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GRAMPIAN JOINT POLICE BOARD

To: Councillor Blackett, Boulton, J Dunbar, Evison, Forsyth, Greig, Hendry, McKail, Ross, Tait, Taylor, Tuke, Shepherd, Walker and Young

Town House, ABERDEEN
1st June 2012

GRAMPIAN JOINT POLICE BOARD

Members of the **GRAMPIAN JOINT POLICE BOARD** are requested to meet on **FRIDAY, 8 JUNE 2012 at 2.00 pm** in **COMMITTEE ROOM 2, TOWN HOUSE, ABERDEEN.**

Please note that this meeting will be preceded by Members Induction Training commencing at 10am, a buffet lunch served at 1pm and all Members of the Board are requested to be present by 1.45pm to enable a presentation to be made to Mr John McNab to mark the occasion of his retirement as Deputy Chief Constable of Grampian Police.

JANE G. MACEACHRAN
CLERK TO THE BOARD

BUSINESS

- 1 Welcome & Introductions
- 2 Apologies for Absence
- 3 Appointment of Convener and Vice Conveners - Report from the Depute Clerk
(Pages 1 - 6)
- 4 Minute of Last Meeting - 23rd March 2012 (Pages 7 - 16)
- 5 Matters Arising

- 6 Grampian Joint Police Board - Outstanding Business Statement (Pages 17 - 18)
- 7 Police Reform Programme - A verbal update will be provided
- 8 Appointment of Sub Committees - Report from the Depute Clerk (Pages 19 - 24)
- 9 Appointment of Police Appeal Tribunal - Report from the Depute Clerk (Pages 25 - 26)
- 10 Revenue Budget Monitoring Report - 30th April 2012 - Report from the Chief Constable and the Treasurer (Pages 27 - 30)
- 11 Capital Budget Monitoring Report - 30th April 2012 - Report from the Chief Constable and the Treasurer (Pages 31 - 36)
- 12 GJPB Draft Annual Accounts - 2011/12 - Report from the Chief Constable and the Treasurer (Pages 37 - 130)
- 13 Police Treatment Centres - Report from the Chief Constable (Pages 131 - 134)
- 14 Property Asset Management Plan (PAMP) - Report from the Chief Constable (Pages 135 - 148)
- 15 Proposed New Aberdeen Custody Suite - Report from the Chief Constable (Pages 149 - 156)
- 16 New Police Office - West Cathcart Street, Buckie - Report from the Chief Constable (Pages 157 - 160)
- 17 New Police Office - Rosemount Community Centre - Report from the Chief Constable (Pages 161 - 166)
- 18 New Pitsligo Police Office - Report from the Chief Constable (Pages 167 - 168)

NOT FOR PUBLICATION

- 19 Operations Update - A verbal report will be given
- 20 Proposed new Peterhead Custody Suite & Operational Office - Report from the Chief Constable (Pages 169 - 180)
- 21 New Outdoor Firearm Training Range - Report from the Chief Constable (Pages 181 - 186)

- 22 Financing the Capital Budget - Report from the Chief Constable and the Treasurer
(Pages 187 - 190)
- 23 Chief Constable's PDR - Report from the Depute Clerk (Pages 191 - 198)

Website Address: www.aberdeencity.gov.uk/gjpb

Should you require any further information about this agenda, please contact Fiona Smith, Direct Dial 01224 522516, E-mail: fsmith@aberdeencity.gov.uk

Remaining 2012 GJPB Meeting Dates

Grampian Joint Police Board

Friday 6th July 2012 at 10am in Committee Room 2, Town House
Friday 7th September 2012 at 10am in Committee Room 5, Woodhill House
Friday 2nd November 2012 at 10am Committee Room 2, Town House

GJPB Personnel Sub Committee (All Subject to Business)

Friday 17th August 2012 at 10am
Friday 14th September 2012 at 10am
Friday 12th October 2012 at 10am
Friday 16th November 2012 at 10am
Friday 7th December 2012 at 10am

GJPB Complaints Sub Committee

Monday 17th September 2012 at 2pm in Committee Room 1, Woodhill House
Monday 26th November 2012 at 2pm in Committee Room 5, Town House

GJPB Stewardship Sub Committee

Monday 17th September 2012 at 3pm in Committee Room 1, Woodhill House
Monday 26th November 2012 at 3pm in Committee Room 5, Town House

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COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8TH JUNE 2012

TITLE OF REPORT: APPOINTMENT OF CONVENER AND VICE CONVENERS

1. PURPOSE OF REPORT

The purpose of this report is to advise Members of the Board in relation to the appointment of the Convener and Vice Conveners of the Grampian Joint Police Board.

2. RECOMMENDATION(S)

It is recommended that the Board:

- 2.1 Appoint a Convener from amongst its own number.
- 2.2 Consider how many Vice Conveners should be appointed and thereafter appoint the Vice Convener(s) (being from different constituent authorities and also from different constituent authorities from the Convener) from amongst its own number.

3. FINANCIAL IMPLICATIONS

None

4. SERVICE & COMMUNITY IMPACT

None

5. OTHER IMPLICATIONS

None

6. REPORT

- 6.1 Under the Grampian Combined Police Area Amalgamation Scheme 1995 and its own standing orders, the Board is required to, at its first meeting after an ordinary election of Councillors, to appoint the Convener and Vice Convener(s) from its own number.

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- 6.2 Under the Amalgamation Scheme, the Board may appoint up to two Vice Conveners, each of whom must be from a different authority and neither of whom may be from the same authority as the Convener.
- 6.3 The GJPB has a role description for the Convener and Vice Conveners, these are attached in Appendix A.
- 6.4 The Board are required to note that, although it is able to appoint up to two Vice Conveners, it can only pay remuneration to one Vice Convener. Regulation 12 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 states that:

12. – Joint Boards

- (1) *This regulation applies in relation to the payment of remuneration to those Councillors who, after 2nd May 2007, hold the offices of:*
- a. The Convener; or*
 - b. A Vice-Convener, of a Joint Board.*
- (2) *Remuneration shall be paid by the local authority of which the Convener or Vice Convener (as the case may be) is a member to:*
- a. One Convener and not more than two Vice Conveners (as the local authority determines), for each of Strathclyde Joint Police Board and Strathclyde Joint Fire and Rescue Board;*
 - and*
 - b. One Convener and one Vice Convener, for each other Joint Board.*
- (3) *No remuneration shall be paid to any member of a local authority who is a Convener or Vice Convener of a joint board (as opposed to amounts for reimbursement of expenses, allowances, or by way of pension), except where that is required by this regulation, but a Convener or Vice Convener is entitled to receive (in addition) any remuneration otherwise payable to them as a Councillor or a Senior Councillor.”*
- 6.5 In previous Boards, two Vice Conveners have been appointed as it is thought to be appropriate for the Convener and Vice Conveners to represent the three constituent authorities. In previous Board, the Vice Conveners have agreed between themselves who would receive the Vice Convener remuneration.
- 6.6 The amount payable by way of remuneration to the Convener and Vice Convener of the Board is set out in Regulation 12 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007.

Convener

Regulation 12(5) states that the annual remuneration for a Convener of the Joint Police Board is:

Equal to 75 per cent of the amount payable to the Leader of the Council *“of a local authority that is represented on the joint board and having the highest banding as provided in the Schedule”*.

This sum is inclusive of the amount payable to the Convener by virtue of their position as a Councillor or Senior Councillor.

The highest band of the local authorities for the Grampian Joint Police Board is Band C. The total remuneration payable to the Leader of that Council is currently £37,880. Therefore the maximum amount payable to the Convener (including the amount payable as a Councillor or Senior Councillor) is £28,410.

Vice Convener

Regulation 12(6) states that the annual remuneration for the Vice Convener is calculated as follows:

The total amount will be 75 per cent of the amount payable to the Convener

Again, this is inclusive of any amount payable to the Vice Convener as a Councillor or Senior Councillor.

Therefore the maximum amount payable to the Vice Convener (including the amount payable as a Councillor or Senior Councillor) is £21,307.50.

However, where this amount equals less than the amount payable to the Vice Convener as a Councillor or Senior Councillor, the Vice Convener will be paid as a Councillor or Senior Councillor only.

7. REPORT AUTHOR DETAILS

Fiona Smith, Policy & Advice Officer

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8. BACKGROUND PAPERS

None

Karen M Donnelly
Depute Clerk
31st May 2012

APPENDIX A - ROLE DESCRIPTION – CONVENER OF GRAMPIAN JOINT POLICE BOARD

In addition to the roles, tasks and responsibilities expected of Board Members, the following is expected of the Convener –

Key Purpose/Role

- To represent the Board on public occasions;
- To provide leadership in relation to policy formulation, implementation and monitoring of the Board's policies, budgets and strategies, and scrutiny of service delivery and financial performance; and to contribute to the effective governance of the Board;
- To provide strategic leadership and clear direction and guidance to promote the best interests of the Board and the community and thereby to improve the quality of life, safety and wellbeing of the community and its citizens;
- To chair meetings of the Board and allocated Sub-Committees and Working Groups and to ensure that they are undertaken in line with the Board's Standing Orders Relating to the Conduct of Meetings and Scheme of Delegation to Committees, Sub-Committees/Working Groups and Officers;
- To represent the Board on the Scottish Police Authorities Conveners' Forum, the Scottish Police Board and on COSLA's Community Safety Executive Group as appropriate; and
- To develop and maintain partnership working with other agencies and to ensure the maintenance of links between the Board and the Constituent Authorities' Community Planning Partnerships.

