

West Midlands Police and Crime Panel AGM

Monday 7 October 2024 at 14:00 hours

Council Chamber, Solihull Civic Suite, Manor Square, Solihull, B91 3PX

This meeting will be livestreamed at <https://solihull.public-i.tv/core/portal/home>

More information about the Panel, including meeting papers and reports, can be found at www.westmidlandspcp.org.uk

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AGENDA - AGM

Supporting Document	Item	Topic	Approximate time
	1	NOTICE OF RECORDING This meeting will be webcast for live or subsequent broadcast and members of the press/public may record the meeting. The whole meeting will be filmed except where there are confidential or exempt items.	14:00
	2	APOLOGIES	
	3	DECLARATIONS OF INTEREST (IF ANY) Members are reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest. Information on the Local Government Association's Model Councillor Code of Conduct is set out via http://bit.ly/3WtGQnN .	
	4	POLICE AND CRIME PANEL MEMBERSHIP 2024/2025 The Panel is asked to note the appointment of Councillor Judy Foster (Dudley Metropolitan Borough Council) replacing Cllr Parmjit Sahota for remainder of the 2024/2025 Municipal Year.	14:05

Attached	5	MINUTES	14:10
		To confirm the Minutes of the meeting held on 22 July 2024.	
Attached	6	ACTION TRACKER	14:15
		To note the latest Action Tracker and any updates.	
	7	PUBLIC QUESTION TIME	14:20
		To receive questions from members of the public notified to the Panel in advance of the meeting.	
		Any member of the public who lives, works or studies in the West Midlands (other than police officers and police staff) can ask a question at the meeting about the Panel's role and responsibilities. Questions must be submitted in writing 4 days before the meeting to wmpcp@birmingham.gov.uk	
Attached	8	POLICE AND CRIME COMMISSIONER UPDATE AND KEY DECISIONS	14:35
		Report of the Police and Crime Commissioner.	
		Chief Constable Craig Guildford will provide an update on the HMICFRS decision on 17 September 2024 to remove West Midlands Police from Engage Status.	
		Key decisions published by the Police and Crime Commissioner since the last Panel meeting are attached for consideration. Decisions can be viewed on the Commissioners webpage: https://www.westmidlands-pcc.gov.uk/decisions/	
Attached	9	DEVELOPING THE POLICE AND CRIME PLAN 2025	15:15
		Report of the Police and Crime Commissioner.	
		The Panel will receive an update on the development of the West Midlands Police and Crime Plan 2025.	
Attached	10	POLICE AND CRIME COMMISSIONER – STATEMENT OF ACCOUNTS	16:00
		Report of the Police and Crime Commissioner.	
		The Panel to examine the Police and Crime Commissioner's Statement of Accounts 2023/24.	
Attached	11	PANEL WORK PROGRAMME	16:30
		The Panel to identify issues for consideration for a work programme for 2024/2025 and arrangements to take it forward.	
	12	NEXT MEETING DATE	16:40
		9 December 2024 at 2pm – Room 3 Wolverhampton Civic Centre	

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

**MINUTES OF THE MEETING OF THE WEST MIDLANDS POLICE AND CRIME PANEL HELD ON
22 JULY 2024 AT 14:00 HOURS – BIRMINGHAM CITY COUNCIL, COUNCIL CHAMBER,
VICTORIA SQUARE, BIRMINGHAM**

PRESENT: -

Members

Cllr Jasbir Jaspal – Chair (City of Wolverhampton Council)
Cllr Pervez Akhtar (Coventry City Council)
Cllr Heather Delaney (Solihull Metropolitan Borough Council - Substitute)
Cllr Abdul Khan (Coventry City Council)
Cllr Rashad Mahmood (Birmingham City Council)
Cllr Gareth Moore (Birmingham City Council)
Cllr Izzy Knowles (Birmingham City Council)
Kristina Murphy (Independent Panel Member – Vice Chair)
Cllr Rose Martin (Walsall Metropolitan Borough Council – Substitute observer)
Cllr Waheed Rasab (Walsall Metropolitan Borough Council)
Cllr Parmjit Sahota (Dudley Metropolitan Borough Council)
Cllr Jackie Taylor (Sandwell Metropolitan Borough Council)

ALSO PRESENT:-

Simon Foster – Police and Crime Commissioner
Wasim Ali – Proposed Candidate for Deputy Police and Crime Commissioner
Arron Cullen – Strategic Performance Analyst, Office of the Police and Crime Commissioner
Yazmin Francis – Research Officer, Office of the Police and Crime Commissioner
Jane Heppel – Chief Finance Officer, Office of the Police and Crime Commissioner
Jonathan Jardine – Chief Executive, Office of the Police and Crime Commissioner
Sarah Fradgley – Overview & Scrutiny Manager, Birmingham City Council
Amanda Simcox – Scrutiny Officer, Birmingham City Council

811 NOTICE OF RECORDING

The Overview and Scrutiny Manager announced the meeting would be webcast for live or subsequent broadcast and members of the press/public may record the meeting. The whole of the meeting would be filmed except where there were confidential or exempt items.

812 APOLOGIES

Apologies for non-attendance were received from Cllr Alan Feeney (Solihull Metropolitan Borough Council), and Derek French (Independent Panel Member).

813 ELECTION OF CHAIR OF THE POLICE AND CRIME PANEL 2024/25

The Panel was advised that they must elect a Chair for the period ending with the West Midlands Police and Crime Panel AGM in 2025. Councillor Cllr Jasbir Jaspal was put forward as the only nomination for election of Chair and the appointment was agreed by the Panel.

RESOLVED:-

That Cllr Jasbir Jaspal was elected as Chair of the Police and Crime Panel for the period ending with the West Midlands Police and Crime Panel AGM in 2025.

(Councillor Jaspal in the Chair)

814 ELECTION OF VICE CHAIR OF THE POLICE AND CRIME PANEL 2024/2025

The Panel was advised by the Chair that they must elect a Vice Chair for the period ending with the West Midlands Police and Crime Panel AGM in 2025. Kristina Murphy was put forward as the only nomination for election of Vice Chair and the appointment was agreed by the Panel.

RESOLVED:-

That Kristina Murphy was elected as Vice Chair of the Police and Crime Panel for the period ending with the West Midlands Police and Crime Panel AGM in 2025.

815 DECLARATIONS OF INTEREST

Members were reminded that they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at the meeting. Cllr Gareth Moore declared an interest as he was a trustee of Birmingham LGBT which provides domestic abuse services.

816 POLICE AND CRIME PANEL MEMBERSHIP 2024/25

RESOLVED:-

That the membership of the Police and Crime Panel for the 2024/25 municipal year be noted.

817 CONFIRMATION HEARING FOR APPOINTMENT OF DEPUTY POLICE AND CRIME COMMISSIONER

The Chair welcomed the Police and Crime Commissioner and Mr Wasim Ali, the proposed Deputy Police and Crime Commissioner to the meeting and stated that the Panel must hold a public Confirmation Hearing for the proposed appointment of Deputy Police and Crime Commissioner in accordance with Schedule 1 of the Police Reform and Social Responsibility Act 2011.

The Chair put on record that on this occasion it had not been possible to hold a hearing within the required 21 days. This was because the Commissioner's decision was received during the Panel's annual appointment process. The Panel secretariat had liaised with the Commissioner's office and sought advice from a constitutional expert. It had been agreed that the most appropriate course of action was to proceed with the confirmation hearing, albeit outside of the required timeframe. The Panel's Monitoring Officer has also written to the Home Office to inform them of this position and seek greater clarity on the interpretation of the legislation in this situation.

The Chair advised the Panel that they had a report setting out the confirmation hearing process and information provided by the Commissioner as required under the Act. The West Midlands Police and Crime Commissioner referred to the report and reflected on the reasons for proposing Mr Ali's appointment.

The Chief Executive of the Office of the Police and Crime Commissioner presented the statutory requirements for the position, advising that the appointment was exempt from competitive selection and political restriction. He highlighted that the Police and Crime Commissioner was awaiting the decision of the Panel before agreeing the Deputy Police and Crime Commissioner's portfolio.

Panel Members then asked Mr Ali a range of questions on a variety of topics to enable them to evaluate his suitability for the role.

In response to questions, Mr Ali summarised his experience and knowledge he would bring to the role, highlighting he understood the role of public service and the challenges, and he was confident he could meet these challenges with the experience he has gained in his previous leadership positions. He was aware of the importance of the Nolan Principles of Public Life, and he has been governed by these principles since he has been a councillor. He was committed to spending more time in the communities so their views could be heard, and he highlighted the importance of diversity and working with marginalised communities and collaborating with partners and stakeholders to find solutions of the needs identified.

At the end of the questioning, the Chair thanked Mr Ali for answering the Panel's questions and announced that the Panel would deliberate in closed session and a report would be sent to the Police and Crime Commissioner to recommend whether or not the candidate should be appointed.

RESOLVED:-

- i. That the confirmation hearing process set out in the Lead Officer report be noted.**
- ii. That the Panel conduct the confirmation hearing for the post of Deputy Police and Crime Commissioner.**
- iii. The information provided by the Police and Crime Commissioner regarding the proposed appointment, and the preferred candidate during this confirmation hearing be considered.**

- iv. **A report incorporating the Panel's recommendation on the appointment be submitted to the Police and Crime Commissioner.**

818 EXCLUSION OF THE PRESS AND PUBLIC

The Chair stated that it was recommended that the press and public be excluded from the meeting during this item of business under Section 100A (4) of the Local Government Act 1972 on the grounds:

- i. it was likely to disclose exempt information listed in Paragraphs 1, and 3 of Part 1 Schedule 12A to the Local Government Act 1972, being information relating to any individual or information relating to the financial or business affairs of any particular person; and
- ii. the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

RESOLVED:-

That the public be excluded from the meeting.

(At 14.45 the Police and Crime Commissioner, proposed candidate for Deputy Police and Crime Commissioner, and Officers from the OPCC left the meeting).

819 PUBLIC MINUTES OF CLOSED SESSION: PANEL DELIBERATIONS ON PROPOSED APPOINTMENT OF DEPUTY POLICE AND CRIME COMMISSIONER

The Panel considered the information provided by the Police and Crime Commissioner and carefully considered the responses provided by Mr Ali to their questions and concluded that that the Police and Crime Commissioner proceed with the appointment of his proposed candidate – Mr Wasim Ali as Deputy Police and Crime Commissioner.

The Panel noted Mr Ali clearly articulated his wish to engage with all communities of the West Midlands and suggested this includes some time with domestic violence support organisations. To supplement his work listening to those with lived experience, the Panel recommended Mr Ali undertakes refresher equalities and diversity training so these principles could be fully applied in responding to the diverse needs of all the communities of the West Midlands and all nine of the protected characteristics covered by the Equality Act 2010.

RESOLVED:-

That the Panel recommend the Police and Crime Commissioner proceed with the appointment of his proposed candidate Mr Wasim Ali as Deputy Police and Crime Commissioner, and to fully prepare for the role, Mr Ali undertake refresher equalities and diversity training.

820 READMITTANCE OF THE PRESS AND PUBLIC

RESOLVED:-

That the press and public be readmitted to the meeting.

(The public meeting re-convened at 15.13 hours and the Police and Crime Commissioner, proposed candidate for Deputy Police and Crime Commissioner, and Officers from the OPCC re-joined the meeting).

821 MINUTES

RESOLVED:-

That the minutes of meeting held on 18 March 2024 be confirmed as a correct record and signed by the Chair.

822 ACTION TRACKER

The Chair advised that an update on Action 794 on the West Midlands Police Engage status was to be provided under agenda item 16. It was agreed that this remained on the action tracker as WMP remained in Engage Status.

In relation to Action 807, the Chair thanked the Police and Crime Commissioner for providing all available information, and informed the Panel that she had been advised that the academic evaluation for the 'Divert' criminal justice project will not be published until mid-2025

RESOLVED:-

That the action tracker be noted.

823 PUBLIC QUESTION TIME

The Chair advised the Panel that no questions had been received from the public prior to the meeting.

824 PANEL ARRANGEMENTS AND RULES OF PROCEDURE

The Chair advised that the Panel receive the 'Panel arrangements' and 'Rules of Procedure' documents on an annual basis, and there were no proposed changes to these documents.

A Member highlighted that it was difficult to review or scrutinise the decisions or actions of the PCC in discharge of his functions as set out in paragraph 2.10 of the Panel Agreement without sufficient information about decisions taken, providing the example that the Panel had not received notification when West Midlands Police were put into special measures, and it was felt that the wording be strengthened in order for the Panel to fulfil its role. The Chair agreed for this to be looked into.

It was agreed that the '(Solihull MBC to nominate in 2021) in paragraph 3.2 (d) of the Panel Agreement be updated in the report.

RESOLVED:-

That:

- i. **The Panel Agreement and Panel Rules of Procedure be noted.**
- ii. **The suggestion that strengthening of the wording in paragraph 2.10 of the Panel Agreement be explored for the Panel to fulfil its role in scrutinising the decisions and actions of the PCC.**
- iii. **The '(Solihull MBC to nominate in 2021) in per paragraph 3.2 (d) of the Panel Agreement be updated in the report.**

825 POLICE AND CRIME COMMISSIONER ACCOUNTABILITY AND GOVERNANCE FRAMEWORK

The Police and Crime Commissioner presented the report and summarised his review of his accountability and governance arrangements, including the development of an Accountability and Governance Board, recruitment of a Victims' Advocate, establishment of a Commissioner Advisory Panel, and the recent launch of consultation on the Police and Crime Plan 2025-29. He further announced the development of a joint West Midlands Police/OPCC survey, to collate local statistically significant data on public attitudes towards and experiences of policing

During the discussion, the main points included:

Commissioner's Advisory Panel

The Commissioner expressed his commitment to ensure the 20-25 members of the Advisory Panel were representative of the people and communities of the West Midlands. Members sought reassurance on how a diversity of applicants would be secured, and the PCC advised that he would keep this under review and address any issues if they arose. He stressed his commitment to public engagement. Responding to concern expressed that the list of skills and knowledge requirements contained in the Advisory Panel Member recruitment pack omitted learning disabilities and neurodiversity, the meeting was advised this was because the list was not intended to be exhaustive.

PCC agreed to look at how his governance plans might engage with established Independent Advisory Groups.

Stop and Search

Information to young people about Stop and Search included the Commissioner funded Stop and Search educational project delivered in schools. Other initiatives were being developed, including a pilot Young Persons Stop and Search Panel, and a QR code feedback facility for those subjected to stop and search. Oversight Panels provided feedback to West Midlands Police on Body Worn Camera footage to drive continuous improvement in the process.

Ethics Committee

The Panel was advised of plans to review the Ethics Committee terms of reference to broadening work of committee, ensure findings fed into the wider governance structure, and efforts to raise public awareness of the Committee. The Chief Executive of the OPCC suggested that Panel might wish to consider inviting the Ethics Committee Chair to understand the work of the committee.

RESOLVED:-

That the Police and Crime Commissioner Accountability and Governance Framework be noted.

826 POLICE AND CRIME COMMISSIONER PERFORMANCE UPDATE

The Chief Finance Officer, Office of the Police and Crime Commissioner presented the report, and the Panel was informed of ongoing work to produce up-to-date performance information.

During the discussion, the following points were made:

- The Panel noted that call handling and response time compliance rates were improving, and the mean response times were highlighted.
- Concern raised that data provided verbally at the meeting made it difficult to scrutinise, was noted by the OPCC.
- Assurance was sought that the geographical differential on response was being scrutinised. The PCC referred to the Estates Strategy action to increase in Response Hubs.
- The OPCC undertook to provide a response to the suggestion that performance of Live Chat facility and the number of calls downgraded to non-priority calls be scrutinised.
- A summary of the HMICFRS Engage Status monitoring was noted and a further update and reinspection findings were expected. The Chief Executive undertook to clarify with West Midlands Police on the level of operational detail relating the 4 areas of concern raised by HMICFRS that could be provided to Panel members.
- It was noted that the Panel was due to consider establishing a use of information subgroup to examine the level of performance information the Panel required.

RESOLVED:-

That:

- i. **The information presented on the Police and Crime Commissioner Accountability and Governance Framework be noted.**
- ii. **The HMICFRS re-inspection report on West Midlands Police Engage Status be sent to Panel Members when available.**

- iii. **The OPCC to consider further scrutiny of impact of contact and response performance of the Live Chat facility and the number of calls downgraded to non-priority calls.**

827 DEVELOPING THE POLICE AND CRIME PLAN 2025

The Chair reminded the Panel that it had the statutory duty to review the draft police and crime plan.

The Chief Executive gave the presentation and highlighting plans to undertake a comprehensive consultation. Handouts were provided which detailed the PCC priorities.

During the discussion, the following points were raised:

- Publicity on the consultation was raised, and assurances were given that there would be a sustained campaign to reach a broader audience as possible.
- A business card size of the QR code will be provided to Panel Members for sharing in their communities.
- Consideration was given to those that did not have smart phones, and a range of public events were planned where views could be captured.

A three-month consultation exercise would run until end of October, before formal consultation of the Chief Constable and Panel. Final sign-off of the Panel was expected to be in January 2025. The PCC was keen to hear from the Panel about what metrics should be included in the plan.

The Chair advised that the Panel had scheduled its statutory review of the draft police and crime plan for December and agreed to work with the Commissioner and his office on timing. Members further agreed undertake some planning work to shape the focus and format of the Panel's review session.

RESOLVED:-

That:

- i. **The plans for the consultation and development of the Police and Crime Plan 2025 be noted.**
- ii. **The Chair work with the Commissioner and his office to ensure Panel review of draft police and crime plan fits with the Plan development timetable.**
- iii. **Members undertake planning work to shape the focus and format of the Panel's review session.**

827 PANEL WORK PROGRAMME

The Chair referred to the outline work programme and a proposal to establish a member subgroup to examine the Panel's use of information and data to help the Panel scrutinise the

Commissioner and inform the work programme. Members were invited to suggest topics for the work programme and the following suggestions were made:

- Local high streets, tackling anti-social behaviour and business crime.
- Appropriate adults and support to those questioned by the police.
- Stop and Search.
- Neighbourhood Policing.
- Road safety.

The Police and Crime Commissioner also offered to host an induction session with the Panel, suggesting this be held at the C3 Park Lane Centre. The Panel agreed this.

RESOLVED:-

That:

- The Panel agrees the outline work programme at Appendix A.**
- The identified topics to be added to the work programme, subject to further scoping and timetabling.**
- Subject to further input from the Chair and Vice-Chair, the issues listed on the Work Programme be consider in October 2024.**
- The terms of reference for the Use of Information sub-group attached at Appendix B be agreed.**
- Kistina Murphy, Cllr Gareth Moore, Cllr Izzy Knowles and Cllr Jackie Taylor be appointed to form the Use of Information sub-group.**
- The Panel Secretariat and OPCC arrange an induction session with the Panel, and suggestion this is held C3 Park Lane Centre.**

828 MEETING DATES FOR 2024/2025

RESOLVED:-

That the meeting dates for 2024/2025 be noted.

829 URGENT BUSINESS

There were no items of urgent business identified.

The meeting ended at 17.00 hours.

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CHAIR

West Midlands Police and Crime Panel – Action Tracker – October 2024
Outstanding Actions

Minute/ Action No.	Meeting Date	Action	Update/ Notes
794	05/02/24	<p>UPDATE ON ADDRESSING HMICFRS RECOMMENDATIONS AND NOTICE OF CONCERN</p> <p>The Police and Crime Commissioner to present a progress report on the work to respond to the recommendations of the 2022/2025 HMICFRS PEEL Inspection report and Notice of Concern in six months.</p> <p>Update on Engage Status included 22 July 2024 within Performance Update report and members agreed to retain item until WMP removed from Engage Status</p>	<p>To be discharged:</p> <p>17 September HMICFRS decided to remove WMP from Engage Status. The PCC and Chief Constable will provide comment at this meeting.</p>
807	18/03/24	<p>POLICE AND CRIME COMMISSIONER END OF TERM REPORT</p> <p>That the following information referred to in the presentation be provided to members</p> <ul style="list-style-type: none"> i. Outcomes and academic evaluations of the criminal justice initiatives and programmes (Divert, New Chance, Enterprise to Employment) ii. Full 2024/25-year data on PCC financial support provided for victim services; (only YTD data available at meeting) iii. Data on disability diversity for West Midlands Police 	<p>To be discharged:</p> <p>All outstanding information now circulated to Panel Members.</p>
817 iv	22/07/24	<p>CONFIRMATION HEARING – DEPUTY PCC</p> <p>A report incorporating the Panel’s recommendation on the appointment be submitted to the Police and Crime Commissioner.</p>	<p>To be discharged:</p> <p>Report submitted and posted on WMPCP website. Response from PCC received</p>
824	22/7/24	<p>PANEL AGREEMENT AND RULES OF PROCEDURE</p> <p>The suggestion that strengthening of the wording in paragraph 2.10 of the Panel Agreement be explored for the Panel to fulfil its role in scrutinising the decisions and actions of the PCC.</p>	
826 i	22/7/24	<p>POLICE AND CRIME COMMISSIONER PERFORMANCE UPDATE</p> <p>The HMICFRS re-inspection report on West Midlands Police Engage Status be sent to Panel Members when available.</p>	<p>To be discharged</p> <p>Report sent to Panel Members</p>

Minute/ Action No.	Meeting Date	Action	Update/ Notes
826 iii	22/7/24	POLICE AND CRIME COMMISSIONER PERFORMANCE UPDATE The OPCC to consider further scrutiny of impact of contact and response performance of the Live Chat facility and the number of priority calls that are then downgraded to non-priority and then transferred to neighbourhood teams to respond to. Is there any response time limit for non-priority calls that are responded to by the neighbourhood teams?	To be discharged Response sent to Panel members on OPCC monitoring of live chat response time, analysis of how incidents are regraded, and plans to develop analysis of handling of lower grade incidents by neighbourhood teams.
827 vi	22/07/24	PANEL WORK PROGRAMME The Panel Secretariat and OPCC arrange an induction session with the Panel, and suggestion this is held C3 Park Lane Centre.	To be discharged Proposed date: 6 November. Agenda and further details to be provided to Panel Members

Report to the West Midlands Police and Crime Panel

Police and Crime Commissioner Update Report on Recent Activities and Published Key Decisions

Date: 7 October 2024

Report of: Kevin O'Keefe, Chief Executive Dudley MBC, Panel Lead Officer

Report author: Sarah Fradgley, Overview and Scrutiny Manager, Birmingham City Council

Email: wmpcp@birmingham.gov.uk

1 Purpose

- 1.1 The Panel is responsible for scrutinising the actions and decisions of the Police and Crime Commissioner.
- 1.2 The Panel is invited to consider the Police and Crime Commissioner's update report (attached as Appendix A) detailing the activities the Commissioner and his team have been engaged in since the Police and Crime Panel held on 22 July 2024.
- 1.3 The Chief Constable West Midlands Police will attend the meeting to provide comment on the HMICFRS decision on 17 September 2024 to remove West Midlands Police from Engage Status.
- 1.4 The Panel is also invited to consider the list of key decisions posted by the Police and Crime Commissioner since the last Panel meeting (attached at Appendix B). The list includes links to decision reports where available. This information is also available on the Commissioner's website [Police and Crime Commissioner Decisions](#)

2 Recommendation

- 2.1 **That the Police and Crime Panel notes the attached update prepared by the Police and Crime Commissioner and the recent key decisions published.**

3 Finance Implications

- 3.1 There are no direct financial implications relating to the recommendation in this report.
- 3.2 The financial implications of the key decisions made by the Police and Crime Commissioner are outlined in the individual decision reports published by the Commissioner.

4 Legal Implications

- 4.1 There are no direct legal implications relating to the recommendation in this report.

- 4.2 The powers and responsibilities of panels are set out in Police Reform and Social Responsibility Act 2011 which give panels the authority to scrutinise all decisions or actions in connection with the discharge of the PCC's functions.
- 4.3 The legal implications of the key decisions made by the Police and Crime Commissioner are outlined in the individual decision reports published by the Commissioner.

5 Equalities Implications

- 5.1 There are no direct equalities implications relating to the recommendation in this report.
- 5.2 The equalities implications of the key decisions made by the Police and Crime Commissioner are outlined in the individual decision reports published by the Commissioner.

6 Appendices

- 6.1 Appendix A - Police and Crime Commissioner Update of Recent Activities
- 6.2 Appendix B – Police and Crime Commissioner recent published decisions

Report to the West Midlands Police and Crime Panel PCC Update

Date: 7 October 2024

Report of: West Midlands Police and Crime Commissioner

Report author: Simon Foster

Police and Crime Panel Update

The update set out below is only a selection of the action taken by the Commissioner, since his re-election for a second term on 2 May 2024.

For a more detailed round up of action the Commissioner has been taking, since he was re-elected for a second term on 2 May 2024, members of the Panel are encouraged and recommended to consult the News Section on the Office of the Police and Commissioner's website. A link is available here:

[News - Page 3 of 26 - West Midlands Police & Crime Commissioner \(westmidlands-pcc.gov.uk\)](https://www.westmidlands-pcc.gov.uk/news)

Police and Crime Plan

One of my many duties as PCC, is to prepare a Police and Crime Plan. There is an existing Plan from my first term that was launched in November 2021, but having been re-elected in May 2024, I am intending to prepare a new Plan for 2025 to 2029.

The Plan is important, because: firstly, it needs to reflect people's priorities and objectives for policing, crime, community safety and criminal justice in the West Midlands; secondly, the Chief Constable has to have regard to the Plan, when implementing operational policing; and thirdly, I can use the Plan to hold the Chief Constable to account on behalf of the people of the West Midlands. We have prepared a Plan on a Page to inform the public consultation.

We launched the consultation on 14 July 2024, at the Birmingham and Smethwick Mela. The consultation will last for 3 months until 14 October 2024. It will be extensive and wide ranging and include many community, public engagement and stakeholder events, but as part of that consultation, we are asking people to complete a Survey. People can access the Survey by scanning a QR Code that is available or via my website.

We have continued to promote the survey on line with targeted adverts in recent weeks seeking to balance out our demographic profile of respondents. Advertising is taking place on buses and trains. We have sent out posters to a wide variety of community venues, such as school and GP surgeries, seeking to take advantage of those moments when

members of the public might have a spare few minutes to scan the QR code and undertake the survey.

Targeted engagement with particular groups of people has also been underway with lived experience focus groups having been conducted for Victims, Criminal Justice and Young People and a series of consultation events have been held or will be held as follows:

- Faith communities
- Business community
- Fairness and belonging
- Victims
- Universities

In addition to the above, we have also launched our call for evidence which has been circulated to over 1,220 addresses, seeking submission of detailed evidence, analysis and opinion to further inform the detail of the plan and associated sub-strategies

So, my ask is that all of you please kindly promote awareness of the consultation and encourage completion of the Survey - that only takes about 7 minutes to complete - throughout your organisations and networks, so that together we can prevent and tackle crime and ensure our region is a safe and secure place, for all of us to live, work, study and visit.

Removal of West Midlands Police from Engage Status

On 23 July 2024, His Majesty's Inspectorate wrote to the Chief Constable and the Commissioner to confirm that, following continuous and sustained improvements in the force's performance, three of the four causes of concern were now closed.

On 17 September 2024, His Majesty's Inspectorate wrote to the Chief Constable and Commissioner to confirm that, whilst further action is required to ensure continuous and sustained improvements in investigations, West Midlands Police was removed from Engage Status with immediate effect.

Following the removal of West Midlands Police from Engage Status, by His Majesty's Inspectorate on 17 September 2024, the Commissioner issued the following statement:

The Police and Crime Commissioner, Simon Foster, said:

"This is a matter that I have treated with the utmost seriousness and as a top priority.

"I have been committed to holding West Midlands Police to account and working with the Chief Constable and the Inspectorate, to ensure that action was taken to address the capacity, capability and quality of investigations.

"I am pleased that, as a consequence of the action taken and the dedication and hard work of officers and staff, the Inspectorate has acknowledged continuous and sustained improvements in performance and removed the force from Engage.

"I will continue to hold West Midlands Police to account, to ensure continuous and sustained improvements in the effective investigation of crime, which lead to satisfactory results for victims.

“I am committed to constant and unremitting action, to ensure the people of the West Midlands receive the service from West Midlands Police, that they are entitled to.”

