

THE **CHIEF CONSTABLE** FOR SOUTH WALES POLICE
(Corporation Sole)

STATEMENT OF ACCOUNTS

FOR THE
YEAR ENDED
31 MARCH 2024



**HEDDLU
DE CYMRU**
**SOUTH WALES
POLICE**





Umar Hussain
 MBE, BA (Hons) FCCA, MPLA

Chief Financial Officer
 to the **Chief Constable**

CONTENTS

Chief Finance Officer's Narrative Report	3
Independent Auditor's Report	13
Statement of Accounts	
■ Statement of Responsibilities for the Statement of Accounts	16
■ Comprehensive Income and Expenditure Statement	17
■ Balance Sheet	18
■ Police Pension Fund Account	19
Notes to the Financial Statements	
■ Note 1 Accounting Policies	20
■ Note 2 Accounting Standards Issued, Not Adopted	22
■ Note 3 Critical Judgements in Applying Accounting Policies	22
■ Note 4 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	22
■ Note 5 Events after the Reporting Period	23
Notes to the Comprehensive Income and Expenditure Statement	
■ Note 6 Financing and Investment Income and Expenditure	24
■ Note 7 Subjective Analysis – Expenditure	24
■ Note 8 Leases	24
■ Note 9 Officers'/Employees' Remuneration	24
■ Note 10 Members' Allowances	28
■ Note 11 External Audit Costs	28
■ Note 12 Related Parties	28
Notes to the Balance Sheet	
■ Note 13 Debtors and Creditors	30
■ Note 14 Defined Benefit Pension Schemes	30
■ Note 15 Contingent Liabilities/Contingent Assets	37
Notes on Collaboration	
■ Note 16 Collaboration	38
Glossary	42

CHIEF FINANCE OFFICER'S NARRATIVE REPORT 2023-24

1. SOUTH WALES AS A PLACE

The South Wales Police area consists of the seven local authority areas of Cardiff, Swansea, Rhondda Cynon Taf, Neath Port Talbot, Vale of Glamorgan, Merthyr Tydfil and Bridgend and covers an area of approximately 831 square miles. With a mixture of both urban and rural areas the former heavy industries of coal mining and steel production have mostly disappeared and have been replaced by service sector industries.

Geographically the northern area is dominated by a series of valleys that run broadly north to south with the Swansea Valley (and Gower Peninsula) furthest to the west and the Merthyr Valley furthest to the east. The lower lying coastal areas to the south of the Force area include the cities of Cardiff and Swansea which are also the most populous areas. The seven local authorities within the Force boundary have a combined population of approximately 1.3 million.

2. SOUTH WALES POLICE

When measured using Net Revenue Expenditure (NRE) for 2023-24, South Wales Police is the eleventh largest Force in England and Wales. The Force is divided into three Basic Command Units (BCUs) but also has central departments such as Operational Support Services providing shared resources like Police Dogs, Horses and custody cells and the Joint Scientific Investigation Unit who examine exhibits and attend scenes of crime to collect evidence. The latter is one of many functions organised and run in collaboration with neighbouring police forces achieving economies of scale, sharing expertise, premises and equipment and providing improved Value for Money for local taxpayers.

The Office of the Police & Crime Commissioner (OPCC) serves to not only hold the Chief Constable to account for the delivery of operational policing but also to commission services and award grants in its own right in order to reduce and prevent crime.

3. FINANCIAL MANAGEMENT ARRANGEMENTS

The Force Finance Department, working with the OPCC Finance Team, produce accurate, high quality and timely financial information which is of relevance to a wide range of stakeholders and allows for informed management decision making.

Recognising that scheduling for the statutory audit does not require draft accounts by the 31st May deadline and in order to better manage available resources and staff welfare, both Chief Finance Officers were content to publish draft accounts by 30th June 2024. Accordingly, a Regulation 10 notice was published on the websites of both corporate soles documenting the revised publication date. This timing is consistent with the expectations of the statutory audit body, Audit Wales.

4. THE CHIEF CONSTABLE'S DELIVERY PLAN

The Police & Crime Commissioner (PCC) prepares a Police & Crime Plan to set out local priorities for efficient and effective policing and community safety. This is done in consultation with the Chief Constable on matters of operational policing. The Chief Constable creates a Delivery Plan in order to describe on how they will deliver the objectives of the Police & Crime Plan and achieve the vision of Keeping South Wales Safe.

SEE PAGE 4.

4. THE CHIEF CONSTABLE'S DELIVERY PLAN

During 2023-24 the Chief Constable has made progress against the Delivery Plan in the following key areas:

ORGANISATIONAL	
Innovative & Productive	<p>Delivered the £12M Value for Money target and continued programme and productivity improvements (i.e. doing more with less) through investment in continuous improvement team.</p> <p>Following successful design and planning approvals over several years the construction of a £60M Tri-force Firearms Training Facility Range commenced.</p> <p>Replacement Body Worn Video and digital evidence management delivered improvements to the evidential base and investigations as well as enhancing officer safety.</p> <p>Achieved and renewed Forensic Science accreditation from independent regulators.</p> <p>Developed award winning mobile applications to deliver a more consistent level of service and help meet operational standards.</p> <p>Having pioneered the use of Facial Recognition Technology and established the legal framework to underpin its use, SWP now leads the embedding of the technology across England and Wales.</p>
Evidence Based	<p>Utilised Power-BI technology to provide interactive data resources to officers and staff to enhance decision making.</p> <p>Commenced the Joint Data & Analytics Project which will enable both Gwent and SWP to harness the power of big data to enhance operational and organisational decision making to better meet policing demand.</p> <p>Signed a joint project agreement with Gwent Police to achieve value-for-money through collaboration.</p>
Digital Inclusivity	<p>Continued with programmes of process change to introduce automation in Finance and HR systems.</p> <p>Implemented new modules in Crime Investigation recording.</p> <p>Embedded use of remote connectivity and video calling to reduce travel time and increase productivity.</p> <p>Achieved Substantial Assurance from independent auditors on Overtime management.</p>

PEOPLE	
Health, Safety & Wellbeing	<p>Improved resources in occupational health to support officer return to work and reduce absence.</p> <p>Made improvements to injury on duty reporting to be more responsive to officer needs and learn lessons for future prevention.</p> <p>Subscribed to a 24/7 telephone support service to resolve trauma and maintain operational capacity.</p>
Equality, Diversity & Inclusion	<p>Hosted the National Black Police Association 25th Anniversary conference in October 2023 to assess progress from McPherson Inquiry to Casey Review.</p> <p>Conducted a staff survey to better understand culture, with staff reporting the force treats people with respect and dignity.</p> <p>Continued to promote an ethical and supportive working environment and to develop careers of staff from diverse and under-represented backgrounds.</p>
Supportive Leadership & Supervision	<p>Launched a first line leaders programme.</p> <p>Increased number of Sergeants and provided greater clarity of role.</p>

OPERATIONAL	
Prevent Harm from Serious & Organised Crime	<p>Launched a new Substance Misuse & Harm Reduction programme.</p> <p>Increased resources in Major Crime Investigation Teams.</p> <p>Continued to work collaboratively with southern forces in Wales with the Regional Organised Crime Unit, Tarian which in the last year led on almost 1,800 disruptions, dismantled seven Organised Crime Groups and achieved 621 years of sentencing as well as extending its reach with a new Anti-Money Laundering and Asset Recovery Team.</p> <p>Piloted the use of Naloxone with 50 lives saved.</p>
Protect Against Exploitation	<p>Established as a Pathfinder Force for Op Soteria, the national project to transform rape investigation.</p> <p>Achieved a Positive Outcome Rate of 12.6% for Rape in-vestigations and 27.55% for Other Sexual Offences – amongst the best in the UK.</p> <p>Created new Exploitation Teams and appointed victim contact officers.</p>
Focus on Victims	<p>Undertook Continuous Improvement activity on the Victim’s journey to identify opportunities to improve service.</p> <p>Created and launched a “Victims information pack”.</p> <p>Held force-wide training on national Victims Code of Practice (VCoP).</p> <p>Recognised by HMICFRS that the force strives to achieve good results for victims.</p>

PARTNERSHIPS	
Early Intervention & Prevention	<p>Launched a new Early Help Referral Pathway.</p> <p>Delivered training on County Lines and Domestic Abuse across the force.</p> <p>Achieved recognition from HMICFRS that engagement with other organisations and community members was effective in problem solving.</p>
Community Problem Solving	<p>Implemented South Wales Listens – a platform for the public to send messages directly to Neighbourhood Policing Teams which has over 18,000 subscribers and received almost 24,000 survey responses.</p> <p>Set priorities of reducing crime and anti-social behaviour.</p> <p>Engaged with partners and communities to be informed on issues that matter to them.</p>
Criminal Justice, Offender Management & Diversion	<p>Implemented Case Progression Units to provide effective workflow.</p> <p>Effectively used Out of Court Disposal Interventions where appropriate.</p>

5. FINANCIAL PERFORMANCE

Core Funding and Council Tax Precept 2023-24

The 2023-24 Police Finance Settlement was announced in December 2022, with the core Home Office grant to South Wales Police only increasing by £0.6M to £194.9M (2022-23: £194.3M). Whilst the police uplift grant increased from £3.1M to £6.2M this was required to fund the full year costs of additional officer intakes and remained ring fenced to be used only towards the cost of those new officers. In February 2023, the Police & Crime Commissioner proposed a £22.36 (7.4%) increase in the Band D Precept to £324.47 for 2023-24 (2022-23: £14.39 or 5.0% increase to £302.11).

The Police & Crime Panel approved the proposed precept increase along with the proposed 2023-24 Revenue Budget and Capital Programme. The Revenue Budget and sources of funding are shown in **TABLE 5.A**.

	£000	£000	%
Budget Requirements	-	358,699	-
Sources of Finance			
Home Office Grant	132,370	-	-
Revenue Support Grant	62,575	-	-
Sub Total		194,945	54.3%
Council Tax Precept Income			
Cardiff City Council	48,827	-	-
Swansea City Council	29,674	-	-
Neath Port Talbot Council	15,837	-	-
Bridgend Council	17,848	-	-
Vale of Glamorgan	20,226	-	-
Merthyr Tydfil Council	6,041	-	-
Rhondda Cynon Taf Council	25,301	-	-
Sub Total		163,754	45.7%
Total Financing		358,699	100.0%

Revenue Outturn 2023-24

TABLE 5.B sets out the Revenue Outturn against the Budget of £358.70M for the year. Net expenditure was £334.06M and there were amongst other transfers, a £24.37M contribution to revenue reserves at the year-end for the Group. The remaining balance of £0.27M was transferred to the Police Fund. In reaching this outcome:

- The Office of the Police & Crime Commissioner (OPCC) achieved a break even against its budget. This included achievement of the £0.25M Value for Money target built into the OPCC budget. This was achieved mostly through underspends on the pay budget due to vacancies in the Commissioner's team.
- The Chief Constable underspent against his budget by £0.27M. This was after agreed in year reserve movements of £24.37M. Of this £15.00M is attached to ring fenced spending on behalf of a National Innovation & Science Fund. Similarly to the Commissioner, remaining variances largely arose because of variances on pay due to vacancies and the timing of recruitment. The Grant Income/Reserve Movement is shown below as £5.30M net of other income variances.