Key Tasks/Accountabilities

- To ensure that decisions are taken properly, openly and, where appropriate, publicly;
- To liaise with the Chief Constable and the Clerk to the Board in discussions and negotiations with national bodies;
- To provide an external focus for the views of the Board in handling media and press enquiries subject always to the advice of the Clerk or other relevant officers;
- To ensure that Members of the Board are treated responsibly, responsively and with respect at all times;
- To maintain and promote the highest standards of conduct in the Board's affairs;
- To develop and maintain effective working relationships with Board Members and staff and with Officers/staff of Grampian Police;
- To have an overview of corporate and cross cutting risks/issues as they impact on the Board and the community; and
- To promote and support open and transparent government.

ROLE DESCRIPTION – VICE-CONVENER OF GRAMPIAN JOINT POLICE BOARD

In addition to the roles, tasks and responsibilities expected of Board Members, the following is expected of the Vice-Convenor –

Key Purpose/Role

- To represent the Board on public occasions as required;
- To support the Convenor in providing leadership in relation to policy formulation, implementation and monitoring of the Board's policies, budgets and strategies, and scrutiny of service delivery and financial performance; and to contribute to the effective governance of the Board;
- To support the Convenor in providing strategic leadership and clear direction and guidance to promote the best interests of the Board and the community and thereby to improve the quality of life, safety and wellbeing of the community and its citizens;
- To chair meetings of the Board, in the absence of the Convenor, and meetings of allocated Sub-Committees and Working Groups, and to ensure that they are undertaken in line with the Board's Standing Orders Relating to the Conduct of Meetings and Scheme of Delegation to Committees, Sub- Committees/Working Groups and Officers;
- To represent the Board on any external bodies to which appointed, e.g. Community Planning Partnership Performance Board, and to substitute for the Convenor on external bodies where appropriate; and
- To develop and maintain partnership working with other agencies.

Key Tasks/Accountabilities

- To ensure that decisions are taken properly, openly and, where appropriate, publicly;
- To liaise with the Convenor, Chief Constable and Clerk to the Board in discussions and negotiations with national bodies;
- To support the Convenor in providing an external focus for the views of the Board in handling media and press enquiries subject always to the advice of the Clerk of other relevant officers;
- To ensure that Members of the Board are treated responsibly, responsively and with respect at all times;
- To maintain and promote the highest standards of conduct in the Board's affairs;
- To develop and maintain effective working relationships with Board Members and staff and with officers/staff of Grampian Police;
- To have an overview of corporate and cross cutting risks/issues as they impact on the Board and the community; and
- To promote and support open and transparent government

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GRAMPIAN JOINT POLICE BOARD

Committee Room 1, Woodhill House, Aberdeen, 23rd March 2012 - Minute of Meeting of **GRAMPIAN JOINT POLICE BOARD**.

Present:-

- Councillor Greig, Convener
- Councillor Hendry, Vice Convener
- Councillor Al-Kowarri
- Councillor Bell
- Councillor Dunbar
- Councillor Farquharson
- Councillor Hood (as substitute for Councillor Cox)
- Councillor Mair
- Councillor McGillivray
- Councillor McKail
- Councillor Penny
- Councillor Webster
- Councillor West (as substitute for Councillor K Stewart)

In Attendance:-

- Mr Colin McKerracher, Chief Constable, Grampian Police
- Mr Colin Menzies, Assistant Chief Constable, Grampian Police
- Mr Gary Craig, Deputy Director of Corporate Services, Grampian Police
- Mr Martyn Buckley, Acting Head of Finance, Grampian Police
- Chief Inspector Nick Topping, Staff Officer, Grampian Police
- Mr Barry Jenkins, Treasurer
- Ms Karen Donnelly, Depute Clerk
- Ms Karen Riddoch, Committee Services Officer, Aberdeen City Council
- Ms Fiona Smith, Policy & Advice Officer, Aberdeen City Council

APOLOGIES FOR ABSENCE

1. Apologies for absence were intimated on behalf of Councillors Cox, Shepherd and Kevin Stewart, MSP, Ms J MacEachran, Clerk to the Board, Mr John McNab, Deputy Chief Constable, Mr Billy Gordon, Assistant Chief Constable, Ms K Williams, Director of Corporate Services, Grampian Police and Rachel Brown, Audit Scotland.

MINUTE OF GRAMPIAN JOINT POLICE BOARD OF 4TH NOVEMBER 2011

2. The Board had before it, and approved as a correct record, the minute of its meeting of 4th November 2011.

The Board resolved:-

To approve the minute as a correct record.

MINUTE OF GRAMPIAN JOINT POLICE BOARD BUDGET MEETING OF 20TH JANUARY 2012

3. The Board had before it, and approved as a correct record, the minute of its Budget meeting of 20th January 2012.

The Board resolved:-

To approve the minute as a correct record.

MATTERS ARISING

4. With reference to article 5 of the minute of the Budget meeting held on 20 January, 2012, Councillor McKail requested an update relating to the Commanders allocated to areas. The Chief Constable advised that he had spoken to each Chief Executive from the three local authorities and that he would like to have a Commander in place for each local authority, however this ultimately be for the Chief Constable of the Single Service to decide.

The Chief Constable further advised that there was a meeting being held today with all Chief Constables at Tulliallan to discuss the Reform and how the territories would be aligned. Ms Karen Williams was attending the meeting substituting for the Chief Constable.

The Convener requested that a report be brought to the next meeting of the Board relating to the Police Reform and that an Update on Police Reform become a standing item for future Board Meetings to allow for Members to be kept up to date..

The Board resolved:-

- (i) To instruct the Clerks Office to ensure that Police Reform was included as a standing order for future agendas;
- (ii) To request that a comprehensive report on Police Reform be submitted to the next Board meeting in June 2012; and
- (iii) To otherwise note the information provided.

MINUTE OF THE GRAMPIAN JOINT POLICE BOARD COMPLAINTS SUB-COMMITTEE MEETING OF 12TH MARCH 2012

4. The Board had before it, and those Board Members who are appointed to the Complaints Sub Committee approved as a correct record, the minute of the Grampian Joint Police Board Complaints Sub-Committee of 12th March 2012.

The Board resolved:-

Those Members of the Board who are appointed to the Complaints Sub Committee approved the minute as a correct record.

MINUTE OF THE GRAMPIAN JOINT POLICE BOARD STEWARDSHIP SUB-COMMITTEE MEETING OF 12TH MARCH 2012

5. The Board had before it, and those Board Members who are appointed to the Stewardship Sub Committee approved as a correct record, the minute of the Grampian Joint Police Board Stewardship Sub-Committee of 12th March 2012.

The Board resolved:-

Those Members of the Board who are appointed to the Stewardship Sub Committee approved the minute as a correct record.

MINUTES OF THE GRAMPIAN JOINT POLICE BOARD COMPLAINTS SUB-COMMITTEE

6. The Board had before it and noted for information the following minutes of the Grampian Police Joint Board Complaints Sub-Committee:-

19th September, 2011
7th October, 2011
28th November, 2011 and
17th February, 2012

The Board resolved:-

To note the minutes.

MINUTES OF THE GRAMPIAN JOINT POLICE BOARD STEWARDSHIP SUB-COMMITTEE

7. The Board had before it and noted for information the following minutes of the Grampian Joint Police Board Stewardship Sub-Committee:-

19th September, 2011 and
28th November, 2011.

The Board resolved:-

To note the minutes.

GRAMPIAN JOINT POLICE BOARD UPDATED BUSINESS STATEMENT

8. The Board had before it the updated Board business statement dated 23rd March 2012.

The Depute Clerk advised that all actions that the Board had set out to achieve had been completed and tendered her thanks to everyone involved.

The Board resolved:-

To note the information.

REVENUE EXPENDITURE MONITORING REPORT

9. The Board had before it a report from the Chief Constable and the Treasurer which presented the Revenue Budget Monitoring Report for the period to 29 February, 2012.

The Treasurer introduced the report which detailed that the Force were currently projecting an under spend of £2.954m for 2011/12 against an approved net revenue budget of £112.561m. Appendix A to the report provided a detailed account of the Force's revenue expenditure and associated funding.

The report highlighted that the majority of the savings (£1.4m) were a direct result of the reduced recruitment of Police Officers.

The forecast position on reserves for 2011/12 totalled £6.845m. Discussions were currently on-going between the Scottish Government, COSLA, ACPOS and individual forces relating to the potential transfer of reserves due to the fact that the new single force would be unlikely to hold reserves. Any balance of uncommitted reserves was likely to transfer back to the Constituent Authorities and the Scottish Government.

The Board at its meeting in January 2012 agreed to commit £3.3m of the revenue reserves for part funding of the new custody facility in Aberdeen which would leave £3.5m of uncommitted reserves prior to the move to the new Police Service for Scotland.

Councillor McKail requested information on what would happen when it came to splitting up the Police Officers into each area wherein the Chief Constable advised that the Force would provide a breakdown of Officer allocation for each area to the new Single Force.

Councillor McKail also asked whether the Force had been paid for assisting with the recent riots in England wherein Gary Craig advised that the figures had been agreed but was not sure if the Force had received their share yet, however the money would be paid into this year's accounts.

Councillor Hood enquired as to why the service costs for computer maintenance and software was so high and whether it would be more beneficial to purchase new equipment. Gary Craig advised that he would find out and reply to Councillor Hood.

The Board resolved:-

To note the report.

CAPITAL MONITORING REPORT

10. The board had before it a report from the Chief Constable and the Treasurer which provided an update on the progress of the 2011/12 Capital Plan, on the projected out-turn for the year and highlighted any changes since the previous meeting.

