

**GREATER MANCHESTER  
POLICE**



**CHIEF CONSTABLE OF  
GREATER MANCHESTER POLICE**

**STATEMENT OF ACCOUNTS  
2020/21**

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# Explanatory Note: Audit Requirements

This unaudited statement of accounts is published in accordance with the following legislation:

- The Local Audit and Accountability Act 2014
- The Accounts and Audit Regulations 2015
- The Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017
- The Accounts and Audit (Amendment) Regulations 2021

This legislation requires Chief Constables, Police and Crime Commissioners and other local government bodies to publish a draft statement of accounts prior to 1 August 2021; and to publish an audited statement of accounts by 30 September 2021.

This is a draft statement of accounts which is still subject to audit. The final statement of accounts will include an independent audit report in place of this explanatory note.

Local audit in England is carried out by private firms, who must be registered by a recognised supervisory body, which in England is the Institute of Chartered Accountants in England and Wales (ICAEW). Mazars LLP have been appointed as the independent auditor for the Chief Constable of Greater Manchester Police.

The Chief Constable must notify the public that the accounts and related documents are available to inspect. This notice is published on the website of Greater Manchester Police ([www.gmp.police.uk](http://www.gmp.police.uk)) at the same time as this statement of accounts is published.

A further guide to public rights of inspection can be found at:  
[www.nao.org.uk/code-audit-practice/council-accounts-a-guide-to-your-rights](http://www.nao.org.uk/code-audit-practice/council-accounts-a-guide-to-your-rights)

# NARRATIVE REPORT

## 1. Introduction by the Chief Constable

I am delighted to have been appointed to the role of Chief Constable, responsible for policing across Greater Manchester.

I am acutely aware of the challenges that currently face the force but I am convinced that a new and brighter chapter is perfectly achievable. Whilst much remains to be done, and rapid improvements must be made, there is also much to be proud of in what the force achieves every day. Greater Manchester Police is an immense force for good and I have the great privilege of being able to get stuck-in alongside great people who want to deliver an outstanding service to all of the communities that we serve.

I have been heartened to discover a similar determination in the Mayor and Deputy Mayor to both challenge and support the force as it embarks on this next chapter in its history. I very much look forward to working with partner agencies, charities and community groups across Greater Manchester and contributing to what is a fantastic, shared endeavour.

My confidence that rapid improvement is possible is amplified given the time that I have been privileged to work in South Yorkshire. In that case, a force which had experienced a number of issues but which retained a talented and committed workforce, has achieved huge progress and is today amongst the top tier of high performing forces.

Greater Manchester Police continues to manage its finances very effectively despite the impact of the COVID-19 pandemic and the funding pressures it has continued to experience. 2021/22 will bring different challenges as the country, and Greater Manchester, gradually emerges from lockdown. However, I am confident that the strength of the financial management team and the exceptional commitment of the force's police officers and police staff is such that we will continue to provide excellent value-for-money services to the public.

The projected growth in police officer resources with the ongoing uplift programme provides opportunities to do more better. Workforce representation is a welcome outcome and the force is committed to ensuring it is representative of the communities it serves. During the last year, 16% of police officers and 34% of police community support officers joining Greater Manchester Police were from a black, Asian or minority ethnic background. Over the same period, 48% of police officers and 34% of police community support officers joining Greater Manchester Police were female. Whilst this is good progress there is still much more to do both in attracting and recruiting colleagues from minority backgrounds to Greater Manchester Police and ensuring that they can develop and progress their careers in this police force.

I would like to take this opportunity to thank all those who have worked throughout the year to balance the budget, deliver efficiency savings and provide value for money. This dedication and determination within our financial management team enables us to deliver the quality of services that the members of the public, visitors and businesses have every right to expect.



**Stephen Watson QPM**  
Chief Constable of Greater Manchester Police

## **2. The Elected Mayor of Greater Manchester**

In May 2017, the functions of the Police and Crime Commissioner for Greater Manchester (the PCC) were transferred by Parliamentary Order to the Mayor of Greater Manchester (the Mayor). In May 2021, Andy Burnham was re-elected as the Mayor.

The Mayor is responsible for the formal oversight of Greater Manchester Police (GMP), the provision of all funding, budget-setting, performance scrutiny and strategic policy development. The Mayor is also responsible for holding the Chief Constable to account for ensuring that GMP is run efficiently and effectively. These responsibilities are carried out by Greater Manchester's Deputy Mayor for Policing, Crime, Criminal Justice and Fire, Baroness Beverley Hughes. Operational decision-making on day-to-day policing matters and the employment of police officers and police staff remains the responsibility of the Chief Constable.

As the Mayor is not a corporation sole, the Greater Manchester Combined Authority (GMCA) has overall responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's police officers and police staff operate.

Under the legislative framework and local arrangements, GMCA owns all the assets utilised by GMP and the functions and decisions relating to such properties, rights and liabilities are exercised and made by the Mayor. Any receipts arising from such properties, rights and liabilities are paid into the Mayoral Police Fund. The movement on the Mayoral Police Fund is disclosed in the notes to the statement of accounts for GMCA.

## **3. The Chief Constable**

The Chief Constable was established as a corporation sole under the Police Reform and Social Responsibility Act 2011 (PRSRA). The Chief Constable is a separate legal entity, distinct from GMCA and has operational independence. Each organisation has specific roles and responsibilities under the PRSRA.

Ian Hopkins stepped down as the Chief Constable in December 2020 and Ian Pilling was appointed as Acting Chief Constable at that time. On 24 May 2021, Stephen Watson was appointed as the new Chief Constable of Greater Manchester Police.

The primary function of the Chief Constable is the exercise of operational policing duties under the Police Act 1996. He holds office under the Crown but is appointed by the Mayor and is accountable to the Mayor for the delivery of an efficient and effective police force in Greater Manchester.

The Chief Constable fulfils his statutory responsibilities for delivering an efficient and effective police force within an annual budget which is set by the Mayor in consultation with the Chief Constable.

The Chief Constable ultimately has a statutory responsibility for maintaining the Queen's peace and, to do this, has direction and control over police officers and police staff. It is recognised that in exercising day-to-day direction and control, the Chief Constable will undertake activities, incur expenditure and generate income to allow the police service to operate effectively.

As a separate legal entity, the Chief Constable is required to prepare a set of statutory accounts which recognise all of the financial transactions incurred during 2020/21 for policing Greater Manchester.

Expenditure in respect of operational policing, police officer and police staff employment costs is shown in the Chief Constable's Statement of Accounts, whilst the funding sources (i.e. Central Government Police Grant) are shown in the statement of accounts for GMCA.

## 4. The Statement of Accounts

The Statement of Accounts sets out the overall financial position of the Chief Constable of Greater Manchester Police for the year ended 31 March 2021.

The accounts are published in accordance with the Accounts and Audit Regulations 2015, the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code) and the Service Reporting Code of Practice (SeRCOP) 2020/21 and have been prepared on a going concern basis.

The Statement of Accounts comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, which is underpinned by International Financial Reporting Standards (IFRS).

The Financial Statements comprise:

- **Comprehensive Income and Expenditure Statement** – This statement shows the cost of providing policing services for the financial year.
- **Movement in Reserves Statement** – This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed between usable and unusable reserves. The Chief Constable has no usable reserves. Unusable reserves are those that have been created to reconcile the accounting entries required to comply with the Code with those that must be statutorily charged to the General Fund Balance. These cannot be used to support local expenditure.
- **Balance Sheet** – This statement sets out the assets, liabilities and reserves of the Chief Constable as at 31 March each year.
- **Cash Flow Statement** – This statement summarises the movements in cash and cash equivalents during the year. As all the changes in cash and cash equivalents are shown in the statement of accounts for GMCA, this statement simply shows the net surplus or deficit on the provision of services adjusted for non-cash movements.

In addition to the Financial Statements, the Statement of Accounts also includes:

- **Statement of Responsibilities for the Statement of Accounts** – This statement sets out the different responsibilities that the Chief Constable and the Chief Finance Officer have for the content, production and approval of the Statement of Accounts.
- **Expenditure and Funding Analysis** – This analysis shows how annual expenditure is used and funded from available resources by the Chief Constable in comparison with those resources consumed in accordance with generally accepted accounting practices.
- **Accounting Policies** – Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Chief Constable in preparing and presenting his financial statements. The Chief Constable and GMCA have the same accounting policies.
- **Notes to the Financial Statements** – These notes include further information and additional material items of interest to assist the readers' understanding of the Financial Statements.
- **Police Pension Fund Account** – The Police Pension Scheme is unfunded and holds no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account.
- **Glossary of Financial Terms** – The nature of the Statement of Accounts means that technical financial terms are unavoidable. The glossary is intended to simplify and explain such words.
- **Annual Governance Statement** – This statement explains how the Chief Constable has complied with his Code of Corporate Governance. Preparation and publication of the Annual Governance Statement fulfils his requirement to conduct a review at least once in each financial year of the effectiveness of his system of internal control and to include a statement reporting on the review within his Statement of Accounts.

## 5. Operational Review of 2020/21

### COVID-19 Response

The COVID-19 pandemic has affected countries across the globe and has had a major impact on lives in the UK and on the economy. Like many organisations across the country, GMP has had to deal with increased levels of workforce absences whilst still ensuring that core policing priorities were delivered. The Force has had to adapt its policing model to deal with emergency legislation and to encourage businesses and the public to adhere to the restrictions invoked.

#### Workforce Availability

Workforce absences have been monitored closely throughout the COVID-19 crisis. All police officers and staff have been expected to follow Government guidelines in respect of shielding, self-isolation and social distancing.

GMP has been able to increase resource capacity through a number of ways, including:

- Cancellation of all training courses for police officers to increase police officer capability;
- Working with local employers to release Special Constables to support policing full time;
- Proactively seeking to reemploy former police officers into appropriate roles;
- GMP developed a 'COVID Hub' to bring together key functions in order to provide an effective and efficient response to resource demand requests in a managed and fair way as well as providing advice and wellbeing support to all GMP staff and officers.

GMP was quickly able to achieve the ability to allow self-isolators to answer 101 calls from home which significantly mitigated the impact of COVID-19 on the Operational Communications Branch. This was also supplemented by significant use of Live-Chat which has seen a significant volume of traffic shifting from traditional contact methods to web-based contact. Other staff who were able to work from home were allowed to do so, with a number of existing desktop computers being quickly repurposed and deployed to staff to enable further working from home.

#### Provision of Services

From the moment this crisis developed, GMP has been proactive in its governance arrangements and sought to grip issues comprehensively and with pace. In addition to this the Force has endeavoured to innovate, create new ways of working and maximise available technology. The approach has lessened the most significant effects of this national crisis.

GMP has maintained core policing throughout the COVID-19 crisis. The Force has benefited from a tremendous effort from police officers, staff and volunteers who have showed great spirit, and in many cases sacrifice, and together with sound planning, leadership and governance, the Force has coped well, providing a focus on core functions, including:

- Providing command and control structures at all levels across the Force;
- Responding to Grade 1 and Grade 2 incidents recognising harm risk and threat, and identifying and dealing with vulnerabilities and safeguarding issues;
- Responding to and investigating serious crime;
- Putting the welfare of staff and the public at the centre of what we do; and
- Providing effective custody and criminal justice processing facilities

Community engagement has focused on the national strategy of engage, explain, encourage and enforce. GMP has sought to be consistent in this style across multiple communication channels in a way that is innovative in getting messages across to the public. A consistent theme of GMP's external communications has been to explain our proportionate response to breaches of legislation and Government guidelines carefully and reinforcing the central advice to communities to take responsibility in order to protect the National Health Service and save lives.

## Growth in Police Officer Numbers

Over the past twelve months, police officer numbers have risen across the force from 6,719 at the end of the previous financial year to 6,943 as at 31 March 2021. The majority of these additional officers have been in front line policing roles, which have increased in each of the ten districts within GMP.

The table below shows the number of full-time equivalent police officers within GMP.

Area	March 2021	March 2020	Increase / Decrease
Territorial Districts	4,882.08	4,688.44	193.64
Specialist Operations	729.26	719.16	10.10
Serious Crime & Public Protection	443.14	444.39	-1.25
Counter Terrorism	271.64	305.64	-34.00
Criminal Justice & Custody	124.25	122.74	1.51
Other	492.32	438.85	53.47
<b>Total</b>	<b>6,942.69</b>	<b>6,719.22</b>	<b>223.47</b>

In addition to the increased number of police officers the Strengthening Neighbourhood Policing Programme, led by Local Policing Branch, has been launched aimed at better understanding our incoming demand, developing problem solving, and redefining the role of our neighbourhood policing teams.

Greater Manchester residents can now find details of a named Neighbourhood Beat Officer and Police Community Support Officer for their local area simply by visiting the GMP website and entering their postcode.

Linked to this is work to enhance our place-based joint-working arrangements to ensure we have the best support from key partners to problem solve and reduce demand. Some of this programme work is being developed initially on the Salford District, whilst other aspects will be Forcewide.

The new Chief Constable has asserted the central importance of an effective neighbourhood policing offer in the functioning of the force's operating model. Further enhancements and developments to this important function, informed by public consultation, will become manifest over the coming year.

## Service Provided to Victims of Crime

In December 2020, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) found that the service provided to victims of crime by GMP, particularly vulnerable victims of crime, constituted a serious cause of concern. Their report estimated that GMP failed to record an estimated 80,100 crimes reported to it between 1 July 2019 and 30 June 2020.

A detailed improvement plan to address the concerns of the Inspectorate has been developed and shared with both HMICFRS, the Home Office, and the Mayor. Meetings have been held with both the Minister for Crime and Policing and HMICFRS where a number of key actions were agreed for implementation. A wide ranging plan now exists, in addition to that described above, which seeks to effect strategic change such as to sustainably address the root causes of the failures identified.

The new Chief Constable has stated that an immediate priority for GMP is to properly record and investigate all crime and resolve these to the satisfaction of the victim, who will be safeguarded where they are vulnerable or in need of help.

[Public Contact](#)

The Operation Communications Branch (OCB) is where calls made to GMP are answered, and is our first point of contact with the public. The OCB is staffed by a mixture of police officers and police staff. In order to improve our service to the public, an investment in the OCB over the past twelve months has seen the total number of full-time equivalent staff working in the OCB increase by 9%, from 888.81 at the end of March 2020 to 965.37 as at 31 March 2021. Such is the level of demand growth at present that it is anticipated that further additional resources will be committed to this critical function in the current year.

We know that when members of the public call us, they want to know that we will pick up the phone and record the crime they are reporting, which is why we have launched a new Centralised Crime Recording Unit with dedicated staff who will ensure that all reported crimes are recorded at the very first moment you contact us. This will ensure the crime gets recorded correctly at the earliest point and responding officers will arrive on scene equipped with all the information they need to hit the ground running.

The OCB has also delivered THRIVE training to all supervision and call handlers. The THRIVE training enables every call made to Greater Manchester Police to be endorsed with a comprehensive risk assessment at that very first point of contact. The risk assessment considers six strands: Threat; Harm; Risk; Investigation; Vulnerability; Engagement. This critical investment will ensure that GMP enhances our service offer to all victims of crime, but particularly those who are most vulnerable.

### Prisoner Processing

Through our engagement with our frontline colleagues they have told us about the difficulties they have in managing the demands placed on them. To address this and to create greater capacity, a 'Prisoner Processing Unit' (PPU) pilot in the City of Manchester has started focussed initially on violent offenders, which include suspects of domestic abuse cases. This will be rolled out in a phased approach across the force.

The PPUs will provide a dedicated team of officers who will focus on obtaining the best possible evidence whilst the suspect is in custody, leading to more efficient and effective investigations and better outcomes for victims. The team will own the entire investigation and victim's journey from the point of arrest through to court. This will include keeping the victim updated and reviewing safeguarding plans and will go some way to reducing delays in bringing offenders into the criminal justice world.

### Crime Investigation Teams

Crime Investigation Teams will support front-line officers with their investigations. The teams will look after initial enquiries with victims of crime, taking witness statements and gathering crucial evidence to support a prosecution. The teams will ensure crimes are progressed more efficiently, freeing up front-line officers to continue tackling crime on the streets. GMP are currently in the process of recruiting 116 members of staff - all retired police officers – to offer this enhanced service to victims. Work is ongoing to determine whether medically restricted officers might also be utilised to strengthen and enhance this initiative.

### Training

We have delivered training to over 6,000 of our officers through a newly-developed course aimed specifically at refreshing officers on our approach to supporting victims of crime and recording crimes accurately on our systems. This focuses on ensuring officers are keeping the victim at the forefront of their mind during their investigations, and includes refresher training on crime recording to ensure where more than one offence is committed in one incident, it is recorded accurately and investigated fully wherever it is appropriate for us to do so.