TABLE 5.B

	Budget £000	Outturn £000	Variance £000
Office of the PCC	2,947	3,191	(244)
Commissioned Services	12,891	14,009	(1,118)
Grant and Partnership Income/Reserve Movements	(9,082)	(10,444)	1,362
Budgets under the control of the PCC	6,756	6,756	-
Police Officers Pay and Pensions	225,467	224,924	543
Police Staff and Other Staff Costs	122,952	121,550	1,402
Premises	16,568	16,607	(39)
Transport	7,284	7,154	130
Supplies and Services	31,145	30,858	287
Agency and Other Costs	13,593	18,529	(4,936)
Capital Financing Costs	20,980	23,393	(2,413)
Grant Income/Reserve Movements	(86,046)	(91,342)	5,296
Budgets delegated to the Chief Constable	351,943	351,673	270
Year End Position	358,699	358,429	270
Total Budget Requirements			
Reserve Movements	-	-	-
Year End Underspend after Reserve Movements			270

TABLE 5.B is prepared on the same basis as the management accounts that are presented during the year to the Commissioner and Chief Constable. It does not include the technical accounting adjustments such as depreciation of non-current assets and changes in pension liabilities.

Revenue expenditure is reported in the Group Accounts in the Comprehensive Income and Expenditure Statement (CIES). The result for 2023-24 is a group deficit on the provision of services of £33.96M.

Capital Expenditure 2023-24

While the Chief Constable does not own any assets, access to estate, fleet and ICT assets are a fundamental of operational policing. At the commencement of 2023-24, the Commissioner had a four year Capital Programme of £103.70M. This investment will deliver a range of objectives including:

- Fit for purpose buildings including a state of the art collaborative firearms range;
- Efficient vehicles, including electrically powered, appropriate to policing needs; and
- Allowing officers to deploy state of the art technology including the use of automatic facial recognition.

The Commissioner approved a Capital Programme for 2023-24 of £35.48M, this was revised during the year following slippage to the 2022-23 programme to £46.28M. Outturn against the budget was £24.90M with slippage of £21.43M. The main areas of spend and sources of funding are shown in **TABLE 5.C**.

TABLE 5.C

	Original Budget £000	Revised Budget £000	Outturn £000	Slippage £000	Under/ (Over) £000
Infrastructure Maintenance/Renewal					
Estates	2,900	3,849	1,571	2,278	-
Fleet	3,179	4,366	4,366	-	-
Information Services	2,988	5,515	2,530	2,985	-
Digital Services	8,348	6,739	6,734	-	5
Other	10	551	551	-	-
Subtotal	17,425	21,020	15,752	5,263	5
Projects					
Estates	17,030	21,707	6,845	14,862	-
Information Services	1,020	3,605	2,302	1,303	-
Subtotal	18,050	25,312	9,147	16,165	-
Total Capital Programme	35,475	46,332	24,899	21,428	5
Funded by					
Direct Revenue Financing	15,856	-	7,706	-	-
Reserves	8,029	-	5,192	-	-
Borrowing	8,890	-	3,796	-	-
Grants and Contributions	2,700	-	7,474	-	-
Capital Receipts	-	-	731	-	-
Total	35,475	-	24,899	-	-

6. WHO WORKS FOR SOUTH WALES POLICE

At 31st March 2024 the Force and OPCC was staffed by:

	Force FTE	Commissioner's Team FTE	Total FTE
Commissioner's Team		54.5	54.5
Police Officers	3,521.8	1.0	3,522.8
Police Staff	2,270.9	-	2,270.9
PCSOs	405.3	-	405.3
Total	6,198.0	55.5	6,253.5

NOTE: FTE excludes employees on career break or seconded out of SWP as at 31.03.2024.

The Force is also supported by Special Constables, Police Youth Volunteers (cadets) and volunteers.

7. COLLABORATION

The Force and Commissioner have a strong track-record of collaborative working with principal partners being the Police Forces in Wales, Local Authorities, HMPPS and Local and National Health Boards.

Key examples of front-line collaborations are the Joint Firearms Unit and Organised Crime Unit with Gwent and Dyfed Powys Police. Collaborative support functions include Joint Legal Services, Joint Procurement, Digital Services and Joint Scientific Support which are all delivered in partnership with Gwent Police. Total gross expenditure on collaborative activities by the Force for 2023-24 was £33.1M. Further detail is provided in the notes to the Statement of Accounts.

8. RISK MANAGEMENT

The Commissioner and Chief Constable actively manage Risk as part of recurring working practice. The Commissioner maintains a Risk Register and the Chief Constable manages Registers of Issues and Uncertainty. Both are updated on a regular basis and reported quarterly to the Resources Board – an oversight group that is jointly chaired by both respective Chief Finance Officers. A route of escalation is defined to the Chief Constable’s Gold meeting and the Commissioner’s Strategic Board. The registers are presented and reviewed by the independent members of the Joint Audit Committee for further challenge and scrutiny.

It is not possible to present the entire register of risks, issues and uncertainties, however, some of the more significant items that can be disclosed are:

COMMISSIONER / FORCE	RISK / ISSUE / UNCERTAINTY	POTENTIAL IMPACT	MITIGATION
Commissioner & Force	Potential insufficient budget in 2024/25 and beyond to implement fully the Commissioners Police & Crime Plan and the Chief Constable’s Delivery Plan in 2024/25 & beyond.	Potential for reduced performance and reduced capability. Potential inability to reward employees appropriately and low morale.	Robust in year financial management in 2023/24 to identify additional funding, increase productivity and setting an appropriate precept in Feb 2024 that allowed the Force to be resourced adequately into 2024/25. Continued uncertainty around 2025/26.
Commissioner	Change in rules governing police misconduct hearings.	Potential inability to appropriately resource misconduct hearings resulting in delays and backlogs causing reputational damage to policing.	Process is Home Office lead therefore OPCC/ Force can only wait for further guidance whilst making appropriate representations around the new process.
Force	Changes to Firearms Licensing requirements.	Surge in demand with backlog of applications.	Critical incident declared in order that resources can be directed appropriately to resolve.

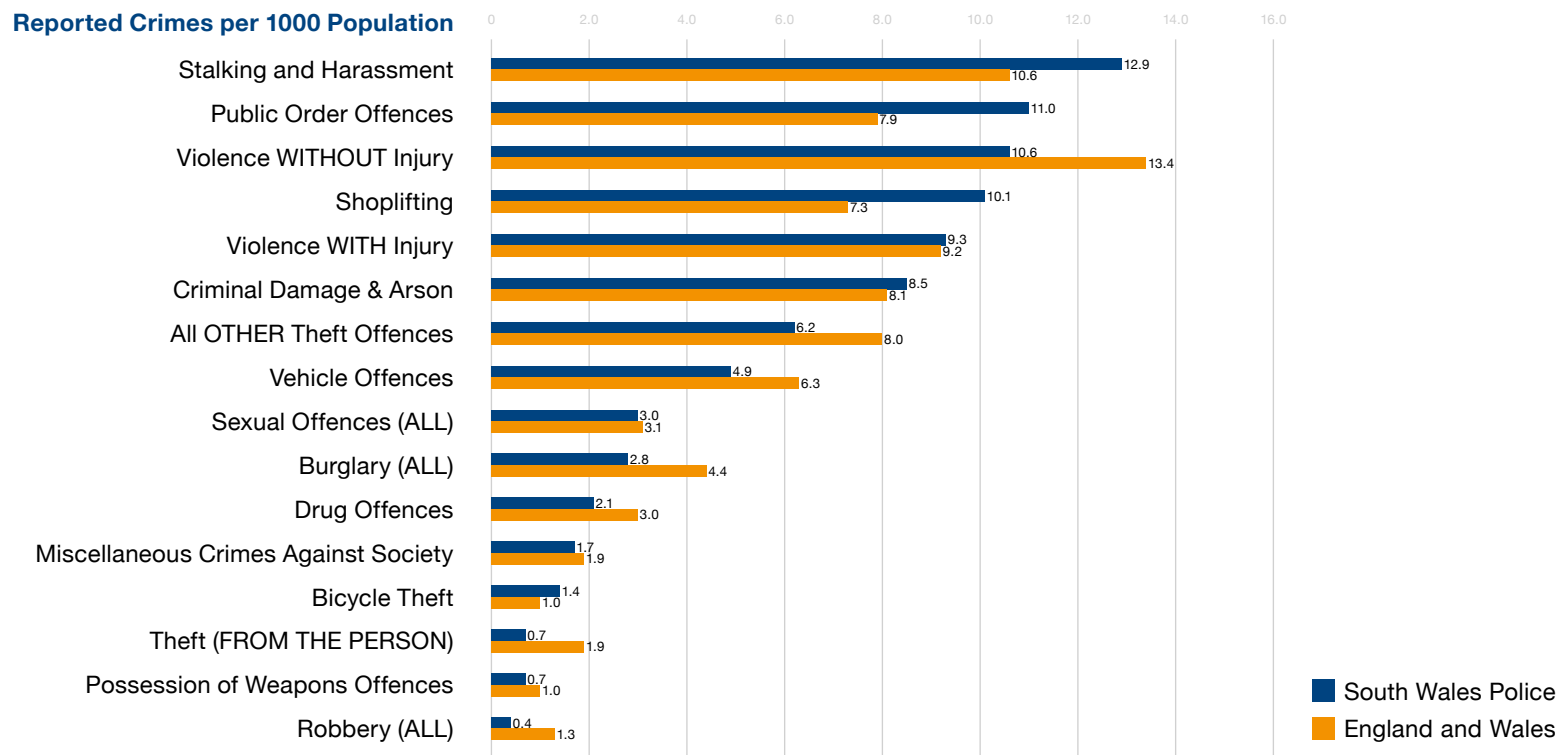
9. POLICE PERFORMANCE

While the Police & Crime Commissioner will hold the Chief Constable to account, the Chief Constable is responsible for the delivery of operational policing.

South Wales Police receive on average 20,000 999 emergency calls a month or 675 calls a day. Additionally, the force receives just over 1,000 101 non-emergency calls a day.

84.8% (2022-23: 78.3%) of 999 calls were answered within 10 seconds which is below the national target. Overall, 99.8% of 999 calls were answered (2022-23: 99.3%) and 88.5% of non-emergency calls were answered (2022-23: 80.5%).

Crime is recorded against ONS (Office for National Statistics) crime types. The most reported crime to South Wales Police is “Stalking and Harassment” and represents 12.9 occurrences per 1,000 people (the average for England & Wales is 10.6). Although “Shoplifting” and “Public Order” are higher than the national average, people are as likely or less likely overall to experience a crime in South Wales as in other parts of the country. A table of reported crime is presented here:



A “positive outcome” is a reported crime that concludes with a criminal charge or caution. Broadly it signifies the identification of an offender, that the underlying incident was a criminal offence, and that some form of justice has been applied.