The Treasurer introduced the report and advised that the 2011/12 Capital Plan had a total budget of £3.031m which was funded by a combination of capital grant, capital receipts and revenue financing. Appendix A to the report presented the Capital Plan for 2011/12 and the three subsequent years.

The report advised that the largest project in the capital plan was the construction of the new custody site in Aberdeen which had a budgeted capital

cost of £10m. Another project that had been approved was for the upgrade of CCTV equipment at a total estimated cost of £404,000.

Councillor McKail requested further information in relation to item 3 (Annual Vehicle Replacement); item 5 (Suspect Digital Interview Recording); item 12 (Extension to Laboratory at Nelson Street); item 21 (Unallocated Capital Funds); and item 22 (Discrete Expenditure).

Gary Craig advised that a number of vehicles were replaced each year to ensure that there was a relatively modern fleet and also mileage of the vehicles was considered when replacing vehicles. Some of the equipment systems used for interviewing was older and required to be replaced; this was done in line with the national drive for use in Child Protection cases. The SSPA were responsible for the forensics lab in Aberdeen and its long term future and that it would ultimately be up to the new Chief Constable of the Police Service of Scotland to decide where it would be best to have forensic labs and officers.

The Board resolved:-

- (i) To note that a report on the Forensic Lab in Aberdeen would be submitted to the next meeting of the Board;
- (ii) To note the report; and
- (iii) To approve the revised Capital Plan.

QUARTER 3 FORCE PERFORMANCE REPORT

11. The Board had before it the performance report from the Chief Constable which summarised the Force's performance during quarter 3 of 2011/12. The report should be considered in conjunction with the document (Continuing Our Platform For Success 2011/12) which outlines the Force's strategic direction for the year.

Mr Menzies introduced the report and provided an overview of the details of the report. Mr Menzies advised that the report showed that the Force continued to sustain performance and also invited members to seek further information in any area of interest.

Councillor Hood sought clarification on the reasons for fatal accidents and serious injury collisions whereupon Mr Menzies advised that he did not have this detailed information and would forward it to Cllr Hood after the meeting.

Councillor Farquharson sought additional information relating to Serious Organised Crime and Drugs, specifically on the cash value of drugs seized. The Chief Constable advised that the focus was more on the number of organised crime groups that had been disrupted rather than solely on the monetary value of seizures. Mr Menzies stated that information that he receives has shown that the twenty known Organised Crime Groups operating in Grampian over the last 12 months had been disrupted or stopped completely.

Councillor McKail sought information relating to diverting young people away from the Children's Reporter whereupon Mr Menzies stated that the process had changed which meant that the targeted result may take longer, however the best outcome for each child was an important change. The Chief Constable advised that the process had been formally assessed and that the report would be shared with members.

Councillor Webster noted that there was a new indicator relating to violence and that a high percentage of violent crimes were related to alcohol and requested information on the kind of initiatives that could be implemented to improve in this area. Mr Menzies advised that the Force were left to deal with the consequences of alcohol related incidents however the Force were providing more information to Licensing Boards and had more involvement with licensing applications.

The Convener indicated that it was an excellent report and noted that there had been improvements with the Local Policing Teams. He also asked if there was potential to resolve issues via email due to the increase of the public communicating with the Police in this format. The Chief Constable advised that the Force were currently looking at how they can communicate with the public which included the use of email and social networking.

The Board resolved:-

- (i) To note that the report relating to the process for diverting children away from the Children's Reporter would be circulated to members;
- (ii) To note the praise given to the Special Constables and the Local Policing Teams; and
- (iii) To otherwise approve the report.

LOCAL SCRUTINY AND ENGAGEMENT PATHFINDER PROJECT

12. The Board had before it a report from the Chief Constable which provided information relating to the developments in the local scrutiny and engagement Pathfinder Project.

Mr Menzies introduced the report and advised that meetings with representatives for each local authority and the Chief Constable were ongoing to discuss the level of support for the Pathfinder Project.

The report advised that the Police and Fire Reform (Scotland) Bill which was introduced in early 2012 included a framework for the delivery of local scrutiny and engagement arrangements which all local authorities and the new services would need to implement when the legislation was enacted. The Pathfinder Project would trial the new arrangements as set out in the Bill and could commence from April 2012. The Police and Fire services were currently progressing with the local arrangements which included the development of draft Policing Plans and potential Performance Management Information.

The Board resolved:-

- (i) To note the progress of the Pathfinder Project;
- (ii) To otherwise note the report.

CONTRACT FOR FORCE INSURANCE

13. The Board had before it a report from the Chief Constable which sought ratification as to the preferred supplier for the provision of Insurance Services.

Mr Craig introduced the report and advised that a preferred bidder had been chosen and that there were break out clauses included wherein the Force could break the contract at the end of each year.

The report advised that Grampian Police's current insurance programme is placed with two main carriers, one covering the motor fleet and the other for the whole account including buildings and contents, employers liability, third party liability, engineering, personal accident and travel, both of which expire 31st March 2012.

The report further advised that an insurance tender for the new period of insurance commencing 1st April 2012 had been conducted and using the preferred supplier would achieve significant premium savings. The total cost for insurance from Zurich Municipal was £479,013 annually.

Councillor Hood expressed his congratulations to the staff involved with the process.

Councillor Bell sought information on whether or not Zurich would also be able to break out of the contract after 12 months whereupon Mr Craig advised that he would check the policy and write to Councillor Bell.

The Board resolved:-

To approve that the Force Insurance underwriter be awarded to Zurich Municipal for all policies from 1st April 2012 for a period of three years.

GRAMPIAN INDEPENDENT CUSTODY VISITING SCHEME

14. The Board had before it a report from the Depute Clerk which provided an update in respect to the operation of the Independent Custody Visiting Scheme in Grampian.

Ms Smith introduced the report and highlighted that sixteen visits had been conducted for the period October 2011 to February 2012.

The report advised that the Scheme had appointed seven volunteer custody visitors and that the Scheme covered the main custody facilities with two visits each per month. The target for the facilities in Fraserburgh and Aberdeen have not been met which is mainly due to transport issues and that the volunteers were unable to commit sufficient time to attend two per month.

The report further advised that during each visit, the custody visitors are required to complete a report summarising details of the number of detainees held at the time of the visit, the number of visits offered and a summary of their findings.

Ms Smith explained that a further recruitment campaign was currently being planned and was envisaged to commence during June 2012 which would hopefully recruit a further thirteen to twenty three volunteers as required to meet the current programme for visits for each facility.

Councillor McKail expressed his thanks to Ms Smith for the work done on the Scheme to date.

The Board resolved:-

To note the contents of the report.

SCOTTISH POLICE SERVICES AUTHORITY (SPSA) ICT AGREEMENT – VARIATION OF AGREEMENT

15. The Board had before it a report from the Depute Clerk which sought the Board's instruction with respect to a variation of the ICT Agency Agreement which existed between the eight Scottish Police Authorities, ACPOS and the Scottish Police Services Authority.

Ms Donnelly introduced the report and advised that the current Agency Agreement that was approved on 8th May 2009 was due to expire 31st March 2012 and therefore a variation to the agreement would be required.

The Board resolved:-

To approve the proposed variation to the Agency Agreement and instruct the Depute Clerk to arrange for completion of all necessary documentation to achieve this.

GRAMPIAN JOINT POLICE BOARD – BOARD REVIEW REPORT

16. The Board had before it a report by the Depute Clerk which provided an overview of the Board's main areas of activity over the period of its current term.

The Depute Clerk introduced the report and advised that the report highlighted the significant achievements made by the Board and that the period between 2007 and 2012 had been one of significant development for the Board and one of significant change within the police service at a local and national level. During this time the Board maintained an effective role within the governance structure for Grampian Police. The report contained a detailed account of various actions, projects and improvements that the Board had been involved in and advised that following the Best Value Audit on Grampian Police and the Grampian Joint Police Board that was completed during June and July 2010, the Board implemented an improvement plan to address the twelve improvement actions, 6 for the Board, 4 for the Force and 2 joint actions that were contained in the HMICS and Audit Scotland report which had all been addressed.

The Convener expressed his sincere thanks from the Board at the end of its term to the Force at all levels as a joint governance organisation and as the policing organisation in the North East, to the Clerks Office and the Finance Team and to all of the Board's partners. The Convener requested that the Chief Constable convey to every officer and staff member thanks from the Board and on behalf of the people of the North East, for their dedication and service.

The Chief Constable expressed his thanks to the Board for the trust placed on the Force to carry out their vision for the North East and also for taking the Force into accountability ensuring that there was good governance arrangements in place.

The Board resolved:-

- (i) To approve the wording of the Board's contribution to the 2011/12 Grampian Police Annual Report which was detailed in section 6.10 in the report;
- (ii) To approve the Board Review Report for the period May 2007 to May 2012 as detailed in sections 6.1 to 6.9 in the report;
- (iii) To instruct the Depute Clerk to forward a copy of the Board Review Report to partners and stakeholders; and
- (iv) To otherwise note the contents of the report.

EXEMPT INFORMATION

Prior to considering the remaining items of business, the Board resolved that in terms of section 50(A)(4) of the Local Government (Scotland) Act 1973, that the Press and public be excluded from the meeting during consideration of the items so as to avoid disclosure of the information of the class described in the following paragraphs of Schedule 7(A) to the Act:- Article 17 (paragraph 14), Article 18 (paragraph 8), Article 19 (paragraph 8) and Article 20 (paragraph 1).