### Communications

GMP launched an internal communications campaign in January 2021 which seeks to speak to the hearts and minds of all our officers and staff and reiterate our core purpose; to "Think victim". The aim is to support our people in our absolute commitment to deliver the best possible service to victims of crime.

The force has recognised that there is a real risk to the confidence of partners and the public, particularly victims of crime, following the publication of the HMICFRS report. GMP have committed to fully involving and engaging both partners and the public in designing the response to the report and in scrutiny of the work ongoing. As with the internal campaign, this will be supported by the Think Victim campaign.

### **Investigation and Safeguarding Review**

The Investigation and Safeguarding Review was set up to ensure that GMP is capable of meeting the needs of vulnerable adults and children and delivering high quality investigations into complex crime. A significant amount of work has taken place during the year to realign resources to safeguarding risks and create specialist teams to improve our response to the most vulnerable people in our community.

The new Child Protection Investigation Unit is a significant enhancement which will work closely with partners to identify children most at risk of becoming victims or offenders and find the best outcome for them.

The new Adult Safeguarding Unit will enhance GMP's response to adult safeguarding. Working closely with adult social care, mental health services, drug and alcohol services and neighbourhood police officers, concerns for vulnerable adults will be resolved by the most appropriate agency and, in so doing, it is anticipated that demand into all services will be reduced.

### **Criminal Justice Transformation**

The quality of a case file presented to the Crown Prosecution Service (CPS) underpins the efficiency, effectiveness and fairness of the criminal justice process. A poor quality file makes additional work for all involved in the justice system and has negative effects on our victims and witnesses, undermining confidence in policing, through lost or poor management of cases.

This transformation project aimed to reform the way that criminal justice is delivered by the force. The formation of new staff roles, with enhanced qualifications, and the restructuring of existing jobs allowed local teams to undertake more qualitative work and to support police officers in getting case files right first time before being submitted to the CPS.

The outcome of this project is an uplift in prosecution case file performance to a standard never previously achieved by GMP when benchmarked against other forces in England and Wales.

## 6. Financial Review of 2020/21

The budget for 2020/21 was set by the Mayor, following consultation with the Chief Constable, and was approved by the Greater Manchester Police, Fire and Crime Panel on 31 January 2020. The agenda pack and a recording of the meeting can be found on the GMCA website: [www.greatermanchester-ca.gov.uk](http://www.greatermanchester-ca.gov.uk)

### Impact of the Current Economic Climate

#### Police Funding

The Government published details of the 2020/21 police grant allocations on 22 January 2020. The Government stated that, compared to 2019/20, overall funding to Police and Crime Commissioners in 2020/21 could increase by £915 million to £13.1 billion. The settlement permitted Police and Crime Commissioners to increase the PCC precept by a maximum of £10. The settlement also included £700 million for the recruitment of 6,000 additional officers by the end of March 2021.

For GMP, the settlement resulted in core grant funding of £467.2 million being received, an increase of £30.7 million compared to 2019/20. An officer recruitment target of 347 was set for GMP and further ring-fenced funding of £9.7 million was allocated to support this recruitment. The police pension grant funding remained at £6.6 million.

The Mayor increased the PCC precept by £10 for a band D property, raising the overall amount collected through the PCC precept by £9.1 million to £161.7 million. Total funding available to GMP for 2020/21 was £645.2 million – an increase of £49.5 million compared to 2019/20.

#### COVID-19

The COVID-19 pandemic resulted in additional net costs of £2.3 million for GMP.

This comprises of £11.6 million of costs such as: personal protective equipment for officers and staff; infrastructure and estate changes to allow officers and staff to work safely in police buildings or at home, and; additional employments costs, mainly the use of overtime.

A reduced requirement for providing policing services at Manchester Airport or at sporting and other events resulted in reduced income of £3.6 million.

These additional costs are offset by £1.7 million of cost savings such as: reduced vehicle fuel costs, and; reduced travel and subsistence costs. Additional funding of £11.2 million was also received from the Government and GMCA to cover specific additional costs incurred.

### Performance Against Revenue Budget

GMP seeks to demonstrate good financial management at a time of significant organisational transformation in response to both changing and exceptional operational demands. Through the monthly internal financial forecasting process, the force was able to make informed and timely decisions to ensure that value for money was achieved and operational risks mitigated.

The 2020/21 revenue outturn position shows the financial impact of savings and growth, which were planned for and agreed by the Mayor and the Chief Constable in the 2020/21 budget. It also reflects how budgets are managed within the Chief Constable's accounts.

Income and specific grants managed by the Chief Constable on behalf of the Mayor are included in the table. Examples of income include mutual aid provided to other police forces and charges for the policing of sporting events and for policing Manchester Airport. Examples of grants include those that relate to police pensions; and grants provided under private finance initiative schemes. Other

funding sources including the core police grant received from the Government are shown in the statement of accounts for GMCA.

The table below shows the final outturn position for 2020/21 compared with the original budget. Figures in brackets in the Actual and Budget columns represent income for GMP. Figures in brackets in the Variance column represent an overspend against expenditure budgets or a deficit against income budgets.

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	£000	£000	£000
Police Officer Pay	377,971	376,209	(1,762)
Police Officer Related Expenditure	3,974	4,941	967
Staff Pay	141,166	141,691	525
Police Staff Related Expenditure	1,313	2,464	1,151
PCSO Pay	19,658	19,410	(248)
PCSO Related Expenditure	3	7	4
Police Officer Overtime	23,714	14,542	(9,172)
Police Staff Overtime	3,048	1,793	(1,255)
PCSO Overtime	98	33	(65)
<b>TOTAL EMPLOYEE RELATED EXPENDITURE</b>	<b>570,945</b>	<b>561,090</b>	<b>(9,855)</b>
Pensions	112,683	118,795	6,112
Premises	33,039	33,668	629
Supplies and Services	59,042	56,108	(2,934)
Agency Payments	3,187	13,812	10,625
Transport	5,479	6,976	1,497
Capital Financing	160	0	(160)
Transfer to / from Reserves	(4,908)	(3,961)	947
Specific Grants	(157,783)	(160,407)	(2,624)
Income and Sponsorship	(29,570)	(33,807)	(4,237)
<b>OTHER EXPENDITURE</b>	<b>21,329</b>	<b>31,184</b>	<b>9,855</b>
<b>TOTAL EXPENDITURE</b>	<b>592,274</b>	<b>592,274</b>	<b>0</b>

The adverse variance of £9.9 million on Employee Related Expenditure represents a variance of 1.8% against the budget of £561.1 million. The most significant reason for this variance was due to additional Police Officer Overtime costs driven by the need to cover workforce absences and to meet demand for policing national lockdown restrictions due to COVID-19.

The favourable variance of £6.1 million on Pensions is due to lower police pension fund contributions than budgeted for. However, police pension costs are funded by the Home Office, so there is an equivalent adverse variance within the Specific Grants category which offsets this saving.

The reasons for the adverse variance of £2.9 million on Supplies and Services include:

- £4.1 million of increased provisions set aside for uninsured liability claims. These are made in line with the recommendations of actuarial advisors.

- £3.9 million reduced IT and telephony costs due to a combination of contract savings and slippage in the delivery of some transformation projects.
- £2.0 million of increased personal protective equipment costs related to COVID-19.

The favourable variance of £10.6 million on Agency Payments includes additional Government funding received via GMCA. £3.1 million of this related to initiatives to tackle serious violent crime, and £5.1 million related to additional policing costs in response to COVID-19.

The reduced income of £2.6 million on Specific Grants is mainly due to receiving a smaller pension grant as highlighted earlier. Further COVID-19 related Government grants of £6.1m were received which related to lost income, PPE costs, and other additional infrastructure and estates costs.

The reduced income of £4.2 million on Income and Sponsorship is mainly due to a reduction in policing services provided at Manchester Airport and at football and other sporting events.

## Capital

In addition to revenue expenditure, money is spent on assets such as buildings, computers and vehicles. The capital programme is managed by GMP but all assets are owned by GMCA.

The table below shows the net capital position by branch against the 2020/21 capital programme.

Branch	Actual	Budget	Variance
	£000	£000	£000
Target Operating Model	11,218	32,986	21,768
IS Transformation Programme	(2,802)	0	2,802
Other Branches	529	1,304	775
Digital Investigation Unit	277	607	330
North West Counter Terrorism Unit	669	669	0
Business Support Services – Estates	2,113	3,035	922
Information Services	1,086	4,598	3,512
Business Support Services – Fleet	3,694	4,375	681
<b>Total</b>	<b>16,784</b>	<b>47,574</b>	<b>30,790</b>
Slippage / Over-programming	0	(6,203)	(6,203)
<b>Net Capital Budget</b>	<b>16,784</b>	<b>41,371</b>	<b>24,587</b>

At the end of the financial year, the full year spend across the capital programme was £16.8 million against the revised funded programme of £41.4 million.

There has been a need to defer much of the planned capital expenditure to future years. This is due to a combination of delays as a result of COVID-19 and also a review of Target Operating Model (TOM) programme to address revised operation priorities.

Within the TOM programme is slippage in the rollout of Windows 10 enabled infrastructure and associated technology; the construction of new accommodation for Specialist Operations; and the relocation of Forensic Sciences.

The table below shows the how the capital programme was funded.

	£000
<b>Capital expenditure</b>	<b>16,784</b>
<b>Funded by:</b>	
Borrowing	13,891
Capital Grants	622
Capital Receipts	755
Revenue Contribution to Capital	158
Additional In-Year Funding	1,358
<b>Total Funding</b>	<b>16,784</b>

## 7. 2021/22 Outlook

The settlement published by the Government on 4 February 2021 indicated that core grant funding for 2021/22 will be £495.0 million, an increase of £27.8 million compared to 2020/21.

In addition to the core grant funding, there is a further allocation of £5.8 million for GMP which is ring fenced against the delivery of police officer recruitment targets in 2021/22. This relates to the second year of the national expansion programme of 20,000 police officers over three years.

A pension grant of £6.6 million is also received from the Government to partially mitigate against rising employer pension costs for police officers. There has been no increase in this grant compared to 2020/21.

Within the settlement, the Government announced that Police and Crime Commissioners would be allowed to increase the PCC precept by a maximum of £15. In Greater Manchester, following a public consultation exercise, the Mayor increased the PCC precept by £10 for a band D property. The amount collected through the PCC component of the Mayoral precept for 2021/22 will be £163.6 million.

Total funding available to GMP for 2021/22 is £671.0 million – an increase of £25.8 million compared to 2020/21.

### Going Concern

Local authorities can only be created and dissolved through statutory legislation. The financial statements have been prepared on a going concern basis, which assumes that the Chief Constable will continue to operate and provide services in the foreseeable future.

The Mayor is responsible for the formal oversight of GMP, including the provision of all funding. GMCA receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund, which is shown in the statement of accounts for GMCA.

Although the Balance Sheet in this Statement of Accounts shows that the Chief Constable has large net liabilities, the funding arrangements in place via the Mayor means that the Force is able to continue to provide policing services.

## Financial Strategy

Major deliverables of the 2021/22 budget included in the PCC precept include:

- A new approach to safeguarding with 150 officers to keep our most vulnerable victims safe;
- A new city centre team concentrating on violence reduction and improving the safety of the city centre;
- Investing resources to enable more young people involved with, or at risk of becoming involved in, gang activity to take part in a successful mentoring programme – the STEER project;
- A pilot programme to ensure a crisis worker responds alongside a police officer to reports of rape and serious sexual offences;
- Establishing a mechanism for continued dialogue with victims of crime;
- Transforming the response to and support for victims of domestic violence;
- Continuing to fund the mental health tactical advice service, where mental health nurses are based in control rooms 24/7 to ensure despatchers and attending officers are able to provide the most effective service to people suffering such distress;
- Assessing a range of initiatives to reduce death and serious injury on the roads, supporting conventional enforcement with a more localized approach to educate drivers. A number of community lead speedwatch schemes will also be piloted.

Following the appointment of the new Chief Constable in May 2021, a revised financial strategy will be produced which aligns with the immediate priorities identified by the Chief Constable, including:

- Developing a clear force delivery plan where GMP recommit to a set of shared organisational values that will underpin how the force operates;
- Developing a performance management framework, reflecting what 'good' looks like across the force and what is expected of staff to achieve this;
- Reforming the existing Chief Officer portfolios and making appointments to these roles;
- Appointing a dedicated Chief Superintendent for each district in Greater Manchester;
- Reviewing the number of senior officers occupying headquarters posts, with the majority of these redeployed to frontline leadership roles;
- Creating a strategic demand management function which will give a better handle on the proactive management of demand;
- Appointing a new head of Corporate Communications to rejuvenate internal and external communications, with a focus on more proactive and optimistic messages;
- Replacing the Citizen's Contract with a public consultation that invites communities to say what they want of their neighbourhood policing teams;
- Expanding desk-based investigation teams amid a wider enlargement of middle-office roles to alleviate frontline pressures.
- Adopting a back to basics approach to improve the culture of the force, and support to colleagues, that will sit alongside a focus on individual professional responsibility, including personal appearance and conduct.
- Introducing an organisational justice model, enhancing the degree of fairness that is applied to grievances and potential misconducts, allowing GMP to move from blame and fear of failure towards becoming a learning organisation;
- Commissioning a detailed options appraisal of the PoliceWorks element of GMP iOPS system that establishes whether improvements can be delivered within an acceptable timeframe.
- Properly recording and investigating all crime and resolving these to the satisfaction of the victim, who will be safeguarded where they are vulnerable or in need of help;
- Replacing the Target Operating Model with a clearer, straightforward strategic plan;
- Understanding why experienced officers seek to transfer to neighbouring police forces and working harder to retain such skilled, experienced and capable police officers and staff;
- Focusing on crime prevention which will in turn lead to a reduction in demand;

- Focusing on action and enforcement within neighbourhood policing, and giving greater support to officers to use their specialised local knowledge, partners and networks to tackle longstanding issues in their communities;
- Improving the standards of professional conduct, reflecting our code of ethics;

### **Future funding for 20,000 additional officers**

The Government confirmed that 6,000 new police officers are expected to be recruited nationally in 2021/22 as part of the police uplift programme. GMP is expected to recruit 325 new officers as well as a further 16 officers to support the North West Regional Organised Crime Unit.

### **Top Slicing**

In order to create budgets for national initiatives the Home Office top slices the police grant. In essence, this reduces the amount which is allocated to the Mayor to support local policing. Within the settlement for 2021/22 the Home Office top sliced £1,033.5 million from the overall national police grant.

### **Medium Term Planning Uncertainties**

The ability to plan for the medium term is severely hampered by another one-year settlement and a number of other uncertainties around the future level of Government funding for policing.

### **Funding Formula review**

It is recognised that the current funding formula does not reflect the demographics and demands of an area nor the ability to raise local taxes. The impact of the funding formula review is significant because around three-quarters of GMP's budget is provided by Government funding.

In 2015, the Home Office launched a consultation on the future funding formula of the police grant. It was well documented that the consultation process was flawed and the Home Office withdrew the consultation with a view to recommencing some time in 2017. Detailed work was undertaken to launch a new consultation in the summer of 2017. However, the General Election of that year overtook events and the consultation was never launched.

In July 2020, the Policing Minister stated in Parliament that the current funding formula is "a bit old-fashioned" and probably needed to be looked at. It is now anticipated that the government will launch a 3-year Spending Review in summer 2021 which may also include a review of the police funding formula. Such a review would be expected to take around 18 months to complete.

### **Pensions**

A significant pressure for policing is the level of contributions that police forces are required by the Home Office to pay into police pension schemes. In 2020/21, the Home Office provided a specific grant of £6.6m to cover these additional costs. For 2021/22 a specific grant of £6.6m has once again been provided, but with no guarantee that it will continue beyond 2021/22.

## 8. Workforce Diversity

One of the aims of the new Chief Constable is for GMP to be significantly more representative of the many diverse communities of Greater Manchester, and the ongoing national Police Uplift Programme represents a significant opportunity to achieve this. It matters that GMP is representative of the communities of Greater Manchester. Representation means connection, accountability and legitimacy. It is vital that GMP officers and staff inspire confidence, and look after and support individuals, families and communities when they need it. Furthermore, enhancements will be made to GMP's internal organisational justice processes to ensure that greater voice is given to the under-represented.