Increasing the number of positive outcomes is one measure to reassure victims of crime of the effectiveness of their police force. South Wales Police maintained a 12.1% positive outcome rate for 2023-24 (2022-23: 11.5%).

For the most serious of crimes, like murder and drug trafficking this was 100% and 68% respectively. Crimes like criminal damage (8.0%) and bicycle theft (1.3%) are challenging to resolve and will reduce the overall average.

10. EXPLANATION OF ACCOUNTING STATEMENTS

The establishment of the two Corporations Sole requires each body to produce their own Statement of Accounts with the Commissioner producing a Statement of Accounts for the Group and Police Pension Fund. Notwithstanding their formal status as independent legal entities, the relationship between the Commissioner and the Chief Constable is based on working together for the benefit of the people of South Wales under the joint banner of 'South Wales Police'.

The Accounts and Audit (Wales) Regulations 2014 as amended, require Local Government Bodies to prepare a Statement of Accounts in accordance with proper practices. The Code of Practice on Local Authority Accounting in the UK (the Code) is identified as representing proper practices.

The Code applies to Local Government Bodies set out in the Public Audit (Wales) Act 2014 who are required to prepare accounts for audit by Auditor General for Wales. Section 12 of this Act was amended by the Police Reform Social Responsibility Act 2011 to replace reference to Police Authorities with Commissioners and Chief Constables.

The Code requires that Local Authorities prepare their financial statements in accordance with the International Accounting Standards Board (IASB) *Framework for the Preparation and Presentation of Financial Statements (the IASB Framework)* as interpreted by the Code. The IASB Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users of the accounts. The Statement of Accounts continues to follow International Financial Reporting Standards (IFRS).

Format of the Statement of Accounts

The Statement of Accounts comprises the following:

Statement of Responsibilities for the Statement of Accounts

Sets out the responsibilities of the Chief Constable and Chief Finance Officers during the production and approval of the Statement of Accounts.

Comprehensive Income and Expenditure Statement

This sets out the cost in the year of providing policing services in accordance with International Accounting Standards (IAS) rather than the amount funded from Government Grants and Council Tax Precept.

Balance Sheet

The Balance Sheet sets out the assets, liabilities and reserves held as at 31 March 2024.

Police Pension Fund Account

This sets out the income and expenditure associated with Police Officer Pensions, such as monthly pension payments and retirement lump sums

Notes to the Financial Statements

These provide more detailed information on items of income, expenditure, assets, liabilities and reserves that is not practical to show in the main accounting statements detailed above.

Explanation of Main Statements – Including intra group transfer of funding

This section explains the requirement for intra group funding between the Corporations Sole – the Commissioner and the Chief Constable. It focuses on the key elements of the accounts with further information being provided in the Accounting Policies.

Comprehensive Income and Expenditure Statement

All income and grants are credited to the Police Fund under the responsibility of the Commissioner and taken into account in the intra group transfer to the Chief Constable to finance expenditure.

All usable reserves are similarly held by the Commissioner for future allocations.

All unusable reserves/deficits are held by the Commissioner as certain legislation and government regulations for Local Authority Accounting do not currently apply to the Chief Constable. (Exemptions are required for pension deficits and capital asset depreciation and impairment adjustments, the latter already financed from grants and local taxation but nevertheless required under proper accounting principles as defined by the Code.)

Expenditure is accounted for on a 'direction and control' basis as costs are incurred by both the Chief Constable and Commissioner i.e.:

- Payroll expenditure for police officers and staff are charged to the Chief Constable other than those within the Police and Crime Commissioner's Team.
- Pension costs and future retirement benefits for police officers and staff are similarly charged for on the same basis.
- Non pay costs are charged to the Chief Constable other than those relating to the Police and Crime Commissioner's Team.
- Depreciation of Assets is notionally charged to the Commissioner, on an ownership basis, and recharged for the use of assets to the Chief Constable, which is taken into account in the intra group transfer.

Movement in Reserves Statement

This statement is not applicable given that there are no material balances to account for. The (surplus)/deficit on the provision of services and other comprehensive expenditure net to Nil by means of an intra group transfer to the Commissioner's Police Fund Account. (There are no balances on Reserve or Accounting Adjustments.)

Cash Flow

This statement is not applicable given that there are no material balances to account for. Bank accounts are held by the Commissioner and are operated on a Group basis.

Balance Sheet

The Chief Constable has no reserves or long term assets to account for. These are the responsibility of the Commissioner. Net assets net to nil by means of an intra group debtor for working capital to meet short term creditors, inventories and long term Pension Liabilities.

Expenditure and Funding Analysis

No separate Expenditure and Funding Analysis (EFA) is presented for the Chief Constable as it would provide an incomplete picture of the required disclosures. The Group EFA is presented within the Financial Statements section of the Police and Crime Commissioner for South Wales Police and shows the complete analysis as required.

Financial Performance of the Chief Constable

The below table details the sources of revenue funding for 2023-24 compared to the previous financial year:

	2023-24 %	2023-24 £M	2022-23 %	2022-23 £M
Budget Requirement				
Council Tax Income	46%	(163.8)	44%	(152.1)
Non-Domestic Rate Income (Welsh Government)	0%	(0.4)	0%	(0.5)
Revenue Support Grant (Welsh Government)	17%	(62.1)	18%	(61.9)
Police Grant (Home Office)	37%	(132.4)	38%	(131.9)
Total Funding	100%	(358.7)	100%	(346.4)

The final outturn position for the year, after allowing for planned transfers from/to Earmarked Reserves, was a small underspend of £0.27M which was transferred to the Police Fund. This outturn position is consistent with the objective of the Medium Term Financial Strategy (MTFS) of achieving greater than 99.5% accuracy on budget to actual spend.

Budget Area	Annual Budget £M	Full Year Spend £M	Carry Forward/ Transfer to Reserves & Provisions £M	Under/ (Over) Spend £M
Police Officer Pay and Pensions	191.3	189.4	0.0	1.9
Police Staff Pay	76.1	76.3	0.0	(0.2)
Devolved Budgets	9.5	9.9	0.1	(0.5)
Force/Contingency Budgets	26.3	28.4	0.0	(2.1)
Centralised Budgets	18.8	18.0	0.0	0.8
Externally Funded Budgets	23.0	21.2	0.0	1.8
Collaborative Budgets	26.5	24.5	0.5	1.5
Central Budgets	(19.6)	(25.3)	8.7	(3.0)
Office of the Police and Crime Commissioner	6.8	6.7	0.1	0.0
Total	358.7	349.1	9.4	0.2

The majority of the gross budget is attributable to Policing Services under the direction and control of the Chief Constable and is equal to that of the Group less the cost of administering the Office of the Police and Crime Commissioner. It should be noted that no income budgets are attributable to the Chief Constable as all income is recorded in the Police and Crime Commissioner's Statement of Accounts and Police and Crime Commissioner's Group Statement of Accounts.

The Police Fund

The balance on the Police Fund is below the target level of 3% of Gross Revenue Expenditure and is currently £10.9M against a target of £12.3M. Funding of £65M is retained in earmarked reserves for specific revenue and capital purposes. Further details of these are contained within the Group Statement of Accounts.

Pensions Liability

Actuarial Valuations

The Government Actuary's Department calculate the potential liability of the Police schemes based on Actuarial review, using Pension and Payroll data. This estimated liability increased over the year from £2.731bn to £2.820bn as at 31st March 2024, this was mainly attributed to changes in actuarial assumptions. The Pension Scheme for Police Officers is an unfunded government backed scheme.

In the case of Police Staff, South Wales Police is an admitted body to the Rhondda Cynon Tâf County Borough Council Local Government Pension Scheme. The Actuary's assessment of South Wales Police's share of the estimated deficit in this scheme decreased over the year from a surplus of £6.4M to a deficit of £0.9M at 31st March 2024, which was mainly due to changes in the actuarial assumptions. Pension funds should be regarded and maintained in balance over the longer term and the Employer contributions are assessed on a tri-annual basis.

Importantly, these unrealised net losses or gains for the year on both schemes have no direct impact on the cost of services in the Comprehensive Income and Expenditure Statement and the notional liability is recognised in the Balance Sheet only.



THE REPORT OF THE AUDITOR GENERAL FOR WALES TO THE CHIEF CONSTABLE FOR SOUTH WALES

Opinion on financial statements

I have audited the financial statements of the:

- Chief Constable for South Wales; and
- South Wales Police Pension Fund

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

The Chief Constable for South Wales' financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet and the related notes, including the material accounting policies.

The South Wales Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material accounting policies.

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

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Chief Constable for South Wales and the South Wales Police Pension Fund as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

Basis for opinion

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

My staff and I are independent of the Chief Constable for South Wales in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable for South Wales and the South Wales Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

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

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

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 16, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the South Wales Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Chief Constable for South Wales' and the South Wales Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Chief Constable for South Wales and the South Wales Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

- Enquiring of management, the head of internal audit and the Chief Constable for South Wales, including obtaining and reviewing supporting documentation relating to the Chief Constable for South Wales' and the South Wales Police Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and bias when calculating accounting estimates;
- Obtaining an understanding of the Chief Constable for South Wales' and the South Wales Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable for South Wales Police operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Chief Constable for South Wales Police and the South Wales Police Pension Fund.
- Obtaining an understanding of related party relationships.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Chief Constable for South Wales' and the South Wales Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website:

www.frc.org.uk/auditorsresponsibilities

This description forms part of my auditor's report.

Other auditor's responsibilities

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Chief Constable for South Wales and the South Wales Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Dated: 18th November 2024

ADRIAN CROMPTON

Auditor General for Wales, 1 Capital Quarter, Tyndall Street, Cardiff CF10 4BZ.

The maintenance and integrity of the Chief Constable for South Wales' website is his responsibility. The Auditor General for Wales accepts no responsibility for any changes that may have occurred to these statements since they were initially presented for audit.



STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS 2023-24

Responsibilities of the Chief Constable

The Chief Constable is required to:

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

I certify the approval of this Statement of Accounts.

Dated: 13th November 2024

JEREMY VAUGHAN
The Chief Constable for South Wales

Responsibilities of the Chief Finance Officer

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

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

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

The Chief Finance Officer has also:

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

I certify that the Statement of Accounts, presents a true and fair view of the financial position of the Police and Crime Commissioner for South Wales at the accounting date and his income and expenditure for the year ended 31 March 2024.

Dated: 13th November 2024

UMAR HUSSAIN FCCA
Chief Finance Officer

FINANCIAL STATEMENTS 2023-24

Comprehensive Income and Expenditure Statement (CIES) – Chief Constable

The Comprehensive Income and Expenditure 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.