OLYMPIC GAMES 2012

17. The Board had before it a report from the Chief Constable which provided information on the current situation in terms of the planning and projected resource abstraction for policing the Olympic Games in 2012 and for the Olympic Torch Relay.

Mr Menzies introduced the report and summarised the arrangements in place for both the forthcoming Olympic Torch Relay and the Summer Olympic Games in London.

The Board resolved:-

To note the content of the report.

PROPOSED NEW PETERHEAD OPERATIONAL OFFICE AND CUSTODY SUITE

18. The Board had before it a report from the Chief Constable which sought approval to progress a project to construct a replacement Police Office in Peterhead.

Mr Menzies introduced the report and advised that options for a site for constructing a new Office had been discussed for several years. He further approached that, working with partners, a suitable site has now been identified.

The report also provided information on the benefits of using North Territory Hub Co for the procurement of a design team and contractor for the project.

The Board resolved:-

- (i) To note the contents for the report and agree to the Heads of Term for the purchase of the identified site in Peterhead from Aberdeenshire Council;
- (ii) To agree to utilising the North Territory Hub Co for the design team and contractor for the build and to issue a New Project Request (NPR) in relation to the project; and
- (iii) To note that progress against the project programme and final agreement to process, having regard to a Predicted Maximum Price, would be reported to the June Board for approval.

PROPOSED NEW ABERDEEN CUSTODY SUITE

19. With reference to article 6 of its minute of meeting of 20th January 2012, the Board has before it a report from the Chief Constable which provided an update on the progress made and the current position in relation to the proposed Aberdeen Custody Suite Project.

Mr Menzies introduced the report and advised that the project was progressing on time in line with the programme of works that had been set out for the project.

The Board resolved:-

To note the contents of the report and that final agreement to lodge a planning application, based on an agreed design and having regard to a Predicted Maximum Price, would be reported to the June meeting of the Board for approval.

STAFFING MATTERS

20. With reference to article 7 of its meeting of 20 January 2012, the Board had before it a report from the Depute Clerk which provided an update in respect to the Chief Constable's Contract of Employment.

The Board discussed the contents of the report in detail and were content to approve the recommendations detailed within the report.

The Board resolved:-

- (i) To agree to extend the tenure of the Chief Constables from 2 April 2012 until 31st March 2013 in accordance with the terms set out within the report;
- (ii) To note that a further report detailing the Chief Constables PDR Review for 2011/12 would be presented to the Board at a later date.
- (ii) To otherwise note the contents of the report.

CONVENERS ANNOUNCEMENT

21. The Convener expressed his thanks to the Board for their work and loyalty to the mission of the Board over the last five years in protecting victims and promoting policing priorities and needs for the North East.

- Councillor M Greig, **Convener**

GRAMPIAN JOINT POLICE BOARD
BOARD BUSINESS STATEMENT – 8TH JUNE 2012

Number	Minute Reference	Board Decision	Update	Responsible Officer	Date to be Completed	Complete
12/01	23 rd March 2012 – Item	To instruct the Clerks Office to ensure that Police Reform was included as a standing order for future agendas and to request that a comprehensive report on Police Reform be submitted to the next Board meeting in June 2012; and	This has been added as a standing item for all future Board Meeting agendas. Given the fast paced changing landscape in respect of Police Reform, a verbal update will be supplied by the Chief Constable and the Depute Clerk (31/05/12).	Chief Constable / Depute Clerk	June 2012	Complete
12/02	23 rd March 2012 – Item 10	To note that a report on the Forensic Lab in Aberdeen would be submitted to the next meeting of the Board	This will be submitted to the Board Meeting to be held on 6 th July 2012.	Chief Constable	July 2012	
12/03	23 rd March 2012 – Item 15	To approve the proposed variation to the Agency Agreement and instruct the Depute Clerk to arrange for completion of all necessary documentation to achieve this.	The Variation Agreement was signed by the Depute Clerk on 25 th April 2012.	Depute Clerk	April 2012	Complete

Agenda Item 6

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COMMITTEE: GRAMPIAN JOINT POLICE BOARD
DATE: 8TH JUNE 2012
TITLE OF REPORT: APPOINTMENT OF SUB COMMITTEES

1. PURPOSE OF REPORT

The purpose of this report is to seek the Board's instruction in respect of the appointment of Members to the various Grampian Joint Police Board Sub Committees.

2. RECOMMENDATION(S)

It is recommended that the Board:

- 2.1 Note the establishment of Sub Committee detailed in paragraph 6.1 and note the remit for each as detailed in Appendix A.
- 2.2 To agree that the Complaints, Stewardship and ICVS Sub Committees shall comprise of six Members of the Board, being two Members from each constituent authority.
- 2.3 To appoint six Members to each of the following Sub Committees:
 - i) Complaints Sub Committee
 - ii) ICVS Sub Committee
 - iii) Stewardship Sub Committee
- 2.4 To agree that the Personnel Sub Committee shall comprise of ten Members of the Board, being four each from Aberdeen City and Aberdeenshire and two from Moray, from which might be drawn panel of not more than six Members to deal with individual recruitment and selection exercises.
- 2.5 To appoint ten Members to the Personnel Sub Committee.
- 2.6 To agree that the Urgent Business Sub Committee shall comprise of three Members, being the Convener and Vice Conveners, and to appoint these Members to the Sub Committee.
- 2.7 To consider the appointment and of Convener / Chairperson for each Sub Committee.

3. FINANCIAL IMPLICATIONS

None

4. SERVICE & COMMUNITY IMPACT

None

5. OTHER IMPLICATIONS

None

6. REPORT

6.1 The Grampian Joint Police Board Standing Orders establish the following GJPB Sub Committees:

- i) Complaints Sub Committee
- ii) Independent Custody Visiting Scheme (ICVS) Sub Committee
- iii) Personnel Sub Committee
- iv) Stewardship Sub Committee
- v) Urgent Business Sub Committee

The remit for each Sub Committee is set out in Appendix A of this report.

6.2 The previous Board appointed six Members to each of the Complaints, ICVS and Stewardship Sub Committees, ten Members to the Personnel Sub Committee and three Members to the Urgent Business Sub Committee. It is considered that these remain suitable Membership numbers to ensure Sub Committees can operate effectively.

6.3 The Complaints Sub Committee and Stewardship Sub Committee are the only Board Sub Committees that have a calendar of meeting dates. Both Sub Committees meet four times per year, normally on a Monday (Complaints commencing at 2pm and Stewardship at 3pm).

Personnel Sub Committee meeting dates are identified each month with the exception of July. This is to allow for any appeals received to be scheduled within required timescales. Members should not that the meeting will be held to be cancelled unless Members are advised otherwise.

The ICVS and Urgent Business Sub Committees meet on an 'as and when required' basis.

6.4 The GJPB Standing Orders require that the Board shall appoint the Chairperson or Convener of any Sub Committee, failing which the Sub Committee shall appoint a Chairperson or Convener from amongst their number.

Members are invited to note that current best practice guidance on governance determines that the Convener or Chairperson of any Sub Committee should not be the Board Convener. It has previously been the practice of the Board that the Board Vice Conveners chaired the Board's Sub Committees.

7. REPORT AUTHOR DETAILS

Fiona Smith
Policy & Advice Officer

E-mail: fismith@aberdeencity.gov.uk

Telephone: 01224 522516

8. BACKGROUND PAPERS

None.

Karen M Donnelly
Depute Clerk
31st May 2012

APPENDIX A - TERMS OF REFERENCE OF SUB-COMMITTEES

(1) STEWARDSHIP SUB-COMMITTEE

To:

- (i) agree the Annual and Strategic Audit Plan to be followed by Internal Audit;
- (ii) review Internal Audit progress against the Audit Plan;
- (iii) receive and consider summaries of Internal and External Audit work;
- (iv) monitor the implementation of key recommendations;
- (v) monitor the performance of Internal Audit.
- (vi) review, in consultation with the Chief Constable, the effective management and utilisation of the Physical Resources available to the Chief Constable and to report the findings of the sub-Committee to the Board, with recommendations where appropriate.
- (vii) carry out the reference at (vi) above by means of receiving and requesting reports from the Chief Constable and other appropriate Board officers, commissioning work from outside parties (subject to Board approval), considering reports (etc) submitted or published by other parties (eg HMCIC, Accounts Commission, Audit Commission) and such other means as the sub-Committee agrees are appropriate.
- (viii) overview the implementation of Best Value in relation to the Board and Grampian Police, to consider reports on key aspects of implementation of Best Value and to report as necessary thereon to the Board

(2) COMPLAINTS SUB COMMITTEE

To:

- (i) keep informed about the operation of the police complaints process, including receiving regular reports from the Chief Constable and undertaking such investigation, including examination of records etc as appears appropriate to the sub-Committee, to report on the sub-Committee's activities annually to the Board and to make recommendations to the Board on any matters relevant to this reference.
- (ii) undertake on the Board's behalf the Board's statutory function in terms of Section 40 of the Police (Scotland) Act 1967 by being informed of the manner in which the Chief Constable deals with complaints against the Police.
- (iii) report to the Board thereon as may seem appropriate, and
- (iii) have power concurrently with that of the Board under Section 40(A) of the Act to require the Police Complaints Commissioner for Scotland to submit a written report concerning an examination by the Police Complaints Commissioner for Scotland of the manner in which the Chief Constable has dealt with a particular complaint and a copy of any report prepared by the Police Complaints Commissioner for Scotland consequent on that examination.
- (iv) The discharge of the functions of the Board under the Police (Conduct) (Senior Officers) Regulations 1999 as amended

(3) PERSONNEL SUB COMMITTEE

To:

- (i) have delegated power to take whatever action is necessary in terms of the Board's functions relating to the appointment of Senior Officers and to make such appointments.

