

Cumbria Police Authority Summary Statement of Accounts 2010-11

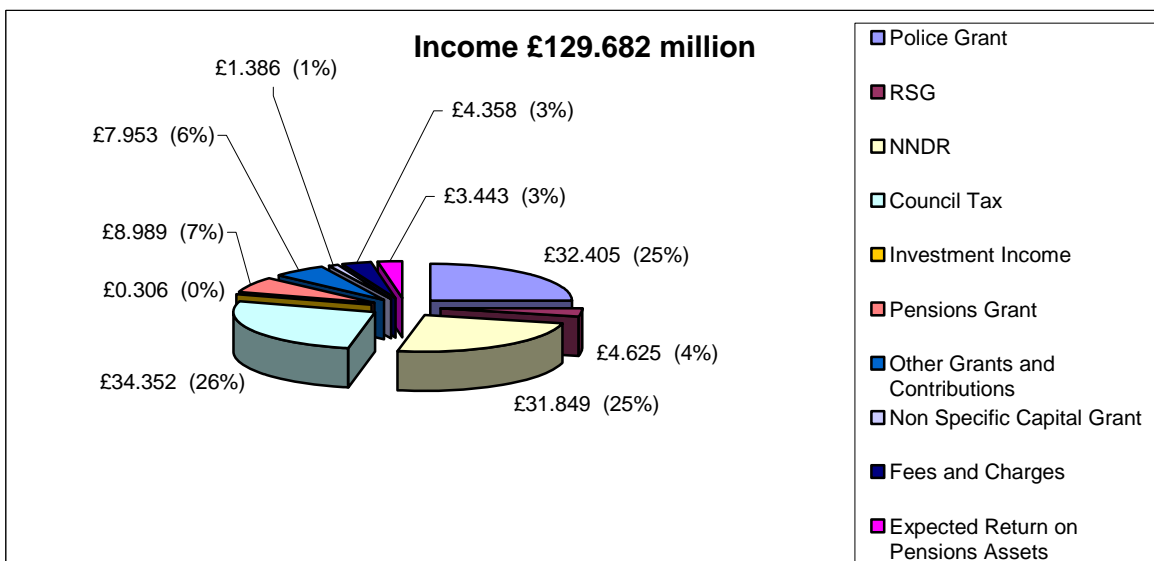
The Authority's principal statutory accounts are prepared in accordance with a Code of Accounting Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and, for the first time, with International Financial Reporting Standards (IFRS). It contains a number of complex and lengthy disclosures covering a variety of technical areas of the accounts so as to meet demanding professional standards. A substantial element of the principal accounts are not straightforward to understand for the lay reader, and, accordingly, a short summary has been prepared, based on good practice guidance notes from CIPFA, which sets out to highlight the main areas and statements in the accounts. The principal accounts and this summary are located on the Authority's website at www.cumbriapoliceauthority.org.uk. The document can also be obtained from: -

The Director of Finance and Resources
Cumbria Constabulary
Police Headquarters
Penrith, Cumbria
CA10 2AU

and is also available in different formats such as large print, Braille, audio, or in a different language by calling 01768 217734.

