



# Chief Constable of West Midlands Police

Statement of Accounts for  
**2023 - 2024**

Working in partnership,  
making communities safer.



# STATEMENT OF ACCOUNTS 2023-24

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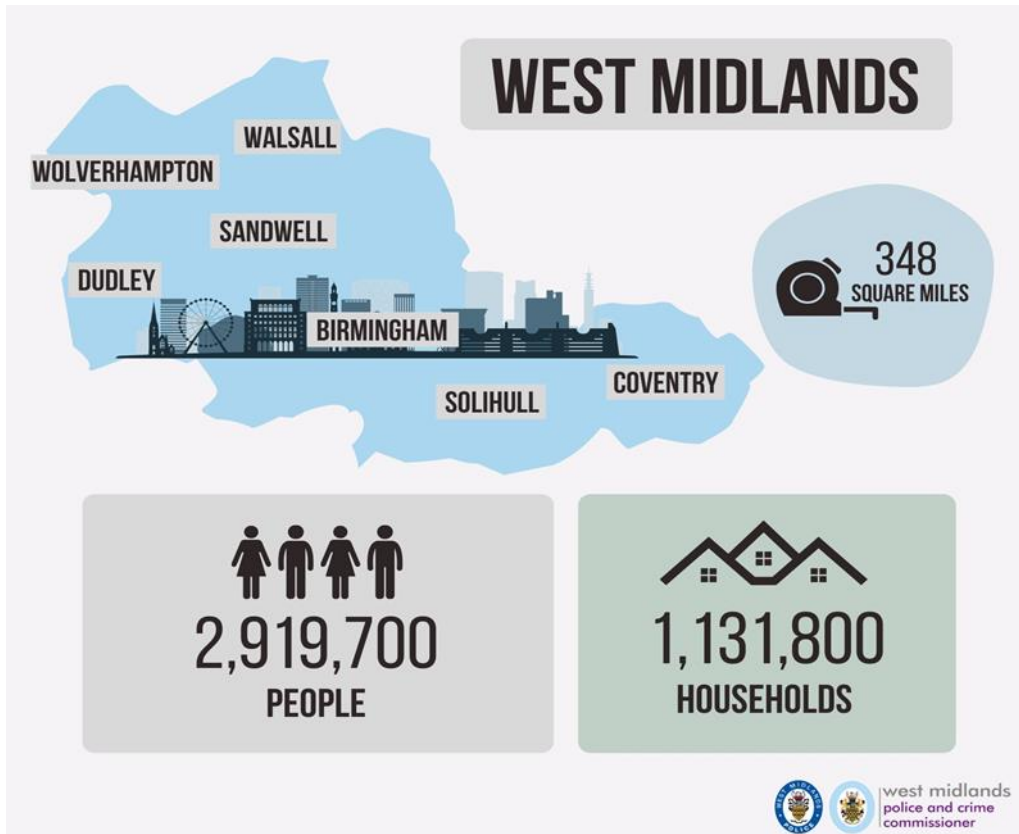
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## NARRATIVE REPORT

### About the West Midlands and West Midlands Police

West Midlands Police is the second largest police force in the country after London's Metropolitan Police Service. It covers an area of 348 square miles and serves a population in the region of 3 million (over 1 million households). The region sits at the very heart of the country and covers the three major cities of Birmingham, Coventry and Wolverhampton. It also includes the busy and thriving districts of Dudley, Sandwell, Solihull and Walsall. Much of the area is densely populated but there are some rural areas.



The region's economy has diversified from its historic heavy industry roots of the Industrial Revolution. With the decline in traditional manufacturing, both the public and private sectors have rejuvenated the area. Birmingham now has a commercial and shopping area which is among the largest in Europe. This is complemented by a wide range of social amenities such as the National Exhibition Centre, Utilita Arena Birmingham, International Convention Centre, theatres, galleries and many large conference facilities. The area boasts a thriving nightlife, centred around Birmingham City Centre. West Midlands hosts Premier League and Championship football clubs together with many others in the other leagues of the football pyramid.

The region is well served by rail and road links. Road and rail travel is supplemented by significant air traffic through Birmingham International and Coventry airports. The area is proud of its academic institutions, being home to several universities located in Birmingham, Coventry, Walsall and Wolverhampton.

There are seven local authorities within the area, Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, each with a Community Safety Partnership.



## Our Priorities

There are three strategic priorities for West Midlands Police. These are:

- **A service that works for local people**

Our new local policing model, which is built on seven Local Policing Areas, provides a local, visible police service, delivered in the heart of our diverse communities. People can expect to see more officers spending more time in their local community, understanding and preventing local problems and tackling the acquisitive and violent crime which has the greatest day to day impact on our communities. Each Local Policing Area has a Priority Crime Team as a proactive resource to address local issues and they also maintain a strong focus on serious and organised crime and exploitation to prevent the harm caused and bring more offenders to justice. This will build on our renewed investigative focus on key crimes including burglary, robbery, vehicle crime and domestic abuse which is already delivering better outcomes for the public we serve. Our specialist capabilities and teams including Operations, Intelligence, Force Criminal Investigations Department and Public Protection Unit (PPU) are an important part of West Midlands Police. They help to ensure that we are 'big enough to cope' with everything that is asked of us and perform to consistently high standards. Providing a service that works for local people also means ensuring the public can contact us easily and that we can respond quickly with the most appropriate resource. We are making a significant investment in Force Contact to ensure we can respond quickly and effectively when people need us.

- **Engaged communities**

Engaged communities are the key to building trust, public confidence and legitimacy. Our new local policing model is helping us to get better at listening to the diverse communities across the West Midlands to understand their issues and work with them to act on the areas they tell us matter to them. Ongoing investment in neighbourhood policing will drive problem solving around local issues to reduce crime and harm. We can't do this alone though. We will continue to work collaboratively with our partners, businesses and other agencies to make the best use of our shared resources and to invest in long term prevention for the benefit of the communities we serve. We will be transparent and accountable to communities about what we are doing and why, and we will continue to be open to scrutiny of the use of police powers.

- **Employer of choice.**

West Midlands Police continue to thrive on the outstanding work of our officers and staff. We will prioritise investment in our front-line police officers and staff because they are the ones that keep people and communities safe. As a major regional employer, we will continue to creatively attract and develop local talent from across the West Midlands, including its schools, colleges and universities to create jobs for local people. We will place a renewed focus on ensuring the force is representative of our local communities so we have the skills, cultural awareness and talents we need to serve the public as criminality changes and adapts across communities. This will mean investing in staff, their training, development, mobility, agility and providing supportive opportunities during a cost of living crisis.

These strategic priorities underpin the forces vision, to be recognised as a police force that is big enough to cope with everything that is asked of us, while showing that we are small enough and care about the things that really matter to people and allow us to achieve our mission of 'working in partnership, making communities safer'.



## Our Approach

### Delivering a service for local people:

- A new local policing model which respects people, places and partners
- Protect the vulnerable, bear down on violent crime and increase visibility
- Clear ownership, affinity and pride in local teams to keep the public safe and pool our collective impact upon local criminality
- Answer the phone in good time, listen, be honest and support victims
- Ensure the IT investment continues to increase efficiency
- Think differently on estates – stay local by sharing at a reduced cost
- Keep investing in prevention and engagement with our partners, especially young people

### Engaged Communities:

- The key to trust, legitimacy and confidence
- 'You said, we did'
- Be there in good times and the bad
- Creative in approach, open up WMP to the public
- Use of force, stop search, data and disproportionality
- Recruitment – intelligently together and representative
- Cohesion – WMP seen as a trusted arbiter

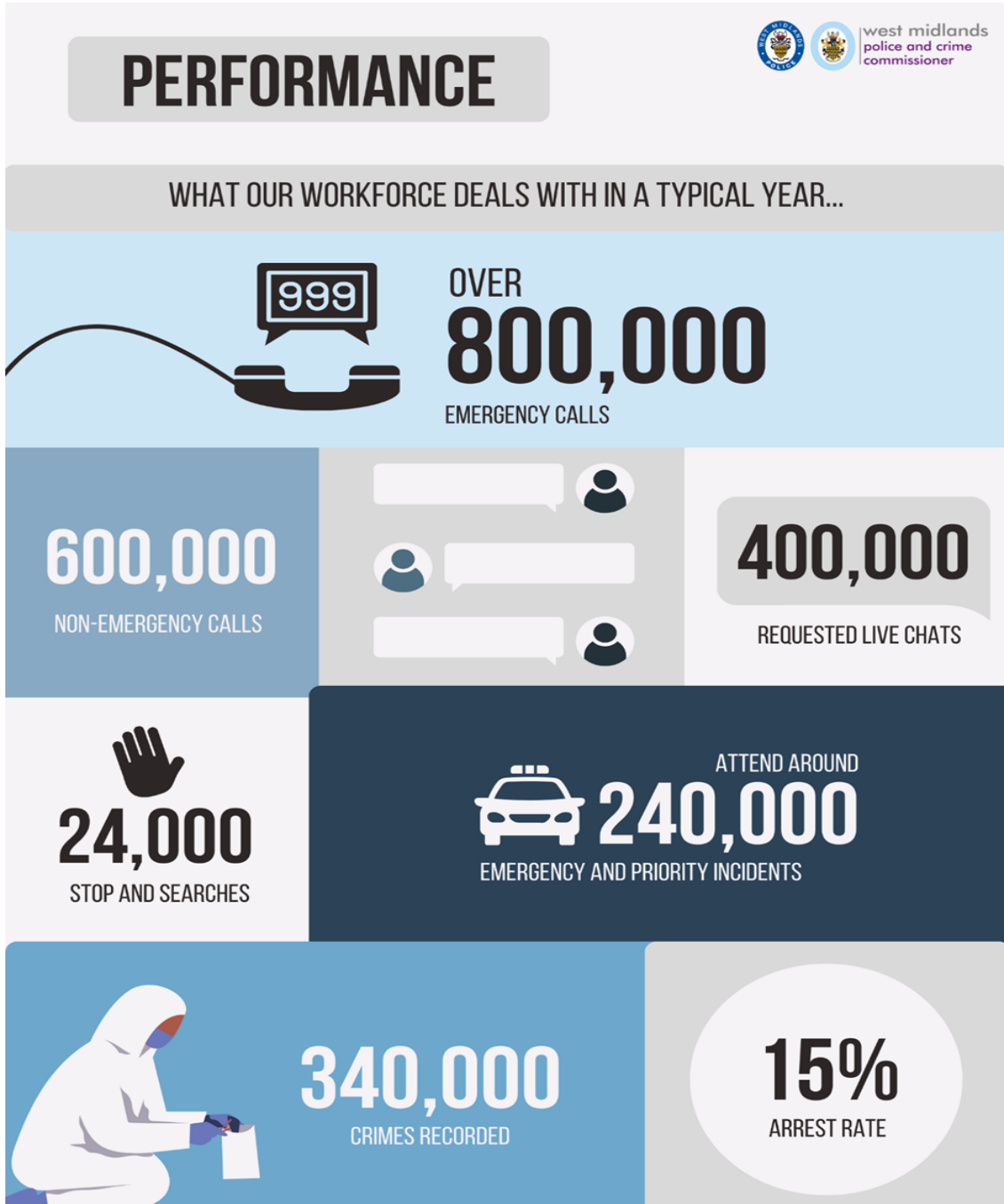
### Employer of choice:

- A 'one team' listening approach
- Genuinely supportive, fair and organisationally just
- High standards
- Creative in practise, develop local talent
- Investing in officer and staff development
- Less 'checkers,' more 'doers'
- Understand the impact of cost of living on people



## Organisation Overview

West Midlands Police has a reputation for continuous improvement, innovation and empowering leadership with a talent to continuously evolve and meet changing needs. The Force aims to deliver policing that is accessible and responds to the needs of local people. Neighbourhood policing provides a named team of local officers who can influence the policing priorities within their neighbourhood. They work with colleagues and partner agencies to address the concerns of their communities.





## The Role of Chief Constable

The Chief Constable is responsible for the direction and control of West Midlands Police Force. Chief Constables and their officers must answer to the courts and the law for how police powers are used. They must also answer to the Police and Crime Commissioner in terms of delivering efficient and effective policing, and the way resources and spending are managed. Chief Constables will deliver the strategy and aims set out in the PCC's police and crime plan, and they will help the PCC plan the force's budget and give them access to information, officers and staff whenever this is needed.

The Chief Constable is responsible for ensuring a Force's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Chief Constable also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Chief Constable is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

The Chief Constable has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE 2016 updated framework: *Delivering Good Governance in Local Government*, a copy is on our website at [www.west-midlands.police.uk](http://www.west-midlands.police.uk) or can be obtained by contacting us, details at [www.west-midlands.police.uk/contact-us](http://www.west-midlands.police.uk/contact-us). This statement explains how the Chief Constable has complied with the code and meets the requirements of Accounts and Audit Regulations 2015 (amended 2021), which requires all relevant bodies to prepare an annual governance statement.

The Chief Constable of the West Midlands is supported by a Deputy Chief Constable, five Assistant Chief Constables and a Director of Commercial Services. Information on West Midlands Police can be found at [www.west-midlands.police.uk](http://www.west-midlands.police.uk)

## The Statement of Accounts

This Statement of Accounts sets out the overall financial position of the Chief Constable of West Midlands Police (CCWMP). The Statement of Accounts has been prepared following the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. This interprets the International Financial Reporting Standards on which the accounts of the PCCWM are required to be based. / The accounts have been prepared following the International Financial Reporting Standards on which the accounts of the Chief Constable are required to be based.

The primary function of the Office of Chief Constable of West Midlands Police is the exercise of operational policing duties under the Police Act 1996. The role of the Office for the Police and Crime Commissioner 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 the West Midlands.

The Statement of Accounts for the CCWMP consists of:

### 1. Chief Constable's Approval of the accounts

This includes the date and signature of the Chief Constable of West Midlands Police on the approval of the Statement of Accounts.

### 2. Annual Governance Statement

This statement describes how the Chief Constable of West Midlands Police conducts its business in accordance with proper standards. The Annual Governance Statement does not form part of the Statement of Accounts but is shown here for reporting purposes.



### 3. Statement of responsibilities for the Statement of Accounts

This details the financial responsibilities of the CCWMP and his Chief Finance Officer in relation to the Statement of Accounts.

