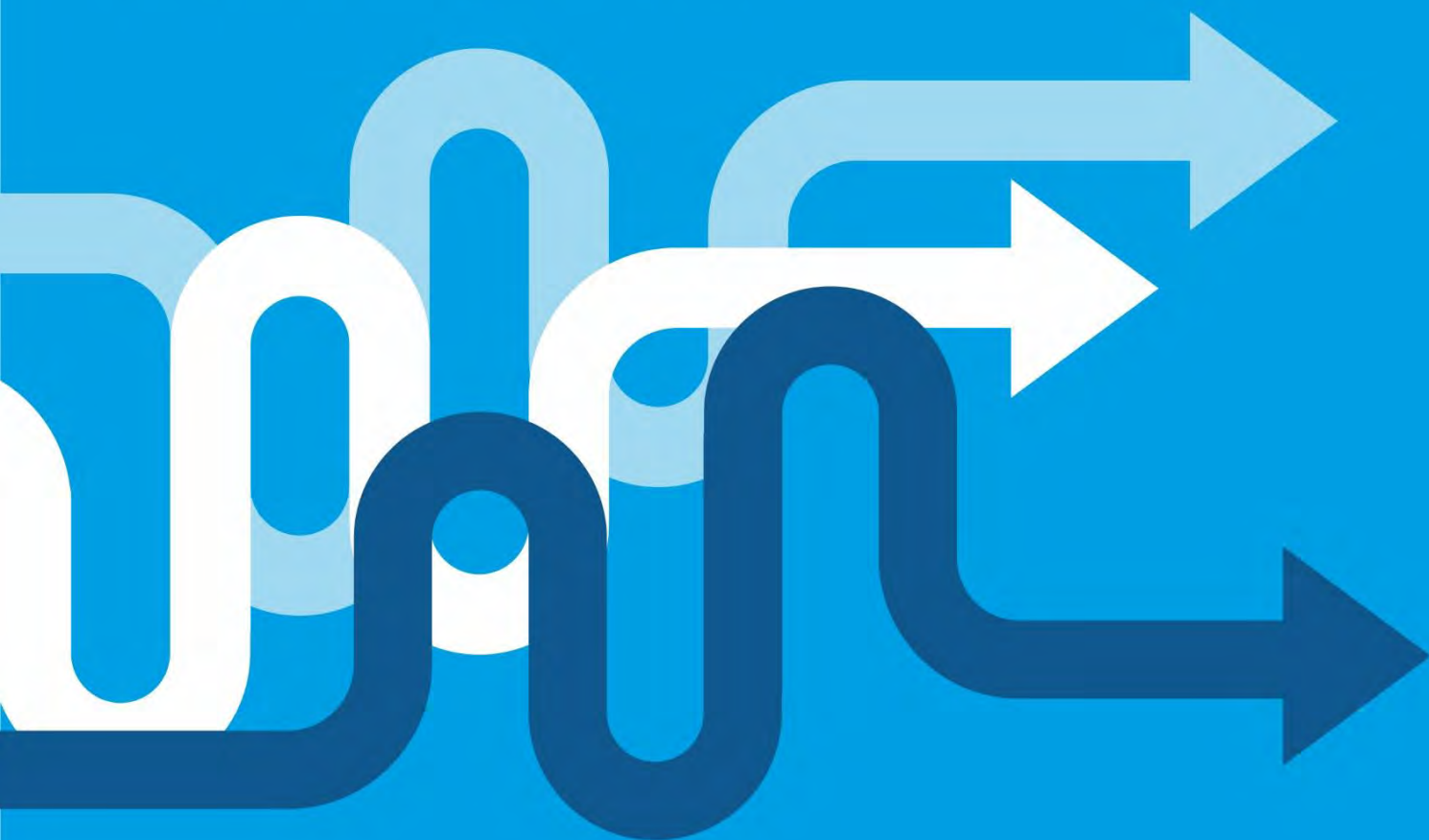




**Police Service**  
of Northern Ireland

# Annual Report and Accounts

For the year ended 31 March 2021



 [psni.police.uk](https://www.psnipolice.uk)

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we listen  
we act**



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Printed in Northern Ireland for the Police Service of Northern Ireland  
on behalf of the Chief Constable



**POLICE SERVICE OF  
NORTHERN IRELAND**

**Annual Report and Accounts**

**For the year ended 31 March 2021**



Laid before the Northern Ireland Assembly under Section 12 (6)(b) of the Police  
(Northern Ireland) Act 2000 as amended by the  
Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998  
(Devolution of Policing and Justice Functions) Order 2010

On

09 July 2021

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## PERFORMANCE REPORT

### OVERVIEW

The purpose of the Overview is to provide information to allow the purpose and the activities of the Police Service of Northern Ireland (PSNI) to be understood.

### INTRODUCTION BY CHIEF CONSTABLE

I am pleased to present this, my third annual report as Chief Constable.

This has been a year of unprecedented challenge and change for everyone in Northern Ireland. Policing's role at the forefront of the response to the current health crisis has been the context against which all other developments have been set. All parts of our business of have been impacted: it has changed where and how we work, what we can do and how we engage with the community we serve. New challenges have been confronted alongside familiar problems of community tensions and an enduring terrorist threat.

In addition to the determined efforts to keep people safe during the pandemic and effectively managing the transition period after the UK left the EU, there is much to be proud of in the past year. Crime and anti-social behaviour rates in Northern Ireland remain significantly lower than comparable parts of the UK and overall levels of satisfaction among victims of crime continue to increase. We have also taken positive steps to improve our visibility, accessibility and responsiveness:

- 400 more officers have moved into Neighbourhood teams across all areas and we are working on providing 16 hour neighbourhood policing coverage.
- Investing in technology – over 5,000 laptops and body worn video - to give officers and staff the tools and flexibility they need to investigate crime and engage more effectively has continued.
- We have launched a Crime Prevention strategy and established a new Community Relations Taskforce.

I remain concerned about pressure on the police budget and the long term impact this will have on our ability to invest in the police workforce and improve how we serve the community. Flexible and sustainable funding will be essential to achieving modernisation.

November 2021 sees the 20<sup>th</sup> anniversary of the PSNI and as we reflect on the past we remain focused on the future. The Pandemic will continue to impact our work for some months but we remain focused on modernising and realising our commitment to becoming a police service that truly cares, listens and acts to support the community our partners and colleagues.



Simon Byrne

## **Background Information**

The Police (Northern Ireland) Act 2000 and subsequent amendments in the Police (Northern Ireland) Act 2003, made specific provision about policing in Northern Ireland. Section 12(4) of the Act, as amended by Section 7 of the 2003 Act, refers specifically to the requirement for the Chief Constable to submit the statement of accounts to the Northern Ireland Policing Board (NIPB) (in regard to amounts put at the disposal of the Chief Constable by NIPB) within such period after the end of the financial year to which they relate as the Department of Justice may determine. This is to allow the Policing Board to meet its own specific requirements under Section 12(1)(a) of the Act.

## **Nature of the business**

The NIPB is an independent public body established under the Police (Northern Ireland) Act 2000. Made up of 19 Political and Independent Members, the NIPB aims to ensure an effective, efficient, impartial, representative and accountable police service for all the people of Northern Ireland.

Each year the PSNI and the NIPB publish an annual Policing Plan in accordance with the Police (Northern Ireland) Act 2000. The plan sets out specific outcomes, indicators and measures and takes a strategic view of policing in Northern Ireland over the next five years. PSNI, on behalf of the NIPB, are legislatively responsible for drafting the Policing Plan. This is done in close consultation with the NIPB and the Department of Justice (DoJ) through regular tripartite meetings. Ultimately, the outcomes, indicators and measures can be revised by NIPB as it is their plan.

The Chief Constable is accountable to the NIPB for delivery of the outcomes, indicators and measures detailed in the Policing Plan.

The NIPB, in conjunction with the PSNI, published the 2020-25 Policing Plan. The Policing Plan 2020-2025 outlines PSNI and NIPB's collective policing ambition for the next five years and sets out what we want for the people of Northern Ireland. The three outcomes for policing are:

- We have a safe community;
- We have confidence in policing;
- We have engaged and supportive communities.

The Annual Performance Plan 2021-22 sets out the indicators and measures which the NIPB will use to assess PSNI's progress towards achieving the outcomes. The Performance Plan will be reviewed on an annual basis to enable the NIPB and PSNI to respond to any new or emerging issues.

A copy of the Policing Plan 2020-25 can be viewed on the Policing Board's website: <https://www.nipolicingboard.org.uk/publication/northern-ireland-policing-plan-2020-2025-and-annual-performance-plan-2021-22>.



## **Vision**

The PSNI's vision is to be a service that is visible, accessible, responsive and community focused. We will also demonstrate in our behaviours and interactions that we care, we listen and we act about what matters to the public, our partners and our staff.

Northern Ireland continues to grow and thrive and as a Police Service we have a vital role in enabling this development. It is our role to support and work with the Northern Ireland Executive, Community, Business and Voluntary groups to continue to help in building a safe, confident and peaceful society. The PSNI's ability to provide a reliable and reassuring presence to all communities and a service that communities have confidence in creates the conditions for our society to exist and thrive. The role PSNI plays in sustaining communities, supporting cohesion and keeping people safe is a core enabler in building a peaceful society and something we should be proud of.

## **Purpose**

Our policing purpose is Keeping People Safe. As a Police Service we will work with partners and communities to meet this purpose.



## **Modernisation**

The PSNI service modernisation plan ‘Horizon 2025’ sets out the drivers for change, together with the project work streams and enablers required to meet the strategic outcomes. The PSNI has an ambition to build on our cherished Policing with the Community foundations, to embrace the learning from good practice across the world, to improve the quality of policing to residents, businesses and visitors in Northern Ireland and show - We Care, We Listen, We Act. The Horizon 2025 work streams have been identified as:

- Leadership and Management;
- People;
- Operational;
- Digital; and
- Support Functions.

We will deliver innovative ways of making lasting change, focusing on evidence-led, digitally-enabled results, driven through ambitious business transformation. We will constructively renew current ways of doing things, whilst supporting our staff to continue to deliver an agile, fast paced front-line service delivery model.

The Digital Strategy and People Strategy are key enablers to the delivery of these work streams and the foundation principles for transformational change.

The People Strategy focuses on a number of key areas referred as the People Principles, which we believe will have the biggest positive impact, which are:

- Being representative and inclusive;
- Resourcing for the future;
- Leading together;
- Serving with professionalism; and
- Valuing health and wellbeing.

The Digital Strategy has four core themes in support of digitalised policing, which are:

- Digital Engagement;
- Digital Collaboration;
- Digital Investigation and Evidence; and
- Mobility.

## **Operating Environment**

PSNI, like all public services faced very significant challenges in relation to the ongoing crisis caused by Covid -19.

The disruption caused by the coronavirus pandemic has created significant economic uncertainty. PSNI has been engaged with policing the Coronavirus - Emergency Powers Bill which came into force to protect the health of our communities as together we battled the Covid -19 global pandemic throughout 2020-21. We sought, as always, to continue our 'Policing with the Community' approach seeking to build support for our actions and only seeking to use enforcement as a last resort.

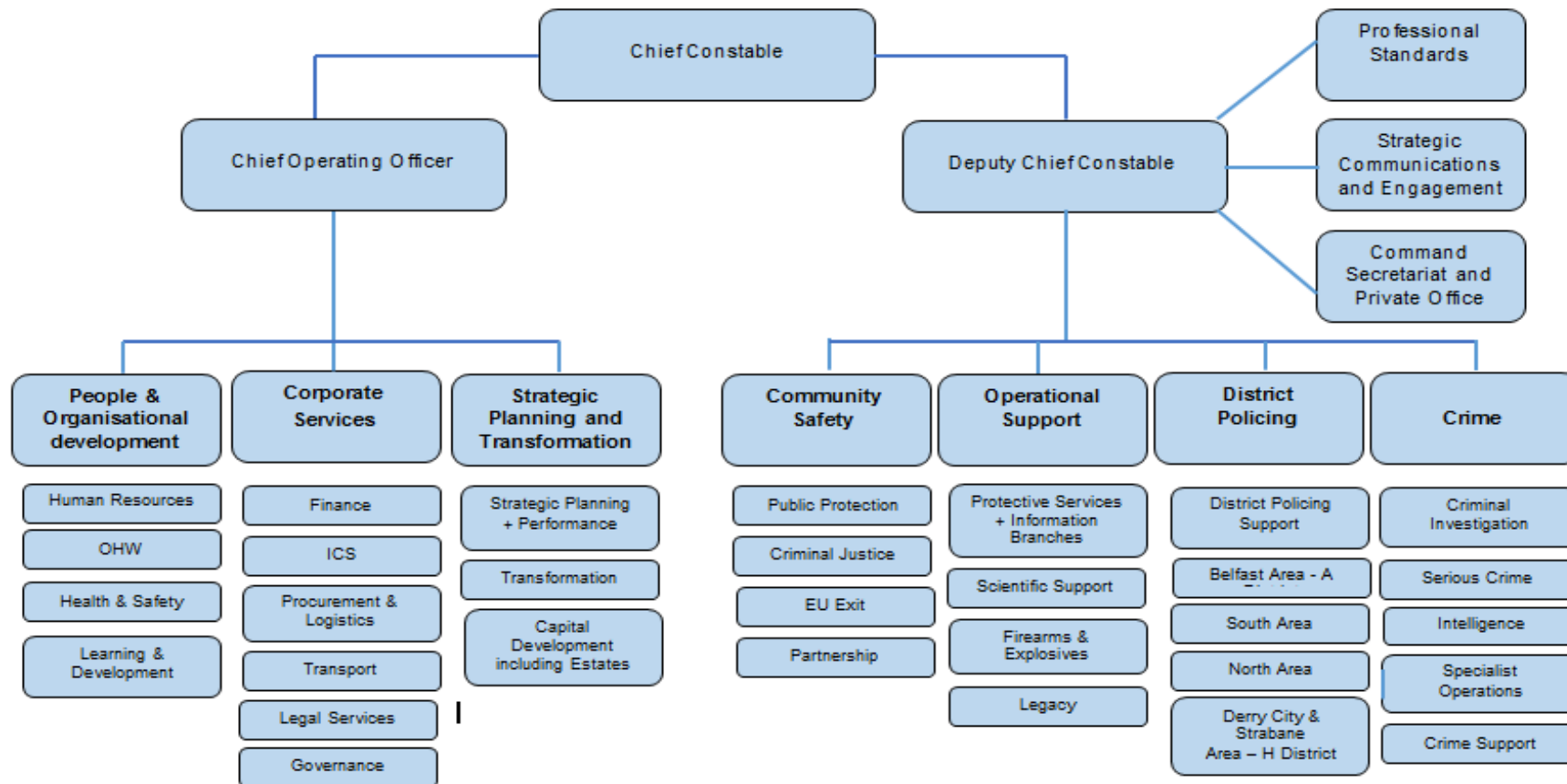
As the regulations have been relaxed, our focus has moved from policing Covid-19 to delivering policing in a Covid-19 environment. The risks and challenges posed by the Covid -19 crisis to date have reduced by some degree over time but are likely, nonetheless, to remain with us into the 2021-22 year. During the year we received funding of £9.4m from the NI Executive to assist with the additional costs of policing in a Covid environment. Overall the cost to PSNI in relation to Covid related activity was £24.1m. This encompassed additional Personal Protective Equipment for Officers, IT infrastructure to support remote working for Staff and Officers, as well as additional overtime to police the Covid regulations and cover for Covid related absences.

## **EU Exit**

The UK left the EU on 31 January 2020; with the transitional period ending on the 31 December 2020. PSNI received funding in 2020-21 of £15.4m to prepare for the exit from the EU. This budget enabled 308 officers and staff to be funded from this allocation, which has enabled a focus on supporting communities disproportionately impacted by the consequences of EU Exit. In particular, communities who are fearful and dissatisfied due to the uncertainty of the impact of the new arrangements.

### Organisational Structure

The PSNI is headed by the Chief, Deputy Chief Constable and Chief Operating Officer. They are supported by 4 Assistant Chief Constables and a Police Staff Executive Director, who manage the operational departments of the organisation. The organisational structure as at the 31 March 2021 is shown in the chart below.



### **Police Fund and Police Property Fund Accounts**

This Annual Report and Accounts also provides details of the activities of the Police Fund and Police Property Fund, which are separate Funds administered by the PSNI. The PSNI administer the Police Fund in association with the RUC Benevolent Fund and ex members who volunteer their services. It was established by regulations under section 28 of the Police Act (NI) 1970 which consist of PSNI grants and fines imposed on police officers as a result of disciplinary action. This together with investment income is applied by PSNI for the welfare of police officers and their dependants.

The Police Property Fund was established by regulations under section 2 of the Police (Property) Act 1987, and comprises unclaimed receipts arising from criminal investigations by the PSNI, which the Policing Board donate to charities.

The results from these two separate funds can be seen in notes 20 and 21 of the accounts on page 121.

### **Accounts Direction**

The Annual Report and Accounts for 2020-21 have been prepared in a form directed by the Department of Justice in accordance with Section 12 (3) of Part 2 to the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

PSNI complies with the corporate governance and accountability framework arrangements (including Managing Public Money Northern Ireland) issued by the Department of Finance (DOF) and the DOJ.

In accordance with the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Annual Report and Accounts of the PSNI for the year ended 31 March 2021, will be laid in the Northern Ireland Assembly.

### **Risks and uncertainties**

There are a number of potential risks and uncertainties which could have a material impact on the PSNI's long-term performance. These risks are managed within the PSNI risk and control framework, more information on this can be found within the governance statement on page 58.

During the 2020-21 year PSNI managed the following areas of significant concern or risk that could impact on the delivery of policing objectives.

**EU Exit:** There is a risk that PSNI will not deliver the required operational response including failure to deal with cumulative events during the transition period and the long term transformational change process to enable the service to police the exit and post exit environments which will arise when the UK leaves the EU, resulting in inefficient and ineffective service delivery, negatively impacting on organisational

reputation and community confidence in policing and limiting our ability to keep people safe. This risk has remained static during the year as PSNI continues to review the operational consequences and impact of the Trade and Co-Operation Agreement on the service.

**Future Funding (Beyond 2021-22):** There is a risk that future funding allocations will be insufficient to deliver the required level of policing services, impacting PSNI's ability to keep people safe. There remains considerable uncertainty around future funding for public services. Strategic planning assumptions are being developed to help guide resource planning. This risk was added during the 2020-21 year and has remained static during the period.

**Legacy Discovery and Disclosure:** There is a risk that due to the volume and complexity of discovery and disclosure PSNI will fail to discharge its legal responsibilities in respect of the sharing of information with external stakeholders. This could result in significant reputational, financial and legal implications for the organisation and have a detrimental impact on service delivery due to the repeated reallocation of resources to deal with emerging legacy issues. This risk has remained unchanged through the 2020-21 year.

**Sickness Absence and Duty Adjustments:** There is a risk that PSNI will have insufficient deployable police officers and police staff as a result of unsustainable absence rates and duty adjustments impacting on service delivery. The risks associated with this issue have been reduced and it has been de-escalated from the corporate risk register.

**Mandatory Training:** There is a risk that because officers and staff do not receive in time, mandatory, effective and policy compliant training for their role that the organisation will not have sufficient occupationally competent officers/staff to meet policing demand and negatively impact public confidence in PSNI. This risk has increased during the year as training days and available resources have been reduced. A holistic review of the issues and current mitigations is ongoing.

**Records Management:** If PSNI fails to securely store and manage, or is unable to search and retrieve, its valuable paper and electronic records it will be in breach of legislation which may lead to possible punitive sanctions by regulatory authorities and a detrimental impact on public confidence. This risk has been unchanged in the year.

**Terrorist Attack:** There is a risk that if PSNI does not work effectively to prevent terrorist attacks then a greater number of attacks will occur resulting in serious injuries or fatalities and in the event of terrorist attack the PSNI will not be able to effectively respond in line with our legislative responsibilities and public expectations. PSNI has worked throughout the year at a strategic and operational level to prevent and frustrate Terrorist attacks, and mitigate the risks to the organisation.

**Covid-19:** PSNI managed the risk that it could fail to adequately spread demand over all available resources during the Covid-19 pandemic to ensure that service delivery was not adversely impacted resulting in a loss of confidence from both staff and the public. This risk has been reducing as the restrictions and outlook has changed and has been de-escalated from the corporate risk register.

### **Interest rate and currency risk**

PSNI has no borrowings, relying primarily on Departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits. As all significant assets and liabilities are determined in sterling, it is not exposed to material interest rate or currency risk.

### **Going concern**

PSNI is a Non Departmental Public Body of the DOJ and is funded via the Department through supply grants from the Northern Ireland Consolidated Fund.

The Statement of Financial Position at 31 March 2021 shows net current liabilities of £120.5m. This reflects the inclusion of liabilities already incurred which are due for payment in future years. These liabilities will be financed from the Northern Ireland Consolidated Fund. Such drawings will be from grants approved annually by the Northern Ireland Assembly. The Department of Finance published a NI budget for 2021-22 on 1 April 2021.

There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the PSNI's financial statements for 2020-21.

### **Performance Summary**

The Policing Plan outlines three Outcomes for policing to deliver for the people of Northern Ireland, as set out on page 4.

The Annual Performance Plan 2020-21 has nine Indicators and eleven Measures which are used to enable progress to be monitored and reported against the following three criteria:

1. How much did we do?
2. How well did we do it?
3. Is anyone better off?

Progress against the indicators and measures outlined in the Annual Performance Plan is detailed using the Outcomes Based Accountability (OBA) Report Card format taking account of the three criteria listed above. For Outcome 3, progress is reported against the Headline Actions in the Local Policing Review Response Document, therefore does not follow the OBA Report Card Format. It should be noted that this is the first Performance Plan of a five year Policing Plan so concentration, in line with OBA, has been on data development, establishing baselines, developing surveys and providing an indication of progress against the indicators and measures informed by the three criteria listed. The impact of the coronavirus pandemic has made the identification of baselines both historic and future forecasts more challenging as can be seen by the figures in the introduction below. Historic baselines are calculated against five year averages where the data is available.

## **Performance Overview**

In 2020-21 there were 94,339 crimes recorded in Northern Ireland. This represents an 11.4% decrease compared to the previous year. During the same time period there was a 38.2% increase in the number of anti-social behaviour incidents.

Lower crime levels were seen in all the main crime classifications, with the exception of drug offences which rose by 4.7%. Burglary, robbery and theft offences showed the largest percentage falls.

Decreases in overall recorded crime were not reflected in domestic abuse and hate crime offences which increased by 2.2% and 10.1% respectively. 2020-21 is seventh consecutive year when there has been an increase in domestic motivated offences. Domestic motivated offences accounted for over 20% of all recorded crime in 2020-21, up from 17.5% in 2019-20. It is encouraging to see that despite the pandemic, victims continued to report hate motivated and domestic abuse crimes and incidents

The reduction in crime of 11.4% is similar to reductions seen in England & Wales and our Most Similar Forces. The reduction is a result of the lockdown restriction implemented to control the spread of the coronavirus pandemic. Reductions were recorded in locations which were impacted the most (predominantly Belfast City and the city centre in particular), and during the time periods of the lockdowns (most notably April and May 2020 and January 2021).

The coronavirus pandemic presented new challenges, in particular the policing of the lockdown restrictions which has contributed to the increase in anti-social behaviour. Over 8,000 Covid penalty notices have been issued.

## **Annual Performance Plan – 2020-21**

The summary table overleaf identifies the position for each of the measures in Outcomes 1 and 2 in respect of data development, baselines and surveys.



POLICE SERVICE OF NORTHERN IRELAND  
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

Summary of Progress	Outcome 1: We have a safe community
<p><b>Partially Achieved</b> <b>Data Development:</b> repeat victimisation rates established. Baselines to be developed.</p>	<p><b>Indicator 1.1: Fewer repeat victims of crime</b> M1.1.1: Repeat victimisation rate and report on initiatives to support repeat victims with a focus on victims of (i) Domestic Abuse, (ii) Child Sexual Abuse and Exploitation (CSAE) and (iii) Hate Crime in 2020-21.</p>
<p><b>Partially Achieved</b> <b>Data Development:</b> repeat offending rates established. Baselines to be developed.</p>	<p><b>Indicator 1.2: Fewer repeat offenders of crime</b> M1.2.1: Repeat offending rate and report on initiatives to reduce repeat offenders with a focus on Domestic Abuse in 2020-21. M1.2.2: Repeat offending of Organised Crime Groups (OCGs) and paramilitary organisations.</p>
<p><b>Partially Achieved</b> <b>Survey:</b> Policing Plan survey in development <b>Baselines:</b> historic baselines in place, rate of places repeatedly victimised reported.</p>	<p><b>Indicator 1.3: People in all communities feel safe</b> M1.3.1: Number of people in Northern Ireland who feel safe in their; local area, local high street or town centre and own home. M1.3.2: Rate of places repeatedly victimised.</p>
<p><b>Achieved</b> Historic and forecast baselines established and benchmarks reported against.</p>	<p><b>Indicator 1.4: Crime rates and trends showcase an effective police response</b> M1.4.1: Benchmark PSNI crime rates against previous PSNI levels and other most similar police services.</p>
Summary of Progress	Outcome 2: We have confidence in policing
<p><b>Not Achieved</b> <b>Survey:</b> Policing Plan Survey in development.</p>	<p><b>Indicator 2.1: The level of public confidence in policing</b> M2.1.1: Number of people in Northern Ireland who are confident that PSNI is accessible; visible; responsive and victim focused.</p>
<p><b>Achieved</b> Victim satisfaction numbers and trends reported on.</p>	<p><b>Indicator 2.2: The level of satisfaction with the service received</b> M2.2.1: Number of victims who are satisfied with the service they have received.</p>
<p><b>Partially Achieved</b> Baselines: established in respect of gender and community background.</p>	<p><b>Indicator 2.3: The representativeness of the police service</b> M2.3.1: Improve representativeness of the service across ranks, grades and departments by gender and community and socio-economic background.</p>
<p><b>Achieved</b> Levels of crime outcomes reported on against baselines.</p>	<p><b>Indicator 2.4: Delivery of effective outcomes</b> Levels of crime outcomes to identify and respond to areas of concern in outcomes statistics, with a particular focus on domestic abuse in 2020-21.</p>
Summary of Progress	Outcome 3: We have engaged and supportive communities
<p><b>Partially Achieved</b> 12 out of 45 actions have been completed.</p>	<p><b>Indicator 3.1: Police in partnership with local communities, including PCSPs, identify and deliver local solutions to local problems.</b> In collaboration with the community deliver the commitments outlined in the Local Policing Review.</p>

## PERFORMANCE ANALYSIS

### Performance

#### Outcome 1: We have a safe community

##### Indicator 1.1: Fewer repeat victims of crime

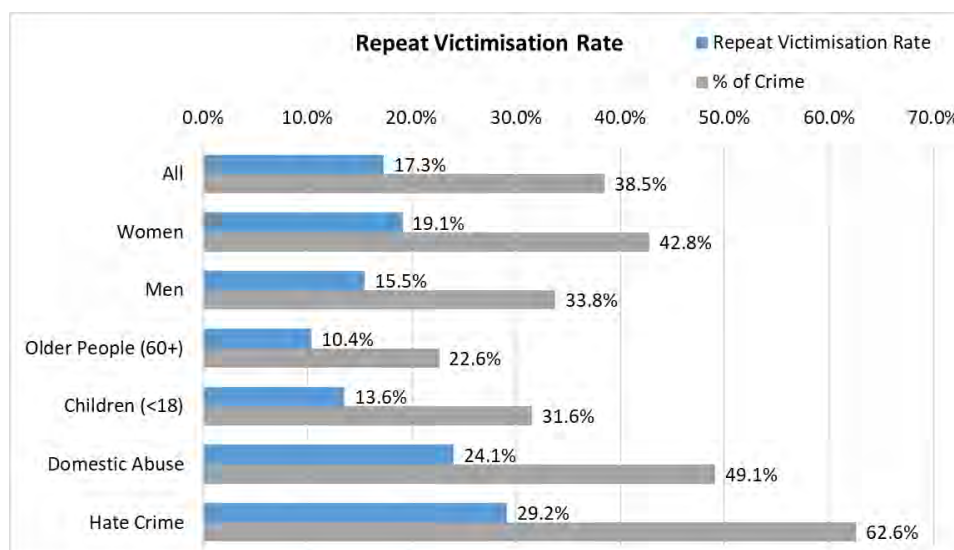
##### Measure 1.1.1: Repeat victimisation rate and report on initiatives to support repeat victims with a focus on victims of (i) Domestic Abuse, (ii) Child Sexual Abuse and Exploitation (CSAE) and (iii) Hate Crime in 2020-21.