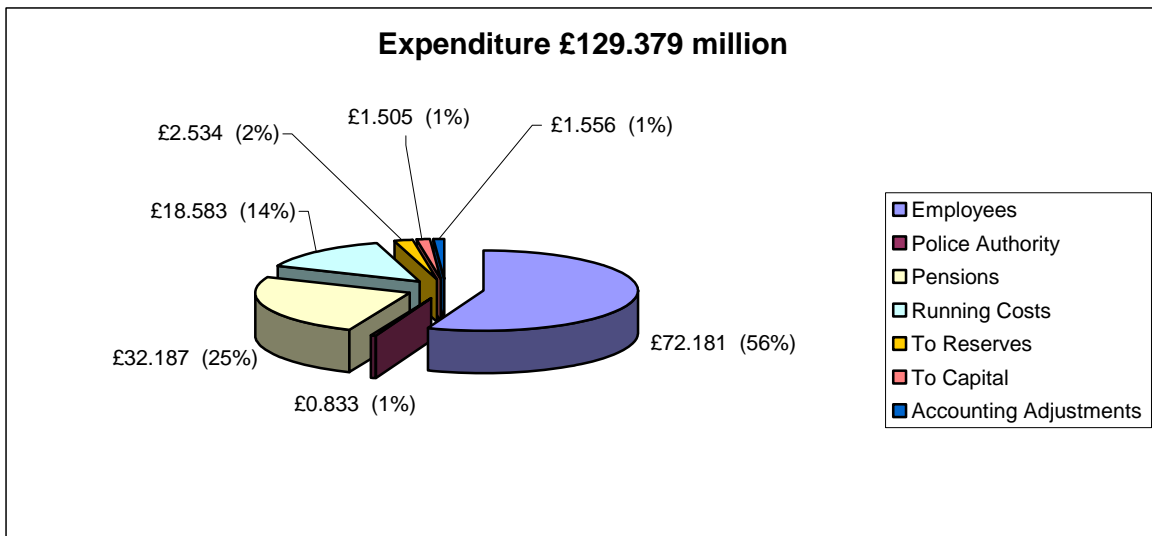
Cumbria Police Authority set a budget for 2010-11 of £103.088m, which included a planned contribution of £0.288m to general fund balances. The majority of the Authority's income came from central government funds, with only about 26% from local Council Tax payers. The Council Tax for a standard band D property was £193.89 and for a band B property, the most prevalent single band in Cumbria, amounted to £150.80. Actual final spending including transfers to and from reserves amounted to £104.314m, this, allowed a contribution of £0.308m (including £5k from capital receipts) to general fund balances during the year, which was slightly more than originally budgeted.

Where the money came from



The table on the previous page demonstrates the various sources of income received by the Authority in 2010-11. It shows that, of total income, 61% came from Government, based on a complex formula, which sets out to allocate funds on the basis of relative need. A further 6% of income came in the form of grants and contributions for specific purposes. 26% of total income came from Council Taxes, which the Authority is responsible for setting every year. The balance (7%) came from investment and other income.

What the money was spent on



The table above shows the distribution of expenditure during the year. The main elements can be summarised as follows: -

Employees – This area of the budget, amounting to 56% of total spending, supported an average of 1,219 police officers, 799 police staff and 108 Police Community Support Officers who provided the full range of policing services and organisation support.

Pensions – This area of the budget, representing 25% of total spending supported police pensions’ costs, incorporating formal accounting adjustments to set out the annual effect of future police pensions’ liabilities.

Running costs – This area of the budget, which amounted to 14% of total spending, supported the cost of premises, which comprised 51 operational buildings, the costs of transport, including running a fleet of 393 operational vehicles and a range of operational consumables, including the costs of IT and communications, operational equipment and uniforms.

Reserves – This represents the net movement for the year from the Income and Expenditure account to earmarked reserves.

Police Authority costs – This represents the Police Authority’s own costs, which include the cost of its statutory officers, members’ expenses and the cost of internal and external audit.

Capital – This area of the budget supported the capital investment programme.

Income and Expenditure Account 2010-11

The table below sets out the revised budgeted and actual costs of policing in Cumbria for the 2010-11 financial year with the 2009-10 figures shown for comparison, together with an analysis of the sources of finance.

	Re-stated 2009-10 Net Expenditure £'000	2010-11 Revised Budget £'000	2010-11 Net Expenditure £'000
Pay and Allowances	70,252	73,111	70,339
Police Pensions	18,495	28,729	28,729
Other Employee Costs	2,274	2,025	1,842
Premises	4,300	4,288	3,967
Transport	2,740	2,637	2,621
Supplies and Services	11,073	11,479	10,559
Other	1,372	1,590	1,436
Statutory Pensions and Other Charges (i)	48,222	57,955	57,955
Police Authority Costs	1,058	954	833
Gross Operating Expenditure	159,786	182,768	178,281
Income	(21,315)	(21,738)	(21,606)
Other Adjustments	793	(101,415)	(101,415)
Net Operating Expenditure	139,264	59,615	55,260
Statutory Pensions and Other Adjustments (i)	(39,386)	43,690	43,690
Reserve Movements and Revenue Contributions to Capital	1,907	1,024	5,364
Net Expenditure to be Financed by Government	101,785	104,329	104,314
Government Grants	(39,473)	(38,416)	(38,416)
National Non Domestic Rates	(28,942)	(31,849)	(31,849)
Council Tax Income	(33,243)	(34,352)	(34,352)
(Surplus) / Deficit for Year	127	(288)	(303)
General Fund Balance Brought Forward	(4,968)	(4,841)	(4,841)
Contributions (to) / from General Fund in the Year	127	(288)	(303)
Capital Receipt Transferred to the General Fund	0	0	(5)
General Fund Balance Carried Forward	(4,841)	(5,129)	(5,149)