Violence and Disorder

The Police and Crime Commissioner, Simon Foster, issued the following statement on 7 August 2024.

I appreciate and understand, that there are serious concerns across the West Midlands, as a consequence of the disgraceful scenes of disorder and violence, that have taken place across the country.

My clear expectation of West Midlands Police is that:

Firstly, police officers and staff will do all that is within their power, to keep people and communities safe and secure.

Secondly, at all times, policing is without fear or favour and anyone, whoever they are, if they engage in disorder or violence, will be held to account and will face the consequences of their criminal activity.

I want to make it clear that there is no place for division, hate or racism and it will not be tolerated in the West Midlands.

My advice to everyone, is that I strongly urge you to avoid gathering at any events and that you allow the police to carry out their essential duties, on behalf of the public.

Finally, I commend police officers and staff, who stand ready to respond, in order to protect the people and communities of the West Midlands, or to provide support in other parts of the country, if called upon to do so.

Now, more than ever, we must stand together.

In addition, the Commissioner engaged with relevant stakeholders, including:

- Meetings with the Chief Constable and receiving personal briefings, in addition to daily briefings and updates from WMP, so my team and I were able to monitor the position and any developments.
- Meeting with national leaders, for briefings on action being taken nationally and to share action that was being taken locally and that included meetings with the Home Secretary, the Policing Minister and the Prime Minister.
- Engaging with the general public, which because of the fast time events that took place was via the media and social media, in terms of statements and updates, including a joint statement with the Mayor.
- I attended a community event, organised by the WMP Muslim Police Association, that enabled me to meet with many members of the Muslim community, I attended two additional community events and met with faith leaders.
- Liaising with criminal justice partners, in order to see if an emergency meeting of the Local Criminal Justice Board was required with partners, to further coordinate action within the criminal justice system
- Meeting with police officers, to thank them for their commitment and to offer my encouragement and support, for all that they were doing at that time, including a visit

to the Police Support Units and a tour of the work that was taking place and the resources that were in place

- Engagement with the media: that included, BBC Midlands Today, BBC Radio WM, LBC, BBC Coventry, Free Radio and Birmingham Live.

Road Safety

Preventing and tackling crime and anti-social behaviour on our roads, promoting road harm reduction and reducing the number of people tragically and avoidably killed and seriously injured on our roads, are top priorities.

I am committed to constant and unremitting action, to work with all relevant partners, locally, regionally and nationally, to ensure that we collectively do what it takes, to reduce the number of people, tragically and avoidably killed and seriously injured on our roads.

That action includes robust enforcement by policing, but it also includes improved public transport, more active travel, lower traffic neighbourhoods, engineering related initiatives, awareness and education, a change in culture, so that road safety is always seen as the first and paramount consideration and is not framed as a 'war on motorists' and each and every one of us, accepting personal responsibility and being mindful of the duty of care, that we all owe to other road users.

I have set out key actions that have been taken, are being taken and will continue to be taken to prevent and tackle crime and anti-social behaviour on our roads and reduce the number of people tragically and avoidably killed and seriously injured on our roads:

- Holding West Midlands Police to account to prevent, tackle and reduce crime and anti-social behaviour on our roads, including via Operation Triton;
- Rebuilding community policing, because we need preventative, proactive and visible policing, including enforcement and community Speed Watch schemes;
- Preparing a Police and Crime Plan 2024-2030, that ensures delivering road safety is a top priority;
- Investing in and expanding, the West Midlands Police Road Harm Prevention Team and Road Crime and Traffic Teams;
- Working with WMP and local authorities, to finalise a Joint Working Agreement, to support the roll out of average speed enforcement cameras and increasing the capacity for enforcement;
- Funding and supporting, action to prevent and tackle anti-social and dangerous street racing, including raising awareness and education;
- Launching the refreshed West Midlands Road Safety Strategy in 2023 and delivering the West Midlands Road Safety Action Plan, to be launched in 2024;
- Supporting police operations, to prevent and take enforcement action against dangerous, speeding, drink and drug driving, use of digital devices, failure to wear seat belts, uninsured drivers and implement MARSO, Close Pass and Zig Zag operations;

- Campaigning for government, and calling on all our elected representatives in the West Midlands, to support my campaign, to allow the West Midlands to retain revenue from fixed penalty fines, to invest in road safety;
- Securing safer streets funding, for investment in 3 additional Mobile Camera Enforcement Vans and 16 additional speed guns, for community speed watch schemes;
- Securing safer streets funding, to increase the capacity for third party dash cam reporting, by allocating 5 additional police staff, increasing reporting and improving enforcement and positive outcomes;
- Working with local authorities, to take on responsibility for moving road traffic contraventions and to ensure a region wide approach;
- Campaigning to replace our 800 missing police officers and 500 missing PCSOs and to implement fair funding for West Midlands Police, that adversely impacts the ability of West Midlands Police to prevent and tackle crime and ASB and to keep our roads safe;
- Investing in victim support services in the West Midlands, including for victims of road traffic collisions and supporting the UK's first dedicated Family Liaison Unit and a Road Collision Project, to ensure that the rights and welfare of victims are safeguarded;
- Committing to Vision Zero, to reduce the number of people killed and seriously injured on our roads by at least 50% by 2030 and for all deaths and serious injuries, to be eliminated from the West Midlands by 2041.

Ban on Zombie – Style Knives and Machetes

Police and Crime Commissioner for the West Midlands, Simon Foster spoke in support of a new law which will make possession of “zombie-style” knives and machetes a criminal offence from 24 September 2024.

The new law will also cover their manufacture, transportation, sale and possession. Ahead of the ban's introduction, the Home Office ran a scheme for anyone currently in possession of such a weapon to surrender it and, if eligible, to claim compensation.

The PCC, who is also the Association of Police and Crime Commissioners Joint Lead for Serious Violence, encouraged people who own these soon to be prohibited weapons to get rid of them under the scheme, rather than risk being in breach of the new law.

The PCC funds a network of 31 weapon surrender bins located across the region, where people can deposit dangerous knives and other weapons.

Police and Crime Commissioner Simon Foster said: “I welcome the outlawing from 24 September of “zombie-style” knives and machetes, that are designed solely to cause maximum harm.

“These lethal weapons exploit a loophole in the 2016 definition of what a so-called “zombie” knife is, and it is right that the government has acted to reduce their availability and remove them from our streets. Too many lives, particularly young ones, have been tragically lost or ruined because of these deadly blades.

“I strongly urge people who own these soon to be illegal “zombie-style” knives and machetes to hand them in during the surrender scheme that will run for four weeks. People who choose not

to, risk finding themselves on the wrong side of this new law, which carries a possible jail sentence.

“Whilst I back any action that restricts access to knives for illegitimate purposes, it is vital that we also focus on interventions aimed at prevention, early intervention and diversion for people who might otherwise opt to carry a knife.

“Police and Crime Commissioners are working with local partners across law enforcement, healthcare, and the criminal justice system in line with the government’s Serious Violence Duty, that places responsibilities on certain public bodies to collaborate in tackling the underlying causes of violence.

“PCCs have also been leading on the development and implementation of Violence Reduction Partnerships to address the root causes of serious violence, through multi-agency working and to embed a culture of prevention, early intervention and diversion.

“Currently, there are 20 of these partnerships operating across England and Wales, including here in the West Midlands, and early evidence suggests they are having a meaningful impact in their areas. By bringing together key organisations at a local level to develop a coordinated and strategic response, PCCs are determined to drive down violence, that has devastating consequences for victims, families and local communities.”

Meeting with West Midlands MPs and Fair Funding

On 16 September 2024, I met with West Midlands MPs on a cross party basis, together with the Chief Constable, representatives from the Office of the Police and Crime Commissioner and our Violence Reduction Partnership, to brief them on matters relating to policing, crime and community safety in the West Midlands.

The Police and Crime Commissioner issued the following statement:

The Police and Crime Commissioner for the West Midlands, Simon Foster, has met with MPs to issue a direct appeal for police funding to be fairly allocated across the country.

The PCC welcomed a number of local MPs at West Midlands Police’s Central Operations Hub, outlining how the force is significantly under-funded compared to others in the UK, that serve rural and lower crime areas

West Midlands Police are still around 800 police officers short compared to 2010 yet, in more rural areas where crime is lower, some forces – such as Norfolk, Kent and Surrey – have more officers than they’ve ever had since 2010.

PCC Simon Foster said: “I know policing, crime, community safety and criminal justice are all of significant interest to MPs and their constituents here in the West Midlands.

“As PCC for the region, I have made clear that we need to continue to rebuild community policing and to do that we need police funding to be allocated fairly, so those areas with the greatest need receive the right level of funding.

“I have also called for the funding of our Violence Reduction Partnership to be secured, so we can continue to prevent and tackle the causes of crime.

“It is universally acknowledged that the current Police Funding Formula, used to distribute money to forces up and down the country, is unfair and not fit for purpose.

“That’s why I am calling for urgent reform of the Formula – which is wholly unacceptable – so that West Midlands Police receives fair funding to prevent, tackle and reduce crime, to protect the vulnerable and to keep everyone safe and secure.

“This is not about more money – it’s about a fair and just allocation of resources. West Midlands Police and the people in our region need action and they need action now.”

The PCC, who believes West Midlands Police are ‘delivering improvements against the odds’, was joined by Chief Constable Craig Guildford who highlighted the success of the force’s new operating model that was introduced in 2023 to drive continuous improvement across the force.

Over the previous 12 months, crime in the West Midlands has reduced by 12.1 per cent, which means 44,600 fewer victims of crime. The force is now one of the best in the country when it comes to both the 999 and 101 service. Arrest rates have also increased and more offenders are being brought to justice.

My Community Fund

Community groups across the West Midlands have been urged to apply for a share of £330,000, being allocated by the Police and Crime Commissioner, Simon Foster, to help make their community safer.

Simon Foster launched his My Community Fund, which will see him allocate funding to local groups, to help them prevent and reduce crime in their local community.

The money, which is made up from cash that police have seized from criminals under the Proceeds of Crime Act 2002, will be allocated to organisations that want to invest in crime prevention and reduction, in their neighbourhoods.

The My Community Fund has been set up to support locally based projects, which aim to make a positive difference and which make the West Midlands a safer place to live, work, study and visit. All funded projects will contribute to crime prevention and reduction, and community safety in the local area.

Police and Crime Commissioner Simon Foster said: “The purpose of the My Community Fund is to encourage local people to bring forward ideas, which reflect their local knowledge and understanding of how to prevent and reduce crime and improve community safety.

“The money for the fund comes from cash that police have seized from criminals under the Proceeds of Crime Act 2002, and it will be prioritised for locally based projects, which aim to make a positive difference in dealing with crime prevention and reduction and show a clear link to my Police and Crime Plan.”

Up to £5,000 is available, to be allocated to local community groups. Each bid is considered against the other work already funded by the PCC, through his Prevention and Intervention funds and Violence Reduction Partnership.

Simon Foster - Police and Crime Commissioner for the West Midlands

Appendix B

Police and Crime Commissioner Key Decisions Published Since 22 July 2024

The following key decisions have been published by the Police and Crime Commissioner since the last Panel meeting on 22 July 2024.

Further details of decisions, including non-confidential reports and supporting documents are available on the website: [Police and Crime Commissioner Decisions](#)

[Final Decision 026-2024 – Appointment of Deputy Police & Crime Commissioner](#)

The purpose of this Notice of Decision is to approve the appointment of a Deputy Police & Crime Commissioner

[Decision 020-2024 – Disposal of Steelhouse Lane, Birmingham](#)

The decisions is a confidential matter relating to the disposal of Steelhouse Lane so no documents are to be added

[Decision 019-2024 – Lease of Part First Floor, Aldridge Fire Station, Northgate](#)

The decisions is a confidential matter relating to the lease of part first floor, Aldridge Fire Station, Northgate so no documents are to be added.

Report to the West Midlands Police and Crime Panel – Police and Crime Plan 2025-2029 Development - Update

Date: Monday October 7th 2024

Report of West Midlands Police and Crime Commissioner

Report author: Simon Down – Head of Policy

Purpose

1. This report provides panel a further update on progress made so far and further plans for the development of the Police and Crime Plan 2025-2029

Background

2. On the 22nd July 2024 we shared with panel our approach to developing the Police and Crime Plan 2025-2029.
3. We have since been undertaking extensive consultation to inform the plan.
4. The attached presentation (Appendix A) sets out progress made to date and how we will continue to develop the plan

Equalities

5. The Police and Crime Plan will have significant equality implications and an Equality Impact Assessment has been commenced and will be published alongside the Police and Crime Plan itself.

Financial

6. The costs of developing the plan have been met by a combination of business as usual staffing budgets and a one-off budget funded from previous year's underspends. This is monitored through the Project Board which meets fortnightly and examines opportunities to save money by combining consultation events with other pre-existing events such as the Police Open Day at Tally Ho.

Legal

7. The PCC is required by the Police Reform and Social Responsibility Act 2011 to formally consult the panel. It is proposed that an extraordinary Police and Crime Panel is held in January 2025 to allow this to happen.
8. The plan must and will be published by 31st March 2025.

Contact

9. For further information please contact: simon.down@westmidlands.police.uk

Recommendation

That the Police and Crime Panel hold an extraordinary meeting on 20 January 2025 to consider the Draft Police and Crime Plan.

Appendices

Appendix A – Presentation Slides Update on Development of Police and Crime Plan



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Police and Crime Plan

Development Update

7th October 2024



My Priorities...

REBUILD COMMUNITY POLICING

- Make neighbourhoods safer
- More officers visible in communities
- Solve local problems with communities
- Work with local businesses
- Combat anti-social behaviour
- Tackle hate crime

TACKLE VIOLENCE

- Violence Against Women and Girls
- Domestic Abuse, including children
- Serious Youth Violence and knife crime
- Organised Crime Gangs and guns
- County lines and criminal exploitation
- Violence against retail workers

IMPROVE ROAD SAFETY

- Increase prevention and enforcement against speeding, phone use, drink/drug driving and failure to wear a seatbelt (the fatal 4)
- Increase 3rd party reporting
- Tackle organised street racing
- Clamp down on uninsured vehicles

REDUCE NEIGHBOURHOOD CRIME

- House burglary
- Street robbery
- Car theft and theft from vehicles
- Fraud
- Online crimes

PROTECT VICTIMS AND WITNESSES

- Victim's Rights and Welfare
- Access to justice
- High quality support services for victims
- Support 'by and for' specialist services
- Amplify the voice of victims

MAKE WEST MIDLANDS POLICE EXCELLENT

- Fair funding and efficient use of resources
- High quality, well trained, well supported and representative workforce
- High performing, trusted Force
- Effective and ethical use of data/new technology
- Decarbonisation: Net Zero

My Principles...

BRINGING OFFENDERS TO JUSTICE

- Crimes accurately recorded
- Efficient and effective investigations
- More crimes detected and positive outcomes
- Greater use of Out of Court Disposals and Civil Orders
- Efficient and effective criminal justice system

PREVENTION & REHABILITATION

- Protecting the vulnerable
- Children and young people focus
- Reduce harm from illegal drugs
- Support and challenge people to turn their lives around

PARTNERSHIPS

- Bring WM partners together to make a real difference
- Work with government to deliver change
- Effective local, regional and national collaboration

BUILDING TRUST AND CONFIDENCE

- Fairness and belonging
- Best policing for people and in places that need it most
- Listening and responding to the public
- Understanding and addressing disproportionality
- Learning from our history



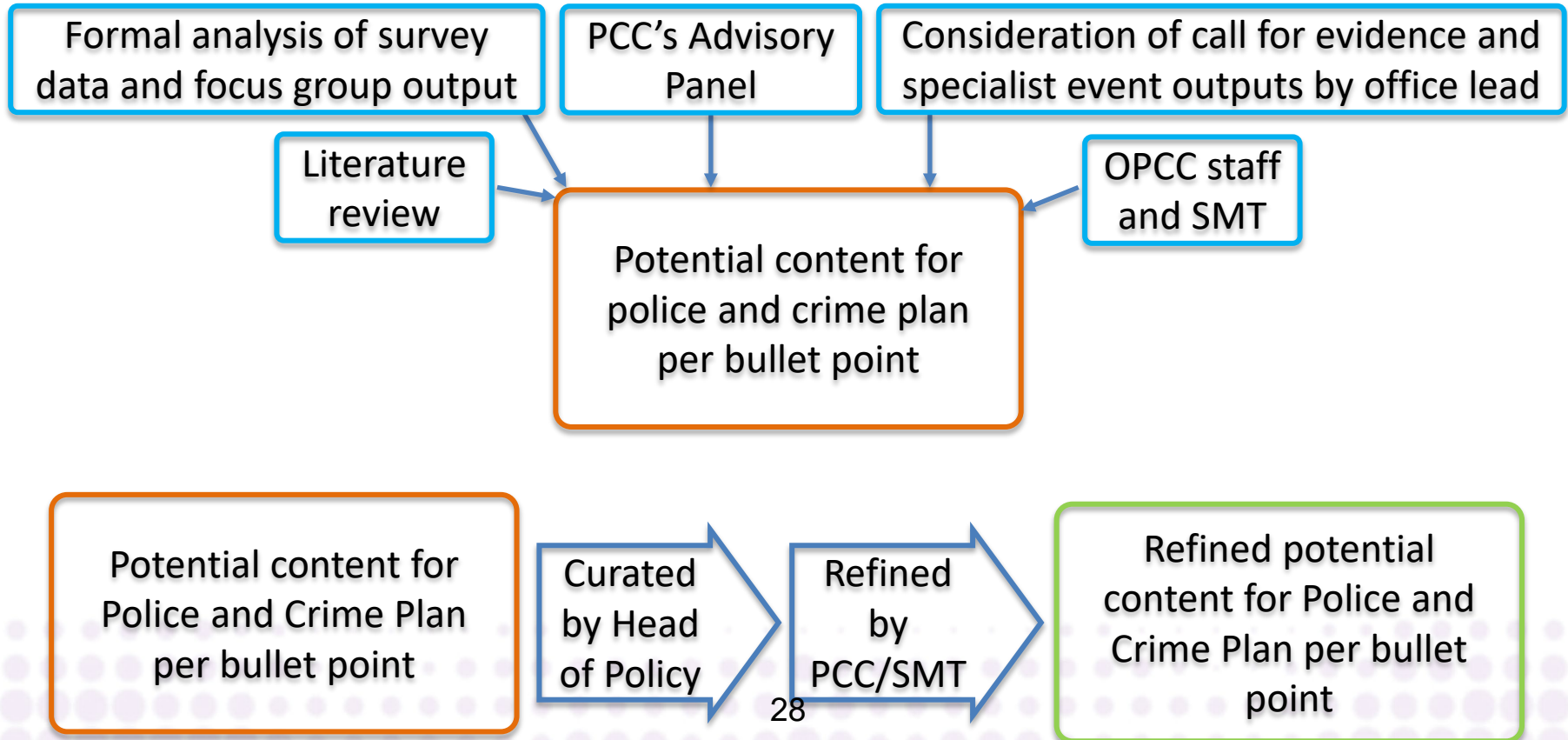
Consultation Matrix

Who - Needs to be representative across them all	Online Survey /f2f	Local meetings / boards	Big events attendance	Youth Commission / Cadets	Call for evidence	Victim's survey	Youth Assembly	Lived Experience inc offenders	Victims engagement	Special interest events
Residents (need to break this one down)										
Visitors										
WMP/specials										
Statutory bodies										
Providers (thematics is key here i.e. RSLs)										
Community orgs										
Businesses										
MPs in WM										
Policy experts										

How consultation is fed into the plan itself



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Rebuild Community Policing



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Make Neighbourhoods Safer:

- Example point that needs to be included within the PCP
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Rebuild Community Policing

I will deliver:

- Key Performance Indicator 1
- Key Performance Indicator 2
- Key Performance Indicator 3
- Key Performance Indicator 4

Headline statement in relation to rebuilding community policing

Make Neighbourhoods safer

Detail of plan with links as appropriate to further documents/information.

Line 2
Line 3
Line 4
Line 5
Line 6

More officers visible within communities

Detail of plan with links as appropriate to further documents/information.

Line 2
Line 3
Line 4
Line 5
Line 6

Solve local problems with communities

Detail of plan with links as appropriate to further documents/information

Line 2
Line 3
Line 4
Line 5
Line 6
Line 7

Work with local businesses

Detail of plan with links as appropriate to further documents/information

Line 2
Line 3
Line 4
Line 5
Line 6

Combat anti-social behaviour

Detail of plan with links as appropriate to further documents/information

Line 2
Line 3
Line 4
Line 5
Line 6
Line 7

Tackle hate crime

Detail of plan with links as appropriate to further documents/information

Line 2
Line 3
Line 4
Line 5
Line 6

Timeline



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September

October

November

December

January

February

March

Consultation

Write PCP
sections

Consultation analysis

Develop and agree
Performance metrics

SMT/PLG
refine

Refined through SMT, PLG and force
engagement

Create Bullet point lists of
plan inclusions

Finalise
draft
PCP

Consult
with CC
and Panel

Final-
ise
plan

Produce
publish
version

Launch
PCP

Existing ideas reflected

WS sessions OPCC + force

Ongoing PLG/SMT consideration

PCC's AP
10th Oct

Overall consultation progress

- Around 3,500 responses to our survey
- 18 Community events attended
- 4 summits held or being held covering:
 - Faith
 - Fairness and Belonging
 - Business crime
 - victims
- 10 focus groups held to gain lived experience perspective
- 36 partnership meetings discussed at (such as LCJB, WMCSP etc)
- 1,226 contacts asked to submit in our call for evidence

Police and Crime Plan Consultation Survey

Engage with the community to shape policing priorities.

Aims

- Collect feedback on policing, crime and safety.
- Improve transparency and accountability.
- Ensure collaboration with local communities.

Method

- Survey distributed through an online platform, local events and forums.
- Open to all residents across the West Midlands and those who visit the region.

Survey Findings (To Date)

Responses

- Around 3,500 responses, with fair representation across the 7 local authorities in comparison to the Census.

Key Trends

- 93% of those responses agree with the proposed PCC priorities and principles.
- The top 5 policing responsibilities are currently:
 1. Preventing knife crime.
 2. Investigating crimes and bringing offenders to justice.
 3. Prompt response to 999/101 calls and getting to incidents quickly.
 4. Preventing anti-social behaviour.
 5. Preventing violence against women, girls and vulnerable people.
- Perceptions of safety show a variety of views, with a significant number of people feeling neutrally positioned regarding their sense of safety.
- Over 50% of respondents reported recent contact with West Midlands Police. The data shows that many hold positive or neutral opinions, while the negative views present opportunities to understand why.

Approach to Performance Monitoring in the New Police and Crime Plan

To implement robust performance monitoring mechanisms aligned with the strategic priorities of the new Police and Crime Plan.

- **Data-Driven Approach.** Leveraging statistics from multiple data streams, operational data, and public perceptions to monitor performance.
- **Frequent Reporting.** Introduction of frequently updated data dashboards to ensure timely insights into key policing areas.
- **Flexibility for Evolving Needs.** Adapting performance measures to evolving crime trends, ensuring they remain relevant and impactful.

Developing Key Performance Indicators

Formulating KPIs that reflect the strategic priorities of the police force and can be objectively measured.

- **Strategic Needs Assessment.** Conducted an extensive needs assessment which looked at a broad array of KPIs from accessible data.
- **Alignment with Strategic Objectives.** KPIs are derived from the core aims of the Police and Crime Plan, such as rebuilding community policing, tackling violence, supporting victims and witnesses and bring offenders to justice.
- **Collaborative Input.** Work with a range of stakeholders is being undertaken to ensure to ensure KPIs are comprehensive and realistic.
- **SMART KPIs.** Each indicator will be Specific, Measurable, Achievable, Relevant, and Time-bound to ensure focus on outcomes that can be monitored.

What do the KPIs Look Like?

There are currently 45 KPIs proposed across the 6 priorities and 4 principles.

Here are some examples:

Recruit 650 additional police officers and police community support officers.

Increase the proportion of police officers from ethnic minority groups.

Reduce overall crime and harm across the region

Reduce knife and firearm-related crimes across the region.

Reduce serious youth violence and increase the positive outcome rate.

Reduce the number of fatalities and seriously injured casualties on West Midlands roads.

Improve the positive outcome rate for the totality of recorded crime and victim-based crime.

Increase the number of victims supported by commissioned services.

Improve victim satisfaction with the police above the baseline.

Improve public confidence in West Midlands Police.

Increase in the amount and proportion of government funding for West Midlands Police.

Transparency and Trackability in Performance Monitoring

To make performance monitoring more transparent and accessible, promoting accountability and public confidence in the process.

- **Public Dashboards.** Develop online platforms where key performance data is made available to the public and stakeholders, offering insights into crime rates, police response times, and other KPIs.
- **Bi-Annual AGB Reports.** Publish BI-annual performance reports detailing performance against the KPIs, including both successes and areas for improvement.
- **Community Scrutiny Panels.** Community panels to review performance data and hold the police force accountable against policing powers.

Development of the Public Perception Survey Across the Region



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To design a survey that gathers comprehensive insights into public views on crime, safety, and policing services across the region.

- **Regional Representation.** Ensure that the survey captures diverse opinions from all parts of the region, including rural, urban, and suburban areas.
- **Collaborative Question Development.** Work with a broad variety of stakeholders to develop questions that accurately measure public perception of crime and policing.
- **Mixed-Method Approach.** Employ both quantitative (rating scales, multiple-choice) and qualitative (open-ended questions) methods to capture insights.
- **Longitudinal Insights.** Conduct the survey bi-annually to track changes in public perception over time and adjust strategies accordingly.

Potential Survey Themes

- Assessing the general level of **confidence** that residents have in the police force.
- Evaluating how residents perceive the quality and reliability of **service delivery**.
- Measuring the sense of **safety** that residents feel within their own neighbourhoods.
- Examining the extent to which police **visibility** is perceived in local areas.
- Evaluating public perceptions of the **integrity** of the police force.
- Assessing **effectiveness** of the police in addressing and reducing crime within communities.
- Level of **trust** residents have in the police to act fairly, impartially, and in the public interest.

Any questions?

Report to the West Midlands Police and Crime Panel

Police and Crime Commissioner Statement of Accounts

Date: 7 October 2024

Report of: Kevin O'Keefe, Chief Executive Dudley MBC, Panel Lead Officer

Report author: Sarah Fradgley, Overview and Scrutiny Manager, Birmingham City Council

Email: wmpcp@birmingham.gov.uk

1 Purpose

- 1.1 The report sets out the Police and Crime Commissioner's Statement of Accounts for 2023/24.
- 1.2 The Panel is invited to consider the information in the report which seeks to provide useful context to inform members and prepare for the Panel's review of the Commissioner's policing precept proposal in February.
- 1.3 The OPCC Chief Finance Officer and West Midlands Police Assistant Director Finance, Contracts and Procurement have been invited to attend the meeting.
- 1.4 To continue the Panel's oversight of the budget setting process, the Panel will in December be presented with the PCC Medium-Term Financial Plan and forecast outturn position 2024/25. In February the Panel will then consider the Commissioner's Revenue Budget and Capital Programme and formally review the proposed policing precept for 2025/26.

2 Recommendation

- 2.1 **That the Police and Crime Panel notes the Police and Crime Commissioner's Statement of Accounts for 2023/24.**

3 Finance Implications

- 3.1 The financial implications are detailed in the Police and Crime Commissioner's report (Appendices A and B).

4 Legal Implications

- 4.1 The powers and responsibilities of panels are set out in Police Reform and Social Responsibility Act 2011 which require the Panel to formally review the Commissioner's proposed policing precept.
- 4.2 The legal implications relating to the Statement of Accounts are detailed in the Police and Crime Commissioner's report (Appendices A and B).

5 Appendices

- 5.1 Appendix A – PCC Statement of Accounts 2023/24 Report to PCC Joint Audit Committee
- 5.2 Appendix B – PCC Statement of Accounts 2023/24

JOINT AUDIT COMMITTEE
27 June 2024

STATEMENT OF ACCOUNTS 2023/24

1. PURPOSE OF REPORT

- 1.1 This report presents the statutory Statements of Accounts for the 2023/24 financial year, subject to external audit.