### 4. Auditors report

This is the External Auditors report and opinion on the accounts and any exceptions noted during their work on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

### 5. The Statement of Accounts

This brings together the key financial statements of the Chief Constable of West Midlands Police and accompanying notes. The financial statements consist of:

- [Comprehensive Income and Expenditure Statement for the Chief Constable of West Midlands Police](#) - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. It summarises the resources that have been generated and consumed in providing policing services during the year. The statement has been prepared in accordance with the accounting principles set out in the CIPFA Code of Practice on Local Authority Accounting and highlights the financial consequences of policing activities in the West Midlands in 2023-24 under the direction and control of the Chief Constable.
- [Movement in Reserves Statement for the Chief Constable of West Midlands Police](#) - This statement shows the movement in the year on the reserves held by the Chief Constable.
- [Balance Sheet as at 31 March 2024](#) - The Balance Sheet shows the value, as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The Chief Constable recognises the Pension Liabilities of all Police Officers and staff who are deemed to be under his direction and control excluding those staff working in the Office for the Police and Crime Commissioner. The statement also recognises the cost of short-term accumulated absences for police officers and police staff. The statement shows a reserve to match these liabilities.
- [Cash Flow Statement as at 31 March 2024](#) - The Cash Flow statement aims to show the effect of the cash-based transactions between the PCCWM and the CCWMP. This demonstrates the effect of the income received from the PCCWM to enable the CCWMP to deliver a policing service for the force area.

Notes to the accounts include:

- [Police Pension Fund, Net Asset Statement and notes to the police pension fund scheme.](#)  
The Police Pension Fund Account contains the contributions from the CCWMP at a rate of 31% of police officers' pay which are used to pay police pensions during the year. The deficit on this account is met by a top-up grant from the Home Office which is credited to the Chief Constables Comprehensive Income and Expenditure Statement.
- [Expenditure and Funding Analysis](#)  
The objective of the Expenditure and Funding Analysis is to demonstrate to Council tax payers how the funding available to the authority for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Group's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement





## Financial Review

### Chief Constable Revenue Outturn 2023-24

The revenue outturn is based on the budget which is produced in setting council tax, but the accounts are prepared on the basis of a set of statutory regulations which permit some transactions to be either included or excluded so that they do not impact on the value of council tax that the Group is permitted to raise. Due to the Governance arrangements that result from two separate entities of the PCCWM and the CCWMP the budget setting view focuses mainly on the group position.

The outturn position of the Chief Constable is shown in the table below:

<i>Revenue Expenditure</i>	<i>Budget 2023-24 £m</i>	<i>Actual 2023-24 £m</i>	<i>Variation + (-) £m</i>
Financial Resources of the PCCWM consumed at the request of the Chief Constable			
Employee costs	633.8	623.8	(10.0)
Premises costs	30.6	26.2	(4.4)
Transport costs	10.0	10.4	0.4
Supplies and Services	59.3	56.3	(3.0)
Collaborative working costs	16.5	21.7	5.2
Capital Financing	11.8	7.9	(3.9)
Income	(74.3)	(89.5)	(15.2)
<b>Police Force (Excl. Change Programme)</b>	<b>687.7</b>	<b>656.8</b>	<b>(30.8)</b>
Change Programme	8.0	8.5	0.5
<b>Police Force (Incl. Change Programme)</b>	<b>695.7</b>	<b>665.3</b>	<b>(30.3)</b>
<b>Regional and National Services</b>	<b>22.4</b>	<b>22.2</b>	<b>(0.2)</b>

### Overview of the year

The financial position of the Force was closely managed and reported throughout the year. Underspends in pay related expenditure were forecasted from the end of the first quarter and continued throughout the year particularly in police staff and PCSO pay where vacancies were most prevalent. Police Officer pay underspends were also noted and arose due to the timing of new recruits which were weighted towards the end of the financial year. The force also saw a significant overachievement on income principally via its support for Operation Safeguard and income received from short-term investments in a much-improved interest rate environment. Through diligent management, collaboration with wider colleagues and reductions in premises related expenditure via utility price reductions, the Force was able to realise a total revenue underspend of £30.3m which is 4.3% of the total budget of £695.7m. The employee costs include a £1.8m year-end adjustment for accumulated absences to 31 March 2024.

There were significant pressures at the start of 2023 due to demand factors across all policing portfolios. The new operating model introduced from April 2023 sought to alleviate some of these challenges which were most acutely felt in the Crime Portfolio as the force worked to improve the quantity and quality of its investigations and Force Contact where the force made significant improvements in call handling timeliness, both of which needed to be resourced effectively. This was achieved via underspends in pay and overachievement of income as well as robust budget setting (generating £10m of budget savings to ensure a balanced budget for 2024-25), careful



management of staff and PCSO vacancies ensuring that operationally critical areas were prioritised and reviewing business as usual IT related expenditure through robust contract management. The underspend achieved in 2023-24 will support the embedding of the operating model in 2024-25 and help to smooth out the funding pressures that have been identified for future years in the medium-term financial plan.

In 2022-23 the Force exceeded its police officer recruitment target of 1,200 officers by 99 officers. In 2023-24 the Force continued to support the national police officer Uplift Programme by delivering a further 175 new police officer recruits. The associated costs in relation to this recruitment programme including recruitment campaigns, assessment centres and the purchase of vehicles and equipment, to support the uplifted officers in the workforce were claimed in relation to milestones for recruitment numbers throughout the year. The Force's recruitment team worked tirelessly to ensure that our targets for additional officers were met by 31 March 2024. The Force ended the financial year with an officer headcount of 8,068, some 20 officers more than our target and what was needed to claim Home Office grant income for these posts.

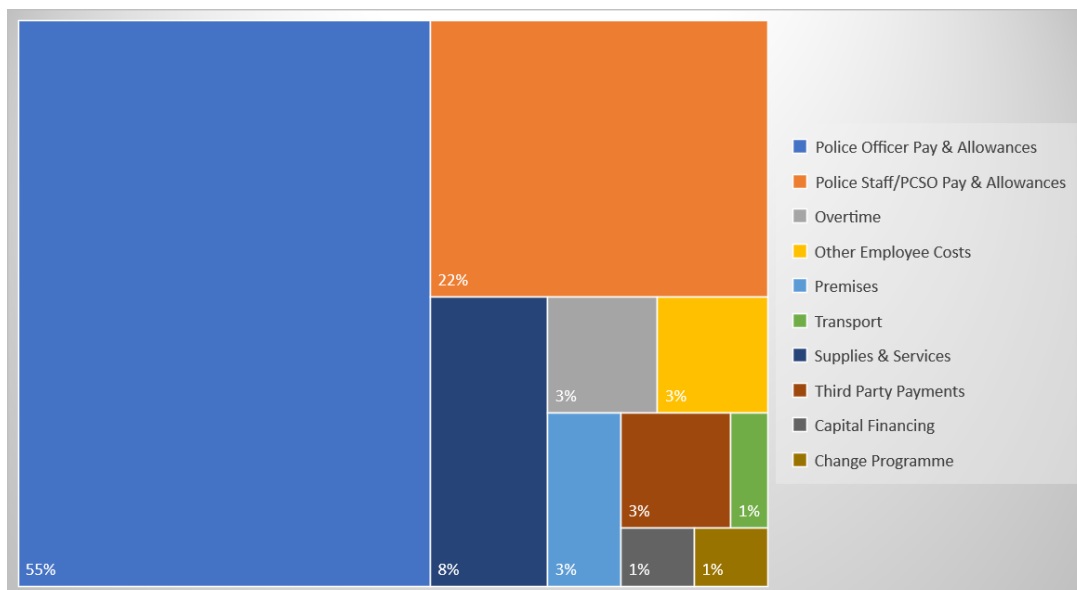
For 2023-24 the total grant settlement for the West Midlands was £566.1m. This was consistent with the Commissioner's medium-term financial planning assumptions. This additional grant reflected the commitments made in the year to maintaining the police officer uplift programme and supportive officer and staff pay awards.

### Headline Figures

The Force implemented a new operating model in April 2023 with a greater focus on local policing with local commanders being accountable for local investigations and response teams as well as local policing teams. Force budgets were aligned to address the operating model with improved investigations and call handling timeliness being high priorities and receiving additional resourcing. Following this investment - our time taken to answer 999 calls went from an average of 22 seconds in December 2022 to 3 seconds by December 2023 and this enhanced performance has been sustained since then.

In addition, the Force continued to support a change programme which included a major redesign of Force Contact (emergency response centre for dispatchers who allocate officers to incidents), a restructure of the Corporate Asset Management (CAM) department, a review of the Force's training provision and location and an estates programme involving the purchase and refurbishment of a number of police buildings.

Within 2023-24 the Force delivered £10m of savings across departments to produce a balanced budget for 2024-25. The following chart shows how the expenditure of the Force was distributed and managed between pay and non-pay costs.





## Balance Sheet

## Capital Programme

The Chief Constable does not have ownership of any capital assets or liabilities and therefore has no capital expenditure. The Chief Constable is charged for the revenue costs of buildings, transport and equipment as the consumption of these assets are deemed to be under his direction.

## Pensions

Pension liabilities in respect of Police Officers and police staff whose costs have been recognised in the Chief Constable's Comprehensive Income and Expenditure Statement have been recognised in the Balance Sheet of the Chief Constable. As at 31 March 2024 the Chief Constable recognised net pension liabilities of £6,108m. Overall statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

The actuarial gain on pension funds in 2023-24 totalled £43.7m and compared to actuarial gains in 2022-23 of £2,932.4m. This is shown in the CIES on page 32. The decrease in the liability of £85m is due mainly to interest on the overall liability of the Police pension scheme. The Local Government scheme is subject to asset ceiling calculations preventing the recognition of an unrealisable surplus for funded obligations. It should be noted that actuarial gains and losses do change each year as can be seen from the defined benefit pension scheme notes starting on page 48 of the Statement of Accounts.

## How has the West Midlands Performed in 2023-24

Total recorded crime has reduced by 10.2% during 2023-24, which as a total volume is almost 40,000 fewer crimes when compared to 2022-23. Business crime has seen an increase, which follows the national position, however neighbourhood crime (personal robbery, residential burglary, theft from the person, theft of motor vehicle and theft from motor vehicle) have all seen reductions, with an overall reduction of 12.41% in 2023-24. During 2023-24, there has been a renewed focus on securing positive outcomes for victim, finishing the year on 8.5% which is a 32% increase when compared to 2022-23.

## Performance rated by PEEL assessment

On 22 December 2023, the inspection report relating to West Midlands Police (WMP), for the period 2023-25 was published by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). Whilst the report was issued during 2023-24, the majority of the data that was used within the report was from 2022-23 period.

The performance of WMP was assessed across eight policing areas. The outcome of the assessment was that the force received an 'adequate' rating in two areas, 'requires improvement' in three areas, and 'inadequate' in the remaining three areas.

HMICFRS identified inadequate performance in the areas of crime investigation, managing offenders, and protection of vulnerable individuals. Adequate areas included police powers, public treatment and preventing crime. Ahead of the 2023-25 PEEL report's publication, HMICFRS took the decision to Engage WMP, highlighting four causes of concern.



The Engage concerns have become a standing agenda item, during weekly meetings with the PCC and Chief Constable and are a standing agenda item for discussion during the monthly meetings of the Strategic Policing and Crime Board, illustrating a commitment to transparency with the public. They have also appeared on Police and Crime Panel agenda and were the focus of an extraordinary Police and Crime Panel meeting. In addition, the Home Office provides oversight of the Force as it responds to the inspection results through the Police Performance Oversight Group, comprising members of the College of Police and Home Office, amongst others.

## Events after the Reporting Period

There are no material events to report after 31 March 2024.

## Future Outlook

The Force and PCC are in a good position to face the challenges of the future, and the trend in performance over the past year has shown that there were opportunities to deliver a more efficient and targeted service with the resources available. However, whilst the Police Uplift Programme, delivered additional headcount to WMP, it still does not have the Officer numbers which it had in 2010. Therefore, the amount and quality of affordable resources in Policing remains a significant risk in the investigation and prevention of crime. For this reason, we will continue to call on government to renew its focus on a formula funding review and ensure that the West Midlands receives an appropriate level of funding commensurate with need.

The reduction in Estates spend, in an era of high utility costs, will enable the retention of headcount and investments in ICT, and underpins the medium term financial plan. Whilst a challenge in terms of delivering public confidence, the necessary reduction of the size of the policing estate is continuing, delivering real savings in running costs and reduced exposure in terms of maintenance backlogs. The coming year will see significant movement in estates and disposals, which will be key to ensuring the deliverability of the medium term outlook.

The Force have delivered significant savings in the past and continue to focus on real efficiency improvements around back-office services and have further opportunities to do so which are not yet captured in the medium term plan. There is also a focus on marginal income activity, taking opportunities to share costs and deliver services in partnership with others in the region, where cost savings can be made. An investment in the capability to deliver training inhouse and bring driver awareness training inhouse are expected to see increased margins and along with NPCC guidance all fees and charges will be uplifted in January of each year in future to ensure that the impact of any pay award is passed along in full to those receiving specialist policing services.

The speed at which criminals use new technologies to undertake new crimes remains a present threat to the future budget outlook of the Group, as the ability to invest in those new areas at the same speed as criminals, is outstripped by the resources available. The removal of capital funding sources and the need to bid for funding for specific projects which are not available to all in Policing, e.g. STAR funding, exacerbates this risk.

In the budget settlement for 2024-25 a significant amount of funding was removed from the Special Grant quantum, this places all Forces at increased risk that in the event of a serious incident there would be insufficient funding available from government to cover that cost.

In order to counter these risks, the Force and PCC are investing in as much new AI based technologies as they can, to deal with speeding offences and call answering in the Contact Centre. This will ensure that scarce and skilled human resource is targeted to highest need.

We will use every opportunity in the upcoming implementation of the regulations in the Procurement Act 2023 to manage cost pressures with suppliers and deliver tangible social value benefits with cashable value to the local economy.



# Annual Governance Statement

Position as at 30 November 2024 including plans for the financial year 2024-25

## 1. Introduction

This Annual Governance Statement (AGS) explains how the Chief Constable governs West Midlands Police Force through a system of internal controls. The Chief Constable has adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE 2016 updated framework: *Delivering Good Governance in Local Government*, a copy of which is on our website at [www.west-midlands.police.uk](http://www.west-midlands.police.uk) or can be obtained by contacting us, details at [www.west-midlands.police.uk/contact-us/index.aspx](http://www.west-midlands.police.uk/contact-us/index.aspx). This statement explains how the Chief Constable has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

## 2. Scope

The Chief Constable is responsible for ensuring the force's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Chief Constable also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Chief Constable is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

## 3. The Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Chief Constable directs and controls activities through which it accounts and engages with the community. It enables the Chief Constable to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of the governance framework and is designed to manage risk. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.



The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Chief Constable’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the force. The Chief Constable is held to account for the exercise of those functions and those of the persons under his direction and control, by the Police and Crime Commissioner.

It therefore follows that the Commissioner must satisfy himself that the force has appropriate mechanisms in place for the maintenance of good governance. For these to operate in practice, the Commissioner and the Chief Constable have separate but complimentary governance structures. These facilitate the achievement of effective governance arrangements, including the monitoring and assessment of performance in line with statutory responsibilities.

