



STAFFORDSHIRE COMMISSION
Police | Fire and Rescue | Crime



**STAFFORDSHIRE
POLICE**

Staffordshire Police Summary Accounts 2021/22

Staffordshire and Stoke-on-Trent



The purposes of this report is to summarise the key elements from the audited accounts and aims to make it easier for the readers to understand, instead of the more complex statutory accounts. It also includes other financial and performance information which may not be presented in the statutory accounts.

Staffordshire Police has a responsibility to feedback to the local residents of Staffordshire and tax payers, on how we spend and manage the resources of the Group.

The financial performance statement compares the budget (what we planned to spend) at the start of the year with what we actually spent and explains the changes. If we have over or underspent we have explained why.

As well as our annual expenditure, this statement also includes information about our longer-term financial sustainability. This is important so that you know the resources we have available to provide services into the future. The summary shows you what we own and what we owe, and what we have put aside to make sure we can deliver services beyond this year.

This information is consistent with the reported audited accounts. A full set of the Police and Crime Commissioners statement of accounts and Staffordshire Chief Constable Accounts are available from our respective websites.

<https://www.staffordshire.police.uk/>

<https://staffordshire-pfcc.gov.uk/>

Organisation Overview

The Police Reform and Social Responsibility Act 2011 established the Police and Crime Commissioner and the Chief Constable as separate legal entities. The legal transfer of operational policing to the Chief Constable, who also became the employer of police staff members, was completed on 1st April 2014.

This Statement of Accounts is produced in the context of the Police Reform and Social Responsibility Act 2011.

The PCC will mainly be referred to throughout this document as the Staffordshire Commissioner. The Staffordshire Commissioner includes the responsibilities as the Police and Crime Commissioner and governance of the Staffordshire Commissioner Fire and Rescue Authority.



Group Financial Performance

Our financial performance in 2021/22 was positive. The Groups core funding grew to £222m and operating surplus of £1.294m (0.87%) against the annual budget. This underspend will be added to our general reserves, providing additional support in future years in an increasingly uncertain external environment. We have excluded the statutory accounting adjustment.

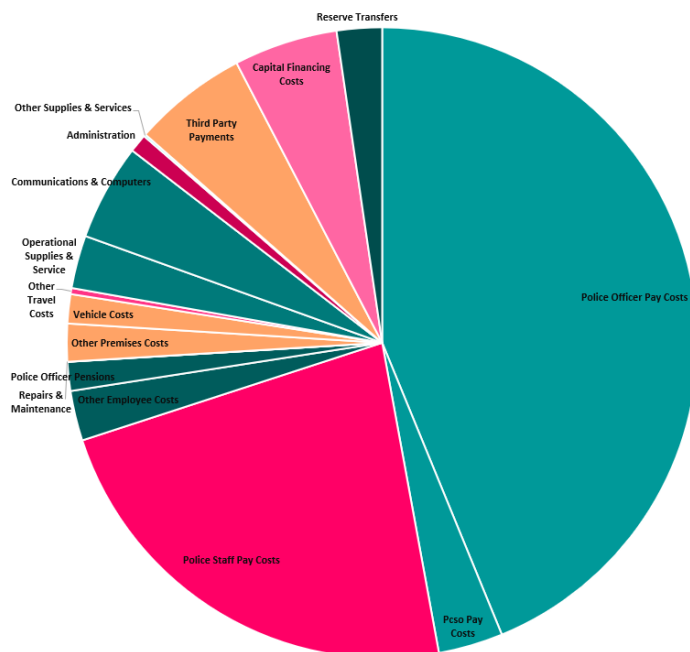
	2022 £'000	2021 £'000
Income	(17,757)	(18,018)
Expenditure	238,439	229,578
Total	220,682	211,560
Core Funding	(221,978)	(212,403)
Operating surplus	(1,294)	(843)

This, the fourth year of underspending, coupled with being one of only a handful of Forces nationally to see a continual reduction in crime over a number of years, underlies an organisation performing strongly delivering Value for Money to the taxpayer of Staffordshire.

