

# NORTHUMBRIA POLICE AUTHORITY

Summary of Accounts

2006/2007



Northumbria  
Police Authority



### **Introduction**

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.

The net budget set by the Police Authority in 2006/07 was £266.615m, later revised to £262.555m.

The Northumbria Police Authority's Statement of Accounts presents the income and expenditure of Northumbria Police Authority during the year. The figures in this summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications were made to provide meaningful information. .

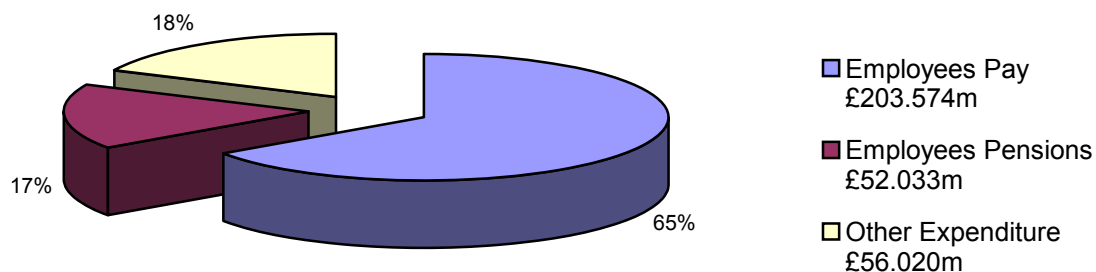
The Audit Commission (the Authority's external auditor) has stated that the financial statements present fairly the financial position of the Authority as at 31 March 2007 and its income and expenditure for the year then ended. They have also expressed the opinion that Northumbria Police Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007. **A full set of the Authority's 2006/07 audited accounts can be found on the NPA website at [www.northumbria-police-authority.org](http://www.northumbria-police-authority.org)**

### Revenue Expenditure

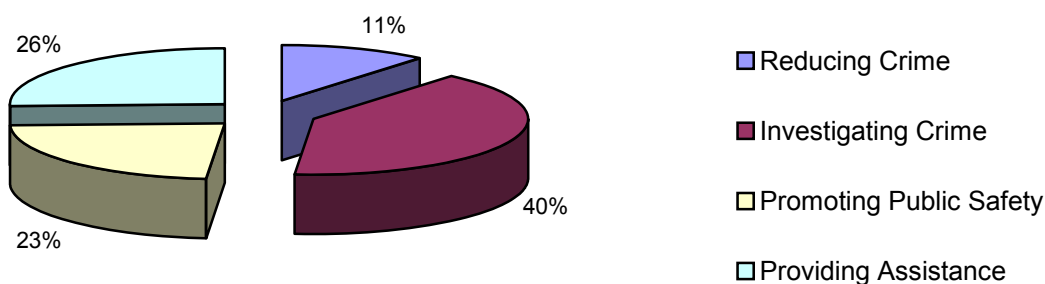
The total cost of policing Northumberland and Tyne and Wear (including national functions) for the year to 31 March 2007 is shown below on a cost category basis, including 2005/06 for comparison.

	2005/06 £000	2006/07 £000
Police Officer salaries	137,472	139,939
Police Staff salaries	38,359	42,744
Officer & Staff pensions	61,574	52,033
Other salary related costs	20,702	20,891
Premises related costs	9,129	8,311
Supplies and Services	10,246	11,264
Transport related costs	6,062	6,505
Establishment expenses	7,322	6,793
Agency Services	6,302	6,449
Miscellaneous Expenditure	7,181	7,773
Capital charges	7,311	8,925
<b>Total expenditure</b>	<b>311,660</b>	<b>311,627</b>

Northumbria Police Authority (NPA) spent £311.627m on policing in 2006/07. The following chart shows how this expenditure was split between the main expenditure categories. This shows 82% was spent on employee related costs to provide over 4,000 police officers and over 2,000 police staff.



A breakdown of costs by activity is shown below. This has been arrived at by monitoring the activities of police officers and staff by using the Activity Based Costing methodology.

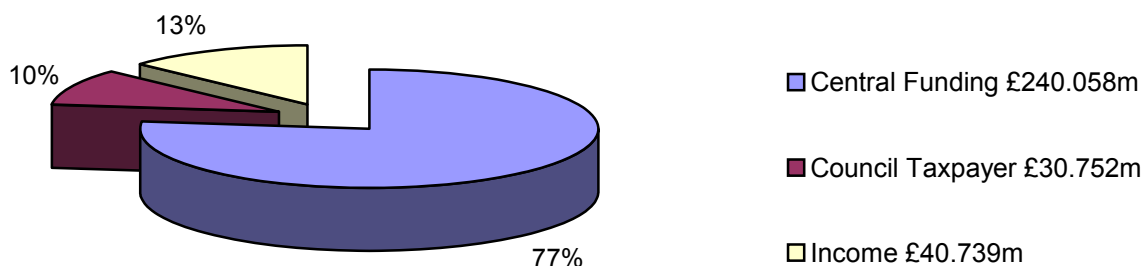


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This expenditure has been funded as shown in the following table.