-
- (ii) review, in consultation with the Chief Constable, the effective management and utilisation of the constabulary and non-constabulary human resources available to the Chief Constable and to report the findings of the sub-Committee to the Board, with recommendations where appropriate.
 - (iii) carry out the reference at (ii) above by means of receiving and requesting reports from the Chief Constable and other appropriate Board officers, commissioning work from outside parties (subject to Board approval) considering reports (etc) submitted or published by other parties (eg HMCIC, Accounts Commission, Audit Commission), undertaking study visits, holding seminars and working groups and such other means as the sub-Committee agrees are appropriate.
 - (iv) consider such matters as may in addition be remitted to the sub-Committee by the Board.
 - (v) receive regular monitoring reports from the Chief Constable containing information on absence levels for both police officers and civilian support staff.
 - (vi) receive regular monitoring reports from the Chief Constable containing information on the level and numbers of sickness and injury retirements for both police officers and civilian support staff.
 - (vii) discharge the functions of the Board as Police Authority in terms of the Police Pensions Regulations 1987.
 - (ix) discharge the functions of the Board as Police Authority under the Police (Conduct) (Senior Officers) (Scotland) Regulations 1999 and the Police Appeals Tribunals (Scotland) Rules 1996.
 - (x) appoint the Members of any tribunal requiring to be established under paragraph 2 of Schedule 3 to the Police (Scotland) Act 1967 (as amended).
 - (xi) consider and determine appeals from Police Officers and employees of the Board under the direction and control of the Chief Constable aggrieved at the decision of the Chief Constable as to the refusal of legal assistance in connection with legal proceedings brought against them, or legal proceedings involving them, when their involvement has arisen in relation to the performance of their duties.
 - (xii) determine appeals against:
 - (a) fixed term punitive suspensions
 - (b) reductions in grade
 - (c) withholding of annual increments
 - (d) dismissals, and
 - (e) final warnings administered by the Chief Constable and to uphold or reject such appeals or to order the varying of the disciplinary action taken in respect of Board employees under the direction and control of the Chief Constable.
 - (xiii) determine any grievance which may be competently made by a Board employee under the direction and control of the Chief Constable and which, all previous stages in the grievance procedure having been exhausted without resolution, may now be made to the Board in terms of the discipline and grievance procedure agreed for Force Support Staff.

(4) URGENT BUSINESS SUB COMMITTEE

To:

- (i) Have delegated authority to deal with any matter of genuine urgency on the Board's behalf and in particular to take any decision on behalf of the Board

where a meeting of the Board cannot conveniently be convened to deal with the matter.

(5) INDEPENDENT CUSTODY VISITING SCHEME (ICVS) SUB COMMITTEE

To

- (i) consider matter arising from Independent Custody Visiting Reports
- (ii) appoint Independent Custody Visitors



COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8TH JUNE 2012

TITLE OF REPORT: POLICE APPEALS TRIBUNAL

1. PURPOSE OF REPORT

The purpose of the report is to advise the Board of an appeal to a Police Appeals Tribunal received and the need to appoint members of the Tribunal.

2. RECOMMENDATION(S)

It is recommended that the Board:

- Appoint the Clerk as Registrar to the Police Appeals Tribunal
- Appoint the Depute Clerk as Depute Registrar to the Police Appeals Tribunal
- To appoint Mr Robert Martin QC, Mr Andrew Cameron, Mr Calum Laurie to the Police Appeal Tribunal.
- To identify one Board Member to be appointed to the Police Appeal Tribunal.

3. FINANCIAL IMPLICATIONS

Tribunal Members are paid a daily sitting fee and reimbursed travel and subsistence expenses. The total costs incurred will depend on the complexity of the case. Budget is available to meet these costs.

4. SERVICE & COMMUNITY IMPACT

None

5. OTHER IMPLICATIONS

None

6. REPORT

6.1 In terms of Section 30 of the Police (Scotland) Act 1967 as substituted by section 55 of the Police and Magistrates Courts Act 1994, constables may appeal against dismissal to a Police Appeals Tribunal.

6.2 The Police Appeals Tribunals (Scotland) Rules set out the procedures for dealing with such appeals.

6.3 The Board are required to appoint a Registrar to the Tribunal under these rules. The Registrar is required to perform the functions of the Registrar as specified in the Rules. These duties include, amongst others, administrative and support functions relating to the appeals process. The Clerk to the Board is normally appointed as Registrar. In addition, the Board are invited to appoint the Depute Clerk as Depute Registrar to the Tribunal.

6.4 On receipt of an appeal by a constable (who is not a senior officer), the Registrar is required to request that the Police Board appoint the members to the Tribunal. Membership of the Tribunal is made up as follows:

A person chosen from a list of persons nominated by the Lord President of the Court of Session (who chairs the Tribunal)

A representative of the Grampian Joint Police Board

A person chosen from a list maintained by the Secretary of State of persons who are (or have been within the last 5 years) Chief Constables, other than a person who is (or has at any time been) Chief Constable of Grampian Police.

A retired constable of appropriate rank

6.5 An appeal has been received and it is therefore necessary for the Board to appoint a Police Appeals Tribunal.

6.6 The following individuals have been consulted and have agreed to service on a Police Appeals Tribunal, subject to the Board's approval:

Mr Robert Martin, QC

Mr Andrew Cameron CBE, former Chief Constable, Central Scotland Police

Mr Calum Laurie, former Constable, Lothian & Borders Police.

6.7 In addition, one Member of the Grampian Joint Police Board requires to be appointed as a Tribunal Member.

7. REPORT AUTHOR DETAILS

Fiona Smith, Policy & Advice Officer

E-mail: fismith@aberdeencity.gov.uk

Telephone: 01224 522516

8. BACKGROUND PAPERS

None

**Karen M Donnelly,
Depute Clerk
30th May 2012**



COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 June 2012

TITLE OF REPORT: Revenue Budget Monitoring Report

1. PURPOSE OF REPORT

1.1 To update the Joint Police Board on the financial position of the Force for the period ended 30 April 2012. With the Board meeting early in June, the May out-turn figures were not available when producing the Report.

2. RECOMMENDATION(S)

2.1 To consider and note the contents of the report.

3. FINANCIAL IMPLICATIONS

3.1 The monitoring statement provides a breakdown of the Force's annual budgeted revenue expenditure and associated funding. It outlines the overall budget for the financial year, actual spend to 30 April 2011, and the projected out-turn up to 31 March 2012. At this very early stage in the financial year no variances from the approved budget are being projected.

4. SERVICE & COMMUNITY IMPACT

4.1 The three major themes underlying the Force's service delivery in 2012-13 are business as usual, creating a strong policing legacy in the North East of Scotland and ensuring a smooth transition to the Single Force. Good, proactive budgetary control throughout the year will support those aims.

5. OTHER IMPLICATIONS

-

6. REPORT

Revenue Budget 2012-13

-
- 6.1 The budget monitoring statement for the Force, for the period to 30 April 2012 is shown at Appendix A. This outlines the overall budget, the actual spend to 30 April 2012 and the projected outturn for the financial year 2012-13.
- 6.2 The Joint Police Board approved the revenue budget for 2012-13 on 20 January 2012. The Board approved an overspend of £1.5m, to be met from revenue reserves. This reflected, in the main, a revenue contribution to capital of £1.3m in respect of the new custody project in Aberdeen. The current budget includes any adjustments to expected Police Officer numbers and the devolved budgets as allocated to Divisions.
- 6.3 As preparations for the new Police Service progress, the Scottish Government's intention for the future of Boards' reserves is becoming clearer, i.e. the new Service will not be able to hold reserves. Following an agreement between the Scottish Government and COSLA, all uncommitted reserves at 31 March 2012 will be returned to Government and the Local Authorities, based on the 51:49 funding formula.
- 6.4 The budget was framed on the assumption that 2012-13 would see a net increase of around 35 Police Officers. The Police Officer pay budget will be monitored very carefully throughout the year so that any deviation from the estimated profile of starters and leavers and therefore the outturn can be identified early.
- 6.5 The Police Staff pay budget contains provision for a further Voluntary Redundancy Scheme potentially required in the latter part of 2012. Current indications are that any resultant costs may now be met by the Scottish Government as part of the Police Reform budget. Finance staff and Divisional Business Managers will also be monitoring staff pay budgets closely to identify any potential savings from staff turnover. Any potential savings may be able to be directed at other priorities or budget pressures.
- 6.7 At this early stage in the financial year other costs and income remain broadly in line with the approved budgets.