West Midlands Police Strategic Governance Structure:



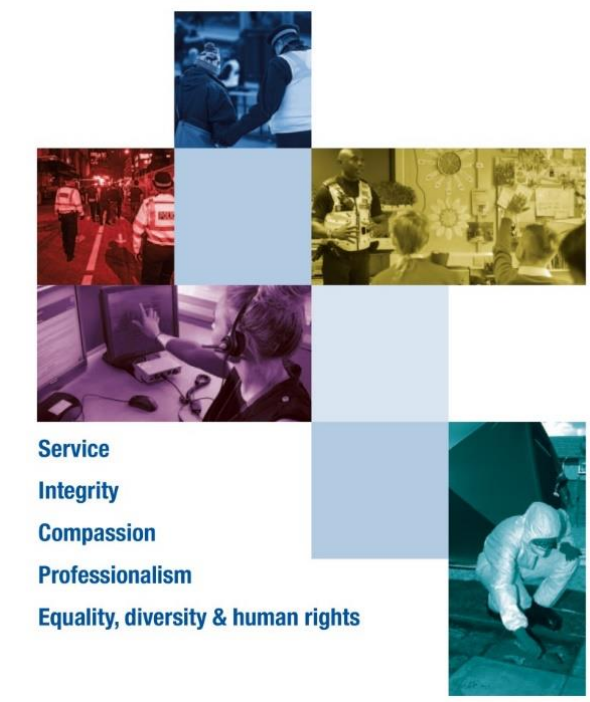


The 'Delivering Good Governance standard for public services 2016' sets out the seven good governance core principles. The key elements of the systems and processes that have been put in place for the force and how the force adheres to these seven principles is evidenced below.

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

Evidence to demonstrate Principle A includes;

- ✓ The Chief Constable's Vision and Values, in conjunction with the Code of Ethics, define the standards expected of everyone working in policing and is communicated to all officers and staff.



- ✓ The Standards of Professional Behaviour reflect the expectations of the public and are governed by specific policies, procedural rules and internal management processes that cover the activities of the force:

- Financial Management
- Procurement
- Health and safety
- Gifts and Hospitality
- Business Interests
- 'Whistleblowing' – Confidential Reporting
- Complaints Handling
- Anti-Fraud, Bribery and Corruption



- Information Security
  - Information sharing
  - Data Protection
  - General Data Protection Regulations
- ✓ At a national level, the force cooperates in the National Fraud Initiative which attempts to identify fraud by sharing and comparing employee data across the public sector.
- ✓ Within the force there are two formal codes of conduct, one for police officers and one for police staff. Both codes define the standards of personal behaviour expected. The officer code also sets out requirements in terms of use of force, performance, execution of duties and other general conduct expectations. Certain staff, e.g. qualified accountants or solicitors, will have professional codes of conduct to which they are held to account.
- ✓ An Ethics Committee has been established which is responsible for providing the Chief Constable and PCC with independent advice around ethical issues arising from the data analytics projects.

## 5. Principle B: Ensuring openness and comprehensive stakeholder engagement

Evidence to demonstrate Principle B includes;

- ✓ One of the strategic pillars that support the force vision is 'Engaged Communities'. The change to the force operating model in April 2023 was done with the ambition of further building on relationships with the communities served by WMP. Clear ownership, affinity and pride in local teams will help us tackle local criminality, prevent crime and keep people safe.







- ✓ The West Midlands Police website includes the current Freedom of Information (FOI) publication scheme in its 'Your right to information' pages.

The Office of the Police and Crime Commissioner sets the overall strategic direction for the Chief Constable and the force through the objectives contained in the Police and Crime Plan, setting the force budget and determining the precept, commissioning services, and holding the Chief Constable to account on behalf of the public. The Police and Crime Plan covers the period 2021-2025.

- ✓ The force website aids agile accessibility to the police service by providing advice, enabling a member of the public to report an incident, track their case and undertake live webchat to report all non-emergency crimes online.
- ✓ The force actively involves communities across the force geography. The approach involves public meetings including community forums, independent advisory groups, scrutiny panels and messaging via WMNOW.
- ✓ There is also active involvement with the full range of media such as press, TV, social media and public surveys.
- ✓ The force works closely with Independent Advisory Groups and independent scrutiny panels to increase levels of trust and understanding in our diverse communities, support the most vulnerable and make sure our engagement is targeted and meaningful.
- ✓ Governed by the Citizens in Policing Board, the force has a comprehensive Citizens in Policing programme which seeks to increase citizen participation in policing and community safety by developing the scale and variety of opportunities for volunteers, special constables, cadets and a number of watch schemes.
- ✓ The force engages and collaborates with a significant number of partners within the region. An example being the work of the West Midlands Violence Reduction Unit which is jointly chaired by an Assistant Chief Constable and Public Health Lead. The WMVRU aims to bring together partners to work together with the shared understanding that violence and its associated harms are preventable. The WMVRU is a member of the World Health Organisation Violence Prevention Alliance international network.
- ✓ WMP regularly speaks to its communities and partners to share the experiences and develop ideas and practices. We use the Four Key Principles (Voice, Dignity and Respect, Trustworthy Motives and Neutrality) to ensure we all understand what we're doing. Understanding what people think of the Force's practices helps WMP to change and constantly improve what it does. With greater levels of citizen satisfaction comes an increase in trust and legitimacy.



## 6. Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Evidence to demonstrate Principle C includes;

- ✓ The WMP strategy defines a number of economic, social and environmental outcomes to be delivered during the period 2020-2023. A new corporate strategy has been drafted to deliver the new Local Policing model.
- ✓ The Policing Vision 2025 highlighted trends most likely to impact policing by 2025 and the College of Policing's Future Operating Environment 2040 provides an insight into policing's operating environment as far as 2040, we consider the implications of these kind of trends, scenarios and future challenges on WMP as part of our annual strategic assessment within our strategy and business planning cycle.

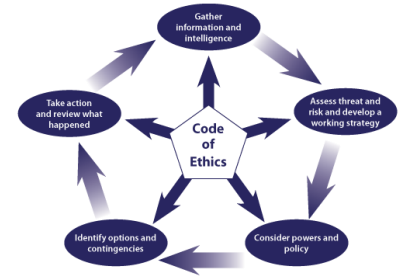
## 7. Principle D: Determining the outcomes necessary to optimise the achievement of the intended outcomes

Evidence to demonstrate Principle D includes;

- ✓ Strategic governance is in place to monitor and track activity against WMP's strategy. This includes regular Chief Officer meetings, the monthly Force Leadership Conference and biannual Strategic Tasking and Co-ordination group meeting which are in place to drive the key deliverables of the strategic assessment.
- ✓ Force performance is scrutinised via both strategic and tactical force level governance structures, with the monthly Performance Day acting as the main oversight body. Portfolio and thematic boards are in place to manage performance within the portfolio areas and provide the necessary oversight and assurance.
- ✓ The introduction of a dedicated Assurance team within Strategy, Delivery and Assurance and dedicated governance for all aspects of HMICFRS activity including preparedness for upcoming inspections as well as scrutiny of open recommendations.
- ✓ The force planning cycle incorporates an annual strategic assessment, annual Force Management Statement (FMS) and financial plans.
- ✓ The Medium Term Financial Plan (MTFP) has been updated which forms the basis of the annual budgets and provides a framework for the evaluation of future proposals.



- ✓ Decision-making at all levels of the force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core.



- ✓ WMP continue to utilise the Threat Harm Risk Investigation Vulnerability Engagement (THRIVE) framework across functions. It underpins all decision making in the force and encourages flexible and adaptable risk management, while empowering staff and officers at all levels to have confidence in the decisions that they make.

## 8. Principle E: Developing the Force's capacity, including the capability of its leadership and the individuals within it

Evidence to demonstrate Principle E includes;

- ✓ As part of WMP's corporate strategy, a people strategy was launched in 2021 outlining what WMP expects from its personnel and what people can expect, in return, from the organisation.
- ✓ The strategy incorporates a future facing leadership framework, with individuals aiming to be champions in the workplace; creating an environment which supports, challenges and enables WMP officers and staff to be the best they can be in order to bring the vision and values, as referenced under Principle A, to life.
- ✓ The Force Executive Team have clearly defined leadership roles and objectives; they are responsible for implementing strategy and managing the delivery of services within their respective portfolios.
- ✓ WMP Conversations continues to be delivered across the force as a way of engaging with the workforce and evidencing individual and team performance and capability. The relaunch was successful and retained a focus on measuring and improving our performance to meet the strategic objectives and drive personal, departmental and force-wide deliverables.
- ✓ During 2023-24 there has been a renewed focus on leadership training, particularly focused on first and second line leaders. A newly launched Op Excellence programme equips leaders with operational skills required as a supervisor, as well as their responsibilities as a leader of people.
- ✓ To build on capacity, collaboration arrangements are in place with neighbouring forces for significant service areas including CMPG, Forensics and Legal Services and future collaboration continues to be considered.



- ✓ Regional and national governance arrangements are in place in relation to national and regional programmes (Single Online Home, Specialist Capabilities, and Blue Light Commercial etc.)
- ✓ The Data Driven Insight Lab continues to utilise the vast amounts of data available to the force to predict future demand, as well as the use of data science to allow to more targeted operational activity.
- ✓ The forces 'digital workforce' was identified as innovative practise by HMICFRS in the latest PEEL assessment, for the improved efficiency and productivity that was evidenced from this work.

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

Evidence to demonstrate Principle F includes;

- ✓ The force has an Organisational Risk Management Policy and Corporate Risk Register, prepared and reviewed by the Deputy Chief Constable and managed via the Force Executive Team Meeting and Risk and Learning Board. The Joint Audit Committee (with the PCC) is responsible for independent assurance on the adequacy of the risk management framework.
- ✓ The force ensures all decision-making processes are overseen by correct governance structures. Each member of the Force Executive Team (FET) leads a specific portfolio board and chairs thematic boards, all of which incorporate sub-groups for specific functions and themes. This oversight from the highest level ensures that there is no disconnect at any level of management in the continued delivery of force performance and ambitions. Risk is discussed as a regular agenda item within these portfolio and thematic boards. These meetings ensure risks are being managed and mitigated. Oversight of force risks is through the Risk and Organisational Learning Board that is chaired by the Deputy Chief Constable.
- ✓ Objectives are defined within the WMP Conversations of each executive team member and cascaded throughout the organisation's approach to performance management.
- ✓ Performance management forms part of the force governance arrangements. Performance information is scrutinised by the Force Executive Team via the boards they chair and the Quarterly Performance Reviews (QPRs) they hold. Force performance is monitored through the force performance day chaired by the DCC. All aspects of performance are tracked through an assurance calendar that includes operational areas such as Serious Organised Crime to financial management.
- ✓ The Performance Data Improvement project seeks to refresh the forces approach to performance dashboards, ensuring that they are providing detailed management information as well as supporting officers to manage their work efficiently.



- ✓ His Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) independently assesses operational policing processes and reports the performance of the force at a national level. The force tracks and monitors all recommendations and areas for improvement from HMICFRS via the force governance structures.
- ✓ The force continues to work with HMICFRS to evidence improvements made and to move the force from its 'engaged' status of enhanced monitoring.
- ✓ Strong public financial management is evidenced through the following strategies and reports:
  - Medium Term Financial Plan
  - Annual Financial Strategy
  - Budget Monitoring reports
  - Annual Statement of Accounts
  - Treasury Management Strategy
  - Treasury Management Reports
  - Reserves Strategy
  - Benefit Realisation plans
  - HMICFRS Value for Money Profile
  - CIPFA Financial Management Capability Review
- ✓ The CIPFA Financial Management Code (CIPFA FM Code) is designed to support good practice in financial management and to assist police organisations in demonstrating their financial sustainability. The CIPFA FM Code therefore sets the standards of financial management for PCCs and Forces. A key goal of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. There are also clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes.

The PCC and the Force are compliant with the principles of the FM code and work will continue in 2023-24 to improve and enhance financial accountability through reinforcement of roles and responsibilities, formalised training and enhanced financial reporting. The enhanced financial reporting will include data on policing performance and outcomes against financial information to enhance operational decision making.

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

Evidence to demonstrate Principle G includes;



- ✓ A Joint Audit Committee is responsible for independent assurance on the adequacy of the risk management framework and the associated control environment, the independent scrutiny of the Chief Constable's and the PCC's financial performance to the extent that it affects the Chief Constable and PCC's exposure to risk and weakens the control environment.
- ✓ The Joint Scheme of Corporate Governance, updated in 2021, sets out in detail the respective roles and functions of the Commissioner and Chief Constable, outlining all significant decisions which are consented or delegated and which are of a statutory, financial or management nature.
- ✓ All major change and transformation programmes and projects have their own project boards and adhere to consistent force change control processes which include addressing risk management and mitigation.
- ✓ An External Audit function reports to "those charged with governance" in respect of the Annual Accounts to ensure they are prepared in accordance with legislation, accounting standards and good practice. As well as issuing a statutory opinion on the accounts they also issue a statutory opinion on the Chief Constable's arrangements for securing value for money, measured as economy, efficiency and effectiveness, which sits alongside the HMICFRS assessment work.
- ✓ This Annual Governance Statement is published alongside the Statement of Accounts.
- ✓ Regular publication (subject to confidentiality tests) of reports presented to the Strategic Policing and Crime Board.

## 11. Review of effectiveness

The Chief Constable has responsibility for an annual review of the effectiveness of the Governance Framework. The review of effectiveness is informed by the work of the Force Executive Team within West Midlands Police, who have responsibility for the development and maintenance of the governance environment, the Internal Audit Annual report, and also by comments made by the external auditors and other review agencies and inspectorates. In maintaining and reviewing the effectiveness of the governance arrangements, the following roles are undertaken:

### The Force

The Chief Constable operates a system of strongly controlled arrangements for the delivery of operational policing in its communities, together with management and monitoring arrangements for:

- Performance management and associated reporting;
- Financial management;
- Standards of data quality that underpin key reporting requirements;
- The professional standards of police officers and staff in the force;
- Programme and project management.



These functions are organised within clear reporting structures in the force, designed to provide the Chief Constable and the Executive Team with assurances as to the effective delivery of operational policing and the Commissioner's Policing and Crime plan.

The Deputy Chief Constable was appointed in April 2022. Upon appointment, a review of the force governance arrangements was commissioned. The work is on-going and includes a refresh to the Governance and Knowledge portal, and review of the terms of reference for boards.

## Group Activities

### Violence Reduction Partnership

The Violence Reduction Partnership is funded by the Home Office, and shares joint governance arrangements between both the OPCC and West Midlands Police. The partnership is made up of public, private, voluntary and community sector organisations with the aim of tackling the root causes of violence.

### Commissioned Intervention Services

There are a number of commissioned intervention services funded by the OPCC that are used as part of a community resolution or conditional caution for offenders. These are for a range of offences and evaluations have shown reductions in reoffending of between 55% - 70%.

