to future compensated absences.
- measured as the additional amount that CC for Kent expects to pay as a result of unused entitlement that has accumulated at the balance sheet date including associated employer's national insurance contributions.

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 £3million 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.

Payment of the levy is recognised as an employee expense and is recognised as such in accordance with the requirements of section 6.2 (Benefits Payable During Employment) of the code. The Apprenticeship levy is payable through Pay As You Earn (PAYE) and is payable alongside income tax and national insurance and is accounted in the same way. Any amounts credited to income received in Kent Police's Apprenticeship Scheme will be accounted under government grant in accordance with section 2.3 (government and non-government grants). There were seven apprenticeships funded during 2021/22.

## Note 12 – Accounting policies (continued)

### Termination benefits

Termination benefits are amounts payable as a result of a decision by the PCC for Kent or the CC for Kent to terminate an employee's contract before the normal retirement date or an officer'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 the termination of the employment of an individual or group of individuals or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by 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 three different types of pension schemes for police officers and a single scheme for police staff. Post-employee benefits are associated with the Kent Police group and CC's accounts, they do not materially affect the accounts of the single entity for the PCC for Kent.

- The Police Pension Scheme (PPS), governed by the Police Pensions Regulations 1987 (as amended)
- The New Police Pension Scheme (NPPS), regulated under the Police Pension Regulations 2006
- The 2015 Scheme, regulated under the Police Pension Regulations 2015
- The Local Government Pensions Scheme, administered by Kent County Council.

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

- Service cost – comprising:
  - current service cost being the increase in liabilities as a result of years of service earned this year – allocated in the comprehensive income and expenditure statement to the services for which the employees worked;
  - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement as part of non-distributed costs;
  - gains or losses on settlements and curtailments – the result of actions to relieve Kent Police of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement as part of non-distributed costs;

## Note 12 – Accounting policies (continued)

- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – 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:
  - expected return on assets – the annual investment return on the fund assets attributable to Kent Police, based on an average of the expected long-term return – credited to the pension reserve;
  - actuarial gains and losses arising on changes in demographic assumptions– changes in the net pensions liability that arise because experience has not reflected the demographic assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the pensions reserve;
  - actuarial gains and losses arising on changes in financial assumptions– changes in the net pensions liability that arise because experience has not reflected the financial assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the pensions reserve;
  - contributions paid to the pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by 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.

Accounting and reporting by pension funds has been updated to reflect the 2021/22 Code’s requirements for the new disclosure of investment management transaction costs and clarification on the approach to investment concentration disclosure.

## Note 12 – Accounting policies (continued)

### Police Pension Schemes

All Police schemes are contributory occupational pension schemes with officers making varying levels of contributions dependent on their salary level. Contributions to both the old and new Police Pension Schemes have three tiers as follows:

Salary level	Police Pension Scheme	New Police Pension Scheme	CARE Scheme From 1 April 2015
	2021/22 (2020/21) % contribution rate	2021/22 (2020/21) % contribution rate	2021/22 (2020/21) % contribution rate
Under £27,000 per annum	<b>14.25%</b> (14.25%)	<b>11.00%</b> (11.00%)	<b>12.44%</b> (12.44%)
£27,000 to £59,999 per annum	<b>14.25%</b> (14.25%)	<b>12.05%</b> (12.05%)	<b>13.44%</b> (13.44%)
£60,000 per annum or more	<b>15.05%</b> (15.05%)	<b>12.75%</b> (12.75%)	<b>13.78%</b> (13.78%)

The Police pension account was set up on 1 April 2006 to administer all Police Pension Schemes.

The Police Pension Schemes are defined benefit schemes (without managed pension assets). The employer's contribution for each serving officer is common to all schemes at 31.0% of pensionable pay. 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 account for movements in the asset / liability relating to the define benefit schemes.

Transfers into and out of the schemes 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 Schemes attributable to Kent Police are included in the balance sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates 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 prescribed by the Funds' Actuaries.

## Note 12 – Accounting policies (continued)

### The Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme is a contributory occupational pension scheme with police staff making contributions in accordance with the table below dependent on their salary level.