	Note	Chief Constable 2023-24			Chief Constable 2022-23		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Police Officer Pay & Pensions		173,117	-	173,117	201,237	-	201,237
Police Staff Pay & Pensions		77,693	-	77,693	86,497	-	86,497
Devolved Budgets		12,163	-	12,163	13,863	-	13,863
Force/Contingency Budgets		43,892	-	43,892	41,846	-	41,846
Centralised Budgets		13,375	-	13,375	11,365	-	11,365
Externally Funded Budgets		31,467	-	31,467	29,990	-	29,990
Collaborative Budgets		33,833	-	33,833	40,651	-	40,651
Central Budgets		18,399	-	18,399	24,409	-	24,409
Police Services		403,939	-	403,939	449,858	-	449,858
Non Distributed Costs:							
■ Retirement Benefits Past Service Cost		(30)	-	(30)	-	-	-
Cost of Services	7	403,909	-	403,909	449,858	-	449,858
Other Operating Expenditure:							
■ Financing and Investment Income and Expenditure	6	124,775	-	124,775	104,584	-	104,584
■ Taxation and Non-Specific Grant Income		-	-	-	-	-	-
Commissioning Costs (Intra-Group Transfer)		(528,684)	-	(528,684)	(554,442)	-	(554,442)
(Surplus)/Deficit on Provision of Services		-	-	-	-	-	-
Actuarial (Gains)/Losses on Pension Assets/Liabilities		-	-	38,218	-	-	(1,344,462)
Commissioning Costs (Intra-Group Transfer)		-	-	(38,218)	-	-	1,344,462
Other Comprehensive (Income) and Expenditure		-	-	-	-	-	-
Total Comprehensive (Income) and Expenditure		-	-	-	-	-	-



Balance Sheet – Chief Constable

The Balance Sheet shows the value as at the Balance Sheet date of the recognised assets and liabilities. The net assets (assets less liabilities) are matched by the reserves held by the Group.

The Net Assets of the Chief Constable net to Nil, there being no reserve accounts to account for, with all assets and liabilities being the responsibility of the Commissioner. The Net Assets net to Nil by means of an intra group debtor for both working capital to meet short term creditors and long term Pension Liabilities.

	Note	31 March 2024 £000	31 March 2023 £000
Local Government Pension Scheme	14	-	6,277
Other Long Term Debtors	13	222	246
Long Term Debtors – Intra-group transfer		2,820,636	2,723,987
Long Term Assets		2,820,858	2,730,510
Inventories		2,705	2,313
Debtors – Intra-group working capital		44,032	39,068
Current Assets		46,737	41,381
Short Term Creditors	13	(46,737)	(41,381)
Current Liabilities		(46,737)	(41,381)
Other Long Term Creditors	13	-	-
Local Government Pension Schemes *	14	(878)	-
Police Pension Schemes	14	(2,819,980)	(2,730,510)
Long Term Liabilities		(2,820,858)	(2,730,510)
Net Assets		-	-

* The Balance Sheet shows the Chief Constable's portion of the LGPS liability. **Note 14** represents the IAS 19 liability for the Group.

Movement in Reserves Statement (MIRS)

This account is not applicable given that there are no material balances to account for. The (surplus)/deficit on the provision of services and other comprehensive expenditure net to Nil by means of an intra group transfer to the Commissioner's Police Fund Account. (There are no balances on Reserves or Accounting Adjustments.)

Cash Flow

This account is not applicable given that there are no material balances to account for. Bank accounts are held by the Commissioner and are operated on a Group basis.

Police Pension Fund Account

Police Scheme	2023-24 £000	2022-23 £000
Contributions receivable		
From employer:		
■ Normal	(43,168)	(39,313)
■ Early retirements (incl. capital equivalent charge for ill health retirements)	-	(333)
From members	(18,677)	(16,892)
	(61,845)	(56,538)
Transfers in		
Individual transfers in from other schemes	(330)	(263)
Benefits payable		
Pensions	95,402	87,187
Commutations and lump sum retirement benefits	13,854	16,516
Lump sum death benefits	281	123
	109,537	103,826
Payments to and on account of leavers		
Transfers out to other schemes	-	-
Transfers to other schemes	15	12
Refunds of contributions	100	111
	115	123
Sub-total before transfer from the Police Fund	47,477	47,148
Additional funding payable by Police Fund (by way of top up grant)	(47,477)	(47,148)
Funding Shortfall to be met by Police Fund	-	-
Net Asset Statement – Net current assets and liabilities		
Current assets:		
Debtor – net balances owed from the Police Fund	16,723	16,777
Current liabilities:		
Creditor – benefits payable to retiring officers end of March paid April	(1,174)	(1,360)
Creditor – net balances owed to Police Fund	(15,549)	(15,417)
Net	-	-

Notes to the Police Pension Fund Accounts

The requirement to establish a separate Police Pension Fund Account was established by the Police Pension Fund Regulations 2007 (SI 2007/1932). Employees' and Employers' contributions to this fund are set by central Government.

Since 2019-20, the Home Office has provided a grant to assist with the increased rate of employer's contributions to the police pension scheme. In 2023-24 the Commissioner received £3.1m (£3.1m in 2022-23) in recognition of this increase which was a result of changes in actuarial assumptions.

The police pension fund is administered and managed by a third party, XPS Administration.

The Police pension is an unfunded scheme and as such, the fund has no investment assets. The payments in and out of the Pension Fund are balanced to nil each year by receipt of additional contribution from the Police Fund, which is in turn reimbursed by the Home Office.

The fund's financial statements do not take account of future liabilities to pay pensions and other benefits after the year end. These are accounted for in the Group balance sheet as future retirement benefits. Other than the notes above, the Police Pension Fund has followed the accounting policies as set out in **Note 1** and **Note 14**.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies

General Principles

The Statement of Accounts summarises transactions for the financial year 2023-24 and the outturn at the year-end of 31 March 2024 and comparative positions in respect of 2022-23. The Commissioner is required to produce an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 which requires them to be prepared in accordance with proper accounting practices under Section 21 of the Local Government Act 2003. The general principles and practices adopted in compiling these accounts are those recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). Reference is made to the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (the Code) based on International Financial Reporting Standards (IFRS).

Local Government Bodies have some discretion in determining what policies need to be provided and the level of detail disclosed, but it should be noted that the Code states that users of financial statements are assumed to have a reasonable knowledge of accounting, which would limit the detail required in the summary of significant accounting policies.

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:

- 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; and
- where actual amounts were not available, it may have been necessary to use appropriate estimated values.

Comprehensive Income and Expenditure Statement

All income and grants are credited to the Police Fund under the responsibility of the Commissioner and taken into account in the intra group transfer to the Chief Constable to finance expenditure.

Expenditure is accounted for on a 'direction and control' basis as costs are incurred by both the Chief Constable and Commissioner i.e.

- payroll expenditure for police officers and staff are charged to the Chief Constable other than those within the Police and Crime Commissioner's Team;
- pension costs and future retirement benefits for police officers and staff are similarly charged for on the same basis;
- non pay costs are charged to the Chief Constable other than those relating to the Police and Crime Commissioner's Team; and
- depreciation of Assets is notionally charged to the Commissioner, on an ownership basis, and recharged for the use of assets to the Chief Constable, which is taken into account in the intra group transfer.

Movement in Reserves Statement

This statement is not applicable given that there are no material balances to account for. The (surplus)/deficit on the provision of services and other comprehensive expenditure net to Nil by means of an intra group transfer to the Commissioner's Police Fund Account. (There are no balances on Reserve or Accounting Adjustments.)

Cash Flow

This statement is not applicable given that there are no material balances to account for. Bank accounts are held by the Commissioner and are operated on a Group basis.

Balance Sheet

The Net Assets of the Chief Constable net to Nil, there being no reserve accounts to account for, with all Assets and Liabilities being the responsibility of the Commissioner. The Net Assets net to Nil by means of an intra group Debtor for both working capital to meet short term creditors and long term Pension Liabilities.

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 salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service. An accrual is made for the cost of holiday entitlements or any form of leave, (e.g. annual leave and flexi-leave) as earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to (Surplus) or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when there is a demonstrable commitment to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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

Post-Employment Benefits

Police Officers' pensions are unfunded by statute. However, the funding arrangements changed on 1 April 2006 from 'Pay As You Go' (i.e. based on payments to current pensioners), a direct charge to the Revenue Account, to an annual employers' pension contribution based on percentage of salary, with the balance payable to pensioners met from a grant provided by the Home Office. All other employees are eligible to join the Local Government Pension Scheme.

The Commissioner and Chief Constable are participating members of the Rhondda Cynon Tâf County Borough Council Pension Fund making appropriate employer contributions for their staff scheme members into that fund.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees.

Events after the reporting period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Events taking place after this latter date are not reflected in the financial statements or notes.

Where events taking place before this date (adjusting events) provide information about conditions existing at the Balance Sheet date, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information. Where events taking place before this date (non-adjusting events) are indicative of conditions arising after the Balance Sheet date, the financial statements are not adjusted, but if material, disclosure will be made in a note.

Exceptional items and prior period adjustments

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

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

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

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Inventories and long-term contracts

Inventories (stocks) are valued at the lower of cost or net realisable value. Long term contracts are 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.

Joint arrangements – Accounting for the consolidation of joint arrangements

Where the Commissioner/Force has entered into collaborative arrangements with other Commissioners/Forces an assessment has been made against IFRS 11 Joint Arrangements to determine the appropriate accounting treatment. IFRS11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All of the Commissioner's/Force's such arrangements are classed as Joint Operations where the Commissioner/Force is entitled to their fair share of the Joint Operations' Assets and Liabilities.

Leases

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

Value added tax

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

NOTE 2: Accounting Standards Issued, Not Adopted

Under the Code the Group is required to report information setting out the impact of an accounting change required by a new accounting standard which has been issued but not yet adopted by the code.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.
- IFRS 16 Leases issued in January 2016.

The Code of Practice on Local Authority Accounting in the United Kingdom (The Code) 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 of 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 and corresponding right of use assets in the region of £4-5m. Preliminary work has been carried out in order to calculate the values of all right of use assets and external valuer, Avison Young, has been engaged to value all peppercorn leased properties.

NOTE 3: Critical Judgements in Applying Accounting Policies

In applying the accounting policies, South Wales Police/the Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts include:

- That there is a high degree of uncertainty about future levels of funding. The Commissioner has determined that this uncertainty is not yet sufficient to provide an indication that the assets might be further impaired as a result of a need to close facilities and reduce levels of service provision.
- Accruals for accumulated absences are based on information from the force rostering system for both officers and rostered operational staff and other police staff, however the accrual is based on a salary that does not reflect future pay awards or increments when the absence may finally be taken.

NOTE 4: Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

- **Pensions** – information is received from the Actuary for both the Police and Local Government Pension Scheme Liabilities. **NOTE 4 (TABLE A) on page 23** shows the sensitivity analysis on the assumptions used.