7. REPORT AUTHOR DETAILS

Gary Craig, Director of Finance
gary.craig@grampian.pnn.police.uk
Tel: 01224 305222

8. BACKGROUND PAPERS

-

Chief Constable
22 May 2012

Treasurer
22 May 2012

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 30 April 2012

		<i>Grampian Police Summary</i>		<i>Estimated Out-turn</i>	<i>Variance (Under)/ Overspend</i>	<i>Out-turn as a % of Budget</i>
		<i>Approved Budget</i>	<i>Expenditure to 30-Apr-12</i>	<i>As At 30-Apr-12</i>	<i>As At 30-Apr-12</i>	
		£	£	£	£	
EMPLOYEE COSTS						
Police Officers						
	Pay	53,817,893	4,407,787	53,817,893	0	100%
	CRTP/Bonus/SPP	658,280	46,543	658,280	0	100%
	TRA and Housing	1,771,400	0	1,771,400	0	100%
	Other Allowances	243,129	17,096	243,129	0	100%
	National Insurance	5,114,480	374,106	5,114,480	0	100%
	Notional Pension Costs	13,474,954	0	13,474,954	0	100%
	Injury Pension Costs	530,000	46,403	530,000	0	100%
	Ill Health Awards	300,000	0	300,000	0	100%
	Sub-total	75,910,136	4,891,935	75,910,136	0	100%
	Overtime	2,995,368	0	2,995,368	0	100%
	Total Police Officers' Costs	78,905,504	4,891,935	78,905,504	0	100%
Police Staff						
	Pay	15,075,239	1,145,570	15,075,239	0	100%
	Allowances	1,519,676	120,495	1,519,676	0	100%
	National Insurance	1,187,900	89,728	1,187,900	0	100%
	Superannuation	3,305,000	227,400	3,305,000	0	100%
	Sub-total	21,087,815	1,583,193	21,087,815	0	100%
	Overtime	192,746	0	192,746	0	100%
	Total Police Staff Costs	21,280,561	1,583,193	21,280,561	0	100%
Other Staff Costs						
	Relocation	75,202	210	75,202	0	100%
	Recruitment	88,000	783	88,000	0	100%
	Sub-total	163,202	993	163,202	0	100%
	Total Employee Costs	100,349,267	6,476,121	100,349,267	0	100%
OPERATING COSTS						
Property Costs						
	Rent	869,273	123,219	869,273	0	100%
	Rates	1,422,000	1,242,070	1,422,000	0	100%
	Insurance	20,000	537	20,000	0	100%
	Repairs and Maintenance	1,029,234	12,198	1,029,234	0	100%
	Repairs and Maintenance - Devolved	30,256	12,863	30,256	0	100%
	Heating, Lighting and Cleaning	1,342,000	48,780	1,342,000	0	100%
	Sub-total	4,712,763	1,439,667	4,712,763	0	100%
Transport and Plant Costs						
	Repairs and Maintenance	291,400	7,818	291,400	0	100%
	Petrol and Diesel Fuel	1,004,001	(1,455)	1,004,001	0	100%
	Licences and Insurances	200,000	3,480	200,000	0	100%
	Car Hire	249,555	5,515	249,555	0	100%
	Travel and Subsistence	511,125	4,505	511,125	0	100%
	Sub-total	2,256,081	19,863	2,256,081	0	100%
Supplies and Services Costs						
	Operational Equipment and Materials	624,874	34,404	624,874	0	100%
	Operational Supplies and Services	2,832,477	66,139	2,832,477	0	100%
	Uniforms and Clothing	272,546	9,252	272,546	0	100%
	Computer Maintenance and Software	1,082,062	(13)	1,082,062	0	100%
	Computer Network and Telephony	1,079,526	266	1,079,526	0	100%
	Catering	192,558	368	192,558	0	100%
	Conferences and Training	331,741	25,388	331,741	0	100%
	Printing, Stationery and Postages	487,425	9,747	487,425	0	100%
	Insurances	270,100	6,140	270,100	0	100%
	Advertising	10,150	0	10,150	0	100%
	Other Administrative Costs	323,327	27,183	323,327	0	100%
	Sub-total	7,506,786	178,874	7,506,786	0	100%

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 30 April 2012

		<i>Grampian Police Summary</i>		<i>Estimated Out-turn</i>	<i>Variance (Under)/ Overspend</i>	<i>Out-turn as a % of Budget</i>
		<i>Approved Budget</i>	<i>Expenditure to 30-Apr-12</i>	<i>As At 30-Apr-12</i>	<i>As At 30-Apr-12</i>	
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	
Payments to Agencies and Other Bodies						
	Council Support Services	318,500	9,224	318,500	0	100%
	Other Agencies	1,447,703	181,332	1,447,703	0	100%
	Sub-total	1,766,203	190,556	1,766,203	0	100%
Financing Costs						
	Capital Financed from Current Revenue	1,300,000	0	1,300,000	0	0%
	Supported Loan Charges	1,382,120	38,162	1,382,120	0	0%
	Prudential Borrowing	0	0	0	0	0%
	Sub-total	2,682,120	38,162	2,682,120	0	100%
Contingency Costs						
		0	0	0	0	0%
	Total Operating Costs	18,923,953	1,867,122	18,923,953	0	100%
	Gross Expenditure	119,273,220	8,343,243	119,273,220	0	100%
INCOME						
	Recharges for Services	(1,063,834)	(77,026)	(1,063,834)	0	100%
	Seconded Recoveries	(900,000)	0	(900,000)	0	100%
	Sales, Fees and Lost Property	(430,000)	(5,204)	(430,000)	0	100%
	Sponsorship	(25,000)	0	(25,000)	0	100%
	Rents	(857,784)	(154,975)	(857,784)	0	100%
	Partnership Income	(692,082)	0	(692,082)	0	100%
	Non SG Funding	(76,176)	(5,824)	(76,176)	0	100%
	Other Income	(80,000)	0	(80,000)	0	100%
	Total Income	(4,124,876)	(243,029)	(4,124,876)	0	100%
	Total Net Expenditure	115,148,344	8,100,214	115,148,344	0	100%
FINANCED BY -						
Grant Funding						
	SG Police Grant	(47,063,000)	(3,824,000)	(47,063,000)	0	100%
	LA Requisitions	(45,217,000)	(3,768,083)	(45,217,000)	0	100%
	SG Loan Charge Support	(705,000)	(57,000)	(705,000)	0	100%
	LA Loan Charge Support	(741,000)	(61,750)	(741,000)	0	100%
	SG Specific Grant (100% Funded)	(6,428,342)	(598,785)	(6,428,342)	0	100%
	SG Specific Grant (Part Funded)	(19,048)	0	(19,048)	0	100%
	SG Specific Grant (Police Pensions)	(13,474,954)	(1,698,917)	(13,474,954)	0	0%
		(113,648,344)	(10,008,535)	(113,648,344)	0	100%
	Total (Under)/Overspend Against Grant Funding	1,500,000	(1,908,321)	1,500,000	0	



COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 June 2012

TITLE OF REPORT: CAPITAL BUDGET MONITORING REPORT

1. PURPOSE OF REPORT

1.1 To update the Joint Police Board on the 2012-13 Capital Plan.

2. RECOMMENDATION(S)

2.1 To consider and note the contents of the Report, as well as approve the revised Capital Plan.

3. FINANCIAL IMPLICATIONS

3.1 The Capital Plan sets out the Force's proposed investment in capital assets for the current and subsequent 3 financial years. The approved budget for 2012-13 amounts to £7.758m, and is funded by a combination of capital grant, capital receipts and a contribution from the revenue budget.

3.2 The Capital Plan is overseen by the Force's Programme Board, with any minor adjustments being reflected in a transfer from or to the Unallocated Capital Funds.

4. SERVICE & COMMUNITY IMPACT

4.1 It is important that the Force continues to invest in its infrastructure and systems in order that it can enhance the operational capacity and generate efficiencies for front line policing.

5. OTHER IMPLICATIONS

-

6. REPORT

- 6.1 A copy of the Capital Plan for 2012-13 and the three subsequent years is attached at Appendix B. The total budget allocated within the Force's Capital Plan for 2012-13 is £7.758m. The 2012-13 capital budget has been adjusted for any slippage from last financial year.
- 6.2 The largest project in the Capital Plan is the construction of new custody facilities in Aberdeen, which is subject to a separate report on the agenda.
- 6.3 At the last meeting of the Force Executive Board the remaining balance of the uncommitted budget for 2012-13 was allocated for minor pieces of equipment. There is therefore currently a nil balance on the unallocated budget.
- 6.4 It is currently estimated that capital grant of £3.122m will be utilised in 2012-13 and arrangements have been put in place to requisition this on a quarterly basis, in line with actual spend. Additional grant of £0.250m from the Scottish Police Services Authority will also be applied.
- 6.5 The Force has budgeted for a contribution of £1.3m from the Revenue Budget to be used to part fund the Capital Plan this financial year. This is also reflected in the Revenue Budget.
- 6.6 It is estimated that capital receipts, that arise from the sale of surplus assets, amounting to £3.086m will also be utilised in the current financial year.
- 6.7 At this early stage in the financial year the full budget is expected to be spent but that will depend upon progress with the Aberdeen Custody project.