#### Repeat victimisation rate

In 2020-21, 52,335 people were the victim of a crime in Northern Ireland. This equates to around 2.8% of the population. The majority of these victims were victimised on one occasion, however 17.3% (9,065) were repeat victims. This equates to 0.5% of the population.

Almost two-fifths (38.5%) of crimes were committed against these repeat victims. Less than 1% of the population are the victims of almost two fifths of recorded crime. The chart shows the repeat victimisation rate for specific types of victims.

Repeat victimisation rates are higher for women (19.1%) than men (15.5%). Over two-fifths (42.8%) of crime against women is committed against repeat victims.



Older people are less likely to be repeat victims (10.4%). Less than a quarter of all crimes against older people are committed against repeat victims.

During 2020-21, 5,284 children were the victim of crime. This equates to 1.2% of children in Northern Ireland. Around one in eight (13.6%) were repeat victims; this is 0.16% of the population. These children experienced almost a third of all offences committed against children during this period. Around 5% of these repeat child victims have already been identified as at risk of child sexual abuse and exploitation. At the end of 2020-21 forty children were identified as at risk of child sexual abuse and exploitation (CSAE).

The repeat victimisation rate for domestic abuse (crimes and incidents) was 24.1% in the 2020-21 financial year. Almost half (49.1%) of all domestic abuse crimes and incidents were committed against repeat victims.

The table shows the repeat victimisation rates for each strand of hate crimes and incidents in 2020-21.

	Victims	Repeat Hate Victims	% Repeat Hate Victimization	Repeat Victims	% Repeat Victimization
Sectarian	625	46	7.4%	209	33.4%
Racist	704	70	9.9%	165	23.4%
Homophobic	230	37	16.1%	81	35.2%
Transphobic	38	5	13.2%	17	44.7%
Disability	85	6	7.1%	33	38.8%
Religious	24	0	0.0%	8	33.3%

When only considering hate motivated offences the repeat victimisation rate is quite low, on average about 8.9%. Almost a third of victims who have experienced a hate crime are repeat victims when non-hate motivated crimes are included.

### Initiatives to support repeat victims

- Multi-Agency Support Hubs (MASH) continue to be at the fore in addressing repeat victimisation, with a vast majority of cohorts referred because of victimisation. In March 2021, the Department of Justice published an evaluation of MASH in Northern Ireland. The evaluation made a number of suggestions for improvement moving forward. As we continue to develop and improve the level of service provided, the Multi-Agency Steering Group has commissioned a virtual workshop on the 20 May 2021 to develop the next steps following on from the evaluation.
- Support Hubs are working with clients across a wide age range. There are currently five hubs supporting both adults and young people, and five supporting those aged 18 and over. As of January 2021, 66 young people and 533 adults had been referred to MASH. Almost half of all clients referred to the MASH were aged between 30 and 59 (48.8%).
- We have developed a process to automatically extract all repeat victims data for the last 365 days and present the information in Pulse. Utilising this data we are in the advanced stages of implementing a clear and data driven process to identify and support repeat victims of crime. This process will provide a consistent approach to ensure those individuals who are more vulnerable to being victims than others. This will ensure consistency of identification and interventions to address repeat victims. It will encourage officers to utilise crime prevention and early intervention techniques, alongside effective problem solving initiatives and toolkits.

- A specific toolkit has been designed for children who are repeat victims. This will assist in identifying vulnerable children and provides guidance on how to intervene early to prevent further victimisation.
- A new centralised supervision structure across PSNI has been created to support child repeat victims who have been identified as being at risk of child sexual abuse and exploitation (CSAE), enhance consistency and improve levels of practice and investigation.
- In order to provide victims of Domestic Abuse with support in these unprecedented times, a call back scheme was launched for all victims of domestic abuse at the start of lockdown. This has resulted in 13,332 contacts and a further 487 referrals for support agencies, 25 cases of further evidence being provided and 32 new crime reports. This is a positive result from the additional call back scheme which is being reviewed in respect of this being maintained post lockdown restrictions having eased. We have seen a decrease in the number of new crimes/evidence that are coming through as a result of call backs however we are still seeing a steady increase in the number of opportunities to further signpost victims (around 20 per week).
- All victims of reported hate abuse are offered referrals to Victim Support and to Hate Crime Advocates. The uptake for advocacy referrals is generally good, with individualised support provided to victims of hate crime and/or abuse. Hate Crime Advocates are also proactive in encouraging reporting of hate abuse to police.
- A repeat victim of transphobic hate crime who was reluctant to engage with police reported incidents of property damage via the transphobic hate advocate. Engagement with the advocate local Crime Prevention and Neighbourhood officers has encouraged reporting from the victim and increased their confidence in policing. No further incidents have been reported and the victim and their family have written a letter of thanks to the officers involved.

**Indicator 1.2: Fewer repeat offenders of crime**

**Measure 1.2.1: Repeat offending rate and report on initiatives to reduce repeat offenders with a focus on Domestic Abuse in 2020-21.**

**Repeat offending rate**

- In 2020-21, 14,175 people were identified as offenders. This equates to 0.7% of the population. Just over a fifth (22.8%) of these offenders were repeat offenders. Almost half (48.5%) of crimes with a charge/summons or out of court outcome were committed by repeat offenders. Around 10% of crimes were committed by 263 people, this equates to 0.01% of the population.
- The majority (80%) of offenders in 2020-21 were men. The repeat offending rate is higher for men than women, 24.1% and 17.8%, respectively. A very small proportion (0.24%) of young people in Northern Ireland were offenders in 2020-21. Around a fifth of them were repeat offenders.



- Over a quarter (26.2%) of all domestic abuse offenders were repeat offenders in the 2020-21 financial year. Over half (51.9%) of all domestic abuse crimes and incidents were committed by repeat offenders.

**Initiatives to reduce repeat offending**

- The Reducing Offending in Partnership (ROP) programme is a central part of how we work to keep communities safe. By listening to communities, police, with our partners, focus on local issues and deliver collaborative solutions to local concerns. There is a Reducing Offending Unit (ROU) in each District which is responsible for identifying and engaging with prolific offenders to curtail their offending behaviour.
- A female was supported by an ROU officer on release from prison in November 2020. Despite building up an extensive criminal record in the two and half years prior to her engagement with ROU she has not reoffended since her release. She is now successfully volunteering at a day centre.

- Youth Diversion Officers work with young people, often prior to them being formally recorded as an offender, to prevent them from becoming involved in criminality and to deter them from further offending.
- Medium, high risk and the highest volume of repeat domestic abuse offenders are managed through fortnightly Public Protection Branch vulnerability meetings with actions such as heightened bail checks, Multi-Agency Support Hub (MASH) referrals and engagement with other agencies in order to deliver a further level of safeguarding.
- A domestic abuse repeat offender strategy has been developed which mirrors the repeat victim strategy in place. It aims to ensure that all criminal justice opportunities are explored and offenders are provided with pathways to address the underlying causes of their behaviour and in turn reduce repeat offending and victimisation. It is recognised that this is largely a “police based” scheme, and a partnership approach is preferable. Models such as DRIVE and MATAC will be explored over the coming months.

### **Measure 1.2.2 Repeat offending of Organised Crime Groups (OCGs) and paramilitary organisations.**

#### **Organised Crime Groups and Paramilitary Organisations**

At the end of 2020-21 there were 72 Organised Crime Groups (OCGs) identified in Northern Ireland. We continue to work in partnership with colleagues in An Garda Síochána, the National Crime Agency (NCA), UK Border Force, HMRC, Harbour Police, the Home Office and Driver and Vehicle Licensing Agency to tackle OCGs. During 2020-21 there were 236 arrests and 310 offences which resulted in a charge or report. Drugs to the value of £9,806,425 were seized and cash to the value of £5,434,745 was seized or subject to a Restraint/Confiscation Order.

Republican and Loyalist paramilitary OCGs continue to impact all areas of society in NI and the threat posed from them remains severe. Currently around one third of Northern Ireland based OCGs are paramilitary organisations or have suspected paramilitary links. The table below summarises the work of the Paramilitary Crime Task Force (PCTF), in partnership with the NCA, since its inception in 2016.

	2016-17	2017-18	2018-19	2019-20	2020-21	Overall
Searches	110	193	140	130	199	772
Arrests	70	51	85	68	84	358
Charged/Reported	45	44	59	72	41	261
Drugs seized (value)	£200k	£58k	£267k	£453k	£1,274k	£2,253k
Cash seized/detained/forfeited	£0.00	£318k	£521k	£177k	£117k	£1,135k
Vehicles seized	0	4	31	8	18	61
Weapons seized	5	135	23	9	25	197

- Operation ARBACIA is a joint investigation focused on disrupting the activities of the New IRA. By the end of 2020-21 ten suspects have been arrested and charged with offences under the Terrorism Act 2000, including directing terrorism, preparation of terrorist acts and conspiracy to possess explosives, firearms and ammunition. All ten individuals remain in custody. This highly challenging and complex investigation continues with a number of further arrests taking place during 2021. This operation has had a significant disruptive effect on terrorists.
- Operation VENETIC is an international joint operation between the Police Service and the National Crime Agency, in relation to serious criminal activity across Europe using encrypted telephone platforms. During 2020-21, 31 people have been charged and eight have been remanded into custody. Associated search and arrest operations have resulted in the seizure of 86kg of Class A controlled drugs, 6.4kg of Class B controlled drugs, £417,500 in cash, 14 EncroChat devices, 29 vehicles, Weapons, including three crossbows, one imitation firearm and 828 rounds of ammunition and assets to the value of £2.5m have been restrained.
- Operation PIVOT was established in response to paramilitary activity in the area of Pitt Park linked to East Belfast UVF. The operation employed a community-focused, collaborative approach between neighbourhood and local policing resources and Crime Department. In total, 22 arrests have been made under the Terrorism Act 2000. This operation demonstrates our commitment to tackling harm associated with paramilitary activity and providing necessary reassurance in local communities.
- Operation FUSION commenced in December 2020, with a targeted focus on EU Exit-related organised crime groups seeking to exploit the Common Travel Area for criminal purposes. The primary operational focus is directed towards criminal hauliers involved in the importation of drugs, people smuggling and the importation of other illicit items such as alcohol, tobacco, fuel, firearms and counterfeit goods.

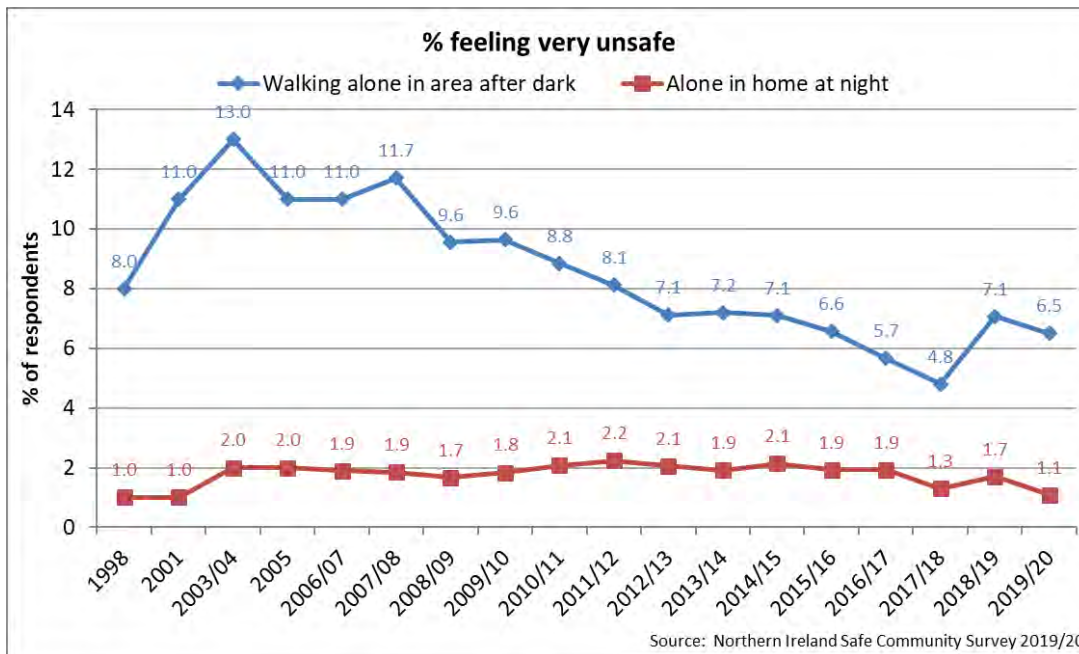
**Indicator 1.3: People in all communities feel safe**

**Measure 1.3.1: Number of people in Northern Ireland who feel safe in their; local area, local high street or town centre and own home.**

**Measure 1.3.2: Rate of places repeatedly victimised.**

**Number of people who feel safe**

Respondents to the Northern Ireland Safe Community survey are asked how safe they feel in various situations on a scale of one to four. These include walking alone in their area after dark, during the day, in their local high street or town centre, and in their own home at night. Unfortunately, the results of these questions are not published.



The 2019-20 Northern Ireland Safe Community Survey (NISCS) findings indicate 6.5% of respondents felt very unsafe walking alone in their area after dark.

While the proportion has remained similar to the 2018-19 finding (7.1%), it is nearly half of the rate observed during the 2003-04 survey, where 13% reported feeling very unsafe.

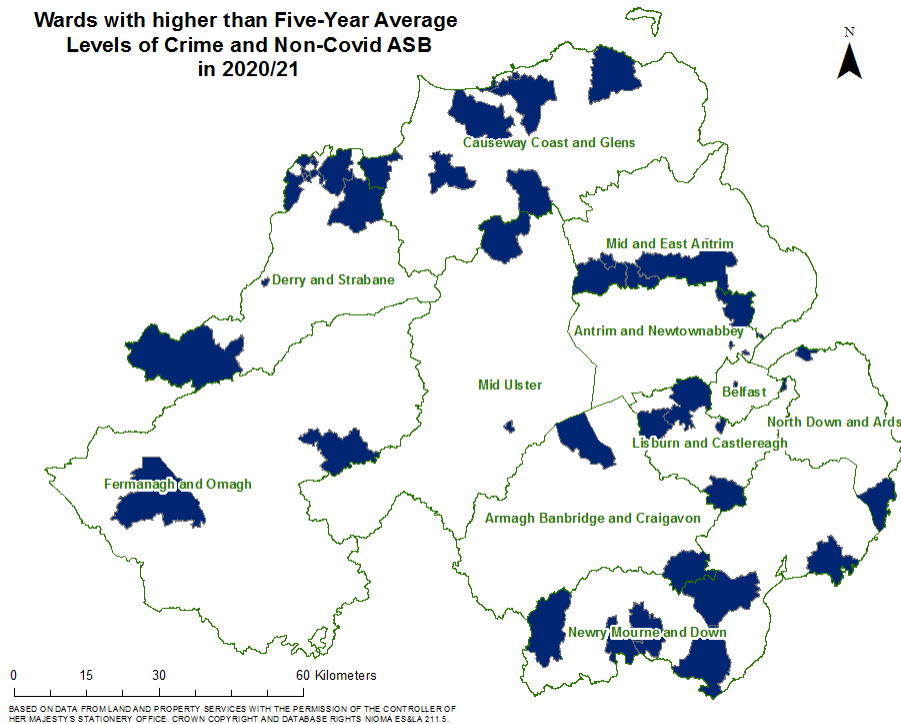
Over the last two decades, the proportion feeling very unsafe when alone in home at night has remained stable at around 1% or 2% each year. The 2019-20 figure of 1.1% represents a statistically significant decrease from the previous year (2%) and is the lowest it has been in the last twenty years.

**Rate of places repeatedly victimised**

Despite an overall decrease in crime, a small number (10.6%) of Wards recorded above average levels of crime and non-Covid ASB during 2020-21.

The map shows the locations of these Wards. All Districts had at least one Ward with higher than average levels of crime and non-Covid ASB.





### **Initiatives to keep people safe**

Our new Crime Prevention Strategy 2025, 'Prevention First,' is focused on ensuring that prevention of crime is at the very heart of our service delivery and mind-set. Demand for policing tends to be rooted in complex social need. A cross-sector, early intervention focus which addresses the causes and drivers of crime will result in safer communities, prevent harm for vulnerable people and reduce demand for policing in the longer-term.

Our commitment to neighbourhood policing remains strong and is the foundation for our policing style and ethos. Neighbourhood policing has been shown to reduce fear of crime, improve trust and build legitimacy in communities. During 2020-21, the Neighbourhood Policing Delivery Board managed the uplift of an additional 400 officers into Neighbourhood Teams across all policing areas. The neighbourhood policing role profile has also been reviewed and training has been delivered in line with national policing guidelines.

We have been increasing the use of the Nextdoor App to engage with local communities. The app allows us to share crime prevention advice and public safety messages with specific geographical communities. Strategic Communications and Engagement department are continuing to deliver training to neighbourhood officers to ensure that they can make the best use of this communication tool. So far over 260,000 people have seen the posts on Nextdoor which have covered topics such as Covid -19, road safety, crime prevention advice, antisocial behaviour and provided updates on the work Neighbourhood Policing teams are doing to tackle crime in their area. The platform has also been used to ask local residents about their concerns so that Neighbourhood officers can respond.

A new Community Relations Taskforce was established in December 2020 to lead the way on informing our future approach to engagement at a strategic and operation level. The aim is to increase our understanding of, and develop stronger networks with, diverse communities and community groups and to use these relationships to inform our policing style and approach. The concept is founded on the principles of co-design and participation with community representatives, critical friends and academic partners.

Initial focus has centred on developing relationships with black, Asian and minority ethnic community leaders and others. We have sought facilitation support by Mutual Gain, a group which seeks to empower organisations and communities to reconnect, with the aim of promoting greater participation and active citizenship for the mutual benefit of all. This early work is intended to serve as a pathfinder to inform the strategic direction of the Taskforce, supported by independent experts practiced in community engagement, community development and capacity building.

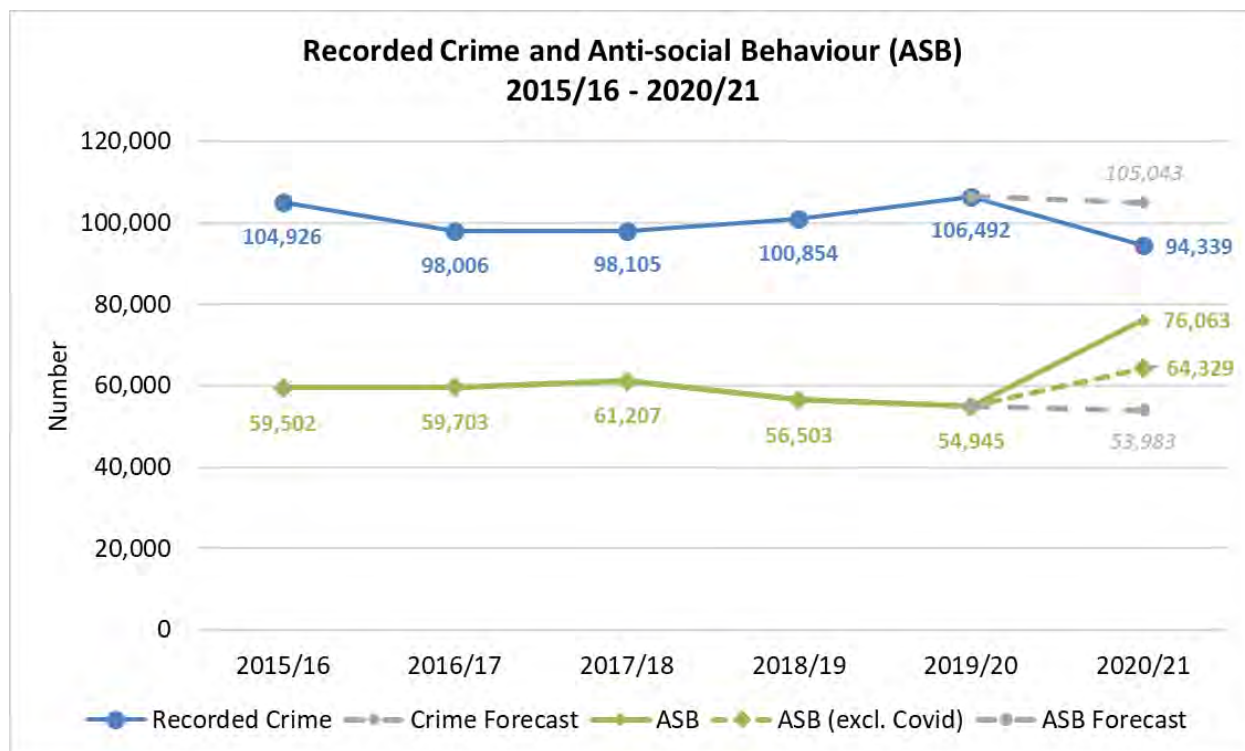
The Public Protection Notices (PPN) for domestic abuse were launched in 2020-21. The PPNs assist front line officers and supervisors to better identify risk. There is an improvement of the data received based on officer's professional judgement to answer each of the questions when the DASH risk assessment was refused by the victim. The PPN also expedites information sharing creating an automated email to partner agencies to share information, removing the need for referrals in a separate forum.

During 2020-21 a new survey was developed to measure levels of confidence and how safe people feel on a regular basis. The survey will be available online and promoted via our social media profiles. It is anticipated that this survey will help us to identify local issues which impact confidence and feelings of safety and develop appropriate solutions in partnership with local communities and partners.

**Indicator 1.4: Crime rates and trends showcase an effective police response**  
**Measure 1.4.1: Benchmark PSNI crime rates against previous PSNI levels and other most similar police services.**

**Crime Rates - Comparison to previous levels**

In 2020-21 there were 94,339 crimes recorded in Northern Ireland. This represents an 11.4% decrease compared to the previous year. During the same time period there was a 38.2% increase in the number of anti-social behaviour incidents. The chart below shows recorded crime and anti-social behaviour (ASB) levels in 2020-21 and the previous five years.



There were 50 police recorded crimes per 1,000 population in 2020-21 compared with 56 in the previous 12 months.

Based on recorded crime levels over the previous five years (2015-16 – 2019-20) the forecasted level of recorded crime for 2020-21 was 105,043. The significant reduction in recorded crime is largely as a result of the coronavirus pandemic.

Lockdown measures were introduced at various points during 2020-21 to control the spread of Covid -19 and had a substantial impact on levels of police recorded crime.

Conversely, the level of ASB exceeded the forecast (53,983). Again Covid -19 had an impact with 15.4% of incidents (11,734) being directly related to Covid -19. However, the increases in ASB exceeded the forecast even when these incidents are excluded.

While the majority of crime types recorded decreases in 2020-21 compared to the previous year and the five-year average, there were some exceptions.

A 13% (1,303 offences) increase in harassment offences should be seen in light of changes in recording practice.

Rape offences have shown a slight rise in the last 12 months to 1,028 offences (1.4%).

The number of drug offences recorded increased by 363, to reach 8,165, the highest level recorded and more than seven times higher than the lowest level recorded in 2001-02.

Decreases in overall recorded crime were not reflected in domestic abuse and hate crime offences which increased by 2.2% and 10.1% respectively. 2020-21 is seventh consecutive year when there has been an increase in domestic motivated offences.

#### How the composition of crime has changed over the last 20 years

Crime Classification	1999-00	2009-10	2019-20		2020-21
Violence against the person	18.8%	27.6%	38.8%		41.6%
Sexual offences	1.2%	1.7%	3.3%		3.5%
Robbery	1.2%	1.2%	0.6%		0.5%
Burglary	13.9%	11.5%	5.7%		4.4%
Theft offences	34.0%	26.1%	21.7%		17.3%
Criminal damage	27.2%	24.0%	17.5%		18.3%
Drug offences	1.5%	2.9%	7.4%		8.7%
Possession of weapons offences	0.4%	0.7%	1.0%		1.2%
Public order offences	0.2%	1.8%	1.2%		1.4%
Miscellaneous crimes against society	1.6%	2.5%	2.8%		3.1%
Domestic Abuse	-	9.2%	17.5%		20.2%
Hate Crime	-	2.0%	1.5%		1.8%
Crime against Older People (60+)	-	6.8%	6.7%		6.8%
Crime against Children (<18)	-	6.3%	8.0%		8.2%
Crime against women	-	30.2%	34.8%		36.4%

Domestic motivated offences accounted for over 20% of all recorded crime in 2020-21, up from 17.5% in 2019-20.

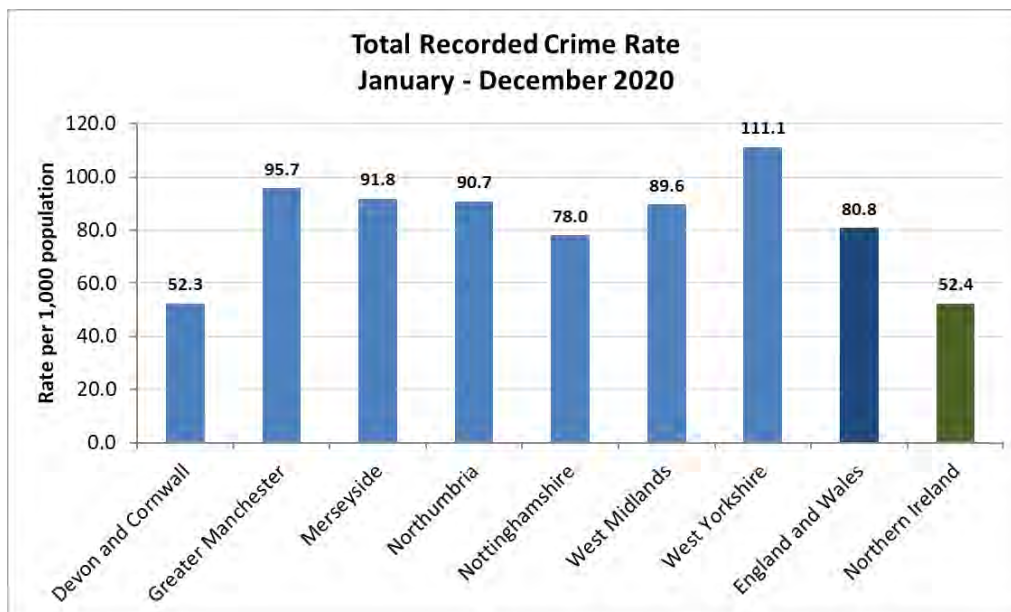
#### Comparison to other most similar police services

Between January and December 2020 the crime rate in Northern Ireland was 52.4 crimes per 1,000 population, this compares to 80.8 per 1,000 population in England and Wales.

Northern Ireland has the fourth lowest overall crime rate when compared to England and Wales.

Our most similar forces (shown in the chart), have a notably higher overall crime rate than Northern Ireland, with the exception of Devon and Cornwall, who are only slightly lower (52.3 crimes per 1,000 population).

Anti-social behaviour incidents increased by 37% in England and Wales in 2020 compared to 2019. This compares to a 27.8% increase in Northern Ireland.



As in Northern Ireland, decreases in recorded crime were noted in England and Wales, between January and December 2020 there was a 9.9% decrease compared to 2019. The average decrease for our most similar forces (MSFs) was 9.0%. This compares to a 9.4% decrease in Northern Ireland.