2. BACKGROUND

- 2.1 The draft Police and Crime Commissioner and Chief Constable Accounts have been completed in accordance with the Account and Audit Regulations 2015 and they have been checked by the Chief Finance Officers of the office for the Police and Crime Commissioner and the Chief Constable as representing a true and fair view of the accounts for the 2023/24 financial year. The accounts are presented to the Joint Audit Committee to demonstrate good governance and transparency in its scrutiny role. A copy of the draft accounts are attached. The Accounts are to be audited by Grant Thornton UK (LLP).
- 2.2 The Statement of Accounts for 2023/24 have been prepared following the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. This interprets the International Financial Reporting Standards (IFRS) on which these accounts are required to be based.
- 2.3 Accounts are prepared for both the Police and Crime Commissioner (PCC) and Chief Constable. This report is based on the consolidated accounts of both entities referred to as the group accounts or the accounts of the PCCWM group.

3. STATEMENT OF ACCOUNTS 2023/24

3.1 The Statement of Accounts sets out the financial position of the PCC and the Chief Constable, in accordance with formal legal and technical guidelines and, in particular:

- (a) Those costs that are chargeable to the general fund (the taxpayer) and those costs which reflect statutory accounting adjustments required to deal with movements in reserves.
- (b) Includes a Comprehensive Income and Expenditure Statement (CIES) which shows the net cost for the year of the functions for which the Group is responsible and demonstrates how the costs have been financed.
- (c) Shows the re-measurements on the police and police staff pension schemes and the surplus or deficit on the revaluation of non-current assets as other Comprehensive Income and Expenditure within the CIES.
- (d) Presents a Balance Sheet which shows the assets and liabilities of the group and how these are financed from a mixture of useable and non-useable reserves.
- (e) Presents a Cash Flow Statement showing a net increase or decrease in cash and cash equivalents and how cash flows through the operating, investing and financing activities of the group.
- (f) Shows the net cost of Police Services has moved from a £247.0m deficit in 2022/23 to a £135.1m deficit in 2023/24.

Details of the financial outturn for 2023/24 are presented below.

Revenue Expenditure	Budget	Actual	Variance
	2023-24	2023-24	+ (-)
	£m	£m	£m
Employee costs	633.8	627.9	-5.9
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	20.6	4.1
Capital Financing	11.8	7.9	-3.9
Income	-74.3	-89.5	-15.2
Police Force (Excl. Change Programme)	687.7	659.9	-27.9
Change Programme	8.0	8.5	0.5
Police Force (Incl. Change Programme)	695.7	668.4	-27.4
Office for Police and Crime Commissioner	3.2	2.9	-0.3
Commissioned Services	8.7	5.3	-3.4
Police and Crime Commissioner	11.9	8.2	-3.7
Regional and National Services	22.4	22.2	-0.2
Net Cost Police Services	729.9	698.8	-31.1
Other Contributions to (from) Reserve	0	13.1	13.1
Net Contribution to (from) Budget Reserves	-11.4	6.6	18
Net Budget Requirement	718.5	718.5	0

3.2 As a result, the Comprehensive Income and Expenditure Statement (shown on page 35 of the Accounts) shows the Group with a deficit for the year on the provision of services of £135.1m. This is not a real cash deficit but an accounting view taking account of capital transactions (such as depreciation) and actuarial movements in pension liabilities.

3.3 In accounting terms, we are required to include in the Accounts the total cost of net Pension liabilities (i.e. the difference between total future pension liabilities and the current value of assets) which are:

2022/23 £m		2023/24 £m
6,021.6	Police Officers' Unfunded Scheme	6,106.9
1.2	Police Staff Funded Scheme	0.9
6,022.7	Total Net Liability	6,107.8

3.4 There has been an increase in the pension liability of £85m. This actuarial adjustment is due mainly to interest on the overall liability of the Police pension scheme.

- 3.5 The significant liability on police officer pensions, reflects the fact that the Scheme is unfunded (the Home Office support this liability with a pension top up grant). The liabilities on both pension schemes reflect actuarial assumptions based on the current economic and demographic position.
- 3.6 There is a slight net asset position of police staff pensions, which is a funded scheme, however this is subject to asset ceiling calculations preventing the recognition of an unrealisable surplus. The surplus calculated using the current actuarial assumptions and asset position of the scheme for the funded liability is reduced to nil for presentation in the Group Balance Sheet. The accounts show the Local Government Pension Scheme split to show the assets and liabilities of the Office of the Police and Crime Commissioner separately from those of the Chief Constable.

4. INSPECTION AND AUDIT OF ACCOUNTS

- 4.1 The annual Audit of the accounts will start in June. The period during which local electors or their representative may formally ask questions of the PCCWM or the External Auditor commenced on 3 June 2024 following publication of the draft Accounts on 31 May 2024.

5. RECOMMENDATIONS

- 5.1 The Committee is asked to note the contents of the draft Statements of Accounts for 2023/24 which have been agreed by the Chief Finance Officer for each entity as representing a true and fair view of the financial position of the PCC and CC as at 31 March 2024 and the income and expenditure of each entity for the end of that financial year.

Jane Heppel
Chief Financial Officer
Police and Crime Commissioner

Pete Gillett
Chief Finance Officer
Chief Constable of West Midlands Police



west midlands
police and crime
commissioner

Police & Crime Commissioner for the West Midlands

Consolidated Statement
of Accounts for

2023 - 2024

The draft 2023-24 Statement of Accounts is unaudited and as published may be subject to change

STATEMENT OF ACCOUNTS 2023-24

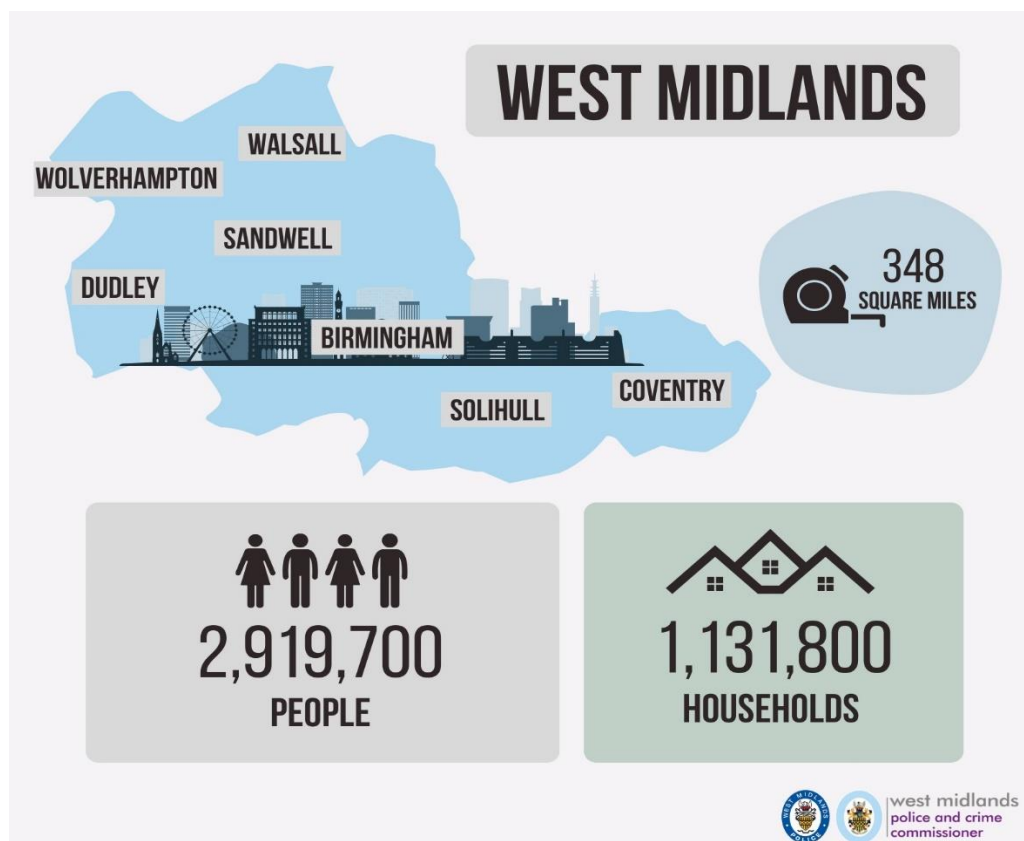
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NARRATIVE REPORT

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:

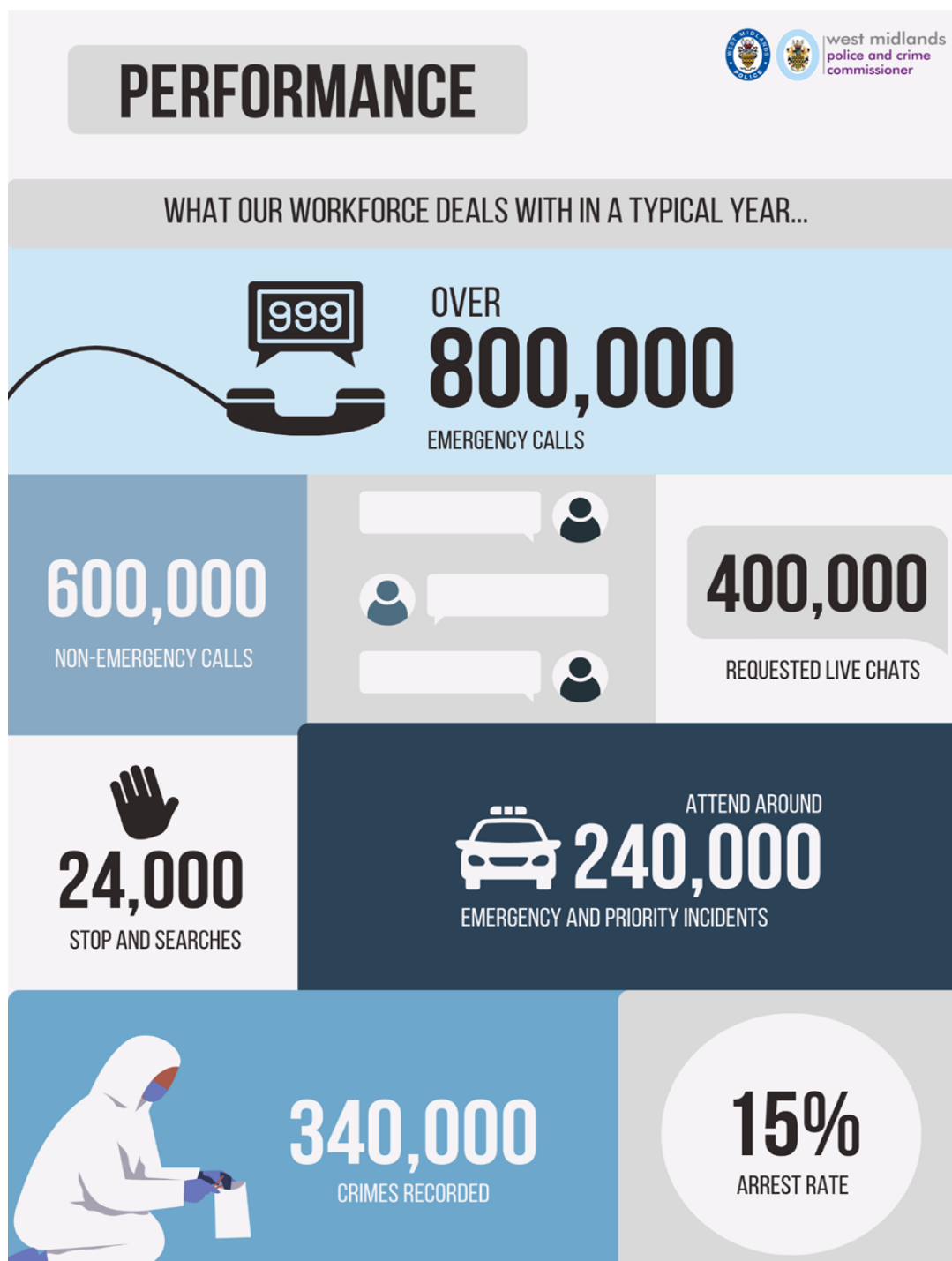
- The key to trust, legitimacy and confidence
- 'You said, we did'
- Be there in good times and the bad
- Creative in approach, open up WMP to the public
- Use of force, stop search, data and disproportionality
- Recruitment – intelligently together and representative
- Cohesion – WMP seen as a trusted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



Roles of the West Midlands Police and Crime Commissioner and West Midlands Chief Constable

Role of Police and Crime Commissioner

There are now 37 Police and Crime Commissioners (PCCs) in England and Wales. There are 43 regional forces covering England and Wales. The governance of the Metropolitan Police Service is a duty of the Mayor of London and the City of London Corporation governs the City of London Police. In Greater Manchester, West Yorkshire, South Yorkshire, and York and North Yorkshire the elected Mayor combines the mayor role with that of Police and Crime Commissioner. Together with the Home Secretary and chief police officers, the Commissioner and Chief Constable are responsible for the management of policing in England and Wales.

The West Midlands Police and Crime Commissioner is the local governing body for policing in the West Midlands. The Commissioner has an over-arching duty to secure an effective and efficient police force. The Commissioner has several statutory roles, which include:

- representing all those who live and work in the communities in their force area and identifying their policing needs
- setting priorities that meet those needs by agreeing a police and crime plan
- holding the Chief Constable to account for achieving the Commissioner's priorities as efficiently and effectively as possible
- setting the force budget and setting the precept
- hiring and, if necessary, dismissing the Chief Constable

To fulfil these roles, the Commissioner has a range of powers and responsibilities. The Commissioner:

- must produce a Police and Crime Plan
- must set the policing "precept", which is the part of local council tax that goes to policing
- appoints and, if necessary, dismisses the Chief Constable
- makes Crime and Disorder Reduction Grants
- has oversight of how complaints against the police are managed
- has duties relating to national criminal threats, safeguarding of children, and consulting the public
- must keep under review opportunities for collaboration
- has a role in ensuring the effectiveness of the wider criminal justice system

The Commissioner is supported in his work by an executive team headed by the Chief Executive and Monitoring Officer. The team also has the Commissioner's Deputy Chief Executive, Chief Finance Officer, together with a Policy team, an Internal Audit team, a Violence Reduction Partnership, a Media and Communications team and a Business Services team.

The Police and Crime Plan covering the period 2021 to 2025 was approved in November 2021. The plan includes the following priorities and ambitions over the medium term: -

- Rebuilding community policing
- Preventing and reducing crime
- Increased confidence in West Midlands Police
- Supporting the workforce, organisational change and new technology
- Combatting violence against women and girls and domestic abuse
- Prioritising the rights of victims
- An efficient and effective criminal justice system
- Improving community safety
- Reducing Violence
- Working together for children and young people
- Supporting a friendly, safe Commonwealth Games
- Safer Travel

The Commissioner is supported and scrutinised by a separate Police and Crime Panel. The Panel is made up of twelve councillors from across the West Midlands and two independent members. The Panel is set up under the provisions of the Police Reform and Social Responsibility Act 2011.

Further information on the work of the Commissioner and the statutory framework in which the Commissioner works can be found on the Commissioner's website www.westmidlands-pcc.gov.uk

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 or can be obtained by contacting us, details at 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

The Statement of Accounts

The Police Reform and Social Responsibility Act 2011 established the Police and Crime Commissioner and the Chief Constable as separate entities (known as 'corporations sole'). As separate bodies, both the Commissioner and the Chief Constable are required to appoint their own Chief Finance Officers, each with statutory responsibilities, as being the person responsible for proper financial administration under the provisions of the Act. A consequence is also that each body is required to be subject to audit under the Audit Commission Act 1998 and are thus required to prepare a set of accounts. Additionally, the Commissioner, with his ultimate control over the Chief Constable's resources, must prepare group accounts.

This Statement of Accounts sets out the overall financial position of the Police and Crime Commissioner for the West Midlands (PCCWM) and the consolidated accounts of the corporation soles of Police and Crime Commissioner for the West Midlands and 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 PCCWMP group consists of:

1. Police and Crime Commissioners Approval

The date and signature of the Police and Crime Commissioner on the approval of the Statement of Accounts.

2. Annual Governance Statement

This statement describes how the office for the Police and Crime Commissioner 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 PCCWM 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 key financial statements

The Statement of Accounts brings together the key financial statements of the Police and Crime Commissioner. The consolidated financial statements consist of:

- **Comprehensive Income and Expenditure Statement for the Group and Police and Crime Commissioner for the West Midlands** – These statements show 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. Local Authorities and PCCs raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement. The statement shows the net cost for the year of the functions for which the PCCWM is responsible and demonstrates how that cost has been financed from general Government grants and income from local taxpayers. The statement includes other recognised gains and losses of the PCCWM during the year showing the total comprehensive income and expenditure of the PCCWM.
- **Movement in Reserves Statement for the Group and Police and Crime Commissioner for the West Midlands** – These statements shows the movement in the year of the different reserves held by the PCC analysed into useable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves (sometimes called non-useable). The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the PCCWM services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the PCCWM.
- **Balance Sheet for the Group and Police and Crime Commissioner for the West Midlands** – The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCCWM and the Group. The net assets of the PCC (assets less liabilities) are matched by the reserves held by the PCC. Reserves are reported in two categories. The first category of reserves are useable reserves, i.e. those reserves that the PCC may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. (For example, the Capital Receipts

Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

- [Cash Flow Statement for the Group and Police and Crime Commissioner for the West Midlands](#) – The Cash Flow Statement shows the changes in cash and cash equivalents of the PCCWM during the reporting period. The statement shows how the PCCWM generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCCWM are funded by way of taxation and grant income or from the recipients of services provided by the PCCWM. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCCWM's future service delivery. Cash flows from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCCWM.

6. Additional notes and disclosures

Notes are included following the key financial statements detailing the accounting policies applied and disclosures relating to the statements. Significant notes include:

- [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.
- [Police Pension Fund and notes to the Police Pension Fund scheme](#) – These accounts are presented on an Agency basis. The Police Pension Fund Account which is funded through the Police Pension Grant from the Home Office, presents the income received in respect of employers' and employees' pension contributions with employers' contributions made at a rate of 31% of police officers' pay. It then presents the expenditure from the fund as police pensions paid during the year. The Police Pension Scheme is a national scheme that WMPCC administers at a local level. Any surplus or deficit on this account at the end of the year is paid to or claimed from the Comprehensive Income and Expenditure Statement of the Chief Constable within Financing and Investment Income and Expenditure.

Financial Review

Revenue Outturn for 2023-24

The outturn position for the Group is shown in the table below:

Prior Year Actual	Revenue Expenditure	Budget	Actual	Variance
2022-23		2023-24	2023-24	+ (-)
£m		£m	£m	£m
576	Employee costs	633.8	627.9	-5.9
23.7	Premises costs	30.6	26.2	-4.4
5	Transport costs	10	10.4	0.4
54.6	Supplies and Services	59.3	56.3	-3
17.4	Collaborative working costs	16.5	20.6	4.1
9.7	Capital Financing	11.8	7.9	-3.9
-62.8	Income	-74.3	-89.5	-15.2
628.1	Police Force (Excl. Change Programme)	687.7	659.9	-27.9
9.7	Change Programme	8	8.5	0.5
637.8	Police Force (Incl. Change Programme)	695.7	668.4	-27.4
Police and Crime Commissioner				
2.8	Office for Police and Crime Commissioner	3.2	2.9	-0.3
5.7	Commissioned Services	8.7	5.3	-3.4
8.5	Police and Crime Commissioner	11.9	8.2	-3.7
22.1	Regional and National Services	22.4	22.2	-0.2
668.4	Net Cost Police Services	729.9	698.8	-31.1
2.3	Other Contributions to (from) Reserve	0	13.1	13.1
12.3	Net Contribution to (from) Budget Reserves	-11.4	6.6	18
683	Net Budget Requirement	718.5	718.5	0
	Statutory Accounting Adjustments:			
345.5	Net additional amount required by statute and non-statutory proper practices to be credited to the General Fund Balance		238.6	
1028.5	Net Operating Expenditure (CIES)		957.1	

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 £27.3m which is 3.9% of the total budget of £695.7m. 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, assessments 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 £569.7m an increase of £10.3m on the 2022-23 settlement. 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.

For the office of the Police and Crime Commissioner, the outturn position was favourable as increased income generated from partners to match fund expenditure and additional success in bidding for grants allowed overhead to be spread further across the available funding sources. The possibility of the transfer of functions to the Combined Authority led to some additional costs, however these were contained within an amount of earmarked reserve brought forward for that purpose, and the in-year Legal services budget.

Headline Figures

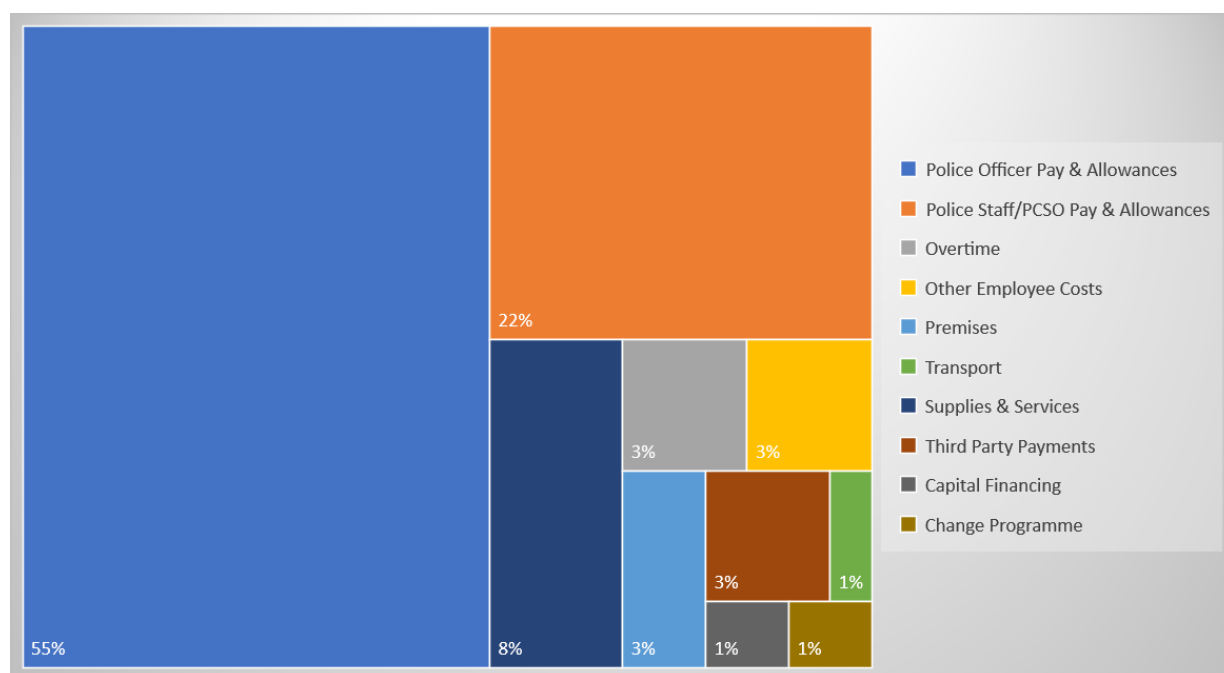
The force implemented a new operating model in April 2023 with a greater focus on local policing with local commanders being accountable for local investigations and response teams as well as local policing teams. Force budgets were aligned to address the operating model with improved investigations and call handling timeliness being high priorities and receiving additional resourcing. Following this investment - the 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.

Other achievements in the 2023-24 year include:

- The delivery of £10m of savings across force departments to produce a balanced budget for 2024-25.
- £4.5m additional income (in comparison to budget) through the effective investment of cash balances on a short and medium-term basis
- A contribution of £12.1m, split between the general fund reserve and the budget reserve. The budget reserve will alleviate some of the pressures in the medium-term financial plan and enable the PCC and Force to ensure that additional Police Officer numbers have all the resources necessary to serve the people of the West Midlands.

The following chart shows how the expenditure of the force was distributed and managed between pay and non-pay costs.



Reserves

The general reserve balance as of the 31 March 2024 is £16.7m, an increase of £4.7m from the 31 March 2023 to ensure the balance remains above 2% of our net revenue funding as shown in the table below and is held as resilience against major incidents or in-year emergencies that cannot be contained with the financial year's budget for the group.

Reserves £m	General Reserve	Budget Reserve	Other Earmarked Reserves
Reserves Balance 1 April 2023	12.0	16.2	42.7
Movement in Year	4.7	7.4	7.4
Reserves Balance 31 March 2024	16.7	23.7	50.1

The budget reserve is further held by the group to support future funding gaps arising in the Medium-Term Financial Plan. It also provides resilience against pricing risk and potential increases in inflation over and above those currently forecast in that plan. The budget reserve balance as of the 31 March 2024 is £23.7m.

There are a few other transfers to earmarked reserves in 2023-24 taking the total of other earmarked reserves to £50.1m as of 31 March 2024. The increase is to support the forces Estates Strategy and the continued commitment to the green agenda and our move to a more sustainable force moving into the future. Along with some general carry forwards linked to delays in receiving goods and services.

As required by the Financial Management Code of Practice for Police Forces (2018) the Police and Crime Commissioner publishes a Reserves Strategy and this explains the purpose and intended usage of each reserve.

Capital Programme

The capital programme for 2023-24 is summarised in the table below, with an investment of £23.6m during 2023-24.

Capital Programme £m	Budget	Actual	Variance
	2023-24	2023-24	
Fleet	4.1	6.4	2.3
Body Worn Video	1.4	1.4	0.0
General Equipment	0.0	0.8	0.8
IT Laptops, Desktops and Infrastructure	8.9	7.1	(1.8)
CTU and Firearms Fleet and Equipment	4.5	4.4	(0.1)
Estates Strategy	7.6	3.5	(4.1)
Total Expenditure	26.5	23.6	(2.9)
Financial of Expenditure:			
Borrowing	14.5	10.5	(4.0)
Capital Receipts	0.1	0.1	0.0
Capital Grant	4.3	4.3	0.0
Revenue Contributions	7.6	8.7	1.1
Total Financing	26.5	23.6	2.9

The table above shows the net capital position against the budget for 2023-24. The shortfall against budget is attributable to slippage in the Estates Strategy whilst the new Chief Constable realigned the strategy to the Force's new operating model, along with delays in the Forces planned IT infrastructure developments. This is offset by an overspend in the purchase of fleet vehicles; representing some delayed expenditure from 2022-23.

The capital programme for 2023-24 was supported by a mix of short-term borrowing to fund our fleet replacement and IT development, long-term borrowing to fund our Estates Strategy and revenue contributions to capital.

Treasury Management

The Joint Audit Committee approves a Treasury Management Strategy Statement before the start of each financial year and receives regular updates on treasury performance during the year.

Cashflow

The Group's cash flow balance as at 31 March 2024 was £28m which decreased by £38m in comparison to the prior year (£66m). This is due to the level of investments held. This is in line with our Treasury Strategy Statement whereby cash balances that are surplus to requirement are used for investments to generate a return where possible.

There has also been a payment of £18.7m in the year to the Public Works Loan Board, which is an early repayment of two outstanding loans, reducing the PCC's long-term borrowing.

During the year 2024-25, there will be payments in relation to the McCloud remedy, the value of these payments is currently unknown. This will impact upon the level of investments made and interest received over the next year.

There is a further risk that interest rates will reduce in the next year.

External Debt

Long-term borrowing has been utilised to finance the capital programme. As at 31 March 2024, the PCC had total external borrowing of £83.5m (£107.0m in 2022-23). This is still within the authorised limit for external debt. Cash balances were used to pay off some external borrowing within the year to reduce the total level of borrowing held.

Details of borrowing are shown in Note 33.

Pensions

The requirement to recognise the net pensions liability in the Balance Sheet has reduced the reported net worth of the Group, converting net assets of £215.3m into net liabilities of £5,892.5m.

The table below shows the estimated value of the Group's pension commitments should they be called upon now:

	2022-23	2023-24
	£'000	£'000
Police Officers	6,021,560	6,106,950
Police Staff	944	873
PCC staff	245	-
Total	6,022,749	6,107,823

The actuarial gain on pension funds in 2023-24 totalled £43.9m and compared to actuarial gains in 2022-23 of £2,938.4m. The increase in the liability of £85m is due mainly to interest on the overall liability of the Police pension scheme. Both of the Local Government schemes are subject to asset ceiling calculations preventing the recognition of an unrealisable surplus. It should be noted that actuarial gains and losses change each year as can be seen from the defined benefit pension scheme notes starting on page 58 of the Statement of Accounts.

