



David Keane
Police & Crime
Commissioner
for Cheshire



**Cheshire
Constabulary**



GROUP STATEMENT OF ACCOUNTS SUMMARY 2018/19

CHESHIRE POLICE

Summary Group Statement of Accounts 2018/19

Welcome to this summary of the Commissioner's and Chief Constable's Group Statement of Accounts for 2018/19 produced to provide clear information and aid understanding. You can access a full copy of the published accounts on the Commissioner's website at www.cheshire-pcc.gov.uk

As your elected representative, the Police & Crime Commissioner for Cheshire (the Commissioner) David Keane developed his Police and Crime Plan for 2016-21 stating "in developing the plan, I have listened carefully to what you told me is important for your police service as well as speaking to partners and listening to the Chief Constable on the emerging policing threats for our county."

The plan sets out a vision in which Cheshire will have a Constabulary focused on community policing, putting victim's first. The legacy will be a police service fit for the future which is connected with, based within and accessible to local communities – real neighbourhood policing – see website at www.cheshire-pcc.gov.uk/what-i-do

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) fourth PEEL (police effectiveness, efficiency and legitimacy) assessment of Cheshire Constabulary took place in 2017. PEEL is designed to give the public information about how their local police force is performing in several important areas, in a way that is comparable both across England and Wales, and year on year. The outcome for the 2017 review is shown below. The next review took place early 2019 with the results due for publication later in the year.



The extent to which the constabulary is effective at keeping people safe and reducing crime is good.



The extent to which the constabulary is efficient at keeping people safe and reducing crime is good.



The extent to which the constabulary is legitimate at keeping people safe and reducing crime is good.

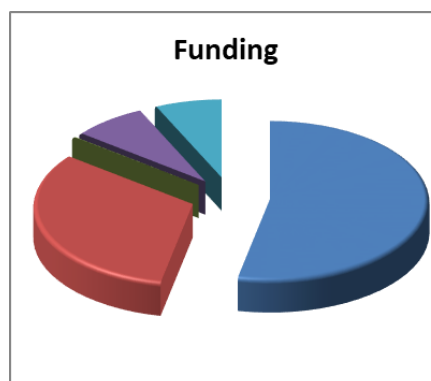
The following pages set out what funding was received in 2018/19; how it was spent together with a summary of performance during the year; and the investment made to ensure Cheshire is the safest place in the country.

Should you require any further information or if you have any comments, please contact Clare Hodgson, Head of Finance, Operations and Governance, Office of the Police & Crime Commissioner, on telephone number 01606 364019 or Wendy Bebbington, Head of Finance, Cheshire Constabulary on telephone number 01606 362035 or via the Office of the Police & Crime Commissioner, Stockton Heath Police Station, Grappenhall Road, Warrington, WA4 2AF.

WHERE DID THE MONEY COME FROM?

Funding comes from a number of sources with the largest element from central Government as shown below.

| | Funding £000 | |
|-----------------------|------------------|---------------|
| Government Grants | (108,353) | 53.2% |
| Council Tax - Precept | (65,534) | 32.2% |
| Interest on Balances | (100) | 0.1% |
| Specific Grants | (15,543) | 7.6% |
| Service Income | (14,021) | 6.9% |
| | (203,551) | 100.0% |

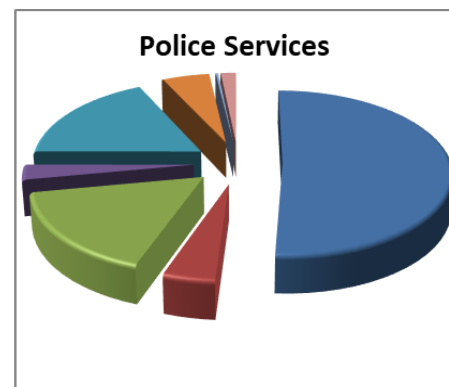


Your Council Tax contributes **32.2%** towards the cost of policing Cheshire, with Government grants, business rates and other income providing the rest.

HOW WAS IT SPENT?

Cheshire Police spent £203.6m in 2018/19 in providing the following police services.

| | Expenditure £000 | |
|--|---------------------|---------------|
| <u>Police Services:</u> | | |
| Police Pay | 104,597 | 51.1% |
| Local Policing | 9,061 | 4.4% |
| Force Operations | 34,110 | 16.6% |
| Centrally Delivered Services | 6,001 | 2.9% |
| Business Services | 36,729 | 17.9% |
| Collaborations | 10,481 | 5.1% |
| Corporate Costs | 578 | 0.3% |
| OPCC [^] | 3,396 | 1.7% |
| | 204,953 | 100.0% |
| Corporate Costs & Accounting Adjustments * | (861) | |
| Transfers to/(from) Reserves | (541) | |
| | 203,551 | |



[^] OPCC costs include expenditure on Victims Support, Community Safety and Safer Communities which represent 1.3% of the total expenditure. The OPCC office cost represents less than 0.4% of the overall expenditure.

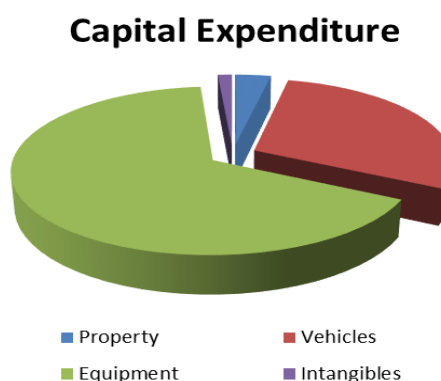
* Accounting adjustments are for the non-cash expenditure such as depreciation, actuarial pension costs, together with cash expenditure not allocated to a service (known as corporate costs), for example the minimum revenue provision for capital financing and interest payable.