(i) The year end figures include a number of statutory accounting entries, related to pensions and capital accounting, which are not routinely reported on during the financial year.

Readers can see a more detailed analysis and explanation for the out-turn and variances by reading the report presented to Governance Committee at its meeting on 30 June 2011 and accessible on the Authority's website www.cumbriapoliceauthority.org.uk.

Balance sheet as at 31 March 2011

The table below shows the overall financial position at the end of the financial year, with previous figures for comparison. It shows, in particular, the value of assets owned and any sums owed to and by the Authority.

	31 March 2010 £'000	31 March 2011 £'000
Assets and Liabilities :		
Buildings, Land and Major Equipment	72,909	70,768
Long Term Investments	2,176	0
Assets Held For Sale	280	160
Stock	314	297
Debtors	6,784	7,976
Short Term Investments	10,159	12,297
Cash in Bank	5,558	2,343
Current Liabilities	(15,156)	(12,972)
External Loans	(201)	(63)
Finance Lease	(32)	(22)
PFI Finance Lease Liability	(5,509)	(5,450)
Provisions	(363)	(363)
Pensions Liability	(917,915)	(821,158)
	(840,996)	(746,187)
Represented by :		
Usable Reserves	23,180	25,330
Unusable Reserves	53,739	49,641
Unusable Pensions Reserve	(917,915)	(821,158)
	(840,996)	(746,187)

- (i) Unusable Reserves include the Capital Adjustment Account, the Revaluation Reserve, the Collection Fund Adjustment Account, the Accumulated Absences Account and Pensions Reserves. These reserves are maintained for a variety of technical accounting purposes, which enable the current value of assets to be shown in the balance sheet, demonstrate how capital expenditure has been financed and record the Authority's long term obligation to meet pensions benefits and pay accrued leave entitlements. These reserves are not available for the Authority to spend.

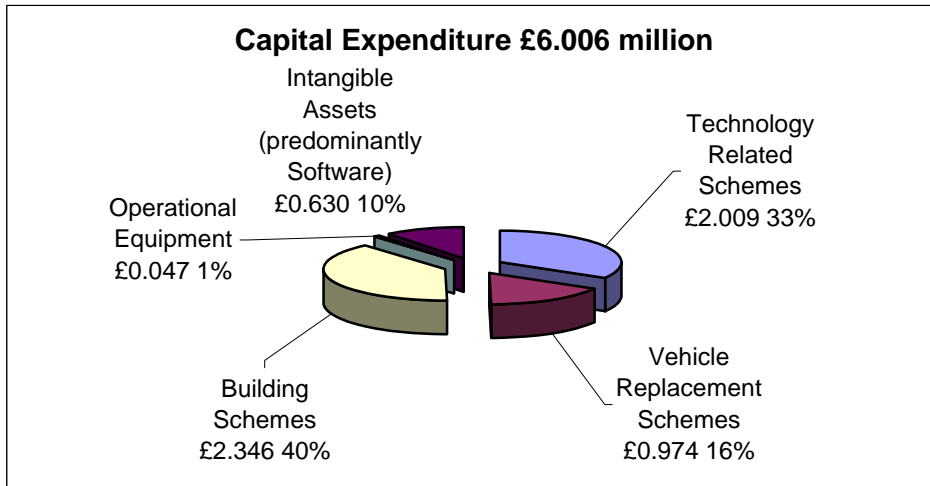
Cash Flow Statement

	£'000	£'000
Cash in bank, in hand or in transit at 31 March 2010		5,558
Net cash flows from Operating Activities :	1,956	
Net cash flows from Investing Activities :	(4,970)	
Net cash flows from Financing Activities :	<u>(201)</u>	(3,215)
Cash in bank, in hand or in transit at 31 March 2011		2,343

The balance of cash includes cash equivalents such as liquid investments. Any surplus cash is invested in secure banking institutions and generates additional income to support policing in Cumbria.