The table below shows the number of officers and employees and the full time equivalent (FTE) number as at 31 March:

	Police Officers		PCSOs		Police Staff		Total	
	No	FTE	No	FTE	No	FTE	No	FTE
31 March 2021	7,159	6,942.69	567	558.30	3,974	3,660.10	11,700	11,161.09
31 March 2020	6,942	6,719.22	571	560.32	3,940	3,633.02	11,453	10,912.56

The table below shows the gender and ethnicity of officers and employees as at 31 March 2021:

	Police Officers		PCSOs		Police Staff		Total	
	No	%	No	%	No	%	No	%
<b>Gender:</b>								
Male	4,758	66.46%	336	59.26%	1,481	37.27%	6,575	56.20%
Female	2,401	33.54%	231	40.74%	2,493	62.73%	5,125	43.80%
<b>Ethnicity:</b>								
White	6,497	90.75%	488	86.07%	3,740	94.11%	10,725	91.67%
BAME	662	9.25%	79	13.93%	234	5.89%	975	8.33%

### Further information

Further information about the accounts is available from:

The Chief Finance Officer  
Greater Manchester Police  
Openshaw Complex  
Lawton Street  
Manchester  
M11 2NS

Telephone No: 0161 872 5050

E-mail: [enquiries@greatermanchester-ca.gov.uk](mailto:enquiries@greatermanchester-ca.gov.uk)

In addition, members of the public have a statutory right to inspect the accounts before the audit commences. The availability of the accounts for inspection is advertised on the GMP website.

# STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

## The Chief Constable's Responsibilities

The Chief Constable is required to:

- Make arrangements for the proper administration of the financial affairs of the Greater Manchester Police and to ensure that one of his officers has the responsibility for the administration of those affairs. That officer is the Chief Constable's Chief Finance Officer.
- Manage the affairs of Greater Manchester Police to ensure economic, efficient and effective use of resources and safeguard the assets of Greater Manchester Police.
- Approve the Statement of Accounts.

## Approval of the Statement of Accounts

In accordance with the Accounts and Audit Regulations 2015, I approve the Statement of Accounts.



**Stephen Watson QPM, Chief Constable of Greater Manchester Police**  
15 December 2021

## The Chief Finance Officer's Responsibilities

The Chief Constable's Chief Finance Officer is responsible for the preparation of the Chief Constable's 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.
- Complied with the local authority Code.

The Chief Finance Officer has also:

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

## Certification of Accounts

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Chief Constable of Greater Manchester Police at 31 March 2021, and of the income and expenditure for the year ended 31 March 2021.



**Christopher Kinsella, Chief Finance Officer**  
15 December 2021

# THE CHIEF CONSTABLE'S FINANCIAL STATEMENTS

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

	2020/21			2019/20		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Policing services	703,074	0	<b>703,074</b>	650,650	0	<b>650,650</b>
Cost of services	703,074	0	<b>703,074</b>	650,650	0	<b>650,650</b>
Funding set aside by the Mayor to fund policing services	0	(707,569)	<b>(707,569)</b>	0	(664,358)	<b>(664,358)</b>
Net cost of services	703,074	(707,569)	<b>(4,495)</b>	650,650	(664,358)	<b>(13,708)</b>
Pension interest cost	193,996	0	<b>193,996</b>	228,784	0	<b>228,784</b>
Pension interest income	0	(18,315)	<b>(18,315)</b>	0	(20,513)	<b>(20,513)</b>
Financing and investment income and expenditure	193,996	(18,315)	<b>175,681</b>	228,784	(20,513)	<b>208,271</b>
(Surplus) or Deficit on Provision of Services	897,070	(725,884)	<b>171,186</b>	879,434	(684,871)	<b>194,563</b>
Remeasurement of pension assets / liabilities			<b>743,706</b>			<b>(872,170)</b>
Total Comprehensive Income and Expenditure			<b>914,892</b>			<b>(677,607)</b>

## MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Chief Constable, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Accumulated Absences Account relates to the value of unused annual or flexi leave at the end of the financial year. The Surplus / Deficit on the Provision of Services line shows the true economic cost of providing Policing services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for precept setting. The Net Increase / Decrease before Transfer to / from Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Chief Constable.

	General Fund Balance	Total Usable Reserves	Accumulated Absences Account	Pension Reserve	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020	0	0	(6,911)	(7,807,086)	(7,813,997)	(7,813,997)
Surplus / (deficit) on provision of services (accounting basis)	(171,186)	(171,186)	0	0	0	(171,186)
Other Comprehensive Income and Expenditure	0	0	0	(743,706)	(743,706)	(743,706)
Total Comprehensive Income and Expenditure	(171,186)	(171,186)	0	(743,706)	(743,706)	(914,892)
Adjustments between accounting basis and funding basis under regulations	171,186	171,186	(3,065)	(168,121)	(171,186)	0
Increase / (Decrease) in Year	0	0	(3,065)	(911,827)	(914,892)	(914,892)
Balance at 31 March 2021	0	0	(9,976)	(8,718,913)	(8,728,889)	(8,728,889)

## 2019/20 COMPARATIVE MOVEMENT IN RESERVES STATEMENT

	General Fund Balance	Total Usable Reserves	Accumulated Absences Account	Pension Reserve	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	0	0	(4,851)	(8,486,753)	<b>(8,491,604)</b>	<b>(8,491,604)</b>
Surplus / (deficit) on provision of services (accounting basis)	(194,563)	<b>(194,563)</b>	0	0	0	<b>(194,563)</b>
Other Comprehensive Income and Expenditure	0	0	0	872,170	<b>872,170</b>	<b>872,170</b>
Total Comprehensive Income and Expenditure	(194,563)	<b>(194,563)</b>	0	872,170	<b>872,170</b>	<b>677,607</b>
Adjustments between accounting basis and funding basis under regulations	194,563	<b>194,563</b>	(2,060)	(192,503)	<b>(194,563)</b>	0
Increase / (Decrease) in Year	0	0	(2,060)	679,667	<b>677,607</b>	<b>677,607</b>
Balance at 31 March 2020	0	0	(6,911)	(7,807,086)	<b>(7,813,997)</b>	<b>(7,813,997)</b>

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets of the Chief Constable (assets less liabilities) are matched by the reserves held by the Chief Constable. Reserves are reported in two categories – usable reserves and unusable reserves. The Chief Constable holds no usable reserves. Unusable reserves are not able to be used to provide services and consist of the Accumulated Absences Account and the Pension Reserve.

Under the legislative framework, the Mayor is responsible for the Mayoral Police Fund and holds all assets, liabilities and usable reserves relating to policing services. These are included in the Balance Sheet shown in the statement of accounts for GMCA.

	Notes	31 March 2021	31 March 2020
		£000	£000
Accumulated Absences	9	(9,976)	(6,911)
<b>Short Term Liabilities</b>		<b>(9,976)</b>	<b>(6,911)</b>
Pension Liabilities	14	(8,718,913)	(7,807,086)
<b>Long Term Liabilities</b>		<b>(8,718,913)</b>	<b>(7,807,086)</b>
<b>Net Liabilities</b>		<b>(8,728,889)</b>	<b>(7,813,997)</b>
Unusable Reserves	10	(8,728,889)	(7,813,997)
<b>Total Reserves</b>		<b>(8,728,889)</b>	<b>(7,813,997)</b>

## CASH FLOW STATEMENT

The Cash Flow Statement shows non cash movements in pension interest costs and expected return on pension assets.

Under the legislative framework, all cash transactions are held and managed by GMCA. These are included in the Cash Flow Statement shown in the statement of accounts for GMCA.

	2020/21	2019/20
	£000	£000
Net deficit on the provision of services	171,186	194,563
Adjustments to net deficit on the provision of services for non-cash movements	(171,186)	(194,563)
<b>Net cash flow from operating activities</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the reporting period	0	0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>0</b>	<b>0</b>

# NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

### A. General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2020/21 financial year and the position at the year-end of 31 March 2021. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the Statement of Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### B. Going Concern

Local authorities can only be created and dissolved through statutory legislation. The financial statements have been prepared on a going concern basis, which assumes that the Chief Constable will continue to operate and provide services in the foreseeable future.

The Mayor is responsible for the formal oversight of GMP, including the provision of all funding. GMCA receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund, which is shown in the statement of accounts for GMCA.

Although the Balance Sheet in this Statement of Accounts shows that the Chief Constable has large net liabilities, the funding arrangements in place via the Mayor means that the Force is able to continue to provide policing services.

### C. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## **D. Employee Benefits**

### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements 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 by the Chief Constable to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement at the earlier of when the Chief Constable can no longer withdraw the offer of those benefits or when the Chief Constable recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Chief Constable 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 and police staff employees are members of two separate pension schemes:

- The Police Pension Scheme, administered by XPS Administration on behalf of the Chief Constable
- The Local Government Pensions Scheme, administered by Tameside Metropolitan Borough Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions) earned whilst a police officer or a police staff employee of the Chief Constable.

### **The Police Pension Scheme**

The Police Pension Scheme is an unfunded defined benefit career average salary scheme for police officers. There are no investment assets built up to meet the pension liabilities and cash has to be generated from employee and employer contributions to meet actual pension payments as they eventually fall due.

Both the Chief Constable and police officers pay pension contributions based on a percentage of pensionable pay into the Pension Fund Account. Pension payments are paid out of the Pension Fund Account.

The amounts that must be paid into and out of the Pension Fund Account are specified by regulation. Any surplus or deficit on the Pension Fund Account must be transferred to or from the Greater Manchester Combined Authority, and ultimately repaid to or from the Home Office.

Injury awards are not part of the Police Pensions Scheme and are charged directly to the Comprehensive Income and Expenditure Statement. However, liabilities in respect of injury awards are disclosed in the Statement of Accounts as part of the Chief Constable's overall liability.

Other than references to assets, these schemes are accounted for in the same way as the Local Government Pension Scheme set out below.

## **The Local Government Pension Scheme**

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

- The liabilities of the Greater Manchester Pension Fund attributable to the Chief Constable are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of the yield available on long dated, high quality corporate bonds (as measured by the yield on iBoxx Sterling Corporate Index, AA over 15 years) at the valuation date.
- The assets of the Greater Manchester Pension Fund attributable to the Chief Constable are included in the Balance Sheet at their fair value based on the following valuation methods:
  - Equities and bonds – Pricing from market data providers based on observable bid price quotations.
  - Direct investment property – Independent valuations for freehold and leasehold investment properties in accordance with Royal Institute of Chartered Surveyors (RICS) Red Book.
  - Indirect property – Independent valuations for freehold and leasehold properties less any debt within the individual property fund plus / minus other net assets.
  - Cash and other net assets – Value of deposit or value of transaction.
  - Derivatives – Futures contracts' fair value is determined using exchange prices at the reporting date. The fair value of the forward currency contracts is based on market forward exchange rates at the reporting date.
  - Private equity, infrastructure and special opportunities portfolios – The valuation basis, determined by the relevant fund manager, may be any of quoted market prices, broker or dealer quotations, transaction price, third party transaction price, industry multiples and public comparables, transactions in similar instruments, discounted cash flow techniques, third party independent appraisals or pricing models.

The change in the net pensions liability is analysed into the following components:

- Service costs comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
  - Net interest on the net defined benefit liability – the change during the period in the net defined benefit liability that arises from the passage of time – charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- Remeasurements comprising:
  - Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Greater Manchester Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

### **Discretionary Benefits**

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

### **E. 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. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

### **F. Government Grants and Contributions**

All Government grants are received by the Mayor and are accounted for in the statement of accounts for GMCA.

All third party funding is received by the Mayor and is accounted for in the statement of accounts for GMCA.

Funding is transferred from the Mayor to the Chief Constable to cover liabilities as and when they arise. This policy is in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

### **G. Property, Plant and Equipment**

All assets used by the Chief Constable are owned by the GMCA and are accounted for in the statement of accounts for GMCA.

### **H. Contingent Liabilities**

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

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

### **I. Reserves**

Earmarked reserves and the General Fund Balance are held by the Mayor within the Mayoral Police Fund and are accounted for in the statement of accounts for GMCA.

### **J. VAT**

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

## **2. ACCOUNTING STANDARDS ISSUED THAT HAVE NOT YET BEEN ADOPTED**

The Code of Practice requires the Chief Constable to disclose information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The following standards introduced by the 2021/22 Code, which will be required from 1 April 2021 are not considered to have a significant impact on the Statement of Accounts:

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

## **3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The relationship between the Mayor, GMCA and the Chief Constable is detailed in the Related Parties note 13. In assessing which transactions are reported in the statement of accounts for the Chief Constable the following critical judgements have been made:

- All contracts with GMP are made in the name of the GMCA; and GMCA pays for all expenditure including the salaries of police officers and police staff. Costs generated in the operation of day-to-day policing, including salary and pension costs, are judged to be the responsibility of the Chief Constable and are recognised in the Comprehensive Income and Expenditure Statement for the Chief Constable.
- Liabilities relating to salaries and pensions of police officers and police staff are judged to be the responsibility of the Chief Constable and are recognised in the Balance Sheet of the Chief Constable.
- GMCA owns all of the assets utilised by GMP and the functions and decisions relating to such properties, rights and liabilities are ultimately exercised and made by the Mayor. These assets are judged to be the responsibility of the Mayor and are recognised in the statement of accounts for GMCA. Any receipts arising from such assets are paid into the Mayoral Police Fund and are also recognised in the statement of accounts for GMCA.
- No bank accounts are held in the name of the Chief Constable. Any bank accounts used by the Chief Constable are held in the name of GMCA. These bank accounts are judged to be the responsibility of the Mayor and are recognised in the statement of accounts for GMCA.

#### **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 made by the Chief Constable about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Chief Constable's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming year are as follows:

##### **Pension Liabilities**

Estimation of the net liability to pay pensions depends on a number of complex judgments related to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions are shown in note 14.

#### **5. EVENTS AFTER THE REPORTING PERIOD**

The Statement of Accounts was authorised for issue by the Chief Finance Officer to the Chief Constable on 15 December 2021. Events taking place after this date are not reflected in the financial statement or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 6. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Chief Constable in comparison with those resources consumed or earned by the Chief Constable in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

	2020/21			2019/20		
	Net Expenditure Chargeable to the General Fund	Adjustments Between Accounting Basis and Funding Basis	Net Expenditure in the CIES	Net Expenditure Chargeable to the General Fund	Adjustments Between Accounting Basis and Funding Basis	Net Expenditure in the CIES
	£000	£000	£000	£000	£000	£000
Cost of policing services	707,569	(4,495)	703,074	664,358	(13,708)	650,650
Funding set aside by the Mayor to fund policing services	(707,569)	0	(707,569)	(664,358)	0	(664,358)
Other income and expenditure	0	175,681	175,681	0	208,271	208,271
<b>(Surplus) or Deficit on Provision of Services</b>	<b>0</b>	<b>171,186</b>	<b>171,186</b>	<b>0</b>	<b>194,563</b>	<b>194,563</b>
Opening General Fund Balance	0			0		
Surplus or (Deficit) on General Fund Balance in Year	0			0		
<b>Closing General Fund Balance at 31 March</b>	<b>0</b>			<b>0</b>		

## NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

	2020/21				
	Net Expenditure Chargeable to the General Fund	Net Change for Pensions Adjustments	Other Differences	Total Adjustments	Net Expenditure in the CIES
	£000	£000	£000	£000	£000
Cost of policing services	707,569	(7,560)	3,065	(4,495)	703,074
Funding set aside by the Mayor to fund policing services	(707,569)	0	0	0	(707,569)
Other income and expenditure from the Expenditure and Funding Analysis	0	175,681	0	175,681	175,681
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	0	168,121	3,065	171,186	171,186

	2019/20				
	Net Expenditure Chargeable to the General Fund	Net Change for Pensions Adjustments	Other Differences	Total Adjustments	Net Expenditure in the CIES
	£000	£000	£000	£000	£000
Cost of policing services	664,358	(15,768)	2,060	(13,708)	650,650
Funding set aside by the Mayor to fund policing services	(664,358)	0	0	0	(664,358)
Other income and expenditure from the Expenditure and Funding Analysis	0	208,271	0	208,271	208,271
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	0	192,503	2,060	194,563	194,563

## 7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

The following table sets the reserves that the adjustments are made against.

