

Statement of Accounts 2008/09 Summary



This document presents a summary of the main areas of the independently audited accounts of the Police Authority for the financial year 2008/09



Derbyshire Police Authority

Derbyshire Police Authority Summary of Accounts 2008/2009

Treasurer's Introduction

This document provides a summary of Derbyshire Police Authority's Financial Accounts for the financial year ended 31st March 2009. The figures supporting this summary were compiled having regard to proper accounting practice but to provide simplified and more meaningful information, some figures have been combined and modified.

A full copy of the Authority's Statement of Accounts is available on the Derbyshire Police Authority website www.derbyshire.police.uk, click on Police Authority then click on publications.

Financial Review – Revenue Budget

Revenue expenditure is generally spent on day-to-day expenditure and is financed from Police Precept collected through Council Tax, Government Grants and other income.

During the financial year 2008/09, the net revenue spending of the Authority was £157.2m, representing an increase of 3.73% when compared to the previous financial year. Funding of £157.2m set out in the accounts was the total of central government formula funding of £109.2m and Police Precept of £48.0m. In addition £8.3m funding was received from the home Office to cover the pensions deficit, which is transferred to the pension fund account. The consequential Council Tax for an average band D dwelling increased by 4.6% to £148.44, compared with £141.91 in 2007/08 for the policing element.

The balance on the General Reserve as at 31st March 2009 was £3.0m, which represents 1.81% of the net revenue budget. The year-end balance on the General Reserve was in line with previous budget forecasts and the Medium Term Financial Strategy.

The Income and Expenditure Account below presents the cost of running policing services between April 2008 and March 2009, identifies where the money came from to finance those costs and also illustrates the financial position at the year-end.

Income & Expenditure Account for the year ended 31 March 2009

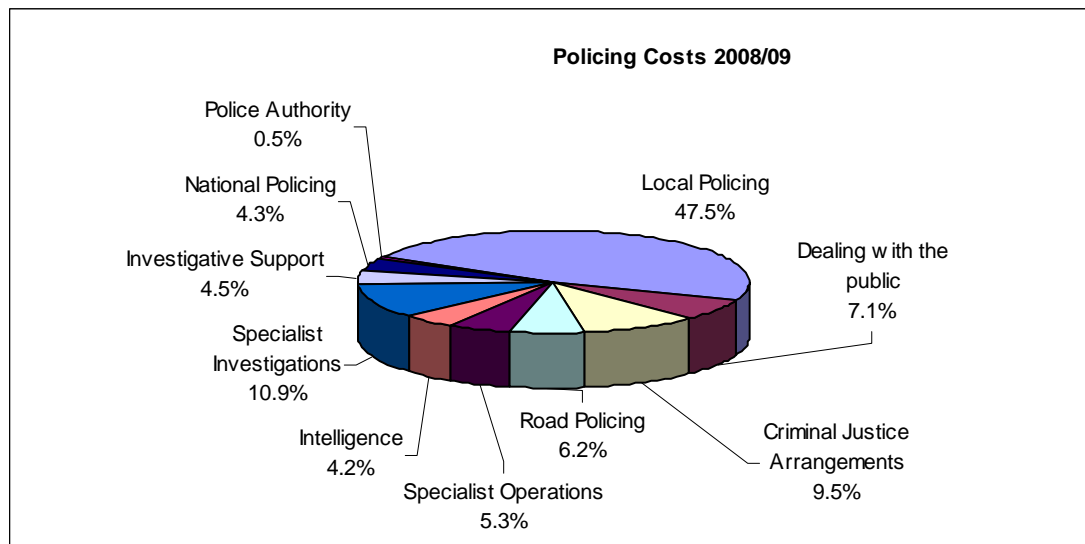
	<u>£'000</u>
<u>Policing Costs</u>	
Local Policing	91,601
Dealing with the public	13,650
Criminal Justice arrangements	18,284
Road Policing	11,943
Specialist Operations	10,181
Intelligence	8,190
Specialist Investigations	21,064
Investigative Support	8,612
National Policing	8,370
Police Authority	<u>952</u>
Total Policing Costs	192,847
<u>Other Income</u>	
Other Income	<u>(25,842)</u>
Net Cost of services	167,005

	£'000
<u>Other Costs</u>	
Other Running Costs	480
Capital financing and Interest	(3,838)
Pensions Adjustments	(3,629)
Net Contributions to/from Reserves / Provisions	<u>(2,795)</u>
Amount met from Government Grants & Council Tax	157,223

Financed by: -

Police Precept from Council taxpayers	48,060
Police Grant from Government	63,422
Business Rates redistributed by Government	40,151
Revenue Support Grant from Government	<u>5,590</u>
Sub Total	157,223