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

Salary level	LGPS Rate up to 31 March 2022 %
Up to £14,600 per annum	5.5
£14,601 to £22,900 per annum	5.8
£22,901 to £37,200 per annum	6.5
£37,201 to £47,100 per annum	6.8
£47,101 to £65,900 per annum	8.5
£65,901 to £93,400 per annum	9.9
£93,401 to £110,000 per annum	10.5
£110,000 to £165,000 per annum	11.4
More than £165,001 per annum	12.5

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 – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of projected earnings for current employees.

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.

## Note 12 – Accounting policies (continued)

### 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.

- vi. 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:

1. 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;
2. 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.

- vii. Overheads and support services

Overheads are apportioned and the costs of support services are fully allocated to the net cost of services.

- viii. VAT

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

## Note 13 – 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 overleaf:

## Note 13 – Assumptions made about the future and other major sources of estimation uncertainty (continued)

### 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	£'000's	£'000's	£'000's
Adjustment to discount rate	0.50%	0.00%	-0.50%
Present value of total obligation	3,608,109	4,049,800	4,491,491
Projected service cost	74,062	96,800	119,538
Adjustment to member life expectancy	+1 year	None	-1 Year
Present value of total obligation	4,171,079	4,049,800	3,928,521
Projected service cost	99,703	96,800	93,897
Adjustment to salary increase rate	0.50%	0.00%	-0.50%
Present value of total obligation	4,082,689	4,049,800	4,016,911
Projected service cost	96,800	96,800	96,800
Adjustment to pension increases and deferred revaluation	0.50%	0.0%	-0.50%
Present value of total obligation	4,384,972	4,049,800	3,714,628
Projected service cost	105,409	96,800	88,191

## Note 13 – Assumptions made about the future and other major sources of estimation uncertainty (continued)

### 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	£'000's	£'000's	£'000's
Adjustment to discount rate	0.10%	0.00%	-0.10%
Present value of total obligation	787,633	806,980	826,823
Projected service cost	36,206	37,660	39,167
Adjustment to member life expectancy	+1 year	None	-1 Year
Present value of total obligation	808,976	806,980	805,004
Projected service cost	37,681	37,660	37,640
Adjustment to salary increase rate	0.10%	0.00%	-0.10%
Present value of total obligation	824,700	806,980	789,692
Projected service cost	39,155	37,660	36,216
Adjustment to pension increases and deferred revaluation	0.10%	0.00%	-0.10%
Present value of total obligation	839,030	806,980	776,215
Projected service cost	39,154	37,660	36,217

### 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 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 etc. causing relatively large variation in the values. This is why the sensitivity analysis tables have been included in the statement of accounts.

## Note 14 – Events after the balance sheet date

The statement of accounts was authorised for issue by the CFO on 7 October 2022. 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 2022, 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.

Expenditure incurred on additional service provision, or reduced Income from services or investments pertaining to 2021/22 will be accounted for within the 2021/22 financial statements in accordance with our accounting policies and accepted accounting practice.

## Note 15 - 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, provides the majority of its funding in the form of grants to the PCC and prescribes the terms of many of the transactions that the Kent Police has with other parties (e.g. 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 2021/22.

### Other public bodies

Through the PCC for Kent, 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 two main collaborative agreements with Essex Police covering Serious Crime and Support Services.

Jointly controlled operations are further explained in note 37 in the Kent Police Group Accounts.

## Note 15 - Related parties (continued)

### 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 16 – Contingent assets and liabilities

The Chief Constable, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police Pension Scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in October 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants would be treated in the same way.

On 16 July 2020 HM Treasury published their public service pension schemes consultation: changes to the transitional arrangements to the 2015 Schemes, which contained the proposed remedy regarding the McCloud/Sargeant remedy.

On 4 Feb 2021 HM Treasury published their response to the consultation. This response confirmed: that the legacy schemes would be closed from 31 March 2022; a remedy would be introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. Payments for some immediate detriment cases have been made.

On 19 July 2021 the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022.

The Act closed the legacy schemes from 31 March 2022 and brings the retrospective remedy into force by 1 October 2023.

It is now for Home Office to consult on the secondary regulations to bring the police determined by the act into force from 1 October 2023, this consultation is expected in January 2023.

## Note 16 – Contingent Liabilities - (continued)

### Remedy

The Public Service Pensions and Judicial Offices Act 2022 legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.