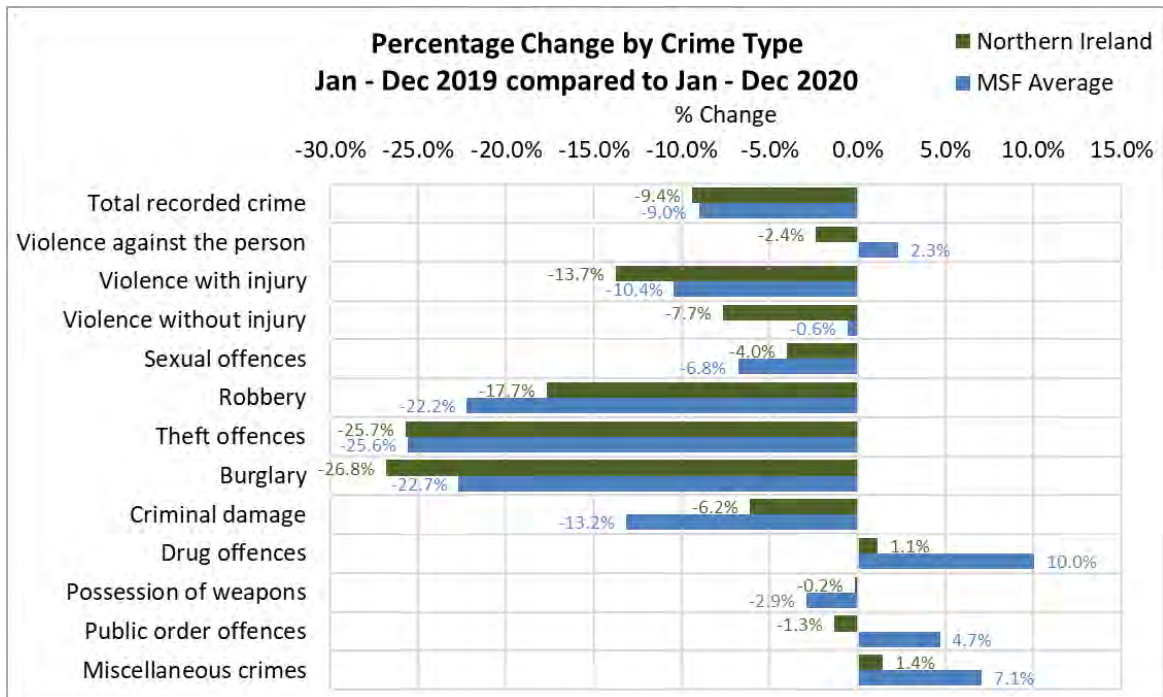
The chart indicates that reductions in are broadly comparable with our most similar forces in England and Wales.

Violence against the person offences increased, on average, in our MSFs while the levels reduced in Northern Ireland. Increases in the West Midlands and Merseyside caused the increase.

Domestic abuse offences in England and Wales increased by 6.9% in 2020 compared to 2019. In Northern Ireland the increase for the same time period was 5.9%.

Recording of hate crime in Northern Ireland is significantly different from England and Wales so it is not possible to draw comparisons.

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**Outcome 2: We have confidence in policing**

**Indicator 2.1: The level of public confidence in policing**

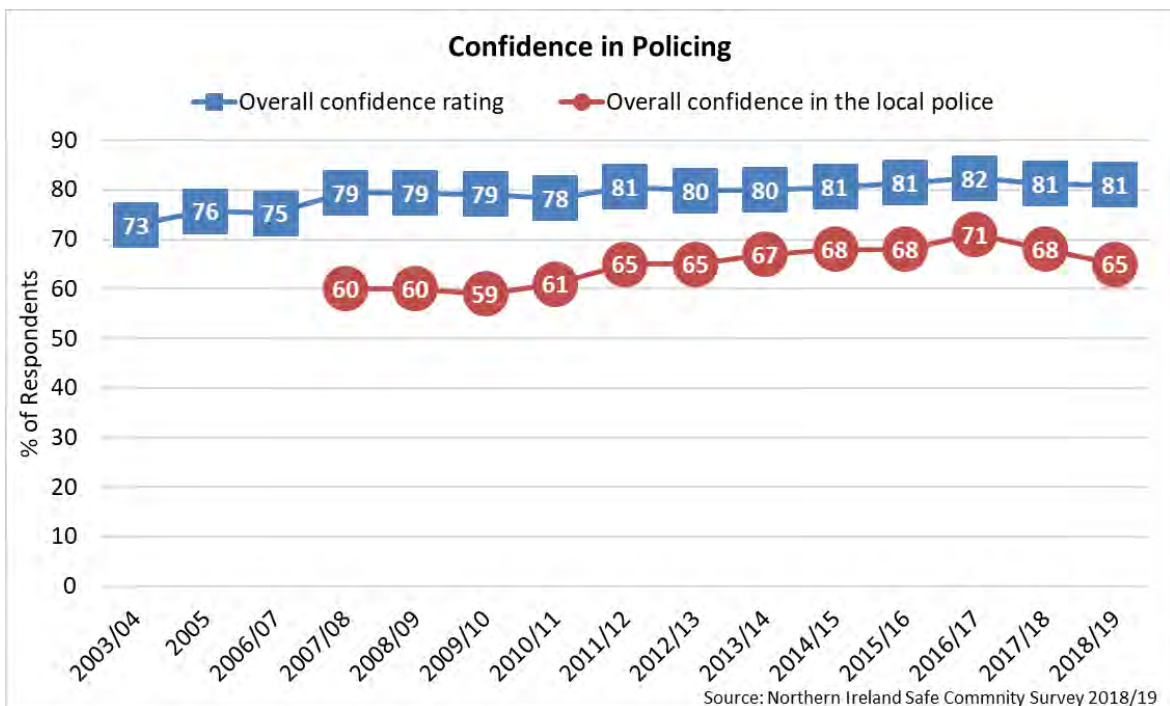
**Measure 2.1.1: Number of people in Northern Ireland who are confident that PSNI is accessible; visible; responsive and victim focused.**

**Level of confidence in policing**

The latest (2018-19) Northern Ireland Safe Community (NISCS) findings show that overall public confidence in the police and police accountability arrangements (based on a seven-strand composite measure) remained unchanged from 2017-18 to 2018-19 (both 81%).

While there have been no significant year-on-year changes in the confidence rating in recent years, the 2018-19 figure of 81% compares favourably with the rate observed in 2003-04 (73%) when the measure was first introduced.

When asked about overall confidence in the local police, almost-two thirds (65%) of respondents stated that they had confidence in the police in their area, showing no statistically significant change from last year (68%, 2017-18).



**Social media monitoring and sentiment**

Policing the Covid-19 pandemic continues to present significant challenges for the police service and has undoubtedly placed significant strain on our relationship with the public. There have been a number of occasions within the last 12 months when sections of the community have publicly cited a loss of confidence in the service. The true scale and extent of this perceived erosion of public confidence is difficult to gauge.

EU Exit and the implementation of the Northern Ireland Protocol has increased political instability, with indications of a re-emergence of identity politics and polarisation of communities on this issue, fundamental to the Good Friday Agreement of 1998.

Perceptions of policing are challenging in this space with allegations of two-tiered policing from across the political spectrum, in the face of a purposefully impartial/neutral organisational position.

We have invested in new technology which allows us to monitor social media and news websites to identify potential issues with public confidence and respond appropriately. Strategic Communications and Engagement department monitor the information on daily and identify the most suitable response. For, example highlighting the issues to the appropriate District or Department, removing inappropriate content from our social media profiles and updating our social media profiles to combat incorrect and harmful information. A weekly report is produced for senior leaders to ensure that they are aware of the issues which the public are most concerned about.

### **Ongoing work to enhance our collective understanding of confidence in policing through survey data**

- The Policing Board Director of Performance is, in conjunction with NISRA, looking at survey design and development, with a view to tendering for a specific piece of work around June 2021. This tender would then involve a survey being undertaken in the late autumn of 2021.
- During 2020-21 a new survey was developed to measure levels of confidence and how safe people feel on a regular basis. The survey will be available online and promoted via our social media profiles. It is anticipated that this survey will help us to identify local issues which impact confidence and feelings of safety and develop appropriate solutions in partnership with local communities and partners. This would supplement the above work with the Policing Board.

### **Other means of gauging confidence in policing**

- We have held a number of Independent Advisory Group (IAG) meetings on matters including Uniform and Corporate Identity, EU Exit, Funerals, Covid related matters, Public Disorder, Women's Safety, and Police Use of Force.
- Increased levels of reported Domestic Abuse, Domestic rape, Harassment and Hate Crime could be seen as an indicator of increased confidence in policing. However in order to establish this further work, in particular with victims of crime, will be necessary.

### **Initiatives to improve confidence**

- Responsive – Staff in our Contact Management Centre have worked hard this year to maintain performance which compares extremely well nationally. In fact, 94.4% of all 999 emergency calls were answered within 10 seconds, with an average answer time of 6 seconds for all 999 calls. Our average answer time for 101 calls was 33 seconds, with 77% of all 101 non-emergency calls answered within 30 seconds.
- **Visible - Neighbourhood Policing Delivery Board** – Resourcing of the 400 officers continues as a rolling programme. Work is currently being progressed to establish and implement a suitable shift pattern for Neighbourhood officers to provide a minimum of 16 hours daily coverage.



- **Accessible & Responsive - Community Relations Task Force** - The concept of a Community Relations Task Force continues to develop. ACC Community Safety Department is leading this work on behalf of the service. This includes a mapping exercise which will then be the subject of critical challenge to ensure that any gap in our existing engagement is addressed. Mutual Gain, a specialist community engagement organisation are continuing a 'path-finder' exercise with the Black and Minority Ethnic Community to create capacity within the community to agree a collaborative action plan and priorities with PSNI. If successful it is hoped this will provide us with a model for developing and enhancing relationships with other communities where confidence in policing is an issue.
- **Victim Focus / Accessible - Ask ANI (Action Needed Immediately)**: This code word scheme has been developed to allow victims of domestic abuse to access support from the safety of their local pharmacy by simply using the code 'Ask ANI'. The scheme has facilitated the provision of safe place for victims and access to much needed support for those suffering Domestic Abuse.
- **Accessibility - Child Protection Disclosure Scheme (CPDS)**: The On-line CPDS continues and was recently advertised again via social media. This will enable anyone with concerns about someone who may be posing a risk to children to find out if they have a criminal record for sexual or violent offences by sharing concerns online via the Police Service of Northern Ireland's website instead of having to visit a police station to make an application.

## **Indicator 2.2: The level of satisfaction with the service received**

### **Measure 2.2.1: Number of victims who are satisfied with the service they have received**

#### **Level of victim satisfaction**

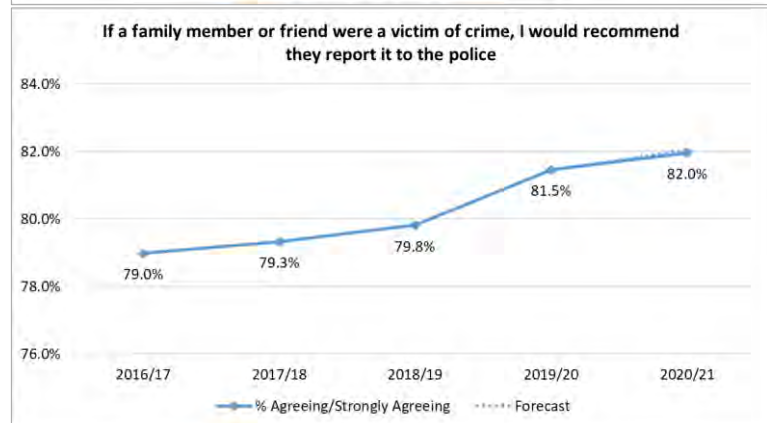
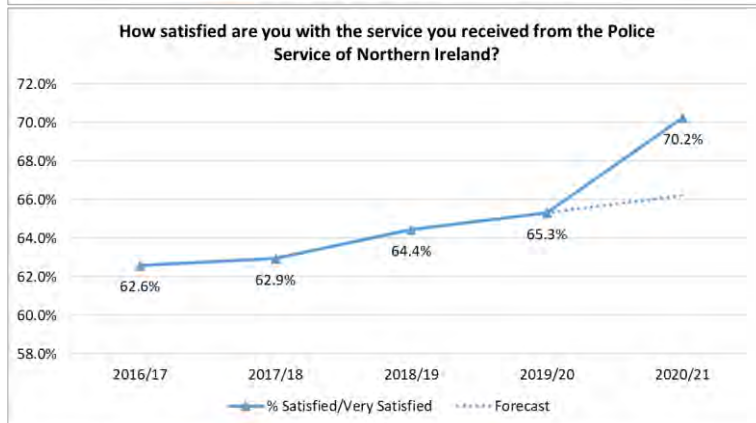
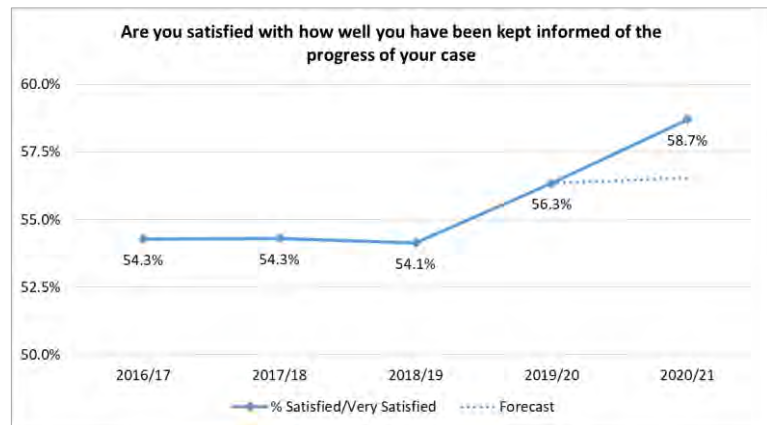
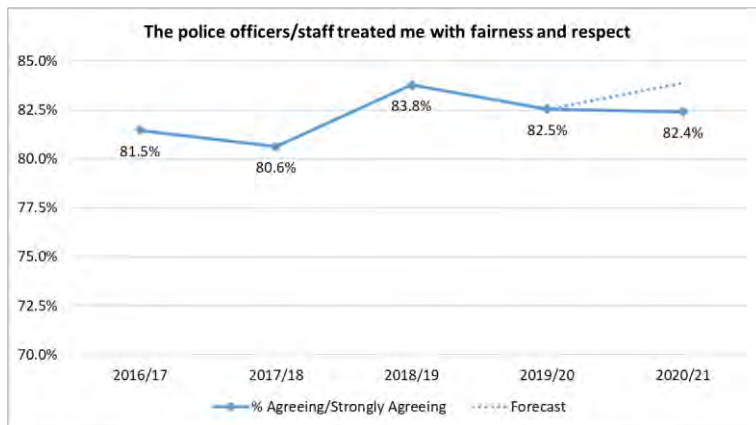
In 2020-21 over 20,000 victims of crime were invited to participate in the victim satisfaction survey and the response rate was 11.6%. This is an increase compared to the previous year (9.5%).

The percentage of respondents agreeing or strongly agreeing that the police officers/staff treated me with fairness and respect has remained unchanged compared to the previous year and is consistent with the five year average.

There has been an increase in the percentage of respondents who are satisfied or very satisfied with how well they have been kept informed of the progress of their case over the past two years. The results in 2020-21 are the highest since the survey began and exceeded the forecast.

Around 7 in 10 victims stated they were satisfied or very satisfied with the service they received. This is the highest level since the survey began and exceeded the forecast.

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The majority (82%) of victims who responded to the survey stated that they would recommend reporting a crime to the police. This result is above the four-year average and is a significant increase compared to 2016-17.

In 2020-21, a free text question was included in the survey for respondents who indicate they are dissatisfied with the service they have received. The following themes have been identified:

- Lack of contact/follow-up;
- Late/slow updates; and
- Unhappy with progress/outcome of investigation.

We also receive a number of letters of thanks for the service we provide and the positive impact we can have on people's lives. A constable was touched to learn how his support and words of encouragement had positively impacted a teenage boy. The boy, who was struggling with mental health issues, and him and his mother were victims of assault, criminal damage and threats to kill. The boy had been physically assaulted and had lost a tooth as a result. In an email from his mother, it was clear that the extra time taken to talk to and support her son really made an impression on his outlook on life. The boy has now agreed to seek help for his mental health issues and the family noted that something positive had come out of an awful situation.

### **Initiatives to improve satisfaction**

In order to help manage the allocation of calls being made to our non-emergency number 101 during the Covid pandemic, Information and Communication Services introduced the ability for members of the public to report citizen Covid -19 breaches via an online form. Since its introduction on 13 April 2020, almost 7,500 Covid related online submissions online have been made. During the past 12 month period a total of almost 35,500 online reports have been made to the PSNI and current survey results tell us that 75% of users rated the online crime and incident report system as good or very good. The learning from this work will be used to further shape the development of on-line crime reporting.

Contact Management have introduced an automated process that delivers a follow up email to each reporting person confirming key details of their report (incident number; Investigating Officer rank, name, email and service mobile number; and victim chart summary). Initial feedback has been very positive.

Hate crime victims who avail of the advocacy service are invited to complete a survey on both the service provided by police and the advocates. The latest results indicate that the crime was quickly identified as a hate crime and victims were kept updated by police in the majority of cases. All clients reported being treated with fairness and respect by police, and would recommend the scheme to a family member or friend. All were also content with the support provided by the advocacy service and felt more able to report a hate crime in the future as a result. From 2021-22 victims of hate crime will be included in the victim satisfaction survey.

As a result of feedback from hate crime victims and the advocates the PSNI Telephone Resolution Unit (TRU) now deal with low and medium risk hate incidents. TRU complete the initial actions and response, and then task back to the local Neighbourhood Inspector for review.

In 2020-21 we developed and launched a new Rape Crime Victim Survey. The need to support victims of sexual violence remains a priority within our organisation. The trauma and guilt associated with such an intrusive and interpersonal crime often leaves victims confused and uncertain about proceeding with a formal complaint. Those who do often struggle to sustain the momentum of their first report. Attrition rates remain high with 78% of victims disengaging with the process at various stages and for various reasons. The survey aims to capture and better understand the experience and impact on victims and to aid us in our approach and performance in terms of engagement and progression through the Criminal Justice process.

During 2020-21 a survey for victims of Domestic Abuse was designed based on Home Office guidance and existing surveys conducted in England and Wales. We are engaging with partners to discuss the best way forward for the carrying out this survey.

**Indicator 2.3: The representativeness of the police service**

**Representativeness of the service**

**Measure 2.3.1: Improve representativeness of the service across ranks, grades and departments by gender and community and socio-economic background.**

- In 2001, the PSNI had a police officer Roman Catholic representation of 8.3%, which has more than trebled in the last 19 years. However, despite all the effort being made we are holding steady rather than markedly improving.
- The Police Service of Northern Ireland has a particularly high overall retention rate at 95%. For Roman Catholic police officers the retention rate is currently 97.8% and our female police officer retention rate is 96.8%.
- Constable, Sergeant and Inspector ranks are largely in line with the overall police officer female representation and there has been an increase in female representation at Chief Superintendent and Superintendent Rank.
- The number of females working as police staff is higher than the expected Northern Ireland average. There are a higher proportion of females within the administrative grades. Female representation at police staff senior grades is significantly more positive than at senior police officer ranks.

Rank/Grade	% Roman Catholic	% Female
Chief Officers	14%	17%
Chief Superintendent		19%
Superintendent		32%
Chief Inspector	28%	21%
Inspector	30%	29%
Sergeant	33%	27%
Constable	33%	30%
Student Officer	24%	31%
<b>Police Officers</b>	<b>32%</b>	<b>30%</b>
Grade 7 & above	23%	40%
Deputy Principal	21%	41%
Staff Officer	27%	56%
Executive Officer 1	18%	37%
Executive Officer 2	21%	59%
Admin Officer	18%	68%
Admin Assistant	19%	74%
Industrial	12%	2%
<b>Police Staff</b>	<b>20%</b>	<b>58%</b>

Department	% Roman Catholic	% Female
Command & Service Overheads	25%	37%
Strategic Communications & Engagement	40%	76%
Crime Department	30%	44%
Corporate Services	22%	30%
Human Resources Department	16%	78%
Operational Support	30%	22%
Legacy/Legal	26%	50%
Community Safety	23%	64%
District Policing Command	29%	47%
<i>Belfast Area</i>	28%	28%
<i>North Area</i>	30%	34%
<i>Derry City &amp; Strabane Area</i>	31%	28%
<i>South Area</i>	31%	32%

Around a third (32%) of police officers and a fifth (20%) of police staff identify as Roman Catholic. In 2001, 13% of police officers were female. This figure has increased to 30%.

Campaign	Applications			Merit List			Appointments		
	Number	% RC	% Female	Number	% RC	% Female	Number	% RC	% Female
Campaign 1	7493	30.6	35.2	743	22.8	37.8	401	19.2	17.7
Campaign 2	5856	29.3	35.4	915	21.8	35.4	475	19.8	28.8
Campaign 3	5498	31.8	35.7	875	25.4	37.9	462	21.4	29.2
Campaign 4	7696	31.8	39.3	1052	25.9	37.5	628	*	26.8
Campaign 5	6243	31.0	37.4	1052	23.1	33.8	498	20.1	29.5
Campaign 2020	6879	30.8	40.3						

\* Community Background cannot be provided for Campaign 4 due the small number of candidates remaining active

### Socio Economic Background

The information below looks at the effectiveness of our outreach and engagement within working class areas and is based upon application data for the most recent 2020 recruitment campaign:

- 6,386 applicants (based on valid post codes) have been mapped to their Super Output Area and respective Multi Deprivation Measure 2017 ranking.
- 19.6% of applicants applied from the bottom 30% most deprived areas in Northern Ireland (i.e. columns 1 - 3).
- 38% of applicants applied from the top 30% least deprived areas in Northern Ireland (i.e. columns 8-10).
- When overlaid with Multi Deprivation Measure it can be seen that expected Catholic applications were 612 less in the bottom 30% most deprived areas in Northern Ireland compared to Protestant and Other applications which were 48 more than expected.
- When analysing the top 30% least deprived areas the Protestant community background outperforms the expected number of applicants in this Multi Deprivation Measure range with +572.
- People from a Catholic community background apply to the PSNI at a lower rate



than statistically expected. While less Protestants apply from most deprived areas compared with least deprived areas, based on population they broadly apply at the level

statistically expected. The Barriers to Recruitment Report reported on the perception of declining relationship between the police and the Protestant working class areas that had historically strongly supported policing. This analysis, while not refuting that perception directly, does suggest that Protestants from those areas have continued to apply at an expected level.

**Initiatives to improve representativeness**

- The introduction of the Springboard programme for a cohort of female Superintendents is an example of the positive action we are taking to optimise the success rates of females within the organisation.
- The learning from the Crime Department outreach and specialist selection is being translated to other specialist roles/areas to increase representativeness across departments.
- In the last reporting period we witnessed the much-publicised launch of the 2020 police recruitment campaign, partnered with the Policing Board.
- During this reporting period, the Physical Competence Assessment (PCA) was reviewed with subsequent changes made to the pass threshold. The changes made resulted in a 20% increase of females passing the PCA. PCA is presently subject to an EQIA process being taken forward by the Occupational Health & Wellbeing department.
- Collaborative working with Community Safety Department to reach out to communities in response to Black Lives Matters through Independent Advisory Groups (from across a range of community groups), and enhanced community engagement. We also signed up to the Business in the Community's Race at Work Charter. This evidences a commitment capturing and publicising ethnicity data and progress; taking action to support ethnic minority career progression.
- We are in the final stages of expanding our Join Police Service of Northern Ireland (PSNI) website to include police staff opportunities and enhancement of the Why Join section. Engaging language and positive role models are being used to promote police staff roles thus encouraging applications from underrepresented groups and providing the basis for stronger police staff inclusion.

**Indicator 2.4: Delivery of effective outcomes**

**Measure 2.4.1: Levels of crime outcomes to identify and respond to areas of concern in outcomes statistics, with a particular focus on domestic abuse in 2020-21.**

**Level of crime outcomes**

As of 31 March 2021, 81.5% of crimes recorded in 2020-21 had been assigned an outcome. Positively, there has been an increase in the percentage of Charge/Summons (18.6%), which is higher than 2019-20 (17.5%) and the five year average (17.2%). The table below shows the percentage of outcomes assigned to crime recorded this financial year.

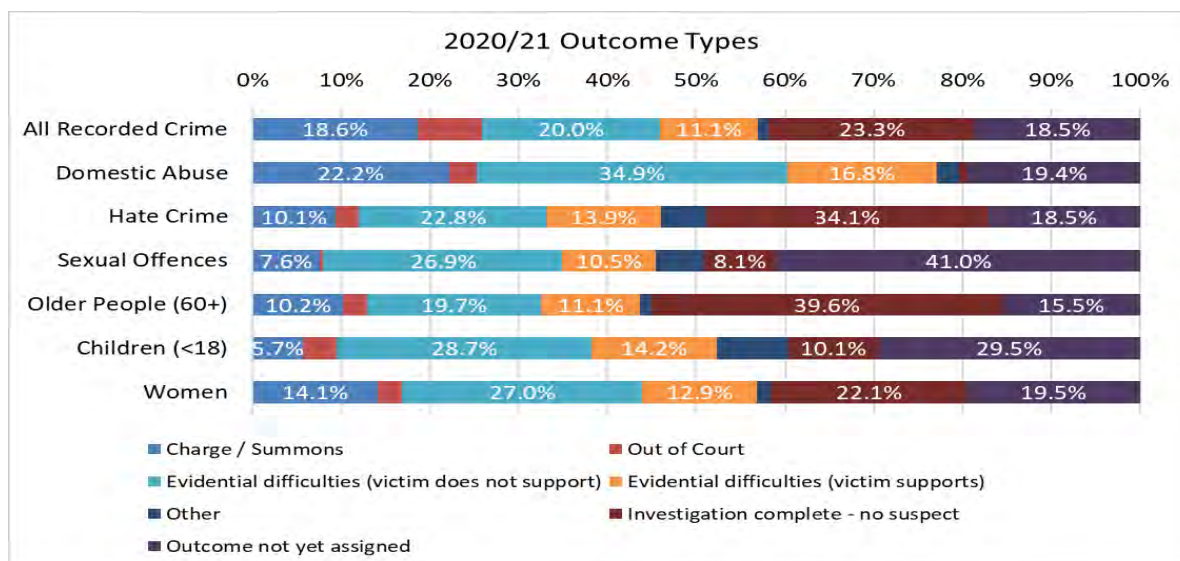
<b>Outcome Group</b>	<b>5 year average</b>	<b>2019-20</b>	<b>2020-21</b>
Charge/Summons	17.2%	17.5%	18.6%
Out of Court	6.6%	6.3%	7.2%
<i>Out of Court (Formal)</i>	2.3%	1.6%	1.6%
<i>Out of Court (Informal)</i>	4.3%	4.7%	5.6%
<b>Sanction Detections (Charge/Summons &amp; Out of Court)</b>	<b>23.8%</b>	<b>23.7%</b>	<b>25.8%</b>
Evidential difficulties (victim does not support action)	17.8%	19.6%	20.0%
Evidential difficulties (victim supports action)	7.8%	11.0%	11.1%
Other	1.4%	1.3%	1.2%
Investigation complete - no suspect	31.9%	26.6%	23.3%
Total offences assigned an outcome	82.7%	82.2%	81.5%

The number of crimes assigned the outcome “Investigation Complete” continues to drop. In 2015-16 nearly 40% of crimes did not result in the identification of a suspect. This dropped to around 32% last year, and is currently 23.3%. However, cases not charged due to evidential difficulties remain higher than in previous years.

Outcomes vary across crime and victim types. The chart highlights this variation in outcomes assigned in 2020-21, as at 31 March 2021.

The proportion of Domestic Abuse related crimes which result in a charge or summons is higher than the levels for offences overall.

There is significant difference, however, where a suspect is identified but the victim does not support further investigation (34.9% compared to 20% for overall crime).



Over a third (34.1%) of hate crimes were assigned the “Investigation Complete – no suspect identified” outcome compared to 23.3% for overall crime.

Almost two in five offences committed against older people are assigned the “Investigation Complete – no suspect identified” outcome.

### Responses to areas of concern

A key area of concern in relation to outcomes is the attrition rate, the number of victims who do not support or withdraw support for further police investigation. This is a particular issues with domestic abuse, hate crime, crimes against children, sexual offences and crimes against older people. Each of these areas has been examined in more detail to ascertain the reasons for the high attrition rate. Some common themes have emerged which allow us to identify possible improvements to our service or referrals to other support services that could reduce the attrition rate.