	2005/06 £000	2006/07 £000
Home Office Grant	130,020	105,707
Revenue Support Grant	79,518	20,066
National Non-Domestic Rates	22,623	103,950
Home Office Pensions Top Up Grant	0	9,718
Amending Report Grant	450	617
Proceeds of Police Authority Precepts	29,854	30,752
Income	55,620	40,739
Transfer (to)/ from reserves	(6,425)	78
<b>Total</b>	<b>311,660</b>	<b>311,627</b>

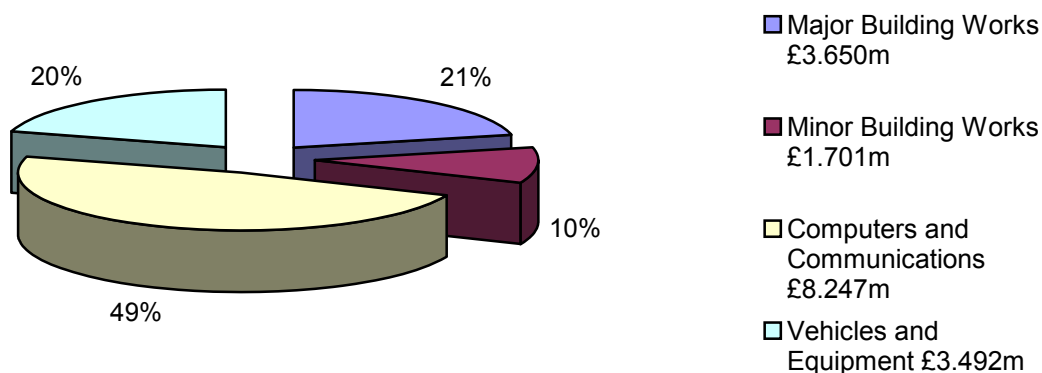
The split of external funding is shown in the following chart.



Income raised from local council taxpayers represents 10% of the total funding for 2006/07. Northumbria's council tax charge has been the lowest in the Country for a number of years and continues to be in 2007/08 with a band D charge of less than £75 for the year.

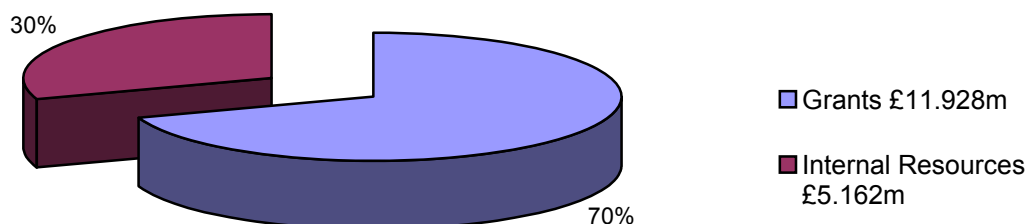
### Capital Expenditure

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 2006/07.



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

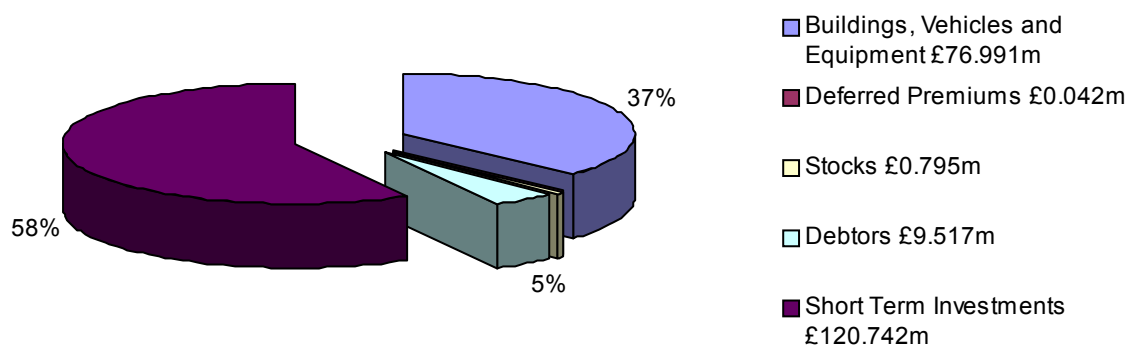


### Assets- what the Authority owns

The Authority's property portfolio, located throughout Northumberland and Tyne and Wear, includes 146 police stations and buildings and 61 police houses. The Authority also operates 698 patrol and other cars, 246 vans and heavy goods vehicles, 21 motorcycles, 2 helicopters and a launch.