### The Joint Audit Committee

The Commissioner and Chief Constable have established a Joint Audit Committee to be responsible, on behalf of both Corporations Sole, to:

- Advise the Commissioner and the Chief Constable according to good governance principles;
- Provide independent assurance on the adequacy and effectiveness of the Commissioner's and Chief Constable's internal control environment and risk management framework;
- Oversee the effectiveness of the framework in place for ensuring compliance with statutory requirements;
- Independently scrutinise financial and non-financial performance to the extent that it affects the Commissioner's and Chief Constable's exposure to risks and weakens the internal control environment;
- Oversee the financial reporting process.
- Ensure the Force is implementing agreed actions resulting from HMICFRS inspections and thematic reviews/reports.



## Internal Audit

The system of Internal Audit is a primary tenet of corporate governance and is the responsibility of the Commissioner. The provision and maintenance of an effective shared Internal Audit service for the PCC and CC has been delegated to the PCC's Chief Finance Officer. The Audit Committee oversees the provision of this service, reviewing associated plans and work outputs.

## 12. Significant governance issues 2023-24

Over the last 12 months, the force has had a change to Deputy Chief Constable, as well as appointment of a number of new Assistant Chief Constables and the implementation of a new force operating model.

In December 2023 HMICFRS announced that they were putting WMP into "Engage" status, following a PEEL inspection. There were four key areas of concern: online child sexual exploitation, management of sex offenders, multiagency risk assessment conferences and the investigations.

Performance monitoring will show continued improvements to key performance measures since the implementation of the new operating model in April 2023.

Full consultation with external partners continued to take place, this has included Independent Advisory Groups, consultation with Children and Adult Services and Key Individual Networks and engagement with the Multi Agency Public Protection Arrangement process.

Progress has been made on addressing the issues raised in the AGS for 2022-23. Internal Audit completed a follow up of Child Abuse recommendations during 2023-24 to establish progress on implementing the recommendations made within the 2022-23 audit. The original review identified significant risks within Force Contact in respect of the quality of THRIVE+ assessments and lack of compliance with escalation processes that should be used when target response times for calls look like they may not be achieved. The lack of trained and experienced officers coupled with high workloads per officer was also raised as a concern. The follow up concluded that all recommendations had progressed and are considered implemented. Supporting evidence was obtained to confirm implementation.

On the 18th September 2024, West Midlands Police was removed from special measures. The force has been recognised as the fastest improving force in the country. After less than ten months, His Majesty's Inspectorate of Constabulary, Fire & Rescue Services (HMICFRS) moved the force out of its enhanced monitoring process called 'Engage'. HMICFRS recognised the force had made improvements in how it managed the risks posed by sex offenders and online child abuse offenders and how it carried out effective investigations.





An employment tribunal involving a former West Midlands Police firearms officer, and ongoing associated activity, poses a significant risk to WMP. Ongoing action to address the issues raised by the case will need to demonstrate that the cultural and operational failings are dealt with effectively, thoroughly and sustainably. Other significant structures continued including Misconduct Hearings by WMPs Professional Standards Department.

### 13. Conclusion and Commitment Statement

The scale of change facing the Chief Constable remains extremely challenging, at a time when the demand and need for sustained and improved service to the public continues to increase. This will require firm leadership, careful management, innovation and robust governance.

The systems and processes the Chief Constable has in place to monitor the implementation of the Police and Crime Plan will ensure activities detailed in this statement are implemented. The governance arrangements of the PCC and the Chief Constable will remain under constant review in the forthcoming financial year.

#### Signed

*Craig Guildford*

Craig Guildford  
Chief Constable of West Midlands Police

*Peter Gillett*

Peter Gillett, CPFA  
Director of Commercial Services West Midlands Police



## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### THE RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER TO THE CHIEF CONSTABLE

The Chief Finance Officer is responsible for the preparation of the Chief Constable of West Midlands Police Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code of Practice"), is required to give a true and fair view of the financial position of the Force at the accounting date and its income and expenditure for the year ended 31 March 2024.

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the CIPFA IFRS Code of Practice on Local Government Accounting.

The Chief Finance Officer has also:

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

### CHIEF FINANCE OFFICER TO THE CHIEF CONSTABLE OF WEST MIDLANDS POLICE CERTIFICATE

In accordance with regulation 9 of the Account and Audit Regulations 2015, I certify that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable of West Midlands Police as at 31 March 2024 and his income and expenditure for the year then ended.

*Peter Gillett*

P Gillett, CPFA

Chief Finance Officer to the Chief Constable of West Midlands Police

Date: 18 December 2024



## **THE RESPONSIBILITIES OF THE CHIEF CONSTABLE OF WEST MIDLANDS POLICE**

The Chief Constable of West Midlands Police is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this entity that officer is the Chief Constable's Chief Finance Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

## **CHIEF CONSTABLE OF WEST MIDLANDS POLICE CERTIFICATE**

I certify that the Statement of Accounts has been certified by the responsible financial officer and approved for issue by the Chief Constable of West Midlands Police on 18 December 2024, in accordance with regulation 9 of the Accounts and Audit Regulations 2015. All known material events that have occurred up to and including this date which relate to 2023-24 or before have been reflected in the accounts.

*Craig Guildford*

Craig Guildford  
Chief Constable of West Midlands Police  
Date: 18 December 2024



# Independent auditor's report to the Chief Constable of West Midlands Police

## Report on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements of the Chief Constable for West Midlands Police (the 'Chief Constable') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement for the Chief Constable, Movement in Reserves Statement for the Chief Constable, Balance Sheet for the Chief Constable, the Cash Flow Statement for the Chief Constable and notes to the financial statements, including a summary of significant accounting policies, and the police pension financial statements comprising the Fund Account, Net Assets Statement and notes to the police 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 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

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 of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

### Other information

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



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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

#### **Opinion on other matters required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of the Chief Constable and the Chief Finance Officer**

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. 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 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance 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 they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

#### **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. Irregularities, including fraud, are



instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003, Police Reform and Social Responsibility Act 2011, Police Service Pensions Act 2013, Police Pension Fund Regulations 2006, Police Pensions regulations 2015).

We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Chief Constable and the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

- journals exposed to increased risk of potential management override of controls;
- key accounting estimates that are subject to management judgement and increased estimation uncertainty; and
- potential management bias in determining accounting estimates for the valuation of pension liabilities.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on manually posted journals, including those posted close to the reporting date which have a material impact upon the Comprehensive Income and Expenditure Statement;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of pension liabilities in the balance sheet; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including significant accounting estimates related to pension liabilities. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.



- the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

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

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

### **Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves 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 2024.

We have nothing to report in respect of the above matter except on the 17 April 2024 we identified significant weakness in relation to the Force's arrangements for improving economy, efficiency and effectiveness.

On 17 April 2024 we recommended that:

- The Force needs to establish effective systems for monitoring and reporting on its performance. This will help to show that the recent changes in leadership and operations are leading to long-lasting improvements in services that address the concerns raised by HMICFRS in the PEEL report.

On 27 November 2024 we recommend that:

- The Force must build upon the significant improvements in performance reporting and the renewed corporate focus on improvement afforded by the new operating model. The Force must now complete its work in addressing the remaining cause for concern highlighted by HMICFRS in their most recent update PEEL letter, dated 18 September 2024.

There is still work to be done to achieve outcomes for victims and some other areas of service delivery and this was the case at the end of March 2024 and remains the case to date, although we recognise that good progress has been made as demonstrated by improved Key Performance Indicators (KPI's) in these areas of service. We have updated the 2022/23 key recommendation to reflect the progress made but consider that the significant weakness in relation to the economy, efficiency and effectiveness remains in place.

### **Responsibilities of the Chief Constable**

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.



## **Report on other legal and regulatory requirements – Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for West Midlands Police Chief Constable for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2024. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

### **Use of our report**

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Laurelin Griffiths***

Laurelin Griffiths, Key Audit Partner for and on behalf of Grant Thornton UK  
LLP, Local Auditor

Birmingham

18 December 2024





## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE CHIEF CONSTABLE

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. It summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year.

2022-23 Gross Exp £'000	2022-23 Gross Income £'000	2022-23 Net Exp £'000	Note	2023-24 Gross Exp £'000	2023-24 Gross Income £'000	2023-24 Net Exp £'000
784,466	(62,975)	721,491	Police Force Financial Resources consumed	728,778	(89,526)	639,250
23,123	(1,480)	21,643	Change Programme	8,978	(142)	8,836
183,811	(140,077)	43,734	Regional and National Services	92,038	(71,305)	20,734
<b>991,400</b>	<b>(204,532)</b>	<b>786,868</b>	<b>Total Financial Resources consumed</b>	<b>829,792</b>	<b>(160,973)</b>	<b>668,819</b>
<b>0</b>	<b>(686,804)</b>	<b>(686,804)</b>	<b>PCC Funding for Financial Resources Consumed</b>	<b>0</b>	<b>(715,850)</b>	<b>(715,850)</b>
<b>991,400</b>	<b>(891,336)</b>	<b>100,064</b>	<b>NET COST - POLICING SERVICES</b>	<b>829,792</b>	<b>(876,823)</b>	<b>(47,031)</b>
0	(93,388)	(93,388)	Pensions Top Up Grant receivable from the PCC	0	(101,722)	(101,722)
<b>0</b>	<b>(93,388)</b>	<b>(93,388)</b>	<b>Other Operating income</b>	<b>0</b>	<b>(101,722)</b>	<b>(101,722)</b>
231,519	0	231,519	Net interest on the net defined benefit liability	275,832	0	275,832
<b>231,519</b>	<b>0</b>	<b>231,519</b>	<b>Financing and Investment income and expenditure</b>	<b>275,832</b>	<b>0</b>	<b>275,832</b>
<b>1,222,919</b>	<b>(984,724)</b>	<b>238,195</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,105,624</b>	<b>(978,545)</b>	<b>127,079</b>
		(2,932,427)	Remeasurements of the net defined benefit liability			(43,659)
		<b>(2,932,427)</b>	<b>OTHER COMPREHENSIVE INCOME AND EXPENDITURE</b>			<b>(43,659)</b>
		<b>(2,694,232)</b>	Total comprehensive Income and Expenditure			<b>83,420</b>

This Comprehensive Income and Expenditure Statement should be compared with the analysis within the PCC and Group accounts to compare the costs over which the Chief Constable has direction and control to the total costs of the PCC and the Group.

The PCC funding for financial resources consumed represents non-specific funding received by the PCC which is transferred to the Chief Constable to enable him to deliver effective police services.



## MOVEMENT IN RESERVES STATEMENT FOR THE CHIEF CONSTABLE

This statement shows the movement in the 2022-23 and 2023-24 financial years on the different reserves held by the Chief Constable. This is analysed into usable reserves (i.e. those that can be used to fund expenditure or reduce local taxation) and unusable reserves. At present, the only transactions shown in this statement relate to the pensions reserve and the accumulated absences account reflecting movements relating to police officers and staff under the direction and control of the Chief Constable. All other reserves are managed by the PCC. The financial consequences of the operational activities undertaken by the Chief Constable can be seen in the Comprehensive Income and Expenditure Statement.

	General Fund Balance (Useable)	Pensions Reserve	Accumulated Absences Account	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2022</b>	<b>(406)</b>	<b>8,716,970</b>	<b>9,167</b>	<b>8,726,137</b>	<b>8,725,731</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>238,195</b>	<b>(2,932,427)</b>		<b>(2,932,427)</b>	<b>(2,694,232)</b>
Actual Amounts charged against the pensions fund for the year	205,995	(205,995)		(205,995)	0
Difference in pension costs between accounting basis and funding basis	(443,956)	443,956		443,956	0
Difference in employee remuneration costs (between accounting and funding basis)	172		(172)	(172)	0
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(237,789)</b>	<b>237,961</b>	<b>(172)</b>	<b>237,789</b>	<b>0</b>
Net increase or (decrease)	406	(2,694,466)	(172)	(2,694,638)	(2,694,232)
<b>Balance as at 31 March 2023 carried forward</b>	<b>0</b>	<b>6,022,504</b>	<b>8,995</b>	<b>6,031,499</b>	<b>6,031,499</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>127,079</b>	<b>(43,659)</b>		<b>(43,659)</b>	<b>83,420</b>
Actual Amounts charged against the pensions fund for the year	225,224	(225,224)		(225,224)	0
Difference in pension costs between accounting basis and funding basis	(354,202)	354,202		354,202	0
Difference in employee remuneration costs (between accounting and funding basis)	1,899		(1,899)	(1,899)	0
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(127,079)</b>	<b>128,978</b>	<b>(1,899)</b>	<b>127,079</b>	<b>0</b>
Net increase or (decrease)	0	85,319	(1,899)	83,420	83,420
<b>Balance as at 31 March 2024</b>	<b>0</b>	<b>6,107,823</b>	<b>7,096</b>	<b>6,114,919</b>	<b>6,114,919</b>



## BALANCE SHEET FOR THE CHIEF CONSTABLE

The Balance Sheet for the Chief Constable of West Midlands Police shows the value as at 31 March 2024 (the Balance Sheet date) of the assets and liabilities recognised by the CCWMP. The assets and liabilities recognised relate to the Police Officers and Police Staff under the direction and control of the Chief Constable. The net liabilities of the CCWMP are met by the reserves held by the entity.

	As at 31 March 2023	As at 31 March 2024	Notes
	£'000	£'000	
<b>Long Term Assets</b>	0	0	
<b>Total Long term Assets</b>	<u>0</u>	<u>0</u>	
<b>Current Assets</b>			
Intra-group Debtor	0	1,505	18
<b>Total Current Assets</b>	<u>0</u>	<u>1,505</u>	
<b>Current Liabilities</b>			
Short Term Creditors	(8,995)	(7,096)	15
Provisions	0	(1,505)	18
<b>Total Current Liabilities</b>	<u>(8,995)</u>	<u>(8,601)</u>	
<b>Long term Liabilities</b>			
Liability relating to defined benefit pension scheme	(6,022,504)	(6,107,823)	16
<b>Total Long term Liabilities</b>	<u>(6,022,504)</u>	<u>(6,107,823)</u>	
<b>Net Liabilities</b>	<u>(6,031,499)</u>	<u>(6,114,919)</u>	
<b>Reserves</b>			
Usable Reserves	0	0	
Unusable Reserves	6,031,499	6,114,919	15
<b>Total reserves</b>	<u>6,031,499</u>	<u>6,114,919</u>	

The unusable reserves consist of a reserve for short term compensated absences of £7.1m and pension reserves of £6,107.8m.



## CASH FLOW STATEMENT FOR THE CHIEF CONSTABLE

The Cash Flow Statement shows the changes in cash and cash equivalents of the CCWMP during the reporting period. However, all the payments were made from the Police Fund which is held by the PCC. Similarly, all income and funding is received by the PCC so the Chief Constable does not have any real cash flows from operating activities.