	2020/21	2019/20
	£000	£000
<b>Adjustments primarily involving the Pension Reserve:</b>		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	410,825	431,979
Employer's pension contributions and direct payments to pensioners payable in the year	(242,704)	(239,476)
<b>Adjustments primarily involving the Accumulated Absences Account:</b>		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,065	2,060
<b>Total Adjustments</b>	<b>171,186</b>	<b>194,563</b>

## 8. EXPENDITURE AND INCOME ANALYSED BY NATURE

The Chief Constable's expenditure and income is analysed as follows:

	2020/21	2019/20
	£000	£000
<b>Expenditure</b>		
Employee costs	574,197	546,814
Premises costs	17,997	17,804
Transport costs	5,479	6,133
Supplies and services	59,053	52,664
Partnership costs	14,265	15,108
Employee benefit costs	3,641	(6,157)
Depreciation, amortisation and impairment	30,707	25,212
Transfers between GMP and GMCA	(2,265)	(6,928)
Pension interest costs	193,996	228,784
<b>Total expenditure</b>	<b>897,070</b>	<b>879,434</b>
<b>Income</b>		
Income from operational activities	(29,582)	(37,742)
Grants and other transfers the Mayor	(677,987)	(626,616)
<b>Total funding from the Mayor</b>	<b>(707,569)</b>	<b>(664,358)</b>
Expected return on pension assets	(18,315)	(20,513)
<b>Total Income</b>	<b>(725,884)</b>	<b>(684,871)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>171,186</b>	<b>194,563</b>

## 9. ACCUMULATED ABSENCES

The short term creditor of £9.976m (£6.911m in 2019/20) represents the cost of untaken annual leave entitlement due to police officers and police staff at the end of the year.

## 10. UNUSABLE RESERVES

The table below shows the reserves that cannot be utilised to provide services.

	31 March 2021	31 March 2020
	£000	£000
Accumulated Absence Account	(9,976)	(6,911)
Pensions Reserve	(8,718,913)	(7,807,086)
<b>Total Unusable Reserves</b>	<b>(8,728,889)</b>	<b>(7,813,997)</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

	2020/21	2019/20
	£000	£000
Accumulated Absences Account Balance at 1 April	(6,911)	(4,851)
Settlement or cancellation of accrual made at the end of the preceding year	6,911	4,851
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(9,976)	(6,911)
<b>Accumulated Absences Account Balance at 31 March</b>	<b>(9,976)</b>	<b>(6,911)</b>

## Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from different arrangements for accounting for post-employment benefits and funding benefits in accordance with statutory provisions.

The Chief Constable accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pays any pensions for which he is directly responsible.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2020/21	2019/20
	£000	£000
Opening Pensions Reserve Balance	(7,807,086)	(8,486,753)
Remeasurements of the net defined benefit liability / (asset)	(743,706)	872,170
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(410,825)	(431,979)
Employer's pensions contributions and direct payments to pensioners payable in the year	242,704	239,476
<b>Closing Pensions Reserve Balance at 31 March</b>	<b>(8,718,913)</b>	<b>(7,807,086)</b>

## 11. OFFICERS' REMUNERATION

### Police Officers and Employees Remuneration Above £50,000

The table below shows the number of police officers and police staff who have received more than £50,000 in remuneration during the year, excluding any payments in relation to employee pensions. These figures include the defined senior and statutory officers as shown in the Relevant Police Officers and Senior Employees Remuneration note.

	2020/21	2019/20
Remuneration band	Number of employees	Number of employees
£50,000 - £54,999	722	624
£55,000 - £59,999	465	415
£60,000 - £64,999	180	111
£65,000 - £69,999	51	50
£70,000 - £74,999	28	28
£75,000 - £79,999	24	11
£80,000 - £84,999	17	18
£85,000 - £89,999	16	11
£90,000 - £94,999	9	7
£95,000 - £99,999	8	0
£105,000 - £109,999	1	1
£110,000 - £114,999	1	3
£115,000 - £119,999	3	1
£120,000 - £124,999	2	0
£125,000 - £129,999	1	1
£150,000 - £154,999	0	1
£165,000 - £169,999	1	0
£205,000 - £209,999	0	1
£375,000 - £379,999	1	0
<b>Total</b>	<b>1,530</b>	<b>1,283</b>

## Relevant Police Officers and Senior Employees Remuneration

The table below shows the remuneration paid to relevant police officers and senior employees, as defined in the Code, who have responsibility for the management of the force and whose annualised salary is greater than or equal to £50,000 for the year.

Post Title	Note	Salary £000	Termination Benefits £000	Expenses £000	Other £000	Pension Contri- butions £000	Total £000
Ian Hopkins - as Chief Constable	A	160	217	0	0	0	377
Ian Pilling - as Acting Chief Constable	b	50	0	0	0	0	50
- as Deputy Chief Constable		118	0	0	0	0	118
Mabs Hussain - as Acting Deputy Chief Constable	c	26	0	0	0	8	34
- as Assistant Chief Constable		95	0	2	0	29	126
Assistant Chief Constable		121	0	0	8	37	166
Assistant Chief Constable		119	0	0	0	37	156
Assistant Chief Constable		118	0	0	0	37	155
Assistant Chief Constable		121	0	0	0	0	121
Assistant Chief Constable	d	95	0	1	0	28	124
Assistant Chief Officer Resources		118	0	0	6	23	147

Note a: Chief Constable stepped down in December 2020

Note b: Acting Chief Constable from January 2021

Note c: Acting Deputy Chief Constable from February 2021

Note d: Acting Assistant Chief Constable from January 2021

## 2019/20 Comparative Senior Officers' Remuneration

Post Title	Note	Salary £000	Expenses £000	Other £000	Pension Contri- butions £000	Total £000
Ian Hopkins, Chief Constable		208	1	0	0	209
Ian Pilling, Deputy Chief Constable		154	0	0	29	183
Assistant Chief Constable		118	0	8	36	162
Assistant Chief Constable		115	0	0	35	150
Assistant Chief Constable		111	0	1	33	145
Assistant Chief Constable		105	1	0	33	139
Assistant Chief Constable	a	89	0	0	1	90
Assistant Chief Constable	b	22	1	2	7	32
Assistant Chief Officer Resources		115	0	7	22	144

Note a: Assistant Chief Constable appointed July 2019

Note b: Assistant Chief Constable left in June 2019

## Exit Costs and Termination Benefits

The Chief Constable terminated 25 employee contracts in 2020/21, incurring liabilities of £1,180,061 (30 in 2019/20 costing £965,823). These amounts have arisen as a result of strategic change and improvement programmes and relate to redundancy pay, pay in lieu of notice and pension strain costs. The total cost per band and the total cost of the compulsory and other redundancies are set out in the table below.

	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
£0 - £20,000	1	3	9	11	10	14	£75,974	£161,126
£20,001 - £40,000	0	1	2	7	2	8	£45,974	£209,541
£40,001 - £60,000	4	2	1	1	5	3	£268,986	£146,080
£60,001 - £80,000	0	0	2	1	2	1	£133,635	£70,397
£80,001 - £100,000	0	0	2	3	2	3	£175,581	£262,945
£100,001 - £150,000	0	0	4	1	4	1	£479,911	£115,734
<b>Total</b>	<b>5</b>	<b>6</b>	<b>20</b>	<b>24</b>	<b>25</b>	<b>30</b>	<b>£1,180,061</b>	<b>£965,823</b>

In addition to the figures above, the former Chief Constable received termination benefits of £216,820 after stepping down as Chief Constable in December 2020.

## 12. EXTERNAL AUDIT COSTS

The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts. The external auditor for the Chief Constable of Greater Manchester is Mazars LLP.

	2020/21	2019/20
	£000	£000
Fees payable for external audit services carried out by the appointed auditor for the relevant financial period	46	48

## 13. RELATED PARTIES

The Chief Constable is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Force or to be controlled or influenced by the Force. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Force. In this context related parties include:

- The Elected Mayor of Greater Manchester
- Greater Manchester Combined Authority
- Central Government
- Key management personnel including senior managers
- Close family member of key management personnel
- Other public bodies
- Entities controlled or significantly influenced by the Chief Constable

## The Elected Mayor of Greater Manchester

The functions of the Greater Manchester Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of Greater Manchester with effect from 8 May 2017. Under Section 3 of the Order “the mayor is to be treated, in relation to the mayor’s PCC functions, as a police and crime commissioner for the purposes of all police and crime commissioner enactments, wherever passed or made, subject to schedule 1 of the Order”.

The Mayor has direct control over the finances of the Greater Manchester Combined Authority and is responsible for issuing the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the Mayor to deliver the aims and objectives set out in the Police and Crime Plan.

## Greater Manchester Combined Authority

Under the legislative framework and local arrangements, Greater Manchester Combined Authority, under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable’s officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund.

GMCA charges the Chief Constable for operational assets consumed in the year. This charge covers the annual depreciation charge, amortisation, impairments and revaluation movements, as reported in the statement of accounts for GMCA. The following charges have been made:

	2020/21	2019/20
	£000	£000
Depreciation, amortisation, impairments and revaluations	30,707	25,212

## Central Government

Central government has significant influence over the general operations of the Chief Constable. It is responsible for providing the statutory framework within which the Chief Constable operates, provides the majority of funding in the form of grants to the Mayor and prescribes the terms of many of the transactions with other parties.

## Senior Police Officers and Senior Employees

Senior officers and staff were asked to declare any material, financial transactions with the Chief Constable by themselves, by their close family, or by any organisation in which they or their close family have a controlling interest.

During 2020/21, 3 amounts of funding totalling of £5,000 were awarded to Odd Arts, a registered charity of which an Assistant Chief Constable is a Trustee. The charity works with young people in Greater Manchester who are at risk of getting involved in criminality. The Assistant Chief Constable did not take part in any discussion, decision or administration relating to the funding award.

## Greater Manchester Pension Fund

The Chief Constable’s transactions with the Local Government Pension Scheme (the Greater Manchester Pension Fund administered by the Tameside Metropolitan Borough Council) are shown in the pension related disclosure note.

## **14. DEFINED BENEFIT PENSION SCHEMES**

### **Participation in Pension Schemes**

As part of the terms and conditions of employment of his officers and employees, the Chief Constable makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the officers and employees retire, the Chief Constable has a commitment to make the payments (for those benefits) and to disclose them at the time that officers and employees earn their future entitlement.

The Chief Constable participates in two pension schemes providing post-employment benefits:

All police officers, unless they have opted out, are members of the Police Pension Scheme. This is an unfunded defined benefit career average salary scheme, meaning that there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. The scheme can be split into four components: 1987 Police Pension Scheme; Police Injury Benefit Scheme; 2006 Police Pension Scheme, and; 2015 Police Pension Scheme. The scheme is contracted out of the State Second Pension Scheme. The Police Pension Fund Account is disclosed after the notes to the Accounts.

All police staff employees, unless they have opted out, are members of the Greater Manchester Pension Fund (GMPF). This is a funded defined benefit career average salary scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Tameside Metropolitan Borough Council is the statutory administering authority for GMPF. The administration and investment performance of GMPF is reviewed by the Pension Fund Management Panel, which consists of 21 elected members from Greater Manchester local authorities and a representative from the Ministry of Justice. The Pension Fund Management Panel is advised in all areas by the Advisory Panel. Each of the ten Greater Manchester local authorities and the Ministry of Justice are represented on the Advisory Panel and there are six employee representatives. There are also four External Advisors who assist the Advisory Panel, in particular, regarding investment related issues. The Management Panel appoint external investment managers to invest the majority of assets on behalf of GMPF in accordance with guidelines set by the Management Panel.

The principal risks to the Chief Constable of the schemes are the longevity assumptions, statutory changes to the schemes, structural changes to the schemes (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the schemes. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

### **Discretionary Post-Retirement Benefits**

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

### **McCloud/Sargeant Ruling**

The Chief Constable, along with other Chief Constables and the Home Office, currently has a number of claims lodged against them. The claims are in respect of unlawful discrimination arising from the transitional provisions in the Police Pension Regulations 2015.

In December 2018, the Court of Appeal (the McCloud/Sargeant cases) ruled that the transitional protection offered to some members as part of the reform to public sector pensions amounted to unlawful discrimination.

The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management review 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.

#### Impact on Police Pension Scheme liabilities

In calculating the 2018/19 pension scheme liabilities, the Government Actuary Department included a past service cost for the potential impact of the McCloud/Sargeant ruling. These estimates were carried out for the Police Pension Scheme as a whole and assumed to apply proportionately to each policing authority.

In calculating the 2019/20 pension scheme liabilities, the Government Actuary Department updated their calculations to allow for authority specific membership data, rather than using data for the Police Pension Scheme as a whole. In line with CIPFA guidance, this change was included as a Remeasurement item.

The changes to the pension scheme liabilities arising from remedy arrangements proposed by HM Treasury have been included as a current service cost in 2019/20 and 2020/21.

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

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

#### Impact on Local Government Pension Scheme liabilities

The Local Government Pension Scheme liabilities for 2019/20 reflected the estimated increased liabilities arising from the McCloud/Sargeant judgement. These estimates have been rolled forward to be included within in the 2020/21 pension scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Local Government Pension Scheme valuation is due to be reported in 2023/24.

### **Guaranteed Minimum Pension Indexation and Equalisation Consultation**

Increases to pension scheme liabilities relating to guaranteed minimum pensions indexation and equalisation following the Lloyds case were included in the 2018/19 and 2019/20 accounts as past service costs. A further court ruling on 20 November 2020 in respect of pension transfer values may result in additional scheme liabilities. The scope of any costs are yet to be determined but is only expected to affect a relatively small subset of members.

### **Survivor's Pension Benefits**

There are a number of ongoing court cases or rulings (the Goodwin/Walker cases) relating to survivor's pension benefits payable to civil-partners or same-sex spouses of pension scheme members. Remedies for these judgements have not been agreed, but may ultimately increase the liabilities of the Police Pension Scheme and the Local Government Pension Scheme. No allowances have been made in the pension scheme liabilities for these potential remedies.

### **Implications of COVID-19**

The mortality assumptions shown on page 49 make no specific allowance for the impact of COVID-19 or any other pandemics. The starting rates of mortality are based on projections of past trends in UK mortality and the effects of past pandemics will already be reflected in these trends.

### **Transactions Relating to Post-Employment Benefits**

The cost of retirement benefits in the reported cost of services is recognised when they are earned by officers and employees, rather than when the benefits are eventually paid as pensions. However, the charge that the Greater Manchester Combined Authority is required to make against the council tax precept is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

## Transactions Relating to Post-Employment Benefits Included in Financial Statements

	2020/21					Total
	LGPS	1987 Police Pension Scheme	Police Injury Benefit Scheme	2006 Police Pension Scheme	2015 Police Pension Scheme	
	£000	£000	£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement (CIES)</b>						
<i>Cost of Services comprising:</i>						
- Current service cost	38,176	23,370	3,850	980	168,330	<b>234,706</b>
- Past service costs	438	0	0	0	0	<b>438</b>
<b>Total Cost of Services</b>	<b>38,614</b>	<b>23,370</b>	<b>3,850</b>	<b>980</b>	<b>168,330</b>	<b>235,144</b>
<i>Financing and Investment Income and Expenditure</i>						
Interest income of plan assets	(18,315)	0	0	0	0	<b>(18,315)</b>
Interest cost on defined benefit obligation	23,476	148,560	3,670	5,760	12,530	<b>193,996</b>
<b>Net interest expense</b>	<b>5,161</b>	<b>148,560</b>	<b>3,670</b>	<b>5,760</b>	<b>12,530</b>	<b>175,681</b>
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>43,775</b>	<b>171,930</b>	<b>7,520</b>	<b>6,740</b>	<b>180,860</b>	<b>410,825</b>
<i>Other Post-employment Benefits charged to the CIES</i>						
Remeasurement of the net defined benefit liability comprising:						
- Return on plan assets (excluding the amount included in the net interest expense)	(151,952)	0	0	0	0	<b>(151,952)</b>
- Actuarial gains and losses arising on changes in demographic assumptions	6,153	0	0	0	0	<b>6,153</b>
- Actuarial gains and losses arising on changes in financial assumptions	341,500	691,900	13,580	49,180	124,570	<b>1,220,730</b>
- Other experience	(9,165)	(260,450)	(7,060)	19,300	(73,850)	<b>(331,225)</b>
<b>Total Post-employment Benefits charged to the CIES</b>	<b>230,311</b>	<b>603,380</b>	<b>14,040</b>	<b>75,220</b>	<b>231,580</b>	<b>1,154,531</b>
<b>Movement in Reserves Statement</b>						
- Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code of Practice	(43,775)	(171,930)	(7,520)	(6,740)	(180,680)	<b>(410,825)</b>
Actual amount charged against the General Fund Balance for pensions in the year:						
Employers' contributions payable to scheme	22,375	9,034	0	478	65,968	<b>97,856</b>
Retirement benefits payable to pensioners	419	0	0	0	0	<b>419</b>