Net General Reserve Surplus for the Year **0**



Members allowances

Included within the Income and Expenditure account is an amount of £274,544 paid to Police Authority members as Expenses and Allowances. The breakdown for 2008/09 is as follows:-

	£
Travel and Subsistence	
Fares	13,444
Car Allowance	12,812
Subsistence	499
Allowances	
Basic	143,426
Daily	8,025
Special Responsibility	78,983
National Insurance	<u>17,355</u>
Total	<u>274,544</u>

The Authority's Balance Sheet at 31 March 2009

The Balance Sheet presents the financial position of the Police Authority at the end of March 2009. It shows what assets and balances the Authority holds, what it is owed and what it owes. It excludes pension liabilities, full details of which can be found in the full accounts.

Assets	£'000
Buildings, Land and Equipment	42,490
Money owed to the Authority	12,256
Cash, Investments and Stocks	<u>33,285</u>
Sub Total	88,031
Liabilities	
Borrowing	(10,325)
Amounts owed by the Authority	(15,452)
Capital and Government Grants not yet applied	<u>(14,398)</u>
Total	<u>47,856</u>
Financed By:-	
Reserves for capital accounting purposes only	23,310
Reserves allocated for specific purposes *	21,546
General Reserve	<u>3,000</u>
Total	<u>47,856</u>

* The intended use of these reserves is detailed in the full accounts

Capital Expenditure

Capital expenditure represents money spent by the Police Authority on purchasing, upgrading and improving assets such as land, buildings, equipment and infrastructure. The Authority receives the benefit from capital expenditure over a long period of time.

In 2008/09, Derbyshire Police Authority spent £10.13 million on capital items, financed by income from capital grants (£6.65 million), revenue contributions and reserves (£3.47 million) and the sale of assets (£0.01 million).

The main areas of capital investment in 2008/09 were: -

	£'000
Central Contact Management Centre	2,080
A Block/Old Hall refurbishment	550
Closing the Risk Gap (Accommodation/IT/equipment)	470
Other Building works	970
East Midlands Counter Terrorism Intelligence Unit	1,220
Office Automation	490
Other IT and communications	900
Replacement Vehicles	1,550
Mobile data units	1,100
Equipment	<u>800</u>
Total	<u>10,130</u>

Cash Flow

The Authority's transactions with suppliers, taxpayers and employees, lead to cash moving in and out. The Cash Flow Statement summarises the movements in cash. The cash figures comprise of cash in hand, cash at the bank and deposits that are repayable on demand.

	£'000
Cash overdrawn at the Bank 31 March 2008	(1,190)
Cash In during the year	195,696
Cash Out during the year	<u>(195,942)</u>
Cash overdrawn at the Bank 31 March 2009	<u>(1,436)</u>

Pensions - The Authority participates in 2 different pension schemes;

a) Police Officers

This scheme is unfunded. This means it provides pensions and other retirement benefits for employees based on final salaries but there are no investment assets built up to meet the pensions liabilities.

The funding arrangements for the police officers pension scheme changed on 1 April 2006. Before April 2006 each Police Authority was responsible for paying the pensions of its former employees on a "pay as you go" basis. From April 2006 there is a new employer's contribution instead (currently 24.2% of pensionable salary) which is charged to the Income and Expenditure Account.

Each individual Police Authority is required by legislation to operate a Pension Fund Account and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. This account is shown in the full accounts. Officer's contributions and the new employer's contribution are paid into the pensions account from which pension payments are then made. This will be topped up as necessary by the Home Office if the contributions are insufficient to meet the cost of pensions payments. Any surplus will be recouped by the Home Office. Injury awards and ill health retirements will continue to be paid from the Authority's Income and Expenditure Account.

The pension fund account does not take account of the obligation to pay pensions and benefits which fall due after the end of the financial year.

b) Other Employees

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme administered by Derbyshire County Council. It is a funded scheme. Pensions and other retirement benefits, based on final salaries, are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period. Actuarial valuations of the fund are undertaken every three years to determine the contributions rates needed to meet its liabilities.

Looking Ahead to 2009/10

The Authority plans to spend £165.1 million in 2009/10 on revenue expenditure, which represents a 4.99% increase on 2008/09. The Authority has also approved a capital programme of £18.8 million for 2009/10.

Further Information

We would welcome your feedback on these summary accounts or if you have any queries, please contact Helen Boffy, Treasurer to the Police Authority on 01773-733779 or by e-mail to helen.boffy.4808@derbyshire.pnn.police.uk.

If you would like more copies of this document or you would like the document in another language, please write to:

Corporate Development
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Or, phone 0345 123 3333 and ask for Corporate Development
Other useful information such as the policing plan is available on the Derbyshire Police Authority website www.derbyshire.police.uk/policeauthority