As at 31 March 2023		Notes	As at 31 March 2024	
£'000	£'000		£'000	£'000
	238,195	Net deficit on the provision of services		127,079
		Adjust the net deficit on provision of services for non-cash movements		
(238,367)		Pensions Movements	(128,978)	
0		Increase/(decrease) in debtors	0	
172		(Increase)/decrease in creditors	1,899	
	<u>0</u>	<b>Net cash flows from operating activities</b>		<u>0</u>
	<b>0</b>	<b>Cash and cash equivalents</b>		<b>0</b>



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## NOTES TO THE ACCOUNTS

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

The Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (the Code) and IAS 8 requires the CCWMP 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. There are no amendments which are expected to have a material effect on the information provided in the financial statements.

#### IFRS 16 Leases

The Code of Practice on Local Authority Accounting in the United Kingdom (Codes) has delayed the implementation of IFRS 16 to 1 April 2024.

The standard establishes a new accounting model for lessees in which all leases for assets for more than 12 months above a de minimis value will be accounted for by recognising a 'right to use' asset on the Balance Sheet, together with a liability for the present value of the lease payments. This means that leases currently accounted for as operating leases would be treated similarly to finance leases but recognising only a proportion of the assets value.

The standard will impact the PCCWM and the assets and liabilities shown on the Group Balance Sheet. An estimate of the impact is shown in the Group Accounts.

### 2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in pages 62 to 66 the CCWMP has had to make certain judgements about complex transactions. The critical judgements made in the statement of accounts are:

- A judgement has been made about the split of cost to include in the financial statements in relation to the Chief Constable and the impacts of this on the PCC and Group accounts. Following the stage 2 transfer of resources which was interpreted based on the Scheme of Consents and Delegation between the 2 corporation soles, the Chief Constable controls and directs police officers, PCSOs and the majority of police staff (excluding those staff directly employed by the PCC to manage his office), therefore all pay and pensions costs associated with these staff groups are presented in the Chief Constables accounts. The CFOs for the PCC and Chief Constable have determined that the non-pay costs attributable to the assets and liabilities of the PCC will also form part of the cost of the Chief Constable since these are consumed under his direction. The carrying value of the assets and liabilities remain with the PCC as he has control of them.



### 3. MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the CCWMP about the future, or that are otherwise uncertain. Estimates are made, taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Chief Constables Balance Sheet as at 31 March 2024 for which there are significant risks of material adjustment in the next financial year are detailed in the table below.

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex actuarial judgements related to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and the expected rate of return on the assets invested in the pension scheme. The Chief Constable uses 2 firms of actuaries to provide expert advice about the assumptions to be applied to the Police Pension Schemes and the Local Government Pension Scheme.	The effect on the net pension liability of changes in individual assumptions can be measured but they interact in complex ways. The liability as at 31 March 2024 is £6,108m (£6,023m in 2022-23) so a small percentage change in the overall liability can have a material impact on the accounts. Sensitivity analysis of the potential impact of changes is shown in Note 16 on page 55.

### 4. EVENTS AFTER THE BALANCE SHEET DATE

There are no material events to report after 31 March 2024.



## NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE CHIEF CONSTABLE

### 5. EXPENDITURE AND FUNDING ANALYSIS

2022-23 Net Expenditure Chargeable to the General Fund Balance £'000	2022-23 Adjustments between Funding and Accounting Basis £'000	2022-23 Net Expenditure in the Comprehensive Income and Expenditure Statement £'000	Chief Constable	2023-24 Net Expenditure Chargeable to the General Fund Balance £'000	2023-24 Adjustments between Funding and Accounting Basis £'000	2023-24 Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
<b>Chief Constable</b>						
627,621	93,870	721,491	Chief Constable	660,382	(21,132)	639,250
9,726	11,917	21,643	Change Programme	8,494	341	8,835
28,492	15,242	43,734	Regional & National Services	22,183	(1,449)	20,734
(665,433)	(21,371)	(686,804)	Funding from the PCC	(691,059)	(24,791)	(715,850)
<b>406</b>	<b>99,658</b>	<b>100,064</b>	<b>Net Cost of Services</b>	<b>0</b>	<b>(47,031)</b>	<b>(47,031)</b>
0	138,131	138,131	Other Income and Expenditure	0	174,110	174,110
<b>406</b>	<b>237,789</b>	<b>238,195</b>	<b>Surplus or Deficit</b>	<b>0</b>	<b>127,079</b>	<b>127,079</b>

	Chief Constable	
	2022-23	2023-24
Opening General Fund Balance	(406)	0
Less Deficit on General Fund Balance in Year	406	0
Closing General Fund Balance at 31 March	0	0

### 6. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2022-23 Net Change for the Pensions Adjustment (Note 1) £'000	2022-23 Other Differences (Note 2) £'000	2022-23 Total Adjustments between Funding and Accounting Basis £'000	Chief Constable	2023-24 Net Change for the Pensions Adjustment (Note 1) £'000	2023-24 Other Differences (Note 2) £'000	2023-24 Total Adjustments between Funding and Accounting Basis £'000
<b>Chief Constable</b>						
87,478	6,392	93,870	Chief Constable	(40,729)	19,597	(21,132)
53	11,864	11,917	Change Programme	(1)	342	341
12,299	2,943	15,242	Regional & National Services	(4,402)	2,953	(1,449)
	(21,371)	(21,371)	Funding from the PCC		(24,791)	(24,791)
<b>99,830</b>	<b>(172)</b>	<b>99,658</b>	<b>Net Cost of Services</b>	<b>(45,132)</b>	<b>(1,899)</b>	<b>(47,031)</b>
138,131	0	138,131	Other Income and Expenditure	174,110	0	174,110
<b>237,961</b>	<b>(172)</b>	<b>237,789</b>	<b>Surplus or Deficit</b>	<b>128,978</b>	<b>(1,899)</b>	<b>127,079</b>

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

Note 2 – This column includes adjustments for Accumulated Absences and capital adjustments from PCC funding





## 7. SUBJECTIVE ANALYSIS OF THE NET COST OF POLICE SERVICES

2022-23 £'000		2023-24 £'000
	Financial Resources of the PCCWM consumed at the request of the Chief Constable	
516,421	Police Pay and Allowances	438,940
227,236	Police Staff and PCSO Pay and Allowances	195,597
11,019	Other Employee Expenses	15,070
<b>754,676</b>	<b>Sub Total Employee Costs</b>	<b>649,607</b>
29,981	Premises Related Costs	33,409
13,293	Transport/Travel Costs	12,283
81,212	Supplies and Services	74,839
80,073	Collaborative Working Expenditure	22,956
31,597	Capital Financing Costs	36,373
(204,532)	Income	(160,973)
568	Non distributed costs	325
<b>786,868</b>	<b>Total Financial Resources of the PCCWM consumed at the request of the Chief Constable</b>	<b>668,819</b>
<b>(686,804)</b>	<b>PCC funding for financial resources consumed</b>	<b>(715,850)</b>
100,064	<b>Net Cost of Policing Services</b>	(47,031)
231,519	Financing and investment income and expenditure	275,832
(93,388)	Other Operating Income	(101,722)
<b>238,195</b>	<b>Deficit on the provision of services</b>	<b>127,079</b>
(2,932,427)	Other Comprehensive Income and Expenditure	(43,659)
<b>(2,694,232)</b>	<b>Net Comprehensive Income and Expenditure</b>	<b>83,420</b>



## 8. EMPLOYEE REMUNERATION

The following table shows the remuneration of employees under the direction and control of the Chief Constable of West Midlands Police with £5,000 banding for those whose remuneration is more than £50,000 per year. The values in this table exclude the staff of the Office for the Police and Crime Commissioner, but includes all senior officers later disclosed in note 9.

2022-23 Police Officers	2022-23 Police Staff	2022-23 Total	Earnings Band	2023-24 Police Officers	2023-24 Police Staff	2023-24 Total
5,947	4,135	10,082	Less than £49,999	5,496	3,945	9,441
901	113	1,014	£50,000 - £54,999	1,107	182	1,289
558	72	630	£55,000 - £59,999	571	64	635
266	26	292	£60,000 - £64,999	415	50	465
75	5	80	£65,000 - £69,999	165	18	183
40	11	51	£70,000 - £74,999	42	5	47
20	2	22	£75,000 - £79,999	27	5	32
12	6	18	£80,000 - £84,999	15	3	18
11	3	14	£85,000 - £89,999	16	4	20
12	1	13	£90,000 - £94,999	18	1	19
13	4	17	£95,000 - £99,999	4	3	7
4	1	5	£100,000 - £104,999	14	3	17
3	0	3	£105,000 - £109,999	2	1	3
1	1	2	£110,000 - £114,999	1	0	1
1	0	1	£115,000 - £119,999	0	0	0
2	0	2	£120,000 - £124,999	3	0	3
0	0	0	£125,000 - £129,999	2	0	2
0	0	0	£130,000 - £134,999	2	0	2
0	0	0	£135,000 - £139,999	2	0	2
0	0	0	£140,000 - £144,999	1	1	2
0	0	0	£145,000 - £149,999	2	0	2
0	0	0	£150,000 - £154,999	0	0	0
0	0	0	£155,000 - £159,999	1	0	1
0	0	0	£160,000 - £164,999	0	0	0
0	0	0	£165,000 - £169,999	0	0	0
0	0	0	£170,000 - £174,999	0	0	0
0	0	0	£175,000 - £179,999	1	0	1
0	0	0	£180,000 - £184,999	0	0	0
0	0	0	£185,000 - £189,999	0	0	0
0	0	0	£190,000 - £194,999	0	0	0
0	0	0	£195,000 - £199,999	0	0	0
0	0	0	£200,000 - £204,999	0	0	0
0	0	0	£205,000 - £209,999	0	0	0
0	0	0	£210,000 - £214,999	0	0	0
0	0	0	£215,000 - £219,999	0	0	0
0	0	0	£220,000 - £224,999	1	0	1
<b>7,866</b>	<b>4,380</b>	<b>12,246</b>	<b>Totals</b>	<b>7,908</b>	<b>4,285</b>	<b>12,193</b>



## 9. SENIOR OFFICERS REMUNERATION

This note has been prepared in accordance Account and Audit Regulations 2015. This aims to provide greater transparency and accountability to local taxpayers in respect of the total remuneration package for the senior team charged with stewardship of the organisation. In respect of the CCWMP the information is reported for the senior command team of the police force. The regulations require that persons whose annual salary is more than £150,000 are identified by their job title and their name, and that senior employees and relevant police officers earning more than £50,000 (but less than £150,000) are identified by their job title.

### Senior Officers' remuneration in 2023-24

Post holder information	Notes	Salary (inc fees and allowances)	Benefits in Kind	Total remuneration (Exc employer pension contributions)	Employers pension contributions	Total Remuneration (Inc. employers pension contributions)
		£'000	£'000	£'000	£'000	£'000
<b>Chief Constable for West Midlands Police</b>						
Chief Constable C Guildford		222.5		222.5	66.6	289.1
Deputy Chief Constable S Green	1	157.8		157.8	49.0	206.8
Assistant Chief Constable (1)		125.2	0.1	125.3	39.1	164.4
Assistant Chief Constable (2)	2	49.2		49.2	15.3	64.5
Assistant Chief Constable (3)	3	125.4		125.4	39.1	164.5
Assistant Chief Constable (4)	4	24.9		24.9	1.7	26.6
Assistant Chief Constable (5)	5	71.3		71.3	21.4	92.7
Assistant Chief Constable (6)		123.0		123.0	35.5	158.5
Assistant Chief Constable (7)	6	39.6		39.6	12.3	51.9
Assistant Chief Constable (8)	7	90.9		90.9	22.9	113.8
Assistant Chief Constable (9)	8	13.4		13.4	4.2	17.6
Director of Commercial Services		144.3		144.3	25.8	170.1
Director of People & Organisation Development	9	22.7		22.7	4.2	26.9
<b>Total:</b>		<b>1,210.2</b>	<b>0.1</b>	<b>1,210.3</b>	<b>337.1</b>	<b>1,547.4</b>

#### Notes:

1. Deputy Chief Constable S Green commenced role on 17 April 2023
2. ACC (2) joined the Force on 6 November 2023
3. ACC (3) transferred to the Force permanently following secondment to the role of Assistant Chief Constable
4. ACC (4) vacated role of Assistant Chief Constable on 16 April 2023
5. ACC (5) vacated role of Assistant Chief Constable on 22 October 2023
6. ACC (7) commenced role of temporary Assistant Chief Constable on 4 December 2023
7. ACC (8) vacated role of Assistant Chief Constable on 1 January 2024
8. ACC (9) covered the role of temporary Assistant Chief Constable from 18 September 2023 to end October 2023
9. Director of People & Organisational Development vacated role on 7 June 2023 and the role was restructured and is no longer a Senior Officer role



## Senior Officers' remuneration in 2022-23

Post holder information	Notes	Salary (inc fees and allowances)	Benefits in Kind	Total remuneration (Exc employer pension contributions)	Employers pension contributions	Total Remuneration (Inc. employers pension contributions)
		£'000	£'000	£'000	£'000	£'000
<b>Chief Constable for West Midlands Police</b>						
Chief Constable D Thompson	1	145.8	0.5	146.3	0.0	146.3
Chief Constable C Guildford	2	72.5		72.5	20.6	93.1
Deputy Chief Constable V Jardine	3	163.5	0.8	164.3	48.9	213.2
Assistant Chief Constable (1)	4	75.8	0.4	76.2	20.8	97.0
Assistant Chief Constable (2)		122.4	0.7	123.1	37.3	160.4
Assistant Chief Constable (3)		110.7		110.7	28.8	139.5
Assistant Chief Constable (4)		120.3	0.7	121.0	37.3	158.3
Assistant Chief Constable (5)	5	62.8		62.8	16.9	79.7
Assistant Chief Constable (6)	6	102.3	0.1	102.4	28.4	130.8
Assistant Chief Constable (7)	7	62.8		62.8	16.9	79.7
Assistant Chief Constable (8)	8	24.6		24.6	6.0	30.6
Director of Commercial Services (1)	9	30.8	1.5	32.3	5.3	37.6
Director of Commercial Services (2)	10	97.6		97.6	18.3	115.9
Director of People & Organisation Development		106.4		106.4	18.6	125.0
<b>Total:</b>		<b>1,298.3</b>	<b>4.7</b>	<b>1,303.0</b>	<b>304.1</b>	<b>1,607.1</b>

### Notes:

1. Chief Constable D Thompson retired on 4 December 2022
2. Chief Constable C Guildford commenced role on 5 December 2022
3. DCC V Jardine vacated their role on 31 March 2023
4. ACC (1) vacated role of temporary Assistant Chief Constable on 12 September 2022 before returning as Assistant Chief Constable on 16 January 2023
5. ACC (5) commenced role of temporary Assistant Chief Constable on 30 August 2022
6. ACC (6) vacated role of Assistant Chief Constable on 26 March 2023
7. ACC (7) commenced role of temporary Assistant Chief Constable on 30 August 2022
8. ACC (8) was seconded to the role of Assistant Chief Constable on 16 January 2023
9. Director of Commercial Services (1) retired on 24 June 2022
10. Director of Commercial Services (2) commenced role on 8 June 2022



## 10. TERMINATION BENEFITS

The Code of Practice on Local Authority Accounting requires the disclosure of the number and cost of agreed exit packages. This note splits exit packages between those which relate to a compulsory redundancy and those which relate to other redundancy and departure costs.

