

SUMMARY STATEMENT OF ACCOUNTS

2014-2015

This document summarises the 2014-15 Financial Statements for the Police and Crime Commissioner Lincolnshire Group (the PCC Group) and gives a view of the financial position as at 31 March 2015. The Police and Crime Commissioner for Lincolnshire and the Chief Constable for Lincolnshire both have to produce statutory accounts. This is a consolidation of the accounts for both bodies.

In order to present this information in a more concise and user friendly way, modifications to the full Statement of Accounts have been made. These accounts therefore have no legal standing due to these modifications. Statutory requirements are met through the full accounts which are available on the Police and Crime Commissioner website at www.lincolnshire-pcc.gov.uk. The documents can also be obtained from:

The Chief Finance Officer
Police Headquarters
Deepdale Lane
Nettleham
Lincoln LN2 2LT

The Police and Crime Commissioner
for Lincolnshire

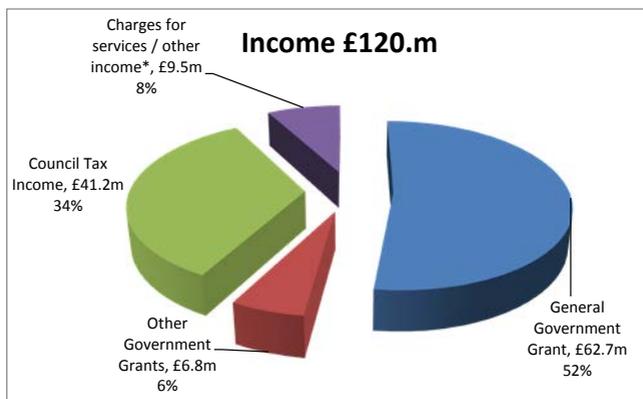
policing with PRIDE





Income received in 2014-2015 was £120.2 million. The majority of the income was from Central Government funds, with only 34% from local Council Tax. The policing element of the Council Tax for a standard band D property was £193.86 and for a band A property, the most prevalent single band in Lincolnshire, amounted to £129.24.

Where the money came from



*Other income includes Lincolnshire County Council's contribution towards PCSO funding and other recoveries and recharges for services outside of normal policing.

The PCC's Grant settlement for 2014-15 reflected the overall reductions being experienced in public sector expenditure. In line with other PCCs the grant to be received was reduced by 4.8% compared to 2013-14 figure, a cash reduction of £3.1m.



Income and Expenditure Account 2014-2015

The table below sets out the actual costs of policing in Lincolnshire for the 2014-15 Financial Year with the 2013-14 shown for comparison, together with an analysis of the sources of finance.

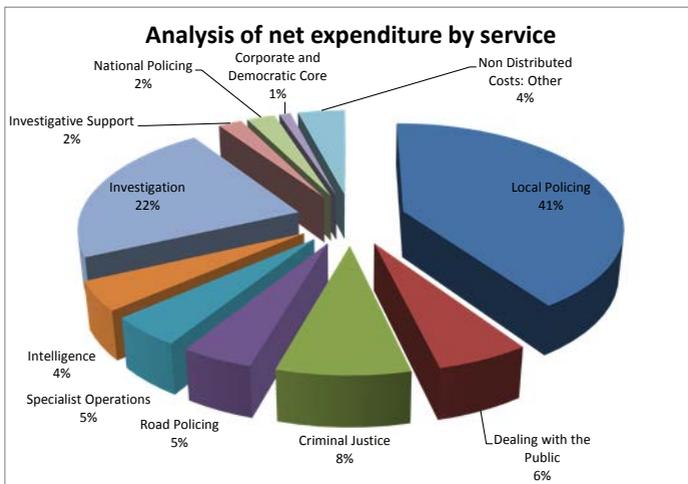
		Expenditure 2013/14	Expenditure 2014/15	Expenditure 2014/15
	Ref	£m's	£m's	%
Employees	1	70.479	74.633	63%
Premises	2	2.566	2.837	2%
Transport	2	2.317	1.803	2%
Supplies and Services	2	5.609	9.158	8%
Third party payments and contracted services	3	32.063	25.253	21%
Capital Financing	4	4.822	4.472	4%
Total Operating Expenditure		117.856	118.156	100%
Grant and other income		(118.446)	(120.201)	
(Surplus) / Deficit for Year		(0.590)	(2.045)	



What the money was spent on

The chart below shows the distribution of expenditure during the year. The Force is required to analyse expenditure by type of spend. These categories are defined nationally and used to compare spend across Forces. The main elements of expenditure can be summarised as follows:

1. **Employees:** Employee spend on police officers, police staff and police community support officers amounted to 63% of total spending. The PCC continues to remain committed to providing 1100 police officers and 149 police community support officers.
2. **Running costs:** Spending amounts to 11% for the premises, transport and operational consumables, including uniforms. Premises include 39 police stations and a force HQ. Transport includes a fleet of 447 operational vehicles. Also includes provisions relating to pension liabilities of forensic staff TUPE transferred in the Financial Year 2014-15.
3. **Third party payments and contracted services:** This represented 21% of the total spending and includes the G4S partnership payments. This Strategic Partnership for the provision of mid and back office services was effective from 1 April 2012.
4. **Capital financing:** This supports the capital investment programme that covers the purchase of vehicles, new technology and work to the estate.



Balance Sheet as at 31 March 2015

The table below shows the overall financial position at the end of the financial year, with previous figures for comparison. It shows, in particular, the value of the assets owned and any sums owed to and by the PCC Group.

	31 March 2014	31 March 2015
	£m's	£m's
Property, Plant and Equipment	30.228	29.166
Investment Property	0.875	0.970
Intangible Assets	3.026	3.740
Long-Term Debtors	0.102	-
Long-Term Assets	34.231	33.876
Inventories	0.422	0.452
Short-Term Debtors	11.578	12.484
Cash and Cash Equivalents	4.919	3.938
Current Assets	16.919	16.874
Short-Term Borrowing	(1.710)	(1.312)
Short-Term Liabilities	(17.477)	(8.274)
Capital Grants Receipts in Advance (< 1 yr)	(0.419)	(0.728)
Current Liabilities	(19.605)	(10.314)
Long-Term Borrowing	(14.566)	(13.254)
Other Long-Term Liabilities	(0.713)	(6.405)
Long-Term Liabilities	(15.279)	(19.659)
Net Assets	16.266	20.777
Usable Reserves	15.094	16.750
Unusable Reserves	1.172	4.027
Total Reserves	16.266	20.777

Finance leases have been reclassified in terms of the split between long-term and short-term liabilities. These were previously incorrectly showing 5 years in short-term liabilities.

Usable Reserves 2014-2015

The table below shows the movement in usable reserves in 2014-15 Financial Year together with the 2013-14 figures for comparison.

	General Reserves	Earmarked Reserves	Capital Grants Unapplied	Total Usable Reserves
2013/14				
	£m	£m	£m	£m
Balances Brought Forward from previous years	(5.629)	(8.096)	-	(13.725)
(Surplus) / Deficit for Year	-	(0.590)	(0.779)	(1.369)
Balances Carried Forward to future years	(5.629)	(8.686)	(0.779)	(15.094)
2014/15				
	£m	£m	£m	£m
Balances Brought Forward from previous years	(5.629)	(8.686)	(0.779)	(15.094)
(Surplus) / Deficit for Year	-	(2.045)	0.389	(1.656)
Balances Carried Forward to future years	(5.629)	(10.731)	(0.390)	(16.750)

The actual net expenditure gives a surplus for the year. This was mainly due to Police Officer numbers being lower than anticipated at the start of the year together with reductions in the running costs budget resulting from ongoing reviews of spend to drive out budget savings for the future. The PCC agreed to carry forward this amount in earmarked reserves. This will be used to invest in capital developments, reduce borrowing costs and to help fund performance improvements.

Spending against the 2014-15 budget has been monitored regularly throughout the year and reports from the Chief Constable have been reviewed at the PCC's Resource Governance meetings.

There are challenges ahead as funding will be further reduced in the future. Policing in Lincolnshire will have to continue against a backdrop of efficiencies and cost reductions.

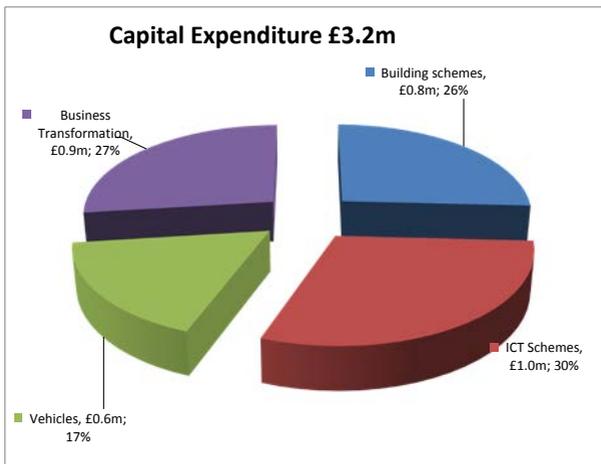
Cash Flow Statement

	£m's	£m's
Cash in bank, in hand or in transit at 31 March 2014		4.919
Cash outflow from Operating Activities:	(5.471)	
Cash inflow from Investing Activities:	3.815	
Cash flow in from Financing Activities:	2.637	
Decrease in cash flow in year		0.981
Cash in bank, in hand or in transit at 31 March 2015		3.938