NOTE 4 (TABLE A)

Item of Uncertainty		Effect if Actual Results Differ from Assumptions	
Pensions Liability – Police (Information from Actuary)			
Sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions:			
Change in Assumption *		Impact on Defined Benefit Obligation (DBO)	
		%	£ million
Rate of discounting scheme liabilities	+0.5% a year	-7.5%	218
Rate of increase in salaries	+0.5% a year	1.0%	27
Rate of increase in pensions/deferred revaluation	+0.5% a year	7.5%	214
Life expectancy: all members and adult dependants assumed to be one year younger		2.5%	71
Pensions Liability – LGPS (Information from Actuary)			
The results shown in the report are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2024 is set out below.			
In each case, only the assumption mentioned is altered; all other assumptions remain the same. For inflation, for example, we have assumed this will not change the salary inflation figure and will affect pension increases only. We have not included sensitivity of unfunded benefits on materiality grounds.			
Change in Assumption *		Impact on Defined Benefit Obligation (DBO)	
		%	£ million
Adjustment to discount rate	+0.1% p.a	-2.0%	-9.55
Adjustment to salary increase rate	+0.1% p.a	0.3%	1.43
Adjustment to pension increase rate	+0.1% p.a	1.7%	8.11
Adjustment to mortality age rating assumption **	+1 year	-2.5%	-11.9

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the DBO. Doubling the changes in the assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above. The weighted average duration of the defined benefit obligation is around 17 years for all schemes combined.

** A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

NOTE 5: Events after the Reporting Period

There are no post Balance Sheet events.

NOTES TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

NOTE 6: Financing and Investment Income and Expenditure

The net interest expense/net interest on the net defined benefit liability (asset) is recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2023-24 £000	2022-23 £000
Pension interest costs	124,760	104,660
Less Pension items relating to the Commissioner	15	(76)
Total	124,775	104,584

NOTE 7: Subjective Analysis – Expenditure

The total expenditure within the cost of services is analysed below between pay and non-pay expenditure.

	2023-24 £000	2022-23 £000
Employee expenses	323,153	368,790
Other operating expenses	80,756	81,068
Total Operating Expenses	403,909	449,858
Net Cost of Services	403,909	449,858

NOTE 8: Leases

Operating Leases

Assets acquired under leases are legally leased by the Police and Crime Commissioner but used by the Chief Constable. These include property and equipment leases. The future minimum lease payments due under non-cancellable leases in future years are:

	2023-24 £000	2022-23 £000
Not later than one year	958	1,042
Later than one year and not later than five years	1,813	1,042
Later than five years	3,460	1,621
Total	6,231	3,705

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

	2023-24 £000	2022-23 £000
Minimum lease payments (annual cost)	1,172	1,399
Total	1,172	1,399

NOTE 9: Officers'/Employees' Remuneration

Remuneration Ratio

This disclosure is a requirement of the Accounts and Audit (Wales) Regulations 2014 and ensures transparency and accountability in public sector entities.

Chief Constable

The ratio between the Chief Constable to the median remuneration within the Force was:

	2023-24	2022-23
Highest Paid Director (Chief Constable) – Annualised Salary	£193,278	£ 177,870
Median	£35,745	£ 34,042
Ratio	5.4	5.2

Remuneration Bandings

During the year the number of police officers and employees who received remuneration in excess of £60,000 are provided on page 25. This is a specific requirement of the Accounts and Audit (Wales) Regulations 2014. Definition includes annual salaries and expense allowances but excludes employer's pension contributions. It also includes exit payments as appropriate. The following table excludes senior police officers that are recorded in the tables on pages 26 and 27. This is in accordance with regulations. There was a pay award for staff and officers of 7% in September 2023 which resulted in the significant rise in numbers in the lower remuneration band.

Single Entity – Chief Constable

Bandings £	Numbers 2023-24	Numbers 2023-24
60,000-64,999	257	152
65,000-69,999	78	41
70,000-74,999	30	16
75,000-79,999	10	9
80,000-84,999	12	12
85,000-89,999	8	12
90,000-94,999	12	3
95,000-99,999	2	4
100,000-104,999	6	-
105,000-109,999	1	-
Total	416	249

Exit Packages

There was one exit package agreed in 2023-24 resulting in a payment of £37,741.76 for the capital cost of early retirement. There were no exit packages in 2022-23.

Remuneration Report for senior relevant police officers and senior employees

The following table sets out the remuneration disclosures for relevant police officers (above the rank of Superintendent) and senior employees (designated office holders to a local government body) whose salary is equal to or more than £60,000 per year. The regulations require persons whose salary exceeds £150,000 per year must also be identified by name. In addition to the remuneration included above, the following disclosures include employers' pension contributions. Where columns are nil, they need not be included. Equivalent disclosure is provided for the comparative year.



The Chief Constable 2023-24

Post Holder Information (Post Title and Name)	From	To	Salary (including fees & allowances) £	Annualised Salary £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind (e.g. car allowance) £	Other payments £	Total Remuneration excluding pension contributions 2023-24 £	Pension contributions £	Total Remuneration including pension contributions 2023-24 £
Chief Constable J. Vaughan	01/04/2023	31/03/2024	193,278	193,278	-	-	-	-	-	193,278	59,916	253,194

Post Holder Information (Post Title)	Notes	From	To	Salary (including fees & allowances) £	Annualised Salary £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind (e.g. car allowance) £	Other payments £	Total Remuneration excluding pension contributions 2023-24 £	Pension contributions £	Total Remuneration including pension contributions 2023-24 £
Deputy Chief Constable 1	Note 1	01/04/2023	26/11/2023	93,853	145,305	-	-	-	-	-	93,853	29,094	122,947
Deputy Chief Constable 2	Note 2	24/11/2023	31/03/2024	52,697	145,305	-	-	-	3,564	-	56,261	16,336	72,597
ACC Territorial Policing 1	Note 3	01/04/2023	31/03/2024	126,068	126,068	-	-	-	9,751	-	135,819	39,081	174,900
T/ACC Territorial Policing 2		01/04/2023	31/03/2024	118,297	118,297	-	-	-	2,895	-	121,192	36,672	157,864
T/ACC Territorial Policing 3	Note 4	01/04/2023	31/03/2024	116,193	116,193	-	516	-	-	-	116,709	36,020	152,729
ACC Specialist Crime 1		01/04/2023	31/03/2024	112,561	112,561	-	1,239	-	-	-	113,800	34,894	148,694
T/ACC Specialist Crime 2	Note 5	28/08/2023	23/11/2023	27,676	111,891	43	299	-	-	-	28,018	8,580	36,598
ACC All Wales Police Collaboration		01/04/2023	31/03/2024	113,418	113,418	-	-	-	6,694	-	120,112	35,159	155,271
ACC Head of Support Portfolio 1	Note 2	01/04/2023	23/11/2023	80,348	126,068	-	-	-	6,598	-	86,946	24,908	111,854
T/ACC Head of Support Portfolio 2		24/11/2023	31/03/2024	40,579	111,891	-	437	-	-	-	41,016	12,579	53,595
Chief Financial Officer		01/04/2023	31/03/2024	126,068	126,068	-	-	-	5,289	-	131,357	20,423	151,780
Chief People Officer	Note 6	01/04/2023	31/03/2024	126,068	126,068	-	-	-	4,634	6,015	136,717	20,014	152,731
Director of Joint Legal Services		01/04/2023	31/03/2024	92,017	92,017	-	-	-	-	-	92,017	14,907	106,924

Note 1: Left South Wales Police 26/11/2023.

Note 2: Promoted to Deputy Chief Constable from ACC Head of Support Portfolio 24/11/2023.

Note 3: Seconded to National Police Chiefs' Council 16/01/2023. Employment costs fully recovered from NPCC.

Note 4: Temporary promotion 27/03/2023 to cover long term illness of T/ACC Territorial Policing 2.

Note 5: Temporary promotion to ACC Specialist Crime between 28/08/2023 and 23/11/2023.

Note 6: Discretionary performance-based non-pensionable payment of £8,538 in year for the period April 2022 to August 2023.

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

The Chief Constable 2022-23

Post Holder Information (Post Title and Name)	From	To	Salary (including fees & allowances) £	Annualised Salary £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind (e.g. car allowance) £	Other payments £	Total Remuneration excluding pension contributions 2023-24 £	Pension contributions £	Total Remuneration including pension contributions 2023-24 £
Chief Constable J. Vaughan	01/04/2022	31/03/2023	177,870	177,870	-	-	-	-	-	177,870	55,140	233,010

Post Holder Information (Post Title)	Notes	From	To	Salary (including fees & allowances) £	Annualised Salary £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind (e.g. car allowance) £	Other payments £	Total Remuneration excluding pension contributions 2023-24 £	Pension contributions £	Total Remuneration including pension contributions 2023-24 £
Deputy Chief Constable	Note 1	01/04/2022	31/03/2023	138,813	138,813	-	-	-	-	42,038	180,851	43,032	223,883
ACC Territorial Policing 1	Note 2	01/04/2022	15/01/2023	94,933	120,330	-	-	-	8,143	-	103,076	29,429	132,505
ACC Territorial Policing 2		16/01/2023	31/03/2023	22,541	106,710	-	-	-	-	-	22,541	6,988	29,529
T/ACC Territorial Policing 2		27/03/2023	31/03/2023	1,445	106,710	-	17	-	-	-	1,462	448	1,910
ACC Specialist Crime	Note 3	01/04/2022	05/03/2023	111,864	120,330	-	-	-	9,273	15,903	137,040	34,678	171,718
T/ACC Specialist Crime		27/02/2023	31/03/2023	9,598	106,710	-	111	-	-	-	9,709	2,976	12,685
ACC All Wales Police Collaboration 1	Note 4	01/04/2022	19/03/2023	104,303	107,990	-	-	-	7,563	-	111,866	32,334	144,200
ACC All Wales Police Collaboration 2		16/01/2023	31/03/2023	22,541	106,710	-	-	-	-	-	22,541	6,988	29,529
ACC Head of Operational Support	Note 1	01/04/2022	31/03/2023	120,330	120,330	-	-	-	7,605	6,509	134,444	37,302	171,746
T/ACC Head of Operational Support	Note 5	31/05/2022	31/08/2022	26,684	106,710	5	3	-	-	-	26,692	8,272	34,964
Director of Joint Legal Services	Note 6	01/04/2022	31/03/2023	88,407	88,407	-	-	-	-	-	88,407	14,145	102,552
Chief Financial Officer	Note 7	01/04/2022	31/03/2023	120,330	120,330	-	-	-	5,289	9,923	135,542	20,841	156,383
Director of Human Resources	Note 8	01/04/2022	31/03/2023	114,314	114,314	-	-	-	11,277	9,438	135,029	18,290	153,319

Note 1: The other payment relates to a taxation liability resulting from relocation.

Note 2: The Postholder was seconded to the NPCC 16/01/2023 with full cost recovering.

Note 3: The Postholder resigned on 05/03/2023. The other payments amount related to untaken Annual Leave and a payment relates to a taxation liability resulting from relocation.

Note 4: The Postholder resigned on 19/03/2023.

Note 5: Temporary Promotion to ACC Territorial Policing to cover Long Term Sickness.

Note 6: Retrospective Redesignation of Post Title.

Note 7: Other payments are back pay: £3,962 relating to 2020/21; £5,961 to 2021/22. Associated employer's pension contributions included above: £634 for 2020/21; £954 for 2021/22.

Note 8: Other payments are back pay: £3,477 relating to 2020/21; £5,961 to 2021/22.