Cost band	No. of compulsory redundancies		No. of other agreed departures		Total No. of exit packages by cost band		Total cost of exit packages in each band	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23 £'000	2023-24 £'000
£0 - £19,999	6	5	5	6	11	11	93	89
£20,000 - £39,999	1	3	3	1	4	4	123	104
£40,000 - £59,999	0	2	5	0	5	2	238	99
£60,000 - £79,999	1	1	0	2	1	3	68	207
£80,000 - £99,999	2	3	0	1	2	4	174	363
£100,000 +	0	11	4	2	4	13	455	2,241
<b>Total</b>	<b>10</b>	<b>25</b>	<b>17</b>	<b>12</b>	<b>27</b>	<b>37</b>	<b>1,151</b>	<b>3,103</b>

Two voluntary redundancy payments made in 2023-24 relate to departures on 31 March 23 which were omitted from the prior year, one within £60-80k and one above £100k.

## 11. EXTERNAL AUDIT COSTS

In 2023-24 the Chief Constable incurred the following fees relating to external audit:

	2022-23 £'000	2023-24 £'000
Fees payable to Grant Thornton UK LLP with regard to audit services carried out by the appointed auditor	36	74
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for a prior year	0	4

The appointed auditor in 2023-24 was Grant Thornton UK LLP. The proposed audit fee for the Chief Constable's accounts for the year is £74,281.



## 12. GRANT INCOME

The Chief Constable credited the following grants to the Comprehensive Income and Expenditure Statement. The Police Services income received by the Chief Constable is income that is directly attributable to the Chief Constable. It includes income for services provided such as events and airports but also grant income that is credited to the net cost of services rather than non-specific grant income.

	2022-23	2023-24
	£'000	£'000
<b><i>Credited to Other Operating Income</i></b>		
Pensions top up grant receivable	93,388	101,722
<b>Total</b>	<b>93,388</b>	<b>101,722</b>
<b><i>Credited to Police Services</i></b>		
Loan Charges Grant	596	534
Counter Terrorism Grant	57,617	63,124
Serious Violence Grant	3,024	3,432
County Lines	5,211	7,000
Commonwealth Games	71,059	0
ROCU Grants	6,988	7,402
Police Uplift Programme	9,442	22,685
Police Pensions Grant	6,965	6,965
Other Grants	9,305	6,855
<b>Total</b>	<b>170,207</b>	<b>117,997</b>

## 13. RELATED PARTY TRANSACTIONS

The PCCWM and Chief Constable of West Midlands Police are required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by him. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with him.

### Central Government

The UK Government exerts significant influence over the operations of the Chief Constable – it is responsible for providing the statutory operating framework and provides the majority of funding in the form of grants which are paid to the PCCWM. It also prescribes the terms of many of the transactions that the PCCWM Group has with other parties. The grants received from Central Government to the PCCWM are set out in the PCCWM and Group Statement of Accounts.

### Pension schemes

The Local Government Pension Scheme is administered by Wolverhampton City Council and payments of £37.6m were made to them in 2023-24 (£34.8m in 2022-23).

### Officers

No Chief Officers of the Force have declared any related party interests in 2023-24.



#### 14. COLLABORATIVE WORKING EXPENDITURE

The Chief Constable makes third party payments including those to other local authority bodies and other forces for collaborative working. Also, payments in respect of national Home Office ICT systems and third party insurance.

	31 March 2023 £'000	31 March 2024 £'000
Levies	7,223	7,289
Government Departments	46,694	250
NHS Bodies	163	81
Academies	0	0
Other Police Forces	19,810	6,135
Other Local Authorities	1,843	677
All other bodies	4,340	8,524
<b>Total Collaborative expenditure</b>	<b>80,073</b>	<b>22,956</b>

Collaborative working expenditure is included within the net cost of policing services in the Chief Constable's accounts.



## NOTES TO THE BALANCE SHEET FOR THE CHIEF CONSTABLE

### 15. UNUSABLE RESERVES

The Chief Constable recognises two unusable reserves in his Balance Sheet. These relate to Police and Police staff pensions and accumulated compensated absences.

#### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The CCWMP accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the CCWMP makes employer's contributions to pension funds, or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the CCWMP has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31 March 2023 £'000	31 March 2024 £'000
Balance at 1 April	8,716,970	6,022,504
Remeasurements of the net defined benefit liability or asset	(2,932,427)	(43,659)
Reversal of items related to retirement benefits debited or credited to the Surplus or Deficit on the provision of service in the Comprehensive Income and Expenditure Statement	443,956	354,202
Employers' pensions contributions and direct payments to pensioners payable in the year	(205,995)	(225,224)
<b>Balance as at 31 March</b>	<b>6,022,504</b>	<b>6,107,823</b>

#### Accumulated Compensated Absences Account

The Accumulated Compensated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement and time owing balances carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account. The Balances in the table below represent the liability of the CCWMP to pay outstanding compensating absences.

	2022-23 £'000	2022-24 £'000
<b>Balance at 1 April</b>	<b>9,167</b>	<b>8,995</b>
Settlement or cancellation of accrual made at the end of the previous year	(9,167)	(8,995)
Amounts accrued at the end of the current year	8,995	7,096
Amounts by which officers' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory provisions	0	0
<b>Balance at 31 March</b>	<b>8,995</b>	<b>7,096</b>





Following the automatic carry forward up to 10 days of untaken annual leave between 2021-22 and 2023-24, a reduction to up to 5 days of untaken annual leave was carried forward automatically into 2024-25 to move gradually towards the original policy of only exceptional circumstances for carry forward of leave.

## 16. DEFINED BENEFIT PENSION SCHEMES

As part of the terms and conditions of employment of its officers and other employees, the Chief Constable offers retirement benefits. Although these will not actually be payable until employees retire, the Chief Constable, through the Group accounts has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Group participates in two post-employment schemes:

- The Local Government Pension Scheme for civilian employees, administered by West Midlands Pension Fund. This is a funded defined benefit final salary scheme, meaning that the PCCWM and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- The Police Pension Scheme (defined benefit) for police officers - this is an unfunded defined benefit final salary scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually full due.

Police pensions operate under three schemes: The 1987 scheme which no new members can now join, the 2006 Police pension scheme which all officers joining a pension scheme since 1 April 2006 became a member of and the 2015 pension scheme which all new officers join and many officers from the 2006 scheme have transferred into. In addition, the disclosures which follow also show the costs of police injury awards separately as the costs of injury pensions are material in their own right. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than the amounts payable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by Central Government pension top-up grant. If, however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group which then must repay the amount to Central Government.

The costs of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund in the Group Movement in Reserves Statement.

The tables which follow show pension transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year. The Chief Constable is responsible for the pension payments for all Police Officers and Police staff with the exception of the staff of the Office for Policing and Crime. The statements which follow show transactions for the Chief Constable and the Group separately because the assets and liabilities in the Local Government pension Scheme are now disclosed separately by the group's actuary.

The following tables show how the transactions have been recognised in the Comprehensive Income and Expenditure Statement, Movement in Reserves and Balance Sheet during the year.



## Pension transactions within the Comprehensive Income and Expenditure Statement

2023-24	Local Government Pension Scheme CC element £'000	1987 Police Pension Scheme £'000	Police Injury Awards £'000	2006 Police Pension Scheme £'000	2015 Police Pension Scheme £'000	Total £'000
<u>Net cost of services:</u>						
Current Service Cost inc administration	27,325	(10)	1,750	0	48,980	<b>78,045</b>
Past service (cost) / gain	425	(100)				<b>325</b>
Curtailments						
<u>Financing and Investing Income &amp; Expenditure:</u>						
Net Interest cost	(808)	236,440	3,700	9,980	26,520	<b>275,832</b>
<b>Total post-employment benefits charged to the surplus or deficit on the provision of Services</b>	<b>26,942</b>	<b>236,330</b>	<b>5,450</b>	<b>9,980</b>	<b>75,500</b>	<b>354,202</b>
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	<b>0</b>
<b><u>Remeasurements of the net defined benefit liability/asset comprising:</u></b>						
Return on plan assets (excluding the amount included in the net interest cost)	(27,083)	0	0	0	0	<b>(27,083)</b>
Actuarial gains and losses arising on changes in demographic assumptions	(5,404)	0	0	0	0	<b>(5,404)</b>
Actuarial gains and losses arising on changes in financial assumptions	(61,868)	(94,840)	(1,330)	(4,630)	(21,810)	<b>(184,478)</b>
Experience gains and losses arising on the pension liabilities	26,060	66,400	(4,640)	6,030	9,920	<b>103,770</b>
Other actuarial gains and losses (Asset Ceiling adjustment)	69,536					<b>69,536</b>
<b>Net charge to CIES</b>	<b>28,183</b>	<b>207,890</b>	<b>(520)</b>	<b>11,380</b>	<b>63,610</b>	<b>310,543</b>



2022-23	Local Government Pension Scheme CC element £'000	1987 Police Pension Scheme £'000	Police Injury Awards £'000	2006 Police Pension Scheme £'000	2015 Police Pension Scheme £'000	Total £'000
<u>Net cost of services:</u>						
Current Service Cost inc administration	64,519	60	3,590	0	143,700	<b>211,869</b>
Past service (cost) / gain	568	124,090	0	12,390	(136,480)	<b>568</b>
Curtailments						
<u>Financing and Investing Income &amp; Expenditure:</u>						
Net Interest cost	12,269	179,150	2,900	10,590	26,610	<b>231,519</b>
<b>Total post-employment benefits charged to the surplus or deficit on the provision of Services</b>	<b>77,356</b>	<b>303,300</b>	<b>6,490</b>	<b>22,980</b>	<b>33,830</b>	<b>443,956</b>
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	<b>0</b>
<b><u>Remeasurements of the net defined benefit liability/asset comprising:</u></b>						
Return on plan assets (excluding the amount included in the net interest cost)	39,395	0	0	0	0	<b>39,395</b>
Actuarial gains and losses arising on changes in demographic assumptions	(33,266)	(61,220)	(300)	(16,440)	(56,800)	<b>(168,026)</b>
Actuarial gains and losses arising on changes in financial assumptions	(551,674)	(2,032,230)	(26,450)	(189,540)	(500,450)	<b>(3,300,344)</b>
Experience gains and losses arising on the pension liabilities	49,068	393,250	(4,740)	6,010	35,250	<b>478,838</b>
Other actuarial gains and losses (Asset Ceiling adjustment)	17,710					<b>17,710</b>
<b>Net charge to CIES</b>	<b>(401,411)</b>	<b>(1,396,900)</b>	<b>(25,000)</b>	<b>(176,990)</b>	<b>(488,170)</b>	<b>(2,488,471)</b>



## Pension transactions within the Movement in Reserves Statement

2023-24	Local Government Pension Scheme CC element £'000	1987 Police Pension Scheme £'000	Police Injury Awards £'000	2006 Police Pension Scheme £'000	2015 Police Pension Scheme £'000	Total £'000
Reversal of Net Charges for retirement benefits in accordance with IAS 19	(26,942)	(236,330)	(5,450)	(9,980)	(75,500)	<b>(354,202)</b>
<b>Actual amount charged against the General Fund balance for pensions in the year:</b>						
Employer's contributions payable to the scheme	28,254	0	0	0	0	<b>28,254</b>
Retirement benefits payable to pensioners (net of employee contributions)	0	225,810	3,820	2,380	(34,350)	<b>197,660</b>

2022-23	Local Government Pension Scheme CC element £'000	1987 Police Pension Scheme £'000	Police Injury Awards £'000	2006 Police Pension Scheme £'000	2015 Police Pension Scheme £'000	Total £'000
Reversal of Net Charges for retirement benefits in accordance with IAS 19	(77,356)	(303,300)	(6,490)	(22,980)	(33,830)	<b>(443,956)</b>
<b>Actual amount charged against the General Fund balance for pensions in the year:</b>						
Employer's contributions payable to the scheme	23,369	0	0	0	0	<b>23,369</b>
Retirement benefits payable to pensioners (net of employee contributions)	0	209,620	3,710	1,850	(31,590)	<b>183,590</b>



## Assets and Liabilities in relation to Post-employment benefits

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

2023-24	Funded liabilities: LGPS CC element £'000	Unfunded liabilities: 1987 Police Pension Scheme £'000	Unfunded liabilities: Injury Awards Pensions £'000	Unfunded liabilities: 2006 Police Pension Scheme £'000	Unfunded liabilities: 2015 Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(899,227)	(5,178,530)	(76,290)	(224,710)	(627,420)	<b>(7,006,177)</b>
Fair value of plan assets	967,890					<b>967,890</b>
<b>Sub-total</b>	<b>68,663</b>	<b>(5,178,530)</b>	<b>(76,290)</b>	<b>(224,710)</b>	<b>(627,420)</b>	<b>(6,038,287)</b>
Other movements in the liability (Asset ceiling adjustment)	(69,536)	0	0	0	0	<b>(69,536)</b>
Net liability arising from the defined benefit obligation	<b>(873)</b>	<b>(5,178,530)</b>	<b>(76,290)</b>	<b>(224,710)</b>	<b>(627,420)</b>	<b>(6,107,823)</b>

2022-23	Funded liabilities: LGPS CC element £'000	Unfunded liabilities: 1987 Police Pension Scheme £'000	Unfunded liabilities: Injury Awards Pensions £'000	Unfunded liabilities: 2006 Police Pension Scheme £'000	Unfunded liabilities: 2015 Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(867,281)	(5,196,450)	(80,630)	(215,710)	(528,770)	<b>(6,888,841)</b>
Fair value of plan assets	884,047					<b>884,047</b>
<b>Sub-total</b>	<b>16,766</b>	<b>(5,196,450)</b>	<b>(80,630)</b>	<b>(215,710)</b>	<b>(528,770)</b>	<b>(6,004,794)</b>
Other movements in the liability	(17,710)	0	0	0	0	<b>(17,710)</b>
Net liability arising from the defined benefit obligation	<b>(944)</b>	<b>(5,196,450)</b>	<b>(80,630)</b>	<b>(215,710)</b>	<b>(528,770)</b>	<b>(6,022,504)</b>

Under IFRIC 14, the pension surplus reported under IAS 19 is not fully realisable and a ceiling has been applied to the amounts recognised in the Balance Sheet, reducing the recognised surplus to nil. The methodology employed shows an excess of future service contributions payable above the value of future service costs which results in nil economic benefit available. In 2023-24 the LGPS scheme for the Chief Constable recognised a surplus of £87.2m (£17.7m in 2022-23) against the funded liability.