## 2019/20 Comparative Transactions Relating to Post-Employment Benefits Included in Financial Statements

	2019/20					
	LGPS	1987 Police Pension Scheme	Police Injury Benefit Scheme	2006 Police Pension Scheme	2015 Police Pension Scheme	Total
	£000	£000	£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement (CIES)</b>						
<i>Cost of Services comprising:</i>						
- Current service cost	48,634	38,170	3,680	1,500	160,100	<b>252,084</b>
- Past service costs	(3,826)	28,500	0	(53,050)	0	<b>(28,376)</b>
<b>Total Cost of Services</b>	<b>44,808</b>	<b>66,670</b>	<b>3,680</b>	<b>(51,550)</b>	<b>160,100</b>	<b>223,708</b>
<i>Financing and Investment Income and Expenditure</i>						
Interest income of plan assets	(20,513)	0	0	0	0	<b>(20,513)</b>
Interest cost on defined benefit obligation	28,724	176,830	4,280	8,110	10,840	<b>228,784</b>
<b>Net interest expense</b>	<b>8,211</b>	<b>176,830</b>	<b>4,280</b>	<b>8,110</b>	<b>10,840</b>	<b>208,271</b>
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>53,019</b>	<b>243,500</b>	<b>7,960</b>	<b>(43,440)</b>	<b>170,940</b>	<b>431,979</b>
<i>Other Post-employment Benefits charged to the CIES</i>						
Remeasurement of the net defined benefit liability comprising:						
- Return on plan assets (excluding the amount included in the net interest expense)	87,158	0	0	0	0	<b>87,158</b>
- Actuarial gains and losses arising on changes in demographic assumptions	(30,850)	(211,100)	(5,540)	(10,690)	(15,920)	<b>(274,100)</b>
- Actuarial gains and losses arising on changes in financial assumptions	(119,941)	(275,730)	(2,840)	(23,740)	(20,640)	<b>(442,891)</b>
- Other experience	(78,857)	(140,460)	(4,000)	3,100	(22,120)	<b>(242,337)</b>
<b>Total Post-employment Benefits charged to the CIES</b>	<b>(89,471)</b>	<b>(383,790)</b>	<b>(4,420)</b>	<b>(74,770)</b>	<b>112,260</b>	<b>(440,191)</b>
<b>Movement in Reserves Statement</b>						
- Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code of Practice	(53,019)	(243,500)	(7,960)	43,440	(170,940)	<b>(431,979)</b>
Actual amount charged against the General Fund Balance for pensions in the year:						
Employers' contributions payable to scheme	21,283	13,791	0	680	56,334	<b>92,089</b>
Retirement benefits payable to pensioners	423	0	0	0	0	<b>423</b>

## Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Chief Constable's obligation in respect of his defined benefit plans are:

	31 March 2021			31 March 2020		
	LGPS	Police Pension Scheme	Total	LGPS	Police Pension Scheme	Total
	£000	£000	£000	£000	£000	£000
Present value of the defined benefit obligation	(1,396,940)	(8,294,720)	<b>(9,691,660)</b>	(1,007,996)	(7,590,410)	<b>(8,598,406)</b>
Fair value of plan assets	972,747	0	<b>972,747</b>	791,320	0	<b>791,320</b>
<b>Sub-total</b>	<b>(424,193)</b>	<b>(8,294,720)</b>	<b>(8,718,913)</b>	<b>(216,676)</b>	<b>(7,590,410)</b>	<b>(7,807,086)</b>
Other movements in the liability	0	0	<b>0</b>	0	0	<b>0</b>
<b>Net liability arising from defined benefit obligation</b>	<b>(424,193)</b>	<b>(8,294,720)</b>	<b>(8,718,913)</b>	<b>(216,676)</b>	<b>(7,590,410)</b>	<b>(7,807,086)</b>

## Reconciliation of Movements in the Fair Value of the Scheme (Plan) Assets:

	LGPS	
	2020/21	2019/20
	£000	£000
<b>Opening fair value of scheme assets</b>	<b>791,320</b>	<b>847,926</b>
Interest income	18,315	20,513
Remeasurement gain / (loss)		
- The return of plan assets, excluding the amount included in the net interest expense	151,952	(87,158)
Contributions from employer	22,375	21,283
Contributions from employees into the scheme	7,475	7,309
Benefits paid	(18,690)	(18,553)
Contribution in respect of unfunded benefits	419	423
Unfunded benefits paid	(419)	(423)
<b>Closing fair value of scheme assets</b>	<b>972,747</b>	<b>791,320</b>

## Reconciliation of Present Value of Scheme Liabilities

	LGPS	1987 Police Pension Scheme	Police Injury Benefit Scheme	2006 Police Pension Scheme	2015 Police Pension Scheme	Total
	£000	£000	£000	£000	£000	£000
<b>Opening balance at 1 April</b>	<b>1,007,996</b>	<b>6,695,230</b>	<b>164,970</b>	<b>255,690</b>	<b>474,520</b>	<b>8,598,406</b>
Current service cost	38,176	19,280	3,850	760	140,060	<b>202,126</b>
Interest cost	23,476	148,560	3,670	5,760	12,530	<b>193,996</b>
Contributions from scheme participants	7,475	4,090	0	220	28,270	<b>40,055</b>
Remeasurement (gains) and losses:						
- Actuarial gains / losses arising from changes in demographic assumptions	6,153	0	0	0	0	<b>6,153</b>
- Actuarial gains / losses arising from changes in financial assumptions	341,500	691,900	13,580	49,180	124,570	<b>1,220,730</b>
- Other experience	(9,165)	(260,450)	(7,060)	19,300	(73,850)	<b>(331,225)</b>
Past service cost	438	0	0	0	0	<b>438</b>
Benefits paid	(18,690)	(209,860)	(7,650)	(390)	(2,860)	<b>(239,450)</b>
Transfers in	0	170	0	150	530	<b>850</b>
Unfunded benefits paid	(419)	0	0	0	0	<b>(419)</b>
<b>Closing balance at 31 March</b>	<b>1,396,940</b>	<b>7,088,920</b>	<b>171,360</b>	<b>330,670</b>	<b>703,770</b>	<b>9,691,660</b>

## 2019/20 Comparative Information Reconciliation of Present Value of Scheme Liabilities

	LGPS	1987 Police Pension Scheme	Police Injury Benefit Scheme	2006 Police Pension Scheme	2015 Police Pension Scheme	Total
	£000	£000	£000	£000	£000	£000
<b>Opening balance at 1 April</b>	<b>1,175,779</b>	<b>7,288,710</b>	<b>176,510</b>	<b>330,420</b>	<b>363,260</b>	<b>9,334,679</b>
Current service cost	48,634	31,870	3,680	1,210	136,040	<b>221,434</b>
Interest cost	28,724	176,830	4,280	8,110	10,840	<b>228,784</b>
Contributions from scheme participants	7,309	6,300	0	290	24,060	<b>37,959</b>
Remeasurement (gains) and losses:						
- Actuarial gains / losses arising from changes in demographic assumptions	(30,850)	(211,100)	(5,540)	(10,690)	(15,920)	<b>(274,100)</b>
- Actuarial gains / losses arising from changes in financial assumptions	(119,941)	(275,730)	(2,840)	(23,740)	(20,640)	<b>(442,891)</b>
- Other experience	(78,857)	(140,460)	(4,000)	3,100	(22,120)	<b>(242,337)</b>
Past service cost	(3,826)	28,500	0	(53,050)	0	<b>(28,376)</b>
Benefits paid	(18,553)	(209,730)	(7,120)	(250)	(1,880)	<b>(237,553)</b>
Transfers in	0	40	0	290	880	<b>1,210</b>
Unfunded benefits paid	(423)	0	0	0	0	<b>(423)</b>
<b>Closing balance at 31 March</b>	<b>1,007,996</b>	<b>6,695,230</b>	<b>164,970</b>	<b>255,690</b>	<b>474,520</b>	<b>8,598,406</b>

## Local Government Pension Scheme assets comprise:

	31 March 2021			
	Quoted prices in active markets	Prices not quoted in active markets	Total	Percentage of total assets
	£000	£000	£000	%
<b>Cash and cash equivalents</b>	<b>19,333</b>	<b>0</b>	<b>19,333</b>	<b>2.0%</b>
<i>Equity instruments by industry type:</i>				
Consumer	85,358	0	85,358	8.8%
Manufacturing	76,020	0	76,020	7.8%
Energy and utilities	47,172	0	47,172	4.8%
Financial institutions	102,184	0	102,184	10.5%
Health and care	48,619	0	48,619	5.0%
Information technology	51,381	0	51,381	5.3%
Other	15,715	0	15,715	1.6%
<b>Sub-total equity</b>	<b>426,449</b>	<b>0</b>	<b>426,449</b>	<b>43.8%</b>
<i>Bonds by sector:</i>				
Corporate bonds (investment grade)	47,019	0	47,019	4.8%
UK Government bonds	0	0	0	0%
Other	12,636	0	12,636	1.3%
<b>Sub-total bonds</b>	<b>59,655</b>	<b>0</b>	<b>59,655</b>	<b>6.1%</b>
<i>Property:</i>				
UK	0	36,347	36,347	3.7%
<b>Sub-total Property</b>	<b>0</b>	<b>36,347</b>	<b>36,347</b>	<b>3.7%</b>
<i>Private equity:</i>				
All	0	57,897	57,897	6.0%
<b>Sub-total private equity</b>	<b>0</b>	<b>57,897</b>	<b>57,897</b>	<b>6.0%</b>
<i>Other investment funds:</i>				
Equities	87,402	0	87,402	9.0%
Bonds	123,275	0	123,275	12.7%
Infrastructure	0	49,588	49,588	5.1%
Other	21,084	92,498	113,582	11.6%
<b>Sub-total other investment funds</b>	<b>231,761</b>	<b>142,086</b>	<b>373,847</b>	<b>38.4%</b>
<i>Derivatives:</i>				
Other	(781)	0	(781)	0.0%
<b>Sub-total derivatives</b>	<b>(781)</b>	<b>0</b>	<b>(781)</b>	<b>0.0%</b>
<b>Total assets</b>	<b>736,417</b>	<b>236,330</b>	<b>972,747</b>	<b>100.0%</b>

## 2019/20 Comparative Information Local Government Pension Scheme assets comprise

	31 March 2020			
	Quoted prices in active markets	Prices not quoted in active markets	Total	Percentage of total assets
	£000	£000	£000	%
<b>Cash and cash equivalents</b>	<b>8,930</b>	<b>0</b>	<b>8,930</b>	<b>1.1%</b>
<i>Equity instruments by industry type:</i>				
Consumer	59,928	0	59,928	7.6%
Manufacturing	49,387	0	49,387	6.2%
Energy and utilities	39,240	0	39,240	5.0%
Financial institutions	71,092	0	71,092	9.0%
Health and care	36,763	0	36,763	4.6%
Information technology	32,559	0	32,559	4.1%
Other	16,251	0	16,251	2.1%
<b>Sub-total equity</b>	<b>305,220</b>	<b>0</b>	<b>305,220</b>	<b>38.6%</b>
<i>Bonds by sector:</i>				
Corporate bonds (investment grade)	38,026	0	38,026	4.8%
UK Government bonds	0	0	0	0.0%
Other	32,354	0	32,354	4.1%
<b>Sub-total bonds</b>	<b>70,380</b>	<b>0</b>	<b>70,380</b>	<b>8.9%</b>
<i>Property:</i>				
UK	0	36,360	36,360	4.6%
<b>Sub-total Property</b>	<b>0</b>	<b>36,360</b>	<b>36,360</b>	<b>4.6%</b>
<i>Private equity:</i>				
All	0	50,367	50,367	6.4%
<b>Sub-total private equity</b>	<b>0</b>	<b>50,367</b>	<b>50,367</b>	<b>6.4%</b>
<i>Other investment funds:</i>				
Equities	74,042	0	74,042	9.4%
Bonds	99,452	0	99,452	12.6%
Infrastructure	0	47,341	47,341	6.0%
Other	18,907	80,321	99,228	12.4%
<b>Sub-total other investment funds</b>	<b>192,401</b>	<b>127,662</b>	<b>320,063</b>	<b>40.4%</b>
<i>Derivatives:</i>				
Other	0	0	0	0.0%
<b>Sub-total derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total assets</b>	<b>576,931</b>	<b>214,389</b>	<b>791,320</b>	<b>100.0%</b>

## 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.

The Police Pension Scheme liabilities have been assessed by the Government Actuary's Department. A full valuation of the scheme is carried out every four years. Estimates have been made based on the latest full valuation of the scheme as at 31 March 2016, published in July 2019.

The Local Government Pension Scheme liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. A full valuation of the scheme is carried out every three years. Estimates have been made based on the latest full valuation of the scheme as at 31 March 2019, published in March 2020.

The significant assumptions used by the actuaries have been:

	Local Government Pension Scheme		Police Pension Scheme	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Mortality assumptions:</b>				
Longevity at 65 for current pensioners:				
- Men	20.5	20.5	22.0	21.9
- Women	23.3	23.1	23.7	23.6
Longevity at 65 for future pensioners:				
- Men	21.9	22.0	23.7	23.6
- Women	25.3	25.0	25.3	25.2
<b>Inflation assumptions:</b>				
Rate of inflation	3.20%	2.70%	2.40%	2.00%
Rate of increase in salaries	3.55%	2.60%	4.15%	4.00%
Rate of increase in pensions	2.80%	1.80%	2.40%	2.00%
Rate for discounting scheme liabilities	2.05%	2.30%	2.00%	2.25%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the schemes, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

## Sensitivity Analysis

	Increase to Employer Liability	
	%	£000
<b>Local Government Pension Scheme:</b>		
Longevity increase in 1 year	3% to 5%	41,908 to 69,847
0.5% increase in rate of increase in salaries	2.0%	21,185
0.5% increase in rate of increase in pensions	10.0%	145,138
0.5% increase in rate for discounting scheme liabilities	-12.0%	(170,136)
<b>1987 Police Pension Scheme:</b>		
Longevity increase in 1 year	3.5%	247,000
0.5% increase in rate of increase in salaries	1.0%	64,000
0.5% increase in rate of increase in pensions	8.0%	574,000
0.5% increase in rate for discounting scheme liabilities	-8.5%	(616,000)
<b>Police Injury Benefit Scheme:</b>		
Longevity increase in 1 year	4.0%	7,000
0.5% increase in rate of increase in salaries	0.5%	1,000
0.5% increase in rate of increase in pensions	7.0%	12,000
0.5% increase in rate for discounting scheme liabilities	-7.5%	(13,000)
<b>2006 Police Pension Scheme:</b>		
Longevity increase in 1 year	3.0%	10,000
0.5% increase in rate of increase in salaries	7.0%	24,000
0.5% increase in rate of increase in pensions	10.0%	33,000
0.5% increase in rate for discounting scheme liabilities	-15.5%	(51,000)
<b>2015 Police Pension Scheme:</b>		
Longevity increase in 1 year	3.0%	21,000
0.5% increase in rate of increase in salaries	0.0%	0
0.5% increase in rate of increase in pensions	17.5%	125,000
0.5% increase in rate for discounting scheme liabilities	-15.5%	(108,000)

## Impact on the Chief Constable's Cash Flows

The total contribution expected to be made to the Local Government Pension Scheme by the Chief Constable in the year to 31 March 2022 is £23.058m.

The total contribution expected to be made to the Police Pension Scheme by the Chief Constable in the year to 31 March 2022 is £78.589m.