The main elements of the Act are:

- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

### Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For the Police and Crime Commissioner for Kent, this effects around 2,700 members. The actuary originally estimated the increase in scheme liabilities for the Police and Crime Commissioner for Kent to be 4.3% or £147m of pension scheme liabilities. This was recognised in the 2018-19 accounts. In 2019/20, a different approach was taken to estimate the impact of McCloud, resulting in a revised allowance of 3.8% of liabilities or around £130m. This also included an additional year's benefits from the remedy and a reduction resulting from the eligibility criteria for members set out in HM Treasury's consultation. In 2020/21, a further, more detailed, estimate of 1% of pensions scheme liabilities or £40m was calculated using actual membership data and reflected in the accounts (again reflecting an additional year's benefits from the remedy). An additional allowance of £7m has been included within these accounts to allow for an additional year of benefit accrual from the remedy.

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

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to

## Note 16 – Contingent Liabilities - (continued)

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.

### Legal Claims

Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

### Aarons & Ors

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims are due to be heard by the Employment Tribunal in December 2022. The settlement of the injury to feelings claims for Aarons sets a helpful precedent.

Therefore, no liability in respect of compensation claims is recognised in these accounts.

### Penningtons

As at 31 March 2022, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

## Note 17 - Accounting standards issued, not adopted

Paragraph 3.3.2.13 of the 2021/22 Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 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.

Paragraph 3.3.4.3 and Appendix C of the Code adapts IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2022/23 Code). This means that only the standards listed below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2022/23 Code where disclosures are required in the 2021/22 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
  - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
  - IAS 37 (Onerous contracts) – clarifies the intention of the standard
  - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
  - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

## Note 17 – Accounting standards issued, not adopted - (continued)

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

There are no other accounting changes that are introduced in the 2021/22 Code that will have an impact on the CC statement of accounts.

## Note 18 - Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The provisions in the code state that PCCs have 'no ability to cease being a going concern as described by IAS 1 Presentation of Financial Statements (i.e., management deciding to liquidate the entity or cease trading) therefore the Kent Police Service group accounts, encompassing both the Police and Crime Commissioner (PCC) and Chief Constable accounts, have been prepared accordingly.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31<sup>st</sup> March 2024 management have undertaken forecasting of both income and expenditure, the expected impact on reserves, cashflow forecasting, the medium-term financial plan, savings requirements and plans and the culture of the organisation to meet financial challenges.

Our recent and forecast balances are as follows:

Date	General Fund	Earmarked reserves
31/03/21	£6.9m	£13.3m
31/03/22	£10.5m	£11.4m
31/03/23*	£11.1m	£9.3m
31/03/24	£11.5m	£8.9m

\* After Q1 forecast and adjustment for general reserves increase for 2023/24

The first call on the 2021/2022 budget was to restore reserves to the appropriate level of 3% of net revenue budget. This was completed on 1<sup>st</sup> April 2021.

The current forecast for our reserves position shows the level of general reserves increasing in line with our reserve's strategy. Our earmarked reserves also show a healthy balance. It should be noted that while a small amount of the earmarked reserves will be used over the next two years, a substantial element has scope to be used to cover unplanned events, and hence when these more flexible sums are combined with the General Reserve, the level of reserves held to cover unplanned expenditure would exceed that recommended by the CFO.

## Note 18 - Going concern - (continued)

Our cashflow forecasting and assessment of the adequacy of our liquidity position demonstrates the need to borrow for cash flow purposes towards the end of 2022/23. A small level of borrowing was required in July 2022 due to the timing of receipts and payments. The expected larger borrowing is due to Op Zenith, the operation to improve and rationalise our Estate. This is expected to yield significant savings once complete. The project will cover at least three financial years and so our need to borrow for cashflow purposes may be reflected again in the future if negative cashflow balances occur during the going concern period. Our expectation to borrow to fund the capital programme is within our prudential limits contained within our Treasury Management Strategy.

We have considered a number of different scenarios and circumstances for 2022/23 and for 2023/24. This has identified the following risks and opportunities:

- Required savings are not achieved in 2022/23.
- A major police operation.
- Further increases in inflation indices.
- Higher than anticipated pay awards for both Police Officers and Police Staff
- Difficulty in hitting our recruitment target for Police.
- Increased pension contributions from the outcome of the Pension Triennial Revaluation.
- Changes in the level of precept levied.
- Changes in the level of the council tax base and collection fund.
- Increasing overspend for 2022/23.