In 2020-21 we developed and launched a new Rape Crime Victim Survey. The need to support victims of sexual violence remains a priority within our organisation. The trauma and guilt associated with such an intrusive and interpersonal crime often leaves victims confused and uncertain about proceeding with a formal complaint. Those who do often struggle to sustain the momentum of their first report. Attrition rates remain high with 78% of victims disengaging with the process at various stages and for various reasons. The survey aims to capture and better understand the experience and impact on victims and to aid us in our approach and performance in terms of engagement and progression through the Criminal Justice process.

A monthly Domestic Abuse Performance group meeting was introduced in 2020. This group looks at all aspects of performance within domestic abuse and related end to end processes. The group has representatives from across the PSNI and aims to reduce repeat victimisation, prevent repeat offending and improve outcomes for victims. We continue to improve outcomes driven by this group. The percentage of Domestic Abuse crimes with a charge or summons is 22.2% compared to 17.7% of all crime



types without a domestic motivation. Violence against the person crimes with a charge or summons outcome for Domestic Abuse is 29.2% compared to 20.8% for non-domestic violence against the person. This is the result of a “think charge” initiative that requires Inspectors to authorise disposals ensuring that there is thorough consideration given to the protection of victims of domestic abuse.

Public Protection Branch Domestic Abuse officers deal with the highest risk domestic offenders and most serious offences. The criminal justice outcome rates for Public Protection Branch are significantly higher than overall outcome rates. The outcome rate for Public Protection Branch violence with injury was 70.6% compared to 36.3% overall. This shows that resources are being deployed effectively to the highest threat, risk and harm to protect the most at risk victims.

Hate crime offences have comparatively low criminal justice outcome rates. Analysis conducted in 2020-21 identified that the factors which contributed to achieving a criminal justice outcome for hate crime. These findings are being used to inform guidance on how we investigate hate crime. The Hate Crime Advocacy Service helps to ensure that victims are supported throughout the criminal justice process. The advocates are working with us to understand why some victims do not support further action to help us to reduce the attrition rate.

The Criminal Justice Inspection Northern Ireland (CJINI) report into the care and treatment of victims and witnesses by the Criminal Justice System in NI highlighted the importance of assessing the individual needs of victims. Investigators found that not all victims wanted a criminal justice outcome. Providing appropriate support to victims could help to achieve criminal justice outcomes for those victims that do. We are fully engaged with other criminal justice partners to deliver the recommendations in this report.

### **Outcome 3: We have engaged and supportive communities**

#### **Indicator 3.1: Police in partnership with local communities, including PCSPs, identify and deliver local solutions to local problems**

##### **Measure 3.1.1: In collaboration with the community deliver the commitments outlined in the Local Policing Review**

#### **Headline Action 1: Visibility**

We have continued to deliver against the ten delivery actions in 2020-21 with two actions completed.

- *Action 1.3 Review the use of liveried and non-liveried vehicles* was completed. This resulted in an additional 85 liveried vehicles being added to the fleet. This represents an 11% increase in liveried vehicles compared to April 2019. The overall fleet has increased by 4.9%.
- *Action 1.5 Engage the PSNI Digital Hub to develop a social media strategy* has also been completed. The Strategic Communications and Engagement Strategy has been published. Guidance and training on the use of social media and digital engagement has also been provided to officers and staff.
- *Action 1.1 Explore ways of increasing visibility in communities through the work of the Local Policing Teams (LPT) and the Neighbourhood Policing Teams (NPT)*. Our website has been updated to include the contact details of all Neighbourhood Police Officers. We have increased the use of bicycles, as of September 2020 there were 209 pedal cycles and 274 officers equipped to use them across all eleven Districts. We have also purchased 12 e-bikes.
- *Action 1.2 Extend the use of Single Officer Patrol (SOP) where possible*. A pilot was conducted in Ards & North Down and is being evaluated. We are currently exploring the potential for a pilot East Belfast

#### **Headline Action 2: Neighbourhood Policing**

Four of the eleven actions have been completed, most notably the allocation of an additional 400 officers into Neighbourhood Policing Teams across all policing areas. There are now in excess of 700 Neighbourhood Officers. (*Action 2.8 Administer a formal selection process to appoint the most suitable officers to NPTs*).

- *Action 2.3 Adopt and implement the National Policing Guidelines on Neighbourhood Policing*. The neighbourhood policing role profile has been reviewed and training has been delivered in line with national policing guidelines. We attend to the national Neighbourhood Policing Group to ensure that we remain aligned to developments nationally.
- *Action 2.9 Ensure successful completion of the Open University Collaborative Problem Solving for Community Safety Module as a mandatory requirement in advance of any officer being formally confirmed as a Neighbourhood Officer*. All new officers and staff entering the PSNI must complete the Open University module. Over 1,200 officers working within District Policing have completed the modules. Completion of the course by new Neighbourhood Officers is monitored by the District management team on a monthly basis.

### **Headline Action 3: Vulnerability and Mental Health**

We continue to actively participate in the Health in Criminal Justice Steering Group (*Action 3.2*).

- *Action 3.3 Work in partnership to enhance, develop and implement Support Hubs.* Support Hubs are now operating in all eleven districts. In March 2021, the Department of Justice published an evaluation of Support Hubs which made a number of suggestions for improvement moving forward.
- *Action 3.4 Continue to build awareness with officers and staff on the range of mental health issues and conditions they may face in the operational policing environment.* The Police College has developed and delivered learning programmes for student officers.
- *Action 3.6 Enhance and develop inter-departmental and inter-agency partnerships.* A Chief Superintendent has been appointed to liaise with Department of Justice and other key partners primarily through the Community Safety Board.

### **Headline Action 4: Call Handling**

We continued to deliver against the seven delivery actions in 2020-21.

- The review of contact management and channels to access PSNI (*Action 4.1*) has been completed and the recommendations are being implemented.
- In relation to *Action 4.2* a contact management weekly performance report is prepared which reports nationally agreed performance measures, such as average answer times, abandoned calls and dispatch to incidents. Quality Assurance Audits have been restructured to focus on specific incident types to ensure that the call is not just answered quickly but is dealt with appropriately. Audits already conducted on domestic abuse, hate incidents, anti-social behaviour and serious violence incidents.
- Online reporting which was launched in May 2020 (*Action 4.3*). The majority of users (75%) rate the service as good or very good. Feedback is being used to continually improve the service.
- The Digital Citizens Services Board are exploring the options for social media reporting (*Action 4.4*) in line with improvements to the online reporting service.
- *Action 4.6* is linked to Headline Action 3. A Multi-Agency Triage Team (MATT) is operating during limited hours from Belfast Contact Management Centre. MATT is a crisis de-escalation service available for those experiencing an acute mental health crisis that are in contact with emergency services

### **Headline Action 5: Collaboration and Multi-Agency Working**

During 2020-21 we have been working closely with the Policing Board to progress the five delivery actions.

- Although progress has been delayed by the coronavirus pandemic, the establishment of the Community Safety Board will help to progress *Action 5.1 Map and evaluate the effectiveness of multi-agency partnership working within policing* by improving communication between key partners.
- The Strategic Communications and Engagement Strategy has been published which will help increase public awareness of PSNI in multi-agency partnerships (*Action 5.2*).

- *Action 5.5 Increase engagement with young people and at risk, disadvantaged and diverse communities.* The Youth Independent Advisory Group, in partnership with the Education Authority, was launched in February 2021. The YIAG will give young people (aged 16 – 24 years) the opportunity to discuss policing and engage with us to improve our understanding of the issues facing young people.

**Headline Action 6: Competing Policing Demand**

Three of the five delivery actions were completed in 2020-21.

- The Neighbourhood Delivery Team deliver a three day training package in relation to the Policing with the Community Behaviours (*Action 6.1*) for all new Neighbourhood Officers.
- The Strategic Communications and Engagement Strategy has been published (*Actions 6.3*). One of the objectives of the strategy is to improve public perception and satisfaction about the Service whilst managing expectations around the Service response (*Action 6.5*).
- *Action 6.2 (Increase public awareness of how the PSNI THRIVE model is used to manage demand)* is linked to the Call Handling Headline Action in relation to improvements to the 101 service and contact management in general. Increasing awareness in THRIVE will be linked to these actions.

We continue to work with the Policing Board and PCSPs to improve local Policing Plans (*Action 6.4*).

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**Police and Criminal Evidence (PACE) Order**

Police and Criminal Evidence (PACE) Order statistics for Northern Ireland are collated and produced by statisticians seconded to the Police Service of Northern Ireland (PSNI) from the Northern Ireland and Statistics Research Agency (NISRA).

This section presents Police and Criminal Evidence Order (PACE) statistics for the Police Service of Northern Ireland for the period 1 April 2020 to 31 March 2021, as required by statute. Reported are statistics on

- i) the number of persons and vehicles stopped and searched under PACE by objective of search and the number of subsequent arrests.
- ii) the number of Article 6 (PACE) road checks authorised and the reason for these.
- iii) persons detained under PACE.

PACE detention statistics are based on a count of detainees' custody numbers in each custody suite and relate to the period of original detention only.

**Article 5 – Persons or Vehicles Stopped and Searched**

**Table 1: Number of stop and searches under the Police and Criminal Evidence (PACE) Order between 1 April 2020 and 31 March 2021**

		Apr	Ma y	Jun	Jul	Au g	Sep	Oct	No v	Dec	Jan	Feb	Mar	Total
Stolen Property / Articles	Searches	92	122	123	146	117	103	142	156	153	129	128	133	<b>1,544</b>
	Arrests <sup>1</sup>	13	16	16	23	25	27	36	29	30	25	27	26	<b>293</b>
Offensive Weapon / Blade or Point	Searches	27	39	51	69	42	33	76	49	38	58	67	65	<b>614</b>
	Arrests <sup>1</sup>	7	11	13	15	15	8	13	17	11	10	12	15	<b>147</b>
Going Equipped / Prohibited Articles	Searches	96	116	66	88	62	84	82	85	86	71	84	94	<b>1,014</b>
	Arrests <sup>1</sup>	13	7	8	16	8	7	5	19	10	11	13	14	<b>131</b>
Fireworks	Searches	1	3	2	8	3	76	371	39	18	5	5	6	<b>537</b>
	Arrests <sup>1</sup>	0	0	0	0	0	0	1	1	0	0	0	0	<b>2</b>
<b>Total</b>	<b>Searches</b>	<b>216</b>	<b>280</b>	<b>242</b>	<b>311</b>	<b>224</b>	<b>296</b>	<b>671</b>	<b>329</b>	<b>295</b>	<b>263</b>	<b>284</b>	<b>298</b>	<b>3,709</b>
	<b>Arrests<sup>1</sup></b>	<b>33</b>	<b>34</b>	<b>37</b>	<b>54</b>	<b>48</b>	<b>42</b>	<b>55</b>	<b>66</b>	<b>51</b>	<b>46</b>	<b>52</b>	<b>55</b>	<b>573</b>

<sup>1</sup> Arrests as a result of stop and search. Arrest may not be related to the initial reason for the stop and search.

## Article 6 – Road Checks

There were 14 road checks authorised in 2020-21, all of which were for the purpose of ascertaining whether a vehicle was carrying a witness to an indictable offence.

## PACE Detention Statistics

**Table 2: Arrests under PACE by gender and whether requests for friends / relatives or a solicitor were made, for each quarter during 2020-21**

	Arrests under PACE <sup>1</sup>				Of which there was a request for	
	Total	Gender			Friend / relative	Solicitor
		Male	Female	Unknown / Other		
April 20 – June 20	4,528	3,854	674	0	1,405	3,033
July 20 – Sept 20	5,478	4,548	926	4	1,618	3,629
Oct 20 – Dec 20	5,287	4,361	925	1	1,614	3,577
Jan 21 – March 21	4,396	3,723	670	3	1,363	3,046
<b>Total</b>	<b>19,689</b>	<b>16,486</b>	<b>3,195</b>	<b>8</b>	<b>6,000</b>	<b>13,285</b>

<sup>1</sup> Arrest figures are based on a count of detainees' custody numbers and relate to the period of original detention only.

**Extended Detention:** During 2020-21 there were 35 persons who were detained in police custody for more than 24 hours and released without charge.

**Magistrate's Warrants:** There were 20 applications to Magistrates Courts for warrants of further detention in 2020-21, in relation to 18 individuals. Three of these applications were for 24 hours or less, 4 were for between 25 and 35 hours and the other 13 were for a period of 36 hours. Of the 20 applications to Magistrates Courts for warrants of further detention, 2 of these were for a second warrant of further detention. Of the 18 persons subject to a warrant of further detention, 3 spent less than 24 hours under its authority, while 13 spent between 24 hours and 36 hours and the remaining 2 people were detained over 36 hours under the authority of these warrants. A total of 13 persons were subsequently charged.

**Intimate Searches:** There was one intimate search carried out by a suitably qualified person during 2020-21, which was in relation to a drugs offence (positive result).

**X-rays & ultrasound scans:** During 2020-21 6 x-rays were carried out (all negative results). No ultrasound scans were recorded.

### **The total cost of policing**

The total Resource Departmental Expenditure Limit (DEL) budget allocation (excluding costs of the Police Pension Scheme and Annually Managed Expenditure (AME) impairments) available for 2020-21 was £824.0m (£786.4m 2019-20). The non-ring fenced DEL expenditure against this budget during the financial year was £775.6m (2019-20 £744.9m), with ring fenced charges for depreciation and impairments of £48.0m (£40.3m 2019-20) for the year. This created a total resource underspend for the year of £0.4m, less than 0.1% (£1.2m 2019-20).

The total AME 2020-21 budget allocation (including Pension Scheme, AME impairments, Release and Movements in Provisions) was £342.3m (£447.9m 2019-20), the AME expenditure against this budget during the year was £314.7m (2019-20 £327.2m).

This gives a total resource spend of £1,138.3m (£1,112.5m 2019-20). The costs of Pensions are reported separately through the PSNI Pension Scheme Accounts and do not form part of the Statement of Comprehensive Expenditure in these Financial Statements.

The Capital spend for the year net of capital income was £52.6m (£49.1m 2019-20) against a budget of £53.5m (£49.3m 2019-20). Details of Non-Current Asset movements are detailed in the notes to the financial statements.

### **Payment of suppliers**

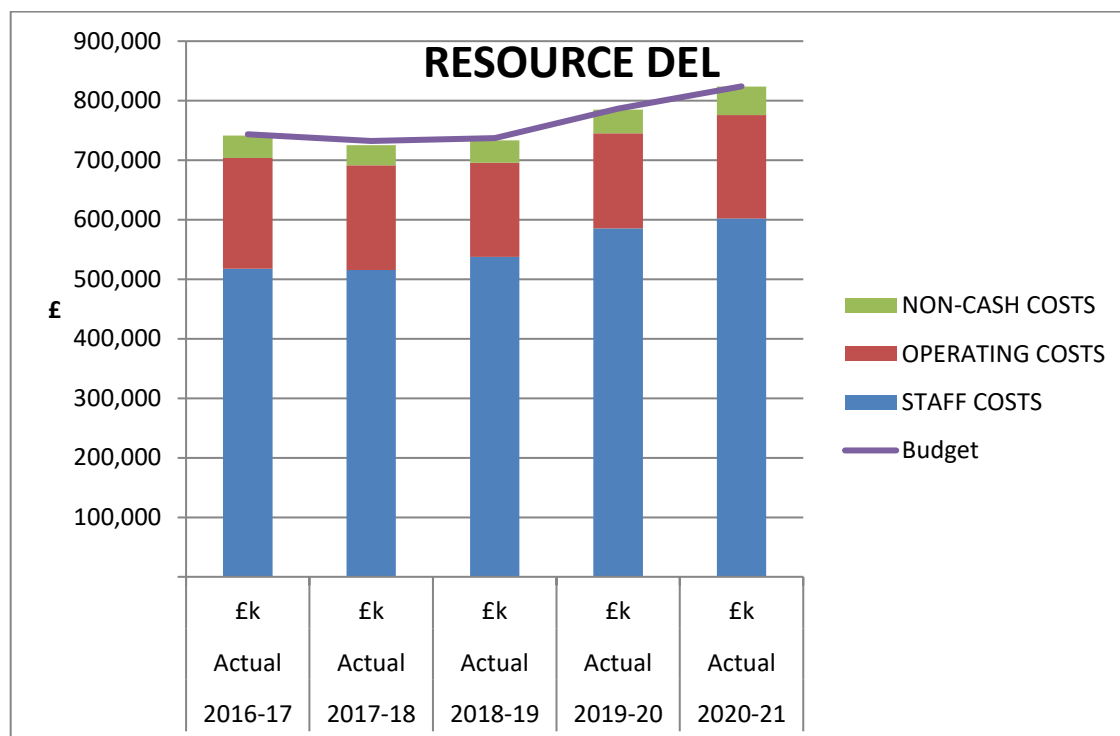
The PSNI's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier.

During the 2020-21 financial year, average overall performance showed 93.2% (96.5% 2019-20) of all invoices were paid within 10 days. In the 2020-21 financial year 99.0% of invoices were paid within the government prompt payment target of 30 days (99.8% 2019-20).

## Long Term Expenditure Trends

The chart below show details of PSNI budget and expenditure patterns across the period 2016-17 to 2020-21

**Chart 1: Resource Del Budget v Expenditure 2016-17 to 2020-21**



For 2018-19 a net 1.5% reduction (£9.8m) on the PSNI opening 2017-18 budget was applied. Further budget allocations were also made during the financial year which enabled PSNI to meet in year pressures and finish the year with a breakeven position.

In 2019-20 a number of in year budget allocations were made (£10.3m) which enabled PSNI to breakeven at year end.

During 2020-21 additional allocations were made in respect of Covid-19 funding and EU exit, as set out on page 7.

Over the period Staff Costs have increased as numbers of staff and officers have been enhanced and in 2019 there was a significant increase in employer's pensions contributions.

Non Staff Costs have remained broadly stable, as the Service has absorbed inflationary pressures and made efficiencies to remain within budget allocations.



## **2021-22 Financial year**

The Police Service is committed to shaping our business to deliver the outcomes set in the Policing Plan and to build a modernised policing service.

We have an ambitious business transformation programme which will deliver innovative ways of making lasting change. It will focus on evidence-led, digitally enabled results, constructively renew current ways of doing things and support our staff to continue to deliver an agile, fast paced front-line service delivery model.

Confirmation of additional funding to facilitate an increase in police officer and police staff numbers is a welcome development for 2021-22 and is a step in the right direction towards the commitment made under the New Decade New Approach (NDNA). However, with a flat budget settlement for 2021-22, pay and price inflation remains a pressure for the Service which in reality requires reducing and redistributing resources in some areas to achieve a balanced budget.

We are committed to a modernised, sustainable Police Service, however annual budget settlements financed from a number of separate sources adds complexity and uncertainty. We continue to make the case that a multi-year, consolidated funding settlement is required to enable more effective planning.

## **Environmental matters**

The Police Service of Northern Ireland is committed to ‘Keeping People Safe’ whilst delivering continuous environmental improvement. Our developing ‘Sustainability Strategy’ helps the organisation play a responsible role in the community by reducing environmental impacts and costs as we deliver a world class policing service.

The PSNI Sustainability Delivery Group (SDG) chaired by the Executive Director of Corporate Services works to identify and manage environmental issues in a way that supports our business objectives and reduces our environmental impacts and financial pressures.

Every organisation has an impact on its environment and the PSNI Environmental Policy sets out our commitments. The PSNI will be compliant with environmental legislation as a minimum level of performance but also monitors the principles and responsibilities of sustainable development and environmental management and aims to incorporate them into day-to-day business activities.

The PSNI recognises that its operations have an environmental impact and is committed to minimising any negative impacts and developing any positive impacts.

The most significant environmental aspects for the PSNI include the:

- Consumption of fuels and energy and their associated CO<sub>2</sub> emissions;
- Consumption of product and raw materials;
- Consumption of water; and
- Generation and management of a variety of waste streams.

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Over the year, the total energy consumption of the Estate increased by 7.4% with Energy Efficiency (kWh/m<sup>2</sup>) of the Estate also increasing by 7.4%. Carbon Dioxide levels are down by 1%, due to an increase proportion of natural gas and renewables in the UK grid mix thus reducing the CO<sub>2</sub> conversion factor for electricity. Water has increased by 11.6% due to leakage and meter replacements throughout the year.

### Estate Targets

	2020-2021	2019-2020	% Change	Govt target
<b>Total Utility Energy Consumption</b>	87.6 GWh	87.75 GWh	Down 0.2% on last year. Target % reduction for 2021/22 now 3.62% to achieve 60 GWh by 2030.	30% reduction on net consumption by 2030, 2016/17 Base year
<b>Energy Efficiency kWh/m<sup>2</sup></b>	295 kWh/m <sup>2</sup>	283 kWh/m <sup>2</sup>	Up 4.4% on last year. GIA revised from the latest Asset Inspection Reports. Energy Efficiency down 18% on 99/00 base year.	n/a
<b>Carbon Dioxide Emissions</b>	18,872 tCO <sub>2</sub>	20,913 tCO <sub>2</sub>	Down 10% on last year. Down 48% on 99/00 base year.	n/a
<b>Renewable Energy procured</b>	100%	0%	Electricity procured with 100% green electricity.	n/a
<b>Water Consumption</b>	97,721 m <sup>3</sup>	105,194 m <sup>3</sup>	Water consumption decreased by 7% due to continual monitoring and leak detection and repair.	PSNI internal target set at 95,000 m <sup>3</sup> per year, <b>Not Achieved</b>

### Partners

The Police Service of Northern Ireland is a member of the Department of Justice Sustainability Group and works with a range of governmental and non-governmental partners to enhance our sustainability and improve our initiatives including the Belfast City Council and Belfast Harbour.

### **Social and community issues**

The tradition of generous charitable giving by officers and staff of the Police Service has continued, with £196k donated through Public Sector Payroll Giving in 2020-21. This giving to charitable causes is supplemented by numerous fund raising events throughout the Service during the year.

### **Human Rights**

The Human Rights Act is fundamental in how we police. Key articles include Article 2, in which we have a duty to take reasonable steps to protect an individual's life and Article 8 in which we have a duty to take appropriate steps to ensure respect for private and family life. The Police Act also includes accountability mechanisms including the NIPB which has a statutory duty to monitor our performance in compliance with the Human Rights Act 1998.

### **Anti Corruption**

PSNI has a dedicated Anti Corruption Unit. The purpose of this unit is to support the PSNI's commitment to honesty and integrity and to prevent dishonest, unethical and unprofessional behaviour by ensuring that the police officers and staff who serve our community on a daily basis reflect these values of honesty and integrity. PSNI also has an Anti-Fraud and Bribery, and a Whistle Blowing Policy to support the reporting and investigation of any instances of fraud, bribery or departures from the PSNI code. A Professional Standards Governance Board also provides oversight in this area.



**Simon Byrne**  
**Chief Constable**  
**Police Service of Northern Ireland**  
**05 July 2021**

## **ACCOUNTABILITY REPORT**

### **CHIEF CONSTABLE'S REPORT**

The purpose of the Chief Constable's Report is to explain the composition and organisation of the PSNI and how these arrangements have supported the achievement of its objectives during 2020-21.

#### **Members of the Strategic Management Board (SMB)**

Members of the SMB that served during the 2020-21 year were as follows:

##### **Chief Constable**

Simon Byrne

##### **Deputy Chief Constable**

Mark Hamilton

##### **Chief Operating Officer**

Pamela McCreedy<sup>1</sup>

##### **Assistant Chief Constable District Policing**

Alan Todd

##### **Assistant Chief Constable Crime Operations**

Barbara Gray<sup>2</sup>

##### **Assistant Chief Constable Crime Operations**

Mark McEwan<sup>2</sup>

##### **T/Assistant Chief Constable Operational Support**

Tim Mairs<sup>3</sup>

##### **T/Assistant Chief Constable Operational Support**

John Roberts<sup>3</sup>

##### **T/Assistant Chief Constable Community Safety**

Bobby Singleton<sup>4</sup>

##### **T/Director of Finance & Support Services and Human Resources**

Mark McNaughten

##### **Non-Executive Members**

Stephen Hodkinson

Fiona Keenan

Gerald Crossan

Ian Jordan

Further details are provided in the Remuneration and Staff Report section on page 66.

1. Pamela McCreedy was appointed as Chief Operating Officer from 1 March 2021.
2. Assistant Chief Constable Barbara Gray resigned from the Service on the 10 March 2021, ACC Mark McEwan moved to take over responsibility for Crime Operations Department from Community Safety on 8 March 2021.
3. T/ACC Tim Mairs left the service on 5 July 2020, he was replaced by T/ACC John Roberts.
4. T/ACC Bobby Singleton was appointed to Community Safety Department with effect from 15 March 2021.

## Corporate Governance

Corporate Governance within PSNI operated through a formal structure of Corporate Governance Committees and delivery groups. The PSNI currently has six key Governance Committees:

- Strategic Management Board
- Service Investment Board
- Service Performance Board
- People and Culture Board
- Service Transformation Board
- Audit and Risk Assurance Committee

The Strategic Management Board (SMB) sets the tone and direction of the organisation. SMB, chaired by the Chief Constable is the final decision making forum for the organisation.

The purpose of the Service Investment Board (SIB) is to provide the Chief Constable with a forum to consider all major investments and use of resources. The Investment Board is forward focussed and scrutinise significant plans to start or vary major expenditure or projects, providing assurance about the overall strategic direction.

The purpose of the Service Performance Board (SPB) is to ensure the Deputy Chief Constable has ongoing confidence in the organisational delivery against the Policing Plan and around key performance priorities including; risk management, responsibilities around inspections and Internal Audit reviews, governance, and service performance across a range of areas including crime, finance and HR.

The People & Culture Board focuses on those strategic matters which relate to the employment of all colleagues in PSNI. It will provide oversight that the culture embedded in PSNI is aligned to its strategy, purpose, mission and values.

The Service Transformation Board seeks to challenge organisational culture to create a more agile and sustainable organisation.

The role of the Audit and Risk Assurance Committee is to advise the Chief Constable on the adequacy of internal control arrangements including risk management, information assurance and governance. This committee consists of four Non-Executive Members, one as Chair, with members of the SMB, Internal and External Audit, the Policing Board and the Department of Justice in regular attendance.

## Company directorships

Members of SMB held no company directorships or other significant interests which conflict with their management responsibilities.

### **Business Interests**

PSNI provides guidance and direction regarding acceptable behaviour or activity by a member of the Police Service in a non-work capacity. There may be occasions when an officer or staff member wishes to pursue an additional business interest or secondary occupation. Reasons for this may be to pursue a hobby, to prepare for retirement, or to supplement income. Whatever the reason, the police service and the public have a right to expect that police officers are primarily focused on the needs of the public. Any officer who wishes to apply to register a business interest must submit a written application.

Service Instructions are published to;

- provide guidance as to what factors should be taken into consideration when considering business interest applications;
- provide guidance in relation to what business interests are likely to be incompatible with employment in the Police Service;
- to outline an applicant's responsibilities with regard to applications, record keeping and conduct; and
- to outline the application, decision-making and review processes.

A copy of the current service instruction can be accessed [here](#).

### **Non-current assets**

Details of the movement in non-current assets are set out in notes 5 and 6 to the Accounts. There are no significant differences between the market values and book values of land and buildings to be disclosed. Details of the PSNI Estate Strategy can be found at <https://www.nipolicingboard.org.uk/estate-strategy>

### **Research and development**

PSNI has no activities in the defined field of research and development.

### **Charitable donations**

PSNI made one charitable donation during the year. PSNI paid £2,000 to the Care of Police Survivors Trust.

### **Personal data related incidents**

Up to the end of March 2021 a total of 103 incidents and 31 complaints were processed. PSNI self-referred 13 incidents for consideration to the Information Commissioner's Office ('ICO'), a negligible decrease from the 13 notifiable incidents in last year's statement.

### **Pension liabilities**

The pension liabilities of Police Officers are accounted for separately in the PSNI Police Pension Accounts. Pension benefits and liabilities for Police Staff are provided through the Principal Civil Service Pension Scheme (NI). See further details in the Remuneration and Staff Report on page 66.

### **Audit services**

The Financial Statements for 2020-21 are audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office and is appointed by statute and reports to Northern Ireland Assembly. His certificate and report is produced at pages 85 to 89.