This analysis excludes the notional Actuarial Pension Costs in respect of an ongoing McCloud national public sector pension's discrimination judgement as these would distort the analysis but have no impact on actual 2018/19 expenditure levels.

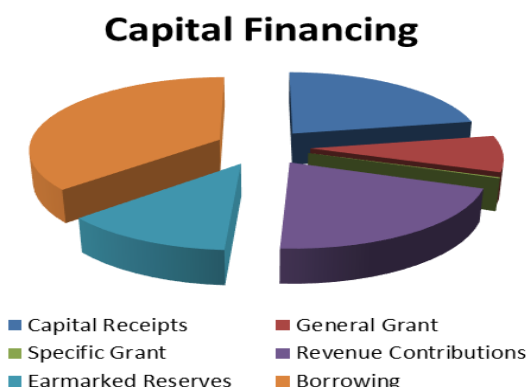
WHAT DID WE INVEST IN?

In 2018/19 capital investment in new technology, estate management and equipment was identified in the approved Budget Report together with the annual replacement programmes, which required funding of £8.1m. The programme was reviewed, amended and changes approved throughout the year as necessary with the year-end position shown below together with details of how this was funded.

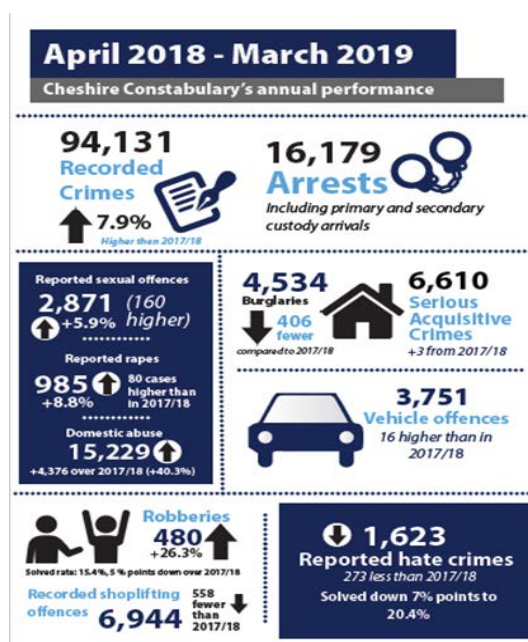
| <u>Capital Expenditure</u> | £000 | |
|----------------------------|--------------|---------------|
| Property | 268 | 3.3% |
| Vehicles | 2,347 | 29.1% |
| Equipment | 5,349 | 66.3% |
| Intangibles | 105 | 1.3% |
| | 8,068 | 100.0% |



| <u>Capital Financing</u> | £000 | |
|--------------------------|--------------|---------------|
| Capital Receipts | 1,788 | 22.2% |
| General Grant | 647 | 8.0% |
| Specific Grant | 17 | 0.2% |
| Revenue Contributions | 1,660 | 20.6% |
| Earmarked Reserves | 1,013 | 12.5% |
| Borrowing | 2,943 | 36.5% |
| Total | 8,068 | 100.0% |



WHAT DID WE ACHIEVE?



SUMMARY BALANCE SHEET

The balance sheet shows the value of the Commissioner's assets against his liabilities.

| 31 March 2017 £m | 31 March 2018 £m | | 31 March 2019 £m |
|------------------------|------------------------|----------------------------------|------------------------|
| 129.5 | 126.0 | Long Term Assets* | 135.7 |
| 0.6 | 0.5 | Stock | 0.5 |
| 22.8 | 21.0 | Short Term Debtors | 24.5 |
| 5.6 | 7.0 | Cash and Cash Equivalents | 7.2 |
| 0 | 0 | Assets (held for sale) | 0.2 |
| 158.4 | 154.5 | Total Assets | 168.1 |
| (19.8) | (23.6) | Current Liabilities | (24.1) |
| (22.7) | (21.7) | Long Term Liabilities | (20.8) |
| (16.8) | (18.9) | Borrowing | (25.9) |
| (59.3) | (64.2) | Total Liabilities | (70.8) |
| 99.1 | 90.3 | Net Worth Before Pensions | 97.3 |
| (2,185.2) | (2,213.0) | Pension Liability** | (2,452.4) |
| (2,086.2) | (2,122.7) | Net Worth After Pensions | (2,355.1) |
| | | Financed By: | |
| 20.0 | 16.4 | Usable Reserves | 15.2 |
| 79.0 | 73.9 | Unusable Reserves*** | 82.1 |
| 99.0 | 90.3 | Net Worth Before Pensions | 97.3 |
| (2,185.2) | (2,213.0) | Pension Reserve | (2,452.4) |
| (2,086.2) | (2,122.7) | Net Worth After Pensions | (2,355.1) |

* Whilst the value of Long Term Assets has decreased in recent years, a revaluation of land and property assets has resulted in an increase in value.

** The large pension liability above is included in the balance sheet to show what the Commissioner would owe if he had to pay all the pensions for all the existing and retired officers and staff in the pension schemes on 31 March. This would not happen as the actual payment of such pensions is made over many years and is funded by future contributions from officers and staff, together with Government funding.

*** Unusable reserves includes the capital accounting reserves representing the difference between the current valuation of assets and the historic cost of those assets; accumulated absences (as part of the working terms and conditions, at any given time employees can hold entitlement to leave, time off in lieu or flexi leave for additional hours worked) which are generally taken as leave rather than paid; and the potential impact of any surplus/deficit on the council tax collection fund applicable to the Commissioner.