Depending on the financial impact, any one of these events would lead us to a situation where we will need to draw down on our earmarked reserves. Should more than one of these events occur it could mean we have to draw down on our general reserves. Any use of general reserves will necessitate their replenishment and increase our need to make further savings.

In preparation of this assessment the two CFO's have also reviewed our financial resilience by identifying a worst-case option in which all the above risks occur. In this worst case our level of reserves could be completely exhausted or become negative necessitating immediate corrective action.

Although the likelihood of all the risks and none of the opportunities outlined above occurring simultaneously is low there is enough uncertainty within the financial environment for it to be considered. In order to mitigate this scenario and to maintain the minimum level of General Reserves, the PCC and Chief Constable would need to make some key service delivery decisions identifying ways to reduce expenditure and maximise income whilst minimising the impact on front line policing services.

On this basis, the Police & Crime Commissioner and the Chief Constable have a reasonable expectation that they will have adequate resources to continue in operational existence throughout the going concern period maintaining an effective policing service. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

## **Note 19 - Date of authorisation of the statement of accounts for issue**

The statement of accounts was authorised for issue on 7 October 2022 by Mr Jonathan Castle, Chief Finance Officer to the Chief Constable for Kent Police.



## Supplementary accounts



## Police Officer Pension Fund account

2020/21 £'000's		2021/22 £'000's
	<b>Contributions receivable</b>	
(41,055)	Police and Crime Commissioner for Kent	(42,681)
(17,696)	Serving Police Officers	(18,312)
(154)	Capital equivalent payment for ill-health	(583)
	<b>Transfers In</b>	
(511)	Individual transfers in from other schemes	(215)
<b>(59,416)</b>	<b>Total Receipts</b>	<b>(61,791)</b>
	<b>Benefits payable</b>	
75,701	Pensions	77,505
13,937	Commutations and lump sum payments	19,693
0	Lump sum death benefits	0
	<b>Payments to and on account of leavers</b>	
278	Refund of contributions	180
260	Individual transfers out to other schemes	341
0	Additional lump sum adjustments and interest paid in respect of Milne v Gad	11
<b>90,176</b>	<b>Total Payments</b>	<b>97,730</b>
<b>30,759</b>	Sub-total for the year before transfer from Police and Crime Commissioner for Kent of amount equal to the deficit	<b>35,939</b>
<b>(30,759)</b>	Transfer of amount from the Police and Crime Commissioner for Kent of amount equal to the deficit	<b>(35,939)</b>
<b>0</b>	<b>Net amount payable for the year</b>	<b>0</b>

The table above identifies the movements on the Police Officer Pension Fund Account for the year.

### 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 Kent County Council.

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 General Fund.

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.

## Police Officer Pension Fund account (continued)

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 2019/20, the employer contribution rate is 31%.

### Pension Fund net asset statement

2020/21		2021/22
£'000's		£'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

### Accruals

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

### ACC

Assistant Chief Constable.

### Actuarial gains and losses

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

### AGS

Annual Governance Statement.

### Amortisation

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

### Appropriations

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

### Athena

Project Athena is a collaborative project involving nine police forces (Bedfordshire, Cambridgeshire, City of London, Essex, Hertfordshire, Kent, Norfolk, Suffolk and British Transport Police). This project is to implement a single instance IT solution across the nine forces to deliver the following function: Intelligence, investigation

management and defendant management (custody and case preparation).

### AUC

Assets Under Construction.

### Budget

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

### Capital expenditure

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

### CARE scheme

Career average revalued earnings (CARE) schemes are a type of defined pension benefit scheme that are offered by employers. The benefits at retirement are based on your earnings and length of membership of the scheme.

### CFO

Chief Finance Officer.

### Chief Officers

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

### CIES

Comprehensive Income and Expenditure Statement.

### CIPFA

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

### COMB

Chief Officer Management Board

### Contingency

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

### Corporate charge

Includes general charges such as pension charges, Federation costs, Insurance, banking and treasury management.

### Creditors

Amounts owed by the Kent Police group at the balance sheet date for goods received or work done.

### Current service (pensions) cost

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

### Curtailed and settlements

Curtailed arises as a result of the early payment of accrued pensions on retirement on the grounds of efficiency, redundancy or where the employer has allowed employees to

retire on unreduced benefits before they would otherwise have been able to do so.

