

# Statement of Accounts 2009/10 Summary

This document presents a summary of the main areas of the independently audited accounts of the Police Authority for the financial year 2009/10.



Derbyshire Police Authority

# Derbyshire Police Authority Summary of Accounts 2009/2010

## Treasurer's Introduction

This document provides a summary of Derbyshire Police Authority's Financial Accounts for the financial year ended 31<sup>st</sup> March 2010. 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/policeauthority](http://www.derbyshire.police.uk/policeauthority), and 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, and Government Grants and other income.

During the financial year 2009/10, the net revenue spending of the Authority was £165.1m, representing an increase of 4.99% when compared to the previous financial year. Funding of £165.1m set out in the accounts was the total of central government formula funding of £112.6m and Police Precept of £52.4m. In addition £11.1m funding was received from the Home Office to cover the pensions deficit for Police Officers, which is transferred to the pension fund account. The policing element of Council Tax for an average band D dwelling increased in 2009/10 by 8.68% to £161.32, compared with £148.44 in 2008/09.

The balance on the General Reserve as at 31<sup>st</sup> March 2010 was £3.3m, which represents 2% of the net revenue budget. The year-end balance on the General Reserve was in line with budget forecasts and the Medium Term Financial Strategy.

The Income and Expenditure Account below presents the cost of running policing services between April 2009 and March 2010, 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 2010

<b><u>Policing Costs</u></b>	<b><u>£'000</u></b>
Local Policing	93,018
Dealing with the public	14,148
Criminal Justice arrangements	19,402
Road Policing	8,219
Specialist Operations	10,200
Intelligence	10,570
Specialist Investigations	19,310
Investigative Support	8,031
National Policing	7,492
Police Authority	944
Other Corporate Costs	393
<b>Total Policing Costs</b>	<b><u>191,727</u></b>
<b><u>Other Income</u></b>	
Other Income	(26,415)
<b>Net Cost of Police Services</b>	<b><u>165,312</u></b>

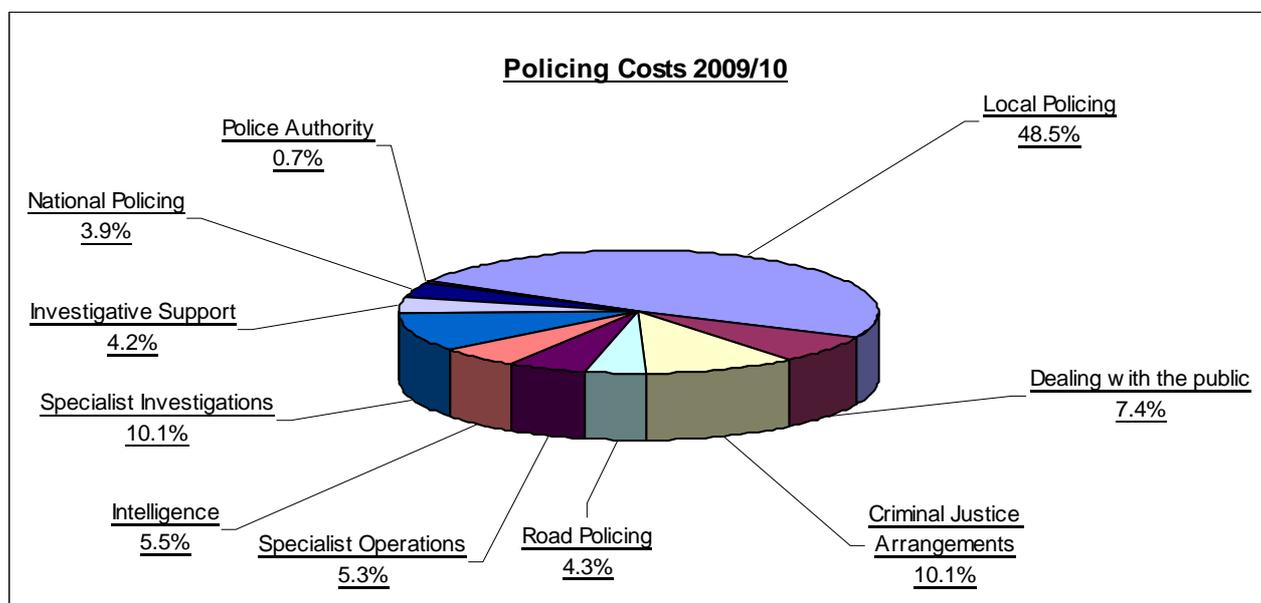
	<b>£'000</b>
<b><u>Other Costs</u></b>	
Other Running Costs	482
Capital financing and Interest	(6,543)
Pensions Adjustments	3,762
Net Contributions to/(from) Earmarked Reserves	<u>1,760</u>