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. The audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of the Financial Statements was £103,000 (2019-20 £96,500). This includes the audit fees in respect of the Main Police Account including the Police Fund and Police Property Fund £84,000 (£78,500 2019-20), and the Police Pension Scheme Accounts £19,000 (£18,000 2019-20).

The C&AG may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money reports.

The Department of Justice will lay the accounts on behalf of the PSNI.

### **Chief Constable's Annual Report**

A full certified copy of the Annual Report and Accounts will be available on the PSNI's website ([www.psni.police.uk](http://www.psni.police.uk))

### **Police Pension Scheme Accounts**

Financial Statements for the Police Pension Scheme Accounts are prepared separately and will also be available on the PSNI's website.



## **STATEMENT OF RESPONSIBILITIES OF THE CHIEF CONSTABLE**

Under Part 2, Sections 12(1), 12(2) and 12(3) of the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Chief Constable of the PSNI is required to prepare a statement of accounts on behalf of the Northern Ireland Policing Board, in the form and on the basis directed by the Department of Justice. The annual financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PSNI and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Chief Constable of the PSNI is required to comply with the requirements of the Government Financial Reporting Manual in particular to:

- observe the Accounts Direction issued by Department of Justice, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclosed and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department of Justice appointed the Chief Constable of the PSNI as Accounting Officer for the PSNI. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the PSNI, are set out in Managing Public Money (NI).

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that PSNI auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## **GOVERNANCE STATEMENT**

### **Scope of responsibility**

I have been appointed as the Accounting Officer for the Police Service of Northern Ireland (PSNI), by the Accounting Officer of the Department of Justice (DOJ) to whom I am directly accountable. My responsibilities as PSNI Accounting Officer are contained in the Police (Northern Ireland) Act 2000, the Department of Finance (DoF) document Managing Public Money (NI), and the Management Statement and Financial Memorandum agreed with the DOJ.

As PSNI Accounting Officer I have responsibility for maintaining a sound system of internal control. The internal controls support the achievement of PSNI's policies, aims and objectives which are set by the Northern Ireland Policing Board (NIPB), while also safeguarding the public funds and assets for which I am personally responsible as Accounting Officer. This responsibility is undertaken in accordance with the requirements of the DoF document Managing Public Money (NI).

### **The PSNI Governance Framework**

The governance structure of PSNI reflects our unique statutory position, balancing the need for appropriate controls and oversight, while preserving the operational independence of the role of Chief Constable. This balance is recognised in the Police (Northern Ireland) Act 2000, and the Management Statement and Financial Memorandum issued by the DOJ.

It is essential that PSNI is seen to uphold the highest standards in its own operations and, for this purpose, I am held to account on a regular basis by the NIPB. The NIPB is a statutory non departmental public body consisting of ten locally elected political representatives and nine independent members, to whom I have statutory responsibilities. The Northern Ireland Policing Board plays a key role in the accountability framework for policing in Northern Ireland.

I recognise that the governance structures for PSNI set out within the Police (Northern Ireland) Act 2000, incorporating the oversight functions of the NIPB and PSNI as two separate but linked organisations, are unique and not replicated for any other public sector body. Where the requirements of the Act and the Corporate Governance Code differ, PSNI will always seek to comply with the Act, which reflects the wishes of Parliament. I have assessed the PSNI governance arrangements against the Governance Code and found that NIPB and PSNI arrangements when taken together comply with the code to the extent that it is relevant and meaningful.

### **Northern Ireland Policing Board (NIPB)**

The NIPB is a non-departmental public body and separate from PSNI. It produces its own annual report and accounts, including a governance statement. The NIPB has a statutory role in "securing the maintenance of the Police in Northern Ireland, and shall secure that the Police, and the police support staff are efficient and effective". Their governance structure in undertaking this role is contained in the NIPB governance statement, it can be found at: [www.nipolicingboard.org.uk](http://www.nipolicingboard.org.uk)

The NIPB is required to meet at least eight times each year for the purposes of receiving and considering a report on policing from the Chief Constable. The NIPB also has a structure of committees that meet on a regular basis to consider specific areas of Policing and PSNI business areas. The NIPB has a statutory requirement to secure continuous improvement in the way the Chief Constable functions in regard to economy, efficiency and effectiveness, and to monitor the performance of the police, trends and patterns in relation to complaints against the police, trends and patterns in crimes, and recruitment to the police and police staff. Reporting against the annual Policing Plan continued throughout the period to ensure ongoing accountability.

This demonstrates the unique governance arrangements contained in the Police (Northern Ireland) Act 2000 that exist between PSNI and NIPB, and why the NIPB scrutinises the work of PSNI through its Board and Committee structure. There is a clear division of responsibility between the NIPB Chairperson and myself; the Chairperson is responsible for the leadership and effective working of the NIPB, and I am responsible as PSNI Accounting Officer for the implementation of PSNI strategy and making operational decisions relating to policing. The requirements in the Corporate Governance Code are provided for under these arrangements.

### **Covid -19**

The declaration of a health pandemic necessitated changes to the standard governance arrangements. For a two month period at the start of the financial year, the second tier governance boards were temporarily suspended. Direction and oversight was maintained by Strategic Management Board in full during this time, with normal governance committees resuming in June 2020 for the remainder of the year. NIPB oversight continued throughout the financial year taking into account pandemic restrictions. Internal Audit activity had to be scaled back. A restructured 9 month plan has provided sufficient coverage to enable the Head of Internal Audit to provide an annual opinion on the level of assurance.

Regular risk reporting to SMB was suspended briefly in April 2020 as a result of the pandemic. Priority reporting for Covid -19 and Future Funding risks continued during this time. A Covid Platinum risk was created and managed through the Platinum Group as an additional measure.

### **Leadership Team**

As Chief Constable I am supported by the Service Executive Team (SET), which is the PSNI Senior Management Team, consisting of a Deputy Chief Constable, Assistant Chief Constables, and senior police staff. The first Chief Operating Officer was appointed on 1 March 2021.

During the 2020-2021 financial year there were a number of changes within SET, detail are set out on page 48.

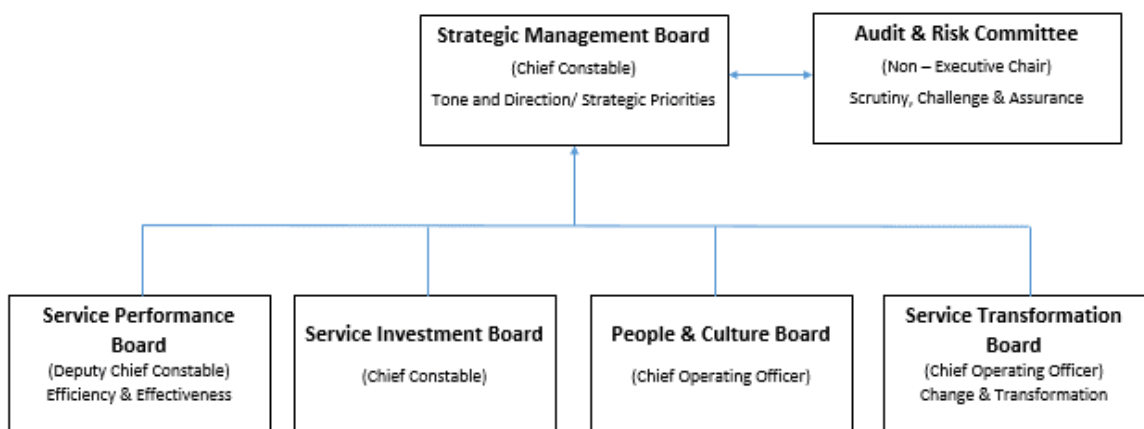
### **Governance Structure**

The leadership team meets formally each month as the Strategic Management Board (SMB) to provide executive management and governance to the operations and

delivery of the PSNI. The SMB consists of PSNI Service Executive Team assisted by the Non-Executive Chair of the Audit and Risk Assurance Committee (ARAC) supported by a Non-Executive Member on a rotation basis, who sit as observers on SMB. SMB is supported in its work by a number of other governance boards.

A governance review resulted in a restructuring of the Boards supporting SMB in April 2020. The review saw the introduction of a Service Investment Board chaired by the Chief Constable. During 2020-21, the People & Culture Board, Service Performance Board and Service Transformation Board were chaired by the Deputy Chief Constable. The Chief Operating Officer has taken over responsibility for the People & Culture and Service Transformation Boards for the 2020-21 year.

The figure below outlines the current PSNI Governance Schematic.



*Chart 1: PSNI Strategic Governance Schematic*

SMB undertook a self-effectiveness review in May 2021 assessing performance over the financial year 2020-21, and is satisfied with the level and type of information it received during the period. The SMB provided strategic direction for PSNI over the period.

Attendance by the members during the year at SMB meetings is set out below:

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<b>Members for 2020-21</b>	Number of SMB meetings eligible to attend	Number of SMB meetings attended
Simon Byrne	11	11
Mark Hamilton	11	11
Pamela McCreedy	1	1
Barbara Gray	11	10
Tim Mairs	3	3
Mark McEwan	10	10
Mark McNaughten	11	11
Jonathan Roberts	6	5
Alan Todd	11	10
<b>Non – Executive members</b>		
Stephen Hodkinson (ARAC Chair)	11	11
Gerry Crossan (ARAC Member)	4	11
Ian Jordan (ARAC Member)	4	
Fiona Keenan (ARAC Member)	3	

Attendance at SMB is prioritised by members however due to operational responsibilities, there are occasions when it is not possible for all members to be present.

ARAC consists entirely of independent members, chaired by an independent Chairperson with three other independent members, and is compliant as far as possible with the National Audit Office’s Audit Committee Self-Assessment checklist, and the “HM Treasury Audit Committee Handbook”.

ARAC met five times during 2020-21, providing me with assurance on issues of internal control, governance and risk. The Committee is informed from a number of sources, one being the Head of Internal Audit who issues an independent opinion on the adequacy and effectiveness of PSNI’s system of internal control.

Based on the work completed by Internal Audit, with the exception of those assignments which have received a “limited” assurance rating, a ‘Satisfactory’ level of assurance has been provided by Internal Audit in relation to governance risk management and control. Further detail on specific areas is provided in the “Significant Internal Control Issues” section of this report.

Appropriate action will be taken by PSNI to address issues where a “limited” assurance level has been issued by Internal Audit, and where issues of a Priority 1 and / or a Priority 2 nature (using the prioritisation matrix for Internal Audit recommendation as classified by the DoF) have been raised.

### **Risk and Control Framework**

The SET and SMB assess how the achievement of our policies, aims and objectives might be affected by the risks we face, and the internal control framework is designed to mitigate those risks. The framework has been in place across 2020-21. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, and it therefore provides reasonable rather than absolute assurance of effectiveness.

The internal control framework, which accords with DoF guidance seeks to reflect best practice, is an ongoing live process identifying and prioritising the risks to the achievement of organisational policies, aims and objectives. I have put in place arrangements to ensure that a proper evaluation of the balance of the cost of control and the risk encountered is part of the PSNI decision making process. The internal control systems ensure that PSNI’s assets are utilised with regard to the overall value for money to public funds.

Within PSNI we manage our business with a view to the risks we face, using appropriate control systems. This process is embedded in how we undertake our responsibilities and includes clearly defined policies and processes, effective financial management and the identification and management of risks.

Risk is managed on an ongoing basis through the DCC’s Risk and Overview Meeting, SMB and ARAC. The Corporate Risk Register is managed continually and all risks are reviewed to ensure that the ratings and content reflects the current situation. Three new risks were escalated to the Corporate Risk Register during the period. All the risks were reviewed in the reporting period and a number were rewritten. There are currently nine risks on the Corporate Risk Register, with each one managed by a member of the SET.

To ensure that we continue to respond to our changing environment, PSNI's strategic objectives are translated to our operations through working towards meeting the Northern Ireland Policing Plan, and by clearly defined accountabilities over the delivery of outputs and outcomes.

We continue to refine management information and business reporting to provide SMB and the NIPB with appropriate and timely management information to allow them to identify and respond to emerging risks.

## **Risk Management**

Risk management is high on the business agenda and we manage risks in a structured manner. Consideration and mitigation of risk is crucial to the effectiveness of the system of internal control. The system of internal control is designed to maintain risk at a manageable level, based on risk appetite agreed by the SET to provide an acceptable level of assurance. Risk appetite will vary according to the perceived importance of the risks and their timing.

Policies and instructions on PSNI service delivery and organisational management are developed, reviewed and communicated to staff through training and a variety of internal communications platforms. Adherence to service policies is expected of staff and process failures can lead to recommendations re content review, training and/or discipline.

All Chief Officers and Senior Managers together with ARAC have provided leadership to the risk management process throughout the reporting period. In addition the Corporate Risk Manager provides guidance and support across the organisation to enable all staff to manage risk.

PSNI has a risk management service instruction which describes the various roles and responsibilities of relevant positions within PSNI. The monitoring and reporting of risk management arrangements are included in the service instruction.

Whilst risk management is embedded into the organisation there is a potential issue with resilience resulting from the financial challenges. All Departments actively manage their individual risk registers, and all have a common theme and link through to the PSNI vision and purpose of keeping people safe.

The Corporate Risk Register is managed by the Corporate Risk Manager and captures significant risks facing the organisation. The Risk Register is reviewed on a monthly basis with the Deputy Chief Constable. Changes to the register are ratified by SMB and reported to each ARAC meeting. The effectiveness of the risk management process is reported twice a year to SMB and ARAC. Stewardship reporting is a key assurance control for the accountability, ownership and management of risks throughout PSNI. All Senior Officers and Staff provide a statement of risk management assurance twice per year confirming they have reviewed the risks within their area of responsibility, and assessed the management of the risks identified. This is part of a hierarchy of stewardship reporting from Area/Departmental Co-Ordinators and from ACC/ACOs through to the Stewardship Statement I provide to the Department of Justice at six monthly intervals.

Processes to manage operational risks incorporate those risks identified through the operation of the strategic tasking and coordinating process. Strategies for each priority are aligned with the actions necessary to manage the identified risk.

A self-assessment audit of compliance against the Orange Book provided assurance that the main principles have been totally applied or applied to a large extent within PSNI. Looking to build on PSNI's compliance with good risk management principles in order to support their embedding, a Risk Management Action Plan has been

developed. The plan reflects areas for improvement identified during the self-assessment process, suggestions from ARAC or by Annex C of the Orange Book. It combines process and cultural changes/improvements and seeks to ensure that effective risk management is integrated in the way we lead, direct, manage and operate.

ARAC, which consists of non-executive members, provides me with assurance that effective risk management, governance and control arrangements are in place. ARAC receives regular risk management updates, along with reports from internal and external audit. DOJ, NIPB and NIAO have standing invitations to attend the meetings of ARAC as observers, and also contribute to the business at the committee.

Details of the individual risks faced by the PSNI during the year can be found on page 9.

### **Statement of Information Risk**

Together with the staff of PSNI, I have privileged access to data and information to support the discharge of the policing function and ensure that the work undertaken by PSNI is factual, accurate and complete.

The Service adopts the principles of the Cabinet Office's Security Policy Framework and complies with National Police Chiefs' Council policy and guidance on information assurance and the management of police information. The Home Office National Police Information Risk Management Team confirmed on 25 June 2020 that, following their review of PSNI's submission of a Governance and Information Risk Return (GIRR), *"the compliance requirements for National Policing connectivity have been met. I [national accreditor] have therefore provided approval for PSNI to connect to National Systems and the PSN in Policing Protected and Secured Networks."* and as a result a formal National Policing Community of Trust Connection Approval Certificate was granted valid until 25 June 2021. The granting of this Certificate provides evidence that PSNI's infrastructure, as presented in the GIRR submission, is appropriately risk managed and does not present an unacceptable risk to the wider police community. We continue to comply with the Government Security Classification Policy (GSC) for marking information assets.

Comprehensive risk assessments of PSNI's two critical technical infrastructures – Barracuda Radio Network and Atlas Corporate Data Communications Network were undertaken with both systems being accredited. Work on additional security controls on the Atlas Network is currently being planned and implemented under a major change project. The Network Defence Security Group is now embedded, featuring key stakeholders and business representatives, to oversee PSNI's response to the increasing 'cyber' threat. The Group's remit seeks to take action to address the five key incident management steps of 'Identify – Prevent – Detect – Respond – Recover.'

Assistant Chief Constable Operational Support Department fulfils the role of PSNI Senior Information Risk Owner (SIRO) and is supported by dedicated and suitably qualified, experienced Information Security and Records Management Units led by the PSNI Accreditor. Strategic Business Owners (Information Asset Owners) at Service Executive Board level, supported by a well-established network of Operational Business Owners (OBOs) at individual system level, oversee all of the information assets held by the Service.



At 31 March 2021, PSNI had 89 operational information systems running on the corporate network infrastructure, 81 were accredited; 6 accreditations had lapsed and are currently under review; a further two accreditations were in progress. Risk management activity for 16 major ICT projects in development were being supported.

Reports on the activities of the Information Security and Records Management Units, including the accreditation status of all the Service's corporate information systems, are presented to the Information Governance Delivery Group (IGDG) quarterly with incremental reports to the SIRO on a monthly basis.

The Service Policy on Information Management is supported by Service Instructions on Information Security, including 33 technical security standards, and Records Management. The PSNI Risk Appetite Statement covering all our information assets was updated and approved by the Information Governance Delivery Group on 26 November 2020. A successful review and update of the PSNI Record Review Retention and Disposal (RRD) Schedule, including consultation with the Department for Communities and Public Records Office (NI), was completed and approved by the Northern Ireland Assembly on 7 October 2020. This represents a significant milestone for PSNI in addressing its legislative obligations for records management. The Covid 19 crisis presented significant challenges for PSNI in managing its information risk but these were addressed quickly and competently throughout the year. From the first lockdown in March 2020 we conducted a comprehensive programme of both information security and records management education & awareness training, featuring 20 Service-wide communiques, focused on topics such as remote working with PSNI information assets; email security and the threat of 'phishing'; and password guidance. In addition, articles on information security and records management have appeared prominently on our Intranet pages and we have produced an educational video in collaboration with the Police College. All of these initiatives will continue in the future. Our information security and records management-related Service Instructions and Standards are regularly reviewed to take account of changes to remote and blended working practices. Due to the increasing cyber threat we commenced risk assessments on new initiatives such as video conferencing, remote laptops, 'track & trace' and the corporate network to maintain adequate protections for our sensitive information. We took immediate steps to enhance and improve our cyber security defences during lockdown and we will continue to do so as the cyber threat increases.

The Vision Statement in the current 'PSNI Information and Cyber Security Strategy 2020 and Beyond' seeks to create a culture that is embedded across the Service which enables the effective use of information to support our strategic policing aims. It supports our overarching intention of 'Keeping People Safe by Keeping Information Safe' in addressing five key strategic themes:

- Enhancing proportionate and affordable risk management activities
- Continuing to embed a culture of personal responsibility and accountability
- Supporting digital innovation and transformation of services – 'Innovation Empathy'
- Ensuring safe and secure collaboration across an evolving cyber threat landscape;
- Meeting National Policing obligations.

The PSNI Records Management Strategy, “From Uncertainty To Clarity...The Service Vision for Records Management” aims to prioritise a comprehensive records management culture across the Service, establishing the effective and efficient use of records to support strategic policing aims:

- We will understand what records we hold, where those records are, how long we require to retain the records and how we will keep them secure.
- Ownership of all records will be clear across all business units and we will meet our legislative and regulatory obligations for records management.
- We will provide infrastructures both digital and estates capable of storing all required hard copy and electronic records for the periods specified within the Service retention and disposal schedule.
- We will effectively manage all records through their life cycle in an effective and efficient manner including regular review and embedding records management principles by design in new systems and processes.
- Records Management principles will be understood by all staff and officers and we will embed a culture of personal responsibility and accountability.
- Archived records will be preserved.

### **Performance Management**

Pulse is the new Performance Management Framework for the organisation. It is a set of working practices to evaluate how well all of our services have been provided and to inform choices to ensure or improve future service provision. The framework is designed to blend a retrospective evaluation of practice with a prospective consideration of risk and resilience. The Pulse Framework is supported by a Performance Portal that was launched during November 2020. The new PULSE Performance Framework therefore is a key component of achieving our ambitions, by ensuring that we remain a police service that demonstrates that we are efficient, effective and legitimate to the communities that we are proud to serve.

### **Personal Data Related Incidents**

As PSNI Accounting Officer, I have responsibility for ensuring the security of personal data and to respond if there has been a breach or potential breach of the Data Protection Act. Within 2020-21 PSNI received satisfactory assurance relating to data protection compliance from internal audit and implemented all audit recommendations and also actions from the first online data protection compliance survey.

Up to the end of March 2021 a total of 103 incidents and 31 complaints were processed. PSNI self-referred 13 incidents for consideration to the Information Commissioner’s Office (‘ICO’), a negligible decrease from the 13 notifiable incidents in last year’s statement.

Of the 31 complaints which were made in relation to PSNIs processing of personal data several were received from recidivist complainants and are mainly related to dissatisfaction with data subjects requested materials being withheld or (b) erasures/amendments to personal data not being facilitated.

The Data Protection Officer is of the opinion that most incidents and their associated risks are being well managed internally now reducing the number of incidents that develop into high risk cases which would be required to be notified to the ICO and that the increase in number of complaints could be attributed to increased awareness amongst data subjects of their rights within the Data Protection Act 2018.

The DPO provides quarterly reports to ARAC including incident and complaint trends and performance in terms of DP training completion.

### **Review of Effectiveness**

As PSNI Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the Service Executive Officers (Chief Officers) within the organisation who have responsibility for the development and maintenance of the internal control framework, and the work undertaken by the Internal and External Auditors during the reporting period.

### **Significant Internal Control Issues**

There were two significant issues identified during 2020-21 by Internal Audit. These relate to;

#### **Records Management**

A previous review of records management raised a number of concerns which required improvement, for example, no fully established records management strategy or tactical plan to support it. These issues were subsequently addressed at a strategic level and internal audit assurance changed to satisfactory. The focus in 2020-21 was to determine organisational progress towards implementation, at an operational level, of the Records Management Strategy. Internal Audit is of the opinion that, despite the Records Management Strategy being in place, supported by a Business Plan, and structures in place for Records Management Branch to engage with the rest of the Service, this engagement is not evident across the whole Service to ensure an effective Records Management system of consistent processes and procedures. Internal audit have provided a limited assurance and made a priority 1 recommendation to address this issue. The issues identified will be taken forward to build on the work already progressed by records management and other key stakeholders in building effective records management initiatives.

#### **Expenses (Police Officers on Duty)**

Internal Audit issued a limited assurance report in November 2020. The key issue arising was in relation to the authorisation and checking of claims. The primary onus for ensuring the completeness, accuracy and validity of travel and expenses claims currently rests with the Claiming Officer. There is no requirement for a line manager/authorising officer to check and confirm expense claims on a sample selection basis or ad hoc checking. Further issues were raised with regards to the mechanisms for identifying duplicate payments and amounts paid over maximum monetary limits. In the interim period finance have increased the level of checks, and introduced new ones seeking line manager approval for a sample of claims each month. Work is ongoing to introduce a more automated system response, alongside a review of the current policy with HR and Staff associations. Internal Audit will revisit this area during 2021-22.

All Internal Audit findings have been placed on the PSNI's Overview system to be addressed and progressed towards discharge.

### **Northern Ireland Audit Office**

The Northern Ireland Audit Office has undertaken a range of external audit work on the organisation and completed its annual financial audit on PSNI's financial statements. NIAO have raised no significant issues or priority one recommendations following this work.

NIAO published "Reducing Costs in the PSNI" on 28 April 2020. Its recommendations have been placed on the Overview system to be addressed and progressed towards discharge.

### **Ministerial Directions**

No ministerial directions were received during the period.

### **Other Sources of Assurance**

There are a number of other sources from which I draw assurance on the system of internal control. These include the work of those independent external bodies which provide a challenge function to the work of PSNI including;

The Northern Ireland Policing Board  
The Department of Justice  
Northern Ireland Audit Office  
Her Majesty's Treasury  
The Criminal Justice Inspectorate of Northern Ireland  
Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services  
Investigatory Powers Commissioner's Office  
Human Rights Commission

Any issues of control weaknesses, identified from reviews carried out by these independent bodies in 2020-21, have been considered and action taken with progress on actions outstanding monitored through the "Overview" system.

SMB continues to keep its internal control arrangements under review in response to internal and external developments. SMB is independently advised by ARAC which meets throughout the year, and reports through its annual report, and regular meetings between the independent Chair of ARAC and the Deputy Chief Constable.

Internal Audit submits regular reports on the management of key business risks, and the effectiveness of the system of internal control, making recommendations for improvement where appropriate. This is formally reported to ARAC at each meeting. Those recommendations accepted by PSNI have been implemented, or are being implemented against agreed timetables, with those accepted recommendations past their initial planned end date reported to ARAC, and quarterly to SMB.

**Accounting Officer's Statement of Assurance**

I have considered the assurances provided by PSNI Senior Officers, ARAC, Internal Audit, External Audit and external scrutiny bodies.

As PSNI Accounting Officer, I am satisfied with the overall effectiveness of the system of internal control and am content that adequate plans exist to address any weaknesses and to ensure continuous improvement.

## REMUNERATION AND STAFF REPORT

The Remuneration and Staff Report summarises the PSNI's policy on remuneration of Board Members, Non-Executive Members and staff; it also provides details of actual costs and contractual arrangements.

### Remuneration policy

The Department of Justice (DoJ) commissions the Police Remuneration Review Body (PRRB) to advise Ministers on the pay and conditions of Police Officers up to and including Chief Constable rank and covers all such Officers within Northern Ireland and England and Wales.

The PRRB are an independent body made up of eight members who are drawn from a range of backgrounds, including employment consultancy, HR, Labour Market economics, the public and private sectors, and former Police Officers. The Review Body is supported by an independent secretariat within the Office of Manpower Economics (OME), a non-statutory body funded by the Department for Business, Energy and Industrial Strategy.

The Review Body receives formal written and oral evidence on Police Officers' pay from the Police Service, the DOJ, Northern Ireland Policing Board (NIPB), the Police Federation of Northern Ireland (PFNI) and the Superintendent's Association of Northern Ireland (SANI). The Police Service of Northern Ireland submitted its written evidence for 2021-22 to the PRRB on 19 April 2021. This included evidence on a range of topics including the Government's Public Sector Pay Policy, pay, allowances, terms and conditions, affordability, settlements and earnings in the wider economy, and recruitment, retention and morale considerations.

The Review Body then makes recommendations on Police Officers' pay and conditions to the Minister for consideration. The DOJ advises of any Ministerial approval in respect of the Review Body recommendations and the Police Service then initiates the Pay Remit approval process.

Police Staff pay follows the terms and conditions as set out in the Northern Ireland Civil Service Handbook. Pay increase follow the Department of Finance published circulars.

### Chief Officer Remuneration

The remuneration of PSNI Chief Officers is set by the Northern Ireland Policing Board.

In reaching its recommendations, the Policing Board has considered the following:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments and other public bodies to meet the output targets for the delivery of services;

- the funds available to the organisation;
- the Government's inflation target; and
- the recommendation of the Senior Salaries Review Body and the Minister for Justice Recommendation on pay increases, and Chief Officer pay scales.

The Policing Board takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

### **Service contracts**

The Policing Board is responsible for the appointment and service contracts of Chief Officers.

### **Chief Constable & Deputy Chief Constable**

Chief Constable Simon Byrne was appointed by the Policing Board on the 1 July 2019.

Deputy Chief Constable Mark Hamilton was appointed by the Policing Board on the 10 February 2020.

### **Assistant Chief Constables**

The appointment dates for Assistant Chief Constables appointed by the Board are as follows:

Alan Todd	26 April 2016
Mark McEwan	1 December 2020

Other current appointments are on a temporary basis.

### **Police Staff Chief Officers**

PSNI Chief Operating Officer Pamela McCreedy was appointed on the 1 March 2021.

Unless otherwise stated, Police Staff Chief Officers hold appointments which are open ended or until they reach retirement age.

Provision for compensation on early termination, for anything other than misconduct, is subject to the advice of the Department of Justice.