Statutory arrangements for funding the deficit will impact the financial position of the group in the following way:

- The deficit on the local government scheme will result in increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- The Police Officer pension scheme is a statutory scheme as specified by police regulations, whereby the Group pays an employer's contribution of 31% of pensionable pay for all serving police officers into the Police Pension Fund Account. If there are insufficient funds in the Pension Fund Account to meet expenditure commitments in any particular year, the Home Office will fund the deficit. In practice, therefore the significant liability of £6.1bn will be covered by future employer contributions and the receipt of Home Office grant monies. Ultimately, finance is only required to be raised to cover police pensions when the pensions are actually paid.

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.

Changes to Accounting Policies

No new Accounting Standards have required adoption in the 2023-24 Accounts and the Accounting Policies for the group remain unchanged.

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 group retain low levels of reserves in relation to their turnover and the delivery of national capabilities. However, they are sufficient to meet need within the medium term. 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. It also places an additional specific strain on our future funding outlook given that the costs on ongoing legal settlements in relation to the Force's role in historic events are funded from this source, and the percentage of those costs being met by this funding source are being reduced in future.

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.

The Violence Reduction unit continues to deliver significant results in relation to diversionary activities and reduction in gang membership amongst young people. This funding faces a cliff edge in March 2025, but the PCC is working closely with regional partners to ensure that as many projects as possible are sustainable through other sources of funding beyond that date, and that ways of working such as trauma informed practice, are embedded in business as usual by that date.

The future outlook for interest rates is suggested to be a slow return to 2020 levels, however the continuing uncertainty in the world economy as a result of conflict and climate change pose a threat to that position. In response, we have reduced debt and therefore reduced exposure to interest rate threats, and 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.

Police and Crime Commissioner West Midlands Annual Governance Statement

Position as of 31 March 2024 including plans for the financial year 2024-25

1 Introduction

This Annual Governance Statement demonstrates how the Police and Crime Commissioner for the West Midlands complies with a governance framework. This includes how the effectiveness of the framework is evaluated and monitored. This document also highlights any significant governance issues and any planned changes in the governance framework.

2 Scope of Responsibilities

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

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

The Commissioner has adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE 2016 updated framework: *Delivering Good Governance in Local Government*, which can be obtained by contacting the Commissioner's office, details at www.westmidlands-pcc.gov.uk/contact.

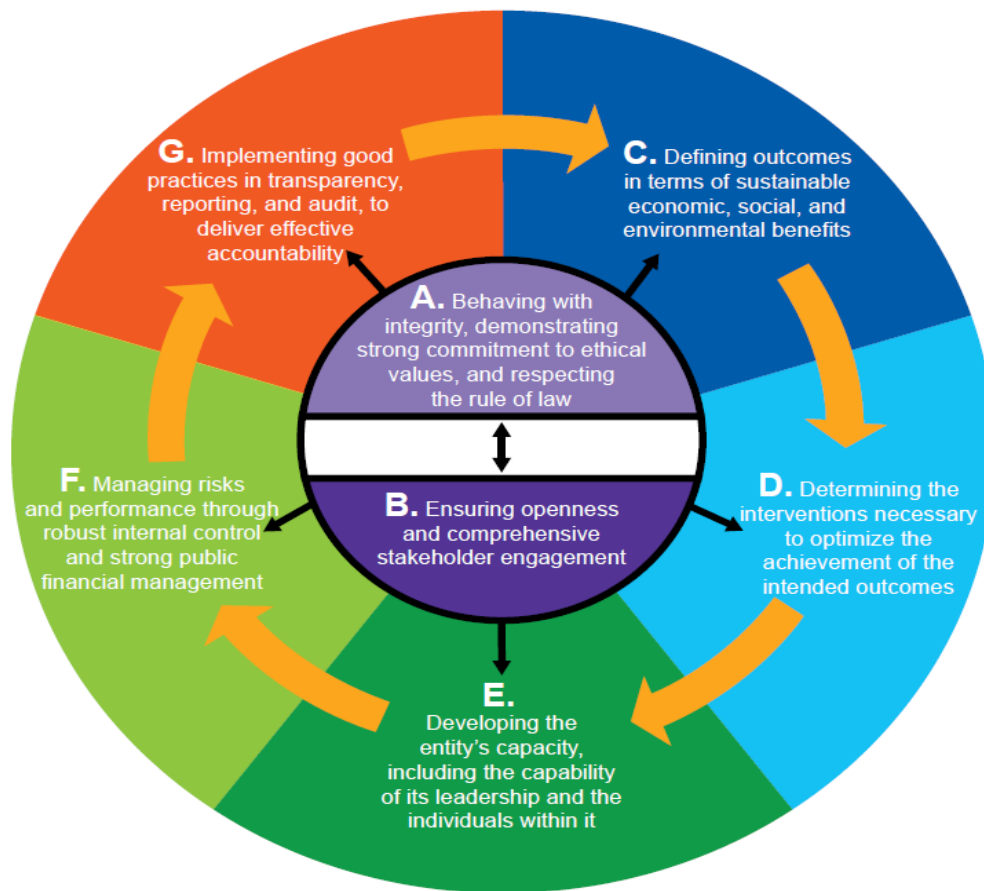
This statement explains how the Commissioner has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015 (amended 2020), regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

3 The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and the culture and values by which the Commissioner directs and controls his activities and through which he is accountable to the community. It enables the Commissioner to monitor the achievement of his 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 framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable but 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 Commissioner'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 diagram below sets out the core principles of the Police and Crime Commissioner's Governance Framework.



4 The Governance Framework

Although, 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 Commissioner is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. The relationship between the Commissioner, the Chief Constable, the Police and Crime Panel and the Home Secretary is guided by the Policing Protocol Order 2023.

It therefore follows that the Commissioner must satisfy himself that the Chief Constable has appropriate mechanisms in place for the maintenance of good governance. For these to operate in practice, the Commissioner and the Chief Constable, as separate corporations sole, 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.

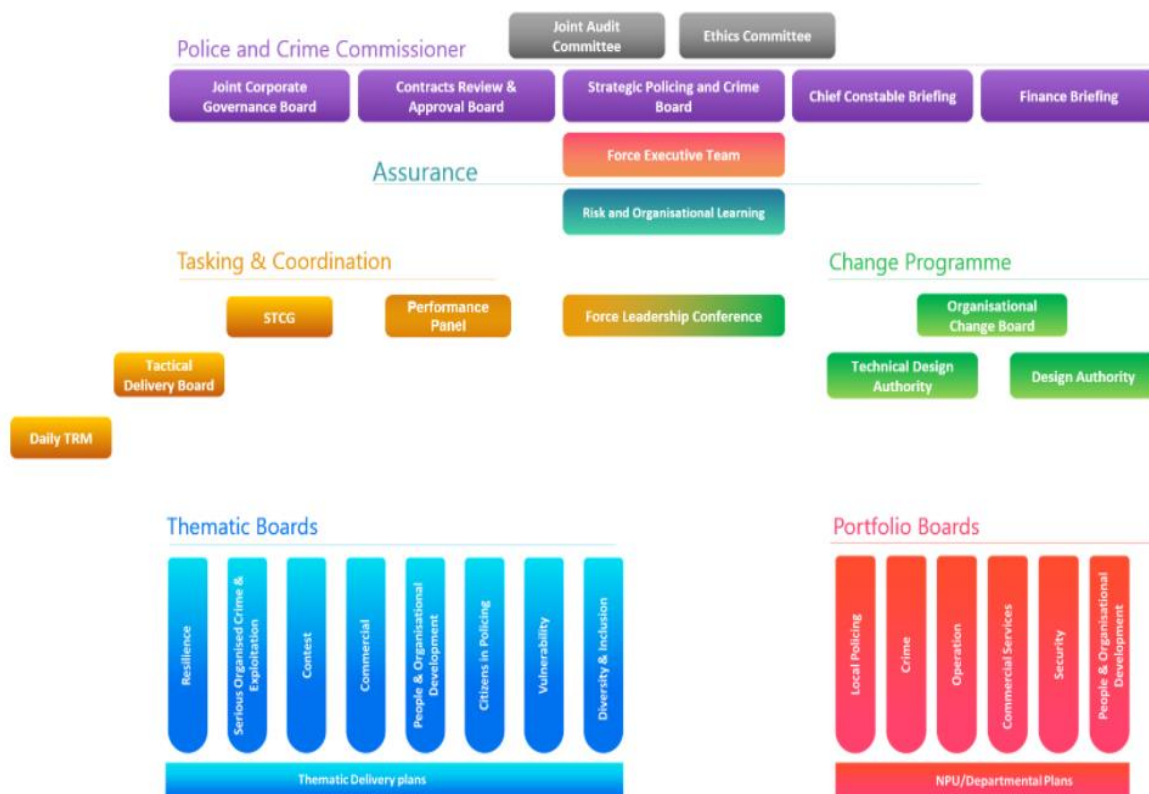
The Commissioner adopted a number of systems and processes to operate the governance arrangements, the key elements of which are detailed below:

- The West Midlands Police and Crime Plan 2021 – 2025 sets out the Commissioner's objectives for policing and community safety, the policing to be provided, the financial and other resources that will be available, how performance will be measured, what grants will be made and how the Chief Constable will be held to account.
- The operation of the Strategic Policing and Crime Board (SPCB) that assists in holding to account West Midlands Police. The SPCB meets monthly in public. The meetings are webcast.

- Worked with the Chief Constable to ensure there are processes and systems in place to deliver the Police and Crime Plan. This allows the Commissioner to be satisfied the Chief Constable has regard to the Police and Crime Plan through the strategic and operational plans of the Force.
- Measuring the quality of services, to ensure they are delivered in accordance with the Commissioner's objectives and represent the best use of resources and value for money.
- Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication, in respect of the Commissioner and partnership arrangements.
- Ensuring effective arrangements are in place for the discharge of the head of paid service and monitoring officer functions.
- Ensuring the Commissioner's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable.
- Ensuring compliance with the Commissioner's statutory responsibilities, including:
 - Setting the budget and precept
 - Issuing a Police and Crime Plan
 - Publication of an Annual Report
 - Publication of specified information
 - Duties to consult with victims of crime, the population as a whole and ratepayers
 - Safeguarding of children and promotion of child welfare
 - Having regard to the Strategic Policing Requirement. This is demonstrated through an annual report to the SPCB
 - Duties relating to equality and diversity
- Procedure rules, policies and internal management processes are established for Financial Management, Procurement, Health and Safety, Confidential Reporting ("Whistleblowing"), Complaints Handling, Anti-Fraud, Bribery and Corruption and Records Management, including security of information and information sharing.
- Codes of conduct, defining the standards of behaviour for the Commissioner, Members of the Strategic Policing and Crime Board, Statutory Officers and Staff.
- The Joint Scheme of Corporate Governance 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.
- A Joint Audit Committee (with the Chief Constable) 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 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 Audit Committee has an independent Chair, as identified by the Home Office's Code of Practice for Financial Management and CIPFA's Audit Committee – Practical Guidance for Local Authorities and Police. A second independent member holds the position of Vice Chair of the Committee.
- An Ethics Committee which advises the Commissioner and Chief Constable on data science projects being proposed by the Force's Data Analytics Lab. The Lab is led by specially recruited data scientists and will develop programmes of work that use data more intelligently to help the Force prevent crime, allocate resources more efficiently and help it to do its job of keeping the public safe. The Ethics Committee has been set up to help ensure that ethics and people's rights are put at the heart of the Lab's work. Using the Committee's expertise, the Force will be in a better position to help people avoid crime and support the communities of the West Midlands.
- The PCC has a Corporate Risk Register, prepared and reviewed by senior management. The Joint Audit Committee is responsible for independent assurance on the adequacy of the risk management framework.
- Procedural rules, policies and internal management procedures are established for financial management.
- Oversight of the management of change and transformation within the Force.
- Ensuring the Commissioner's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and, where they do not, explain why they deliver the same impact.

- An External Audit function reports to “those charged with governance” in respect of the Annual Accounts and Value for Money. The Commissioner provides information to External Audit to enable them to provide assurance and also ensures External Audit’s recommendations are implemented.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Developing good governance arrangements in respect of partnership and other joint working arrangements.

The diagram below details how the Commissioner’s current governance structure is aligned to the governance structure of West Midlands Police.



5 Review of Effectiveness

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework.

The review of effectiveness is informed by the work of the managers within the Commissioner's Office, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's 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 Commissioner**

The Commissioner is responsible for the maintenance and review of the governance arrangements overall and has asked his Statutory Officers, together with the Head of Internal Audit to continue with the review of the corporate governance arrangements, designed to assess and monitor:

- Code of Corporate Governance
- Review of the System of Internal Control
- Performance / Assurance Protocols and associated information
- Production of the Annual Governance Statement

- **The Joint Audit Committee**

The Commissioner's and Chief Constable's Joint Audit Committee is 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 and consider the arrangements to secure value for money
- Ensure the Force is implementing agreed actions resulting from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspections.

The Terms of Reference of the Committee, encompasses and reflects these duties by defining that they:

- Be the conduit through which the Governance work is channelled.
- Provide assurance on risk management arrangements on behalf of the Commissioner.
- Recommend approval of the Statutory Accounts of the Commissioner and Chief Constable.

To ensure that it is ably qualified, assessments of its abilities in line with best practice are undertaken confirming that the Committee is well suited and equipped for such responsibilities. Members of the Committee undergo regular training to ensure the Committee is effective in its role in advising the Commissioner and the Chief Constable.

- **Internal Audit**

The system of Internal Audit is a primary tenet of corporate governance and is the joint responsibility of the Commissioner and Chief Constable. The provision and maintenance of an effective Joint Internal Audit

Service, has been delegated to the Chief Finance Officer (CFO). The Audit Committee oversees the provision of this service, reviewing associated plans and work outputs.

Every 5 years the standards of Internal Audit are assessed against the Public Sector Internal Audit Standards (PSIAS) and an external assessment of Internal Audit against the PSIAS standards was undertaken during 2022-23. The results of the assessment were positive with the service assessed as being fully compliant against the Standards. The service continues to undertake a self-assessment against the standards on an annual basis with the results reported to the Joint Audit Committee.

During 2023-24 Internal Audit continued the approach of concentrating on the major risks faced by the PCC and the Force. The approach has allowed the Commissioner to have increased confidence in the governance, risk management and control processes. A mid-year review of the Internal Audit Plan was undertaken to ensure the audits remained focussed on the key risk areas. Regular updates on progress against the audit plan and key findings arising are provided to the Commissioner.

In the construction of the Internal Audit Plan for the year ahead, consultation has taken place with senior managers to ensure the areas of greatest risk are prioritised, however, the plan will inevitably need to remain flexible and responsive to any change in the risk environment.

- **Police and Crime Panel**

The West Midlands Police and Crime Panel (WMPCP) scrutinises the work of the Commissioner. The Panel acts as a critical friend to the Commissioner - assisting him through independent challenge.

The Panel has a number of powers and responsibilities, including:

- Reviewing the draft Police and Crime Plan to ensure local priorities have been considered
- Scrutinising the Commissioner's Annual Report
- Scrutinising the decisions and actions of the Commissioner
- Reviewing, and potentially vetoing, the Commissioner's proposed policing precept (the part of Council Tax collected for policing)
- Holding confirmation hearings for the proposed appointment of a Chief Constable, Deputy Police and Crime Commissioner and senior support staff

- **Mapping of Governance Framework**

To review the effectiveness of the Commissioner's governance arrangements an assessment was undertaken using a governance dashboard and applying CIPFA's seven principles of good governance in policing. With the exception of managing data, all areas have a green RAG status. Managing Data remains amber due to the continued embedding of WMP's IT systems across the organisation.

6 Collaborative Working

The Commissioner has in place a number of collaborative arrangements to deliver services in conjunction with both national and neighbouring Police and Crime Commissioners. These include:

- A regional forces collaboration agreement for the counter-terrorism policing network that also includes responsibility for Special Branch services.
- The National Ballistics Intelligence Service (NABIS) where the West Midlands Police is the co-host force. The arrangement is also subject to a collaboration agreement and the Commissioner is represented on the NABIS governing board.
- The West Midlands Regional Organised Crime Unit (ROCU) which is a four-force collaboration agreement between Staffordshire, Warwickshire, West Mercia and West Midlands.
- The West Midlands Violence Reduction Partnership which involves WMP, health and education professionals working together to understand the causes of serious violence in the West Midlands and agreeing a co-ordinated response.

- A West Midlands wide Community Safety Partnership enabling crime reduction activities to be commissioned more effectively and efficiently.
- A Safer Travel Partnership with West Midlands Combined Authority, and WMP that continues to significantly reduce crime on all modes of transport across the region.
- A West Midlands Combatting Drugs & Alcohol Partnership has been established to co-ordinate activity to reduce drug harm in the local area.
- An agreement with Birmingham Airport for WMP to provide policing services to the airport.
- The Regional Criminal Justice Forum, which is a collaborative partnership between PCCs, forces and criminal justice colleagues across the West Midlands, designed to address cross cutting themes and issues that are affecting all four areas.
- A collaboration with Warwickshire PCC where WMP delivers Forensic Services to Warwickshire Police.
- The Staffordshire and WMP Joint Legal Services agreement which provides Legal Services to WMP, Staffordshire Police, the Police, Fire and Crime Commissioner for Staffordshire and the Police and Crime Commissioner for West Midlands.
- The Central Motorway Police Group collaboration between Staffordshire Police and WMP, which strives to ensure the safe travel of road users on the motorway network through the region.
- The Staffordshire Police and WMP firearms and explosives licensing collaboration.
- A new arrangement introduced in 2023-24 whereby WMP provide shared ANPR capabilities to Warwickshire.

For the arrangements detailed above, governance is conducted in compliance with the relevant collaboration agreements. Also, collaborative working is supported by the appointment of two Regional Policy Officers working with the four West Midlands regional forces.

Through working with the West Midlands Combined Authority, the Commissioner is collaborating on a wide range of issues this includes mental health and youth offending services.

The Commissioner is also in collaboration with other bodies this includes West Midlands Fire Service and local councils through the estates programme where policing is being delivered in shared buildings.

7 Review of CIPFA's FM Code

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.

A self-assessment compliance review of the CIPFA FM Code was completed during 2023-24 across the Force, with the majority of the assessment being RAG rated as green with no areas of concern. The largest single change to the assessment will be around the need to embed the new Procurement Act 2023 which begins to rollout from autumn 2024 as per the secondary legislation. In addition, areas for improvement identified through the work of internal audit have been referenced and identified as targets for focus and process redesign during 2024-25.

Notable improvements were made in 2023-24 in the timeliness of financial reporting, with stretching timescales from month end to reported forecast being achieved from late autumn onwards. Work will continue in 2024-25 to improve the quality of financial reporting in the OPCC and the flow of information between WMP and the OPCC.

8 Significant Governance Issues

Significant governance issues are defined as:

- An issue which has prevented or seriously prejudiced achievement of a principal objective
- An issue where additional funding has had to be sought in order to resolve it
- An issue which has resulted in a material impact on the accounts
- An issue which the Head of Internal Audit has specifically highlighted in the annual audit opinion
- An issue which has attracted significant public interest and has damaged the reputation of the Commissioner
- An issue which has resulted in formal action being taken by the Chief Finance Officer and/or the Monitoring Officer.

PCC and Chief Constable meetings during 2023-24 included a review of the Force's Corporate Risk Register and chapters of the Force Management Statement.

The Commissioner is sighted on any significant issues arising from the work of Internal Audit and will, where necessary, question the Chief Constable on any actions being taken to address the issues raised.

The Commissioner has continued to hold the Chief Constable to account where reductions in funding have had potential impact on business as usual activities of the Force. This will continue during 2024-25 as the Force faces significant budget pressures alongside implementing a new operating model.

During 2023-24 no audits were issued with minimal assurance by the Joint Internal Audit team.

During 2023-24 neither the Chief Finance Officer nor Monitoring Officer took formal action.

The PCC applied for and was successful in receiving additional funding through Special Grant to support the implementation of new workforce management ICT solutions in the Force Control Room.

The PCC continues to receive financial support from Home Office in relation to legal claims arising from the Hillsborough disaster. This is through the Special Grant scheme operated by the Home Office. This will continue into 2024-25, although the proposal is that less of the cost will be met by the Home Office, going forward.

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. The PCC reported to the Police and Crime Panel (18 December 2023, 15 January 2024 and 5 February 2024) to provide updates on PEEL findings and address any requests for further information or questions from panel members. In addition, the PCC and CC attended the Police Performance Oversight Group (PPOG) meeting held on 16 January 2024, which oversees the performance monitoring of WMP, whilst it is in Engage.

An employment tribunal involving a former West Midlands Police firearms officer, and ongoing associated activity, poses significant reputational risks 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.

During 2023-24 the West Midlands Mayor, enabled by the passing of the Levelling Up and Regeneration Act 2023, worked with government to seek the transfer of police and crime powers. The PCC challenged the Mayor's and Home Secretary's decisions via judicial review at the High Court. The judicial review was successful, finding the Home Secretary's decision to approve the transfer to be unlawful. The Appeal Court declined to hear an appeal by the Home Secretary and costs were awarded against the Home Office for both the judicial review and appeal. The process was very public and widely reported. While these events did not damage the reputation of the Commissioner, they created widespread public interest and delayed the publication of the notice of election in March 2024.

9 Delivering the Police and Crime Plan

During 2021-22 a new police and crime plan was developed covering the period up to 2025. A delivery plan was produced to ensure delivery of the plan. This assists the Commissioner to secure and maintain efficient and effective policing services across the West Midlands. The Commissioner will continue to work with West Midlands Police in the delivery of the Force's strategies and plans.

10 Issues Raised in Previous Year's Annual Governance Statements

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.

11 Future Developments

Looking forward there are several initiatives that will potentially impact on the role and remit of the Commissioner that may require governance arrangements to be amended. These include:

- Victims and Prisoners Bill 2023 which, if it becomes law, will introduce a duty to collaborate and make compliance with the Victims Code a statutory requirement.
- The implementation of new complaints processes against serving officers which will see WMP chair the hearings and legally qualified advisers in attendance but not in the chair.
- Further collaborative working with police forces in areas such as serious and organised crime, counter terrorism, roads policing and uniformed operations, with a concurrent requirement to develop effective collaborative governance arrangements based on formal collaboration agreements.
- The potential future implementation of a revised funding formula for policing, which will have implications on the level of resources available for policing services across the West Midlands.
- Monitoring and oversight of the new neighbourhood policing operating model to ensure effectiveness.
- Implementing changes arising from the Procurement Act 2023.
- The risks associated with maintaining the police officers recruited as part of the Uplift programme and ensuring the extra officers are deployed in priority areas across the Force.
- Impacts arising from continued reforms of the police recruitment framework.
- The continued implementation of the Estates Strategy approved by the Commissioner in October 2023, including the investment in new facilities and releasing vacant properties.
- The green agenda including, delivering and embedding WMP's environmental strategy launched during 2022.
- Continuing to embed the Combatting Drugs and Alcohol Partnership chaired by the Commissioner.
- Continuing to embed partnership working in key areas such as Ending Male Violence against Women and Girls, and supporting scrutiny panels such as the Custody Scrutiny Panel and Young people Scrutiny Panel for Stop and Search.
- Having regard to recent changes to the Strategic Policing Requirement which introduced an additional priority area around Violence Against Women and Girls.
- Ensuring compliance with the recently implemented Serious Violence Duty which aims to ensure relevant services work together to share information and collaborate on interventions to prevent and reduce serious crimes.
- Expectations arising from the wider use of novel technologies such as Live Facial Recognition (LFR) and Drone First Responders.
- A General Election in 2024.

12 Monitoring the Implementation of Actions

The systems that have been put in place to monitor the implementation of plans through delivery plan and the risk register will ensure activities detailed in this statement are implemented. Progress of the implementation of actions will be reported in next year's Annual Governance Statement.

Signed

Simon Foster
Police and Crime Commissioner West Midlands

Jonathan Jardine
Head of Paid Service, West Midlands Police and Crime Commissioner

Jane Heppel
Chief Finance Officer, West Midlands Police and Crime Commissioner

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER TO THE POLICE AND CRIME COMMISSIONER

The Chief Finance Officer to the PCC is responsible for the preparation of the PCCWM Statement of Accounts and Group 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 PCCWM and Group 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 to the PCC 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 to the PCC 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 POLICE AND CRIME COMMISSIONER'S 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 consolidated financial position of the Police and Crime Commissioner of the West Midlands as at 31 March 2024 and its income and expenditure for the year then ended.

Jane Heppel

Chief Finance Officer, West Midlands Police and Crime Commissioner

Date:

THE RESPONSIBILITIES OF THE POLICE AND CRIME COMMISSISONER FOR THE WEST MIDLANDS

The PCCWM is required:

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

POLICE AND CRIME COMMISSIONER'S CERTIFICATE

I certify that the Statement of Accounts has been certified by the responsible financial officer and approved for issue by the Police and Crime Commissioner for the West Midlands on xx 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.

Simon Foster

Police and Crime Commissioner for the West Midlands

Date:

Independent auditor's report to the Police and Crime Commissioner for the West Midlands
Report on the Audit of the Financial Statements

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - GROUP

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. Police and Crime Commissioners raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement on Reserves Statement. The statement shows the net cost for the year presented as this is reported internally and demonstrates how that cost has been financed from general Government Grants and income from local taxpayers. The statement includes other recognised gains and losses of the PCCWM during the year showing total Comprehensive Income and Expenditure of the PCCWM and Group. The PCCWM has produced a subjective analysis of the net cost of General Fund services in note 7 to the Accounts.