7. REPORT AUTHOR DETAILS

Gary Craig, Director of Finance
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Tel: 01224 305222

8. BACKGROUND PAPERS

-

Chief Constable
22 May 2012

Treasurer
22 May 2012

GRAMPIAN POLICE CAPITAL EXPENDITURE MONITORING STATEMENT - to 30th April 2012													
Line	Project Description	Divisions / Dept.	Finance Project No	Total project cost £000s	Prior years spend £000s	Revised Budget 2012-13 (a) £000s	Projected Outturn (b) £000s	Actual Spend Apr-12 £000s	Variance (Over)/Under Spent (c=(a-b)) £000s	Estimated Budget			Comments
										2013-14 £000s	2014-15 £000s	2015-16 £000s	
A Recurring Items													
1	Disability Discrimination Act (DDA) / Minor Building Work	Facilities	GC90971	n/a	n/a	300	300	0	0	300	300	300	Expenditure incurred on upgrading or various parts of the property estate
2	Asset Refreshment for Computers, Printers & Servers	SPSA	GC90870	n/a	n/a	250	250	0	0	250	250	250	Expenditure funded by Scottish Police Services Authority Specific Grant.
(i)	- Force Funded	Business Areas	GC90871	n/a	n/a	20	20	0	0	20	20	20	
(ii)	- Annual Vehicle Replacement	Transport	GC95501	n/a	n/a	1,000	1,000	0	0	1,000	1,000	1,000	
B Existing Commitments													
4	Torry Police Station Extension	Facilities	GC90111	297	18	279	279	0	0				Work due to complete in Summer 2012.
5	CCTV Equipment	Aberdeen	GC95601	402	32	370	370	0	0				
6	Force Control Room - Communication Equipment	OP &S	GC91860	167	67	100	100	0	0				Budget carry forward from previous year.
7	Force Service Centre - Call Handling System Upgrade	OP &S	GC90951	90	12	78	78	0	0				Budget carry forward from previous year.
8 ON-GOING COMMITMENTS													
						2,397	2,397	6	0	1,570	1,570	1,570	
C Discrete Items of Expenditure													
9	Body Worn Video Equipment	Business Areas		0	0	250	250	0	0				Capital bid approved by Programme Board in Nov 2011.
10	ANPR Equipment	CMBA		12	0	12	12	0	0				Equipment will be delivered in May 2012.
11	Operational Specialist Equipment	OP &S	GC94801	75	0	75	75	0	0				Capital bid approved by Programme Board in Nov 2011.
12	New Custody Facilities in Aberdeen	Facilities		10,000	0	5,000	5,000	0	0	5,000			Design being considered which will inform allocated budget. To be reported to GJPB in June.
13	New Peterhead Police Station	Facilities		0	0	0	0	0	0				See concurrent report by Head of Logistics.
14	Laurencekirk Police Station (New Build)	Facilities		312	0	0	0	0	0	312			The project is in the design phase with the build due to commence in July 2012.
15	Force Estate Security	Facilities	GC91161	0	0	0	0	0	0				Project was pending by Programme Board in June 2010.
16	Extension to Laboratory at Nelson Street - Phase 2	Facilities		0	0	0	0	0	0				Project to be costed if the facility remains in Aberdeen.
17	Colpooseope Equipment	Aberdeen		24	0	24	24	0	0				Capital bid approved by Force Executive Board in May 2012
17	Unallocated Capital Funds	Programme Board		0	0	0	0	0	0	651	547	481	Remaining funding available for allocation to capital projects.
DISCRETE EXPENDITURE						5,361	5,361	0	0	5,963	547	481	
TOTAL EXPENDITURE						7,758	7,758	6	0	7,533	2,117	2,051	
Financed by:													
D Governmental Bodies and Local Authorities													
Local Authorities - Annual Capital Grant													
(i)	Balance carry forward at the beginning of the year					2,075	2,075	6	0	654	0	0	Capital Grant carried forward by Constituent Authorities and repaid to the Force.
(ii)	Annual Capital Grant for the year					1,701	1,701	0	0	1,701	1,701	1,701	Annual Capital Grant for the year.
(iii)	Balance carry forward at the end of the year					(654)	(654)	0	0	0	0	0	Capital Grant transferred to Constituent Authorities at the year end.
Annual Capital Grant utilised during the year						3,122	3,122	6	0	2,355	1,701	250	Capital Grant utilised during the year.
Scottish Government - Scottish Police Services Authority						250	250	0	0	250	250	250	Funding from Scottish Police Services Authority.
E Non-governmental Bodies													
Other Capital Receipts						0	0	0	0	0	0	0	
F Capital Receipts from the sale of Non-current assets													
Capital Receipts from sale of Non-current Assets						3,086	3,086	0	0	2,998	100	100	Capital receipts generated from disposal of Non-current Assets.
G Capital expenditures funded from revenue													
Capital Expenditure Funded from Revenue Funding "CFGR"						1,300	1,300	0	0	1,930	66	0	Funding from revenue budget
External Borrowing						0	0	0	0	0	0	0	
External Borrowing						0	0	0	0	0	0	0	
TOTAL FUNDING						7,758	7,758	6	0	7,533	2,117	2,051	
RECONCILIATION OF CAPITAL RECEIPTS:													
Opening balance						4,552	4,552	4,552		2,548	0	0	
New Receipts						932	932	0	0	300	0	0	
Sale of police houses						150	150	0	0	150	100	100	
Sale of police vehicles, plant & equipment						(3,086)	(3,086)	0	0	(2,998)	(100)	(100)	
Applied Receipts						2,548	2,548	4,552		0	0	0	
Closing balance carry forward													

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GRAMPIAN POLICE												
CAPITAL EXPENDITURE MONITORING STATEMENT - to 30th April 2012												
Line	Project Description	Divisions / Dept.	Total project cost £000s	Prior years spend £000s	Revised Budget <a> 2012-13 £000s	Projected Outturn 2012-13 £000s	Actual Spend Apr-12 £000s	Variance (Over)/Under Spend <c=a-b> £000s	Estimated Budget			Comments
									2013-14 £000s	2014-15 £000s	2015-16 £000s	
<i>Discrete Items of Expenditure</i>												
1	ACPOS National Platform Project	SPSA	5,408	4,003	277	277	0	0	648	480	0	National project fully funded by the Efficient Government Fund. Grampian Police acting as lead Force.
Financed by:												
2	Additional Capital Grant - Efficient Government Fund		5,378	3,973	277	277	0	0	648	480	0	Grant funding received by the Force.
3	Other Capital Receipts		30	30	0	0	0	0	0	0	0	
			5,408	4,003	277	277	0	0	648	480	0	
RECONCILIATION OF CAPITAL RECEIPTS												
	Opening balance				£000s	£000s	£000s					
	Amount received during the current year				1,405	1,405	1,405		1,128	480	0	
	Receipts applied for the current year				0	0	0		0	0	0	
	Closing balance				(277)	(277)	0		(648)	(480)	0	
					1,128	1,128	1,405		480	0	0	

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GRAMPIAN
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Keeping our communities safe

COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 June 2012

TITLE OF REPORT: Draft Annual Statement of Accounts 2011-12

1. PURPOSE OF REPORT

- 1.1 To present to the Board a copy of the unaudited Draft Annual Statement of Accounts for the financial year to 31 March 2012. At this stage the accounts are for noting and a fuller report will be presented to the Board on completion of the external audit.

2. RECOMMENDATION(S)

- 2.1 To note the contents of the report.

3. FINANCIAL IMPLICATIONS

- 3.1 The Force is required by statute to present a Draft Annual Statement of Accounts for the financial year 2011-12 to Members of the Board and Audit Scotland by 30 June 2012. Where the meeting of the Board is held beyond this date, then Members should be provided with a copy by 30 June 2012.
- 3.2 The Draft Annual Statement of Accounts provides an overview of the financial performance of the Force during 2011-12 and the financial position at 31 March 2012. These can be compared to the corresponding totals for 2010-11 and the balances at 31 March 2011.

4. SERVICE & COMMUNITY IMPACT

-

5. OTHER IMPLICATIONS

-

6. REPORT

- 6.1 The Draft Annual Statement of Accounts for 2011-12 is appended to the report and has been prepared in accordance with the accounting requirements included within International Financial Reporting Standards (IFRS).
- 6.2 In the 2007 Budget, the Chancellor announced that the UK public sector would adopt IFRS, as this was seen as best practice and allowed for international comparisons to be made. Although IFRS has been developed for the private sector, the impact on the vast majority of transactions is the same for all sectors. However, in some instances there are statutory arrangements that require divergence from generally accepted accounting practices because we have to fund and account for some things, e.g. pensions, on a different basis.
- 6.3 An overview of the Force's financial performance and position at the year end is set out within the Explanatory Foreword by the Treasurer (pages 3 to 10). This also includes an explanation as to the different financial statements and their purpose (page 4). The figures are subject to review by the Force's External Auditors (Audit Scotland).
- 6.4 In summary, the Force generated a total budget saving of £2.996m against the approved net expenditure budget of £117.571m. This compares closely with the estimate of £2.954m reported to the last meeting of the Board in March 2012. As reported throughout the year, one of the key aims has been to generate savings (primarily in back office functions) in order to contend with the reduction in core funding in 2011-12, and the further cuts that were anticipated for 2012-13 and beyond. The final out-turn figures in comparison to the respective budget categories are included within the Foreword (page 6), with a comprehensive breakdown shown within the Notes to the Accounts (pages 64 and 65).
- 6.5 The accounts include a prior year adjustment in respect of 2010-11. In 2010-11 the Force ran a voluntary redundancy scheme for Police Staff and in some cases compensatory added years were included within the total benefit. At the time the Force took a prudent approach and accounted for these future costs by accruing them and creating a provision in the 2010-11 accounts. The relevant accounting treatment has been under review and has been confirmed. The compensatory added years element, i.e. unfunded benefits, is included in the Actuary's calculation of the Force's overall pension liability as at 31 March 2011 and therefore no provision was required. The accruals and provision have been reversed by way of a prior year adjustment.

Reserves

- 6.6 At the start of year, the Force had a balance on the General Fund of £3.891m. The prior year adjustment, described above, has the effect of increasing the General Reserve at 31 March 2011 by £1.470m, i.e. from £3.891m to £5.361m. With the underspend of £2.996m during 2011-12, the balance on the General Fund increased to £8.357m. This adjustment has the effect of taking the General Reserve at 31 March 2012 above the 8% limit on cumulative reserves set by the Scottish Government, which is currently

calculated at £7.404m. The Capital Receipts Reserve increased from £4.001m to £4.578m. These balances (subject to audit) will be carried forward into 2012-13.

- 6.7 A summary of the movement in the balance on the Force's General Fund during 2011-12 is included in the Explanatory Foreword (page 6).