## Analysis of Present Value of Scheme Liabilities by Members

The weighted average duration of the defined benefit obligation for scheme members are:

	31 March 2021			31 March 2020		
		Liability	Weighted Average Duration		Liability	Weighted Average Duration
	%	£000	Years	%	£000	Years
<b>Local Government Pension Scheme:</b>						
Active members	58.06%	807,220	24.9	52.74%	528,376	24.9
Deferred members	20.99%	291,782	25.1	20.63%	206,684	25.1
Pensioner members	20.96%	291,363	12.0	26.63%	266,739	12.0
<b>Total</b>	<b>100.00%</b>	<b>1,390,365</b>	<b>20.8</b>	<b>100.00%</b>	<b>1,001,799</b>	<b>20.8</b>
The figures above are for the funded obligations only and do not include unfunded pensioner liabilities of £6,575,000 (2019/20 £6,197,000).						
<b>1987 Police Pension Scheme:</b>						
Active members	35.05%	2,484,620		45.97%	3,077,790	
Deferred members	4.84%	343,340		3.74%	250,450	
Pensioner members	60.11%	4,260,960		50.29%	3,366,990	
<b>Total</b>	<b>100.00%</b>	<b>7,088,920</b>	<b>19</b>	<b>100.00%</b>	<b>6,695,230</b>	<b>19</b>
<b>Police Injury Benefit Scheme:</b>						
Active members	20.33%	34,830		22.97%	37,890	
Deferred members	0.00%	0		0.00%	0	
Pensioner members	79.67%	136,530		77.03%	127,080	
<b>Total</b>	<b>100.00%</b>	<b>171,360</b>	<b>n/a</b>	<b>100.00%</b>	<b>164,970</b>	<b>n/a</b>
<b>2006 Police Pension Scheme:</b>						
Active members	93.48%	309,110		92.57%	236,700	
Deferred members	5.14%	17,000		6.77%	17,310	
Pensioner members	1.38%	4,560		0.66%	1,680	
<b>Total</b>	<b>100.00%</b>	<b>330,670</b>	<b>35</b>	<b>100.00%</b>	<b>255,690</b>	<b>37</b>
<b>2015 Police Pension Scheme:</b>						
Active members	97.98%	689,560		99.91%	474,080	
Deferred members	1.53%	10,800		0.09%	440	
Pensioner members	0.49%	3,410		0.00%	0	
<b>Total</b>	<b>100.00%</b>	<b>703,770</b>	<b>34</b>	<b>100.00%</b>	<b>474,520</b>	<b>38</b>

## **15. CONTINGENT ASSETS AND LIABILITIES**

### **Contingent Assets**

As the Mayor holds all assets and liabilities, any contingent assets are shown in the Greater Manchester Combined Authority's accounts and the associated policy is included in the Consolidated Statement of Accounts.

### **Contingent Liabilities**

#### McCloud/Sargeant Compensation Claims

The Chief Constable, along with other Chief Constables and the Home Office, currently has a number of claims lodged against them. The claims are in respect of unlawful discrimination arising from the transitional provisions in the Police Pension Regulations 2015. Further information about these claims is provided in note 14.

Further claims for compensation for 'injury to feelings' have been lodged and test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response.

As at 31 March 2021, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

## THE POLICE PENSION FUND ACCOUNT

The Police Pension Scheme is an unfunded pension scheme. Both employer and employee pension contributions are based on a percentage of pay, which is paid into the Pension Fund. The amounts that must be paid into and out of the Pension Fund are specified by the Police Pension Fund Regulations 2007 and do not include injury awards.

### Fund Account

	2020/21	2019/20
	£000	£000
<b>Opening balance at 1 April</b>	<b>0</b>	<b>0</b>
<b>Contributions receivable</b>		
- Contributions at 31.0% of pensionable pay from employer	(75,508)	(70,762)
- Early Retirements	(1,776)	(1,762)
- Other (contributions from the Territorial Army)	(13)	(16)
Officers' contributions	(32,589)	(30,638)
<b>Transfers in</b>		
- Transfers in from other Police and Crime Commissioners and other schemes	(833)	(1,132)
<b>Benefits payable</b>		
- Pensions	176,791	171,990
- Commutations and lump sum retirement benefits	34,480	38,777
<b>Payments to and on account of leavers</b>		
- Individual transfers out to other Police and Crime Commissioners and other schemes	128	274
- Refunds of contributions	171	237
- Other (tax and interest)	630	316
<b>Net amount payable for the year</b>	<b>101,481</b>	<b>107,284</b>
Contribution from GMCA	(101,481)	(107,284)
<b>Closing balance at 31 March</b>	<b>0</b>	<b>0</b>

### Net asset statement

	31 March 2021	31 March 2020
	£000	£000
Unpaid pensions due	0	0
Amount owing to General Fund Balance	0	0
<b>Net Assets</b>	<b>0</b>	<b>0</b>

## Contribution rates

	2020/21	2019/20
Employer	31.00%	31.00%
Employee:		
- 1987 Scheme	14.25% to 15.05%	14.25% to 15.05%
- 2006 Scheme	11.00% to 12.75%	11.00% to 12.75%
- 2015 Scheme	12.44% to 13.78%	12.44% to 13.78%

## Notes to the Police Pension Fund Account and Net Assets Statement

1. The fund was established under the Police Pension Fund Regulations 2007 and is administered and managed by the Chief Constable.
2. The Police Pension Scheme is an unfunded, defined benefit scheme. There are no investment assets.
3. The Fund receives contributions from the Chief Constable as the employer and from scheme members based on a percentage of pensionable pay (see table above) set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department.
4. Benefits payable to scheme members are made from the fund with the exception of injury awards, which are payable by the Chief Constable. Administrative costs are met by the Chief Constable. Inward transfer values are paid into the fund and outward transfer values are paid from the fund.
5. The fund is balanced to nil each year by a transfer from GMCA. If income to the fund exceeds expenditure, then the excess is paid to GMCA. If expenditure exceeds income, then GMCA must fund the deficit. GMCA pays any excess income to the Home Office and receives the Police Pension Fund top up grant from the Home Office to fund any deficit.
6. The amount of Home Office grant outstanding at the year end is accrued and is included in the Balance Sheet shown in the statement of accounts for GMCA.
7. The table on the previous page showing the movements on the Police Pension Fund Account for the year does not include liabilities to pay pensions and other benefits after the Balance Sheet date. The liabilities for future retirements benefits are disclosed in note 14 of the statement of accounts for the Chief Constable.

## **GLOSSARY**

### **Accounting Policies**

Within the range of possible methods of accounting, a statement of the actual methods chosen locally and used to prepare these accounts.

### **Accruals**

The method of including amounts in accounts to cover income or expenditure attributable to an accounting period but for which payment has not been received or made by the end of the accounting period. This is based on the concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

### **Actuarial Remeasurements**

Actuaries assess financial and non-financial information provided by The Chief Constable to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise, leading to a loss or gain because:

- events have not coincided with the actuarial assumptions made for the last valuation
- the actuarial assumptions have changed

### **Adjustment between accounting basis and funding basis**

These are adjustments that are made to the total comprehensive income and expenditure recognised by The Chief Constable in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to The Chief Constable to meet future capital and revenue expenditure.

### **Balances**

The reserves of the Greater Manchester Police, both revenue and capital, which represent the accumulated surplus of income over expenditure on any of the funds

### **Balance sheet**

A statement of the recorded assets, liabilities and other balances at the end of an accounting period.

### **Cash Flow**

Movement in money received and paid by Greater Manchester Police in the accounting period.

### **CIPFA (The Chartered Institute of Public Finance and Accountancy)**

CIPFA is the leading professional accountancy body for public services.

### **Comprehensive Income and Expenditure Statement**

This statement details income and expenditure relating to policing services.

### **Contingent Liabilities**

Potential liabilities at the balance sheet date which depend on the occurrence or non-occurrence of one or more uncertain future events. The liabilities should be included in the balance sheet where it is probable that a loss will be incurred, which can be estimated reasonably accurately at the time the accounts are prepared. Otherwise, where the contingencies are likely to be material, the fact that they exist are disclosed as a note to the accounts.

### **Creditors**

Amounts owed by the Chief Constable where payment has not been made by the balance sheet date.

### **Current Assets**

An asset where the value changes, because the volume held varies from day to day, for example, stock. It is reasonable to expect that these assets will either be consumed or realised during the next accounting period.

### **Current Liabilities**

An amount which will become payable or could be called in within the next accounting period.

### **Current Service Cost**

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current financial year. It is the ultimate pension benefits "earned" by employees in the current year's employment which will eventually entitle them to receive pension benefits when they arise.

### **Curtailed**

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces the accrual of defined benefits for a number of employees, for some or all of their future service.

**Debtors**

Amounts due to Greater Manchester Police that relate to the accounting period and have not been received by the balance sheet date.

**Defined Benefit Scheme**

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investment of the scheme. The scheme may be funded or unfunded (including notionally funded).

**Earmarked Reserves**

These reserves represent the monies set aside that can only be used for a specific usage or purpose.

**Exceptional Items**

Material items deriving from events or transactions that fall within the ordinary activities of The Chief Constable, but which need to be separately disclosed by virtue of their size and/ or incidence to give a fair presentation of the accounts.

**Expenditure**

Costs incurred by the Chief Constable for goods received, services rendered or other value consumed during the accounting period, irrespective of whether or not any movement of cash has taken place.

**External Audit**

The independent examination of the activities and accounts of local authorities, to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure The Chief Constable has made proper arrangements to secure value for money in his use of resources.

**GMCA (Greater Manchester Combined Authority)**

The GMCA assumed its powers on 1st April 2011 and took over functions which were previously the responsibility of the Greater Manchester Integrated Transport Authority (GMITA).

**Income**

Amounts due to the Elected Mayor of Greater Manchester in respect of services performed, or grants receivable, during the accounting period, irrespective of whether or not any movement of cash has taken place.

**International Accounting Standard 19 Employee Benefits (IAS 19)**

IAS 19 sets out the treatment of pensions and other forms of retirement benefits in an organisation's statutory accounts.

**International Financial Reporting Standards (IFRS)**

A set of international financial accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board to make international comparisons as easy as possible.

**Inventories**

Raw materials and consumable items which have been procured in the name of the Elected Mayor of Greater Manchester to use on a continuing basis and have not been used by the end of the accounting period.

**Liabilities**

Amounts due to individuals or organisations, which will have to be paid at some time in the future.

**Material**

The concept that any omission from or inaccuracy in the statements of account should not be large enough to affect the understanding of those statements by a reader.

**Movement in Reserves Statement**

The movement in the year on the different reserves held by The Chief Constable, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

**Payments in Advance**

Amounts actually paid in an accounting period prior to the period in which they are due

**Pension Strain**

Pension strain arises when an employee retires early without actuarial reduction of pension.

### **Post Balance Sheet Event**

Events both favourable and unfavourable which occur between the balance sheet date and the date on which the financial statements are approved

### **Prior Year Adjustments**

Material adjustments to the accounts of earlier years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

### **Provisions**

Amounts set aside in the accounts for liabilities or losses which are certain or very likely to occur, but where there is uncertainty as to the amounts involved or the dates on which they will arise.

### **Receipts in Advance**

Amounts actually received in an accounting period prior to the period in which they are due.

### **Reporting Standards**

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Commissioner (For GMP, this is the Mayor). It is based on International Financial Reporting Standards (IFRS), International Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

### **Reserves**

Amounts set aside in the accounts to meet expenditure which the Mayor may decide to incur in future periods, but not allocated to specific liabilities which are certain or very likely to occur. Earmarked reserves are allocated to a specific purpose or area of spending.

### **Revenue Contributions**

The method of financing capital expenditure directly from revenue.

### **Revenue Expenditure**

Day to day expenses, mainly salaries and wages, and general running costs.

### **Service Reporting Code of Practice (SeRCOP)**

Prepared and published by CIPFA, the Service Reporting Code of Practice (SeRCOP) replaced the previous Best Value Accounting Code of Practice (BVACOP). It is reviewed annually to ensure that it develops in line with the needs of modern Local Government, Transparency, Best Value and public services reform. SeRCOP establishes proper practices with regard to consistent financial reporting for services and in England and Wales. It is given legislative backing by regulations which identify the accounting practices it propounds as proper practices under the Local Government Act 2003.

# CHIEF CONSTABLE OF GREATER MANCHESTER POLICE ANNUAL GOVERNANCE STATEMENT 2020/21

This Annual Governance Statement (AGS) demonstrates the governance arrangements in place for the Chief Constable for Greater Manchester Police (GMP), including how the effectiveness of the framework is evaluated and monitored. This statement also outlines significant governance issues and key areas to be developed during the coming year (2021/22).

## 1. Scope of Responsibilities

- 1.1 The Chief Constable holds office under the Crown, and is appointed by the Mayor. The Chief Constable is accountable in law for the exercise of police powers and to the Mayor, during his term of office, for the delivery of efficient and effective policing, management of resources and expenditure by Greater Manchester Police. He is accountable for the functions of officers and staff under his or her employment, direction and control, and is held to account for specific matters set out in the Police and Social Responsibility Act 2011.
- 1.2 This statement has been prepared for the 2020-2021 financial year. The elected Mayor of Greater Manchester has responsibility for the totality of policing in Greater Manchester and is held to account by the Greater Manchester Police and Crime Panel, which consists of representatives from each district with crime and anti-social behaviour responsibilities. On 6 May 2017 the Mayor appointed a Deputy Mayor for Policing, Crime, Criminal Justice and Fire, to whom he has devolved certain responsibilities in respect of the police, with the exception of the duty to set a budget, the duty to prepare a Police and Crime Plan, and the appointment and removal of a Chief Constable. The purpose of the statement is to outline current governance arrangements, to report on their effectiveness during the year, and to outline future actions planned to further enhance the arrangements.
- 1.3 The Chief Constable ensures the Force's business is conducted in accordance with the law and proper standards and that the use of public money is safeguarded and properly accounted for. The responsibilities and duties of a Chief Constable as a corporation sole are in accordance with the Police Reform and Social Responsibility Act 2011.
- 1.4 While the Chief Constable discharges his responsibilities in such a way as to assist the Mayor with his functions, he remains at all times operationally independent in the service of the public.
- 1.5 In discharging their overall responsibilities, the Mayor and Chief Constable are responsible for maintaining appropriate risk management processes, governance arrangements and ensuring there is a reliable system of internal control which supports those functions.
- 1.6 The Assistant Chief Officer (Resources) is the Chief Constable's professionally qualified Chief Finance Officer (CFO), as required by the Police Reform and Social Responsibility Act 2011. The role of the Chief Constable's CFO is carried out in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Finance Officer of the Chief Constable (July 2012).
- 1.7 Production of an Annual Governance Statement by the Chief Constable is a requirement under the Accounts and Audit Regulations 2015 and ensures that a reliable system of internal controls can be demonstrated. The statement helps the Mayor to hold the Chief Constable to account. The statement forms part of the statutory accounts and provides assurance about GMP's governance arrangements, approaches and controls.
- 1.8 A Statement of Assurance supports this AGS and has been signed by the Chief Constable and the CFO (see Appendix 1).

## 2. The Governance Framework

- 2.1 Governance comprises the arrangements introduced to ensure the intended outcomes for stakeholders are defined and achieved. Governance is about how decisions are made, focusing on matters such as understanding and clarity of aims, the integrity, fairness and transparency of decisions made by individuals and teams, and the effectiveness of controls and accountability mechanisms. The fundamental function of good governance in the public sector is to ensure intended outcomes are achieved whilst acting in the public interest at all times.
- 2.2 The governance framework comprises the systems, processes, culture and values by which the Chief Constable directs and controls the conduct of business and the activities, through which the organisation accounts to and engages with the community, in relation to policing and crime. It enables the Chief Constable to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.
- 2.3 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives but can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policy aims and objectives. It is also designed to evaluate the likelihood of those risks being realised as well as seeking to manage them effectively, efficiently and economically.
- 2.4 GMP's principal governance meetings and decision making structures that were in place during 2020/21 are summarised below. The Force will continue to review and enhance its governance arrangements for 2021/22.
- (i) The Executive Committee (Exec Co) as the Chief Constable's executive board. It was the senior decision-making board in GMP and was responsible for ensuring the Chief Constable's responsibilities for the governance of the Force, responsibilities to the Mayor and other responsibilities under legislation are effectively discharged. The members of Exec Co were the Chief Constable (Chair), Deputy Chief Constable (DCC), Assistant Chief Constables (ACC), the Assistant Chief Officer (ACO) (Resources) or any officer acting as CFO in the absence of the ACO (Resources). The Chief Constable and CFO discharge their statutory responsibilities in consultation with the board.
  - (ii) An Investment Committee (Invest Co), Revenue Review Group, Capital Review Group, Resources Board, Finance Governance Group, Human Resources (HR) Governance Group and Procurement Governance Group managed key financial, HR and procurement decisions. These bodies had decision-making and/or monitoring functions and representatives in accordance with the approved scheme of consent. They were chaired by the ACO (Resources), or a person delegated under the Chief Constable's Scheme of Delegation, with sub-groups and processes in place to support them.
  - (iii) GMP has an extensive Transformation and Change portfolio. The portfolio was managed and monitored by a Change Committee (Change Co) meeting chaired by the DCC. There are subsidiary Programme and Project Boards to monitor and manage the progress of individual change programmes. The commissioning of new change projects and alignment of proposed change with GMP's strategies and operating model was overseen by a Strategic Design Authority (SDA) meeting. A Business and Technical Advisory Group (BTAG) made recommendations to these boards and other meetings in respect of technical, financial and other implications of proposed change.