During the year we received additional Home Office funding increase by £7.259m main grant funding. Although the Home Office have been clear that this does not cover any inflationary uplift and is the non-ring-fenced element of funding to support the increase in Police Officer numbers. In addition to the core funding the Group also received core policing grant for Officer Uplift for the second year. MHCLG also issued a non-ring-fenced Council tax support grant to assist the Group to cover council tax shortfall during the pandemic.

Achievements during the year:

- The Group delivered 94% of its planned savings for the year. This is set against the context of the year's budget and savings requirement being set in the MTFS.
- External debt, used to fund the capital programme, has reduced year on year as maturing loans were not refinanced but were paid off using internal cash balances, reducing the interest payable on loans thus providing better value for the taxpayer.
- Cashable savings from better, smarter and more efficient procurement totalling £634k for the year.



	£'000
Police Officer Pay Costs	104,503
PcsO Pay Costs	7,903
Police Staff Pay Costs	54,568
Other Employee Costs	6,111
Police Officer Pensions	3,534
Repairs & Maintenance	14
Other Premises Costs	4,614
Vehicle Costs	3,568
Other Travel Costs	739
Operational Supplies & Service	6,474
Communications & Computers	11,783
Administration	2,245
Other Supplies & Services	259
Third Party Payments	14,024
Capital Financing Costs	12,700
Reserve Transfers	5,522

Income	(17,781)
Core Funding	(222,075)

Operating Surplus	(1,294)
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There's a difference of £97k in the budgeted Core Funding for Stoke City Council to what was actually received.

Table 1: Staffordshire Police Budget – what we planned to spend against what we actually spent

Group			
	Budget (What we planned to spend £'000)	Net Spend (What we actually spent) £'000)	Forecast Movement £'000
Expenditure			
<u>Pay</u>			
Police Officer Pay Costs	103,963	104,503	540
PCSO Pay Costs	8,518	7,903	(615)
Police Staff Pay Costs	56,804	54,568	(2,237)
Other Employee Costs	6,682	6,111	(570)
Police Officer Pensions	5,583	3,534	(2,049)
Total Pay	181,550	176,619	(4,931)
<u>Non Pay</u>			
Repairs & Maintenance	27	14	(13)
Other Premises Costs	4,743	4,614	(129)
Vehicle Costs	3,387	3,568	182
Other Travel Costs	530	739	210
Administration	2,511	2,245	(267)
Operational Supplies & Service	6,920	6,474	(446)
Communications & Computers	12,534	11,783	(751)
Other Supplies & Services	556	259	(297)
Total Non-Pay	31,208	29,697	(1,511)
<u>Contracted</u>			
Third Party Payments	15,155	14,024	(1,130)
Total Contracted	15,155	14,024	(1,130)
<u>Capital Financing</u>			
Capital Financing Costs	9,373	12,700	3,327
Total Capital Financing	9,373	12,700	3,327
Income			
Grants & Contributions	(8,114)	(9,229)	(1,115)
Reimbursements	(5,047)	(7,176)	(2,129)
Sales, Fees & Charges	(993)	(1,072)	(79)
Other Income	(220)	(304)	(84)
Total Income	(14,375)	(17,781)	(3,406)
<u>Funding</u>			
Reserve Transfers	(714)	5,522	6,237
Total Funding	(714)	5,522	6,237
<u>Savings</u>			
Unallocated Savings	(122)	0	122
Total Savings	(122)	0	122
Total Police Services	222,075	220,781	(1,294)
Net Taxation and Grant Income	(139,079)	(139,079)	0
Total Expenditure and Income	82,996	81,702	1,294
Council Tax Requirement	(82,996)		

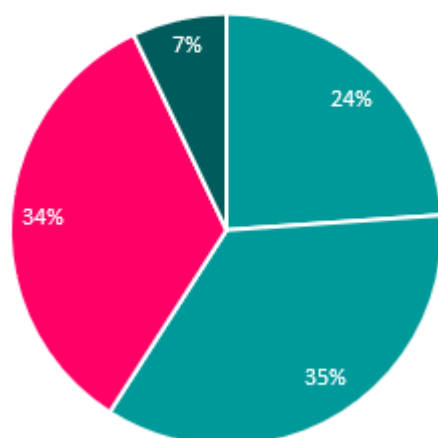
Capital Investment

During 2021/22, £4.724m was invested in capital projects, summarised as follows.

