

# NORTHUMBRIA POLICE AUTHORITY

Summary of Accounts

2009/2010



### **Introduction**

Northumbria Police Authority is made up of 17 members. Nine local councillors represent councils across Northumbria and eight independent members are appointed from local communities. Under the Police Act 1996, the Police Authority and its officers have defined responsibilities which are distinct from the operational management of the police force under the Chief Constable. The general functions of the Police Authority include ensuring an efficient and effective police force. The Police Authority also has a statutory responsibility to approve and monitor the annual police budget and to set the police element of the council tax, and for preparing and publishing the statement of accounts.

The Authority is responsible for managing overall expenditure within the budget although the day-to-day financial management is delegated to the Chief Constable.

Northumbria Police Authority's Statement of Accounts presents the actual income and expenditure of the Authority during the year, and its assets and liabilities at 31 March 2010. The figures supporting this summary statement were compiled having regard to proper accounting practice. For the purposes of this summary statement some figures have been combined and modified in an attempt to provide more meaningful information to non-technical users.

This summary statement has been prepared based on the audited Statement of Accounts approved by Northumbria Police Authority on 22 September 2010.

The Audit Commission (the Authority's external Auditor) has stated that the accounting statements and notes give a true and fair view of the financial position of the Authority as at 31 March 2010 and its income and expenditure for the year then ended. They have also stated that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.

**A full set of the Authority's audited 2009/10 accounts is available on the NPA website at [www.northumbria-police-authority.org](http://www.northumbria-police-authority.org)**

## Financial Review

The following statements by the Treasurer to the Police Authority describe some of the key points on the Authority's stewardship of public funds.

### Revenue Expenditure

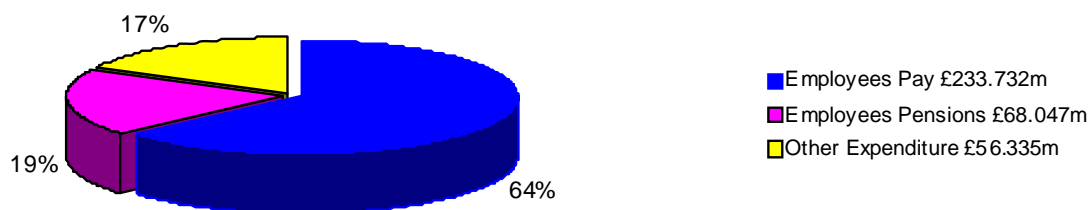
Revenue expenditure is the day-to-day running costs of providing the Authority's services and includes expenses such as salaries, heating, cleaning and repairs and maintenance.

The total cost of policing Northumberland and Tyne and Wear (including national functions) for the year to 31 March 2010 is shown below on a cost category basis, including 2008/09 for comparison.

	2008/09 £000	2009/10 £000
Police Officer salaries	146,867	154,752
Police Staff salaries	52,535	57,814
Officer & Staff pensions	67,373	68,047
Other salary related costs	20,536	21,166
Premises related costs	11,639	10,836
Supplies and Services	11,945	11,817
Transport related costs	7,068	6,307
Establishment expenses	7,863	7,316
Agency Services	6,959	6,645
Miscellaneous Expenditure	10,003	9,725
Capital charges	3,820	3,689
<b>Total expenditure</b>	<b>346,608</b>	<b>358,114</b>

Northumbria Police Authority (NPA) spent £358.114m on policing in 2009/10. The following chart shows how this expenditure was split between the main expenditure categories. This shows 83% was spent on employee related costs to provide over 4,000 police officers and over 2,500 police staff.

#### How the money is spent



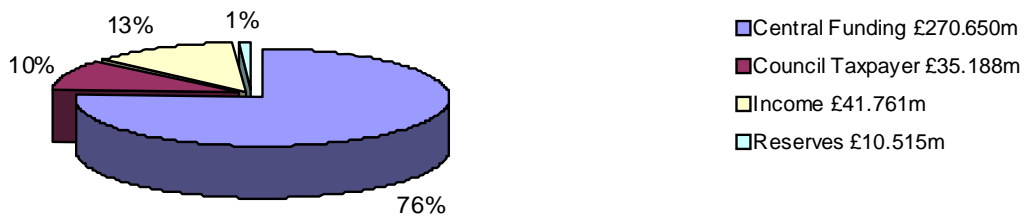
**Total Gross Expenditure £358.114m**

The following table shows where the income to fund this expenditure came from:

	<b>2008/09</b>	<b>2009/10</b>
	<b>£000</b>	<b>£000</b>
Home Office Grant	108,833	111,322
Revenue Support Grant	16,497	25,994
National Non-Domestic Rates	118,509	112,619
Home Office Pensions Top Up Grant	22,217	20,607
Proceeds of Police Authority Precepts	33,983	35,188
Other Income	44,273	41,869
Transfer (to) / from reserves	2,296	10,515
<b>Total</b>	<b>346,608</b>	<b>358,114</b>

The following chart shows how this income was split between the main funding categories.

#### Where the money comes from



#### Total Gross Income £358.114m

Income raised from local council taxpayers represents 10% of the total funding for 2009/10. Northumbria's council tax charge has been the lowest in the Country for a number of years and continues to be in 2010/11 with a band D charge of less than £84 for the year.

### Capital Expenditure

As well as expenditure on day to day policing the Authority incurs expenditure on purchasing, upgrading or improving assets such as buildings and vehicles where the Authority receives the benefit over a number of years. The following chart shows how much the Authority spent on this type of expenditure during 2009/10.