The balance of the cash includes cash equivalents which are held for the purpose of meeting short term cash commitments rather than for investment or other purposes, such as on call deposit accounts. Any surplus cash is invested in UK banking institutions and generates additional income to support policing in Lincolnshire.

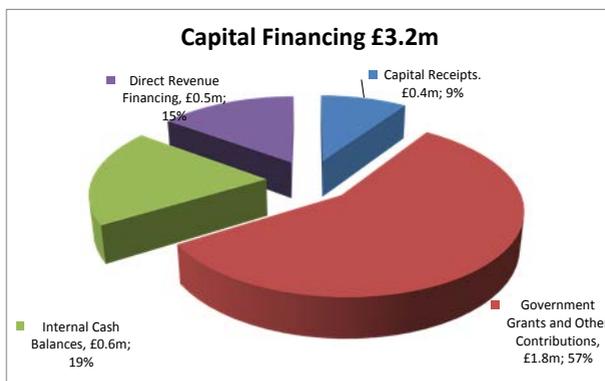
Capital Expenditure

Capital expenditure represents money spent on acquiring, upgrading and improving assets and major operational equipment. It relates to the provision of assets which will bring long-term benefit to the PCC Group. The chart below sets out the capital investment made in 2014-15. The expenditure on business transformation are schemes to develop ICT functionality and new services, providing resilience, new working patterns and a more effective organisation.



Capital Financing

The PCC Group's capital programme in 2014-15 was financed through a combination of capital receipts from the sale of assets, grants, and contributions from revenue and internal cash balances. External borrowing was not necessary in 2014-15 due to the level of cash balances being held.



Notes to the Summary Accounts

The summary accounts are a simplified version of the PCC Group's financial position and differ considerably from the accounts required by law that are prepared in accordance with accounting regulations. The following notes explain the key differences to the main statements:

Accounting for Pensions

The Account Regulations require the PCC Group to recognise the financial consequences of retirement benefits when they are earned by employees rather than when benefits are eventually paid as pensions. As a result the PCC Group has a significant pension liability not shown in these summary accounts. Arrangements for funding the liability are in place with the Local Government Pension Scheme. The Police Pension Scheme costs are met each year by a specific grant from the Home Office.

Joint Operations

The PCC Group has several joint operations, both with the police forces across East Midlands and with the public sector in Lincolnshire. The summary accounts exclude these arrangements.

Council Tax

Only the Council Tax income that is actually received for policing Lincolnshire is included in these summary accounts.

Employee Benefits

The adjustments included in the statutory accounts relating to additional hours worked but not paid, have been removed from the summary accounts.

The full statutory accounts together with the detailed notes are available on the Police and Crime Commissioner's website at www.lincolnshire-pcc.gov.uk

Performance in 2014-15

The following table shows an extract of the performance during 2014-15, using the resources, as detailed in these accounts, provided for policing.

The table shows a good performance in comparison to 2013-14 for most of the major performance headings, with total recorded crime reduced by 2.1%, which places Lincolnshire with the 5th best reduction out of 43 forces nationally.

Performance Measure	2013-14	2014-15	Change	% Change
Overall recorded crime	35,950	35,208	(742)	-2.1%
Burglary Dwelling	1,814	1,843	29	1.6%
Violence against the person with injury	2,999	3,236	237	7.9%
Calls for service (incidents)	156,684	158,351	1,667	1.1%
Anti-social behaviour incidents	21,735	21,232	(503)	-2.3%
Overall crime resolution	31.6%	31.6%		0.0%
Burglary Dwelling resolution	16.5%	15.3%		-1.2%
Violence against the person with injury resolution	47.6%	46.6%		-1.0%
Overall confidence - crime survey (England and Wales) Data as at March 2014 & March 2015	71.7%	72.2%		+0.5%

Note: Changes to prior year numbers may arise due to changes in the way the measures are calculated.



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