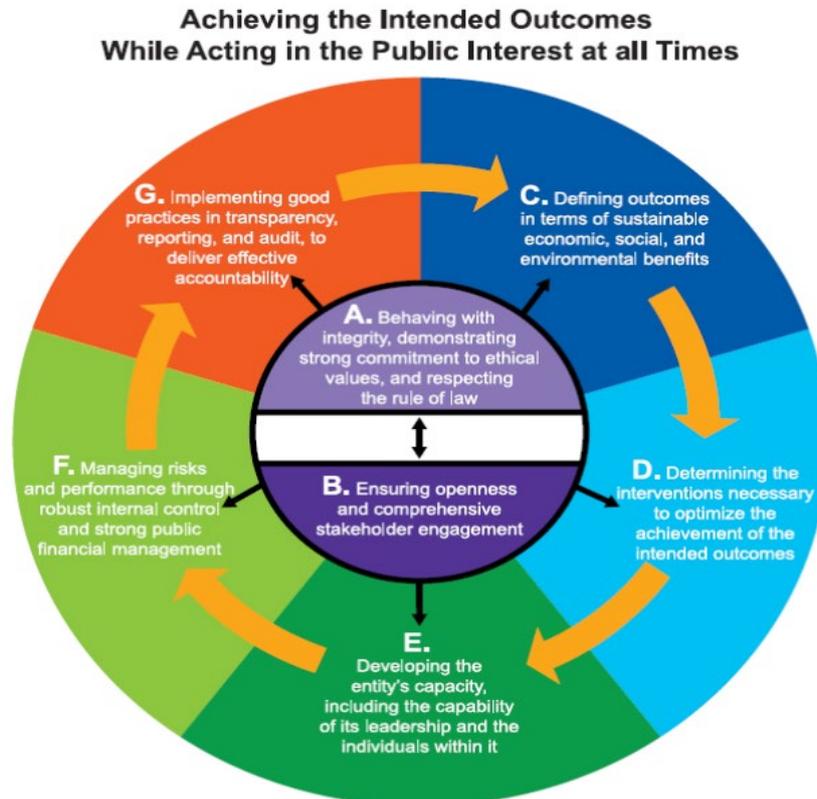
- (iv) A Greater Manchester Joint Audit Panel (Police and Crime) and joint internal audit arrangements support the Chief Constable and the Mayor by providing independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting. The Panel also provides independent assurance on the annual governance processes in operation within the Chief Constable's Corporation Sole and the functions of the Greater Manchester Combined Authority (GMCA) responsible for administering the Police Fund (income, expenditure, assets and liabilities). It comprises five members including the Chair, who are independent of the Chief Constable and the Mayor; alongside representatives from the Force, GMCA, and Mazars (external audit to the Force).
- 2.5 As a member of the Exec Co and other decision-making committees, the Chief Constable's CFO was able to bring influence to bear on all strategic corporate decisions of GMP. The CFO leads the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. The CFO ensures the finance function is resourced to be fit for purpose and the management accounting systems, functions and internal controls are in place to ensure finances are kept under review on a regular basis.
- 2.6 A Scheme of Consent provides authority, within delegated limits, for the Chief Constable to enter into contracts and make financial decisions on behalf of the Mayor. Authority to make decisions is further delegated to committees or posts within the Chief Constable's delegations. The Chief Constable's CFO holds responsibilities for good financial management and decision making as set out in paragraphs 1.6 and 2.4 above.

### **3. Internal Financial Controls**

- 3.1 Internal financial control systems are in place to minimise the risk of loss and unlawful expenditure and to help deliver value for money.
- 3.2 The Chief Constable's financial management framework, in conjunction with that of the Mayor, is consistent with statutory, national and/or professional best practice and its key elements are set out below:
  - (i) Financial Regulations are a documented set of procedures to secure the proper administration of the Chief Constable's financial affairs. They are designed to ensure financial controls are conducted in a way which complies with statutory provision and reflects best professional practice.
  - (ii) Contract Standing Orders are a documented set of procedures relating to procurement, tenders and contracts to be followed in respect of contracts for the supply of goods and services.
  - (iii) The Chief Constable's Scheme of Financial Delegation is a document from the Chief Constable assigning authority and responsibility to officers and staff to carry out specific activities or functions.
  - (iv) The Chief Constable's Financial Instructions provide detailed guidance on the operation of specific financial processes controlled by GMP.

#### 4. Good Governance in the Police Service

4.1 In 2016 the Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the National Police Chiefs' Council (NPCC) and other bodies, issued best practice guidance on Delivering Good Governance in the Police Service<sup>1</sup>. It sets out seven principles of good governance which are illustrated below.



Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving on a continuing basis through a process of evaluation and review.

#### 5. Implementing the Principles of Good Governance

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

- 5.1 The Chief Constable and chief officers individually and collectively apply the Principles of Public Life (The Nolan Principles) in the discharge of their functions and seek to ensure their application by officers and staff across the Force as a whole.
- 5.2 The People and Development Branch has a student and trainer charter and safeguarding document to ensure that all trainers and students understand what ethical behaviour is, not only within communities but also within a training environment.

<sup>1</sup> The Association of Police & Crime Commissioners (APCC), the Police & Crime Commissioners Treasurers Society (PACCTS), and the Association of the Police & Crime Executives (APACE). Delivering good governance: Guidance Notes for Policing Bodies in England and Wales (2016)

- 5.3 GMP launched a People Strategy in 2020 setting out how the force will attract and recruit individuals into the organisation, as well as develop and retain a diverse and inclusive workforce. This strategy is supported by People Commitments which articulate GMP's culture as employers and the expectations of employees.
- 5.4 Furthermore, the People and Development Branch continue to use the College of Policing's Competency and Values Framework in all police officer promotions and in leadership courses for inspectors and sergeants. GMP is currently reviewing and will be improving the Personal Development Review (PDR) to ensure equal weight is placed on behaviours as well as competency. This work is a core part of the GMP's change programme on workforce transformation.
- 5.5 The Independent Police Ethics Committee continues to consider ethical issues within the policing context, providing advice and challenge to GMP around ethical issues. In 2020/21 the Committee reviewed, amongst other themes, the use of body worn video, disproportionality in policing, police custody and the use of spit guards and hoods.
- 5.6 All police officers and staff under the employment, direction and control of the Chief Constable are subject to policies and procedures covering discipline, grievance, standards of conduct and professional behaviour. GMP's Professional Standards Branch (PSB), under the direction of the DCC, provides clear guidance on what GMP expects from all staff and, in particular, those in a leadership position.
- 5.7 GMP has adopted a number of policies to maintain professional standards and these policies are up-to-date and working effectively. They include:
- (i) Gifts Hospitality and Discount Policy;
  - (ii) Lawful Business Monitoring (LBM), which assists with intelligence gathering and ensuring the right level of authority is applied to intrusive examination of GMP systems;
  - (iii) The Notifiable Associations Policy, which allows officers and staff to declare associations where they suspect the associate is connected to criminality;
  - (iv) Business Interests Policy;
  - (v) The Alcohol and Drugs Misuse Policy, which has been reintroduced to support random drugs and alcohol testing;
  - (vi) Service Confidence Policy, which provides an ethical framework to address loss of confidence by the Force in any particular individual/s when serious concerns arise to their suitability to perform a specific role or duty without further support.
- 5.8 GMP has an established Reporting Concerns Policy, and arrangements for confidential integrity reporting (formerly 'whistleblowing') are in place. The policy sets out clear standards of professional behaviour expected of police officers and staff, together with the duty of the Force to ensure that reported concerns about improper or illegal behaviour are properly considered and responded to. GMP's complaints processes and the operations of the PSB are regularly reported to the Deputy Mayor, enabling oversight and scrutiny of GMP's complaints process and to ensure issues of conduct are dealt with appropriately.
- 5.9 The Chief Constable and the Deputy Mayor's Office have also agreed an Anti-Fraud, Bribery and Corruption Policy, in conjunction with staff associations and unions, the Independent Office for Police Conduct (IOPC) and Crimestoppers. The draft Anti-Fraud, Bribery and Corruption Policy, produced with GMCA, was shared with Greater Manchester Joint Audit Panel (Police and Crime) members in March 2020 and is currently being

finalised. At a national level, the Force cooperates in the National Fraud Initiative which attempts to identify fraud by sharing and comparing employee data across the public sector.

- 5.10 The PSB Organisational Learning Board (OLB) gathers learning from different sources, both within the Force and nationally, in relation to police conduct and coronial matters. During the last year, the OLB has continued to meet with a refreshed membership and format. Matters are actioned by the PSB OLB in response to identified learning from; operational debriefs, complaints, PSB and Independent Office for Police Conduct (IOPC) investigations, coroner's hearings and civil proceedings. The Force has now established a Strategic Organisational Learning Board (SOLB) which is chaired by the Deputy Chief Constable. This gathers and collates learning from all over the Force and provides an audit function. Matters which arise from the PSB OLB and require consideration at a strategic level are escalated to the SOLB.

Processes are being developed to ensure that all organisational learning opportunities are captured, and to ensure that governance boards are operating effectively. Organisational learning has also been included as a priority in the People Strategy.

- 5.11 GMP's Human Resources (HR) policies include provision for staff to appeal against a range of management decisions. These include appeals against decisions about grievances, flexible working, career breaks, ill-health retirement, police staff early and flexible retirements, police staff redundancy, unsatisfactory performance, and attendance. GMP's Diversity and Equality in Employment Policy sets a clear standard for expected behaviour and guidance on actions to be taken should this standard be breached.
- 5.12 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) reported on GMP's complaints handling, disciplinary arrangements and other matters of organisational justice and procedural justice during the year 2018/19. HMICFRS found that GMP understood the importance of treating people fairly, behaving ethically and lawfully. HMICFRS also set out some areas for improvement which are being addressed. HMICFRS' findings are published in their report on GMP's Legitimacy as part of the Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection programme of GMP.
- 5.13 The outcomes from misconduct hearings are published on the Force website, including occasions where officers have resigned prior to a hearing. Misconduct meetings are held in public and details of how to apply to attend hearing are displayed on the website.

### *Principle B*

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

- 5.14 The Chief Constable has specific responsibilities for ensuring that GMP engages with local people under the terms of the Police Reform and Social Responsibility Act 2011. The Mayor undertakes extensive consultation with the public, which led to the creation of the Police and Crime Plan 'Standing Together'. GMP undertakes regular engagement with the public through surveys and interviews to help improve service delivery. GMP is looking at new ways to engage with communities through listening to feedback and tailoring communication to the needs and preferences of our diverse communities. GMP has a network of Satisfaction Leads across all districts and branches that champion customer service and support community engagement across the force.
- 5.15 The Corporate Communications Branch conducts online engagement events and activities to enhance GMP's interaction with the public. The Force also has Independent Advisory Groups (IAGs) throughout its operational districts. These are comprised of members of the

public who attend regular meetings with police representatives in their local areas and are a way for GMP's diverse communities to work with the Force to help improve services.

- 5.16 GMP has an Equality, Diversity and Human Rights Strategy for 2018-21 which embeds the Force's equality objectives on activity aligned to 'Serving our Communities', 'Our People' and 'Organisational Processes'. This document sets out how the Chief Constable meets the requirements of the Public Sector Equality Duty and how GMP will deliver policing services and manages the organisation in ways that respect equality, diversity and human rights. Underpinning this strategy is an Equality Business Plan, which includes individual delivery plans for how the organisation will achieve these objectives. The Force has established governance arrangements to oversee and drive improvement in these respects through a Confidence and Equality Board, which is chaired by an Assistant Chief Constable.
- 5.17 Through the Citizens in Policing Programme, GMP provides opportunities for members of the public to become Special Constables, Police Support Volunteers, Volunteer Police Cadet Leaders or Volunteer Police Cadets. This is integral to engagement and supports GMP in making communities safer, improving links in the community and reducing demand on policing.
- 5.18 The Force 'Think Victim' Strategy ensures victims are at the heart everything GMP does.
- 5.19 GMP is committed to engagement and two-way communication with the people and communities it serves, based on principles of openness and transparency. This focuses on keeping people informed, promoting security, listening to people and making improvements, and encouraging citizen involvement in policing. A wide range of channels are used for these purposes, including digital channels, such as:
- (i) Neighbourhood meetings;
  - (ii) Local Independent Advisory Groups;
  - (iii) Social media at neighbourhood level. For example, Twitter, Facebook and Nextdoor;
  - (iv) Social media at a corporate level. For example, Twitter, Facebook, Instagram, LinkedIn, Flickr, YouTube, and additional platforms when required, Pinterest, Nextdoor, and Snapchat;
  - (v) Regular social media and web-based chats to make the public aware of significant police operations and the reasons for them, as well as other policing matters of importance to the public. These are organised using digital platforms such as Slido;
  - (vi) Other online developments include the GMP website, which allows the public to access information and online services. The "Your area" service provides an opportunity for the public to find local updates and names and contact details of officers in their area;
  - (vii) Media liaison takes place to support policing priorities and includes regular opportunities to directly question the Chief Constable including through Radio Manchester phone-ins;
  - (viii) The Force continues to work with documentary makers to provide behind-the-scenes insight into areas of policing, operations, and campaigns;
  - (ix) LiveChat on the GMP website allows members of the public to contact the Force about any policing issue. This service has language translation facilities to make it accessible for everyone to use. If an online service is available for the issue being reported, operators will signpost people to it and can assist with completing forms online.

5.20 The Force has a Transparency Scheme which means that it routinely publishes information in accordance with the Information Commissioner's Publication Scheme for the police service.

*Principle C*

*Defining outcomes in terms of sustainable economic, social, and environmental benefits*

5.21 The Mayor is required to publish a Police and Crime Plan, which sets out local policing priorities in the form of police and crime priorities and specifies the resources the Mayor will provide to the Chief Constable. The Police and Crime Plan is produced in consultation with GMP, taking into consideration any objectives set by the Government, including the Strategic Policing Requirement, and the views of the public and partners. The new Police and Crime Plan, 'Standing Together' was launched in March 2018 covering the period to 2021.

5.22 The priorities for GMP in the Police and Crime Plan for 2018-2021 are:

- **Keeping people safe** - Protecting and caring for people who live, work, socialise and travel in Greater Manchester. Protecting those who are vulnerable and those who are victims of crime or at risk of being victimised. Building resilience, feelings of safety and confidence in policing and community safety.
- **Reducing harm and offending** - Preventing anti-social and criminal behaviour including the most serious offending by solving problems, intervening early and rehabilitating offenders to build confidence in criminal justice.
- **Strengthening communities and places** - Helping to build resilient and resourceful communities including online communities and protecting the places where people live, work, socialise or travel. Supporting the delivery of the Information Technology (IT) systems, buildings, roads, street lighting and other public assets needed to solve problems in a 21st century society.

5.23 The budget for GMP, as set by the Mayor, is intended to reflect the above and outlines the vision for neighbourhood based policing which works in partnership with other agencies to improve access to services for the communities across Greater Manchester that are in greatest need.

5.24 The Chief Constable and Exec Co had determined a Target Operating Model (TOM) for the future delivery of policing services. It set out a vision, operating model, and key principles to guide the transformation and development of GMP over the period to 2022 to ensure GMP has the capacity and capabilities required to meet future policing demand. The TOM has mapped National Transformation programmes to maximise funding opportunities and sustainability of policing services, with recent work developing the environmental benefits and contribution to the Greater Manchester wide plan.

*Principle D*

*Determining the interventions necessary to optimise the achievement of the intended outcomes*

- 5.25 GMP's TOM Change Portfolio has four programmes, all of which support the delivery of the TOM. Some projects within the programmes have been temporarily paused whilst the Force agrees a new strategic delivery plan. The Programme is currently being reviewed in order to make it consistent with the emerging Force Delivery Plan. The Force is supported in designing and delivering change through the recruitment of business readiness roles to ensure outcomes associated with the change are optimised, tracked and reported.
- 5.26 Over the past year, GMP's portfolio of change and transformation has been essential to a number of pieces of work that have redefined the service which is provided to those who contact the police. In 2021, a new Neighbourhood Policing Strategy 2020 - 2025 was launched and is subject to review. Neighbourhood policing is at the heart of what GMP does as a police service and this strategy sets out the vision and plan to strengthen neighbourhood policing over the coming years with a renewed focus on community engagement, problem solving and working more effectively with our partners at a local level. By doing so, it will enable GMP to achieve its policing purpose of 'protecting society and helping to keep people safe'.
- 5.27 The introduction and development of the Integrated Operational Policing System (iOPS) has been a significant programme of change in GMP; transitioning from previous IT systems to technology that will keep pace with the modern world. HMICFRS inspected iOPS in 2019, and since the inspection the Force has continued to make progress in addressing all recommendations within the report.
- 5.28 GMP has committed to and supportive of a programme of public service reform in Greater Manchester working with the GMCA and other partners, to make best use of joint resources and to deliver better outcomes for citizens and service users. The GMCA approach is set out in Greater Manchester's Growth and Reform Plan, which underpins the overarching Greater Manchester Strategy.
- 5.29 GMP has conducted a review of its approach to integrated offender management (IOM) which brings a multi-agency response to crime and reoffending threats; offenders are jointly managed by partner agencies working together with GMP.