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

<b>2023-24</b>	<b>Funded liabilities: Local Govt Pension Scheme (CC element) £'000</b>	<b>Unfunded liabilities: 1987 Police Pension Scheme £'000</b>	<b>Unfunded liabilities: Injury Awards Pensions £'000</b>	<b>Unfunded liabilities: 2006 Police Pension Scheme £'000</b>	<b>Unfunded liabilities: 2015 Police Pension Scheme £'000</b>	<b>Total £'000</b>
1 April -23	<b>(884,991)</b>	<b>(5,196,450)</b>	<b>(80,630)</b>	<b>(215,710)</b>	<b>(528,770)</b>	<b>(6,906,551)</b>
Current service cost	(27,325)	10	(1,750)	0	(48,980)	(78,045)
Interest cost	(41,523)	(236,440)	(3,700)	(9,980)	(26,520)	(318,163)
Contributions by scheme participants	(9,309)	(10)	0	0	(38,590)	(47,909)
Transfers into the scheme	0	0	0	0	(690)	(690)
Remeasurement of the defined benefit obligation	41,212	28,440	5,970	(1,400)	11,890	86,112
Benefits paid	23,134	225,820	3,820	2,380	4,240	259,394
Curtailments	0	0	0	0	0	0
Past service costs	(425)	100	0	0	0	(325)
Asset Ceiling adjustment for economic benefit calculation	(69,536)	0	0	0	0	(69,536)
31 March-24	<b>(968,763)</b>	<b>(5,178,530)</b>	<b>(76,290)</b>	<b>(224,710)</b>	<b>(627,420)</b>	<b>(7,075,713)</b>

<b>2022-23</b>	<b>Funded liabilities: Local Govt Pension Scheme (CC element) £'000</b>	<b>Unfunded liabilities: 1987 Police Pension Scheme £'000</b>	<b>Unfunded liabilities: Injury Awards Pensions £'000</b>	<b>Unfunded liabilities: 2006 Police Pension Scheme £'000</b>	<b>Unfunded liabilities: 2015 Police Pension Scheme £'000</b>	<b>Total £'000</b>
1 April -22	<b>(1,312,501)</b>	<b>(6,802,960)</b>	<b>(109,340)</b>	<b>(394,410)</b>	<b>(984,130)</b>	<b>(9,603,341)</b>
Current service cost	(64,519)	(60)	(3,590)		(143,700)	(211,869)
Interest cost	(36,806)	(179,150)	(2,900)	(10,590)	(26,610)	(256,056)
Contributions by scheme participants	(8,024)	(30)			(35,600)	(43,654)
Transfers into the scheme	0	(10)		(140)	(1,220)	(1,370)
Remeasurement of the defined benefit obligation	536,035	1,700,200	31,490	199,970	522,000	2,989,695
Benefits paid	19,102	209,650	3,710	1,850	4,010	238,322
Curtailments						
Past service costs	(568)	(124,090)		(12,390)	136,480	(568)
Other movements in the liability	(17,710)					(17,710)
31 March-23	<b>(884,991)</b>	<b>(5,196,450)</b>	<b>(80,630)</b>	<b>(215,710)</b>	<b>(528,770)</b>	<b>(6,906,551)</b>



## Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme CC Element £'000	
	2022-23	2023-24
1 April	886,777	884,047
Interest on plan assets	24,537	42,331
Return on plan assets excluding the amount included in the net interest expense	(39,395)	27,083
Other actuarial gains and (losses)	(163)	0
Employer contributions	23,369	28,254
Member contributions	8,024	9,309
Benefits paid	(19,102)	(23,134)
31 March	<b>884,047</b>	<b>967,890</b>

The total value of the liability for the pension schemes disclosed in the Chief Constables Balance Sheet excludes the PCC element of the Local Government Pension Scheme (nil for 23-24) and is thus £6,108m.

The liabilities show the underlying commitments that the CCWMP has in the long run to pay post-employment (retirement) benefits. The total liability of £6,108m within the Chief Constable's Balance Sheet has a substantial impact on the net worth of the Group recorded in the Group Balance Sheet, resulting in a negative overall balance of £5,893m. Statutory arrangements for funding the deficit mean that the financial position of the pension deficit will always be funded:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- Finance is only required to be raised to cover police pensions when the pensions are actually paid.

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, and estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Scheme liabilities have been assessed by the Government Actuary's Department and the Police Staff liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries.

Under the projected unit method of estimating liabilities, the current service cost will increase as the members of that scheme approach retirement. This is more evident in schemes such as the 1987 Police pension scheme where the age profile of the active membership is significantly rising.

The principal assumptions in the calculations made are: -



	Chief Constable Portion of Local Government Pension Scheme		Police Pension Scheme	
	£'000		£'000	
	2022-23	2023-24	2022-23	2023-24
	Years	Years	Years	Years
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
Men	20.9	20.7	21.9	21.9
Women	23.7	23.5	23.5	23.6
Longevity at 65 for future pensioners:				
Men	21.8	21.6	23.5	23.6
Women	25.4	25.2	25.0	25.1
	%	%	%	%
Rate of CPI inflation	2.95	2.75	2.60	2.60
Rate of increase in salaries	3.95	3.75	3.85	3.85
Rate of increase in pensions	2.95	2.75	2.60	2.60
Rate for discounting scheme liabilities	4.75	4.85	4.65	4.75

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the above table. The sensitivity analyses below have been determined based on reasonably possible changes in the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while other assumptions remain constant. It is noted that some assumptions are interrelated.

Local Government Pension Scheme Chief Constable		Impact on the defined benefit obligation in the scheme		
		£'000	£'000	£'000
<b>Sensitivity analysis</b>				
<b>Adjustment to the discount rate</b>		<b>+0.1%</b>	<b>0%</b>	<b>-0.1%</b>
	Present value of total obligation	948,156	967,890	987,624
<b>Adjustment to long term salary increase</b>		<b>+0.1%</b>	<b>0%</b>	<b>-0.1%</b>
	Present value of total obligation	968,885	967,890	966,895
<b>Adjustments to pension increases and deferred valuations</b>		<b>+0.1%</b>	<b>0%</b>	<b>-0.1%</b>
	Present value of total obligation	986,984	967,890	948,796
<b>Adjustment to life expectancy assumptions</b>		<b>+ 1 year</b>	<b>No change</b>	<b>- 1 year</b>
	Present value of total obligation	1,003,151	967,890	932,629

Police Pension Scheme	Impact on the defined benefit obligation in the scheme £'000
Longevity (decrease of 1 year)	149,000
Rate of increase in pensions / deferred revaluation (increase by 0.5%)	468,000
Rate of increase in salaries (increase by 0.5%)	64,000
Rate of discounting scheme liability (increase by 0.5%)	(479,000)





The police pension scheme has no assets to cover its liabilities. Assets in the West Midlands Metropolitan Authorities Pension Fund relating to the Chief Constable are valued at fair value. The Fund assets consist of the following categories by proportion of the total assets of the Fund:

		Fair value of assets held	
		31 March 2023	31 March 2024
Asset category	Sub category	£'000	£'000
Cash and cash equivalents	All	27,583.2	45,854.9
Private Equity	Private	67,945.3	71,248.4
Debt Securities	UK Government	40,699.2	126,333.0
	Corporate Bonds	46,532.6	50,020.4
	Other Bonds	94,295.7	152,495.0
Real Estate	UK property	62,036.8	61,941.7
Investment Funds and Unit Trusts	Equities	483,824.6	411,169.3
	Infrastructure	47,706.4	43,474.5
	Other	13,423.2	5,352.8
Derivatives	Foreign Exchange	0	0
	Other	0	0
<b>Total Assets held</b>		<b>884,047</b>	<b>967,890</b>

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age.

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) got royal assent on 10 March 2022 and the Act came into force from 1 April 2022. The Act 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 ended, 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

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 impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into



which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

## 17. DISCRETIONARY PENSION PAYMENTS

The table below shows the capitalised value of payments made during the year to former employees under the conditions of the Local Government Superannuation Scheme. The actual payments made reflect the employer spend on unfunded pension liabilities for the scheme.

	2022-23 Capitalised Value £'000	2023-24 Actual Payments £'000	2023-24 Capitalised Value £'000
Payments made in respect of decisions made in the year	0	0	0
Payments made in respect of decisions made in previous years	1,642	103	1,853
	<b>1,642</b>	<b>103</b>	<b>1,853</b>

## 18. PROVISIONS

	Internal reorganisation £'000
<b>Balance as at 31 March 2023</b>	<b>0</b>
Additional Provisions made in year	(1,505)
Amounts used in year	0
Unused amounts reversed in year	0
<b>Balance as at 31 March 2024</b>	<b>(1,505)</b>

The provision for internal reorganisation is for exit costs and pension strain. This will be funded by an intra-group transfer from the PCCWM.

## 19. CONTINGENT LIABILITIES AND ASSETS

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

There is a contract between the Home Office and Motorola (trading as Airwave Solutions Ltd) to provide forces with Mobile Radio Network Services (Airwave). There is currently a dispute regarding the indexation of charges under the framework agreement. Forces have been advised by the Home Office to pay invoices and account for credit notes received but there is a potential liability risk for the possibility that charge control reductions may need to be repaid if Motorola is successful in any further appeal. Management believe this is unlikely to result in a charge to the force and therefore, no liability in this respect has been recognised in the accounts.



## JOINT OPERATIONS

### 20. CENTRAL MOTORWAY POLICE GROUP

The PCCWM is engaged in a joint operation with Staffordshire for the Policing of the Motorway network in the West Midlands area known as the Central Motorway Police Group. The PCCWM provides the financial administration service for this joint unit. Operational activities are under the direction of the Chief Constables.

The assets of the unit in respect of police vehicles, equipment and land and buildings are held individually by each police PCC and are shown on each PCC's balance sheet.

The two Police forces have an agreement in place for funding this unit with contributions to the agreed budget of 70% from West Midlands Police and 30% from Staffordshire. The same proportions are used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year.

The revenue account for the Unit covers all operating costs. The details for 2023-24 are as follows:

2022-23 £'000		2023-24 £'000
	<b>Funding provided to the pooled budget</b>	
(5,121)	Contribution from West Midlands Police	(4,882)
(2,468)	Contribution from Staffordshire Police	(2,500)
<b>(7,589)</b>	<b>Total funding provided to the pooled Budget</b>	<b>(7,382)</b>
	<b>Expenditure met from the pooled budget</b>	
6,882	Pay and allowances	6,692
461	Transport costs	503
246	Supplies and Services	187
<b>7,589</b>	<b>Total expenditure</b>	<b>7,382</b>
	<b>Income received to the Pooled budget</b>	
0	Miscellaneous income	0
0	External funding	0
<b>0</b>	<b>Total income received</b>	<b>0</b>
<b>7,589</b>	<b>Total Net Expenditure</b>	<b>7,382</b>
0	Net surplus/(deficit) arising during the year	0
0	West Midlands Police share of 70% of the net surplus/(deficit) arising during the year	0

The funding provided by the pooled budget is adjusted between the Forces to ensure the agreed percentage split is applied to the final expenditure less any surplus. In 2023-24 the final contribution paid by the PCCWM was £5.17m.



## 21. WEST MIDLANDS REGIONAL ORGANISED CRIME UNIT

The West Midlands Regional Organised Crime Unit (WMROCU) is a collaboration between the police forces of Staffordshire, Warwickshire, West Midlands and West Mercia to fight organised crime across the region. The collaboration is agreed between the PCCs for the forces with the operational activity under the direction of the Chief Constables.

The aim of the WMROCU is to reduce the impact and increase the disruption of serious and organised crime within the region and beyond. West Midlands Police acts as the lead force for this joint arrangement and provides the financial management service for this unit.

The unit is funded in part by force contributions and also by grants from the Home Office and the National Cyber Security Programme (NCSP). The revenue account for this unit covers all operating costs. The details are as follows:

WMROCU 2022-23 £'000		WMROCU 2023-24 £000	PCCWM split* 2023-24 £000
	<b>Funding provided to WMROCU</b>		
(16,284)	Contribution from West Midlands Police	(16,545)	(16,545)
(4,683)	Contribution from West Mercia Police	(5,080)	0
(4,549)	Contribution from Staffordshire Police	(4,935)	0
(2,274)	Contribution from Warwickshire Police	(2,467)	0
(2,399)	WMROCU Grant	(2,399)	(1,367)
(280)	National Cyber Security Programme funding	(280)	(159)
(238)	Asset Confiscation Enforcement grant (ACE)	(242)	(138)
(26)	ROCU Reserves	(275)	(157)
(1,096)	UCOL Funding	(1,096)	(625)
(122)	ROCTA Funding	(153)	(87)
(72)	Disruption Team Funding	(256)	(145)
(250)	Dark Web Funding	(250)	(142)
(129)	OSPY Income	0	0
(164)	Fraud Investigation	(153)	(87)
(442)	Illicit Cash Team	0	0
<b>(33,008)</b>	<b>Total funding</b>	<b>(34,131)</b>	<b>(19,452)</b>
	<b>WMROCU expenditure</b>		
1,415	Regional Asset Recovery Team (RART)	1,792	1,611
244	RART – ACE team	243	243
696	Regional Cyber Crime Unit	880	646
292	Regional Fraud Team	797	644
1,301	Regional Prisons Intelligence Unit	1,429	918
91	Operational Security (OPSY)	78	78
45	Regional Government Agency Intelligence Network (GAIN)	22	22
1,417	Command Team	1,429	883
6,596	Regional Confidential Unit	6,699	5,105
275	Posts created from underspend	0	0
781	TIDU – Technical Intelligence	694	579
417	Enabling Services	456	456
5,791	SOCU	6,553	3,661
8,421	Regional Surveillance Unit (FSU)	8,657	5,456
283	Threat Assessment Team (ROCTA)	336	228
72	Disruption Team	288	288
262	Dark Web	48	48
442	Illicit Cash Team	0	0
4,167	Other Regional Operations	3,730	3,355
0	Contribution to Collaboration	0	(4,769)
<b>33,008</b>	<b>Total expenditure</b>	<b>34,131</b>	<b>19,452</b>
<b>0</b>	<b>Total Net Expenditure</b>	<b>0</b>	<b>0</b>

\* West Midlands Police split is 57% of income and expenditure, however, as lead force, West Midlands Police has contributed to some teams outside the collaboration split of costs.



## POLICE PENSION FUND ACCOUNT

From 1 April 2006 the funding arrangements for the Police Pension Scheme were changed. This is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liabilities and that cash has to be generated to meet actual pensions payments as they eventually fall due. Each year the pension fund is balanced to nil by the transfer of top up grant to/from the Police Fund.