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**Salary and pension entitlement: (Audited Information)**

Remuneration and pension information for the year ended 31 March 2021 is as follows:

	Salary 2020-21  £000's	Benefit in Kind 2020-21  to Nearest £1,000	Bonus 2020-21  £000's	* Pension Benefits 2020-21 <sup>2</sup>  to Nearest £1,000	Single Total Figure of remuneration 2020-21  £000's
Chief Constable Simon Byrne <sup>2</sup>	215-220	NIL	NIL	-	215-220
Deputy Chief Constable Mark Hamilton	190-195	NIL	NIL	395	585-590
Chief Operating Officer Pamela McCreedy (Full Year Equivalent)	10-15 (175-180)	NIL	NIL	4	15-20
Assistant Chief Constable District Policing Alan Todd	135-140	NIL	NIL	88	225-230
Assistant Chief Constable Crime Operations Barbara Gray (Full Year Equivalent)	140-145 (150-155)	NIL	NIL	-	140-145
Assistant Chief Constable Crime Operations Mark McEwan	155-160	NIL	NIL	9	165-170
T/Assistant Chief Constable Operational Support Tim Mairs (Full Year Equivalent)	45-50 (120-125)	NIL	NIL	38	85-90
T/Assistant Chief Constable Operational Support John Roberts (Full Year Equivalent)	70-75 (115-120)	NIL	NIL	603	675-670
T/Assistant Chief Constable Community Safety Bobby Singleton (Full year Equivalent)	5-10 (115-120)	NIL	NIL	326	330-335
T/Director of Finance & Support Services and Human Resources Mark McNaughten	125-130	NIL	NIL	69	195-200
Non-Executive Member Gerald Crossan <sup>3</sup>	5-10	NIL	NIL	-	5-10
Non-Executive Member Fiona Keenan <sup>3</sup>	5-10	NIL	NIL	-	5-10
Non-Executive Member Ian Jordan <sup>3</sup>	5-10	NIL	NIL	-	5-10
Non-Executive Member Stephen Hodgkinson <sup>3</sup>	25-30	NIL	NIL	-	5-10

*\*The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights*

1. Details of SMB Members start and end dates are provided on page 48 and 49.
2. Members Pension Benefits are nil as they are not active scheme members.
3. As a non-executive member it is not appropriate to include a full time equivalent figure, as the member is paid a per diem rate for attending Board meetings



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Comparative Remuneration and pension information for the year ended 31 March 2020 is as follows:

	Salary 2019-20  £000's	Benefit in Kind 2019-20  to Nearest £1,000	Bonus 2019-20  £000's	* Pension Benefits 2019-20 <sup>2</sup>  to Nearest £1,000	Single Total Figure of remuneration 2019-20  £000's
Chief Constable Simon Byrne <sup>2</sup> (Full Year Equivalent)	155-160	NIL	NIL	-	155-160
Chief Constable George Hamilton <sup>2</sup> (Full Year Equivalent)	70-75 (240-245)	NIL	NIL	-	70-75
T/Deputy Chief Constable Stephen Martin (Full Year Equivalent)	160-165 (190-195)	NIL	NIL	260	420-425
Deputy Chief Constable <sup>3</sup> Mark Hamilton (Full Year Equivalent)	140-145 (185-190)	NIL	NIL	140	280-285
Assistant Chief Constable District Policing Alan Todd	130-135	NIL	NIL	63	195-200
Assistant Chief Constable Crime Operations Barbara Gray	130-135	NIL	NIL	73	205-210
Assistant Chief Constable Community Safety Mark McEwan	10-15 (160-165)	NIL	NIL	-	10-15
T/Assistant Chief Constable Operational Support Tim Mairs	110-115	NIL	NIL	47	160-165
T/Assistant Chief Constable Legacy & Justice George Clarke (Full Year Equivalent)	135-140 (140-145)	NIL	NIL	74	210-215
T/Director of Finance & Support Services and Human Resources Mark McNaughten	125-130	NIL	NIL	33	155-160
Non-Executive Member Gerald Crossan <sup>4</sup>	10-15	NIL	NIL	-	10-15
Non-Executive Member Fiona Keenan <sup>4</sup>	5-10	NIL	NIL	-	5-10
Non-Executive Member Ian Jordan <sup>4</sup>	10-15	NIL	NIL	-	10-15
Non-Executive Member Stephen Hodkinson <sup>4</sup>	25-30	NIL	NIL	-	25-30

'Salary' includes gross salary; performance pay; untaken leave allowance, overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex gratia payments.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

**Salary and pension entitlement: Pay Multiples (Audited information)**

<b>2020-21</b>	<b>£000's</b>	<b>2019-20</b>	<b>£000's</b>
<b>Organisation Total</b>		<b>Organisation Total</b>	
Remuneration of Highest Paid all Employees		Remuneration of Highest Paid all Employees	
Total Remuneration	<b>215-220</b>	Total Remuneration	<b>240-245</b>
Median Total Remuneration	<b>45.89</b>	Median Total Remuneration	<b>44.80</b>
Ratio	<b>4.74</b>	Ratio	<b>5.41</b>
<b>Police</b>		<b>Police</b>	
Remuneration of Highest Paid Police Officer		Remuneration of Highest Paid Police Officer	
Total Remuneration	<b>215-220</b>	Total Remuneration	<b>240-245</b>
Median Total Remuneration	<b>49.01</b>	Median Total Remuneration	<b>48.34</b>
Ratio	<b>4.44</b>	Ratio	<b>5.02</b>
<b>Police Staff</b>		<b>Police Staff</b>	
Remuneration of Highest Paid Director		Remuneration of Highest Paid Director	
Total Remuneration	<b>175-180</b>	Total Remuneration	<b>125-130</b>
Median Total Remuneration	<b>28.34</b>	Median Total Remuneration	<b>26.33</b>
Ratio	<b>6.26</b>	Ratio	<b>4.84</b>

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Executives in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid Executives in the PSNI in the financial year 2020-21 was £215,000-£220,000 (2019-20 was £240,000-£245,000). This was 4.74 times (2019-20, 5.41) the median remuneration of the workforce, which was £45,887 (2019-20 £44,795).

No employees in 2020-21 or 2019-20 received remuneration in excess of the highest paid Executive.

Remuneration ranged from £18,000 to £217,000 (2019-20 £16,000 to £244,000)

The Total remuneration includes gross salary; performance pay; untaken leave allowance, overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex gratia payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The ratio of the highest paid Executive has marginally changed since 2019-20, this is mainly due to a decrease in the banding of the highest paid employee. As PSNI has two distinct pay structures, one for police and one for police staff, the median and pay multiples for each of these two pay structures has also been provided above.

## Gender Pay Ratios

In line with the government's commitment to publish Gender pay ratios PSNI has set out below the gender pay medians and means for the 2020-21 year.

	Male	Female
	£000s	£000s
Median	48.1	33.9
Mean	45.3	38.4

The Percentage of officers and staff per pay quartile is also shown below: The pay quartiles are set based on the remuneration of highest paid employee. Male and female officers and staff are all paid using the same pay scales for each grade/rank.

Quartile £000s	Male	Female
0-54	72.39%	89.80%
54-108	27.48%	10.17%
108-162	0.10%	0.00%
162-217	0.03%	0.03%

## Pension Benefits (Audited Information)

Audited Information	Accrued pension at pension age as at 31 March 2021 and related lump sum £000's	Real increase in pension and related lump sum at 31 March 2021 <sup>2</sup> £000's	CETV at 31 March 2021 £000's	CETV at 31 March 2020 <sup>3</sup> £000's	Real increase in CETV £000's
Simon Byrne	0	0	0	0	0
Mark Hamilton <sup>1</sup>	85-90	20-22.5	2,139	1602	467
Pamela McCreedy	5-10	0-2.5	113	110	2
Alan Todd <sup>1</sup>	75-80	5-7.5	1,704	1,612	99
Barbara Gray <sup>1</sup>	75-80	-	1,818	1,841	-
Tim Mairs <sup>1</sup>	30-35	0-2.5	426	386	25
John Roberts	45-50	5-7.5	711	602	78
Bobby Singleton	25-30	2.5-5	366	326	20
Mark McNaughten	45-50 plus a lump sum of 100-105	2.5-5 plus a lump sum of 2.5-5	846	765	41

### Note:

1. PSNI Police Officers have the option of electing for a lump sum paid on retirement (up to 25% of their total accrued pension benefits). The figures shown are the gross pension figures assuming no lump sum payment.
2. Members real increase are zero where they are not active scheme members
3. Values restated due to change in accrual type

These pension benefits are provided through two pension schemes depending on the employment status of the individual.

### **Northern Ireland Civil Service (Nics) Pension Scheme**

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relates to the different schemes eg classic, alpha etc and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the Civil Service Pensions schemes including the scheme valuation outcomes. Further information on this will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website [www.finance-ni.gov.uk/civilservicepensions-ni](http://www.finance-ni.gov.uk/civilservicepensions-ni).

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2020 was 0.5% and HM Treasury has announced that public service pensions will be increased accordingly from April 2021.

Employee contribution rates for all members for the period covering 1 April 2021 – 31 March 2022 are as follows:

<b>Annualised Rate of Pensionable Earnings (Salary Bands)</b>	<b>1 April 21 to 31 March 22 contribution rate – All members</b>
£0 - £24,199.99	<b>4.6%</b>
£24,200 - 55,799.99	<b>5.45%</b>
£55,800-£153,299.99	<b>7.35%</b>
£153,300 and above	<b>8.05%</b>

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but PSNI is unable to identify its share of the underlying assets and liabilities. The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance have also commissioned a consultation in relation to the Cost Cap Valuation which will close on 25 June 2021. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. On completion of the consultation the 2016 Valuation will be completed and the final cost cap results will be determined.

For 2020-21, employers' contributions of £20,627,148 were payable to the PCSPS (NI) (2019-20: £19,495,887) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% per annum above CPI. The contribution rates are set to meet the costs of the benefits accruing during 2020-21 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions are age-related and range from 8% to 14.75% (2019-20, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £0, 0.5% (2019-20 £0, 0.5%) of pensionable pay, were payable to the NICS Pension Schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. There were no contributions due to the partnership pension providers at the reporting date. There were no contributions prepaid at that date.

The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website <https://www.finance-ni.gov.uk/civil-service-pensions-ni>.

No individuals retired early on ill health grounds during 2020-21, there were no additional accrued pension liabilities in the year (£3,510, 2019-20).

## **POLICE PENSION SCHEMES**

Pension benefits for PSNI officers, including Full Time Reserves, are provided through the PSNI Police Pension Scheme, the New Police Pension Scheme (NPPS) and from April 2015 the 2015 Police Pension Scheme.

### **Police Pension Scheme (PPS)**

This is a statutory scheme that provides benefits on an “Average Pensionable Pay (APP)” basis at age 55 regardless of rank. It is a defined benefits final salary scheme. All officers are entitled to work to age 60 and can apply for 5 yearly extensions after age 60.

For the year to 31 March 2021, employers’ contributions of £11,504,583 have been paid at the rate of 35.0% of pensionable pay. For 2019-20, employers’ contributions of £15,845,559 were paid to the PSNI PPS. In addition employers’ contributions totalling £3,841,446 have been paid for the year to 31 March 2021 in respect of ill-health retirements (2019-20 £6,162,530). To qualify for an ordinary retirement pension, an officer has to complete 25 years service and attain 50 years of age. Benefits accrue at the rate of 1/60<sup>th</sup> of APP for each year of service up to 20 years, and 2/60<sup>th</sup> for each year thereafter, up to a maximum of 40/60<sup>th</sup> of APP. There is an option for a lump sum to be paid on retirement, if the officer elects to give up (commute) up to 25% of the pension. Actuarial tables are used to calculate the lump sum. Members pay contributions of either 14.25% or 15.05% of basic pay dependent on pensionable pay. Pensions increase in line with the Consumer Prices Index effective 1 April 2011 (previously Retail Prices Index). On death, pensions are payable to the surviving spouse or children, subject to provisions within the scheme.

On death in service that is not as a result of an injury on duty (IOD) the scheme pays a lump sum benefit of twice pensionable pay, and there are also pension benefits for the spouse and/or children of the deceased. On death as a result of IOD, or death within 12 months of retiring as a result of an injury, a lump sum benefit of 5 times pensionable pay is payable, subject to scheme conditions. Medical retirement is possible in the event of serious ill health. Officers with less than 2 years service receive a lump sum benefit (gratuity), and those with more than 2 years service receive an ill-health pension, depending on the number of years of actual pensionable service.

This Scheme is now closed to new recruits from the 6 April 2006.

### **New Police Pension Scheme (NPPS)**

For the period to 31 March 2021, employers’ contributions of £628,646 have been paid at the rate of 35.0% of pensionable pay. For 2019-20, employers’ contributions of £817,164 were paid to the PSNI NPPS. In addition employers’ contributions totalling £92,646 have been paid for the year to 31 March 2021 in respect of ill-health retirements (2019-20 Nil).

To qualify for an ordinary retirement pension, an officer must serve to age 55. Benefits accrue at the rate of 1/70<sup>th</sup> of APP for each year of service up to a maximum of 35/70<sup>th</sup> of APP.

In addition to the pension a defined lump sum of four times pension is payable. Members pay contributions of 11%, 12.05% or 12.75% of basic pay dependent on pensionable pay. Pensions increase in line with the Consumer Prices Index. On death, pensions are payable to the surviving spouse, civil partner, unmarried partner or children, subject to provisions within the scheme. On death in service, that is not as a result of an injury on duty (IOD), the scheme pays a lump sum benefit of three times pensionable pay, and there are also pension benefits for the spouse, civil partner, unmarried partner and/or children of the deceased.

On death as a result of IOD, or death within 12 months of retiring as a result of an injury, a lump sum benefit of 5 times pensionable pay is payable, subject to scheme conditions. There is a 2 tier medical retirement pension for officers with over 2 years service. If an officer is permanently disabled for the ordinary duties of a member of PSNI a standard ill health pension is awarded. If an officer is disabled from the ordinary duties of a member of PSNI and permanently disabled for any regular employment an enhanced top-up ill health pension could be awarded.

This Scheme is now closed to new recruits from the 1 April 2015.

#### **The 2015 Police Pension Scheme (Northern Ireland)**

From 1 April 2015 a new Career Average Revalued Earnings pension scheme was introduced. Existing members of the 1988 and 2006 schemes moved over or will move over at a future date to the 2015 scheme if they do not have pension protection.

For the period to 31 March 2021, employer's contributions of £78,192,117 have been paid at the rate of 35.0% of pensionable pay. For 2019-20, employers' contributions of £70,431,928 were paid to the PSNI 2015 Pension Scheme. In addition employers' contributions totalling £1,509,598 have been paid for the year to 31 March 2021 in respect of ill-health retirements (2019-20 £1,585,584)

Benefits accrue at 1/55.3 of annual pensionable pay and receive annual uprating of Consumer Price Index (CPI) plus 1.25%. Benefits are payable in full from age 60 or on an actuarially reduced basis from age 55. A lump sum on retirement is not automatic but an officer can opt to commute up to a maximum of 25% of gross pension into a lump sum.

Members pay one of three contributions ranging from 12.44% to 13.78% of basic pay dependent on pensionable pay. On death, pensions are payable to the surviving spouse, civil partner, unmarried partner or children, subject to provisions within the scheme. On death in service, that is not as a result of an injury on duty (IOD), the scheme pays a lump sum benefit of three times pensionable pay, and there are also pension benefits for the spouse, civil partner, unmarried partner and/or children of the deceased.

On death as a result of IOD, or death within 12 months of retiring as a result of an injury, a lump sum benefit of 5 times pensionable pay is payable, subject to scheme conditions. There is a 2 tier medical retirement pension for officers with over 2 years service. If an officer is permanently disabled for the ordinary duties of a member of PSNI a standard ill health pension is awarded. If an officer is disabled from the



ordinary duties of a member of PSNI and permanently disabled for any regular employment an enhanced top-up ill health pension could be awarded.

### **CASH EQUIVALENT TRANSFER VALUES**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS or Police pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **REAL INCREASE IN CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However the real increase calculation uses common actuarial factors at the start and the end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

### **EMPLOYER PENSION COSTS**

Pension costs for employer contributions noted above are stated as the actual cash payments made in 2020-21 (total £116,450,184 including ill health contributions).

Employer pension costs disclosed on page 78 of £118,680,000 are reported on an accrual basis.

### **SEVERANCE PAYMENTS**

Severance Payments have been made from 1 January 2001 to officers leaving the PSNI under the Voluntary Severance or Full Time Reserve programmes for the PSNI. The Schemes were developed in line with the recommendations of the Independent Commission on Policing (Patten) and it was necessary to fulfil Government commitments, to permit officers to leave from the planned date of 1 January 2001. These schemes are now closed and no further payments will be made.

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**Compensation for loss of Office (Audited Information)**

No payments for loss of office were made during 2020-21.

**STAFF NUMBERS AND RELATED COSTS (AUDITED INFORMATION)**

Details of the total staff costs and breakdown of staff between permanently employed and other staff are shown below:

	2020-21	2020-21	2020-21	2019-20
	£000's	£000's	£000's	£000's
	<b>Permanently Employed Staff</b>	<b>Others</b>	<b>Staff Costs Total</b>	<b>Staff Costs Total</b>
Wages & salaries	415,876	7,204	423,080	411,776
Social security costs	46,203		46,203	45,361
Pension Costs	<u>118,680</u>	<u>—</u>	<u>118,680</u>	<u>114,678</u>
<b>Total Staff Costs</b>	<b><u>580,759</u></b>	<b><u>7,204</u></b>	<b><u>587,963</u></b>	<b><u>571,815</u></b>
Less recoveries in respect of outward secondments	<u>(789)</u>	<u>—</u>	<u>(789)</u>	<u>(741)</u>
<b>Total net costs</b>	<b><u>579,970</u></b>	<b><u>7,204</u></b>	<b><u>587,174</u></b>	<b><u>571,074</u></b>

**Average numbers of people employed:**

The average number of whole-time equivalent persons employed during the year was as follows:

	2020-21	2020-21	2020-21	2019-20
	<b>Permanent Staff</b>	<b>Others</b>	<b>Total</b>	<b>Total</b>
Directly Employed	9,578		9,578	9,360
Other	9	91	100	100
Staff engaged in Capital Projects	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<b><u>9,587</u></b>	<b><u>91</u></b>	<b><u>9,678</u></b>	<b><u>9,460</u></b>

**Reporting of Compensation and Exit Packages for all Staff 2020-21  
(Audited information)**

Details of all compensation and exit packages for Police Officers and Police Staff are outlined below:

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other departures agreed	Total number of Exit Packages by cost band
< £10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	-	-
£100,000 - £150,000	-	-	-
£150,000 - £200,000	-	-	-
£200,000 - £250,000	-	-	-
£250,000 - £300,000	-	-	-
<b>Total number of Exit Packages</b>	-	-	-
<b>Total Resource Cost (£)</b>	-	-	-

There were no Exit packages during the 2019-20 year.

**Assumptions:**

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. There were no costs incurred in 2020-21 by PSNI.

Where early retirement has been agreed, the additional costs are met by the PSNI.

Ill-health retirement costs are met by the pension scheme and not included in the above, these costs are set out on pages 76 and 77.

## **Representativeness and Inclusion**

Representativeness is a key enabler of legitimacy and public confidence in policing. It is only natural that when people see themselves represented within the Police Service of Northern Ireland they are more likely to feel understood and identify with policing. This is one of the key objectives within the policing plan, and details of the current representativeness data can be found on page 32 of the performance report.

The Policing Plan outcome refers to gender, community and socio-economic background. The People Strategy focuses on diversity in its fullest sense, the extent to which we represent society, inclusive of all groups and types of people. Attracting individuals from a range of lived experiences and backgrounds is also imperative in order to deliver an effective policing service. To do this we will build upon the foundation of 'Barriers to Recruitment' research carried out for police officer recruitment.

However representativeness needs to be mirrored in police staff recruitment, promotion and selection, and development across all roles, grades and ranks in the organisation. In order to improve the representation of different groups, we will review and reform our HR practices at all stages of the employment lifecycle.

Our ambition is greater than being representative alone; it extends to being an inclusive organisation where everyone feels welcome, are treated with dignity and valued as their authentic selves, and are confident to share their perspectives and ideas. Through the established partnerships with our minority and diversity staff associations and through the 'Your Voice' forum we will continue to engage and learn from the experiences of all members of the organisation. The People Strategy sets out an ambition to be progressive and go further and faster to be truly representative and inclusive.

We will continuously explore opportunities to develop inclusion within the Police Service through corporate guidance, including the review of:

1. Managing Staff with Disabilities Policy;
2. Dignity at Work Suite of policies;
3. Exit Interview Process; and
4. Transitioning at Work Policy.

## **Employee Engagement**

The Police Service maintains regular communications and contact with managers and staff through meetings, team briefings, internal blogs, intranet, seminars, circulars, information bulletins and staff newsletters. Internal communications are critical in ensuring that Police Officers and Police Staff are well informed of ongoing developments and are provided with regular updates on the issues that are impacting their working lives.

There are also well established arrangements for formal consultation with recognised Trade Union representatives on all significant developments and issues affecting Police Officers and Police Staff.

The last staff engagement survey was held in 2019 and the results were shared via Senior Leaders Engagement Forum and 'Your Voice' forum in 2020. The launch of the New People Strategy - 'Valuing Health & Wellbeing' action plan includes implementing a workforce survey which will incorporate wellbeing.

## **Recruitment**

The Police Service of Northern Ireland considers that attracting, retaining, developing, supporting and rewarding the right people with the right behaviours, attitudes and skills is fundamental to:

- Keeping People Safe;
- Evidencing our Policing With the Community culture; and
- Upholding human rights.

During the year a number of external and internal recruitment competitions have been launched to seek new student officers and administrative staff, as well as offering promotion opportunities to existing Police Officers and Police Staff. These competitions will continue into 2021-22.

A breakdown of PSNI employees as at 31 March 2021 by Gender is shown below;

	<b>Gender Breakdown as at 31 March 2021</b>	
	<b>Female</b>	<b>Male</b>
Senior Executive Team	27%	73%
Senior Managers	34%	66%
PSNI Officers/Staff	37%	63%
<b>All Personnel</b>	<b>37%</b>	<b>63%</b>

### **Health and safety**

PSNI is committed to providing for staff an environment that is, as far as possible, safe and free from risk to health. Policing in Northern Ireland is both exceptional and unique. Therefore, what would be considered ‘critical’ in any other UK policing jurisdiction is both normal and ongoing business for the PSNI and the context against which all policing activity and relationships are delivered, including health and safety statutory compliance. This is reflected in the health and safety approach necessary when considering “suitable and sufficient” control measures and the associated safe systems of work in order to provide an effective frontline service delivery to the community whilst still complying with the statutory obligations on PSNI.

PSNI Health and Safety Branch support frontline Policing by ensuring that timely professional advice is provided and that both proactive and reactive health and safety policies and procedures are developed, implemented, monitored and reviewed ensuring bureaucracy is kept to the minimum.

### **Disabled persons**

PSNI has a strong and clear commitment to equality, diversity and inclusion. It is our policy that all eligible persons shall have equal opportunity for employment and advancement in the PSNI on the basis of their ability, qualifications and aptitude for the work. PSNI took full cognisance of the Northern Ireland Civil Service Code of Practice on the employment of people with disabilities.

### **Sickness absence data**

The reported average number of working days lost due to sickness for 2020-21 are shown below. The figures show an overall decrease in days lost for police officers, and police staff. PSNI continues to robustly manage sick absence and has targets for reduction in line with Government policy.

	<b>Average Working Days Lost 2020-21</b>	<b>Average Working Days Lost 2019-20</b>
<b>Police Officers</b>	<b>11.14</b>	<b>12.65</b>
<b>Police Staff</b>	<b>7.95</b>	<b>9.88</b>

Despite a reduction on sickness absence levels from last year, the Police Service understands that there is a risk that current levels of sickness absence will have a

detrimental impact on service delivery. Consequently, an Attendance Management Gold Group chaired by the Deputy Chief Constable has been established to oversee the issue.

### Staff Turnover

During the 2020-21 year PSNI had a combined turnover of 4.40%. The turnover for police staff was 5.34%, and for police officers 4.04%.

### Consultancy

PSNI incurred £27,750 expenditure on consultancy during 2020-21 (Nil 2019-20)

### Off Payroll Engagements

<b>Table 1: For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last for longer than six months</b>	
No. of existing engagements as of 31 March 2021	1
Of which...	-
No. that have existed for less than one year at time of reporting.	-
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	-
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-

<b>Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months</b>	
No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	-
Of which...	-
No. assessed as caught by IR35	-
No. assessed as not caught by IR35	-
No. engaged directly (via PSC contracted to department) and are on the payroll	-
No. of engagements reassessed for consistency / assurance purposes during the year.	-
No. of engagements that saw a change to IR35 status following the consistency review.	-

**ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**

**LOSSES (AUDITED INFORMATION)**

Type of cases	Description	2020-21 No of Cases	£000	2019-20 No of Cases	£000
Losses		-	-	1	-
Overpayments		-	-	-	-
Stores		157	3	189	59
Claims waived or Abandoned		695	922	397	304
Ex Gratia Payments		-	-	1	2
Fruitless Payments & Constructive Losses		<u>390</u>	<u>55</u>	<u>557</u>	<u>72</u>
<b>Total</b>		<b><u>1,242</u></b>	<b><u>980</u></b>	<b><u>1,145</u></b>	<b><u>3,156</u></b>

**SPECIAL PAYMENTS (AUDITED INFORMATION)**

Special Payments	Description	2020-21 No of Cases	£000	2019-20 No of Cases	£000
Special Payments	Compensation	213	2,274	541	2,719

There were 3 payments made in excess of £250,000. Following a mediation process payments totalling £875,000 were made in respect of loss of income for a media company, and settlements for two individuals reflecting several heads of civil damage.

**REMOTE CONTINGENT LIABILITIES (AUDITED INFORMATION)**

PSNI has no remote contingent liabilities to note.



**Simon Byrne**  
**Chief Constable**  
**Police Service of Northern Ireland**  
**05 July 2021**



**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND  
AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

**Opinion on financial statements**

I certify that I have audited the financial statements of the Police Service of Northern Ireland for the year ended 31 March 2021 under the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Police Service of Northern Ireland's affairs as at 31 March 2021 and of the Police Service of Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice directions issued thereunder.

**Emphasis of Matter**

I draw attention to Note 1.3 of the financial statements, which describes the material valuation uncertainties for Land and Buildings due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of this matter.

**Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Basis for opinions**

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

My staff and I are independent of the Police Service of Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Police Service of Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the of the Police Service of Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Police Service of Northern Ireland is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Northern Ireland Policing Board and the Chief Constable as Accounting Officer with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Northern Ireland Policing Board and the Chief Constable as Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department of Justice directions made under the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Police Service of Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Responsibilities of the Northern Ireland Policing Board and the Chief Constable as Accounting Officer for the financial statements**

As explained more fully in the Statement of Responsibilities of the Chief Constable, the Northern Ireland Policing Board and the Chief Constable as Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Police Service of Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Police Service of Northern Ireland will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Police Service of Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010;
- making enquires of management and those charged with governance on Police Service of Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Police Service of Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition, posting of unusual journals and misappropriation of assets;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

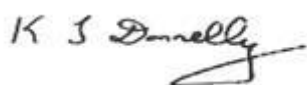
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and
  - applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Report

I have no observations to make on these financial statements.