Capital Expenditure Outturn	Revised Budget £000	Actual £000	Actual %
Land and Buildings	4,371	1,129	24%
Information Technology	13,918	1,662	35%
Vehicles	3,023	1,599	34%
Plant and Equipment	483	334	7%
Total Capital Expenditure	21,795	4,724	100%

Capital Investment 2021/22

■ Land and Buildings
 ■ Information Technology
■ Vehicles
 ■ Plant and Equipment



Significant Investment had been made in IT for end user computing devices as part of a new rolling replacement programme. These additions will continue to focus on supporting agile/mobile working and provide staff and officers with a device that best meets the needs of their role whilst also supporting flexible working where possible.

Additional to the new devices IT has also rolled out the National Enabling Programme (NEP) is delivering technology and business change which supports the Staffordshire Police People First Strategy and Trust Driven policing Initiative. Full integration of NEP involves three elements - National Management Centre, Identity Access Management and Productivity Services. Office 365 under the Productivity Services element is a key enabler of Trust Driven Policing and the cultural aspects of People First.

Brand new property store currently under going construction at Watling Police station this new property store will replace the existing property store at Hanley Police station due to the disposal of the site in the near future.

During the financial year an additional revenue contribution to capital in year was made. In which has resulted in no requirement to borrow to finance expenditure on short-life assets (IT, Fleet and Equipment) for the 2021/22 programme. The capital financing requirement (net debt) has fallen by c.£3.8m in year.

The capital programme spend of £4.724 million in year has been funded as follows:

Capital Financing	31 st March 2022 £000
Capital Grants	0
Capital Receipts	0
Revenue Contribution to Capital	4,724
Internal Borrowing	0
Total Capital Funding	4,724

(This does exclude revenue contribution to capital which has funded assets under construction which has become operational during the year).

Balance Sheet Position

The Balance sheet is a snapshot of the Group assets and liabilities, cash balances and reserves at the balance sheet date. A table summary is provided below.

31 st March 2022	
£000	
Long Term Assets	87,836
Current Assets	61,222
Current Liabilities	(34,099)
Long Term Liabilities	(2,307,910)
Net Liabilities	(2,192,951)
Usable Reserves	(38,154)
Unusable Reserves	(2,231,106)
Total Reserves	2,192,951

As at 31st March the balance sheet shows the group had negative assets, fortunately this is not the case. The sole reason for this is the unfunded Police Pension Scheme and the funded Local Government Pension Scheme (LGPS) pension scheme. Excluding these pension liabilities, the Group Balance sheet has net assets of £47.367m including usable reserves of £38.154m. The long-term liability for pensions represents an estimate of future pensions payments owed to current and former employees. It is matched by a pension reserve (unusable reserve) in the balance sheet and does not impact the council tax levied.

The usable reserves represent real resources to the Group. General Reserves of £8.5m are used to support future budgets strategies and to provide cover for unforeseen expenditure. The balance of £27.7m has been earmarked for specific future purposes.

Unusable reserves are required for statutory accounting purposes and therefore cannot be called upon to support future spending.

Financial Sustainability

We have a plan for long term to ensure that we can continue to deliver our services in future years and able to deal with any unexpected events. As a result, it is important that our financial sustainability is robust.

We have developed four-year financial plan, which includes looking at the risks and future demands on services. The biggest risks identified are likely to be:

- Safeguarding the financial position of the police services - the chief constable and PCC are both looking to ways to improve efficiency and deliver services differently. These plans are currently on track.
- Covid-19 – the impact on the amount available through council tax funding and the impact that the pandemic will have on central funding from government, is of concern. We are also expecting a rise in demand on our services due to the impact of the recession on increased unemployment and social dissatisfaction, as well as challenges that the transition to the “new normal” will place on society and policing.
- Police Officer pension costs - remain a significant risk over the medium term, in particular in light of the McCloud judgement on pension's age discrimination. To offset this risk the Commissioner has established a pensions reserve, however the impact of this could amount to a significant multi million-pound annual cost.