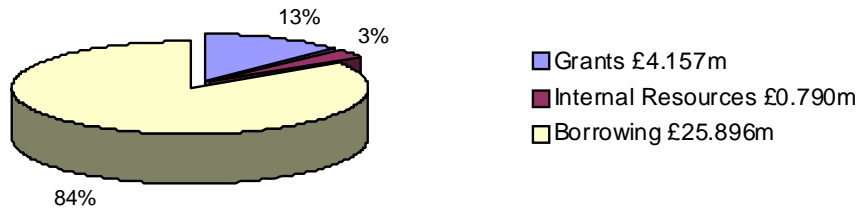
### How the money is spent



### Total gross capital expenditure £30.843m

Government grants, internal resources and borrowing as shown in the following chart financed this expenditure.

### Where the money comes from



### Total income £30.843m

### Financial Position of the Authority

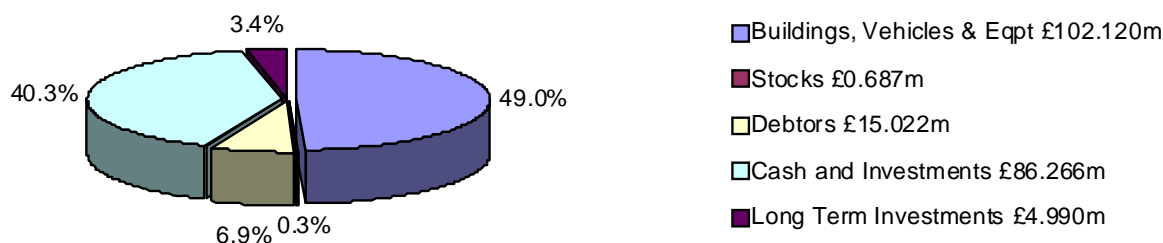
The balance sheet shows the Authority's financial position and net assets at 31 March 2010. It summarises what the Authority owns and is owed.

### What the Authority owns – Assets

The Authority's property portfolio, located throughout Northumberland and Tyne and Wear, includes 53 police stations, 42 police houses and 25 surplus and non-operational buildings. As at the year end the Authority also operates 678 patrol and other cars, 246 vans and heavy goods vehicles, 5 motorcycles and 1 helicopter (shared with Durham Police Authority).

The Authority owns £209.085m of assets at the end of 2009/10 split as shown in the following table and chart.

	2008/09 £000	2009/10 £000
Police Houses	3,882	3,578
Other Land / Buildings	54,699	60,162
Vehicles and Equipment	20,108	16,370
Other Fixed Assets	4,761	22,010
Long Term Investment	6,682	4,990
Stocks	675	687
Money owed to NPA	15,692	15,022
Cash and Investments	115,323	86,266
<b>Total Assets</b>	<b>221,822</b>	<b>209,085</b>

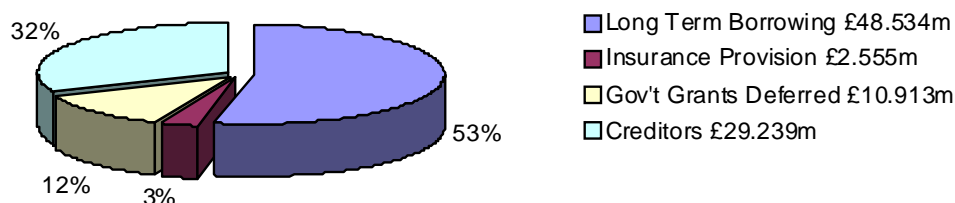


### What the Authority owes - Liabilities

The Authority owes £91.241m at the end of 2009/10 split as shown in the following table and chart.

	2008/09 £000	2009/10 £000
Long Term Borrowing	32,833	48,534
Insurance Provision	2,407	2,555
Government Grants Deferred	15,037	10,913
Money owed by the Authority	41,442	29,239
<b>Total Liabilities</b>	<b>91,719</b>	<b>91,241</b>

The following chart shows the split of what the Authority owes



53% relates to long term borrowing which is borrowing repayable after one year.

### Financed by Reserves

The Authority's net worth is the difference between what it owes and what it owns, which was £117.844m at the end of 2009/10 (£130.113m in 2008/09). This is financed by:

	2008/09 £000	2009/10 £000
Earmarked Reserves	45,498	41,125
General Fund	47,218	41,063
Capital Accounting Reserves	37,397	35,656
<b>Total Reserves</b>	<b>130,113</b>	<b>117,844</b>

Earmarked reserves are available to fund specific future expenditure, whereas the General Fund balance allows the Authority to meet unforeseen expenditure.

A programme for the use of these reserves over the medium term is included in the Authority's Medium Term Financial Strategy (MTFS) which is reviewed annually. The current MTFS for the period 2010/11 to 2012/13 is available on the Authority's website or on request.

### **Treasurer's Statement**

Northumbria Police Authority is responsible for the money spent by Northumbria Police. The Authority delegates management of the bulk of the budget to the Chief Constable, with the Authority monitoring performance on a regular basis.

Effective budget monitoring and control throughout the year has resulted in revenue expenditure for the year being contained within the revised estimate including a net appropriation from reserves of £10.515m compared to a revised estimate of £13.162m.

Northumbria's sound financial position has enabled the Authority to set a precept for 2010/11 at Band D of £83.68, the lowest in England and Wales, a 2.9% increase on the 2009/10 precept.

The Authority also approved a capital budget of £33.410m for 2010/11, including £20.495m for major building work.

Northumbria Police Authority has a duty to the people of Northumberland and Tyne and Wear to provide an efficient and effective service. To support this, we would welcome any feedback regarding the format and contents of the Summary of Accounts, so that they can be improved where possible to better meet the needs of stakeholders. Any comments should be directed to [enquiries.npa@gateshead.gov.uk](mailto:enquiries.npa@gateshead.gov.uk)



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Northumbria Police Authority Treasurer**