2022-23 Gross Expenditure £'000	2022-23 Gross Income £'000	2022-23 Net Expenditure £'000	GROUP	Note	2023-24 Gross Expenditure £'000	2023-24 Gross Income £'000	2023-24 Net Expenditure £'000
			Chief Constable				
784,466	(62,975)	721,491	Policing Services		738,102	(89,526)	648,576
23,123	(1,480)	21,643	Change Programme		8,978	(142)	8,836
183,811	(140,077)	43,734	Regional & National Services		92,038	(71,305)	20,734
			Police and Crime Commissioner				
3,418	(103)	3,315	Office of the PCC		3,020	(133)	2,887
21,165	(14,818)	6,347	Commissioned Services		20,601	(15,093)	5,508
1,015,983	(219,453)	796,531	NET COST - GENERAL FUND SERVICES		862,740	(176,199)	686,541
0	(161)	(161)	Net (Gain)/Loss on Disposal		0	(393)	(393)
0	(161)	(161)	Other Operating Income & Expenditure		0	(393)	(393)
3,576	0	3,576	Interest Payable & Similar Charges		3,502	0	3,502
0	(3,155)	(3,155)	Interest & Investment Income		0	(7,030)	(7,030)
			(Gain) or loss on Financial Instruments		0	(1,340)	(1,340)
231,671	0	231,671	Net Interest on the Net Defined Benefit Liability	18	275,842	0	275,842
235,247	(3,155)	232,092	Financing and Investment Income & Expenditure		279,344	(8,370)	270,975
1,251,231	(222,769)	1,028,462	NET OPERATING EXPENDITURE		1,142,084	(184,962)	957,122
0	(156,103)	(156,103)	Council Tax Payer		0	(168,897)	(168,897)
0	(312,599)	(312,599)	Police Grant	13	0	(329,544)	(329,544)
0	(216,818)	(216,818)	Formula Grant	13	0	(217,571)	(217,571)
0	(93,388)	(93,388)	Pension Top Up Grant Receivable		0	(101,722)	(101,722)
0	(2,524)	(2,524)	Non-Specific Government Grants		0	(4,327)	(4,327)
0	(781,432)	(781,432)	Taxation & Non-Specific Grant Income		0	(822,062)	(822,062)
1,251,231	(1,004,201)	247,030	(SURPLUS)/DEFICIT FOR THE YEAR ON PROVISION OF SERVICES		1,142,084	(1,007,023)	135,061
		(13,056)	(Surplus)/Deficit on the Revaluation of Fixed Assets				317
		862	Movement in Pooled Investment Funds				104
		(2,938,373)	Remeasurement of the Net Defined Benefit Liability	18			(43,854)
		(2,950,567)	Other Comprehensive Income & Expenditure				(43,433)
		(2,703,537)	Total Comprehensive Income & Expenditure				91,628

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – PCC

2022-23 Gross Expenditure £'000	2022-23 Gross Income £'000	2022-23 Net Expenditure £'000	PCC	Notes	2023-24 Gross Expenditure £'000	2023-24 Gross Income £'000	2023-24 Net Expenditure £'000
3,418	(103)	3,315	Office of the PCC		3,020	(133)	2,887
21,165	(14,818)	6,347	Commissioned Services		20,601	(15,093)	5,508
24,583	(14,921)	9,662	Total Cost of Services		23,622	(15,226)	8,395
891,336	(204,532)	686,804	PCC funding to the CC for financial resources consumed		886,149	(160,973)	725,176
915,919	(219,453)	696,467	NET COST - GENERAL FUND SERVICES		909,771	(176,199)	733,571
0	(161)	(161)	Net (Gain)/Loss on Disposal		0	(393)	(393)
0	(161)	(161)	Other Operating Income & Expenditure		0	(393)	(393)
3,576	0	3,576	Interest Payable & Similar Charges		3,502	0	3502
0	(3,155)	(3,155)	Interest & Investment Income		0	(7,030)	(7,030)
			(Gain) or loss on Financial Instruments		0	(1,340)	(1,340)
152	0	152	Net Interest on the Net Defined Benefit Liability	18	10	0	10
3,728	(3,155)	573	Financing and Investment Income & Expenditure		3,512	(8,370)	(4,857)
919,647	(222,769)	696,879	NET OPERATING EXPENDITURE		913,283	(184,962)	728,321
0	(156,103)	(156,103)	Council Tax Payer		0	(168,897)	(168,897)
0	(312,599)	(312,599)	Police Grant	13	0	(329,544)	(329,544)
0	(216,818)	(216,818)	Formula Grant	13	0	(217,571)	(217,571)
93,388	(93,388)	0	Pension Top Up Grant Receivable (paid to CC)		101,722	(101,722)	0
0	(2,524)	(2,524)	Non-Specific Government Grants		0	(4,327)	(4,327)
93,388	(781,432)	(688,045)	Taxation & Non-Specific Grant Income		101,722	(822,062)	(720,339)
1,013,035	(1,004,201)	8,835	(SURPLUS)/DEFICIT FOR THE YEAR ON PROVISION OF SERVICES		1,015,005	(1,007,023)	7,982
		(13,056)	(Surplus)/Deficit on the Revaluation of Fixed Assets				317
		862	Movement in Pooled Investment Funds				104
		(5,946)	Remeasurement of the Net Defined Benefit Liability	18			(195)
		(18,140)	OTHER COMPREHENSIVE INCOME & EXPENDITURE				226
		(9,305)	Total Comprehensive Income & Expenditure				8,208

The PCC funding to the Chief Constable is shown as expenditure in the PCC's accounts and income in the Chief Constable's accounts as this represents the transfer of taxation and non-specific grant resources originally paid to the PCC to the Chief Constable to allow him to carry out effective police services.

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year of the different reserves held by the Group analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and Other Reserves. The (surplus)/deficit on the Provision of Services line shows the true economic cost of providing the Groups services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Group.

	Revenue	Capital		Total Reserves				
	Total General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Group Reserves £'000	Group's Share of Reserves of CCWMP £'000	Total PCC Reserves £'000
Balance at 31 March 2022	(62,933)	(2,572)	(673)	(66,178)	8,570,623	8,504,445	8,725,731	(221,286)
Movements in Reserves during 2022-23								
Total Comprehensive Income & Expenditure	247,030	0	0	247,030	(2,950,567)	(2,703,537)	(2,694,232)	(9,305)
Adjustments between Accounting & Funding Basis under Regulation	(255,044)	(902)	(115)	(256,061)	256,061	0	0	0
Net Increase or Decrease before Transfer to Earmarked Reserves	(8,014)	(902)	(115)	(9,030)	(2,694,507)	(2,703,537)	(2,694,232)	(9,305)
Transfer to/from Earmarked Reserves	0	0	0	0	0	0	0	0
Increase/Decrease during the year	(8,014)	(902)	(115)	(9,030)	(2,694,507)	(2,703,537)	(2,694,232)	(9,305)
Balance as at 31 March 2023 Carried Forward	(70,947)	(3,473)	(788)	(75,209)	5,876,116	5,800,908	6,031,499	(230,592)
Movements in Reserves during 2023-24								
Total Comprehensive Income & Expenditure	135,061	0	0	135,061	(43,433)	91,628	83,420	8,208
Adjustments between Accounting & Funding Basis under Regulation	(154,641)	(3,029)	(25)	(157,695)	157,695	0	0	0
Net Increase or Decrease before Transfer to Earmarked Reserves	(19,580)	(3,029)	(25)	(22,633)	114,261	91,628	83,420	8,208
Transfer to/from Earmarked Reserves	0	0	0	0	0	0	0	0
Increase/Decrease during the year	(19,580)	(3,029)	(25)	(22,633)	114,261	91,628	83,420	8,208
Balance as at 31 March 2024 Carried Forward	(90,528)	(6,502)	(813)	(97,843)	5,990,379	5,892,536	6,114,919	(222,383)

The adjustments between accounting and funding basis under regulations are shown in detail in note 25.

The balances carried forward for usable and unusable reserves are shown on the lower half of the Balance Sheet on page 39.

PCC MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year of the different reserves held by the PCC analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and Other Reserves. The (surplus) or deficit on the Provision of Services line shows the true economic cost of providing the PCC's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the PCC.

	Revenue			Capital		Total Reserves		
	General Fund	Earmarked Reserves	Total General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Usable Reserves	Unusable Reserves	Total PCC Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022	(11,637)	(50,891)	(62,528)	(2,571)	(673)	(65,772)	(155,514)	(221,286)
Movements in Reserves during 2022-23								
Total Comprehensive Income & Expenditure	8,835	0	8,835	0	0	8,835	(18,140)	(9,305)
Adjustments between Accounting & Funding Basis under Regulation	(17,254)	0	(17,254)	(902)	(115)	(18,271)	18,271	0
Net Increase or Decrease before Transfer to Earmarked Reserves	(8,420)	0	(8,420)	(902)	(115)	(9,437)	132	(9,305)
Transfer to/from Earmarked Reserves	8,014	(8,014)	0	0	0	0	0	0
Increase/Decrease during the year	(406)	(8,014)	(8,420)	(902)	(115)	(9,438)	132	(9,305)
Balance as at 31 March 2023 Carried Forward	(12,042)	(58,905)	(70,947)	(3,473)	(788)	(75,209)	(155,383)	(230,592)
Movements in Reserves during 2023-24								
Total Comprehensive Income and Expenditure	7,982	0	7,982	0	0	7,982	226	8,208
Adjustments between Accounting & Funding basis under Regulation	(27,562)	0	(27,562)	(3,029)	(25)	(30,616)	30,616	0
Net Increase or Decrease before Transfer to Earmarked Reserves	(19,579)	0	(19,579)	(3,029)	(25)	(22,634)	30,842	8,208
Transfer to/from Earmarked Reserves	14,896	(14,896)	0	0	0	0		0
Increase/Decrease during the year	(4,684)	(14,896)	(19,579)	(3,029)	(25)	(22,634)	30,842	8,208
Balance as at 31 March 2024 Carried Forward	(16,726)	(73,801)	(90,527)	(6,502)	(813)	(97,843)	(124,540)	(222,383)

GROUP AND PCC BALANCE SHEET

	Notes	PCC as at 31 March 2023 £'000	Group as at 31 March 2023 £'000	PCC as at 31 March 2024 £'000	Group as at 31 March 2024 £'000
Property, Plant and Equipment:					
Land and Buildings	27	180,284	180,284	157,374	157,374
Vehicles, Plant, Furniture & Equipment	27	29,984	29,984	36,330	36,330
Assets Under Construction	27	0	0	0	0
Heritage Assets	28	186	186	186	186
Intangible Assets: (Software)	31	18,516	18,516	14,351	14,351
Intangible Assets under Construction	31	0	0	0	0
		228,970	228,970	208,241	208,241
Long-term Investments	34	4,394	4,394	4,271	4,271
Long-term Debtors	35	158	158	39	39
Long-Term Assets		233,523	233,523	212,552	212,552
Short term Investments	34	10,124	10,124	45,734	45,734
Inventory	37	758	758	724	724
Short Term Debtors	38	124,550	124,550	129,690	129,690
Assets held for Sale (< 1 year)	40	2,270	2,270	1,000	1,000
Cash and Cash equivalents	39	66,055	66,055	30,661	30,661
Current Assets		203,757	203,757	207,808	207,808
Short-term Borrowing	33	(2,655)	(2,655)	(4,018)	(4,018)
Bank Overdraft	39	0	0	(2,783)	(2,783)
Short-term Creditors	41	(83,458)	(83,458)	(85,680)	(85,680)
Accumulated Absences	43	(4)	(8,999)	(49)	(7,145)
Provisions	20	(13,014)	(13,014)	(21,564)	(21,564)
Donated Inventories Account	37	(337)	(337)	(292)	(292)
Current Liabilities		(99,467)	(108,463)	(114,386)	(121,482)
Capital Long-Term Borrowing	33	(106,976)	(106,976)	(83,591)	(83,591)
Pensions Liability	18	(245)	(6,022,749)	0	(6,107,823)
Long-Term Liabilities		(107,221)	(6,129,725)	(83,591)	(6,191,414)
Net Assets		230,592	(5,800,908)	222,383	(5,892,536)
Usable Reserves:					
Usable Capital Receipts Reserve	25	(3,473)	(3,473)	(6,502)	(6,502)
Other Earmarked Reserves	26	(42,660)	(42,660)	(50,144)	(50,144)
General Fund Reserves	26	(12,042)	(12,042)	(16,726)	(16,726)
Budget Reserve	26	(16,245)	(16,245)	(23,657)	(23,657)
Capital Grants Unapplied	25	(788)	(788)	(813)	(813)
Unusable Reserves:					
Capital Adjustment Account	43	(110,407)	(110,407)	(83,902)	(83,902)
Revaluation Reserve	43	(43,037)	(43,037)	(39,929)	(39,929)
Pensions Reserve	18	245	6,022,749	0	6,107,823
Deferred Capital Receipts	35	(158)	(158)	(39)	(39)
Financial Instruments Adjustment Acct	43	633	633	(564)	(564)
Collection Fund Adjustment Account	43	(2,662)	(2,662)	(155)	(155)
Accumulated Compensated Absences Account	43	3	8,999	49	7,145
Total Reserves:		(230,592)	5,800,908	(222,383)	5,892,536

The Balance Sheet above shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCCWM. The net assets of the PCCWM (assets less liabilities) are matched by the reserves held by the PCCWM. Reserves are reported in two categories. The first category of reserves is Usable Reserves, i.e. those reserves that the PCCWM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

GROUP AND PCC CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCCWM during the reporting period. As the CCWMP does not handle cash transactions, the Group and PCCWM Cash flow statements include the same entries. The statement shows how the PCCWM generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCCWM are funded by way of taxation and grant income or from the recipients of services provided by the PCCWM. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCCWM's future service delivery. Cash flows from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCCWM.

As at 31 March 2023 £'000	£'000	Notes	As at 31 March 2024 £'000	£'000
<u>Operating Activities</u>				
	EXPENDITURE			
652,125	Cash Paid to & on behalf of Employees		693,137	
227,698	Cash Paid to the Suppliers of Goods & Services		162,274	
3,486	Interest Paid		3,647	
883,309	Cash Outflows Generated from Operating Activities		859,058	
	INCOME			
(153,597)	Council Tax Receipts		(171,405)	
(216,818)	Non-domestic Rates		(217,571)	
(490,070)	Other Government Grants		(460,752)	
(8)	Rents		(103)	
(2,973)	Interest Received		(6,990)	
(20,518)	Other Receipts from Operating Activities		(38,678)	
(883,984)	Cash Inflows Generated from Operating Activities		(895,499)	
	Net Cash Flows from Operating Activities			(36,441)
	(675)			
<u>Investing Activities</u>				
	EXPENDITURE			
11,250	Purchase of Property, Plant & Equipment & Intangible Assets		21,607	
135,000	Purchase of Short-term & Long-term Investments		280,000	
146,250	Cash Outflows Generated from Investing Activities		301,607	
	INCOME			
(964)	Proceeds from the Sale of Property, Plant & Equipment & Intangible Assets		(3,146)	
(165,027)	Proceeds from Short & Long-term Investments		(244,402)	
(165,991)	Cash Inflows Generated from Investing Activities		(247,548)	
	Net Cash Flows from Investing Activities			54,059
	(19,741)			
<u>Financing Activities</u>				
(7,000)	Cash Receipts of Short & Long-term Borrowing		0	
0	Other Receipts from Financing Activities		(1,447)	
3,979	Repayments of Short & Long-term Borrowing		21,877	
39	Other Payments for Financing Activities		129	
(2,982)	Net Cash Flows from Financing Activities			20,559
	(23,398)			
42,657	Net (Increase)/Decrease in Cash & Cash Equivalents	44		38,177
	Cash & Cash Equivalents at the Beginning of the Reporting Period	45		66,055
66,055	Cash & Cash Equivalents at the End of the Reporting Period	45		27,878

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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 PCCWM 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 impact of the standard is anticipated to include the introduction of a long-term lease liability in the region of £4m, with right of use assets of £5-6m.

2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in the Statement of Accounts in 2023-24, the PCC has had to make certain judgements about complex transactions which could significantly affect the amounts recognised in the financial statements. The critical judgements made in the statement of accounts are presented in the following paragraph:

- A judgement has been made about the split of cost to be included 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 two 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 Constable's 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. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Group 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 PCCWM and Group 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 by the pension scheme. The PCC uses two firms of actuaries to provide the Group with expert advice about the assumptions to be applied to the Police Pension Schemes and the Local Government Pension Scheme.	The effects on the net pension liability of changes in individual assumptions can be measured but they interact in complex ways. The overall pension liability as at 31 March 2024 is £6,108m (£6,023m in 2022-23). So, a very 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 18 on page 65.

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

5. EXPENDITURE AND FUNDING ANALYSIS

2022-23 Net Expenditure Chargeable to General Fund Balance £'000	2022-23 Adjustments between Funding & Accounting Basis £'000	2022-23 Net Expenditure in Comprehensive Income & Expenditure Statement £'000	GROUP	2023-24 Net Expenditure Chargeable to General Fund Balance £'000	2023-24 Adjustments between Funding & Accounting Basis £'000	2023-24 Net Expenditure in Comprehensive Income & Expenditure Statement £'000
			Chief Constable			
627,621	93,870	721,491	Policing Services	663,418	(14,842)	648,576
9,726	11,917	21,643	Change Programme	8,495	341	8,836
28,492	15,242	43,734	Regional & National Services	22,183	(1,449)	20,734
			Police and Crime Commissioner			
2,818	497	3,315	Office of the PCC	2,894	(7)	2,887
5,922	425	6,347	Commissioned Services	5,516	(8)	5,508
674,579	121,951	796,530	Net Cost of Services	702,506	(15,965)	686,541
(682,593)	133,093	(549,500)	Other Income & Expenditure	(722,086)	171,908	(550,178)
(8,014)	255,044	247,030	Surplus or Deficit	(19,580)	155,943	136,363

2022-23 Net Expenditure Chargeable to General Fund Balance £'000	2022-23 Adjustments between Funding & Accounting Basis £'000	2022-23 Net Expenditure in Comprehensive Income & Expenditure Statement £'000	PCC	2023-24 Net Expenditure Chargeable to General Fund Balance £'000	2023-24 Adjustments between Funding and Accounting Basis £'000	2023-24 Net Expenditure in Comprehensive Income and Expenditure Statement £'000
			Police and Crime Commissioner			
2,818	497	3,315	Office of the PCC	2,894	(7)	2,887
5,922	425	6,347	Commissioned Services	5,516	(8)	5,508
665,433	21,371	686,804	Funding to the CC	694,095	31,081	725,176
674,173	22,293	696,466	Net Cost of Services	702,505	31,066	733,571
(682,593)	(5,039)	(687,632)	Other Income and Expenditure	(722,085)	(2,202)	(724,287)
(8,420)	17,254	8,834	Surplus or Deficit	(19,580)	28,864	9,284

	Group		PCC	
	2022-23	2023-24	2022-23	2023-24
Opening General Fund Balance	(62,934)	(70,948)	(62,528)	(70,948)
Less (Surplus)/Deficit on General Fund Balance in Year	(8,014)	(19,580)	(8,420)	(19,580)
Closing General Fund Balance at 31 March	(70,948)	(90,528)	(70,948)	(90,528)

6. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2023-24 GROUP	Adjustment for Capital Purposes (Note 1) £'000	Net Change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments between Funding and Accounting Basis £'000
Chief Constable				
Policing Services	27,786	(40,729)	(1,899)	(14,842)
Change Programme	342	(1)		341
Regional & National Services	2,953	(4,402)		(1,449)
Police and Crime Commissioner				
Office of the PCC		(30)	23	(7)
Commissioned Services		(30)	22	(8)
Net Cost of Services	31,081	(45,192)	(1,854)	(15,965)
Other Income and Expenditure	(4,720)	174,120	2,508	171,908
Surplus or Deficit	26,361	128,928	654	155,943

2022-23 GROUP	Adjustment for Capital Purposes (Note 1) £'000	Net Change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments between Funding and Accounting Basis £'000
Chief Constable				
Policing Services	6,564	87,478	(172)	93,870
Change Programme	11,864	53		11,917
Regional & National Services	2,943	12,299		15,242
Police and Crime Commissioner				
Office of the PCC		559	(62)	497
Commissioned Services		425		425
Net Cost of Services	21,371	100,814	(234)	121,951
Other Income and Expenditure	(2,685)	138,284	(2,506)	133,093
Surplus or Deficit	18,686	239,098	(2,740)	255,044

Note 1 – This column adds in depreciation, impairments and revaluation losses; it also adjusts for Capital disposals, Capital Grants and MRP

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

Note 3 – This column includes adjustments for Collection Fund and Accumulated Absences adjustments

2023-24 PCC	Adjustment for Capital Purposes (Note 1) £'000	Net Change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments between Funding and Accounting Basis £'000
Police and Crime Commissioner				
Office of the PCC		(30)	23	(7)
Commissioned Services		(30)	22	(8)
Funding to the CC	31,081			31,081
Net Cost of Services	31,081	(60)	45	31,066
Other Income and Expenditure	(4,720)	10	2,508	(2,202)
Surplus or Deficit	26,361	(50)	2,553	28,864

2022-23 PCC	Adjustment for Capital Purposes (Note 1) £'000	Net Change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments between Funding and Accounting Basis £'000
Police and Crime Commissioner				
Office of the PCC		559	(62)	497
Commissioned Services		425		425
Funding to the CC	21,371			21,371
Net Cost of Services	21,371	984	(62)	22,293
Other Income and Expenditure	(2,685)	152	(2,506)	(5,039)
Surplus or Deficit	18,686	1,136	(2,568)	17,254

Note 1 – This column adds in depreciation, impairments and revaluation losses, it also adjusts for Capital disposals, Capital Grants and MRP

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

Note 3 – This column includes adjustments for Collection Fund and Accumulated Absences adjustments

7. SUBJECTIVE ANALYSIS OF THE NET COST OF POLICE SERVICES

2022-23 PCC Outturn £'000	2022-23 Group Outturn £'000		2023-24 PCC Outturn £'000	2023-2024 Group Outturn £'000
0	516,421	Police Pay and Allowances		438,940
5,179	232,415	Police Staff and PCSO Pay & Allowances	4,645	200,241
59	11,078	Other Employee Expenses	97	19,310
5,237	759,914	Sub Total Employee Costs	4,742	658,491
0	29,982	Premises Related Costs	0	33,409
24	13,316	Transport/Travel Costs	101	12,384
769	81,981	Supplies & Services	852	75,691
18,553	98,626	Collaborative working Expenses	17,926	39,776
0	31,597	Capital Financing Costs	0	42,664
24,583	1,015,415	TOTAL GROSS EXPENDITURE	23,622	862,415
(14,921)	(219,453)	External Income	(15,226)	(176,199)
0	568	Non-Distributed Costs	0	325
9,662	796,531	NET COST - GENERAL FUND SERVICES	8,395	686,541

8. COLLABORATIVE WORKING EXPENDITURE

	PCC 31 March 2023 £'000	Group 31 March 2023 £'000	PCC 31 March 2024 £'000	Group 31 March 2024 £'000
Levies	0	7,223	0	7,289
Government Departments	114	46,808	16	266
NHS Bodies	180	343	79	160
Academies	4	4	1	1
Other Police Forces	312	20,122	0	6,135
Other Local Authorities	2,129	3,972	2,681	3,358
All other bodies	15,814	20,154	15,222	22,897
Total Collaborative expenditure	18,553	98,626	17,999	40,106

Collaborative expenditure is included within the net cost of policing services (see note 7) in the group accounts.

9. EMPLOYEE REMUNERATION

The following table shows the remuneration of employees of West Midlands Police whose remuneration is more than £50,000 per year. This includes all senior officers later disclosed in note 10.

Group			PCC		Group			PCC
2022-23 Police Officers	2022-23 Police Staff	2022-23 Total	2022-23 Total	Earnings Band	2023-24 Police Officers	2023-24 Police Staff	2023-24 Total	2023-24 Total
5,947	4,206	10,153	71	Less than £49,999	5,496	4,007	9,503	62
901	118	1,019	5	£50,000 - £54,999	1,107	187	1,294	5
558	72	630	0	£55,000 - £59,999	571	65	636	1
266	28	294	2	£60,000 - £64,999	415	52	467	2
75	6	81	1	£65,000 - £69,999	165	21	186	3
40	12	52	1	£70,000 - £74,999	42	6	48	1
20	2	22	0	£75,000 - £79,999	27	5	32	0
12	6	18	0	£80,000 - £84,999	15	4	19	1
11	3	14	0	£85,000 - £89,999	16	4	20	0
12	1	13	0	£90,000 - £94,999	18	1	19	0
13	4	17	0	£95,000 - £99,999	4	3	7	0
4	3	7	2	£100,000 - £104,999	14	5	19	2
3	0	3	0	£105,000 - £109,999	2	1	3	0
1	1	2	0	£110,000 - £114,999	1	0	1	0
1	0	1	0	£115,000 - £119,999	0	0	0	0
2	1	3	1	£120,000 - £124,999	3	0	3	0
0	0	0	0	£125,000 - £129,999	2	1	3	1
0	0	0	0	£130,000 - £134,999	2	0	2	0
0	0	0	0	£135,000 - £139,999	2	0	2	0
0	0	0	0	£140,000 - £144,999	1	1	2	0
0	0	0	0	£145,000 - £149,999	2	0	2	0
0	0	0	0	£150,000 - £154,999	0	0	0	0
0	0	0	0	£155,000 - £159,999	1	0	1	0
0	0	0	0	£160,000 - £164,999	0	0	0	0
0	0	0	0	£165,000 - £169,999	0	0	0	0
0	0	0	0	£170,000 - £174,999	0	0	0	0
0	0	0	0	£175,000 - £179,999	1	0	1	0
0	0	0	0	£180,000 - £184,999	0	0	0	0
0	0	0	0	£185,000 - £189,999	0	0	0	0
0	0	0	0	£190,000 - £194,999	0	0	0	0
0	0	0	0	£195,000 - £199,999	0	0	0	0
0	0	0	0	£200,000 - £204,999	0	0	0	0
0	0	0	0	£205,000 - £209,999	0	0	0	0
0	0	0	0	£210,000 - £214,999	0	0	0	0
0	0	0	0	£215,000 - £219,999	0	0	0	0
0	0	0	0	£220,000 - £224,999	1	0	1	0
7,866	4,463	12,329	83	Totals	7,908	4,363	12,271	78

10. 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. 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
Chief Constable for West Midlands Police						
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		125.2	39.1	164.3
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
Total:		1,210.2		1,210.2	337.1	1,547.3

* Benefits in kind will be added into the audited accounts

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

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
Office of the Police and Crime Commissioner						
Police and Crime Commissioner - Mr Simon Foster		101.9	0	101.9	19.8	121.7
West Midlands Office for Policing and Crime - Chief Executive		129.1	0	129.1	25.0	154.1
West Midlands Office for Policing and Crime – Deputy Chief Executive		103.9	0	103.9	20.2	124.1
West Midlands Office for Policing and Crime – Interim Chief Finance Officer	¹	30.4	0	30.4	6.0	36.4
West Midlands Office for Policing and Crime – Chief Finance Officer	²	68.6	0	68.6	13.3	81.9
Total:		433.9	0	433.9	84.3	518.2

Notes:

1. The Interim Chief Finance Officer covered the role from 1 April 2023 until handover to the new post-holder.
2. The Chief Finance Officer commenced their role on 20 July 2023.

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
Chief Constable for West Midlands Police						
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
Total:		1,298.3	4.7	1,303.0	304.1	1,607.1

Notes:

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

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
Office of the Police and Crime Commissioner						
Police and Crime Commissioner - Mr Simon Foster		101.7	0	101.7	17.4	119.1
West Midlands Office for Policing and Crime - Chief Executive		124.4	0	124.4	21.3	145.7
West Midlands Office for Policing and Crime – Deputy Chief Executive		100.4	0	100.4	17.2	117.6
West Midlands Office for Policing and Crime – Chief Finance Officer		96.4	0	96.4	16.5	112.9
Total:		423.0	0	423.0	72.3	495.4

Notes:
None for 2022-23

11. TERMINATION BENEFITS

This note discloses of the number and cost of agreed exit packages. It 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
Total	10	25	17	12	27	37	1,151	3,103

Two voluntary redundancy payments made in 2023-24 relate to departures on 31 March 23 which were omitted from the prior year.

12. EXTERNAL AUDIT COSTS

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

	Police and Crime Commissioner		Group	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor	63	136	99	210
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for a prior year	0	1	0	5

The appointed auditor in 2023-24 was Grant Thornton UK LLP. The proposed fee payable by the PCCWM for the audit of the PCC and Group Accounts is £135,794. There is a further proposed fee of £74,281 for the Audit of the Chief Constable of West Midlands Police accounts making a total fee of £210,075 for the Group.

13. GRANT INCOME

The Group credited the following grants to the Comprehensive Income and Expenditure Statement. All non-specific grant income is credited first to the PCCWM before being forming part of the funding transferred to the CCWMP for financial resources consumed under his direction and control. The Police Services income received by the Chief Constable is income that is directly attributable to those services. It includes income for services provided such as events and airports but also specific grant income that is credited to the net cost of services rather than non-specific grant income.

	CCWMP 2022-23 £'000	PCCWM 2022-23 £'000	CCWMP 2023-24 £'000	PCCWM 2023-24 £'000
<i>Credited to Taxation and Non-Specific Grant Income</i>				
Police Grant	0	312,599	0	329,544
Formula Grant	0	216,818	0	217,571
Council Tax Support Grant	0	19,026	0	19,026
Pensions top up grant receivable	93,388	0	101,722	0
Capital Grants Received	0	2,524	0	4,327
Total	93,388	550,967	101,722	570,468
<i>Credited to Police Services</i>				
Loan Charges Grant	596	0	534	0
Counter Terrorism Grant	57,617	0	63,124	0
Victims' Support Grant	0	6,324	0	6,166
Serious Violence Grant	3,024	5,864	3,432	4,383
County Lines	5,211	0	7,000	0
Commonwealth Games	71,059	0	0	0
ROCU Grants	6,988	0	7,402	0
Police Uplift Programme	9,442	0	22,685	0
Police Pensions Grant	6,965	0	6,965	0
Other Grants	9,305	1,807	6,855	4,231
	170,207	13,995	117,997	14,780

14. 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 PCCWM or to be controlled or influenced by the PCCWM. Disclosure of these transactions allows readers to assess the extent to which the PCCWM 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 the PCCWM.

Central Government

The UK Government exerts significant influence over the operations of the PCCWM – it is responsible for providing the statutory operating framework and provides the majority of funding in the form of grants. Details of transactions with government departments are set out in note 13 above showing grant income credited to the Comprehensive Income and Expenditure Statement.

Pension Schemes and Precepts

The Local Government Pension Scheme is administered by Wolverhampton City Council and the PCCWM has made payments to them of £38.5m in 2023-24 (£35.6m in 2022-23). Payments we have received from other Local Authorities in the form of precept income from Council Tax payers are detailed within the Comprehensive Income and Expenditure Statement.