#### *Principle E*

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

- 5.30 The common purpose of the Chief Constable, the Mayor, and their respective roles, is defined by legislation, in particular the Police Reform and Social Responsibility Act 2011. This, amongst other things, requires the Chief Constable to have regard to the Mayor's Police and Crime Plan as well as the Policing Protocol 2011, which sets out the respective roles of the Chief Constable and Mayor in relation to each other.
- 5.31 The principle of good governance is also underpinned by:
- (i) The accountability of the Chief Constable to the Deputy Mayor for the performance of the Force and progress in meeting GMP's contributions to the objectives and commitments made by the Mayor and Deputy Mayor in the Police and Crime Plan, Standing Together. Statements setting out the portfolio held by each Chief Officer of GMP.
  - (ii) The appointment by the Chief Constable of a professionally qualified CFO.
  - (iii) A Scheme of Governance and Scheme of Consent set by the Commissioner, which sets out decisions that may be made by statutory officers within GMP and the GMCA, respectively. The Scheme of Consent provides authority for the Chief Constable, or others

holding delegations from the Chief Constable, to make financial, HR, and certain other decisions on behalf of the Mayor, subject to limits defined in the scheme.

- (v) Contractual Standing Orders and Financial Instructions.
- 5.32 The Chief Constable's Order (CCO) is the principal means by which GMP publishes Force policy and has the status of a lawful order. Items published in the Order are effective from the publication date, or from a date specified in the item. Police officers are expected to read each weekly issue of the CCO to keep abreast of current policy and legislation, to keep themselves aware of any items relevant to their duties and to ensure they are acting lawfully at all times. Police staff are also encouraged to read the CCOs, and managers of police staff are expected to advise their teams of anything relevant within the CCO that is applicable to them.
- 5.33 The Chief Constable has a statutory duty under the Police Reform and Social Responsibility Act 2011 to keep opportunities for collaboration with other bodies (whether other Chief Constables or non-police bodies) under review. The Mayor has a parallel responsibility under the 2011 Act. The Chief Constable has entered into a number of collaborations, where the collaboration is in the interests of the efficiency or effectiveness of GMP and others. Across the ten districts local collaboration takes many forms, including the creation of policing posts situated within shopping centres or town halls. These collaborations cross over many public sector organisations, the GMCA, agencies, and voluntary services, including the third sector. GMP's Operational Communications Branch continues to embrace and cultivate partnerships with other agencies including the North West Ambulance Service (NWAS) and Blue Light Collaboration meetings – between police, ambulance, and the fire service. Working together, the Mental Health Teams and NWAS have helped to improve the management of vulnerability, evidenced by the use of medical triage. GMP is also part of the Cutting Crime Impact (CCI) project and has a Victims' Services Coordination Team. All these services work through collaboration with partners.
- 5.34 The Chief Constable also has a statutory duty to co-operate with other bodies, such as local authorities and criminal justice agencies, under the Crime and Disorder Act 1998 and other legislation. The Chief Constable and the Force participates in a number of statutory and voluntary partnership arrangements, at Greater Manchester, district and neighbourhood levels, to reduce crime, promote effective criminal justice arrangements and make best use of joint partnership arrangements.
- 5.35 GMP has completed a number of reviews of its current operating arrangements during the year and developed more effective arrangements, making better use of public money. There is work ongoing to enable the Force to focus on the development of GMP's People Strategy, including personal development at all levels and leadership support.
- 5.36 As GMP implements changes to processes and infrastructure, it is accompanied by consultation with staff and with the public or other organisations, as appropriate, and by staff training and communications.
- 5.37 A new Wellbeing and Morale Board has been formed to govern wellbeing within GMP. This revised board has met monthly since February 2021, and is chaired by an Assistant Chief Constable with attendees including chief and senior officers, together with members from various staff associations. To support this Board a Force wellbeing strategy has been developed, which complements the People Strategy and People Commitments, and ten top wellbeing priorities for the Force. In 2020, a People Hub was established to assist the organisation in maintaining its capacity and capability during the COVID-19 pandemic and central to this was supporting the wellbeing of staff and officers as the Force continued to provide a vital policing service to the communities of Greater Manchester.

- 5.38 GMP has continued to work with other organisations in the criminal justice system and with local authorities to determine how public money can be better used across organisations to deliver efficiencies and improved outcomes for the public. In particular, a joint Transforming Justice Programme aims to reduce cost, enable justice (including community and restorative justice) to better serve the victims of crime, and reduce reoffending. Joint work with other law enforcement agencies, as well as local authorities and others, is also helping to safeguard vulnerable people and assist the fight against organised crime.
- 5.39 HMICFRS reported on GMP's efficiency and legitimacy in 2019 and observed that GMP collaborates with other forces and agencies to improve its services and is good at treating the public and its workforce fairly. HMICFRS also continues to regard GMP's effectiveness in tackling serious and organised crime as outstanding and believes that GMP has the capacity and capability to meet the strategic policing requirement in respect of armed policing. HMICFRS assessed, however, that a number of other aspects of GMP's effectiveness requires improvement. HMICFRS has made recommendations and identified areas for improvement; these are being addressed by the Force.

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

- 5.40 The Chief Constable has established a decision-making structure for making key financial and corporate decisions for 20/21. Decision making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. It is underpinned by arrangements which require the identification and management of risks, and the submission of business cases, for all significant decisions, under which all procurement decisions and expenditure are subject to scrutiny by groups or boards established for the purpose. Their decisions and reports are reported for scrutiny and decision by, as appropriate, GMP's Invest Co, Change Co, Exec Co and the Deputy Mayor's Executive. This structure is currently under review to enhance, simplify and to improve its effectiveness.
- 5.41 Agendas and minutes from the Exec Co have been published on the GMP internet for the information of the public, subject to confidentiality tests.
- 5.42 Major spending and other key decisions are referred by GMP to the Deputy Mayor for decision in accordance with the terms of the Scheme of Consent.
- 5.43 The Chief Constable has delegated responsibility for the overall maintenance of effective risk management arrangements to the DCC who is the Senior Information Risk Owner.
- 5.44 Risk is managed within GMP through various means (including the maintenance of risk registers or threat assessments with corresponding mitigation) by parts of the Force that manage key internal controls. An example of such controls are assessments that capture threats to business continuity; threats such as penetration of GMP's computer systems; and financial, insurance and health and safety risks. GMP has a Risk Management Policy and Procedure, which is currently being updated to reflect the new work-in-progress extension to risk management procedures.
- 5.45 Risk and threat is routinely considered by senior leadership teams (SLT's). Any risks that cannot be managed locally as part of business-as-usual activities, for example due to interdependencies, were brought to the attention of chief officers and if appropriate, escalated for consideration at the Exec Co meetings. The risk management process was enhanced during 2020/21 and risk registers were rolled out across the whole organisation; this will be taken forward in 2021/22 as part of the new business planning process. The

assessment and control of risk is also supported by the GMCA Internal Audit service, which serves the Chief Constable and GMCA, and is also considered by the Greater Manchester Joint Audit Panel (Police and Crime).

- 5.46 The Information Services (IS) Branch provides the Information Security function for the Force under the governance of the Information Assurance Board, working with national bodies such as National Police Information Risk Management Team (NPIRMT) and the National Enabling Programme as appropriate.
- 5.47 Performance management forms part of the Force governance arrangements. The operational performance of the Force is monitored and managed by an Operational Committee (Ops Co) which meets monthly and is chaired by the DCC. This Committee was established during 2017/18 and provides scrutiny of Force operational performance. Work is ongoing to develop a refreshed Professional Management Framework. This in turn will inspire a review of broader Professional Management Structures.
- 5.48 In addition, aspects of performance are monitored and managed within several meetings; Executive Performance Meeting, Vulnerability Board, Public Service Board and Local Policing Delivery Board, each chaired by a Chief Officer. Other performance management arrangements, specific to the portfolios held by each Chief Officer, are also in place within their individual management arrangements.
- 5.49 GMP's work is subject to an extensive inspection regime by HMICFRS, whose purpose is to monitor and report on police forces and policing activity with the aim of encouraging improvement and providing public transparency. HMICFRS' reports on GMP in 2020/21 can be found on their website. The Force has a process for reviewing and assessing the recommendations arising from HMICFRS reports, coordinated by the External Relations and Performance Branch (ERPB). The implementation of these recommendations is managed by the GMP-HMICFRS Oversight Board, chaired by the DCC.
- 5.50 The Chief Constable is accountable to the Deputy Mayor for GMP's response and actions in respect of the findings and recommendations of HMICFRS reports. The Mayor and Deputy Mayor have a statutory responsibility to publish a response to every HMICFRS report about GMP and policing nationally and these are routinely published on the GMCA website.
- 5.51 The Force presents regular updates to the Greater Manchester Audit Panel (Police and Crime) on the progress of implementing recommendations arising from internal audit reports and HMICFRS inspections.
- 5.52 The Chief Constable is held to account by the Deputy Mayor at monthly Executive Meetings. The general arrangements, through which the Chief Constable is held to account, are set out in the Police and Crime Plan - 'Standing Together'.

*Principle G*

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

- 5.53 GMP conducts formal business at a number of meetings and, in the interests of openness and transparency, board papers are made publicly available where possible subject to confidentiality tests.
- 5.54 The Force maintains a single Transparency Scheme that complies with the Freedom of Information Act and the Information Commissioner's Public Scheme for Police which is derived from the Act, alongside the requirements from the Equality Act 2010, the Police Reform and Social Responsibility Act 2011, the Protection of Freedoms Act 2012 and

associated secondary legislation and good practice guidance. The scheme ensures that GMP satisfies the transparency requirements of these Acts and enhances public scrutiny by making a wide range of information publicly available.

- 5.55 The Chief Constable's financial reporting and audit arrangements are described earlier in this Statement.
- 5.56 The COVID-19 pandemic has necessitated some changes to the Force's governance in order to respond to the crisis. In March 2020, an operational order was put into effect to mitigate the impact of COVID-19 on local communities, and to work together with others to promote recovery to a state of normality. The operation had a Gold/Silver/Bronze command structure with the following responsibilities, supported by a COVID-19 Coordination Hub.
- (i) Gold Command Structure - Overall responsibility for operation and maintaining an effective resource provision for the force across critical business areas as within the Business Continuity Plan;
  - (ii) Silver Command Structure - Responsible for delivery of plans and daily activity connected to the operation, managing performance and producing and maintaining all the required documentation. Ensures Gold is updated and escalates issues and risks under the command protocol;
  - (iii) Bronze Command Structure - Districts leads are responsible for delivering as much business as usual services as possible, prioritising business against critical functional areas.
- 5.57 Whilst the governance activities required to respond to the COVID-19 pandemic take place under this operation, the existing Force governance structure remains in place, with all meetings taking place as scheduled with the following adjustments:
- (i) Wherever possible, meetings taking place remotely, through video conferencing and making best use of technology;
  - (ii) Where video conferencing is not possible, observing social distancing guidelines to order to facilitate meeting with minimum risk.
- 5.58 The Head of Internal Audit Annual Report and Opinion is a key source of assurance over the systems of governance, risk management and internal control. The Internal Audit Opinion for 2020/21 provided limited assurance over the adequacy and effectiveness of the framework of governance, risk management and internal control within GMP. This opinion was reflective of the results of the internal audit work undertaken but also the impact that the HMICFRS VSA inspection had on GMP. The areas of development noted above, in particular the Change Governance Review and Risk Management focus will address the areas contributing to the limited assurance opinion.
- 5.59 These arrangements have effectively allowed the Force to maintain business as usual governance activities whilst responding to the COVID-19 pandemic through a clear and accountable command structure.

## Review of Effectiveness

GMP continually reviews the effectiveness of its system of internal controls. Actions were identified for development in last year's AGS and progress was made against these over the course of the year. It is summarised in the table below.

<b>Governance Area Recommended for Development</b>	<b>Action for 2021/22</b>
<u>Change Governance Review</u>	GMP continually reviews the effectiveness of its system of internal controls. In 2020, work to review Governance processes started afresh, however this was then paused due to the impact of the COVID-19 pandemic. In 2021, this work is continuing at pace and the establishment of the Corporate Governance Project Board will ensure that there is an increase in efficiency and capacity of the Force through with clear governance and to improve effectiveness through consistency and connectivity of decision making, whilst operating with integrity and in accordance with the Code of Ethics.
<u>Risk Management</u>	In 2019/20, GMP also reviewed, renewed and strengthened its risk management process and provided tailored inputs to Chief Officers and other senior members of the organisation. The Force has also delivered training inputs to members of the Greater Manchester Joint Audit Panel (Police and Crime) on its risk management procedure. Work will continue in 2020/21 to implement enhanced risk management processes across the organisation.
<u>Strategic Policing Requirement (SPR)</u>	<p>The Police Reform and Social Responsibility Act 2011 state the Chief Constable has a Specific Duty to have regard to the SPR.</p> <p>Requirements are routinely considered in the Force budget, workforce and change programmes, which ensure that GMP can meet its regional and national obligations while maintaining resilience within the GMP area.</p> <p>These will continue to be reviewed annually and reported to Exec Co and to the Mayor about GMP's capacity and capabilities to meet the SPR.</p>

The Force will be conducting a fundamental review of its governance model in the year ahead to further develop the effectiveness of GMP's governance. These areas for development will form the basis for a governance action plan over the coming year. They are summarised in the table below.

<u>Victim Services</u>	<p>In response to concerns raised by HMICFRS following a Victim Services Assessment (VSA) inspection in 2020, GMP initiated a comprehensive action plan to support and focus activity on immediate, short term and longer term improvement.</p> <p>The work and plan are supported by robust governance and audit processes including oversight by a VSA Gold group. This group is chaired by the Deputy Chief Constable and includes representatives from the Home Office and the Deputy Mayor's Office. Progress updates are shared with HMICFRS and other partners on a regular basis.</p>
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	<p>Significant efforts to demonstrate improvement and deliver change will continue into 2021-22 and updates will continue to be reported to members of the Greater Manchester Audit Panel (Police and Crime).</p>
<p><u>Change Governance Review</u></p>	<p>The Force will continue to review and enhance its governance arrangements in 2021/22. The principal aims are to increase efficiency and capacity of the Force through a streamlined redesigned meeting schedule with clear governance and to improve effectiveness through consistency and connectivity of decision making whilst operating with integrity and in accordance with the Code of Ethics. Within GMP's change programme, work has begun to improve governance arrangements and support a wide range of change and transformation activities over the coming years. The scope of this work includes:</p> <ul style="list-style-type: none"> <li>• The role of Exec Co and its subsidiary governance groups Invest Co, Change Co and Ops Co as well as BTAG, SDA and Operating Resourcing Performance (ORP);</li> <li>• Interfaces with the Deputy Mayor and Mayor's offices and the GMCA governance arrangements where this is relevant to change activities; and</li> <li>• How governance is supported by the Change Branch and its Portfolio Assurance Office alongside colleagues in the ERPB and the Secretariat Service / Command team.</li> </ul>
<p><u>Risk Management</u></p>	<p>In 2021, this risk management process is being integrated in the Force business planning process and will create an even more robust risk management process. The Force has also delivered training inputs to members of the Greater Manchester Joint Audit Panel on its risk management procedure, and will continue to update the Panel.</p>
<p><u>Strategic Policing Requirement</u></p>	<p>The Police Reform and Social Responsibility Act 2011 states the Chief Constable has a Specific Duty to have regard to the SPR.</p> <p>Requirements are routinely considered in the Force budget, workforce and change programmes, which ensure that GMP can meet its regional and national obligations while maintaining resilience within the GMP area.</p> <p>These will continue to be reviewed annually and reported the Force's strategic meetings and to the Mayor about GMP's capacity and capabilities to meet the SPR.</p>

## **ANNUAL GOVERNANCE STATEMENT**

### **APPENDIX 1 - CHIEF CONSTABLE ASSURANCE STATEMENT**

GMP is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, GMP is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The GMP Annual Governance Statement is designed to address the management of, rather than the elimination of, the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

We propose over the coming year to take steps to address the governance actions as outlined above to ensure governance arrangements within the Force continue to be enhanced. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.



**Stephen Watson QPM**  
**Chief Constable of Greater Manchester Police**  
15 December 2021



**Christopher Kinsella,**  
**Chief Finance Officer**  
15 December 2021