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

NOTE 10: Members' Allowances

In accordance with the Code, £10.1k (total for the group) allowances were paid to members of the Joint Audit Committee in 2023-24 (£9k 2022-23). Members' allowances apply to both the Police and Crime Commissioner's and the Chief Constable's accounts. Members receive a taxable attendance allowance which is paid through payroll.

NOTE 11: External Audit Costs

South Wales Police/the Commissioner has incurred £127k (2022-23 £119k) covering both the Commissioner and the Chief Constable, in relation to the audit of the Statement of Accounts. The total fee is split equally between the Commissioner and Chief Constable.

NOTE 12: Related Parties

IAS24 requires South Wales Police to disclose all material transactions with related parties – bodies or individuals that have the potential to control or influence, or to be controlled by the South Wales Police. Disclosure of these transactions allows readers to assess the extent to which the South Wales Police might have been constrained in their ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with South Wales Police.

Members

All Members of the Joint Audit Committee (JAC) were issued with a form to declare any external interests and related party transactions. The total of members' allowances paid is shown in Note 10. The related party transactions that occurred are reported below.

Member	Relationship	Related Party	Related Party Transactions			
			Expenditure £ 23-24	Income £ 23-24	Creditors £ 31/03/2024	Debtors £ 31/03/2024
Chair of JAC	Chair of the Governance and Audit Committee	Swansea Council	873,121	2,368	-	-
Member of JAC	Chair of the Standards Committee	Swansea Council	873,121	2,368	-	-
Member of JAC	Member of Audit Committee	Welsh Government *	-	139,186	-	10,120
Member of JAC	Chair of the Governance and Audit Committee, Member of the Joint Scrutiny Committee and Member of the Standards Committee	Merthyr Tydfil County Borough Council	578,190	-	-	-
Member of JAC	Chair of the Standards Committee	Mid & West Wales Fire Authority	10,842	224,603	-	-
Member of JAC	Member of the Education and Inclusion Committee	Rhondda Cynon Taf Council	1,050,904	619,576	-	48,132
Member of JAC	Member of Audit Committee	ACAS	4,130	-	-	-
Member of JAC	Non-legal Member	HM Courts and Tribunal Service	408	-	-	-
Member of JAC	Independent Board Member **	Velindre University NHS Trust	750	-	-	-
Member of JAC	Board Member	Sport Wales	23,200	-	-	-
Member of JAC	Member of the Governance and Audit Committee	Pembrokeshire County Council	4,890	-	-	-

* During 2023/24, the Commissioner received a number of grants from Welsh Government which are detailed in Note 11.

** Position ceased from 31/1/24.

Chief Officer Team

Position	Relationship	Related Party	Related Party Transactions			
			Expenditure £ 23-24	Income £ 23-24	Creditors £ 31/03/2024	Debtors £ 31/03/2024
Senior Member of CC Team	Director	The Cyber Resilience Centre for Wales Limited	-	44,469	-	-

A robust process is in place to approve and register the business interests of both police staff and officers.

It should be noted that, aside from the interests declared above, the office of Chief Constable conveys the responsibility of trusteeship of the South Wales Police Youth Trust. A donation of £20,000 was made to the charity in 2023-24 (nil in 2022-23) under the Proceeds of Crime Act 2002.

NOTES TO THE BALANCE SHEET

NOTE 13: Debtors and Creditors

Long Term Debtors

In 2022-23, there was a change to the weekend enhancements terms and conditions for some employees and as a result they were entitled to a loan that would only be repayable on their termination of employment. No interest was charged on the loans as it is unknown as to the timeframe that each individual loan will be repaid:

	2023-24 £000	2022-23 £000
Balance outstanding at start of year	246	-
Nominal value of new loans in year	-	259
Loans Repaid	(24)	(13)
Balance outstanding at year end	222	246

Current Creditors

Amounts owed to third parties within 12 months of the balance sheet date:

	2023-24 £000	2022-23 £000
Central government bodies	8,436	9,056
Other local authorities	6,012	5,662
NHS	132	113
Other entities and individuals (incl other funds) *	36,764	30,608
Less Creditor items relating to the Commissioner	(4,607)	(4,058)
Total	46,737	41,381

* Included in this figure is a balance of £6.017m (£6.557m in 2022-23) which represents monies seized under the Police and Criminal Evidence Act 1984 and the Proceeds of Crime Act 2002, which are banked and held by South Wales Police pending the outcome of criminal proceedings, upon which the court will order that sums are either forfeited and retained by the Force or repaid to the individual subject to the initial investigation. The assumed liability to repay is recognised in Short Term Creditors. The third party asset is pooled with the Commissioner's funds and so recognised in Cash & Cash Equivalents in the PCC/Group accounts. South Wales Police also holds in storage non-cash items operationally confiscated. These items are not ascribed any cash valuation and are not held on the balance sheet.

NOTE 14: Defined Benefit Pension Schemes

Legal Cases

Virgin Media

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

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

McCloud/Sargeant

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

On 16 July 2020, HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes were discriminatory (rather it was the transitional provisions), the legacy schemes will be removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period.

Due to the differing benefits structures, the Actuary expects that the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018-19 pension disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021-22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service. Now that the remedy window is closed, the Actuary has moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme where benefits are expected to be paid from. This has led to a past service cost of £48m added to the 1987 Scheme and a past service cost of £3m in the 2006 Scheme. As these liabilities are no longer held within the 2015 Scheme there is a past service gain of £52m.

The Local Government Pension Scheme (LGPS – for Police Staff)

The Balance Sheet included in this Statement of Accounts shows an adjusted liability for LGPS. The adjustment is based on a notional apportionment of staff who work for South Wales Police as opposed to the Commissioner. The figures presented in this disclosure note refer to the group position based on the single report provided by AON.

Participation in Pension Schemes

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

South Wales Police/the Commissioner participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Rhondda Cynon Tâf (RCT) County Borough Council. This is a funded defined benefit final salary scheme, meaning that South Wales Police/the Commissioner and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The method used to determine the rate of employer's contribution are based on review by the scheme actuaries. There is no agreement with other public bodies to share other employer deficits.
- Arrangements for the award of discretionary post retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

2022 Actuarial Valuation

The effect of allowing for this is shown in the 'Actuarial (gains)/losses due to liability experience' and the 'Return on plan assets (in excess of)/below that recognised in net interest' and is reflected in the balance sheet position. The demographic assumptions have also been updated to reflect those used for the 2022 Actuarial Valuation. These changes have had a positive effect on the balance sheet position.

Transactions Relating to Post-employment Benefits

We recognise 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. The results allow for the 2022 Actuarial Valuation of the Fund.

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 post-employment/retirement benefits is reversed out of the Police Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

	Pension Scheme 2023-24 £000	Discretionary Benefits Arrangements 2023-24 £000	Total 2023-24 £000	Pension Scheme 2022-23 £000	Discretionary Benefits Arrangements 2022-23 £000	Total 2022-23 £000
Local Government Pension Scheme and Unfunded Discretionary Benefits						
Comprehensive Income and Expenditure Statement						
Cost of Services:						
■ Current service cost	16,740	-	16,740	36,470	-	36,470
Financing and Investment Income and Expenditure:						
■ Interest on net defined benefit liability/(asset)	(680)	40	(640)	4,280	30	4,310
Total Post Employment Benefit charged to Comprehensive Income and Expenditure Statement	16,060	40	16,100	40,750	30	40,780
Other Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement:						
■ Return on plan assets (in excess of)/below that recognised in net interest	(31,500)	-	(31,500)	48,430	-	48,430
Actuarial (gains)/losses:						
■ Due to changes in financial assumptions	(19,700)	-	(19,700)	(288,820)	(200)	(289,020)
■ Due to changes in demographic assumptions	(7,090)	(20)	(7,110)	(840)	-	(840)
■ Due to liability experience	6,960	(40)	6,920	41,180	100	41,280
■ Due to restriction of surplus	57,680	-	57,680	-	-	-
Total Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement	6,350	(60)	6,290	(200,050)	(100)	(200,150)
Total Amount Recognised	22,410	(20)	22,390	(159,300)	(70)	(159,370)
Movement in Reserves Statement:						
■ Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(16,060)	(40)	(16,100)	(40,750)	(30)	(40,780)
Actual amount charged against the Police Fund Balance for pensions in the year:						
■ Employers' contributions payable to scheme			15,100			13,490
■ Retirement benefits payable to pensioners						-

Assets and liabilities in relation to Post-employment Benefits	Funded Pension Scheme	Unfunded Discretionary Benefits	Total	Funded Pension Scheme	Unfunded Discretionary Benefits	Total
Reconciliation of present value of the scheme liabilities (defined benefit obligation):	2023-24	2023-24	2023-24	2022-23	2022-23	2022-23
	£000	£000	£000	£000	£000	£000
Opening balance at 1 April	(466,550)	(1,010)	(467,560)	(666,990)	(1,170)	(668,160)
Current service cost	(16,740)	-	(16,740)	(36,470)	-	(36,470)
Interest cost	(21,300)	(40)	(21,340)	(17,930)	(30)	(17,960)
Contributions by scheme participants	(5,980)	-	(5,980)	(5,450)	-	(5,450)
Benefits paid	13,410	90	13,500	11,810	90	11,900
Actuarial (gains)/losses:						
■ Due to changes in financial assumptions	19,700	-	19,700	288,820	200	289,020
■ Due to changes in demographic assumptions	7,090	20	7,110	840	-	840
■ Due to liability experience	(6,960)	40	(6,920)	(41,180)	(100)	(41,280)
Closing balance at 31 March	(477,330)	(900)	(478,230)	(466,550)	(1,010)	(467,560)

Reconciliation of fair value of the scheme (plan) assets: Local Government Pension Scheme	2023-24	2022-23
	£000	£000
Opening balance at 1 April	473,950	501,690
Interest income on assets	21,980	13,650
Remeasurement gains/(losses) on assets	31,500	(48,430)
Employer contributions	15,100	13,490
Contributions by scheme participants	5,980	5,450
Benefits paid	(13,500)	(11,900)
Closing balance at 31 March	535,010	473,950

Scheme History	2023-24	2022-23	2021-22	2020-21	2019-20
	£000	£000	£000	£000	£000
Present value of liabilities:					
Local Government Pension Scheme	(477,330)	(466,550)	(666,990)	(696,570)	(518,810)
Discretionary Benefits	(900)	(1,010)	(1,170)	(1,290)	(1,250)
Fair value of assets in the Local Government Pension Scheme	535,010	473,950	501,690	476,370	355,320
Total	56,780	6,390	(166,470)	(221,490)	(164,740)
Surplus/(deficit) in the scheme:					
Local Government Pension Scheme – Funded Status	57,680	7,400	(165,300)	(220,200)	(163,490)
Unrecognised asset	(57,680)	-	-	-	-
Local Government Pension Scheme	-	7,400	(165,300)	(220,200)	(163,490)
Discretionary Benefits	(900)	(1,010)	(1,170)	(1,290)	(1,250)
Total	(900)	6,390	(166,470)	(221,490)	(164,740)

Net Pension Asset in 2023-24

In 2022-23, the IAS19 Balance Sheet showed a net pensions asset. However, in 2023-24, the Balance Sheet is showing a net pension asset before consideration of a surplus restriction under paragraph 64 of IAS19 which states:

“When an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of (a) the surplus in the defined benefit plan; and (b) the asset ceiling, determined using the discount rate”.