Members and Senior OPCC staff

Members of the Strategic Policing and Crime Board have direct control over the PCC's financial and operating policies. The PCC, his Assistant PCCs, Strategic Policing and Crime Board members, Chief Officers within the Office for the PCCWM and Police Force Chief Officers have signed a declaration regarding related party transactions.

Jonathan Jardine, Chief Executive, holds the post of Chair of the Association of Police and Crime Commissioner Chief Executives, which provides guidance and information to the PCCWM and the staff of his Office (as well as other local policing bodies and related organisations). The PCCWM pays an annual subscription fee and conference attendance fees to the Association of Police and Crime Commissioner Chief Executives. The nature and amount of any transactions between the above parties have been carried out in conjunction with the governance arrangements within the OPCC and do not have any material effect on the accounts.

The Chief Finance Officer, declared she is a co-opted Board member for RSVP (Rape & Sexual Violence Project) Birmingham which was the recipient of £641k in grant funding in 2023-24. This member had no involvement in the decision to award the grant.

The nature and amount of any transactions between the above parties have been carried out in conjunction with the governance arrangements within the OPCC and they do not have any material effect on the accounts.

Force Senior Officers

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

Other public bodies (subject to common control by central government)

The PCCWM has a pooled budget arrangement for the joint operation of the Central Motorway Police Group in conjunction with his counterpart at Staffordshire. Transactions and balances in relation to this jointly controlled operation are detailed in note 46.

Transactions with related parties who are not Strategic Policing and Crime Board members, PCCWM officers or Chief Officers are shown in the debtor and creditor balances in notes 38 and 41 respectively.

15. MEMBERS ALLOWANCES

Members of the Strategic Policing and Crime Board and the Joint Audit Committee are paid allowances and incidental expenses for their attendance at meetings and the work they do for these bodies throughout the year as designated by the Office for the Police and Crime Commissioner.

	2022-23 £'000	2023-24 £'000
Allowances paid	175	166
Expenses	3	5

16. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred by the PCCWM in the year is shown in the table below, together with the resources that have been used to finance it.

2022-23 Outturn £'000		2023-24 Programme £'000	2023-24 Outturn £'000
Property Plant and Equipment comprising:			
Land and Buildings:			
0	New Police Buildings	0	3,507
329	Improvements and Adaptations	8,000	383
Vehicles and Equipment:			
4,528	Vehicles	5,919	8,646
4,679	IT and Equipment	12,598	10,889
122	Intangibles	0	160
9,658	TOTAL	26,517	23,585
FINANCING OF EXPENDITURE			
2,409	Capital Grants	4,259	4,301
62	Capital Receipts	117	117
7,187	Direct Revenue Financing	7,641	8,660
0	Prudential Borrowing	14,500	10,507
9,658	TOTAL	26,517	23,585

The opening Capital Financing Requirement (CFR) at the start of the current reporting period was £74.2m and the closing CFR was £82.9m. The movement in the CFR is made up of the Minimum Revenue Provision (MRP) representing a decrease in the underlying need to borrow offset by the use of borrowing to fund expenditure.

17. LEASES

Operating Leases

The PCCWM leases several of the properties which it occupies. The amount paid in respect of property rentals in 2023-24 was £2.4m including service charges and insurance.

The future minimum lease payments payable under operating leases for land and buildings are summarised below:

	31 March 2023 £'000	31 March 2024 £'000
Within one year	920	714
Within two to five years	1,328	1,717
After more than five years	1,751	2,075
Total	3,999	4,506

Finance leases

The PCCWM does not have any finance leases in 2023-24.

18. DEFINED BENEFIT PENSION SCHEMES

As part of the terms and conditions of employment of its officers and other employees, the Group offers retirement benefits. Although these will not actually be payable until employees retire, the Group 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 (typically police support staff rather than front line officers), administered by West Midlands Pension Fund. This is a funded defined benefit 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 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 fall 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 scheme which all new officers join and many 2006 members transferred to in 2015-16. 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 amounts payable, the PCCWM 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 PCCWM which then must repay the amount to Central Government.

The PCC recognises the cost of retirement benefits 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 Movement in Reserves Statement.

The tables which follow show pension transactions that have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year. The statements which follow show transactions for the group as a whole. Police Officer pension's costs are disclosed in full in the accounts of the Chief Constable as all police officers are deemed to operate under the direction and control of the Chief Constable. Pension costs for Police Staff and PCSOs have been split to show the costs of providing pensions for those staff under the direction and control of the PCC separately from those under the direction and control of the Chief Constable. The staff under the direction and control of the PCC are those involved in running the Office for the Police and Crime Commissioner.

The Group has obtained an actuarial valuation for the pensions relating to the staff residing in the Office for Policing and Crime and these have been included separately in the accounts although their values are not material to the overall level of assets and liabilities in the Local Government Pension Scheme.

The following tables show 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 PCC element	Local Government Pension Scheme Group	1987 Police Pension Scheme	Police Injury Awards	2006 Police Pension Scheme	2015 Police Pension Scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net cost of services:							
Current service cost inc administration	586	27,911	(10)	1,750	0	48,980	78,631
Past service (cost)/gain		425	(100)				325
Curtailments							
<i>Financing and Investing Income & Expenditure:</i>							
Net Interest cost	10	(798)	236,440	3,700	9,980	26,520	275,842
Total post-employment benefits charged to the surplus or deficit on the provision of Services	596	27,538	236,330	5,450	9,980	75,500	354,798
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	0	0
<i>Remeasurements of the net defined benefit liability/asset Comprising:</i>							
Return on plan assets (excluding the amount included in the net interest cost)	(435)	(44,686)	0	0	0	0	(44,686)
Actuarial gains and losses arising on changes in demographic assumptions	(52)	(5,456)	0	0	0	0	(5,456)
Actuarial gains and losses arising on changes in financial assumptions	(770)	(62,638)	(94,840)	(1,330)	(4,630)	(21,810)	(185,248)
Experience gains and losses arising on the pension liabilities	276	26,336	66,400	(4,640)	6,030	9,920	104,046
Other actuarial gains and losses (Asset ceiling adjustment)	786	87,490					87,490
Net charge to Comprehensive Income and Expenditure Statement	401	28,584	207,890	(520)	11,380	63,610	310,944

2022-23	Local Government Pension Scheme PCC element	Local Government Pension Scheme Group	1987 Police Pension Scheme	Police Injury Awards	2006 Police Pension Scheme	2015 Police Pension Scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Net cost of services:</u>							
Current service cost inc administration	1,550	66,069	60	3,590	0	143,700	213,419
Past service (cost)/gain	0	568	124,090	0	12,390	(136,480)	568
Curtailments							
<u>Financing and Investing Income & Expenditure:</u>							
Net Interest cost	152	12,421	179,150	2,900	10,590	26,610	231,671
Total post-employment benefits charged to the surplus or deficit on the provision of Services	1,702	79,058	303,300	6,490	22,980	33,830	445,658
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	0	0
<u>Remeasurements of the net defined benefit liability/asset</u> <u>Comprising:</u>							
Return on plan assets (excluding the amount included in the net interest cost)	363	39,758	0	0	0	0	39,758
Actuarial gains and losses arising on changes in demographic assumptions	(208)	(33,474)	(61,220)	(300)	(16,440)	(56,800)	(168,234)
Actuarial gains and losses arising on changes in financial assumptions	(6,699)	(558,373)	(2,032,230)	(26,450)	(189,540)	(500,450)	(3,307,043)
Experience gains and losses arising on the pension liabilities	598	49,666	393,250	(4,740)	6,010	35,250	479,436
Other actuarial gains and losses (Asset ceiling adjustment)		17,710					17,710
Net charge to Comprehensive Income and Expenditure Statement	(4,244)	(405,655)	(1,396,900)	(25,000)	(176,990)	(488,170)	(2,492,715)

Pension transactions within the Movement in Reserves Statement

2023-24	Local Government Pension Scheme PCC element £'000	Local Government Pension Scheme Group £'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	(596)	(27,538)	(236,330)	(5,450)	(9,980)	(75,500)	(354,798)
Actual amount charged against the General Fund balance for pensions in the year:							
Employer's contributions payable to the scheme	646	28,900	0	0	0	0	28,900
Retirement benefits payable to pensioners (net of employee contributions)	0	0	225,810	3,820	2,380	(34,350)	197,660

2022-23	Local Government Pension Scheme PCC element £'000	Local Government Pension Scheme Group £'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	(1,702)	(79,058)	(303,300)	(6,490)	(22,980)	(33,830)	(445,658)
Actual amount charged against the General Fund balance for pensions in the year:							
Employer's contributions payable to the scheme	540	23,909	0	0	0	0	23,909
Retirement benefits payable to pensioners (net of employee contributions)	0	0	209,620	3,710	1,850	(31,590)	183,590

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: Local Govt Pension Scheme PCC element £'000	Funded liabilities: Local Govt Pension Scheme Group £'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	(9,221)	(908,448)	(5,178,530)	(76,290)	(224,710)	(627,420)	(7,015,398)
Fair value of plan assets	10,007	995,065					995,065
Sub-total	786	86,617	(5,178,530)	(76,290)	(224,710)	(627,420)	(6,020,333)
Other movements in the liability	(786)	(87,490)	0	0	0	0	(87,490)
Net liability arising from the defined benefit obligation	0	(873)	(5,178,530)	(76,290)	(224,710)	(627,420)	(6,107,823)

2022-23	Funded liabilities: Local Govt Pension Scheme PCC element £'000	Funded liabilities: Local Govt Pension Scheme Group £'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	(8,616)	(875,897)	(5,196,450)	(80,630)	(215,710)	(528,770)	(6,897,457)
Fair value of plan assets	8,371	892,418					892,418
Sub-total	(245)	16,521	(5,196,450)	(80,630)	(215,710)	(528,770)	(6,005,039)
Other movements in the liability	0	(17,710)	0	0	0	0	(17,710)
Net liability arising from the defined benefit obligation	(245)	(1,189)	(5,196,450)	(80,630)	(215,710)	(528,770)	(6,022,749)

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 £104.4m (£17.7m in 2022-23) against the funded liability. In 2023-24 the LGPS scheme for the Police and Crime Commissioner recognised a surplus of £0.8m against the scheme liability.

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

2023-24	Funded liabilities: Local Govt Pension Scheme PCC element £'000	Funded liabilities: Local Govt Pension Scheme Group £'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
1 April -23	(8,616)	(893,607)	(5,196,450)	(80,630)	(215,710)	(528,770)	(6,915,167)
Current service cost	(586)	(27,911)	10	(1,750)	0	(48,980)	(78,631)
Interest cost	(426)	(41,949)	(236,440)	(3,700)	(9,980)	(26,520)	(318,589)
Contributions by scheme participants	(246)	(9,555)	(10)	0	0	(38,590)	(48,155)
Transfers into the scheme	0	0	0	0	0	(690)	(690)
Remeasurements of the net defined benefit liability/asset	546	41,758	28,440	5,970	(1,400)	11,890	86,658
Benefits paid	107	23,241	225,820	3,820	2,380	4,240	259,501
Curtailments	0	0	0	0	0	0	0
Past service costs	0	(425)	100	0	0	0	(325)
Asset Ceiling adjustment for economic benefit calculation	(786)	(87,490)	0	0	0	0	(87,490)
31 March-24	(10,007)	(995,938)	(5,178,530)	(76,290)	(224,710)	(627,420)	(7,102,888)

2022-23	Funded liabilities: Local Govt Pension Scheme PCC element £'000	Funded liabilities: Local Govt Pension Scheme Group £'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
1 April -22	(12,925)	(1,325,426)	(6,802,960)	(109,340)	(394,410)	(984,130)	(9,616,266)
Current service cost	(1,550)	(66,069)	(60)	(3,590)		(143,700)	(213,419)
Interest cost	(378)	(37,184)	(179,150)	(2,900)	(10,590)	(26,610)	(256,434)
Contributions by scheme participants	(239)	(8,263)	(30)			(35,600)	(43,893)
Transfers into the scheme			(10)		(140)	(1,220)	(1,370)
Remeasurements of the net defined benefit liability/asset	6,376	542,411	1,700,200	31,490	199,970	522,000	2,996,071
Benefits paid	100	19,202	209,650	3,710	1,850	4,010	238,422
Curtailments							0
Past service costs		(568)	(124,090)		(12,390)	136,480	(568)
Asset Ceiling adjustment for economic benefit calculation		(17,710)					(17,710)
31 March-23	(8,616)	(893,607)	(5,196,450)	(80,630)	(215,710)	(528,770)	(6,915,167)

The total employer contributions expected to be made to the Local Government Pension Scheme by the Group in the year to 31 March 2025 is £28.5m. Expected contributions for the Police Pension Scheme in the year to 31 March 2025 are £85.2m.

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

	Local Government Pension Scheme PCC assets £'000		Local Government Pension Scheme Group assets £'000	
	2022-23	2023-24	2022-23	2023-24
01 April	7,896	8,371	894,673	892,418
Interest on plan assets	226	416	24,763	42,747
Return on plan assets excluding the amount included in the net interest expense	(363)	435	(39,758)	44,686
Other Actuarial gains (losses)	(67)	0	(230)	0
Employer contributions	540	646	23,909	28,900
Member contributions	239	246	8,263	9,555
Benefits paid	(100)	(107)	(19,202)	(23,241)
31 March	8,371	10,007	892,418	995,065

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. The estimates for the West Midlands Pension Fund have been based on the last full valuation of the scheme as at 31 March 2022.

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:

	Local Government Pension Scheme		Police Pension Scheme	
	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 accounting date 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 PCC		Impact on the defined benefit obligation in the scheme		
Sensitivity analysis		£'000	£'000	£'000
Adjustment to the discount rate	Present value of total obligation	+0.1% 9,767	0% 10,007	-0.1% 10,247
Adjustment to long term salary increase	Present value of total obligation	+0.1% 10,039	0% 10,007	-0.1% 9,975
Adjustments to pension increases and deferred valuations	Present value of total obligation	+0.1% 10,218	0% 10,007	-0.1% 9,798
Adjustment to life expectancy assumptions	Present value of total obligation	+ 1 year 10,376	No change 10,007	- 1 year 9,638

Local Government Pension Scheme Group		Impact on the defined benefit obligation in the scheme		
Sensitivity analysis		£'000	£'000	£'000
Adjustment to the discount rate	Present value of total obligation	+0.1% 976,398	0% 995,938	-0.1% 1,015,478
Adjustment to long term salary increase	Present value of total obligation	+0.1% 998,682	0% 995,938	-0.1% 993,194
Adjustments to pension increases and deferred valuations	Present value of total obligation	+0.1% 1,013,061	0% 995,938	-0.1% 978,815
Adjustment to life expectancy assumptions	Present value of total obligation	+ 1 year 1,031,568	No change 995,938	- 1 year 960,308

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 covering police staff are valued at fair value, (the bid price of investments held). The Funds' assets have been split into assets relating to the PCC and those relating to the Group as a whole and these consist of the following categories by proportion of the total assets of the Fund:

		PCC Fair value of Assets Held		Group Fair value of assets held	
Asset category	Sub category	31 March 2023	31 March 2024	31 March 2023	31 March 2024
		£'000	£'000	£'000	£'000
Cash and cash equivalents	All	261.2	527.5	27,844.4	52,454.5
Private Equity	Private	643.4	758.3	68,588.7	75,404.7
Debt Securities	UK Government	385.4	1,223.0	41,084.6	121,608.0
	Corporate Bonds	440.6	528.7	46,973.2	52,573.9
	Other Bonds	892.9	1,169.0	95,188.6	116,238.8
Real Estate	UK property	587.4	673.9	62,624.2	67,012.9
Investment Funds and Unit Trusts	Equities	4,581.3	4,530.3	488,405.9	450,480.4
	Infrastructure	451.7	517.5	48,158.1	51,453.9
	Other	127.1	78.8	13,550.3	7,837.9
Derivatives	Foreign Exchange				
	Other				
Total Assets held		8,371	10,007	892,418	995,065

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.

19. 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.

	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
	1,642	103	1,853

20. PROVISIONS

	Insurance £'000	Legal compensation £'000	Employee claims £'000	Internal reorganisation £'000	Total £'000
Balance at 1 April 2022	(8,259)	0	(1,609)	0	(9,868)
Additional Provisions made in year	(3,677)	(325)	(1,667)	0	(5,669)
Amounts used in year	2,455	0	68	0	2,523
Unused amounts reversed in year	0	0	0	0	0
Balance as at 31 March 2023 c/f	(9,481)	(325)	(3,208)	0	(13,014)
Additional Provisions made in year	(4,704)	(2,951)	(869)	(5,763)	(14,287)
Amounts used in year	2,528	0	3,208	0	5,736
Unused amounts reversed in year	0	0	0	0	0
Balance as at 31 March 2024	(11,656)	(3,276)	(869)	(5,763)	(21,564)

The Insurance provision includes Public and Employers Liability, Fire and Uninsured Losses.

The provision for legal compensation has been increased to cover anticipated costs to 2027-28.

The provision for historic mileage claims in respect of dog handlers (£0.7m) was settled in June 2023.

The Chief Constable of West Midlands Police along with other Chief Constables had claims lodged against them in the County Courts. These claims are in respect of the Police Regulations 2003 in particular, failure to pay overtime, compensatory leave and other on call allowances to CHIS (Covert Human Intelligence Source) handlers. A provision was made for known claims in the 2018-19 financial year, however since then further claims have now been received from officers, including those in undercover roles. These claims have now been quantified and as such the provision for the impact of these claims has been increased and is shown in the Balance Sheet.

Major items included in provisions for internal reorganisation are £5.65m for exit costs and pension strain.

21. 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.

22. POLICE PROPERTY ACT FUND

The Police Property Act requires us to set aside money received from the sale of stolen goods and property confiscations so that we can make payments to charities. Of the money received we are allowed to use up to 50% to fund property related administration. Transactions for the year are shown below.

	31 March 23 £'000	31 March 24 £'000
Balance as at 1 April	1,326	1,283
Income from confiscations and property auctions	357	317
Payments to charitable causes	(400)	(400)
Balance as at 31 March	1,283	1,200

Notes 23 and 24 contain details of accounts held by the Police and Crime Commissioner for the West Midlands which do not form part of the primary statements shown on pages 35 to 40.

23. TRUST FUNDS

The High Sheriff's Police Trust Fund for the West Midlands (Building Blocks)

Supported by the PCC, the Charity supports a number of police service related initiatives within the West Midlands. The balance on the funds accounts at 31 March 2024 was £78,369 (£78,227 at 31 March 2023).

The Alderman Guy Fund

Supported by the Police Force this small charity makes awards to selected officers whose performance it recognises as being of particular merit.

The balance on the funds accounts at 31 March 2024 was £1,768 (£1,745 at 31 March 2023).

These charities are not subject to external audit by our external auditor Grant Thornton UK LLP.

24. PROCEEDS OF CRIME ACT 2002 ACCOUNT

In addition, there are three bank accounts for the holding of 3rd party funds seized as suspected proceeds of crime in accordance with the Act. At 31 March 2024 the balance on these accounts was £14,241,513, \$6,570 and €15,852. At 31 March 2023 the balance on these accounts was £14,045,452, \$6,512 and €15,608.

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

25. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments within the Movement in Reserves Statement that are made to Total Comprehensive Income and Expenditure recognised by the PCCWM in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as available to the PCCWM to meet future capital and revenue expenditure.

2023-24 Group	General Fund balance £'000	Capital Receipts reserve £'000	Capital Grants unapplied £'000	Movement in usable reserves £'000	Movement in unusable reserves £'000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	(17,548)			(17,548)	17,548
Revaluation losses on Property, Plant and Equipment	(20,898)			(20,898)	20,898
Amortisation of intangible assets	(4,188)			(4,188)	4,188
Revenue expenditure funded from Capital under Statute	0			0	0
Capital grants and contributions applied	4,301			4,301	(4,301)
Amounts of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	(2,633)			(2,633)	2,633
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Statutory provision for the financing of capital investment (MRP)	1,810			1,810	1,810
Capital expenditure charged against the general fund balance	8,666			8,666	(8,666)
Voluntary provision above MRP	1,077			1,077	(1,077)
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED ACCOUNT					
Capital grant and contributions unapplied credited to the CIES	4,326		(4,326)	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	(4,301)		4,301	0	0
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE					
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	3,027	(3,027)		0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		117		117	(117)
ADJUSTMENTS PRIMARILY INVOLVING THE DEFERRED CAPITAL RECEIPTS RESERVE					
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement		(119)		(119)	119
ADJUSTMENTS PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT					
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	1,302			1,302	(1,302)
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(354,798)			(354,798)	354,798
Employers pensions contributions and direct payments to pensioners payable in the year	225,870			225,870	(225,870)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(2,508)			(2,508)	2,508
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT					
Amount by which officers' remuneration charged to the CIES on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	1,854			1,854	(1,854)
TOTAL ADJUSTMENTS	(154,641)	(3,029)	(25)	(157,695)	157,695

2022-23 Group	General Fund balance £'000	Capital Receipts reserve £'000	Capital Grants unapplied reserve £'000	Movement in usable reserves £'000	Movement in unusable reserves £'000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	(27,437)			(27,437)	27,437
Revaluation losses on Property, Plant and Equipment	(845)			(845)	845
Amortisation of intangible assets	(3,276)			(3,276)	3,276
Revenue expenditure funded from Capital under Statute	0			0	0
Capital grants and contributions applied	2,409			2,409	(2,409)
Amounts of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	(605)			(605)	605
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Statutory provision for the financing of capital investment (MRP)	2,020			2,020	(2,020)
Capital expenditure charged against the general fund balance	7,187			7,187	(7,187)
Voluntary provision above MRP	979			979	(979)
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED ACCOUNT					
Capital grant and contributions unapplied credited to the CIES	2,524		(2,524)	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	(2,409)		2,409	0	0
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE					
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	766	(766)		0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		62		62	(62)
ADJUSTMENTS PRIMARILY INVOLVING THE DEFERRED CAPITAL RECEIPTS RESERVE					
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement		(198)		(198)	198
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(445,658)			(445,658)	445,658
Employers pensions contributions and direct payments to pensioners payable in the year	206,560			206,560	(206,560)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	2,506			2,506	(2,506)
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT					
Amount by which officers' remuneration charged to the CIES on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	234			234	(234)
TOTAL ADJUSTMENTS	(255,044)	(902)	(115)	(256,061)	256,061

2023-24 PCC	General Fund balance	Capital Receipts reserve	Capital Grants unapplied reserve	Movement in usable reserves	Movement in unusable reserves
	£'000	£'000	£'000	£'000	£'000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	(17,548)			(17,548)	17,548
Revaluation losses on Property, Plant and Equipment	(20,898)			(20,898)	20,898
Amortisation of intangible assets	(4,188)			(4,188)	4,188
Revenue expenditure funded from Capital under Statute	0			0	0
Capital grants and contributions applied	4,301			4,301	(4,301)
Amounts of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	(2,633)			(2,633)	2,633
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Statutory provision for the financing of capital investment (MRP)	1,810			1,810	(1,810)
Capital expenditure charged against the general fund balance	8,666			8,666	(8,666)
Voluntary provision above MRP	1,077			1,077	(1,077)
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED ACCOUNT					
Capital grant and contributions unapplied credited to the CIES	4,326		(4,326)	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	(4,301)		4,301	0	0
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE					
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	3,027	(3,027)		0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		117		117	(117)
ADJUSTMENTS PRIMARILY INVOLVING THE DEFERRED CAPITAL RECEIPTS RESERVE					
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement		(119)		(119)	119
ADJUSTMENTS PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT					
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	1,302			1,302	(1,302)
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(596)			(596)	596
Employers pensions contributions and direct payments to pensioners payable in the year	646			646	(646)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT					
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,508)			(2,508)	2,508
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT					
Amount by which officers' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	(45)			(45)	45
TOTAL ADJUSTMENTS	(27,562)	(3,029)	(25)	(30,616)	30,616

2022-23 PCC	General Fund balance	Capital Receipts reserve	Capital Grants unapplied reserve	Movement in usable reserves	Movement in unusable reserves
	£'000	£'000	£'000	£'000	£'000
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	(27,437)			(27,437)	27,437
Revaluation losses on Property, Plant and Equipment	(845)			(845)	845
Amortisation of intangible assets	(3,276)			(3,276)	3,276
Revenue expenditure funded from Capital under Statute	0			0	0
Capital grants and contributions applied	2,409			2,409	(2,409)
Amounts of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	(605)			(605)	605
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Statutory provision for the financing of capital investment (MRP)	2,020			2,020	(2,020)
Capital expenditure charged against the general fund balance	7,187			7,187	(7,187)
Voluntary provision above MRP	979			979	(979)
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED ACCOUNT					
Capital grant and contributions unapplied credited to the CIES	2,524		(2,524)	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	(2,409)		2,409	0	0
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE					
Transfer of cash sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	766	(766)		0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		62		62	(62)
ADJUSTMENTS PRIMARILY INVOLVING THE DEFERRED CAPITAL RECEIPTS RESERVE					
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement		(198)		(198)	198
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,702)			(1,702)	1,702
Employers pensions contributions and direct payments to pensioners payable in the year	566			566	(566)
ADJUSTMENTS PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT					
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	2,506			2,506	(2,506)
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT					
Amount by which officers' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	62			62	(62)
TOTAL ADJUSTMENTS	(17,254)	(902)	(115)	(18,271)	18,271

26. TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amount set aside from the General Fund in the PCC's Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund expenditure in 2023-24.

	Balance at 31 March 2022	Trf to reserves in 2022-23	Trf from reserves in 2022-23	Trf between reserves in 2022-23	Balance at 31 March 2023	Trf to reserves in 2023-24	Trf from reserves in 2023-24	Trf between reserves in 2023-24	Balance at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget reserve	(3,283)	(12,154)		(808)	(16,245)	(6,638)	38	(812)	(23,657)
Self-funded insurance reserve	(623)		623		0				0
Devolved Budget reserve	(4,614)	(1,592)	1,908		(4,298)	(2,408)	1,141		(5,565)
Uniform and protective equipment reserve	(7,155)		425		(6,730)	(4,092)	5,753	(8,142)	(13,211)
PoCA income reserve	0	(932)			(932)				(932)
Change Programme (inc Risk) reserve	(13,946)		150		(13,796)	(8,971)	1,318		(21,449)
Carry Forward Reserve	(15,830)	(13,026)	15,022	808	(13,026)	(6,277)	4,884	8,142	(6,277)
Police Property and Misuse of Drugs Act reserve	(1,697)	(388)	400		(1,685)	(333)	400		(1,618)
National Contingency reserve	(1,291)	(90)			(1,381)		288		(1,093)
Council Tax Funding Reserve	(2,452)		1,640		(812)			812	0
Earmarked Reserves	(50,891)	(28,182)	20,168	0	(58,905)	(28,719)	13,823	0	(73,802)
General Fund Reserves	(12,042)	0	0	0	(12,042)	(4,684)			(16,726)

NOTES TO THE BALANCE SHEET

27. PROPERTY, PLANT AND EQUIPMENT – MOVEMENT ON BALANCES

Movements in 2023-24

	Land and Buildings £000	Vehicles, Furniture and Equipment £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or valuation at 31 March 2023	192,303	84,067	0	276,370
Additions in Year	3,890	19,535		23,425
Transfer between Categories	(730)			(730)
Disposals in Year	(140)	(12,943)		(13,083)
Revaluation gains and losses recognised in the Revaluation Reserve	(7,299)			(7,299)
Revaluation gains and losses recognised in the surplus/deficit on the provision of services	(29,542)			(29,542)
Impairments in Year				
Cost or valuation at 31 March 2024	158,482	90,659	0	249,141
Accumulated Depreciation at 31 March 2023	12,019	54,083	0	66,102
Depreciation Charge in Year	4,792	12,756		17,548
Transfer between Categories				
Depreciation written out on Revaluation to Revaluation Reserve	(6,982)			(6,982)
Depreciation written out on Revaluation to surplus/deficit on the provision of services	(8,643)			(8,643)
Disposals in Year	(76)	(12,509)		(12,585)
Accumulated Depreciation at 31 March 2024	1,110	54,330	0	55,440
Net Book Value at 31 March 2024	157,372	36,329	0	193,701
Net Book Value at 31 March 2023	180,284	29,984	0	210,268

A Full revaluation of the Property Portfolio was carried out in 2023-24 with an effective date of 31 March 2024. These assets were valued at Current Value based on Existing Use Value or Depreciated Replacement Cost for specialised buildings.