### **DCC portfolio**

Deputy Chief Constable's portfolio. This includes the following departments: Corporate Services; Corporate Communications; Professional Standards and Legal Services.

### **Debtors**

Amounts due to the group but unpaid at the balance sheet date.

### **De minimus**

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

### **Depreciation**

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

### **Division**

The force is organised into three geographical areas, North, West and East divisions.

### **Expected return on assets**

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

### **Fair Value (FV)**

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

### **Fixed assets**

Tangible assets which yield benefits to the group for periods of more than one year, also referred to as non-current assets.

### **FOI**

Freedom of Information.

### **FRIC GAD**

Government Actuaries Department.

### **HMICFRS**

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

### **HR**

Human Resources.

### **IAS**

International Accounting Standards.

### **ICO**

Information Commissioner's Office.

### **IFRS**

International Financial Reporting Standards.

### **Impairment**

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

### **Insite**

The force's intranet.

### **JAC**

Joint Audit Committee.

### **Joint Support Services**

The Joint Support Services Department includes: HR; Learning and Development; Information Services; Procurement; Transport, Business Services and Estate Department.

### **KFRS**

Kent Fire and Rescue Services.

### **KMPCP**

The Kent and Medway Police and Crime Panel

### **LAAP**

Local Authority Accounting Panel

### **LASAAC**

Local Authority (Scotland) Accounts Advisory Committee.

### **Leasing**

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

a) Finance lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the group's balance sheet at a current valuation.

b) Operating lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

### **LGPS**

Local Government Pension Scheme.

**Liability**

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

**LLP**

Limited Liability Partnership.

**LPP**

Local Policing and Partnerships, includes Neighbourhood Policing teams, incident response and management, specialist community liaison and local command teams and local support overheads.

**Minimum Revenue Provision (MRP)**

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

**MTFP**

Medium Term Financial Plan.

**National policing**

Including Counter Terrorism and Special Branch duties.

**NHS**

National Health Service.

**Non-distributed costs**

Past Service Pension Costs (IAS19), redundancy costs and non-service specific impairments.

**NPAS**

National Police Air Service.

**NPCC**

National Police Chiefs' Council.

**NPPS**

New Police Pension Scheme.

**OPCC**

Office of the Police and Crime Commissioner.

**Outturn**

The actual level of spending and income in a particular year.

**PACCTS**

Police and Crime Commissioners Treasurers Society.

**Past service (pension) costs**

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

**PCC**

Police and Crime Commissioner.

**PCPPCSO**

Police Community Support Officer.

**PEEL**

Police Efficiency, Effectiveness and Legitimacy.

**PFI**

Private Finance Initiative.

**POCA**

Proceeds of Crime Act.

**Police grant**

Police grant is allocated by the Home Office using a complex needs based formula.

**PPS**

Police Pension Scheme.

**Provision**

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

**PRSRA**

Police Reform and Social Responsibility Act 2011.

**PSE**

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

**QPM**

Queen's Police Medal is awarded to police officers in the United Kingdom and Commonwealth of Nations, for gallantry or distinguished service.

**Remuneration**

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

**Reserves**

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

**Revenue expenditure**

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

**RPI**

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

**SARs**

Subject Access request.

**Specific grants**

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

**SPR**

Strategic Policing Requirement.

**Usable capital receipts**

Capital receipts available to finance capital expenditure in future years.

**VfM**

Value for Money.

## Note references

Notes	Description
Note 1	Expenditure and funding analysis
Note 2	Note to expenditure and funding analysis
Note 3	Officers' remuneration
Note 4	Termination benefits
Note 5	External audit costs
Note 6	Adjustments between accounting basis and funding basis under regulations
Note 7	Income and expenditure analysed by nature
Note 8	Short term creditors
Note 9	Net pensions liability
Note 10	Defined benefit pension schemes
Note 11	Cash flow statement
Note 12	Accounting policies
Note 13	Assumptions made about future and other major sources of estimation uncertainty
Note 14	Events after the balance sheet date
Note 15	Related parties
Note 16	Contingent assets and liabilities
Note 17	Accounting standards issued, not adopted
Note 18	Going concern
Note 19	Date of authorisation of the statement of accounts for issue

## 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](http://www.kent.police.uk)

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