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

The Actuary undertook the necessary calculations of the potential surplus.

Basis for Estimating Assets and Liabilities

Assets have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the County Council Fund being based on the 2022 valuation of the scheme.

The principal assumptions used by the actuary are detailed in the following table:

Local Government Pension Scheme	Pension Scheme 2023-24	Discretionary Benefits 2023-24	Pension Scheme 2022-23	Discretionary Benefits 2022-23
Mortality Assumptions				
Pensioner Member Aged 65 at Accounting Date:				
■ Men	21.0	21.0	21.6	21.6
■ Women	23.8	23.8	24.2	24.2
Active Member aged 45 at Accounting Date:				
■ Men	22.3	-	22.9	-
■ Women	25.2	-	25.7	-
Principal Financial Assumptions				
Rate of increase in salaries	3.85%	-	3.85%	-
Rate of increase in pensions	2.60%	2.60%	2.60%	2.60%
Rate for discounting scheme liabilities	4.80%	4.80%	4.60%	4.60%

Asset Allocation

The approximate split of assets for the Fund as a whole (based on data supplied via the Actuary and by the Fund Administering Authority) is shown in the table below:

Local Government Pension Scheme	31 March 2024 %	31 March 2023 %
Equity Investments	64.0%	68.1%
Property	6.5%	7.8%
Government Bonds	12.2%	10.5%
Corporate Bonds	15.6%	12.4%
Cash and other Assets	1.7%	1.2%
	100.0%	100.0%

Contributions for the accounting period ending 31 March 2025

The employers' regular contributions to the Fund for the accounting period ending 31 March 2025 are estimated to be £15.5m. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

The Police Pension Scheme (for Police Officers)

This includes the 1987, 2006, and 2015 police pension schemes plus the injury benefit scheme.

Participation in Pension Schemes

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

South Wales Police/the Commissioner participates in two post employment schemes:

- The Police Pension Scheme, administered by XPS Administration, is an unfunded defined benefit scheme, meaning that there are no investment assets built up to meet pension liabilities. Instead, from 1st April 2006, actual pension payments are met from a combination of employers' and employee contributions, based on percentages of police salaries, and the balance from Government Grant.
- Discretionary post retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions Relating to Post-employment Benefits

We recognise 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. A software model, developed by the Government Actuary's Department, has been used to calculate the potential long term liability and cost estimates of the Police schemes based on Actuarial review, using Pension and Payroll data.

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 post-employment/retirement benefits is reversed out of the Police Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

	Pension Scheme and Discretionary Benefits 2023-24 £000	Pension Scheme and Discretionary Benefits 2022-23 £000
Police Pension and Unfunded Injury Benefit Scheme		
Comprehensive Income and Expenditure Statement		
Cost of Services:		
■ Current service cost	24,770	71,360
■ Past service costs	(30)	-
Financing and Investment Income and Expenditure:		
■ Interest on net defined benefit liability/(asset)	125,400	100,350
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	150,140	171,710
Other Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement		
Actuarial (gains)/losses:		
■ Due to changes in financial assumptions	(57,540)	(1,284,040)
■ Due to changes in demographic assumptions	-	(57,660)
■ Due to liability experience	89,620	193,840
Total Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement	32,080	(1,147,860)
Total Amount Recognised	182,220	(976,150)
Movement in Reserves Statement		
■ Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(150,140)	(171,710)
Actual amount charged against the Police Fund Balance for pensions in the year		
■ Employers' contributions payable to scheme	43,076	39,330



Assets and Liabilities in relation to Post-Employment Benefits

	Pension Scheme and Discretionary Benefits 2023-24 £000	Pension Scheme and Discretionary Benefits 2022-23 £000
Reconciliation of present value of the scheme liabilities (defined benefit obligation):		
Opening balance at 1 April	(2,730,510)	(3,794,970)
Current service cost	(24,770)	(71,360)
Past service charge	30	-
Interest cost	(125,400)	(100,350)
Contributions by scheme participants	(18,930)	(17,190)
Due to changes arising on the defined benefit obligation	(89,620)	(193,840)
Due to changes in demographic assumptions	-	57,660
Due to changes in financial assumptions	57,540	1,284,040
Benefits paid	111,680	105,500
Closing balance at 31 March	(2,819,980)	(2,730,510)

The liabilities show the underlying commitments that South Wales Police/the Commissioner has in the long run to pay post-employment (retirement) benefits. The total liability of £2.820bn (£2.731bn 2022-23) has a substantial impact on the net worth of South Wales Police/the Commissioner as recorded in the Balance Sheet, resulting in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of South Wales Police/the Commissioner remains healthy:

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

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Police Pension Scheme and Discretionary Benefits liabilities have been assessed by the Government Actuary's Department (GAD) an agency of the UK Government, using payroll and pension data provided by or on behalf of South Wales Police/the Commissioner. A full revaluation exercise is being undertaken and the disclosure is based on data used for that exercise. The value of liabilities has been calculated as at 31 March 2023 by rolling forward the liability calculated as at 31 March 2020 to 31 March 2023.

This approach is reasonable but introduces some degree of uncertainty. It should therefore be recognised that the results may differ from those that would emerge following an actuarial valuation based on full membership data as at 31 March 2023.

The principal assumptions used by the actuary are detailed in the following table:

Police Pension and Unfunded Injury Benefit Scheme	Pension Scheme and Discretionary Benefits 2023-24	Pension Scheme and Discretionary Benefits 2022-23
Mortality assumptions		
Pensioner Member Aged 65 at Accounting Date:		
■ Men	21.9	21.9
■ Women	23.6	23.5
Active Member aged 45 at Accounting Date:		
■ Men	23.6	23.5
■ Women	25.1	25.0
Principal Financial Assumptions		
Rate of inflation CPI	2.60%	2.60%
Rate of increase in salaries	3.85%	3.85%
Rate of increase in pensions	2.60%	2.60%
CARE revaluation rate	3.85%	3.85%

Contributions for the accounting period ending 31 March 2025

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2025 are estimated to be £59.2m.

Membership numbers in the various pension schemes will vary from those estimated. Employer contributions will change due to the difference between estimated numbers and actual. Injury awards will also vary due to mortality issues and additional members can be admitted to the Injury Awards scheme. These factors are difficult to predict.

Covid-19 Impact on Pension Schemes

Police Officers Scheme

The Actuary has commented that current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving the Office of National Statistics (ONS) 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of Covid-19 pandemic on mortality rates in the short term. Based on this, short term adjustments were made to the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long term rates of future mortality improvement are not projected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. SWP expects that the projected of the long-term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

LGPS Scheme

No reference is made to the impact of Covid-19 in the LGPS Actuary Report.

NOTE 15: Contingent Liabilities & Contingent Assets

There are no contingent liabilities nor contingent assets at the balance sheet date.

NOTES ON COLLABORATION

NOTE 16: Collaboration

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

The Police and Crime Commissioner for each Police Force will be responsible for ensuring the Strategic Policing Requirement is met. As part of this, they will look to work in collaboration with other Commissioner's and Forces to provide the most effective service possible. Such agreements are regulated by Section 22A of the Police Act 1996, as amended by the Police Reform and Social Responsibility Act 2011.

The collaborative services and their funding continue under revised Commissioner and Force Governance arrangements. These are in effect considered as pooled budgets with agreements for funding contributions, made and varied from time to time, and certain Specific Government Grants. The pooled budgets are effectively hosted by the Commissioner and Force for South Wales Police on behalf of the four Police Forces in Wales.

The total costs of the collaborative team in 2023-24 were £0.470m (2022-23 £0.342m) and South Wales Police's contribution to these costs was £0.110m in 2023-24 (2022-23 £0.194m).

NOTE 16 (TABLE A) on page 39 details a summary of the Income and Expenditure Statement for the main activities of the collaborative units based on the funding contributions that each Force made to the collaborative arrangement.

Included in accounting policies under joint arrangements are definitions and an explanation of the new accounting requirements for joint operations, the latter involving shares of income, expenditure, assets and liabilities. As a result of the requirement of IFRS 11, **NOTE 16 (TABLE B) on page 40** provides revised information relating to South Wales Police and for other forces to show the totals for each joint operation.

As a result of the requirements of IFRS 11, gross expenditure in the CIES has been reduced by £16.238m and income/grants have been reduced by £16.208m, a decrease in net expenditure of £0.030m (2022-23 £0.52m increase). This net decrease has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

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

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

NOTE 16 (TABLE A)

2023-24											
Collaborative Service Area	Counter Terrorism Intelligence Unit/ Special Branch (CTIU/SB) £000	Counter Terrorism Specialist Advisors (CTSA) £000	Counter Terrorism Port/Dedicated Security (DSP) £000	Regional Organised Crime Unit (ROCU) £000	Regional Task Force (RTF) £000	Digital Services Division (DSD) £000	Joint Legal Services (JLS) £000	Scientific Investigation Unit (JSIU) £000	Joint Firearms Unit (JFU/CTSFO) £000	Joint Procurement £000	Total £000
Pay Expenditure	9,240	627	3,698	11,642	1,662	4,518	1,736	6,776	14,666	693	55,258
Non Pay Expenditure	2,315	64	528	2,338	560	66	-	835	2,374	11	9,091
Gross Expenditure	11,555	691	4,226	13,980	2,222	4,584	1,736	7,611	17,040	704	64,349
Specific Grant Income	(11,492)	(691)	(4,226)	(7,315)	-	-	-	-	(1,336)	-	(25,060)
Income	(63)	-	-	(116)	(29)	-	-	-	(844)	-	(1,052)
Total Income & Grants	(11,555)	(691)	(4,226)	(7,431)	(29)	-	-	-	(2,180)	-	(26,112)
South Wales Police	-	-	-	(3,516)	(1,177)	(2,900)	(1,105)	(5,101)	(7,430)	(352)	(21,581)
Dyfed Powys Police	-	-	-	(1,332)	(446)	-	-	-	(4,458)	-	(6,236)
Gwent Police	-	-	-	(1,701)	(570)	(1,684)	(631)	(2,510)	(2,972)	(352)	(10,420)
North Wales Police	-	-	-	-	-	-	-	-	-	-	-
Force Contributions (Surplus) or Deficit	-	-	-	(6,549)	(2,193)	(4,584)	(1,736)	(7,611)	(14,860)	(704)	(38,237)
2022-23											
Collaborative Service Area	Counter Terrorism Intelligence Unit/ Special Branch £000	Counter Terrorism Specialist Advisors £000	Counter Terrorism Port/Dedicated Security £000	Regional Organised Crime Unit £000	Regional Task Force £000	Digital Services Division £000	Joint Legal Services £000	Scientific Investigation Unit £000	Joint Firearms Unit £000	Joint Procurement £000	Total £000
Pay Expenditure	9,233	551	3,660	9,046	1,840	4,338	1,452	6,248	14,466	616	51,450
Non Pay Expenditure	1,468	43	442	1,893	510	59	22	738	1,751	8	6,934
Gross Expenditure	10,701	594	4,102	10,939	2,350	4,397	1,474	6,986	16,217	624	58,384
Specific Grant Income	(10,689)	(594)	(4,102)	(5,804)	-	-	-	-	(1,493)	-	(22,682)
Income	(12)	-	-	-	(42)	-	-	(92)	(671)	-	(817)
Total Income & Grants	(10,701)	(594)	(4,102)	(5,804)	(42)	-	-	(92)	(2,164)	-	(23,499)
South Wales Police	-	-	-	(2,758)	(1,240)	(2,858)	(941)	(4,635)	(7,026)	(312)	(19,770)
Dyfed Powys Police	-	-	-	(1,044)	(469)	-	-	-	(4,216)	-	(5,729)
Gwent Police	-	-	-	(1,333)	(599)	(1,539)	(533)	(2,259)	(2,811)	(312)	(9,386)
North Wales Police	-	-	-	-	-	-	-	-	-	-	-
Force Contributions (Surplus) or Deficit	-	-	-	(5,135)	(2,308)	(4,397)	(1,474)	(6,894)	(14,053)	(624)	(34,885)