Revaluation Gains and Losses are comprised of a change in Asset value combined with a write out of previously charged depreciation.

Comparative Movements in 2022-23

	Land and Buildings £000	Vehicles, Furniture and Equipment £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or valuation at 31 March 2022	184,692	81,588	944	267,224
Additions in Year	509	9,207	(181)	9,535
Transfer between Categories	(487)		(763)	(1,250)
Disposals in Year	(150)	(6,278)		(6,878)
Revaluation gains and losses recognised in the Revaluation Reserve	10,916			10,916
Revaluation gains and losses recognised in the surplus/deficit on the provision of services	(3,177)			(3,177)
Impairments in Year				0
Cost or valuation at 31 March 2023	192,303	84,067	0	276,370
Accumulated Depreciation at 31 March 2022	11,531	48,041	46	59,618
Depreciation Charge in Year	4,955	12,500		17,455
Transfer between Categories	46		(46)	0
Depreciation written out on Revaluation to Revaluation Reserve	(2,140)			(2,140)
Depreciation written out on Revaluation to surplus/deficit on the provision of services	(2,332)			(2,332)
Disposals in Year	(41)	(6,458)		(6,499)
Accumulated Depreciation at 31 March 2023	12,019	54,083	0	66,102
Net Book Value at 31 March 2023	180,284	29,984	0	210,268
Net Book Value at 31 March 2022	173,161	33,547	898	207,606

Valuations

	Land and Buildings £000	Vehicles, Furniture and Equipment £000	Total £000
Carried at Historical Cost	6,505	90,608	97,113
Valued at current value as at:			
31 March 2024	151,362	0	151,362
31 March 2023	0	0	0
31 March 2022	0	9	9
31 March 2021	0	20	20
31 March 2019	0	22	22
31 December 2018	215	0	215
31 March 2018	0	0	0
1 April 2017	0	0	0
1 April 2016	0	0	0
1 April 2015	0	0	0
1 April 2014	400	0	400
Total cost or valuation	158,482	90,659	249,141

28. HERITAGE ASSETS

The heritage assets held by the PCCWM are separated into two categories; Museum collection and Statues and Sculptures.

The West Midlands Police Museum at Steelhouse Lane Lock Up contains collections of whistles, medals, photographs, uniform and police vehicles depicting the history of the Police Force in the Birmingham and West Midlands area over more than 100 years. The collection of artefacts held is valued at £156k which is an insurance valuation.

The PCCWM owns a sculpture in the grounds of Bilston police station entitled “fingertip search”. This item has been valued at its cost of £30k.

In addition, the PCCWM owns a statue of Sir Robert Peel which is located at Tally Ho, in the grounds of the Learning and Development Resource Centre. This item does not have a carrying value as it was decided that the cost of obtaining a reliable value for the item was not commensurate with the item’s materiality to the accounting statements.

29. FUTURE CAPITAL COMMITMENTS

Vehicles ordered but not yet delivered at 31 March 2024 totalled £1.3m (£5.0m at 31 March 2023).

30. STATEMENT OF PHYSICAL ASSETS

An analysis of major fixed assets owned by the PCCWM is shown below:

	31 March 23	31 March 24
Operational Police Stations	10	10
Beat Offices	43	41
Police Administrative Buildings	2	2
Police Houses	3	1
Standalone Radio Aerials	2	2
Training Centres	4	4
Other Property	33	35

The above descriptions relate to the main function of each site. Police Stations are those stations which satisfy the latest Home Office criteria (including having a counter open to the Public for at least part of the day).

Other minor assets include equipment and vehicles, although these are too numerous to list individually.

31. INTANGIBLE ASSETS

The PCCWM accounts for its software as intangible assets, where the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The useful lives assigned to major software suites used by the Group are 3 years. Intangible software assets developed internally in conjunction with our Business Partner are expected to have an operational life of 10 years.

The movement on intangible asset balances during the year is as follows:

	2022-23				2023-24		
	Internally generated assets £'000	Other assets £'000	Total £'000		Internally generated assets £'000	Other assets £'000	Total £'000
Balance at start of year							
Gross carrying amounts	16,519	14,844	31,363		17,064	12,362	29,426
Accumulated amortisation	(2,496)	(8,067)	(10,563)		(4,384)	(6,526)	(10,910)
Net carrying amount at start of year	14,022	6,777	20,799		12,680	5,836	18,516
Additions							
Internal Development	0	0	0		0	0	0
Purchases	0	125	125		0	160	160
Net Disposals in the year	(225)	0	(225)		(134)	(3)	(137)
Amortisation for the period	(2,210)	(1,066)	(3,276)		(2,037)	(2,150)	(4,187)
Transfer from Under Construction	1,093	0	1,093		0	0	0
Net carrying amount at the end of the year	12,680	5,836	18,516		10,509	3,842	14,351
Comprising:							
Gross carrying amounts	17,064	12,362	29,426		15,551	11,051	26,602
Accumulated amortisation	(4,384)	(6,526)	(10,910)		(5,042)	(7,209)	(12,251)
	12,680	5,836	18,516		10,509	3,842	14,351

	2022-23 Assets under Construction £000	2023-24 Assets under Construction £000
Cost or valuation at start of year	11,078	0
Additions in Year	(3)	
Capitalised in Year	(1,093)	
Disposals in Year		(8,514)
Impairments in Year	(9,982)	8,514
Cost or valuation at end of year	0	0

A decision was taken in September 2022 to mothball a software system under development prior to Go Live.

32. FINANCIAL INSTRUMENTS

The PCCWM borrowings and investments disclosed in the balance sheet are made up of the following categories of financial instruments

	Long Term at 31 March 2023 £'000	Long Term at 31 March 2024 £'000	Current at 31 March 2023 £'000	Current at 31 March 2024 £'000
Financial Liabilities at amortised cost	106,976	83,591	2,655	4,017
Total Borrowings	106,976	83,591	2,655	4,017
Financial Assets held at Amortised cost	0	0	75,569	76,055*
Financial assets held at fair value through profit and loss	4,394	4,271	0	0
Total Investments	4,394	4,271	75,569	76,055

*This figure includes £30.3m representing investments with a maturity of less than 1 month. These are classified as cash equivalents.

Additional Financial Instruments held at amortised cost include:

	31 March 23 £'000	31 March 24 £'000
Short Term Debtors	52,686	61,189
Long Term Debtors	158	39
Short Term Creditors	(34,353)	(38,315)
Cash	610	(2,443)
Total	19,101	20,470

These financial instruments relate to the proportion of debtor, creditor and cash balances which fit the definition of financial instruments according to the CIPFA code of practice on local authority accounting. Examples are debtors and creditors which principally arise from contracts. The complete long and short-term debtor and creditor balances are disclosed in notes 35, 38 and 41 respectively.

Financial liabilities and financial assets (Investments) are carried in the Balance Sheet for the group mainly at amortised cost, with two investments being held at fair value through profit and loss. One of these is an investment in a Pooled fund and is subject to a statutory override directing the movement in fair value through other comprehensive income and expenditure into an adjustment account. The fair values calculated for financial assets and liabilities are as follows:

	Carrying amount 2023 £'000	Fair value 2023 £'000	Carrying amount 2024 £'000	Fair value 2024 £'000
Financial Liabilities				
<i>Borrowings</i>				
Financial Liabilities (PWL B Loans)	106,065	77,744	85,119	53,715
Financial Liabilities (WMCC debt)	3,566	3,590	2,489	2,495
<i>Creditors</i>				
Other financial liabilities	34,353	34,353	40,758	40,758
Financial Assets				
<i>Investments</i>				
Long Term investments	4,394	4,394	4,271	4,271
Short term Investments	75,569	75,569	76,055	76,073
<i>Debtors</i>				
Other receivables	53,454	53,454	61,228	61,228

The fair value hierarchy of financial liabilities that are not measured at fair value is set out below:

Recurring fair value measurement using:	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Total £'000
Financial Liabilities				
Borrowings:				
Financial Liabilities (PWLb)		53,715		53,715
Financial Liabilities (WMCC debt)		2,495		2,495
Total				

The fair value for financial liabilities that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

Financial Assets	Financial Liabilities
Valuation of fixed term investments is made against comparable investments with the same or a similar lender for the remaining period of the deposit.	PWLb loans are shown here at fair value based on PWLB new loan certainty rates
For loans receivable, prevailing benchmark rates have been used to provide fair value	Non-PWLb loans would use PWLB rates as a proxy for the calculation of fair value
	Discount rates used in NPV calculations were obtained from the market on 31 March 2024

33. LONG TERM BORROWING

Transactions undertaken during the year were as shown below:

	31 March 23 £'000	31 March 24 £'000
Opening Balance	104,854	106,976
External Loans Raised in Year	7,000	0
Loans Repaid or transferred to Short Term in Year	(4,878)	(23,385)
Closing Balance	106,976	83,591

The sources of long-term loans outstanding at the year-end are shown below:

	31 March 23 £'000	31 March 24 £'000
Public Works Loan Board	104,487	82,287
W.M.C.C. Debt	2,489	1,304
Total	106,976	83,591

The fair value of the Public Works Loan Board loans is £54m which compares the terms of these loans with the new borrowing rates available from the PWLB. It should be noted that the PCC has the ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates, and these are used in this calculation. The measure of the fair value as a result of its PWLB commitments for fixed rate loans can also be calculated using PWLB redemption rates. If a fair value is calculated on the basis of premature repayment rates, the carrying amount of £82m would be valued at £63m.

The fair value of West Midlands County Council debt has been calculated as £2.5m as at 31 March 2024. The difference in valuation between what is shown in the above table and the fair value of the debt reflects transaction costs and purchasing loans other than at par. The fair value is the amount that the loan could be traded for in an arms-length transaction; it is generally higher than amortised cost as transaction costs are not included in fair value.

The sources of short-term borrowing are shown below:

	31 March 23	31 March 24
	£'000	£'000
PWLB accrued interest	778	632
PWLB principal repayment	800	2,200
W.M.C.C principal repayment	1,077	1,185
	2,655	4,017

These borrowings are repayable as follows:

	31 March 23	31 March 24
	£'000	£'000
Maturity within 5 years	16,344	14,321
Maturity within 6 to 10 years	0	0
Maturity within 11 to 15 years	0	0
Maturity in 15 or more years	93,287	73,287
Total	109,631	87,608

34. LONG AND SHORT-TERM INVESTMENTS

The PCCWM invests its surplus cash balances in order to generate income by earning interest. The balance sheet shows these investments as summarised below:

	31 March 23	31 March 24
	£'000	£'000
Short Term Investments at amortised cost	10,124	45,734
Long Term Investments at amortised cost	0	0
Long Term Investments at Fair Value	4,394	4,271
Total	14,518	50,005

The fair value of these investments has been calculated as £50.0m as at 31 March 2024 (£14.5m at 31 March 2023); the fair value is the amount that the investments could be traded for in an arms-length transaction. Interest earned on investments has been credited to the Comprehensive Income and Expenditure Statement.

35. LONG TERM DEBTORS

In 2013-14 a new long-term debtor was formed when the Force Helicopter was transferred to the National Police Air Service (NPAS). The PCCWM will receive payments for the Asset annually until 2024-25.

	31 March 23 £'000	31 March 24 £'000
NPAS	158	39
Total	158	39

36. MANAGEMENT OF RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

The PCCWM is exposed to several risks arising from the use of financial instruments which are assessed using IFRS 9:

Credit risk – the potential for other parties to not pay amounts due to the PCC.

Liquidity risk – the potential that the PCC might not have funds available to meet payment commitments as they fall due.

Refinancing risk – the potential that the PCC might need to renew a financial instrument on maturity at a disadvantageous interest rate or terms.

Market risk – the potential that financial loss might arise as a result of changes in interest rates or stock market movements.

Foreign Exchange risk – the potential that financial loss might arise as a result of changes in exchange rates because the PCC had foreign exchange exposure by using financial instruments denominated in a currency other than sterling. The PCCWM does not currently have any foreign investments.

The PCC regards the successful identification, monitoring and control of risk to be a measure of the effectiveness of Treasury Management. Risk management is carried out under policies approved by the PCCWM in the annual Treasury Management Strategy Report.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC's customers. Deposits are not made with banks and building societies unless they are rated independently and meet the minimum credit rating criteria as set in the Treasury Management Strategy Report.

Individual limits for value and duration are applied to each approved counterparty based on their overall credit rating. Credit ratings are monitored on a daily basis via credit rating bulletins from the PCC's treasury management advisers. Any institutions that cease to meet the minimum credit rating criteria are immediately withdrawn from the list of approved counterparties.

There are no current indications that any losses will arise from non-performance by the PCC's current approved counterparties.

Liquidity Risk

As the PCCWM has ready access to borrowings from the Public Works Loans Board there is no significant risk that there will be an inability to raise finance to meet commitments under financial instruments. Instead the risk

is that the PCC will be required to take up borrowing at a time of unfavourable interest rates (see market risk). The maturity analysis of financial liabilities is shown in note 33.

Refinancing and Maturity Risk

This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets. The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments are the key parameters to address this risk. The maturity analysis of financial liabilities is set out in the table below with the maximum limits for fixed interest rate maturities in each period.

Maturity Structure of Fixed Rate Borrowing	Upper Limit	Lower Limit	Actual 31 March 2023	Actual 31 March 2024
	%	%	£'000	£'000
Under 12 months	25	0	800	2,200
12 months and within 24 months	25	0	2,200	2,000
24 months and within 5 years	50	0	9,000	7,000
5 years and within 10 years	75	0	0	0
10 years and above	100	25	93,287	73,287
Total			105,287	84,487

Market Risk

Interest Rate Risk

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

Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.

Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.

Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise.

Investments at fixed rates – the fair value of the assets will fall.

The PCC has an active strategy for assessing interest rates exposure that feeds into setting the annual budget and which is used to update the budget during the year. This allows for any adverse changes to be accommodated.

Price Risk

The PCCWM does not invest in equity shares and has no shareholdings in joint ventures or local industry. There is therefore, no exposure to price risk.

Foreign Currency Risk

As at the 31 March 2024 the PCCWM has no financial assets denominated in foreign currencies. Income received will be banked immediately and converted using the exchange rate at the time of banking. The PCC has no other exposure to loss arising from movements in exchange rates.

37. INVENTORIES

The value of inventory held by the PCCWM is disclosed in the following table:

	Vehicle parts and fuel		Uniforms and Protective Equipment		Total	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 01 April	247	309	591	449	838	758
Purchases/Donations	1,308	1,883	62	70	1,370	1,953
Recognised as an expense in year	(1,245)	(1,906)	(205)	(82)	(1,450)	(1,988)
Balance as at 31 March	309	286	449	437	758	723

The donated inventories account balance was £292k at 31 March 2024 and this relates to PPE provided by Central Government following COVID-19.

38. SHORT TERM DEBTORS

	31 March 2023	31 March 2024
	£'000	£'000
Central Government Bodies	67,569	69,244
Other Local Authorities and PCCs	7,638	7,393
NHS Bodies	41	93
Public Corporations and Trading Funds	25	9
Other entities and individuals – Employees	16,613	16,794
Other entities and individuals – Collection Fund	19,121	20,837
Other entities and individuals – Other	13,543	15,320
Total	124,550	129,690

A proportion of short-term debtors are recognised as financial instruments. These have been disclosed in note 32.

Non-contractual debtors past due but not impaired

	Collection Fund 31 March 2023 £'000	Collection Fund 31 March 2024 £'000
Less than one year	8,496	8,839
One to two years	3,859	4,637
Two to six years	5,176	5,723
Over six years	1,590	1,638
Total	19,121	20,837

These debtors are net of the impairment allowance for doubtful debts provided by the regional Local Authorities for the Collection Fund (£19.6m for 2023-24, £17.0m for 2022-23).

39. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents held by the PCCWM is made up of the following elements:

	31 March 2023	31 March 2024
	£'000	£'000
Cash held by the PCCWM	340	340
Bank Current Accounts	270	(2,783)
Short term deposits with financial institutions	65,445	30,321
Total	66,055	27,878

The short-term deposits held with financial institutions recognised as cash equivalents have less than 1 month to maturity. A proportion of cash and bank balances are disclosed as financial instruments. These are disclosed in note 32.

40. ASSETS HELD FOR SALE

	Non-Current	
	2022-23	2023-24
	£'000	£'000
Balance outstanding at start of year	1,020	2,270
<i>Assets newly qualified as held for sale:</i>		
Property, plant and equipment	1,250	730
Revaluation losses	0	0
Revaluation gains	0	0
<i>Assets declassified as held for sale:</i>		
Property, plant and equipment	0	0
Assets sold	0	(2,000)
Total	2,270	1,000

41. SHORT TERM CREDITORS

	31 March 2023	31 March 2024
	£'000	£'000
Central Government Bodies	24,580	19,082
Other Local Authorities and PCCs	19,738	21,905
NHS Bodies	91	66
Public Corporations and Academies	0	0
Other entities and individuals – Employees	4,677	5,979
Other entities and individuals – Collection Fund	4,326	4,425
Other entities and individuals – Other	30,046	34,222
Total	83,458	85,680

A proportion of short-term creditor balances are disclosed as financial instruments. These are disclosed in note 32.

42. USABLE RESERVES

Movements in the Group's usable reserves are detailed in the Movement in Reserves Statement and Note 25.

43. UNUSABLE RESERVES

	31 March 2023 £'000	31 March 2024 £'000
Revaluation Reserve	(43,037)	(39,929)
Capital Adjustment Account	(110,407)	(83,902)
Pensions Reserve	6,022,749	6,107,823
Deferred Capital Receipts reserve	(158)	(39)
Collection Fund Adjustment Account	(2,662)	(155)
Financial Instruments Adjustment Account	633	(564)
Accumulated Absences Account	8,999	7,145
Total	5,876,116	5,990,379

Revaluation Reserve

The Revaluation Reserve contains the gains made by the PCCWM arising from increases in the value of its Property, Plant and Equipment and Intangible assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised

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

	2022-23 £'000	2023-24 £'000
Balance at 1 April	(31,219)	(43,037)
Upward revaluation of assets	(14,291)	(13,580)
Downward revaluation of assets and impairment losses not charged to the surplus or deficit on the provision of services	1,235	13,897
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the provision of services	(13,056)	317
Difference between fair value depreciation and historical cost depreciation	1,205	1,349
Accumulated gains on assets sold or scrapped	33	1,442
Amount written off to the Capital Adjustment Account	1,238	2,791
Balance as at 31 March	(43,037)	(39,929)

Capital Adjustment Account

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

The account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, when the Revaluation Reserve was created to hold such gains.

Note 26 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

	2022-23 £'000	2023-24 £'000
Balance at 1 April	(128,675)	(110,407)
<i>Reversal of items relating to capital expenditure or credited to the Comprehensive Income and Expenditure Statement:</i>		
Charges for depreciation and impairment of non-current assets	26,232	16,199
Revaluation losses on Property, Plant and Equipment	845	20,898
Amortisation of intangible assets	3,276	4,188
Revenue Expenditure funded from Capital under Statute	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposals to the Comprehensive Income and Expenditure Statement	572	1,191
	30,925	42,476
Adjusting amounts written out	0	0
Net written out amount of the cost of non-current assets consumed in the year	30,925	42,476
<i>Capital financing applied in year:</i>		
Use of the Capital Receipts Reserve to finance new capital expenditure	(62)	(117)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,409)	(4,287)
Application of grants to capital financing from the Capital Grants Unapplied Account	0	(14)
Statutory provision for the financing of capital investment charged against the General Fund balance	(2,020)	(1,810)
Voluntary Provision for the repayment of debt	(979)	(1,077)
Capital expenditure charged against the General Fund balance	(7,187)	(8,666)
Balance as at 31 March	(110,407)	(83,902)

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 Group 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 Group 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 Group 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 Restated	31 March 2024 £'000
Balance at 1 April	8,722,024	6,022,749
Re-measurements of the net defined benefit liability or asset	(2,938,373)	(43,854)
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	445,658	354,798
Employers' pensions contributions and direct payments to pensioners payable in the year	(206,560)	(225,870)
Balance as at 31 March	6,022,749	6,107,823

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from billing authorities' collection fund balances.

	31 March 2023 £'000	31 March 2024 £'000
Balance at 1 April	(156)	(2,662)
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,506)	2,508
Balance at 31 March	(2,662)	(155)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account recognises fair value gains and losses on Pooled Investment Funds held by the PCC which would otherwise be charged to a revenue account. The regulation mitigating the impact of these fair value movements ceases on 31 March 2025.

The account is also used to manage discounts received on the early redemption of loans. Discounts are credited to the Comprehensive Income and Expenditure Statement when they are received, but reversed out of the General Fund balance to the account in the Movement in Reserves Statement. Over time, the income is posted back to the General Fund balance in accordance with statutory arrangements.

	31 March 2023 £'000	31 March 2024 £'000
Balance at 1 April	(228)	633
Amount by which fair value of investment has moved in year.	862	104
Discounts received in the year and credited to the Comprehensive Income and Expenditure Statement		(1,302)
Balance at 31 March	633	(564)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment 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 Group to pay outstanding compensating absences.

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.

	2022-23 £'000	2023-24 £'000
Balance at 1 April	9,233	8,999
Settlement or cancellation of accrual made at the end of the previous year	(9,233)	(8,999)
Amounts accrued at the end of the current year	8,999	7,145
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
Balance at 31 March	8,999	7,145

NOTES TO THE CASH FLOW STATEMENT

44. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS

	Year ended 31 March 23 £'000	Year ended 31 March 24 £'000
Decrease/ (Increase) in cash	(23,398)	38,177
Cash flow from decrease/(increase) in liquid resources	30,890	(35,486)
Financing	2,123	(23,385)
Change in net debt resulting from cashflows	9,614	(20,694)
Net Debt as at 1 April 2023	(16,788)	(26,402)
Net Debt as at 31 March 2024	(26,402)	(5,708)

45. MOVEMENT IN CASH AND CASH EQUIVALENTS

	Balance at 31 March 23 £'000	Movement in the Year £'000	Balance at 31 March 24 £'000
Cash held by the PCC	340	0	340
Bank Current Accounts	270	(3,053)	(2,783)
Short term deposits with financial institutions	65,445	(35,124)	30,321
	66,055	(38,177)	27,878

Cash equivalents are short term deposits and investments held for less than 1 month.

JOINT OPERATIONS

46. 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.

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
	Funding provided to the pooled budget	
(5,121)	Contribution from West Midlands Police	(4,882)
(2,468)	Contribution from Staffordshire Police	(2,500)
(7,589)	Total funding provided to the pooled Budget	(7,382)
	Expenditure met from the pooled budget	
6,882	Pay and allowances	6,692
461	Transport costs	503
246	Supplies and Services	187
7,589	Total expenditure	7,382
	Income received to the Pooled budget	
0	Miscellaneous Income	0
0	External funding	0
0	Total income received	0
7,589	Total Net Expenditure	7,382
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.

47. 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 aim of 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
	Funding provided to WMROCU		
(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
(33,008)	Total funding	(34,131)	(19,452)
	WMROCU expenditure		
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/(from) Collaboration	0	(4,769)
33,008	Total expenditure	34,131	19,452
0	Total Net Expenditure	0	0

* PCCWM split is 57% of income and expenditure, however, as lead force, PCCWM 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
	Fund Account		
	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)	
(121,384)	Total income into the Pension Fund		(129,865)
	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	
214,772	Total payments from the pension fund		231,587
93,388	Net amount payable for the year		101,722
(93,388)	Additional contribution received from the Home Office		(101,722)
0			0

Net Assets Statement

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

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 94 of this Statement of Accounts.
2. The police pension fund is administered by the Chief Constable.
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 18.
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 – 31.0% for the 2015 Police pension scheme

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 Group and PCC's transactions for the 2023-24 financial year and its position at the year end of 31 March 2024. The Commissioner is required to prepare an Annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which those regulations require 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 Police and Crime Commissioner 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. Property, Plant and Equipment

Recognition

Assets that have physical substance and are held for use in the supply of police services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. These Non-Current Assets are disclosed in the Balance Sheet at current value based on valuation or depreciated historic cost. The cost of an item of Property, Plant and Equipment is recognised where it is probable that the future economic benefits or service potential associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

Assets made up of a number of components with significantly different economic lives have been reviewed to identify if these components should be treated as separate assets and depreciated over their own useful economic lives per the requirements of the CIPFA code of practice on Local Authority Accounting in the United Kingdom 2023-24. It has been determined that such treatment does not make a material difference to the values of the Group's assets and component accounting of these assets has not been applied in 2023-24. This approach will be reviewed each year but is not expected to apply to buildings as replacement items are generally purchased from revenue budgets.

Items of capital expenditure with values below £10,000 which do not form part of a combined asset for a single purpose may be considered de minimis if there is limited benefit in classifying it as capital expenditure and will therefore not be recorded as a non-current asset if this is the case.

Measurement

All property, plant and equipment assets will be measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Where assets are still under construction at the Balance Sheet date these will be held at Historical Cost and will not be subject to depreciation.

Assets will be reviewed for impairment at the end of each reporting period.

Property assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their value at the year-end, but as a minimum every five years. Revaluation gains will be recognised in the Revaluation Reserve unless they reverse a previous Revaluation loss. All Revaluation losses on revalued assets will be recognised in the Revaluation Reserve up to the amount in the Revaluation Reserve for each respective asset. Thereafter revaluation losses will be recognised in the Surplus or Deficit on the provision of services in the Comprehensive Income and Expenditure Statement. No distinction will be made between losses due to the clear consumption of economic benefit and those due to a general fall in prices specific to the asset.

Where there is no active market because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Any surplus assets held by the Group will be valued at fair value, estimated at highest and best use from a market participant's perspective.

Impairment

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

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Valuation

Freehold properties which the Group includes in its property portfolio were valued to 31 March 2024 by Avison Young in accordance with the statements of asset valuation practice and guidance notes of the Royal Institution of Chartered Surveyors. Property and the associated land will be revalued at intervals no greater than five years. Buildings are written down over their useful lives as provided at valuation. Revalued assets have been valued at current value based on Existing Use Value in accordance with International Financial Reporting Standards or Depreciated Replacement cost for specialised assets.

Plant and machinery is included in the valuation of the building in which it is located. ICT and General Equipment is valued at depreciated historic cost as a proxy for fair value as the assets are written down to give a useful life of less than five years. Vehicles are also valued at depreciated historic cost and lives are set when purchased as between three and ten years to reflect the proposed use for the vehicle.

Depreciation is provided for on all Property, Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives with the exception of freehold land and assets under construction. Where land value is measured separately, it is deemed to have an indefinite life and is therefore not depreciated. Depreciation is calculated on a straight line allocation over the useful life of the property or equipment.

Asset category	Min Asset Life (years)	Max Asset life (years)
Buildings	5	75
Vehicles, IT & Equipment	3	10
Intangibles	2	20

b. Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Group's business or which arise from contractual or other legal rights where expenditure of at least £10,000 is incurred. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to the Group and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, publishing titles, mastheads and similar items are not capitalised as intangible assets.

Expenditure on development of an intangible asset will only be capitalised where all the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- The Group intends to develop the asset and sell or use it;
- The Group has the ability to sell or use the asset;
- The asset will demonstrate probable future economic benefits or service benefits;
- Adequate financial, technical or other resources are available to the Group to complete the development and sell or use the asset; and
- The Group can reliably measure the expenses attributable to the asset during its development.

Software

Software which is integral to the operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware (e.g. application software) is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point where it is capable of operating in the manner intended by management. If an active market arises for any internally generated intangible assets these would then be valued at fair value.