K J Donnelly  
Comptroller and Auditor General  
Northern Ireland Audit Office  
1 Bradford Court  
Upper Galwally  
Belfast  
BT8 6RB

6th July 2021

**POLICE SERVICE OF NORTHERN IRELAND  
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2021**

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2021**

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2020-21 £000	2019-20 £000
<b>Income:</b>			
Revenue from contracts with customers	3	(3,273)	(3,133)
Other operating Income	3	<u>(7,038)</u>	<u>(10,913)</u>
<b>Total Operating Income</b>		<b><u>(10,311)</u></b>	<b><u>(14,046)</u></b>
<b>Expenditure:</b>			
Staff Costs	4	587,174	571,074
Depreciation, impairment charges and write offs	4	50,056	42,699
Provision Expense	4	42,121	59,888
Other Operating Expenses	4	<u>165,147</u>	<u>150,514</u>
<b>Total operating expenditure</b>		<b>844,498</b>	<b>824,175</b>
<b>Net operating expenditure for the Year</b>		<b><u>834,187</u></b>	<b><u>810,129</u></b>
Corporation Tax		<u>71</u>	<u>58</u>
<b>Net expenditure for the Year</b>		<b><u>834,258</u></b>	<b><u>810,187</u></b>
<b>Other Comprehensive Net Expenditure</b>			
Net Gain on Revaluation of Property, Plant & Equipment	5	(4,134)	(18,327)
Net Gain on Revaluation of Intangibles	6	(110)	(14)
Net Loss on Revaluation of Assets Held for Sale	7	220	-
Actuarial Loss	12	<u>21,970</u>	<u>52,240</u>
<b>Comprehensive net expenditure for the year</b>		<b><u>852,204</u></b>	<b><u>844,086</u></b>

The notes on pages 94 to 126 form part of this account

POLICE SERVICE OF NORTHERN IRELAND  
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

This statement presents the financial position of the PSNI. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		2021	*Restated 2020	*Restated April 2019
		£000	£000	£000
	Note			
<b>Non-current assets:</b>				
Property, plant & equipment	5	692,102	685,345	659,283
Intangible assets	6	3,470	3,033	3,416
Trade and other receivables	9	<u>1,942</u>	<u>1,618</u>	-
<b>Total non-current assets</b>		<b><u>697,514</u></b>	<b><u>689,996</u></b>	<b><u>662,699</u></b>
<b>Current assets:</b>				
Assets classified as held for sale	7	3,050	3,320	4,130
Inventories	8	6,164	6,486	5,853
Trade and other receivables	9	26,994	26,309	29,449
Cash and cash equivalents	10	<u>4,546</u>	<u>6,752</u>	<u>669</u>
<b>Total current assets</b>		<b><u>40,754</u></b>	<b><u>42,867</u></b>	<b><u>40,101</u></b>
<b>Total assets</b>		<b><u>738,268</u></b>	<b><u>732,863</u></b>	<b><u>702,800</u></b>
<b>Current liabilities:</b>				
Trade and other payables	11	(102,309)	(82,529)	(77,856)
Provisions	12	<u>(58,945)</u>	<u>(51,872)</u>	<u>(46,175)</u>
<b>Total current liabilities</b>		<b><u>(161,254)</u></b>	<b><u>(134,401)</u></b>	<b><u>(124,031)</u></b>
<b>Total assets less current liabilities</b>		<b><u>577,014</u></b>	<b><u>598,462</u></b>	<b><u>578,769</u></b>
<b>Non-current liabilities:</b>				
Provisions	12	<u>(676,227)</u>	<u>(652,328)</u>	<u>(583,223)</u>
<b>Total non-current liabilities</b>		<b><u>(676,227)</u></b>	<b><u>(652,328)</u></b>	<b><u>(583,223)</u></b>
<b>Total assets less total liabilities</b>		<b><u>(99,213)</u></b>	<b><u>(53,866)</u></b>	<b><u>(4,454)</u></b>
<b>Taxpayers' equity and other reserves:</b>				
Revaluation Reserve		262,481	260,377	242,825
General Reserve		<u>(361,694)</u>	<u>(314,243)</u>	<u>(247,279)</u>
<b>Total Equity</b>		<b><u>(99,213)</u></b>	<b><u>(53,866)</u></b>	<b><u>(4,454)</u></b>

The notes on pages 94 to 126 form part of this account

The financial statements on pages 90 to 126 were approved by the PSNI on 05 July 2021 and were signed on its behalf by:



**Simon Byrne**  
**Chief Constable**  
**Police Service of Northern Ireland**  
**05 July 2021**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

The Statement of Cash Flows shows the changes in cash and cash equivalents of the PSNI during the reporting period. The statement shows how the PSNI generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the PSNI. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the PSNI's future public service delivery.

	Note	2020-21 £000	2019-20 £000
<b>Cash flows from operating activities:</b>			
Net Expenditure		<b>(834,258)</b>	<b>(810,187)</b>
Adjustments for non-cash transactions	4	92,177	102,587
(Increase)/Decrease in trade and other receivables	9	(1,009)	1,522
Increase in trade and other payables	11	19,455	4,826
Decrease/(Increase) in Inventories	8	325	(633)
Use of Provisions	12	(33,119)	(37,326)
Movement relating to Capital Payables		<u>234</u>	<u>(3,302)</u>
<b>Net cash outflow from operating activities</b>		<b>(756,195)</b>	<b>(742,513)</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant & equipment	5	(53,715)	(47,129)
Purchase of intangible assets	6	-	(9)
Proceeds on Assets Held for resale	7	40	700
Proceeds of disposal of plant, property & equipment		<u>482</u>	<u>512</u>
<b>Net cash outflow from investing activities</b>		<b>(53,193)</b>	<b>(45,926)</b>
<b>Cash flows from financing activities:</b>			
Grant from Sponsoring department		<u>806,857</u>	<u>794,674</u>
<b>Net financing</b>		<b>806,857</b>	<b>794,674</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>(2,531)</b>	<b>6,235</b>
Receipts due to the Consolidated Fund which are outside the scope of the PSNI's activities		676	351
Payments of amounts due to the Consolidated Fund		(351)	(503)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(2,206)</b>	<b>6,083</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>6,752</b>	<b>669</b>
<b>Cash and cash equivalents at the end of period</b>		<b>4,546</b>	<b>6,752</b>

The notes on pages 94 to 126 form part of this account



**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

This statement shows the movement in the year on the different reserves held the PSNI, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of an Agency, to the extent that the total is not represented by other reserves and financing items.

	<b>General Reserve £000</b>	<b>Revaluation Reserve £000</b>	<b>Taxpayers' Equity £000</b>
<b>* Restated</b>			
<b>Balance at 31 March 2019</b>	<b><u>(247,279)</u></b>	<b><u>242,825</u></b>	<b><u>(4,454)</u></b>
Transfers between reserves	789	(789)	-
Actuarial Loss	(52,240)	-	(52,240)
Net expenditure for the year	(810,187)	-	(810,187)
Revaluation Gain	-	18,341	18,341
Grant from Sponsoring Entity	<u>794,674</u>	-	<u>794,674</u>
<b>Balance at 31 March 2020</b>	<b><u>(314,243)</u></b>	<b><u>260,377</u></b>	<b><u>(53,866)</u></b>
Transfers between reserves	1,920	(1,920)	-
Actuarial Loss	(21,970)	-	(21,970)
Net expenditure for the year	(834,258)	-	(834,258)
Revaluation Gain	-	4,024	4,024
Grant from Sponsoring Entity	<u>806,857</u>	-	<u>806,857</u>
<b>Balance at 31 March 2021</b>	<b><u>(361,694)</u></b>	<b><u>262,481</u></b>	<b><u>(99,213)</u></b>

The notes on pages 94 to 126 form part of this account.

## NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2021

### 1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by the DOF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate for the PSNI and giving a true and fair view has been selected. The particular policies adopted by the PSNI are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. The main accounting policies adopted by the PSNI are summarised below.

#### 1.2 Income

The PSNI has applied IFRS 15 to show revenue generated from contracts with customers. Revenue is measured based on the consideration specified in a contract with the customer or the legislated cost of an item. The PSNI recognises revenue when it transfers control over a product or service to a customer. The definition of a contract is expanded to include legislation and regulations which enable an entity to receive cash.

#### Nature of Goods and Services

The following is a description of the principal activities – separated by reportable segments – from which the PSNI generates its revenue.

#### Other Frontline Policing

Income is earned in respect of Firearms licences, where income is recognised on basis of provision of Firearms licence to hold, transfer, and amend a firearm. The costs of these items are set out in legislation.

#### Infrastructure Support Costs

Income earned from the Barracuda system is recognised when the service provides telecommunication services.

Income is earned from the provision of accident reports and associated items to third parties, and is recognised when the goods are provided.

Other Operating income is earned principally from Refunds & Contributions, Rental Income, and for the safety camera scheme. Income earned from the Home Office through the Assets Recovery Incentivisation Scheme (ARIS) and monies seized through the proceeds of crime act are also included.

PSNI also receives income from fixed penalties relating to speeding and red-light running detection activity. Following direction from HM Treasury the surplus of income over expenditure that has accrued in relation to these monies is shown as owing to the consolidated fund and disclosed separately within note 11 and note 19.

Income is stated on an Accruals basis, in accordance with FReM and is stated net of VAT. PSNI complies with the charging guidelines as laid down by the National Police Chiefs Council (NPCC).

### **1.3 Property, Plant and Equipment**

Property, Plant and Equipment comprise Land, Buildings, IT and Communications, Plant and Equipment, Vehicles and Aircraft, and Assets in the Course of Construction.

Expenditure is capitalised on property, plant and equipment that exceeds £5,000 for an individual asset, or £1,000 for an asset forming part of a significant asset group. The majority of firearms are not capitalised as they fall outside these threshold limits.

On initial recognition assets are measured at cost including any costs required to bring them into working condition. Items classed as ‘Assets in the Course of Construction’ are recognised in the Statement of Financial Position, to the extent money has been or a liability has been recognised. In compliance with IAS 16 Property, Plant and Equipment, subsequent expenditure on an asset which does not meet the criteria of an enhancement or an improvement is treated as revenue. All Property, Plant and Equipment are reviewed annually for impairment and are carried at fair value. Fair value is usually determined from market-based evidence by appraisal undertaken by professional valuers. This appraisal is undertaken by Land & Property Services (LPS) on behalf of PSNI. LPS is an “External Valuer” as defined by the RICS Professional Valuation Standards. A rolling valuation is undertaken each year to ensure that the full Estate will be valued every five years.

The basis of valuation applied is governed by the RICS Valuation standards. Due to the nature of the PSNI property portfolio the following basis of valuation are applied. Operational Specialised assets, such as Police Stations, are valued at Depreciated Replacement Cost (DRC). Operational Non-Specialised Assets, such as Offices, are valued at market value based on existing use.

In accordance with IFRS, PSNI has secured an independent and professional valuation from Land & Property Services. They summarised each Land and Buildings asset into its constituent parts or components and they outlined their respective remaining lives. From this information, the PSNI calculated component depreciation in accordance with the requirements of IFRS. In compliance with IFRS disclosure requirements, separate disclosure is attributed to Dwellings (under Land & Buildings).

In respect of office sector as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by Covid-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuations of office type properties valued using the comparative method including Lisnasharragh and Garnerville are therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation –

Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to the LPS valuation than would normally be the case.

The ‘material valuation uncertainty’ declaration, does not mean that the valuations cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19 we highlight the importance of the valuation date.’

Non property assets are valued at fair value, using indices supplied by the Office for National Statistics.

Upward revaluations are credited to the Revaluation Reserve and permanent reductions in the value of property, plant and equipment are charged to the Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense.

#### **1.4 Depreciation**

Property, plant and equipment are depreciated at cost or re-valued amount at fixed rates on a straight line basis over the estimated useful lives of the assets. Assets in the course of construction are not depreciated until the asset is brought into use and transferred to the relevant asset group. Depreciation rates are as follows:

Buildings	up to 50 years
Plant and Equipment	5 to 40 years
Vehicles	4 to 10 years
IT and Communications	3 to 10 years
Aircraft	10 to 20 years
Intangible Assets	3 years or life of purchased licence

Buildings are depreciated using the componentisation method. Componentisation is the breakdown of buildings into the constituent parts. The constituent parts are then depreciated based on their individual value and estimated useful life. Land is not depreciated.

#### **1.5 Intangible Assets**

The PSNI has classified expenditure on software licences and general information software technology costing more than £5,000 as Intangible Assets. Software licences are included at cost and principally amortised over a 3 year period or the life of the licence purchased which is estimated to be their useful economic life. Intangibles are revalued annually using indices provided by the Office for National Statistics.

## 1.6 Non-Current Assets Held for Sale

The PSNI has classified non-current assets as Held for Sale where their carrying amount will be recovered through sale rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed or realised within one year from the date of classification.

Such assets classified as Held for Sale are measured at the lower of carrying amount and fair value, costs of sale for these assets have been provided for separately due to the specialised nature of the assets. These decommissioning costs are set out in note 12. Depreciation is not charged once an asset has been classified as Held for Sale, any downward revaluation or impairment of non-current assets Held for Sale is charged to the Statement of Comprehensive Expenditure.

## 1.7 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when, and only when the entity becomes party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when and only when the contractual rights to the cash flows from the asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when it is extinguished.

The PSNI annually assesses whether a financial asset or group of assets are impaired. Where there is independent evidence that an impairment loss below historical cost has occurred, the carrying amount is reduced with the loss being recognised in the Statement of Comprehensive Expenditure.

Financial instruments are initially recognised at fair value unless otherwise stated. Fair value is the amount at which an instrument could be exchanged in an arm's length transaction between informed and willing parties.

PSNI categorises the following balances to be financial instruments:

### Trade and Other Receivables:

Financial Assets within trade and other receivables are initially recognised a fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

### Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

#### Trade and Other Payables:

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method.

#### Risk Management:

The PSNI is not exposed to the same degree of financial risk faced by business entities. This is due to the organisation being essentially a non-trading entity and financed as a Non Departmental Public Body. It has no powers to borrow or invest in surplus funds and has limited year end flexibility. It is therefore exposed to little liquidity, currency or market risks. The PSNI does not hold any complex financial instruments and there is no impact on the financial risk of the organisation.

### **1.8 Pension Costs**

Pension benefits are provided through the following defined benefit pension schemes. Police Staff are members of the Principal Civil Service Pension Scheme (NI), (PCSPS (NI)) which is an unfunded defined benefit scheme. The PCSPS (NI) produces its own resource accounts but PSNI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2016 and details of this valuation are available in the PCSPS (NI) Resource Accounts.

Police officers are members of the existing PSNI Police Pension Scheme or the New Police Pension Scheme, introduced from 6 April 2006. PSNI contributes a percentage of pensionable earnings towards its employees superannuation, at the Accruing Superannuation Liability Charge (ASLC) rates, determined by the Government Actuary's Department and advised by HM Treasury.

A separate account is prepared showing details of the PSNI Police Pension Schemes.

### **1.9 Value Added Tax**

Income and expenditure is shown exclusive of Value Added Tax, which in most cases is recoverable from HM Revenue and Customs, in accordance with the Value Added Tax Act 1994. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

### **1.10 Corporation Tax**

The PSNI has had to register for corporation tax effective from April 2015. Corporation tax is calculated on any profits generated from the sale of assets, or through the use or rental of surplus properties. PSNI has no trading income.

### **1.11 Inventory**

Inventory is stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

### **1.12 Provisions**

PSNI provide for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk adjusted cash flows have been discounted as set out in HM Treasury PES (2020) 12. The following provisions (notes 1.13 to 1.16) are included in the PSNI Statement of Financial Position.

### **1.13 Provision for Compensation Claims**

A provision for compensation claims are charged against net expenditure when it is assessed that a liability is likely to arise, based on average amounts paid in respect of each category of claim.

### **1.14 Provision for Injury Awards**

Injury awards are valued under International Accounting Standard (IAS) 19 Employee Benefits by GAD. As such the provision is made for the costs of providing injury awards to Police Officers based on the current number of injury awards and also on estimated life expectancy of these pensioners. The provision also contains an estimate of possible future awards for current members. The liability is measured on an actuarial basis by the Government Actuary's Department (GAD).

### **1.15 Provision for Decommissioning Costs on Assets Held for Resale**

Assets classified as Held for Sale are measured at the lower of carrying amount and fair value, costs of sale for these assets have been provided for separately due to the specialised nature of the assets. The provision will be utilised when actual costs are incurred on disposal.

### **1.16 Miscellaneous Provisions**

PSNI Uniform Contract:

As part of a managed service contract, PSNI has agreed to purchase any obsolete uniforms that are in possession of the contractor at the end of the contract. PSNI has estimated the amount of uniforms which may need to be purchased back, based on usage levels. The organisation has provided in full for this amount.

Early Retirement Costs:

PSNI has provided for the future obligations arising from staff being provided with Early Retirement under the Principal Civil Service Pension Scheme.

### **1.17 Contingent Liabilities**

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, PSNI discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public

Money Northern Ireland. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

### **1.18 Leases**

#### Finance Leases:

Leases of property, plant and equipment where PSNI holds substantially all the risks and rewards of ownership are classified as finance leases. PSNI did not hold any finance leases during 2020-21.

#### Operating Leases:

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the net expenditure account on a straight line basis over the term of the lease. In compliance with IAS 17 Leases, operating leases have been split between Land and Buildings and Other with all future commitments reported.

### **1.19 Employee Benefits and Staff Costs**

In compliance with IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the reporting date. The cost of untaken leave has been determined from a sample of staff leave records. The PSNI has recognised, recorded and expensed all relevant staff costs as soon as it is obligated to honour them.

### **1.20 Critical Accounting Estimates and Key Judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the PSNI's accounting policies. We continually evaluate our estimates, assumptions and judgments based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

#### Depreciation of property, plant and equipment and Amortisation of intangible assets:

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.4.



**Impairment and Revaluation of property, plant and equipment:**

Where there is an indication that the carrying value of items of property, plant and equipment may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset. Revaluations of Property and PSNI Aircraft are based on the assessment of independent experts, while all other assets are revalued using details of indices as published by the Office for National Statistics.

**Injury on duty awards - life expectancy:**

Provision is made for the costs of providing injury awards to Police Officers based on the current number of injury awards and also on estimated life expectancy of these pensioners. The liability is measured on an actuarial basis by GAD. Injury awards are valued under International Accounting Standard (IAS) 19 Employee Benefits by GAD.

**Provisions for litigation claims and miscarriages of justice:**

The decision to provide for, and the amounts provided for, compensation claims and associated legal costs is based on legal advice using the best estimate of the outcome of each case (the likely compensation and legal costs payable) from an assessment of the latest information.

## **1.21 Segmental Report**

Under the requirements of IFRS 8 Operating Segments, PSNI must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates. 'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the chief operating decision maker. As total assets for segments are not regularly reported to the chief operating decision maker PSNI has adopted this amendment. The amendment does not have a material impact on PSNI's financial statements. Full details of the reporting segments are contained within Note 2.

## **1.22 Police Fund**

The Police Fund is a separate scheme administered by the PSNI in conjunction with the RUC Benevolent Fund. It was established by regulations under section 28 of the Police Act (NI) 1970 which consist of PSNI grants and fines imposed on police officers as a result of disciplinary action. This together with investment income is applied by PSNI for the welfare of police officers and their dependants.

As from 1 April 2005, the Police Fund has been treated as a Mutual Trust and is liable for corporation tax on interest and loan investment income. Due to the limited income received by the Fund, HMRC have marked the Fund as dormant from February 2014, this status is still applicable and no corporation tax is due in the 2020-21 year. Note 20 provides details of the performance of this fund for the 2020-21 financial year.

### **1.23 Police Property Fund**

The Police Property Fund is a separate fund, administered by PSNI and established by regulations under section 2 of the Police (Property) Act 1987. It comprises unclaimed receipts arising from criminal investigations by the PSNI, which the Policing Board donate to charities. The Police Property Fund does not hold a separate bank account, but rather utilises the banking arrangements of the PSNI. Note 21 provides details of the performance of this fund for the 2020-21 financial year.

### **1.24 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2020**

PSNI has reviewed the standards, interpretations and amendments to published standards that became effective during 2020-21 and which are relevant to its operations.

No changes are material to PSNI accounts.

### **1.25 Third Party Assets**

Third party assets are assets for which the PSNI acts as a custodian or trustee, but in which neither the PSNI nor Government more generally has a direct beneficial interest in them. Third party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of PSNI third party assets are provided in note 23. These are not recognised in the financial statements as the PSNI does not have a direct beneficial interest in them.

**1.26 Accounting standards, interpretations and amendments to published standards not yet effective.**

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2020 or later periods, but which the PSNI has not adopted early. Other than as outlined below, the PSNI considers that these standards are not relevant to its operations.

Standard	Description of revision	EU Application date	Comments
IFRS 16 - <i>Leases</i> (IAS 17 <i>Leases</i> replacement) (new)	<p>IFRS 16 has been developed by the IASB with the aim of improving the financial reporting of leasing activities in light of criticisms that the previous accounting model for leases failed to meet the needs of users of financial statements.</p> <p>IFRS 16 largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This is a significant change in lessee accounting.</p>	1 January 2019	The application of IFRS 16 for the public sector has been postponed owing to the current pandemic and will be implemented in April 2022

The transition into IFRS 16 will necessitate a review of existing and future contracts to identify lease and non-lease (i.e. service) elements. PSNI have completed a review of current lease agreements to manage the transition to IFRS 16. PSNI continue to assess live contracts to assess whether sufficient information exists to enable the assessment under IFRS 16 criteria.

The scope of the change includes, but is not limited to PSNI future lease commitments that are currently presented under IAS 17 in note 14.

### 1.27 Prior Period Adjustment

A prior year adjustment has been processed relating to a correction of a historical error. A small number of PSNI buildings had been revalued downwards, and debit balances taken to the revaluation reserve, leading to some sites holding negative revaluation balances. These sites values have not increased to offset these and an amendment is being made to rectify the Revaluation reserve balances.

The following tables summarise the impacts on PSNI's financial statements.

#### Statement of Financial Position (Extract)

1 April 2019	As Reported	Adjustments	Restated
<b>Taxpayers' equity and other reserves:</b>			
Revaluation Reserve	233,078	9,747	242,825
General Reserve	<u>(237,532)</u>	<u>(9,747)</u>	<u>(247,279)</u>
<b>Total Equity</b>	<b><u>(4,454)</u></b>	<b><u>(-)</u></b>	<b><u>(4,454)</u></b>

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**2. STATEMENT OF OPERATING COSTS BY SEGMENT FOR THE YEAR ENDED 31 MARCH 2021**

**Operating Segments**

<b>2020-21:</b>	<b>District Policing</b>	<b>Other Frontline Policing</b>	<b>Infrastructure Support Costs</b>	<b>Other Costs</b>	<b>Total</b>
	£000's	£000's	£000's	£000's	£000's
Gross expenditure	252,226	261,718	238,377	92,249	844,569
Income	(819)	(4,952)	(4,540)	-	(10,311)
<b>Net Expenditure</b>	<b><u>251,407</u></b>	<b><u>256,766</u></b>	<b><u>233,837</u></b>	<b><u>92,249</u></b>	<b><u>834,258</u></b>

**Operating Segments**

<b>2019-20:</b>	<b>District Policing</b>	<b>Other Frontline Policing</b>	<b>Infrastructure Support Costs</b>	<b>Other Costs</b>	<b>Total</b>
	£000's	£000's	£000's	£000's	£000's
Gross expenditure	264,588	244,018	212,981	102,646	824,233
Income	(769)	(6,467)	(6,810)	(-)	(14,046)
<b>Net Expenditure</b>	<b><u>263,819</u></b>	<b><u>237,551</u></b>	<b><u>206,171</u></b>	<b><u>102,646</u></b>	<b><u>810,187</u></b>

In compliance with IFRS8, a segmental report has been included. Segments are determined based on the internal reports used by management for decision making, and include the following;

**District Policing:**

This segment combines the directly attributable costs of North, South and Belfast Areas. It delivers a significant portion of operational policing services within Northern Ireland and is comprised of the geographically diverse eleven Districts.

**Other Front-line Policing:**

This represents the directly attributable costs for both Crime Operations, Operational Support departments and Community Safety Department. Crime Operations includes Reactive Crime, Serious Crime, Intelligence, Specialist Operations and Public Protection. Operational Support department provides a wide range of operational support to the PSNI in the delivery of front-line policing services including Statistics, Close Protection, Information Assurance and Records Management.

### Infrastructure Support Costs:

This segment combines the costs of the main departments and branches which support District and other Front Line Policing services. They include Finance & Support Services, Human Resources, Legacy and Legal Services, Corporate Communications, Innovations and Standards and other outsourced services.

### Other Costs:

This segment includes Non-Cash costs, including Depreciation and Permanent Diminution and Movement in Provisions (Net pension costs are excluded).

There have been no material changes from prior years in respect of how PSNI identifies its segments.

Any information in respect of fees and charges is provided for information purposes only. There are no transactions undertaken between reportable segments and PSNI places no reliance on income from any major customers.

