

# **Summary Statement of Accounts**

2005/06

**Hertfordshire Police  
Authority**

## Introduction

This document summarises Hertfordshire Police Authority's full Statement of Accounts for the financial year 1 April 2005 to 31<sup>st</sup> March 2006. The Audit Commission gave an unqualified opinion of the full accounts on the 29<sup>th</sup> September 2006. The full accounts can be found on the Authority's website at [www.herts-police-authority.org.uk](http://www.herts-police-authority.org.uk).

## Revenue Account

The Revenue Account represents spending during the financial year on day to day items, including salaries, premises costs and supplies and services. It also shows income from government grant, council tax and other sources received during the year. The table below sets out the total cost of policing Hertfordshire during 2005/06.

	<b>£m</b>
Reducing Crime	10.8
Investigating Crime	82.3
Promoting Public Safety	50.8
Assistance To The Public	37.1
Use Of Specific Reserves	-2.5
Other Operating Costs / Income	-23.6
	<hr/> 154.9
Funded By	
Government Grant	108.7
Council Tax Income	50.7
	<hr/> 159.4
Underspend For Year	4.5

*Other Operating Income / Costs* consists of movements in specific reserves, operating income raised by the Authority and accounting adjustments relating to pensions and the use of capital assets.

The underspend for the year of £4.5m arose as a result of the following:

	<b>£m</b>
Underspend mainly resulting from pay and allowances due to vacancies during the year.	1.8
One off release of funds relating to police pensions as a result of new government funding arrangements.	3.1
Return of Key Worker Housing funds to general reserves due to changes to the government scheme funding arrangements.	1.0
Planned use of general reserves to support the budget.	-1.4
	<hr/> 4.5

## Balance Sheet

The balance sheet represents a summary of all the assets and liabilities of the police authority as at 31<sup>st</sup> March 2006.

	<b>£m</b>
Capital Assets	107.2
Cash In Bank And Investments	21.6
Stocks	0.7
Money Owed To The Authority	9.1
Money Owed By The Authority	-14.8
Pension Liabilities	-828.9
Other Liabilities	-7.9
<b>Total Assets Less Liabilities</b>	<hr/> <b>-713.0</b>
Pension Reserves	-828.9
Other Accountancy Reserves	98.4
Specific Reserves	7.4
General Reserves	10.1
<b>Total Reserves And Balances</b>	<hr/> <b>-713.0</b>

*Capital Assets* include the County Police Headquarters, Police Stations, Police Vehicles, Aircraft and Computer and Communication Systems.

*Pensions Liabilities and Pension Reserves* represent the commitment the authority has to pay pensions to both retired officers and staff and current employees. Whilst the liability is large, the financial position of the authority remains sound due to both the long term nature of the liability and statutory arrangements for funding it.

*Specific Reserves* are set aside for defined purposes such as insurance and annual variations in ill health retirement costs.

*General Reserves* are held to finance future revenue and capital expenditure and to protect the Authority against unexpected events. When setting the 2006/07 budget on 24 February 2006 the Authority also set a medium term financial strategy that would make use of some of these general reserves. The detailed budget papers can be accessed at [www.herts-police-authority.org.uk](http://www.herts-police-authority.org.uk).

## Capital Investment

In addition to the day to day expenditure shown in the Revenue Account above, £15.1m was invested during 2005/06 in capital assets as follows.

	<b>£m</b>
Land And Buildings	1.5
Plant And Equipment	5.4
Vehicles	1.4
Assets Under Construction	6.8
	<hr/> 15.1

Funded by.	
Capital Grants	4.0
Revenue and Partnership Contributions	1.4
Receipts From Sale Of Police Houses	9.7
	<hr/> 15.1

The authority is currently investing in its estate as part of a strategy to improve public access and visibility. This is reflected in the £6.8m of expenditure shown in assets under construction which represents expenditure incurred by the Authority on the construction of buildings including the cost of land acquisition during the year. Developments include the construction of a new operational support building at the Constabulary HQ as a part of a strategy in addressing an Authority priority to improve the call handling performance and efficiency to the public. Additionally significant police station developments have now commenced at Hatfield and Stevenage.

## Cashflow

The cashflow shows the level of cash received and paid out by the police authority during the year and the movement in cash and investments held at year end.

	<b>£m</b>
Cash In Bank And Investments 1 April 2005	30.6
Cash Received During The Year	192.4
Cash Paid Out During The Year	-201.5
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Cash In Bank And Investments 31 March 2006	21.5