NOTE 16 (TABLE B)

2023-24												
Share of Service Collaboration	Counter Terrorism Intelligence Unit/Special Branch (CTIU/SB) £000	Counter Terrorism Specialist Advisors (CTSA) (CTSA) £000	Counter Terrorism Port/Dedicated Security (DSP) (DSP) £000	Regional Organised Crime Unit (ROCU) (ROCU) £000	Regional Task Force (RTF) (RTF) £000	Digital Services Division (DSD) (DSD) £000	Joint Legal Services (JLS) (JLS) £000	Scientific Investigation Unit (JSIU) (JSIU) £000	Joint Firearms Unit (JFU/CTSFO) (JFU/CTSFO) £000	Joint Procurement (JP) (JP) £000	Total £000	Population %
Share of Service Benefit	Population (National Benefit Basis)				Agreed Financial Contribution (Local Delivery)						Total £000	Population %
Gross Expenditure												
South Wales Police	4,919	293	1,104	7,627	1,194	2,900	1,105	5,101	8,520	352	33,115	42.57%
Dyfed Powys Police	1,915	115	430	2,969	452	-	-	-	5,112	-	10,993	16.57%
Gwent Police	2,182	131	490	3,384	577	1,684	631	2,510	3,408	352	15,349	18.88%
North Wales Police	2,539	152	2,202	-	-	-	-	-	-	-	4,893	21.98%
Total	11,555	691	4,226	13,980	2,223	4,584	1,736	7,611	17,040	704	64,350	
Total Income & Grants												
South Wales Police	(4,919)	(293)	(1,104)	(4,054)	(16)	-	-	-	(1,090)	-	(11,476)	42.57%
Dyfed Powys Police	(1,915)	(115)	(430)	(1,579)	(6)	-	-	-	(654)	-	(4,699)	16.57%
Gwent Police	(2,182)	(131)	(490)	(1,798)	(8)	-	-	-	(436)	-	(5,045)	18.88%
North Wales Police	(2,539)	(152)	(2,202)	-	-	-	-	-	-	-	(4,893)	21.98%
Total	(11,555)	(691)	(4,226)	(7,431)	(30)	-	-	-	(2,180)	-	(26,113)	
2022-23												
Share of Service Collaboration	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Digital Services Division	Joint Legal Services	Scientific Investigation Unit	Joint Firearms Unit	Joint Procurement	Total £000	Population %
Share of Service Benefit	Population (National Benefit Basis)				Agreed Financial Contribution (Local Delivery)						Total £000	Population %
Gross Expenditure:												
South Wales Police	4,528	251	1,081	5,943	1,262	2,858	983	4,697	8,109	312	30,023	42.31%
Dyfed Powys Police	1,778	99	425	2,334	478	-	-	-	4,865	-	9,979	16.62%
Gwent Police	2,027	113	484	2,661	610	1,539	491	2,289	3,243	312	13,770	18.94%
North Wales Police	2,368	131	2,113	-	-	-	-	-	-	-	4,612	22.13%
Total	10,701	594	4,102	10,939	2,350	4,397	1,474	6,986	16,217	624	58,384	
Total Income & Grants:												
South Wales Police	(4,528)	(251)	(1,081)	(3,158)	(22)	-	-	(62)	(1,082)	-	(10,184)	42.31%
Dyfed Powys Police	(1,778)	(99)	(425)	(1,244)	(9)	-	-	-	(649)	-	(4,204)	16.62%
Gwent Police	(2,027)	(113)	(484)	(1,402)	(11)	-	-	(30)	(433)	-	(4,500)	18.94%
North Wales Police	(2,368)	(131)	(2,112)	-	-	-	-	-	-	-	(4,611)	22.13%
Total	(10,701)	(594)	(4,102)	(5,804)	(42)	-	-	(92)	(2,164)	-	(23,499)	

Tri-Force Firing Range – Collaborative Capital Project

	Total £000	South Wales Police £000 44.35%	Gwent Police £000 28.93%	Dyfed Powys Police £000 26.72%
AUC at 31 March 2023	2,035	902	589	544
Expenditure 23/24	2,674	1,186	774	714
AUC at 31 March 2024	4,709	2,088	1,363	1,258

The Tri-Force Firing Range Project is a joint capital project between South Wales Police (SWP), Gwent Police (GWP) and Dyfed-Powys Police (DPP) to construct and operate a joint asset which will deliver a new Operational Training Facility for the Joint Firearms Unit.

The Asset is being constructed within the South Wales Police Force area but will be jointly funded, owned and operated by the three forces. The funding/ownership split for the Asset will be:

- SWP – 44.35%
- GWP – 28.93%
- DPP – 26.72%

Total Expenditure on the Asset Under Construction at 31st March 2024 is £4.924m, with expenditure of £2.643m during the financial year 2023-24. The breakdown of this expenditure and the funding for it from the 3 partner forces is shown in the accompanying table.



GLOSSARY OF TERMS

AMORTISATION

Intangible assets should be amortised on a systematic basis over their economic lives. This is similar to depreciation.

ACCRUAL

A sum included in the final accounts to cover income and expenditure attributable to the account period but for which payment has not been made/received at the balance sheet date.

AGENCY SERVICES

The provision of services by one body (the agent) on behalf of, and generally reimbursed by, the responsible body.

ACTUARIAL GAINS AND LOSSES

Changes in actuarial deficits or surpluses can arise due to experience gains and losses (events have not coincided with the actuarial assumptions made for the last valuation) or changes in actuarial assumptions.

ASSET

Tangible and intangible assets that yield benefits to South Wales Police/the Commissioner for a period of more than one year. Benefits of less than one year are regarded as current assets.

AUDIT

An independent examination of an organisation's activities.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the date specified.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, plant or equipment or expenditure which adds to, and not merely maintains, the value of an existing fixed asset.

CAPITAL ADJUSTMENT ACCOUNT

The capital adjustment account contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from grants, revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans.

CAPITAL RECEIPT

Proceeds from the sale of fixed assets (e.g. land or buildings, or other money received towards capital expenditure).

CAPITAL RECEIPTS RESERVE

The capital receipts reserve is available to fund future expenditure of a capital nature, as budgeted by the Capital Programme.

CASH FLOW STATEMENT

A statement that summarises the movements in cash, both revenue and capital, during the year.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The comprehensive income and expenditure 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.

CREDITOR

An amount owed by South Wales Police/the Commissioner for work done, goods received or services rendered within the accounting period but for which payment has not yet been made.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of pension scheme's liabilities expected to arise from employee service in the current period.

CURRENT VALUE

The current value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

DEBTOR

An amount due to South Wales Police/the Commissioner within the accounting period but not received at the balance sheet date.

DEPRECIATION

The measure of the cost, or revalued amount, of the benefits of the fixed asset that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

EARMARKED CAPITAL RESERVES

These reserves, generated by additional voluntary revenue contributions, are available for financing future expenditure of a capital nature, as budgeted by the Capital Programme.

EARMARKED REVENUE RESERVES

These are used to fund future revenue expenditure on specific projects that had not been fully finished in the current financial year.

IMPAIRMENT

A reduction in the value of a property, plant or equipment or financial instrument, below its carrying amount on the balance sheet.

INVENTORIES (STOCKS)

Uniforms, communication equipment parts, diesel, petrol and vehicle spares are procured by South Wales Police/the Commissioner to use on a continuing basis. The value of those items not used at the specified date are shown in the balance sheet as assets.

LEASING

A method of financing the use of assets where a rental charge is paid over a specified period of time.

LIABILITY

An amount due to an individual or organisation which will be paid at some time in the future.

MOVEMENT IN RESERVES STATEMENT (MIRS)

This shows the movement from the start of the year to the end of the year on different reserves identified as usable and unusable reserves.

NATIONAL NON DOMESTIC RATE (NNDR)

The NNDR, or business rate, is the charge levied on occupiers of business premises to finance a proportion of Local Government and Police revenue expenditure. The amount of NNDR is set by Central Government by virtue of a multiplier applied to the rateable values. The multiplier is consistent throughout Wales with the total collected being distributed by Central Government but administered by the Welsh Government.

PAST SERVICE COST (PENSIONS)

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.

POLICE FUND

This reserve is maintained to meet exceptional and unforeseen expenditure.

POLICE GRANT

The amount of Home Office grant towards the revenue requirements of South Wales Police/the Commissioner.

POLICE CAPITAL GRANT

The amount of Home Office grant towards capital expenditure of South Wales Police/the Commissioner.

PRECEPT

The amount of income collected by the constituent County Borough Councils from council taxpayers to pay for police services of South Wales Police/the Commissioner.

PROVISION

An amount set aside in the accounts for liabilities that have been incurred, which are uncertain in terms of timing or amount.

PUBLIC WORKS LOAN BOARD (PWLB)

A Government Agency which provides longer term loans to Local Authorities at interest rates only slightly higher than those at which the government itself can borrow.

RESERVE

Amounts set aside for purposes falling outside the definition of provisions and generally available for funding expenditure after the balance sheet date. Earmarked reserves are set aside for specific purposes.

REVENUE ACCOUNT/INCOME AND EXPENDITURE ACCOUNT

An account which records day to day expenditure and income on such items as salaries and wages, running costs of services and the financing of capital expenditure.

REVENUE SUPPORT GRANT

A Welsh Government administered grant paid in support of Local Government and Police revenue expenditure.

SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES (SDPS)

The total operating costs of providing the services of South Wales Police/the Commissioner. It can be found in the Comprehensive Income & Expenditure Statement before the application of gains and losses based on changes in market valuations, interest rates and actuarial measurement assumptions.

TEMPORARY BORROWING/INVESTMENT

Money borrowed/invested for an initial period of less than one year.