## 3. INCOME

	2020-21	2019-20
	£000	£000
Fees for firearms certificates & permits	1,390	1,223
Fees for accident reports	264	300
Communication Network Service Charge	<u>1,619</u>	<u>1,610</u>
<b>Revenue from contracts with customers</b>	<b><u>3,273</u></b>	<b><u>3,133</u></b>
Refunds & Contributions	3,206	6,068
NI Road Safety Partnership	1,511	2,001
Asset recovery/HQ Incentivisation scheme	823	952
EU Income	134	308
Partner ICT Services	-	470
Bad Debt	42	(69)
Other	<u>1,322</u>	<u>1,183</u>
<b>Other Operating Income</b>	<b><u>7,038</u></b>	<b><u>10,913</u></b>
<b>Total Income</b>	<b><u>10,311</u></b>	<b><u>14,046</u></b>

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<b>4. EXPENDITURE</b>	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
Wages and Salaries	422,291	411,035
Social Security Costs	46,203	45,361
Other Pension Costs	<u>118,680</u>	<u>114,678</u>
A breakdown of the above costs into permanent staff and others can be found in the Remuneration and Staff Report on page 78.	<b>587,174</b>	<b>571,074</b>
Other Expenditure	39,583	34,347
Contracted Out	16,428	15,065
Forensics services	9,867	9,650
Accommodation services	40,717	37,316
IT & communications	40,228	34,339
Transport	13,963	12,063
Travel, subsistence & relocation	2,939	5,878
Charges for operating leases: property	1,284	1,633
Charges for operating leases: photocopiers	14	19
Hospitality	21	107
Audit fees	<u>103</u>	<u>97</u>
	<b>165,147</b>	<b>150,514</b>
<b>Non cash items:</b>		
Depreciation & Amortisation	42,504	39,437
Impairment	7,065	3,184
Loss/(Profit) on Disposal of Non Current Assets	<u>487</u>	<u>78</u>
	<b>50,056</b>	<b>42,699</b>
Cost of Borrowing on provisions	9,578	15,746
Increase in Provision	34,665	46,051
Provision not utilised	<u>(2,122)</u>	<u>(1,909)</u>
	<b>42,121</b>	<b>59,888</b>
<b>Total</b>	<b><u>844,498</u></b>	<b><u>824,175</u></b>

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**5. PROPERTY, PLANT AND EQUIPMENT**

2020-21	Land £000	Buildings £000	IT and Comms. £000	Plant and Equip £000	Vehicles and Aircraft £000	Assets in Course of Construction £000	Total £000
<b>Cost or Valuation:</b>							
<b>At 1 April 2020</b>	56,222	708,545	138,440	16,515	161,564	67,584	1,148,870
Additions	-	971	3,366	11	389	48,744	53,481
Disposals	-	-	(1,899)	(757)	(9,923)	(22)	(12,601)
Assets Held for Sale	-	-	-	-	-	-	-
Reclassifications	-	1,478	12,494	442	13,856	(29,809)	(1,539)
Indexation	2,762	4,659	2,111	(1,142)	(4,684)	-	3,706
Indexation to SoCNE	-	-	(62)	(47)	(936)	-	(1,045)
Impairments to SoCNE	(105)	(635)	-	(75)	(5,414)	-	(6,229)
Write off from AICC to SoCNE	-	-	-	-	-	(10)	(10)
<b>At 31 March 2021</b>	<u>58,879</u>	<u>715,018</u>	<u>154,450</u>	<u>14,947</u>	<u>154,852</u>	<u>86,487</u>	<u>1,184,633</u>
<b>Depreciation:</b>							
<b>At 1 April 2020</b>	-	272,247	98,675	12,769	79,834	-	463,525
Charged in Year	-	17,032	10,479	958	12,878	-	41,347
Disposals	-	-	(1,867)	(708)	(9,109)	-	(11,684)
Assets Held for Sale	-	-	-	-	-	-	-
Indexation	-	1,537	1,687	(1,023)	(2,630)	-	(429)
Indexation to SoCNE	-	-	(36)	(10)	(182)	-	(228)
Impairments to SoCNE	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<u>-</u>	<u>290,816</u>	<u>108,938</u>	<u>11,986</u>	<u>80,791</u>	<u>-</u>	<u>492,531</u>
<b>Carrying amount</b>							
At 31 March 2021	<u>58,879</u>	<u>424,202</u>	<u>45,512</u>	<u>2,961</u>	<u>74,061</u>	<u>86,487</u>	<u>692,102</u>
At 31 March 2020	<u>56,222</u>	<u>436,298</u>	<u>39,765</u>	<u>3,746</u>	<u>81,730</u>	<u>67,584</u>	<u>685,345</u>
<b>Asset Financing:</b>							
Owned	<u>58,879</u>	<u>424,202</u>	<u>45,512</u>	<u>2,961</u>	<u>74,061</u>	<u>86,487</u>	<u>692,102</u>
<b>Carrying Amount At 31 March 2021</b>	<u>58,879</u>	<u>424,202</u>	<u>45,512</u>	<u>2,961</u>	<u>74,061</u>	<u>86,487</u>	<u>692,102</u>



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**5. PROPERTY, PLANT AND EQUIPMENT**

2019-2020	Land £000	Buildings £000	IT and Comms. £000	Plant and Equip £000	Vehicles and Aircraft £000	Assets in Course of Construction £000	Total £000
<b>Cost or Valuation:</b>							
<b>At 1 April 2019</b>	56,065	665,593	145,242	14,574	145,151	65,702	1,092,327
Additions	135	1,290	1,030	42	2,517	45,418	50,432
Disposals	-	-	(24,797)	(119)	(2,809)	-	(27,725)
Assets Held for Sale	(40)	-	-	-	-	-	(40)
Reclassifications	-	9,543	15,817	1,677	15,667	(43,423)	(719)
Revaluation	-	11,946	-	-	-	-	11,946
Indexation	285	23,000	1,148	341	1,062	-	25,836
Impairments to SoCNE	(223)	(2,827)	-	-	(24)	-	(3,074)
Write off from AICC to SoCNE	-	-	-	-	-	(113)	(113)
<b>At 31 March 2020</b>	<u>56,222</u>	<u>708,545</u>	<u>138,440</u>	<u>16,515</u>	<u>161,564</u>	<u>67,584</u>	<u>1,148,870</u>
<b>Depreciation:</b>							
<b>At 1 April 2019</b>	-	237,331	112,334	11,616	71,763	-	433,044
Charged in Year	-	17,005	10,201	976	10,174	-	38,356
Disposals	-	-	(24,698)	(105)	(2,525)	-	(27,328)
Assets Held for Sale	-	-	-	-	-	-	-
Revaluation	-	11,946	-	-	-	-	11,946
Indexation	-	5,965	838	282	425	-	7,510
Impairments to SoCNE	-	-	-	-	(3)	-	(3)
<b>At 31 March 2020</b>	<u>-</u>	<u>272,247</u>	<u>98,675</u>	<u>12,769</u>	<u>79,834</u>	<u>-</u>	<u>463,525</u>
<b>Carrying amount</b>							
At 31 March 2020	<u>56,222</u>	<u>436,298</u>	<u>39,765</u>	<u>3,746</u>	<u>81,730</u>	<u>67,584</u>	<u>685,345</u>
At 31 March 2019	<u>56,065</u>	<u>428,262</u>	<u>32,908</u>	<u>2,958</u>	<u>73,387</u>	<u>65,702</u>	<u>659,283</u>
<b>Asset Financing:</b>							
Owned	<u>56,222</u>	<u>436,298</u>	<u>39,765</u>	<u>3,746</u>	<u>81,730</u>	<u>67,584</u>	<u>685,345</u>
<b>Carrying Amount At 31 March 2020</b>	<u>56,222</u>	<u>436,298</u>	<u>39,765</u>	<u>3,746</u>	<u>81,730</u>	<u>67,584</u>	<u>685,345</u>

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**6. INTANGIBLE ASSETS:**

	<b>Software Licences</b>
	<b>£000</b>
<b>Cost or valuation:</b>	
At 1 April 2020	<u>11,274</u>
Additions	-
Disposals	(905)
Revaluation	-
Indexation	408
Impairments to SoCNE	-
Reclassifications	<u>1,538</u>
<b>at 31 March 2021</b>	<b><u>12,315</u></b>
<b>Amortisation:</b>	
At 1 April 2020	<b>8,241</b>
Charged in year	1,157
Disposals	(851)
Revaluation	-
Indexation	298
Impairments to SoCNE	-
Write Backs	<u>-</u>
<b>at 31 March 2021</b>	<b><u>8,845</u></b>
<b>Carrying amount as at 31 March 2021</b>	<b><u>3,470</u></b>

	<b>Software Licences</b>
	<b>£000</b>
<b>Cost or valuation:</b>	
At 1 April 2019	14,298
Additions	9
Disposals	(3,820)
Revaluation	-
Indexation	68
Impairments to SoCNE	-
Reclassifications	<u>719</u>
<b>at 31 March 2020</b>	<b><u>11,274</u></b>
<b>Amortisation:</b>	
At 1 April 2019	<b>10,882</b>
Charged in year	1,081
Disposals	(3,777)
Revaluation	-
Indexation	55
Impairments to SoCNE	-
Write Backs	<u>-</u>
<b>at 31 March 2020</b>	<b><u>8,241</u></b>
<b>Carrying amount as at 31 March 2020</b>	<b><u>3,033</u></b>

Software licences are included at cost and principally amortised over a 3 year period which is estimated to be their useful economic life.

## 7. ASSETS CLASSIFIED AS HELD FOR SALE

IFRS 5 requires that non-current assets classified as held for sale must be disclosed separately from other assets in the Statement of Financial Position. The value of these assets are determined as set out in note 1.6.

	Land & Buildings 2020-21 £000s	Land & Buildings 2019-20 £000s
<b>Opening Balance 1 April</b>	<b>3,320</b>	<b>4,130</b>
Transferred from land & buildings	-	40
Disposals	(40)	(850)
Impairment <sup>1</sup>	<u>(230)</u>	<u>-</u>
<b>Closing Balance 31 March</b>	<b>3,050</b>	<b>3,320</b>

Disposal proceeds of £40k were received in 2020-21 (£700k 2019-20) in respect of assets disposed. No Profit or loss (£150k loss 2019-20) was noted.

The breakdown of assets currently classified as held for sale are:

Year Ended 31 March 2020	£000s	Year Ended 31 March 2021	£000s
Ballyclare	460	Ballyclare	240
Cushendall	70	Cushendall	70
Desertcreat	2,000	Desertcreat	2,000
Donegall Pass	450	Donegall Pass	450
Portadown	120	Portadown	120
York Road	180	York Road	170
Slieve Croob	40		
<b>Total</b>	<b>3,320</b>	<b>Total</b>	<b>3,050</b>

1. Impairments relate to decreases in valuation estimates from LPS. £220k of impairment was charged to the revaluation reserve, with £10k being charged to the SOCNE.

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	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
<b>8. INVENTORIES</b>		
General stores	2,522	3,279
Transport Services stores	2,244	1,888
Heating oil	485	424
Petrol and diesel	<u>913</u>	<u>895</u>
<b>Total</b>	<b><u>6,164</u></b>	<b><u>6,486</u></b>

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
<b>9. TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS:</b>		
<b>Amounts falling due within one year</b>		
Prepayments and accrued income	5,355	7,846
Trade receivables	1,391	1,277
Contributions due from the PSNI Pension Scheme	11,782	10,940
HMRC VAT Receivable	7,718	5,527
Other receivables	<u>748</u>	<u>719</u>
<b>Total</b>	<b><u>26,994</u></b>	<b><u>26,309</u></b>
<b>Amounts falling due after more than one year:</b>		
Prepayments	<u>1,942</u>	<u>1,618</u>
<b>Total</b>	<b><u>1,942</u></b>	<b><u>1,618</u></b>

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<b>10. CASH AND CASH EQUIVALENTS</b>	Note	<b>2020-21</b>	<b>2019-20</b>
		<b>£000</b>	<b>£000</b>
<b>Balance at 1 April</b>		6,752	669
Net change in cash & cash equivalent balances		<u>(2,206)</u>	<u>6,083</u>
<b>Balance at 31 March</b>		<b><u>4,546</u></b>	<b><u>6,752</u></b>

All cash held in commercial bank accounts.

<b>11. TRADE PAYABLES AND OTHER CURRENT LIABILITES</b>		<b>2020-21</b>	<b>2019-20</b>
		<b>£000</b>	<b>£000</b>
Amounts falling due within one year			
Trade payables		13,634	2,014
Trade accruals and Deferred Income		41,410	41,893
Taxation & social security		13,250	12,079
Employee Benefit Accrual		13,676	10,648
Monies owed to the PSNI Pension Scheme		5,468	5,450
Payroll accrual		10,835	7,958
NI Consolidated Fund Extra Receipts	19	676	351
Other payables		<u>3,360</u>	<u>2,136</u>
<b>Total</b>		<b><u>102,309</u></b>	<b><u>82,529</u></b>

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**12a. PROVISIONS FOR LIABILITIES AND CHARGES:**

	Holiday Pay £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
<b>At 1 April 2020</b>	<b>61,868</b>	<b>29,027</b>	<b>612,885</b>	<b>355</b>	<b>65</b>	<b>704,200</b>
Provided in the year	891	19,183	14,580	-	11	34,665
Provision not required written back	-	(2,122)	-	-	-	(2,122)
Utilised in the Year	-	(2,340)	(30,717)	(10)	(52)	(33,119)
Actuarial loss	-	-	21,970	-	-	21,970
Borrowing Costs	<u>(902)</u>	<u>(410)</u>	<u>10,890</u>	<u>-</u>	<u>-</u>	<u>9,578</u>
<b>At 31 March 2021</b>	<b><u>61,857</u></b>	<b><u>43,338</u></b>	<b><u>629,608</u></b>	<b><u>345</u></b>	<b><u>24</u></b>	<b><u>735,172</u></b>

	Holiday Pay £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
<b>At 1 April 2019</b>	<b>31,338</b>	<b>30,990</b>	<b>566,564</b>	<b>423</b>	<b>83</b>	<b>629,398</b>
Provided in the year	30,530	3,501	11,970	45	5	46,051
Provision not required written back	-	(1,874)	-	(35)	-	(1,909)
Utilised in the Year	-	(3,226)	(33,999)	(78)	(23)	(37,326)
Actuarial Loss	-	-	52,240	-	-	52,240
Borrowing Costs	<u>-</u>	<u>(364)</u>	<u>16,110</u>	<u>-</u>	<u>-</u>	<u>15,746</u>
<b>At 31 March 2020</b>	<b><u>61,868</u></b>	<b><u>29,027</u></b>	<b><u>612,885</u></b>	<b><u>355</u></b>	<b><u>65</u></b>	<b><u>704,200</u></b>

The above provisions are profiled to show the estimated spend for future periods.

**12b. ANALYSIS OF EXPECTED TIMING OF DISCOUNTED FLOWS:**

	31 March 2021					
2020-21	Holiday Pay £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
Not Later than one year	-	27,829	30,750	345	21	58,945
Later than one year and not later than 5 years	61,857	15,141	122,840	-	3	199,841
Later than 5 years	<u>-</u>	<u>368</u>	<u>476,018</u>	<u>-</u>	<u>-</u>	<u>476,386</u>
<b>At 31 March 2021</b>	<b><u>61,857</u></b>	<b><u>43,338</u></b>	<b><u>629,608</u></b>	<b><u>345</u></b>	<b><u>24</u></b>	<b><u>735,172</u></b>

	31 March 2020					
2019-20	Holiday Pay £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
Not Later than one year	-	12,452	39,000	355	65	51,872
Later than one year and not later than 5 years	61,868	16,138	162,065	-	-	240,071
Later than 5 years	<u>-</u>	<u>437</u>	<u>411,820</u>	<u>-</u>	<u>-</u>	<u>412,257</u>
<b>At 31 March 2020</b>	<b><u>61,868</u></b>	<b><u>89,164</u></b>	<b><u>612,885</u></b>	<b><u>355</u></b>	<b><u>65</u></b>	<b><u>704,200</u></b>

## Holiday Pay

Provision has been made for the ongoing holiday pay legal case within Injury claims. A number of cases have been lodged against the PSNI in respect of contractual overtime forming part of the calculation for holiday pay under article 7 of the Working Time Directive. This follows the decision in the case of Bear Scotland Limited and Others. A judgement was provided by the Employment Tribunal on this matter in November 2018 that officers and staff were entitled to an element of overtime to be included in their holiday pay where this was part of their 'normal pay'. On 17 June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. The PSNI is currently undertaking mediation with the respective claimants over possible settlement outcomes.

## Compensation Claims

The compensation claim provision is analysed under five categories: injury claims, damage claims, legal fees and hearing loss (Injury & Legal). The following table shows the breakdown of the provision between these categories.

	Injury	Damage	Legacy	Legal	Hearing Loss – Injury	Hearing Loss – Legal	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>At 1 April 2020</b>	<b>6,274</b>	<b>221</b>	<b>4,086</b>	<b>15,176</b>	<b>1,619</b>	<b>1,651</b>	<b>29,027</b>
Utilised in the Year	(1,282)	(19)	(225)	(472)	(201)	(141)	(2,340)
Provision not required written back	-	-		(2,122)	-	-	(2,122)
Cost of Borrowing	(89)	(3)	(57)	(214)	(23)	(24)	(410)
Provided in the year	<u>852</u>	<u>17</u>	<u>7,035</u>	<u>11,033</u>	<u>167</u>	<u>79</u>	<u>19,183</u>
<b>At 31 March 2021</b>	<b><u>5,755</u></b>	<b><u>216</u></b>	<b><u>10,839</u></b>	<b><u>23,401</u></b>	<b><u>1,562</u></b>	<b><u>1,565</u></b>	<b><u>43,338</u></b>

At 31 March 2021, there were 813 'live' injury or wrongful acts claims and 98 'live' damage to property claims. Associated legal fees are also provided for.

Claims have varying life spans with claims involving personal injury mostly concluded within six years of receipt and claims for damage to property usually being concluded within one or two years of receipt. In deriving the above figures, assumptions have been made relating to the number of outstanding claims likely to attract compensation, the average claim value for the different claim types and likely timing of settlement. The data assumes that past trends will persist with only marginal fluctuations and any deviations from this pattern may have a material impact on actual claims settled. The provision for years 1-5 has been discounted and uplifted for inflation at the HM Treasury combined rates as set out in PES (2020)12.

## Injury Awards

Relevant costs are recognised in the organisation's main financial statements. The pension liability relating to injury awards has been valued by the Government Actuary Department (GAD). The valuation was provided to PSNI by GAD for the 12 months to 31 March 2020, and the current Injury on Duty (IOD) provision reflects this position. Injury awards are valued under IAS 19 and as such include an element for active members. The split of the provision is shown below.

	Value at 31 March 2021 £000's	Value at 31 March 2020 £000's
Liability in respect of		
Active Members	158,640	142,100
Pensions in payment (injury awards)	<u>470,968</u>	<u>470,785</u>
<b>Total liability</b>	<b>629,608</b>	<b>612,885</b>

Liabilities for Injury awards are valued on an actuarial basis using the Projected Unit Credit Method. The assumptions proposed by the Government Actuary's Department and agreed with the PSNI in nominal terms are:

- A long term nominal discount rate of 1.25% pa
- A rate of long-term inflation and pensions increases of 2.2% pa

In 2019/20 we updated the assumption for incidence of injury award based on data provided for the years 2015 to 2020, which was aggregated with the Northern Ireland Police Service injury award data for 2006 to 2015. We propose adopting the updated assumptions again for 2020/21:

- The Northern Ireland Police Service injury award active liability is set as equal to 3.5% of the accrued liabilities of the active members in respect of non-injury Northern Ireland Police Service benefits.
- The current service cost is set as equal to 6% of the current service cost in respect of main Northern Ireland Police Service benefits.

### Expectation of life in years

At 31 March	2021	2020	2019	2018	2017
Males (45 year old future pensioner at age 65)	22.0	23.6	24.6	24.5	25.2
Females (45 year old future pensioner at age 65)	23.7	25.2	26.2	26.1	27.3

The breakdown of the actuarial movement is set out below.



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	<b>Value at 31 March 2021</b>	<b>Value at 31 March 2020</b>
	£000	£000
<b>History of Experience gains and losses</b>		
Experience Gains on the scheme liabilities	18,310	30
Percentage of the liability at the end of year	2.9%	0.04%
Total actuarial Gain	21,970	-52,240
Percentage of the liability at the end of year	3.5%	-8.52%

**Covid -19 implications**

The current population mortality projections make no specific allowance for the impact of Covid -19 or any other pandemics. The starting rates of mortality improvement are based on projections of past trends in UK mortality and the effects of past pandemics will already be reflected in these trends. In general, the effects of pandemics on mortality rates are usually expected to be short term, with rates going back to what they would have been before the pandemic after a year or two, unless the pandemic remains over several years. It is therefore not unreasonable to retain the existing mortality assumptions. A death rate from Covid -19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain over the next year's accounts.

**Decommissioning Costs**

Provision is made for the removal of security items and decommission of sites prior to their movement to assets held for sale.

**Miscellaneous:**

A number of Miscellaneous provisions are included relating to the purchase of excess stock from PSNI Managed Service uniforms supplier and Early Retirement Costs.

	<b>Uniform Stock</b>	<b>Early Retirement</b>	<b>Total</b>
	£000's	£000's	£000's
<b>At 1 April 2020</b>	<b>49</b>	<b>16</b>	<b>65</b>
Utilised in the Year	(40)	(12)	(52)
Provision not required written back	-	-	-
Cost of Borrowing	-	-	-
Provided in the year	-	11	11
<b>At 31 March 2021</b>	<b><u>10</u></b>	<b><u>15</u></b>	<b><u>25</u></b>

### 13. CAPITAL COMMITMENTS

Contracted capital commitments at 31 March 2021 not otherwise included in these financial statements.

	2020-21 £000	2019-20 £000
Property Plant & Equipment	23,439	36,167
Intangible Assets	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>23,439</u></b>	<b><u>36,167</u></b>

### 14. COMMITMENTS UNDER LEASES

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2020-21 £000	2019-20 £000
<b>Land:</b>		
Not later than one year	120	115
Later than one year and not later than five	382	400
Later than five years	<u>856</u>	<u>703</u>
<b>Total</b>	<b><u>1,358</u></b>	<b><u>1,218</u></b>
<b>Buildings:</b>		
Not later than one year	332	330
Later than one year and not later than five	861	897
Later than five years	<u>48</u>	<u>253</u>
<b>Total</b>	<b><u>1,241</u></b>	<b><u>1,480</u></b>
<b>Printers:</b>		
Not later than one year	7	15
Later than one year and not later than five	-	<u>16</u>
<b>Total</b>	<b><u>7</u></b>	<b><u>31</u></b>

### 15. COMMITMENTS UNDER PRIVATE FINANCING INITIATIVES (PFI) CONTRACTS

The PSNI has no commitments to report under PFI contracts for the financial year 2020-21.

## **16. OTHER FINANCIAL COMMITMENTS**

The PSNI has no other material financial commitments to report for financial year 2020-21. The main financial commitments currently facing the organisation are summarised above.

## **17. FINANCIAL INSTRUMENTS**

In accordance with IAS 39 Financial Instruments, the PSNI has no financial instruments to report during the twelve months to 31 March 2021. As the cash requirements of PSNI are met through Grant in Aid provided by Department of Justice, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with PSNI's expected purchase and usage requirements and the NDPB is therefore exposed to little credit, liquidity or market risk.

## **18. CONTINGENT LIABILITIES (disclosed under IAS 37)**

The PSNI has the following contingent liabilities:

### **Hearing Loss Cases**

The PSNI is named Defendant in a number of claims from current and ex-police officers and police staff for occupational hearing loss. Claims up to May 2021 are reflected in the compensation provision (note 12). Claims have also been received from members/ex-members of the Northern Ireland Prison Service who received firearms training from the RUC/PSNI. However, the number of claims likely to be received in the future is uncertain and cannot be reliably estimated. Each case will be considered on its own merits and any settlement based on the severity of hearing loss.

### **Holiday Pay**

Provision has been made for the ongoing holiday pay legal case within Injury claims. A number of cases have been lodged against the PSNI in respect of contractual overtime forming part of the calculation for holiday pay under article 7 of the Working Time Directive. This follows the decision in the case of Bear Scotland Limited and Others. A judgement was provided by the Employment Tribunal on this matter in November 2018 that officers and staff were entitled to an element of overtime to be included in their holiday pay where this was part of their 'normal pay'. On 17 June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. There are still a number of areas that are required to be clarified to set out the level and series of any payments that officers and staff may be owed. A liability has been provided for in the 2020-21 accounts; however this estimate is based on one potential remedy and depending on the outcome of the appeal, the remedy calculation and its application to officer and staff groups will need to be revisited in the light of further direction from the courts.

## Legacy Litigation Cases

The PSNI is named as defendant in almost 1,000 litigation claims relating to legacy incidents. In this context legacy incidents are defined as those associated with sectarian conflict in Northern Ireland occurring between 1969 until approximately 2010.

Several legacy cases are at a sufficiently advanced stage where negotiations for early settlement have commenced with the plaintiffs, or where a reasonable estimate of liability can be made based on previous settlements. For these cases an amount has been included in the compensation provision (note 12). However, for the vast majority of cases litigation is still at a very early stage and no reliable estimate of liability or value can be made. PSNI Legal Services have made initial estimates that average compensation and legal fees combined could be in the region of £5m per year for the next 10 years.

## 19. Consolidated Fund Income

Consolidated Fund income shown in note 3 above does not include any amounts collected by the PSNI where it was acting as agent for the Consolidated Fund rather than as principal.

Within the PSNI trade and other payables there is an element that relates to funding held by PSNI relating to speeding and red-light running detection activity. These monies are managed by PSNI on behalf of the NI Road Safety Partnership (NIRSP) working group. This includes monies from fixed penalties and driver awareness courses. The surplus of this income over expenditure is due for payment to the NI Consolidated Fund as disclosed in note 1.2.

The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these financial statements) are set out below.

	31 March 2020 £000	Income received £000	Amounts paid over to the NI Consolidated Fund £000	31 March 2021 £000
Amounts held relating to Fine Income	-	339	-	339
Amounts held relating to Fee & Other income	<u>351</u>	<u>337</u>	<u>(351)</u>	<u>337</u>
<b>Amounts held with regards NIRSP</b>	<b>351</b>	<b>676</b>	<b>(351)</b>	<b>676</b>

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**20. POLICE FUND**

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
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	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
<b>INCOME</b>		
Income from Activities	-	(0.5)
Other Income	<u>-</u>	<u>(3.7)</u>
	<u>(-)</u>	<u>(4.2)</u>
<b>EXPENDITURE</b>		
Other Expenditure	4.4	4.2
<b>NET EXPENDITURE</b>	<u>(4.4)</u>	<u>-</u>

**STATEMENT OF FINANCIAL POSITION 31 MARCH 2021**

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
<b>NON-CURRENT ASSETS</b>		
Financial Assets	85.0	85.0
<b>CURRENT ASSETS</b>		
Trade and Other Receivables	53.8	58.2
Cash and Cash Equivalents	<u>38.5</u>	<u>38.5</u>
<b>TOTAL CURRENT ASSETS</b>	<u>92.3</u>	<u>96.7</u>
<b>TOTAL ASSETS</b>	<u>177.3</u>	<u>181.7</u>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	-	-
Current Liabilities	<u>-</u>	<u>-</u>
<b>ASSETS LESS LIABILITIES</b>	<u>177.3</u>	<u>181.7</u>
<b>TAX PAYERS' EQUITY:</b>		
General Reserve	<u>177.3</u>	<u>181.7</u>
<b>TOTAL</b>	<u>177.3</u>	<u>181.7</u>

**POLICE SERVICE OF NORTHERN IRELAND  
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**POLICE FUND (CONTINUED)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus after interest	(4.4)	-
Decrease in Trade and Other Receivables	4.4	0.5
Decrease in Trade Payables	—	—
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>—</u>	<u>0.5</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Proceeds on disposal of shares	—	—
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>	<u>—</u>	<u>—</u>
<b>NET FINANCING</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>—</u>	<u>0.5</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>38.5</u>	<u>38.0</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>38.5</u>	<u>38.5</u>

POLICE SERVICE OF NORTHERN IRELAND  
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**POLICE FUND (CONTINUED)**

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>General Reserve £000</b>	<b>Revaluation Reserve £000</b>	<b>Total Reserves £000</b>
Balance at 31 March 2019	<u>181.7</u>	<u>-</u>	<u>181.7</u>
<b>Changes in Taxpayers' Equity for 2019-20</b>			
Net Operating Surplus	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 March 2020</b>	<u>181.7</u>	<u>-</u>	<u>181.7</u>
<b>Changes in Taxpayers' Equity for 2020-21</b>			
Net Operating Surplus	<u>(4.4)</u>	<u>-</u>	<u>(4.4)</u>
<b>Balance at 31 March 2021</b>	<u>177.3</u>	<u>-</u>	<u>177.3</u>

**POLICE SERVICE OF NORTHERN IRELAND  
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**21. POLICE PROPERTY FUND**

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2020-21</b> £000	<b>2019-20</b> £000
<b>INCOME</b>		
Income From Activities	<u>(67.9)</u>	<u>(58.7)</u>
<b>EXPENDITURE</b>		
Other Expenditure	<u>11.1</u>	<u>6.7</u>
<b>NET INCOME</b>	<u>(56.8)</u>	<u>(52.0)</u>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	<b>2020-21</b> £000	<b>2019-20</b> £000
<b>CURRENT ASSETS</b>		
Trade and Other Receivables	545.4	488.6
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	<u>-</u>	<u>-</u>
<b>ASSETS LESS LIABILITIES</b>	<u>545.4</u>	<u>488.6</u>
<b>TAXPAYERS' EQUITY:</b>		
General Reserve	<u>545.4</u>	<u>488.6</u>



**POLICE SERVICE OF NORTHERN IRELAND  
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**POLICE PROPERTY FUND (CONTINUED)**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	2020-21 £000	2019-20 £000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus after interest	56.8	52.0
Increase in Trade and Other Receivables	(56.8)	(52.0)
Decrease in Trade Payables	—	—
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>—</b>	<b>—</b>
<b>NET FINANCING</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>		
	<b>—</b>	<b>—</b>

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Total Reserves £000
<b>Balance at 31 March 2019</b>	<b><u>436.6</u></b>
<b>Changes in Taxpayers' Equity 2019-20</b>	
Net Operating Surplus	<u>52.0</u>
<b>Balance at 31 March 2020</b>	<b><u>488.6</u></b>
<b>Changes in Taxpayers' Equity 2020-2021</b>	
Net Operating Surplus	<u>56.8</u>
<b>Balance at 31 March 2021</b>	<b><u>545.4</u></b>

## 22. RELATED-PARTY TRANSACTIONS

PSNI is a body of constables as set out in the Police Act, funded through the Policing Board which during the reporting period was a Non Departmental Public Body of the DOJ.

The DOJ is regarded as a related party. During the year PSNI had a number of material transactions with the DOJ and with other government departments and central government bodies. Most of these transactions have been with: the Forensic Science NI; the NI Prison Service (both Executive Agencies of the DOJ); the Land & Property Services (executive agency of the DOF) and the Construction and Procurement Delivery Directorate (DOF).

None of the senior staff of PSNI undertook any transactions during the year with PSNI.

## 23. THIRD-PARTY TRANSACTIONS

PSNI hold a number of bank accounts and sealed packages which contain evidence or proceeds of criminal activities. As these monies are not assets of the PSNI they are not included in these financial statements.

Following the outcome of investigations or court proceedings, the money is returned or paid to appropriate authorities.

	31 March 2020 £000	Gross Inflows £000	Gross Outflows £000	31 March 2021 £000
Bank Balances and Monetary Sealed Packages held.	<u>5,120</u>	<u>2,731</u>	<u>(1,606)</u>	<u>6,245</u>

PSNI also holds sealed packages that are unable to be counted for evidential reasons. These amounts are not included in the figures above.

## 24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no adjusting events after the reporting period.

The Annual Report and Accounts were authorised by the Chief Constable to be issued on 06 July 2021.



[psni.police.uk](https://psni.police.uk)