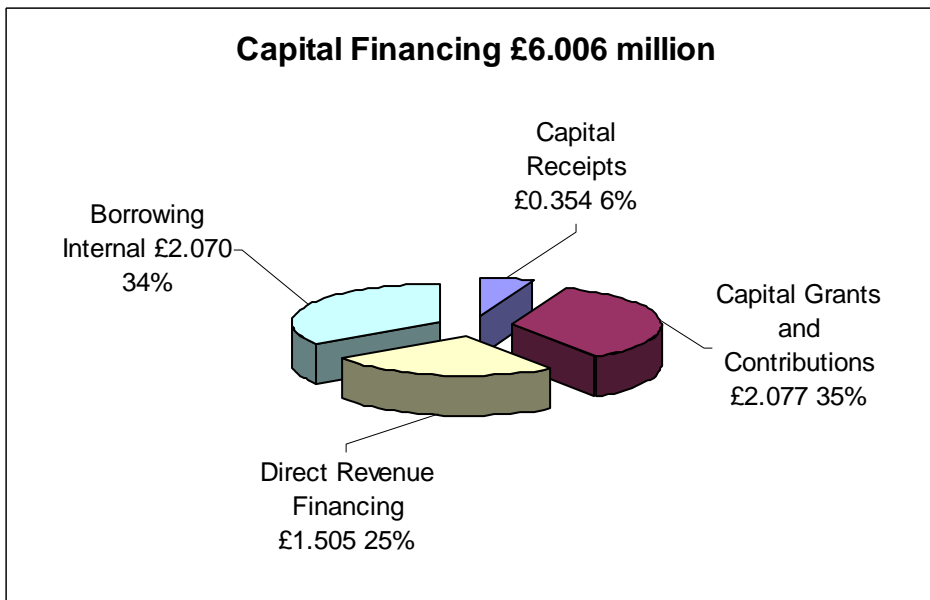
Capital Expenditure

Capital expenditure generally represents money spent acquiring, upgrading and improving assets and major operational equipment. The Authority and Constabulary receives the benefit from capital expenditure over a longer period of time. The chart below sets out the capital investment made during 2010-11, amounting, in total, to £6.006m. The largest single element of capital expenditure in 2010-11, amounting to £2.071m related to the upgrade of custody facilities at Kendal Police Station.



Capital Financing

The Authority's capital programme in 2010-11 was financed through a combination of capital receipts from the sale of assets, grants and contributions, sums set aside from revenue and borrowing



Constabulary Performance in 2010-11

The following table represents an extract of the performance during 2010-11, using the resources provided for policing. The table shows generally good performance in comparison to 2009-10 for most of the major performance headings, with total offences reduced by more than 4%, in addition there was an improvement in the detection rate for all crimes. There was also a reduction in the number of Anti Social Behaviour Incidents, which is a high priority for the Authority. The 2010-11 performance figures for Serious Violent Crimes are heavily impacted by a single event, namely the West Cumbria shootings of June 2010 (12 homicides and 16 other serious crimes). If this event is excluded performance in this category is more comparable with the previous year.

Performance Measure	2009/2010	2010/2011	Change	%Change	Performance Against Previous Year
All Crime	28,234	26,988	-1,246	-4.4%	✓
All Anti-Social Behaviour Incidents	37,174	32,929	-4,245	-11.4%	✓
Sanction Detection Rate	39.6%	40.2%		0.6%	✓
Assaults with less serious injury	2,779	2,560	-219	-7.9%	✓
Criminal damage	7,426	6,916	-510	-6.9%	✓
Serious Violent crimes:	210	263	53	25.2%	✗
Serious acquisitive crimes:	2,615	2,290	-325	-12.4%	✓
Robbery	47	67	20	42.6%	✗
Vehicle Crime	1,796	1,563	-233	-13.0%	✓
Burglary in a dwelling	772	661	-111	-14.4%	✓