**Amount met from Government Grants & Council Tax 164,773**

**Financed by: -**

Police Precept from Council taxpayers	52,452
Police Grant from Government	65,214
Business Rates redistributed by Government	38,517
Revenue Support Grant from Government	<u>8,890</u>
<b>Sub Total</b>	<b>165,073</b>

<b>Net General Reserve Surplus for the Year</b>	<b>300</b>
General Reserve brought forward	3,000
General Reserve carried forward	3,300



**Members' allowances**

Included within the Income and Expenditure account is an amount of £268,013 paid to Police Authority members and other persons assisting in the governance of the authority as Expenses and Allowances. The breakdown for 2009/10 is as follows:-

£

**Travel and Subsistence**

Fares	8,271
Car (mileage) Allowance	15,010
Subsistence	474

**Allowances**

Basic	146,243
Daily	8,722
Special Responsibility	72,948

**National Insurance** 16,345

**Total** **268,013**

### The Authority's Balance Sheet at 31 March 2010

The Balance Sheet presents the financial position of the Police Authority at the end of March 2010. 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.

<b>Assets</b>	<b>£'000</b>
Buildings, Land and Equipment	56,967
Money owed to the Authority	12,640
Cash, Investments and Stocks	<u>24,643</u>
<b>Sub Total</b>	<b>94,250</b>
<b>Liabilities</b>	
Borrowing (including Private Finance Initiatives (PFI))	(26,051)
Amounts owed by the Authority	(15,101)
Capital and Government Grants not yet applied	<u>(14,562)</u>
<b>Total</b>	<b><u>38,563</u></b>
<b>Financed By:-</b>	
Reserves for capital accounting purposes only	14,300
Reserves allocated for specific purposes *	20,936
General Reserve	<u>3,300</u>
<b>Total</b>	<b><u>38,536</u></b>

\* 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 2009/10, Derbyshire Police Authority spent £14.03 million on capital items, financed by income from capital grants (£3.97 million), revenue contributions and reserves (£3.2 million), the sale of assets (£0.16 million) and internal borrowing (£6.7 million).

The main areas of capital investment in 2009/10 were: -

	<b>£'000</b>
Central Contact Management Centre	7,570
Cotton Lane refurbishment	170
Other Building works	880
East Midlands Counter Terrorism Intelligence Unit	360
Airwave Terminal Replacement	750
Other IT and communications	1,250
Automatic Number Plate Recognition	380
Replacement Vehicles	960
Custody CCTV System	750
Equipment	440
PFI Lifecycle Expenditure	<u>520</u>
<b>Total</b>	<b><u>14,030</u></b>

## 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.

	<b>£'000</b>
Cash overdrawn at the Bank 31 March 2009	(1,436)
Cash In during the year	201,701
Cash Out during the year	<u>(201,219)</u>
<b>Cash overdrawn at the Bank 31 March 2010</b>	<b><u>(954)</u></b>

**Pensions** - The Authority participates in 2 different pension schemes;

### a) Police Officers' Pension Scheme

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. Officers' 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 pension 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) Employees' Pensions

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 2010/11

The Authority plans to spend £170 million in 2010/11 on revenue expenditure, which represents a 3% increase on 2009/10. The Authority has also approved a capital programme of £12.6 million for 2010/11.

**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](mailto:helen.boffy.4808@derbyshire.pnn.police.uk).

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Corporate Development  
Derbyshire Constabulary Headquarters  
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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](http://www.derbyshire.police.uk/policeauthority)