

Statement of Accounts 2008/09 Summary

Making Merseyside Safer



Building Public Confidence and Satisfaction

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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 2008/09 the net budget set by the Police Authority was £317.1m.

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 2009, 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:

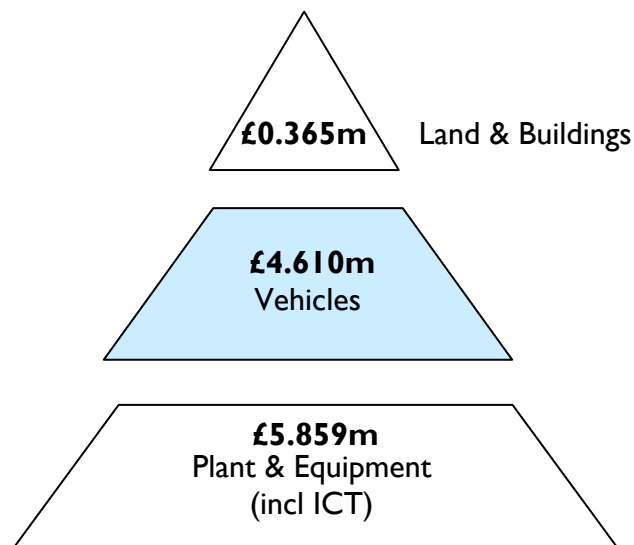
www.merseysidepoliceauthority.gov.uk

**Paul Johnson, BA(Hons), CPFA,
Chief Executive / Treasurer,
Merseyside Police Authority**

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 2008/09 the Authority spent £10.834m as shown below:

Expenditure £m



Funding	2008/09 £m
Government Grants	(5.344)
Revenue Financing & from reserves	(0.974)
Borrowing	(4.516)
Total Financing	(10.834)

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 2009 is shown below on a cost category basis.

Expenditure	2008/09 £	2007/08 £
Police Officer Salaries	185,719,185	179,040,849
Police Staff Salaries	78,043,000	76,569,470
Police Pensions	41,285,815	41,898,022
Other Employee Expenses	1,657,000	1,602,575
Premises	13,067,000	11,136,538
Transport	7,901,000	7,072,123
Supplies & Services	35,211,000	31,131,731
Third Party Payments	4,808,000	7,189,794
Police Authority	2,026,000	2,036,602
Financing of Capital	3,292,000	2,644,057
Income	(55,543,000)	(50,930,132)
Net Cost of Services	317,467,000	309,391,629
Interest	(1,001,000)	(951,538)
Transfers to Reserves	765,000	(3,030,472)
Transfer to Balances	(131,000)	1,910,511
Total Cost to be Funded	317,100,000	307,320,130

Summary of Assets and Liabilities

The following table provides information on the Authority's assets and liabilities at 31st March 2009.

Summary of Assets & Liabilities	2008/09 £000	2007/08 £000
Land & Buildings	140,610	147,485
Vehicles, Plant & Equipment	17,090	15,078
Assets under construction	17	121
Surplus Housing	2,510	2,725
Long Term Debtors	0	5
Total Long Term Assets	160,227	165,414
Stock	802	1,026
Debtors	27,149	16,763
Investments	2,845	662
Imprests/Cash	51	53
Total Current Assets	191,074	183,918
<i>Less Current Liabilities:</i>		
Unapplied Capital Grant	0	(22)
Creditors	(31,377)	(22,247)
Short Term Loans	(4,500)	0
Cash Overdrawn	(6)	(86)
Total Assets less current liabilities	155,191	161,563
Long Term Borrowing	(3,995)	(4,230)
Provisions	(5,123)	(5,678)
Gov't Grant Deferred Account	(18,257)	(17,917)
Total Net Assets	127,816	133,738

Represented by:	2008/09 £000	2007/08 £000
Capital Accounting Reserve	80,975	112,023
Usable Capital Receipts Reserve	2,038	1,896
Other Reserves	36,382	11,267
General Balances	8,421	8,552
Total Equity	127,816	133,738

The above data provides information on the Authority's assets and liabilities at 31st March 2009. 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:

Sources of Funding	2008/09 £000	2007/08 £000
Specific Police Grant	(131,347)	(127,674)
Revenue Support Grant	(15,790)	(18,132)
Non Domestic Rates	(113,428)	(108,043)
Deficit on Collection Fund	142	676
Precepts	(56,677)	(54,147)
Total Funding	(317,100)	(307,320)