Amortisation

Intangible assets are amortised over their expected useful economic life in a manner consistent with the consumption of economic or service benefits. The amortisation periods for intangible assets are, in general, three years for software licences and ten years for internally developed software.

c. Assets Held for Sale

Non-current assets held for sale will be measured at the lower of their carrying value and fair value less costs to sell at initial reclassification and at the balance sheet date each year. Assets held for sale from 1 April 2009 must satisfy strict criteria to be classified as held for sale. That is, the asset must be available for immediate sale in its present condition, the sale must be highly probable and the asset must be actively marketed for sale at a reasonable price in relation to its current fair value. Usually the sale should be expected to be completed within one year and the assets will be reclassified as Current Assets within the Balance Sheet.

d. Intra-group funding arrangements and cost recognition

The Chief Constable recognises the costs of salaries of police officers, police community support officers and police staff with the exception of those staff working in the Office for Policing and Crime (OPCC). There is no transfer of real cash between the PCC and Chief Constable and the latter does not have a bank account into which monies can be received or paid from. Costs are recognised in the Chief Constable's Accounts to reflect the PCC's resources consumed in the direction and control of day-to-day policing at the request of the Chief Constable. The Accounts reflect the ownership of the assets by the Police and Crime Commissioner. The Chief Constable recognises the employment and post-employment costs and liabilities of all staff under his direction and control in his Accounts. The PCC recognises the employment and post-employment costs of the staff under his direction and control in his accounts. To fund these costs and liabilities the Chief Constable's Accounts show as income a transfer of resources from the PCC to the Chief Constable for the cost of policing services. The Chief Constable will exercise sections 21 and 22 of the Local Government Act 2003. The Chief Constable will disclose the pension liability and a corresponding pension reserve for all staff under his direction and control in his Balance Sheet. The Chief Constable will also disclose the police pensions top-up grant in his accounts to reflect income received to offset the cost of pensions paid in year.

e. Redemption of Debt

Under the Local Government Act 1985, outstanding loan debt relating to police services was transferred to the former West Midlands Police Authority (WMPA) from the West Midlands County Council on 1 April 1986. This debt is serviced by Dudley Metropolitan Borough Council within a Metropolitan Debt Administration Fund, and loan charges are reimbursed by the PCCWM to that fund, and are unaffected by the minimum revenue provision applicable under the Local Government and Housing Act 1989.

Loan debt incurred from 1 April 1986 is directly administered by PCCWM. Instalments of principal are charged to revenue in accordance with the statutory minimum revenue provision, calculated at 2.5% of this debt for historical debt and in line with depreciation for borrowing since 2008, net of reserves set aside for debt redemption.

f. Leasing

Rental payments on operating leases are charged to the revenue account on a straight line basis over the term of the lease, generally meaning that rentals are charged when they become payable. For finance leases where the Group is a lessee the Group recognises finance leases as assets and liabilities at the present value of the minimum lease payments. The Group's incremental borrowing rate on PWLB loans is used to determine the interest rate implicit in the lease. Any initial indirect costs of the lease are added to the value of the asset. In 2023-24 the PCCWM has not recognised any finance leases, however a review takes place each year to determine if any finance leases exist.

g. Debtors and Creditors

Debtors and creditors have been accrued when preparing the revenue accounts of the Group. Police and police staff overtime paid in arrears is accrued for the final period to align the overtime year with the financial year.

The outstanding debt owing to the PCCWM is analysed at the end of each year. This analysis has historically highlighted that there is a very low risk of non-payment of debts. Therefore, the PCC has historically not provided for expected credit losses on trade debtors but may do so should circumstance change. However, it does recognise a proportion of Billing Authority impairment allowance for expected credit losses for non-payment of council tax in its Balance Sheet. The overall position regarding collection fund balances is shown in the collection fund adjustment account.

Capital expenditure is included in the accounts on an accruals basis.

h. Inventories and long-term contracts

Inventories are maintained for such items as vehicle spares, vehicle fuel, uniforms and Personal protective equipment.

Inventories shown in the balance sheet are valued at the lower of cost or net realisable value.

Any long-term contracts where staged payments are not made will be accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

i. Reserves

The PCCWM sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

The purpose and nature of reserves (split between useable and unusable reserves) maintained by the PCC are disclosed in the Movement in Reserves Statement with a detailed breakdown of useable and unusable reserves provided in the notes to the Movement in Reserves Statement and to the Balance Sheet.

j. Provisions

Provisions are made where an event has taken place that gives the PCC/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.

Provisions are charged as an expense in the Comprehensive Income and Expenditure Statement in the year that the PCC/Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Any estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement is made) the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income if it is virtually certain that the reimbursement will be received if the PCC/Group settles the obligation. All insurance claims will be included in the balance sheet as provisions where it meets the criteria set out above.

The provision for expected credit losses (previously termed bad and doubtful debts) is likely to remain at nil on the basis of the very low risk of non-payment of debts. However, the group does acknowledge that it holds a portion of Billing Authority impairment allowances for bad debts for non-payment of council tax in its Balance Sheet.

k. Contingent Liabilities and Contingent Assets

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed as notes to the accounts.

A contingent asset arises where an event has taken place that gives the Group a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

I. Financial Liabilities

Financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest payable. Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Discounts and premiums on the repurchase or early settlement of borrowing will be credited and debited to Net Operating Expenditure in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement should they arise. If repurchase takes place as part of a restructuring of the loan portfolio and involves the modification or exchange of instruments, the premium or discount will be deducted or added to the amortised cost of the new or modified loan. The writing down to the Comprehensive Income and Expenditure Statement will then be spread over the life of the loan by adjusting the effective interest rate on the loan.

m. Financial Assets

The financial assets of the Group are classified by identifying the cash flow characteristics associated with the asset and the Business model reasoning for holding the asset. This will classify the value of the asset to be disclosed in the accounts which will be either Amortised cost, Fair value through Other Comprehensive Income or Fair value through Profit or Loss.

Investments with other Local Authority Bodies, Banks and Building Societies will be carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount of loans presented in the Balance Sheet is the outstanding principal receivable plus accrued interest receivable. The interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Assets are assessed for impairment due to the likelihood arising from a past event that payments due under the contract will not be made. If the value of the potential impairment is material to the investment, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise the risk is disclosed within the Accounts, but the carrying amount is not adjusted.

Other Financial Assets held not solely for payment of principal and interest which don't achieve their Business model through collecting contractual cash flows will be classified as Fair Value through Profit or loss. For these assets, gains and losses in Fair value will be applied to the Surplus and Deficit on the Provision of Services in the year they arise. Where statutory regulations exist for Pooled Investment Funds, gains and losses on these assets are held in an unusable reserve for the duration of the regulation or until the asset is derecognised.

n. Treatment of Grants

Net revenue expenditure is expressed before deducting government grants in support of the overall expenditure of the PCC/Group i.e. police grant and revenue support grant. Other revenue grants are smaller and specific to particular aspects of the Group's functions and have been shown as income in arriving at net expenditure.

Where capital grants are received in the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Account.

Since the Group accounts have been completed on an IFRS basis, revenue and capital grants and contributions will be accounted for on an accruals basis and recognised immediately as income in the Comprehensive Income and Expenditure Statement, except to the extent that the grant or contribution has a condition attached which the Group has not yet satisfied. Such grants and contributions will be recognised initially in the relevant grants and contributions received in advance account. Capital grants that do not have any conditions imposed upon them and which are not spent at the year-end will be transferred to the Capital Grants Unapplied Account.

The police pensions top-up grant – although received by the PCC will be disclosed in the Chief Constable's accounts on the basis that all police pension related costs are disclosed in the Chief Constable's accounts. This grant offsets the difference between the cost of police pensions in the year and the funding for those pensions.

o. 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 Group.

IAS 19 Employee Benefits requires the Group to account for short term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are untaken by the Balance Sheet date. The amount will be recognised as a creditor in the general fund balance in the Comprehensive Income and Expenditure Statement but reversed out to a short term accumulated compensated absences account in the Balance Sheet. The balance on this account will be adjusted at each Balance Sheet date to account for any increase or decrease in the balance of accumulating short term absences. 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 Group 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 Surplus or Deficit on the Provision or Services in the Comprehensive Income and Expenditure Statement when the Group can no longer withdraw the offer of those benefits or when the Group recognises costs for restructuring.

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 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.

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

- The rate of contribution in 2023-24 was 19.8% on average.
- The liabilities of the scheme attributable to the Group are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of future earnings for current employees.
- 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).
- The assets of the fund attributable to the Group are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price
 - Property – market value
- The change in the net pensions liability is analysed into the following components:
 - i. *Current service cost* – the increase in liabilities as a result of years of service earned this year
 - ii. *Past service cost* – the increase in liabilities as a result of a scheme curtailment or amendment 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)* – net interest expenses for the Group – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of 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. *Re-measurements* – this comprises of (1) the return on plan assets excluding the amount included in net interest on the net defined pension liability (asset) charged to the Pension Reserve as Other Comprehensive Income and Expenditure and (2) actuarial gains and losses – 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 Group 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 PCC will recognise the cost of police staff pensions for those staff under his direction and control as these costs are provided separately by the actuary.

The PCC recognises the cost of police staff pensions only for those staff under his direction and control which are deemed to be the staffing of the Office for Policing and Crime. All other police and police staff pensions' costs are recognised in the accounting statements of the Chief Constable.

The PCC recognises actuarial gains and losses only to the extent that these relate to the staff of the Office for Policing and Crime.

An allowance for the McCloud adjustment is included within the pension liability. The McCloud adjustment came about as a result of the Government reformed public service pension schemes in 2014 and 2015 in which they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination.

p. Interest

The payment / receipt of external interest is debited / credited directly to Net Operating Expenditure in the Comprehensive Income and Expenditure Statement.

q. Council Tax Income

The council tax precept income included in the Comprehensive Income and Expenditure Statement is the accrued income for the year. This income reflects the debtors for council tax due but not paid by council taxpayers and creditors for council taxpayers who have overpaid their council tax.

The difference between the council tax precept income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation is included in the Collection Fund Adjustment Account and as a reconciling item in the Movement in Reserves Statement. The Collection Fund Adjustment Account is shown as part of the unusable reserves in the Balance Sheet.

The collection of council tax by the billing authorities is in substance an agency arrangement and the cash collected by the billing authorities from council tax debtors belongs proportionately to the billing authorities and the PCCWM. There will therefore be a debtor/creditor position between the billing authorities and the PCCWM since the net cash paid to the PCCWM in the year will not be its share of cash collected from council taxpayers. The PCCWM also recognises in its Balance Sheet, its share of council tax debtor and creditor balances and impairment allowances from each of its billing authorities collection funds.

r. Cash and Cash Equivalents

The PCC/Group is required to account for short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value as cash equivalents. The PCC/Group has determined that cash equivalents are best determined as short term investments with one month or less to maturity from their date of acquisition.

s. Revenue Recognition

Revenue will be recognised to depict the transfer of promised goods or services to the service recipient in an amount that reflects the consideration to which the PCC/Group expects to be entitled in exchange for those goods or services. This will occur when a performance obligation is satisfied by transferring a promised good or service to a service recipient either at the time of transfer, for obligations satisfied at a point in time, or over time, using accruals where necessary to recognise revenue in the financial year the obligation has been met.

Revenue from interest, royalties' dividends and non-exchange transactions will be recognised when it is probable that the economic benefits of service potential associated with the transaction will flow to the Group and this amount can be measured reliably.

t. Value Added Tax

All material 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.

VAT payable is included as an expense where it is not recoverable from HRMC, although this relates only to a very small proportion of the Group's overall expenditure.

u. Events after the Balance Sheet date

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
- 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.

v. Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised 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 Group
- Revenue from the provision of services is recognised when the Group 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 Group.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for retrospectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

w. 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 Authority'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.

x. Joint Operations

Joint operations are arrangements where the parties have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The PCC has two joint operations. These are the Regional Organised Crime Unit (ROCU) and the Central Motorway Police Group (CMPG). The activities undertaken by the Group in conjunction with other joint operators involve the use of the assets and resources of the joint operators. In relation to its interest in a joint operation, the group recognises:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- 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.

ACCRUED BENEFITS – The benefits for service up to a given point in time, whether vested rights or not.

ACCUMULATED COMPENSATED ABSENCES - Compensated absences are periods during which an employee does not provide services to the employer, but benefits continue to be paid. Accumulated compensated absences are those that are carried forward and can be used in future periods if the current period entitlement is not used in full. Examples include annual leave and time off in lieu.

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.

AMORTISED COST - This is a mechanism that sees through contractual terms to measure the real cost that an authority bears each year from entering into a financial liability. The carrying amount of some assets and liabilities in the Balance Sheet will be written down or up via the Comprehensive Income and Expenditure Statement over the term of the instrument.

APPROPRIATIONS – Amounts transferred to or from revenue or capital reserves.

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 PCCWM before the start of each financial year and is used to monitor actual expenditure throughout the year.

CAPITAL ADJUSTMENT ACCOUNT – An account which accumulates the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It also accumulates the resources which have been set aside to finance Capital expenditure.

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

CAPITAL FINANCING CHARGES – The repayment of loans and interest to pay for capital projects.

CAPITAL GRANT – Grant from Central Government used to finance specific schemes in the capital programme. Where capital grants are receivable, these are used, as far as possible, to finance capital expenditure to which they relate in the year that the grant is received.

CAPITAL RECEIPTS – The proceeds from the sale of an asset, which may be used to finance new capital expenditure or to repay outstanding loan debt, as laid down within rules set by Central Government.

CAPITAL RESERVE – Created to provide an alternative source of financing capital expenditure, and to ensure some stability in the level of capital programmes that can be financed.

CASHFLOW STATEMENT – This statement summarises the inflows and outflows of cash.

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.

CREDITORS – Individuals or organisations to whom the PCC owes money at the end of the financial year. Under IFRS creditors may also be known as “Trade and other payables”

CURRENT ASSETS AND LIABILITIES – Current assets are items that can be readily converted into cash. Current liabilities are items that are usually payable within one year of the balance sheet date.

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.

DEBTORS – Individuals or organisations who owe the PCC money at the end of the financial year. Under IFRS debtors may also be known as “Trade and other receivables”

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.

DEPRECIATION – An annual charge to reflect the extent to which an asset has been worn out or consumed during the financial year.

DISCRETIONARY BENEFITS – Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the authority’s discretionary powers.

EARMARKED RESERVES – These reserves represent monies set aside that can only be used for a specific purpose.

EXPECTED RATE OF RETURN ON PENSION ASSETS – For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE – This is the amount for which an asset could be exchanged or a liability settled by knowledgeable parties in an arm’s length transaction. For many financial instruments fair value will be the same as the outstanding principal amount.

FINANCE AND OPERATING LEASE – A Finance lease transfers all of the risks and rewards of ownership of a fixed asset to the lessee. If these leases are used, the assets acquired have to be included within the fixed assets in the balance sheet at the market value of the asset involved. With an operating lease the ownership of the asset remains with the leasing company and an annual rent is charged to the revenue account.

FINANCIAL INSTRUMENT - A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

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 an authority in return for past or future compliance with certain restrictions and/or conditions relating to the activities of the PCC.

IAS 19 RETIREMENT BENEFITS – An accounting standard that requires the recognition of long-term commitments made to employees in respect of retirement benefits in the year in which they are earned

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 the accounts of the PCC are based.

INVENTORY – The term used under IFRS to refer to stock.

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.

MINIMUM REVENUE PROVISION (MRP) – The statutory minimum amount which an authority is required to set aside on an annual basis as a provision to redeem debt.

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-CURRENT ASSETS – Tangible assets that yield benefits to the PCC and the services it provides for a period of more than one year.

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 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.

PAYMENTS IN ADVANCE – These represent payments made prior to 31 March for supplies and services received after 1 April.

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

POLICE AND CRIME COMMISSIONER – this refers to the post of the Police and Crime Commissioner and may also be referred to in the Statement of Accounts as the Commissioner.

PCCWM – The Police and Crime Commissioner for West Midlands. This is the entity which is a Local Authority for accounting purposes and which holds the police fund.

PROVISION – An amount set aside to provide for a liability that is likely to be incurred but for which the exact amount and the date on which it will arise are uncertain.

RECEIPTS IN ADVANCE – These represent income received prior to 31 March for supplies and services provided by the PCC after 1 April.

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 Authority 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.

REVALUATION RESERVE – The reserve records the accumulated gains on the fixed assets held by the Authority arising from increases in value. It is debited with the part of the depreciation charge for the asset relating to the revaluation. Any balance on this account is written back to the Capital Adjustment Account upon disposal of the asset.

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

REVENUE CONTRIBUTIONS – Contribution from the Revenue account to finance capital expenditure and thus reduce the requirement to borrow.

SCHEME LIABILITIES – The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employee is committed to provide for service up to the valuation date

Report to the West Midlands Police and Crime Panel – Work Programming for 2024/2025

Date: 07 October 2024

Report of: Kevin O'Keefe, Chief Executive Dudley MBC, Lead Officer of the West Midlands Police and Crime Panel

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1 Purpose

- 1.1 This report sets out the proposed work programme of key issues to be considered by the West Midlands Police and Crime Panel ('the Panel') during 2024/25 and provides an opportunity for Members to identify further topics to be added.
- 1.2 The work programme is structured around the statutory duties the Panel must undertake and wider exploratory work that enable the Panel to scrutinise and support the Police and Crime Commissioner (PCC) decisions and actions.
- 1.3 The work programme will be updated throughout the year to enable the Panel to respond to emerging issues in a flexible and timely way.

2 Recommendations

2.1 That the Panel

- i. **Agrees the outline work programme at Appendix A.**
- ii. **Identifies any further topics to add to the work programme.**
- iii. **Agrees, subject to further input from the Chair and Vice-Chair, the issues that the Panel will consider in December 2024 and the proposed aims and objectives.**

3 Context

- 3.1 Police and Crime Panel was established under the Police Reform and Social Responsibility Act 2011. The Panel acts as a joint scrutiny body of the West Midlands Local Authorities with a dual role to 'support' and 'challenge' the work of the Police and Crime Commissioner.
- 3.2 The Panel must perform the following statutory functions:
 - Scrutinise the decisions and actions of the PCC

- Review and comment on the PCC's draft Police and Crime Plan and any draft variations to the Plan
 - Review the PCC's Annual Report
 - Review (with the power to veto) the PCC's proposed policing precept.
 - Hold confirmation hearings for senior appointments (Chief Constable, Deputy PCC, Chief Executive and Chief Finance Officer), with the power to veto for the Chief Constable appointment.
 - Handle non-criminal complaints about the conduct of the PCC and Deputy PCC, referring serious complaints to the Independent Office for Police Conduct (This function is delegated to the Monitoring Officer).
 - suspend the PCC if they are charged with an imprisonable offence which carries a maximum term of two years or more.
 - appoint an acting PCC if the elected one cannot carry out their role due to incapacitation, suspension, resignation or disqualification.
 - play a role in any call made by a PCC for a Chief Constable to resign or retire.
- 3.3 The Panel's work programme consists of statutory tasks (from the above list) and wider exploratory work to fulfil its role to hold the PCC to account on the strategic policing and the wider community safety and criminal justice landscape.
- 3.4 The Panel must maintain a strategic focus in scrutinising the work of the PCC, rather than operational detail. The Panel does not provide oversight of the Chief Constable - this is the role of the Police and Crime Commissioner.

4 Panel Work Programme 2024/25

- 4.1 A well planned and timely work programme enables the Panel to consider the right issues in an informed way.
- 4.2 The current work programme is attached as Appendix A.
- 4.3 It may be necessary for the Panel to also prioritise issues and consider factors such as public interest and performance when further shaping its work programme.
- 1.2 The Panel will liaise with the PCC and the Office of the Police and Crime Commissioner to communicate the issues the Panel would like to explore, and specific areas of focus.

5 Member Sub-Group – Use of Information

- 5.1 In July 2024 the Panel established a Member Subgroup appointing Independent Member Kristina Murphy, Councillor Jackie Taylor, Councillor Izzy Knowles and Councillor Gareth Moore.

- 5.2 The sub-group will undertake a focussed piece of work to draw conclusions on the following and report back to the full Panel to consider:
- What information does the Panel need and how can it make best use of this information to fulfil its statutory duty to scrutinise the Commissioner's performance in delivering the ambitions of the Police and Crime Plan.
 - How can the Panel use performance data to inform the development of its work programme.
- 5.3 The subgroup will meet for the first time in October to examine in detail the performance metrics associated with the development of the new police and crime plan and consider the performance information requirements of the Panel. It will report its findings to the 9 December 2024 Panel meeting.

6 Finance Implications

- 6.1 The Home Office provides an annual grant to support the administration of the Police and Crime Panel. The Home Office grant covers all costs relating to the secretariat and administration to support this work programme.

7 Legal Implications

- 7.1 The Panel work programme should reflect the duties required by the Police Reform and Social Responsibility Act 2011 and relevant Regulations.

8 Equalities Implications

- 8.1 The Panel has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act;
 - b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2 The protected characteristics and groups outlined in the Equality Act are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex, and sexual orientation.
- 8.3 The Panel will ensure it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering how policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; whether the impact on particular groups is fair and proportionate; whether there is equality of access to services and fair representation of all groups within the West Midlands; and whether any positive

opportunities to advance equality of opportunity and/or good relations between people are being realised.

- 8.4 The Panel should ensure that any recommendations which contribute towards reducing inequality, are based on evidence.

9 Background Papers

- 9.1 [Police Reform and Social Responsibility Act 2011](#)
- 9.2 [Policing and fire governance: guidance for police and crime panels](#)
- 9.3 [Home Office Guidance - Police, fire and crime panels](#)
- 9.4 [West Midlands Police and Crime Panel – Panel Agreement \(2012\)](#)

10 Appendices

- 10.1 Appendix A: West Midlands Police and Crime Panel Work Programme October 2024

West Midlands Police and Crime Panel Work Programme 2024/25 – October 2024

Meeting Date	Item/Topic	Aims and Objectives	Additional Information and Outcome*
22 July 2024	Deputy PCC Confirmation Hearing (Statutory Task)	The Panel must hold a public confirmation hearing, requesting the candidate to appear for the purpose of answering questions relating to the appointment.	The scrutiny of senior appointments is a statutory task of the Panel . The Panel must prepare a report and recommendations for the PCC to consider.
22 July 2024	PCC Performance Update	To provide an overview of West Midlands Police performance across key areas between April 2023 to March 2024.	The report includes an update on the Engage Status of WMP requested by the Panel in February 2024.
22 July 2024	PCC Accountability and Governance Arrangements	To inform the Panel of the PCC's revised accountability and governance arrangements for the exercise of his strategic direction, holding to account and public engagement functions.	
22 July 2024	Development of the Police and Crime Plan	To inform the Panel on progress and further plans for the development of the Police and Crime Plan 2025-2029	The Panel's must schedule its review based on the development timetable. The review of the draft Police and Crime Plan is a statutory task of the Panel . The Panel must prepare a report and recommendations to the PCC to consider before finalising the Plan.
22 July 2024	Establishment of Use of Information Subgroup	To undertake a focussed piece of work to draw conclusions and report back to the full Panel on: a. What information does the Panel need and how can it make best use of this information to fulfil its statutory duty to scrutinise the Commissioner's performance in delivering the ambitions of the Police and Crime Plan. b. How can the Panel use performance data to inform the development of its work programme	Panel terms of reference approved by Panel on 22 July Membership: Cllr Izzy Knowles, Cllr Gareth Moore, Kristina Murphy and Cllr Jackie Taylor
22 July 2024	AGM Items	Panel Membership Election of Chair and Vice Chair Annual approval of Panel Arrangements and Rules of Procedure	

Meeting Date	Item/Topic	Aims and Objectives	Additional Information and Outcome*
7 October 2024	PCC Statement of Accounts	To note the PCC accounts and seek reassurances on the accounts and audit. To provide the Panel with useful information and context to inform it's scrutiny of policing precept in February.	
7 October 2024	Draft Police and Crime Plan	The PCC to present an update on the development of the police and crime plan. The Panel will examine how the draft plan takes into account local priorities, resourcing, partnerships to fulfil the plan objectives and how delivery of priorities will be measured.	The review of the draft Police and Crime Plan is a statutory task of the Panel . The Panel will formally review the Plan at a later date and prepare a report and recommendations for the PCC to consider before finalising the Plan.
7 October 2024	PCC Update on Recent Activity	Update on recent activity including published key decisions. The Chief Constable will contribute to this item and update the Panel in the recent HMICFRS decision to remove West Midlands Police from Engage Status.	
21 October 2024 (Online)	Use of Information Sub-group	First session to examine the Police and Crime Plan performance metrics	Panel terms of reference approved by Panel on 22 July Membership: Cllr Izzy Knowles, Cllr Gareth Moore, Kristina Murphy and Cllr Jackie Taylor Following the session a report and recommendations will be prepared for the 9 December Police and Crime Panel meeting.
6 November 2024	WMPCP Member Visit to Contact Centre etc.	The OPCC to host a Panel Member briefing session. This will provide an opportunity for members to learn more about the work of the PCC and OPCC.	Panel Members and Named Substitute members emailed further details of visit
9 December 2024	Report of the Use of Information Sub-Group	Report back by the Use of Information sub-group on findings and recommendations pertaining to the Draft Police and Crime Plan metrics.	

Meeting Date	Item/Topic	Aims and Objectives	Additional Information and Outcome*
9 December 2024	Scrutiny of the PCC's Annual report 2023/24	The panel must invite the PCC to attend a public meeting to scrutinise the annual report setting out progress on meeting the priorities of the Police and Crime Plan during the financial year and consider how the Annual report can be developed.	This is a statutory duty of the Panel. The Panel must publish a report and recommendations for the PCC to consider
9 December 2024	PCC Performance and Activity update	To provide an overview of West Midlands Police performance and an update on the PCC recent activity including published key decisions.	
9 December 2024	PCC MTFP and forecast outturn position 2024/25	To provide the Panel with useful information and context to inform its scrutiny of policing precept in February.	
20 January 2025 (Venue TBC)	Review of draft Police & Crime Plan (Statutory Task)	The PCC to present the draft police and crime plan. The Panel will scrutinise how the draft plan takes into account the local priorities, resourcing and how delivery of priorities will be measured.	This is a statutory duty of the Panel. The panel must publish and report and recommendations for the PCC to consider
January 2025 (Date TBC)	Member briefing on police finance and budget	To provide Panel members with briefing information about police finance and the funding settlement to prepare for the statutory duty to review the proposed precept in February.	
3 February 2025	PCC Proposed Policing Precept 2025 and budget. (Statutory Task)	Formally review the proposed policing precept 2025 and make a recommendation to the PCC.	This is a statutory duty of the Panel. The Panel has the power to veto the proposed policing precept. If this happens, the PCC will present a revised precept to Panel on 19 February 2024.
3 February 2025	PCC Update on Recent Activity	To provide an update on the PCC recent activity including published key decisions.	
3 February 2025	Item – TBC		
17 February 2025	<i>PCC Proposed Policing Precept for 2025/26</i>	<i>Formally review the proposed and revised precept</i>	<i>Provisional meeting date – if the proposed precept was vetoed on 3 February 2025. The Panel does not have a second veto.</i>

Meeting Date	Item/Topic	Aims and Objectives	Additional Information and Outcome*
24 March 2025	Annual report on Complaints received by the Panel	The Monitoring Officer presents an annual report on the Panel's delegated complaints handling duties.	Annual Report of the Lead Panel Officer
24 March 2025	Panel Budget and Expenditure	To consider and approve the total budget and expenditure of the West Midlands Police and Crime Panel	Annual Report of the Lead Panel Officer.
24 March 2025	PCC Update on Recent Activity	To provide an update on the PCC recent activity including published key decisions.	
24 March 2025	Item – TBC		

Menu of Options for Future Consideration

The Panel is invited to identify potential topics for future consideration. This approach enables the West Midlands Police and Crime Panel to remain flexible and respond in a timely manner to emerging issues. This is a live work programme work programme. New items may be added, or items removed during the course of the year. Proposed aims and objectives may also be subject to change.

Meeting Date	Item/Topic	Aims and Objectives	Additional Information and Outcome*
To be programmed	Use of Information Sub-group	Additional sessions to be scoped and timetabled in line with the agreed terms of reference	Members: Cllr Izzy Knowles, Cllr Gareth Moore, Kristina Murphy and Cllr Jackie Taylor
To be programmed	Suggested Topics for Work Programme	<p>Items to be scoped to demonstrate aims and objective before scheduling on work programme</p> <ul style="list-style-type: none"> • Local high streets, tackling anti-social behaviour and business crime. • Appropriate adults and support to those questioned by the police. • Stop and Search. • Neighbourhood Policing. • Road safety. 	Invitation to the Stop and Search Consortium to be organised.