



**Statement of Accounts 2007/08 Summary**



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## **Introduction**

As part of its key duty to provide an efficient and effective police service Merseyside Police Authority has a statutory requirement to approve and monitor the annual police budget and to set the police element of the council tax, i.e. the precept.

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

In 2007/08 the net budget set by the Police Authority was £307.3m.

The following tables present a summary of income and expenditure of Merseyside Police Authority during the year.

The figures contained in the tables are compiled having regard to proper accounting practices and for the purpose of this statement some modifications were made to provide meaningful information on a summarised basis.

In August 2008, the Authority's external auditor, The Audit Commission, carried out the final accounts audit. A full statement of those accounts can be found on the Authority's website at:

**[www.merseysidepoliceauthority.gov.uk](http://www.merseysidepoliceauthority.gov.uk)**

**Paul Johnson, BA(Hons), CPFA,**

**Treasurer,**

**Merseyside Police Authority**

## Revenue Expenditure

Revenue expenditure relates to day to day expenditure and income of the Authority on such items as salaries and wages of employees and running costs.

The total cost of policing Merseyside for the year to 31st March 2008 is shown below on a cost category basis.

Expenditure	2007/08 £	2006/07 £
Police Officer Salaries	179,040,849	175,880,635
Police Staff Salaries	76,569,470	68,337,000
Police Pensions	41,898,022	41,143,365
Other Employee Expenses	1,602,575	1,705,000
Premises	11,136,538	10,507,000
Transport	7,072,123	6,997,000
Supplies & Services	29,417,729	26,950,000
Third Party Payments	7,189,794	7,309,347
Police Authority	2,036,602	1,980,653
Financing of Capital	2,644,057	1,992,000
Income	(50,930,132)	(47,455,000)
<b>Net Cost of Services</b>	<b>307,677,629</b>	<b>295,347,000</b>
Interest	(951,538)	(829,000)
Transfers to Reserves	(1,316,472)	2,252,000
Transfer to Balances	1,910,511	717,000
<b>Total Cost to be Funded</b>	<b>307,320,130</b>	<b>297,487,000</b>

## Summary of Assets and Liabilities

The following table provides information on the Authority's assets and liabilities at 31st March 2008.

<b>Summary of Assets &amp; Liabilities</b>	<b>2007/08 £000</b>	<b>2006/07 £000</b>
Land & Buildings	146,674	125,058
Vehicles, Plant & Equipment	15,078	15,071
Assets under construction	121	215
Surplus Housing	3,536	2,550
Long Term Debtors	5	15
<b>Total Long Term Assets</b>	<b>165,414</b>	<b>142,909</b>
Stock	1,026	937
Debtors	17,373	20,073
Investments	662	1,715
Imprests/Cash	53	57
<b>Total Current Assets</b>	<b>184,528</b>	<b>165,691</b>
<i>Less Current Liabilities:</i>		
Unapplied Capital Grant	(22)	(788)
Creditors	(22,857)	(17,620)
Short Term Loans	0	(6,100)
Cash Overdrawn	(86)	0
<b>Total Assets less current liabilities</b>	<b>161,563</b>	<b>141,183</b>
Long Term Borrowing	(4,230)	(4,465)
Provisions	(3,964)	(5,672)
Gov't Grant Deferred Account	(17,917)	(17,943)
<b>Total Net Assets</b>	<b>135,452</b>	<b>113,103</b>

<b>Represented by:</b>	<b>2007/08 £000</b>	<b>2006/07 £000</b>
Capital Accounting Reserves	112,023	90,279
Usable Capital Receipts Reserve	1,896	1,846
Other Reserves	12,981	14,337
General Balances	8,552	6,641
<b>Total Equity</b>	<b>135,452</b>	<b>113,103</b>

The above data provides information on the Authority's assets and liabilities at 31st March 2008. It is slightly different from the published balance sheet since it excludes the technical entries for FRS 17 pension benefits and liabilities.

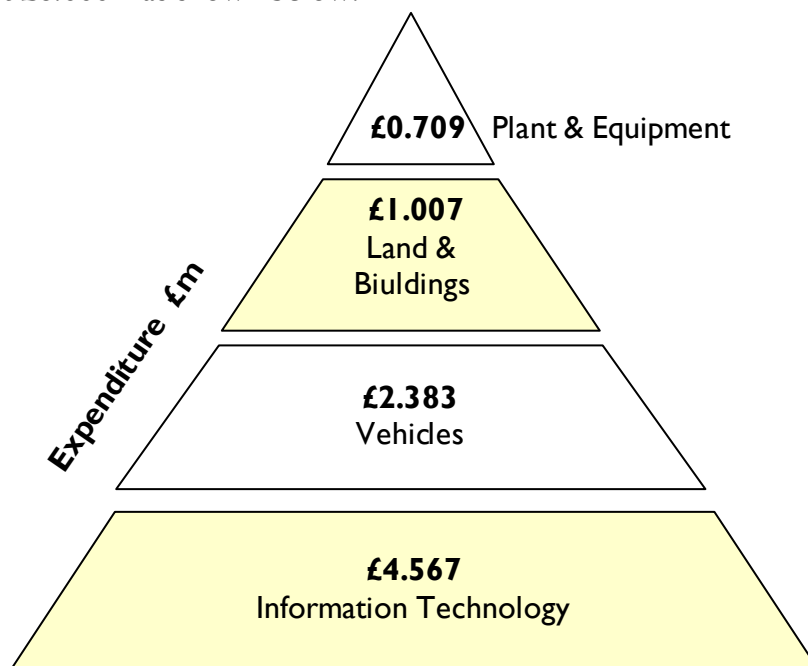
### Funding of Expenditure

The sources of funding are as follows:

<b>Sources of Funding</b>	<b>2007/08 £000</b>	<b>2006/07 £000</b>
Specific Police Grant	(127,674)	(125,466)
Amending Adjustment	0	(1,061)
Revenue Support Grant	(18,132)	(19,339)
Non Domestic Rates	(108,043)	(100,185)
Deficit on Collection Fund	676	42
Precepts	(54,147)	(51,479)
<b>Total Funding</b>	<b>(307,320)</b>	<b>(297,488)</b>

## Capital Expenditure

Capital Expenditure relates to the provision of assets which will be of long term benefit to the Authority such as improvements to police stations and properties, together with the purchase of vehicles, information technology and systems. During 2007/08 the Authority spent £8.666m as shown below:



Funding	2007/08 £m
Government Grants	(4.990)
Revenue Financing & from reserves	(1.253)
Borrowing	(2.423)
<b>Total Financing</b>	<b>(8.666)</b>