2022-23 £'000	Police Pension Fund Account	2023-24 £'000	£'000
	<b>Fund Account</b>		
	Contributions receivable:		
	From employer:		
(81,582)	Normal	(87,734)	
(2,539)	Ill Health Capital Sum	(2,662)	
(23)	AV contributions	(27)	
(84,144)		(90,423)	
(35,711)	From members	(38,661)	
(35,711)		(38,661)	
(1,529)	Transfers in	(781)	
(1,529)		(781)	
<b>(121,384)</b>	<b>Total income into the Pension Fund</b>		<b>(129,865)</b>
	Benefits payable:		
176,686	Pensions	194,844	
36,484	Lump sums	35,583	
547	Lump sum death benefits	261	
47	Benefits payable to other regional forces re earlier reorganisations	50	
213,764		230,738	
	Payments to and on account of leavers:		
693	Refunds of contributions	676	
315	Individual transfers out to other schemes	173	
0	Other	0	
1,008		849	
<b>214,772</b>	<b>Total payments from the pension fund</b>		<b>231,587</b>
<b>93,388</b>	<b>Net amount payable for the year</b>		<b>101,722</b>
(93,388)	Additional contribution received from the Home Office		(101,722)
<b>0</b>			<b>0</b>



## Net Assets Statement

Net current assets and liabilities	2022-23	2023-24
	£'000	£'000
Current assets	0	0
Current liabilities	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## Notes to the Police Pension Fund Account

1. The police pension fund account has been prepared in accordance with the Police Pension Regulations 2007 and the accounting policies detailed on page 62 of this Statement of Accounts.
2. The police pension fund is administered by the Chief Constable of West Midlands Police.
3. All benefits payable during 2023-24 have been accounted for within the pension fund account; however, liabilities that are due after the 31 March 2024 are not included. These liabilities are recognised within the Comprehensive Income and Expenditure Statement and are detailed in note 16.
4. The police pension fund scheme is an unfunded defined benefit scheme. This means that there are no assets to the scheme and that all benefits payable are funded by contributions from employers and employees. Any difference that arises in the year between the benefits payable and the contributions received is met by a top up grant received from the Home Office.
5. Employee and employer contributions into the scheme are based on percentages of pensionable pay set nationally by the Home Office and subject to a triennial revaluation by the Government Actuaries Department. During 2023-24 the contribution rates were as follows:

Employers Contribution – 31% for the 2015 Police pension schemes

For tier 1 officers (salaries under £27,000 a year)

Employee Contribution – 12.44% for 2015 police pension scheme

For tier 2 officers (salaries between £27,000 and £60,000 a year)

Employee Contribution – 13.44% for 2015 police pension scheme

For tier 3 officers (salaries over £60,000 a year)

Employee Contribution – 13.78% for 2015 police pension scheme



## STATEMENT OF ACCOUNTING POLICIES

### General Principles

The Statement of Accounts summarises the Force's transactions for the 2023-24 financial year and its position at the year end of 31 March 2024. The Chief Constable is required to prepare an Annual Statement of Accounts by the Accounts and Audit Regulations 2015. The regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and supported by International Financial reporting Standards. Guidance notes issued by CIPFA on the application of accounting standards to local authorities have in general been followed, and any exceptions to this are disclosed below. The policies below reflect the powers and responsibilities of the Chief Constable of West Midlands Police as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service of England and Wales 2012.

#### a. Income and Cost Recognition and Intra-group Adjustment

Costs are recognised within the Chief Constable's accounts to reflect the resources consumed by activities under his direction and control.

All expenditure within the group accounts is paid for by the PCCWM as the Office for the Police and Crime Commissioner holds all the funds and controls the bank accounts for the Group. Hence an intra-group adjustment is made to account for the resources consumed by the Chief Constable so that the net cost of police services for the Chief Constable are transferred to the PCC/Group.

The Chief Constable's Accounts show the cost of undertaking day to day operational policing under the direction and control of the Chief Constable. Expenditure shown in the Comprehensive Income and Expenditure Statement (CIES) includes the salaries of police officers, PCSOs and police staff as well as the cost of purchases. In addition, a charge is shown for the Chief Constable's use of assets, which are strategically controlled by the PCC. The capital charge is equal to depreciation of property, plant and equipment and amortisation of intangible assets plus any financing charges for in-year capital outlay.

To fund the operational expenditure, the Chief Constable's Accounts show income by way of funding or financial guarantee provided by the PCC to the Chief Constable. This treatment forms the basis of the intra-group adjustment between the Accounts of the PCC and the Chief Constable. However, because the Chief Constable does not have a bank account there is no actual transfer of cash between the PCC and the Chief Constable. The cost of post employment benefits accrued by serving and ex-police officers and police staff and the cost of accrued absences is also shown in the Chief Constable's Accounts.

#### b. Treatment of Grants

The Chief Constable recognises specific revenue grants which relate to particular aspects of the Force's functions and have been shown as income in determining net expenditure. These include the Counter Terrorism Grant and other non-material Home Office grants. All of these grants are initially paid to the PCC and form part of the intra-group adjustment.

The Chief Constable also recognises the Police pensions top-up grant in other operating income in the Comprehensive Income and Expenditure account.

#### c. 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 these benefits are recognised as an expense in the year in which the employee renders service to the CCWMP.

IAS 19 Employee Benefits requires the CCWMP to account for short term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but have not been taken by the Balance Sheet date. The amount will be recognised in the Comprehensive Income and Expenditure Statement in the period in which officers gain entitlement to the benefit. The cost of annual leave entitlement and time off in lieu earned but not taken at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the next period.

### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Organisation to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are charged as an expense in the Comprehensive Income and Expenditure Statement when the Chief Constable can no longer withdraw the offer of those benefits and when the Chief Constable recognises costs for a restructuring within the scope of IAS 37 involving the payment of such benefits.

### **Post employment benefits**

The Police Pensions Scheme is unfunded and therefore net pension payments are charged against the year in which they are made, rather than being provided for by means of a pension fund. All receipts and payments relating to the 1987, 2006 and 2015 Police Pensions Regulations are generally receivable into and payable out of the pensions fund and specific provision is made for officers' contributions and inward transfer values to be paid into the fund and for awards payable and outward transfer values to be paid out of the fund. Transfers into and out of the fund are recognised as income to (or expenditure from) the Police Pension fund account in the year in which the transfer occurs.

The Police Pension Scheme note includes a separate disclosure of the 1987 Police Pension Scheme liabilities, the Police Pension Scheme injury awards liabilities the 2006 Police Pension Scheme liabilities and the 2015 Police Pension Scheme liabilities. This disclosure reflects the material nature of all four schemes in operation. Scheme liabilities are shown on the Balance Sheet following the requirements of the code and IAS 19.

Pension payments to former members of Police Staff are funded through an employer's contribution to the West Midlands Metropolitan Authorities Superannuation Fund (the LGPS), administered by Wolverhampton City Council. This is accounted for as a defined benefit scheme:

- a. The rate of contribution in 2023-24 was 18.8%.
- b. The liabilities of the scheme attributable to the Chief Constable are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of future earnings for current employees.
- c. Liabilities are discounted to their value at current prices, using an appropriate discount rate set by the Actuary (usually based on the indicative rate of return on AA rated corporate bonds of appropriate duration).
- d. The assets of the fund attributable to the Group are included in the Balance Sheet at their fair value:
  - i. Quoted securities – current bid price
  - ii. Unquoted securities – professional estimate
  - iii. Unlisted securities – current bid price
  - iv. Property – market value





- e. The change in the net pension liability is analysed into the following components:
- i. *Current service cost* – the increase in liabilities as a result to years of service earned this year
  - ii. *Past service cost* – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – this is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
  - iii. *Net Interest on the net defined benefit liability (asset)* – the net interest expenses for the organisation. This is debited to the financing and investing income and expenditure line in the Comprehensive Income and Expenditure Statement
  - iv. *Gains or losses on settlements and curtailments* – the result of actions to relieve the Group of liabilities or events that reduce the expected future service or accrual of benefits of employees. This is 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
  - v. *Remeasurements* – this comprises of (1) the return on plan assets excluding the amount included in net interest on the net defined benefit liability (asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure and (2) actuarial gains and losses changes – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These are charged to the Pensions Reserve as other Comprehensive Income and Expenditure.
  - vi. *Contributions paid to the pension fund* – cash paid as employers' 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 the Chief Constable to the pension fund 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 any amounts payable to the fund but unpaid at the year-end.

The Chief Constable recognises pension costs for all police officers in these accounts. The Chief Constable also recognises the costs of police staff pensions to the extent that the staff are under his direction and control. The staff of the Office for Policing and Crime are not recognised by the Chief Constable as they are deemed to be under the direction and control of the Police and Crime Commissioner. All other staff are deemed to be under the direction and control of the Chief Constable.

The value of actuarial gains and losses and overall pensions liability within the Local Government Pension Scheme has been split by the actuary between the Chief Constable and PCC.

#### **d. Value Added Tax**

The Chief Constable is not registered for VAT as an entity. The PCCWM submits a single VAT return to HM Revenue and Customs on behalf of the Group. Income and Expenditure excludes any amounts related to VAT as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

#### **e. Events after the end of the Reporting Period**

Events which occur between the end of the reporting period (31 March) and the date when the Statement of Accounts are authorised for issue are known as post-Balance Sheet events. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – these are known as adjusting events and the Statement of Accounts is adjusted to reflect these events



The Operating cost statement of the Chief Constable will reflect any adjustments where appropriate.

- Those that are indicative of conditions that arose after the reporting period – these are known as non adjusting events and the Statement of Accounts is not adjusted to reflect such events. However, where the event would have a material effect on the accounts, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events which appear after the date of authorisation for issue are not reflected in the Statement of Accounts.

#### **f. Accruals of Income and Expenditure**

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

- Revenue from the sale of goods is recognised at the time of transfer to the purchaser and when it is probable that economic benefits or service potential associated with the transaction will flow to the CCWMP.
- Revenue from the provision of services is recognised when the CCWMP can measure reliably the performance obligations of the transaction which are completed and it is probable that economic benefits or service potential associated with the transaction will flow to the CCWMP.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Notional transactions between the PCC and the Chief Constable are assumed to be settled immediately. Where revenue and expenditure has been recognised but cash has not been paid or received a creditor or debtor for the relevant amount is recorded in the PCC's Balance Sheet.

#### **g. Provisions**

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

A provision would only be recognised in the CCWMP Balance Sheet where the obligation is specific to charges for employees under the direction and control of the CCWMP and are to be settled as a result of internal decision making.

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Chief Constable of West Midlands Police's financial position or financial performance.

Where a change is made, it is applied retrospectively 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 comparable amounts for the prior period.



## **i. Joint Operations**

Joint operations are arrangements where the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. Two joint operations are ongoing. These are the Regional Organised Crime Unit (ROCU) and the Central Motorway Police Group (CMPG). The activities undertaken by CCWMP in conjunction with other joint operators involve the use of the assets and resources of the joint operators. Agreements for these joint operations are between the PCCs for the Forces. In relation to its interest in a joint operation, the CCWMP accounts for:

- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly



## GLOSSARY OF TERMS

**ACCRUAL** – The recognition, in the correct accounting period, of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

**ACTUARIAL GAINS AND LOSSES** – For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or the actuarial assumptions have changed.

**ACTUARIAL VALUATION** – A valuation of assets held, an estimate of the present value of benefits to be paid, and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

**AGENCY SERVICES** – The provision of services by an authority (the agent) on behalf of another authority, which is legally responsible for providing those services. The responsible authority reimburses the authority providing the service.

**ASSET** – An item owned by the PCC, which has a value, for example, land & buildings, vehicles, equipment, cash.

**BEST VALUE ACCOUNTING CODE OF PRACTICE** – A CIPFA guide to accounting for best value which provides a consistent and comparable calculation of the total costs of services. This was replaced in 2011 with the Service Reporting Code of Practice (SeRCOP).

**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** – Expenditure on new assets or on the enhancement of existing assets so as to prolong their life or enhance market value.

**CCWMP** – Chief Constable of West Midlands Police. This is the name of the entity which has direction and control over the police force and is headed by the Chief Constable.

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

**CONTINGENCY** – a sum of money set aside to meet unforeseen expenditure or a liability.

**COUNCIL TAX** – The local tax levied on householders, based on the relative market values of property, which helps to fund local services.

**CURRENT SERVICE COSTS (PENSIONS)** – The increase in the present value of a defined benefit scheme's liabilities expected to arise from the employee service in the current period.

**DEFINED BENEFIT SCHEME** – a pension scheme which defines the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

**FINANCIAL YEAR** – The period of twelve months for the accounts commencing 1 April and ending on 31 March the following year.

**GOVERNMENT GRANTS** – Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to a PCC in return for past or future compliance with certain restrictions and/or conditions relating to the activities of the PCC.



**INTEREST INCOME** – The money earned from the investment of surplus cash.

**INTEREST COSTS (PENSIONS)** – For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

**INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)** – The standards developed by the International Accounting Standards Board (IASB) and supported by interpretations of the International Financial Reporting Interpretations Committee (IFRIC) on which these accounts are based.

**MEDIUM TERM FINANCIAL PLAN (MTFP)** – A document looking to pull together one place all known factors affecting the financial position and financial sustainability of an organisation over the medium term. The MTFP balances the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.

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

**NON DISTRIBUTED COSTS** – This is where overheads are not charged or apportioned to activities within the Service Expenditure Analysis.

**NON DOMESTIC RATES** – The non domestic rate in the pound is the same for all non domestic rate payers and is set annually by the Government. Income from non domestic rates goes into a Central Government pool that is then distributed to Local Authorities and Police and Fire bodies according to resident population.

**OUTTURN** – The actual amount spent in the financial year.

**PAST SERVICE COST** – For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

**PCCWM** – This stands for Police and Crime Commissioner for West Midlands. This is the entity which is headed by the Police and Crime Commissioner and whose role is to hold the Chief Constable to Account, to agree the Policing and Crime Plan, and to agree the budget for the Police Force.

**PENSION FUND** – A fund which makes pension payments on retirement of its participants.

**REMEASUREMENTS** – These are re-measurements of the net defined pension liability which comprise of returns on pension plan assets (excluding an amount including in net interest) and changes in actuarial gains and losses. These are shown on the Comprehensive Income and Expenditure Statement as other Comprehensive Income and Expenditure.

**RESERVES** – Monies set aside by the PCC that do not fall within the definition of provisions.

**RETIREMENT BENEFITS** – All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

**REVENUE EXPENDITURE AND INCOME** – Day to day expenses mainly salaries and general running expenses.

**SeRCOP** – Service Reporting Code of Practice. This replaced the BVACOP as a method of providing a consistent and comparable total cost of services in Local Authority Accounting.