The Authority owns £208.087m of assets at the end of 2006/07 split as shown in the following table and chart.

	2005/06 £000	2006/07 £000
Software Assets	350	277
Police Houses	6,788	5,169
Other Land / Buildings	42,932	49,258
Non Operational Assets	765	4,722
Vehicles and Equipment	13,381	17,565
Deferred Premiums	0	42
Stock	700	795
Debts owed to NPA	10,666	9,517
Short Term Investments	125,262	120,742
<b>Total Assets</b>	<b>200,844</b>	<b>208,087</b>

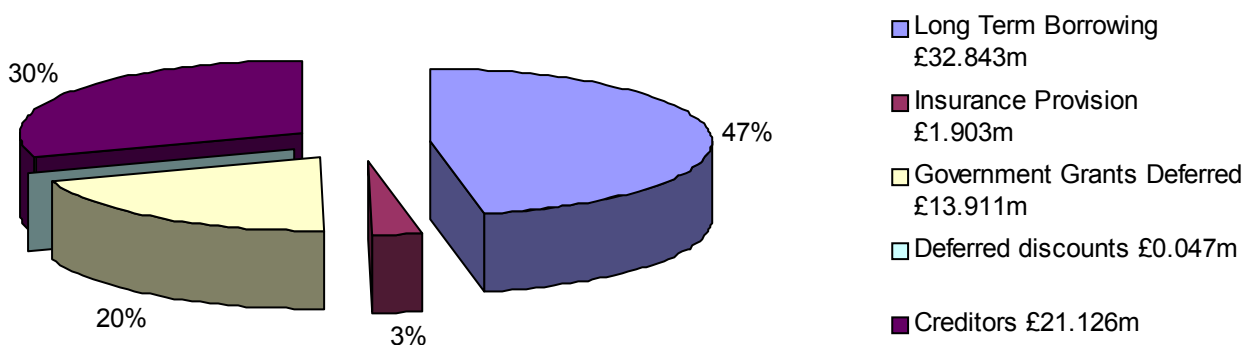


58% of this relates to short term investments which the Authority has invested securely with banks and building societies for a range of periods from overnight to up to a year in order to earn maximum interest.

### Liabilities- what the Authority owes

The Authority owes £69.830m at the end of 2006/07 split as shown in the following table and chart.

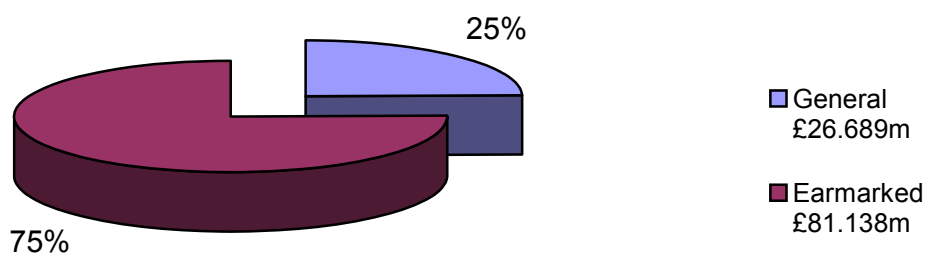
	2005/06 £000	2006/07 £000
Long Term Borrowing	34,212	32,843
Insurance Provision	2,537	1,903
Government Grants Deferred	8,339	13,911
Deferred Discounts	0	47
Creditors	19,485	21,126
<b>Total Liabilities</b>	<b>64,573</b>	<b>69,830</b>



47% relates to long term borrowing which is borrowing repayable after one year.

### Reserves

At the end of 2006/07 the Authority had £107.827m of resources available to fund future expenditure split as shown in the following chart.



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 2007/08 to 2009/10 is available on the Authority's website or on request.

**Treasurer's Statement**

Northumbria Police Authority (NPA) is responsible for the finances of Northumbria Police and the accounts therefore record all the expenditure and income of 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 funding available following a net contribution from reserves of £0.078m compared to an original estimate of £5.525m and a revised estimate of £1.465m from reserves.

Northumbria's sound financial position has enabled the Authority to set a net revenue budget of £278.145m for 2007/08 including £7.965m growth and a capital budget of £24.895m to continue to improve front line policing.

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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