7. REPORT AUTHOR DETAILS

Gary Craig, Director of Finance
gary.craig@grampian.pnn.police.uk
Tel: 01224 305222

8. BACKGROUND PAPERS

-

Chief Constable
May 2012

Treasurer
May 2012

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GRAMPIAN
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Keeping our communities safe

GRAMPIAN JOINT POLICE BOARD

ANNUAL STATEMENT OF ACCOUNTS

2011-12

(Draft and Subject to Audit)

GRAMPIAN JOINT POLICE BOARD
STATEMENT OF ACCOUNTS 2011-12

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GRAMPIAN JOINT POLICE BOARD

MEMBERS AND OFFICIALS 2011-12

CONVENER

Councillor M. Greig, Aberdeen City Council

VICE CONVENER

Councillor A Hendry, Aberdeenshire Council

Councillor R H Shepherd, Moray Council

ABERDEENSHIRE COUNCIL

Appointed Members:

Councillor J A Mair

Councillor H Al-Kowarri

Councillor C R McKail

Councillor J Webster

Councillor J Cox

MORAY COUNCIL

Appointed Members:

Councillor E McGillivray

Councillor L Bell

ABERDEEN CITY COUNCIL

Appointed Members:

Councillor K Stewart

Councillor G Penny

Councillor J Dunbar

Councillor J Farquharson

Councillor N Collie

OFFICIALS

Chief Constable	-	Colin McKerracher, Grampian Police
Clerk	-	Jane G MacEachran, Aberdeen City Council
Treasurer	-	Barry Jenkins, Aberdeen City Council

EXPLANATORY FOREWORD BY THE TREASURER

INTRODUCTION

Grampian Joint Police Board (thereafter referred to as the Board) was created by a Statutory Instrument in 1995, known as 'The Grampian Combined Police Area Amalgamation Scheme Order 1995' and came into operation on 1 April 1996, to administer the policing provision for the new local government areas of Aberdeen City, Aberdeenshire and Moray. The Statutory Instrument makes provision with respect to the Members and Officers of the Board and its procedures, powers and duties. As part of these duties, the Board is required to publish an Annual Statement of Accounts, the object of which is to demonstrate publicly the proper stewardship of its financial affairs.

Grampian Police (thereafter referred to as the Force) is also required to prepare an Annual Report on the activities of the Force during the year and copies can be obtained from Police Headquarters, Queen Street, Aberdeen.

This foreword provides an explanation of the Board's overall financial position, along with a summary of the financial out-turn for the year ended 31 March 2012. It also assists in interpreting the core financial statements included within the accounts.

This is the second year that the Force has presented its Statement of Accounts applying the rules and conventions under International Financial Reporting Standards (IFRS), and the 2010-11 comparative figures are on a consistent basis.

The Chartered Institute of Public Finance and Accountancy (CIPFA)/ Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Local Authority Code Board has published the Code of Practice on Local Authority Accounting. This is based upon approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where they are inconsistent with specific statutory requirements.

The Code sets out the accounting concepts and principles, which underpin the Statement of Accounts. The Code requires that the financial statements are prepared in order to give a true and fair view of the financial position, financial performance and cash flows of the Force. A true and fair view requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Code. Compliance with the Code is presumed to result in financial statements that achieve a true and fair view.

The financial statements and their purpose are noted below.

Statement of Responsibilities - sets out the respective responsibilities of the Board and Treasurer for the accounts.

Annual Governance Statement - sets out the framework within which financial control is managed and reviewed within the wider governance arrangements and the main components of the system, including the arrangements for internal audit.

Movement in Reserves Statement - shows the movement in the year on the different reserves held by the Force, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce the requirement for core grant funding) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Force's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund.

Comprehensive Income and Expenditure Statement - shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be met from core grant funding. Forces are allocated core grant funding to cover expenditure in accordance with regulations; this may be different from the accounting cost. The grant funding position is shown in the Movement in Reserves Statement.

Balance Sheet – shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Force. The net assets of the Force (assets less liabilities) are matched by the reserves held by the Force. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Force may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Force is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement – shows the changes in cash and cash equivalents of the Force during the reporting period. The statement shows how the Force generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Force are funded by way of grant income or from the recipients of services provided by the Force. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Force's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Force.

REVENUE OUT-TURN 2011-12

The financial year was set against a background of a significant reduction in overall resources. The budget for 2011-12 was prepared to address an estimated funding gap of between £5.6m and £6m. During the year preparations began, under the Police Reform agenda, towards a Single Police Force for Scotland from 1 April 2013. This background led to three main streams of activity for the Force during the year, namely, business as usual, building a strong policing legacy in the North East of Scotland and ensuring a smooth transition to the Single Force.

Although the Comprehensive Income and Expenditure Statement (page 21) for the year ended 31 March 2012, identifies a deficit of £37.125million(m), this is only comparable to the budgeted position after excluding significant additional items amounting to £40.121m. These items are required to be included in the Board's Statement of Accounts to ensure compliance with accounting practices and conventions in respect to International Financial Reporting Standards on notional employee, pension and capital costs. These adjustments are reflected in the Movement in Reserves Statement (page 20).

The Comprehensive Income and Expenditure Statement also includes a surplus of £2.333m relating to the revaluation of pension and injury benefit liabilities, together with net revaluation losses of £0.175m. These are referred to as Other Comprehensive Income and Expenditure.

In terms of budget monitoring and the impact upon the General Fund, the Force had an underspend of £2.996m. This represents an overall budget variance of 2.55% against a net revenue expenditure budget of £117.571m. The aim throughout 2011-12 was to maximise savings, in order to reduce the financial burden during 2011-12 and that expected beyond.

The accounts include a prior year adjustment in respect of 2010-11. In 2010-11 the Force ran a voluntary redundancy scheme for Police Staff and in some cases compensatory added years were included within the total benefit. At the time the Force took a prudent approach and accounted for these future costs by accruing them and creating a provision in the 2010-11 accounts. The relevant accounting treatment has been under review and has been confirmed. The compensatory added years element, i.e. unfunded benefits, is included in the Actuary's calculation of the Force's overall pension liability as at 31 March 2011 and therefore no provision was required. The accruals and provision have been reversed by way of a prior year adjustment.

The information presented in the following table shows in summary, the approved budget for 2011-12 and actual expenditure incurred to 31 March 2012, which is presented to the Board for monitoring purposes. A detailed reconciliation between the figures appearing in the report below and those included in the Comprehensive Income and Expenditure Statement is set out in Note 29.

Expenditure Type	Approved Budget £000	Spend to 31 March 2012 £000
Employees (excluding Police Officer Pensions)	85,298	83,361
Police Officer Pensions	19,151	19,081
Property	4,699	4,786
Transport	2,243	2,145
Supplies and Services	7,581	7,226
Payments to Agencies and Other Bodies	1,499	1,321
Statutory Financing Charges	2,395	2,068
Income	(5,295)	(5,590)
Total Net Expenditure	117,571	114,398
Scottish Government/Local Authority Funding	(117,571)	(117,394)
Operational Underspend	0	(2,996)
Transfer to General Fund		(2,996)

The table below shows the financial impact of the Force's activities on the General Fund..

General Fund	£000
Original Balance as at April 2011	(3,891)
Effect of prior year adjustment	(1,470)
Re-Stated Balance at April 2011	(5,361)
Budget underspend for 2011-12	(2,996)
Balance as at 31 March 2012	(8,357)

In terms of expenditure against individual budget heads, the following provides a summary of some of the contributing factors resulting in budget variances.

Employee Costs

When the 2011-12 budget was prepared an estimated funding gap of between £5.6m and £6m was identified. Given the large proportion of the budget allocated to employee costs, it was clear that any savings made to address the funding gap would have to impact significantly on employee costs and, in particular, Police Officers. The budget assumed a net reduction of 50 Police Officers through continuing to suspend recruitment during 2011-12. At that point it was estimated that the number of Police Officers at 31 March 2012 would be around 1,515.

During the year it became clear that more Police Officers were leaving or retiring from the Force than had been budgeted for, which allowed some recruitment to recommence during the latter part of 2011-12. The actual number of Police Officers at 31 March 2012 was 1,542. The savings generated within the Police Officer pay budget amounted to £1.413m, compared with the final approved budget of £80.897m.

Police Staff numbers continued to reduce during 2011-12, with a recruitment freeze continuing for all but the most important front line posts. No early retirement / voluntary redundancy scheme was run during the year, but substantial savings enabled a return of requisitions totalling £1.2m to the three constituent Councils.

Police Officer overtime costs were below the budget with a saving of £0.039m and Police Staff overtime was marginally ahead of budget by £3,500. The force did not operate a central reserve budget for overtime in 2011-12.

Property

In spite of increased fuel costs a saving of £42,000 was achieved on heating and lighting due to a milder winter, together with the installation of better controls and improved metering throughout the year. The underspend of £74,000 in respect of rates was after some successful rates appeals and resultant rebates. Towards the latter part of the year the Force was able to bring forward some repairs and maintenance work and invested an additional £176,000 across a range of small scale upgrading and refurbishment works.

Supplies and Services

The Force made savings of £355,000 against the overall Supplies and Services budget. The main areas of savings were in IT and telephony costs and through a reduction in training and attendance at conferences, together with printing, stationery, postages and a range of small administrative items. The Force has also been continuing to reduce costs across a range of expenditure types, by procuring goods and services through local and national contracts.

Income

The Force generated additional income of approximately £295,000 over and above the budgeted total of £5.295m. Included in this was an increase in relation to the amount recharged to other bodies for the secondment of Police Officers. Although some secondments ended during the year, the continuation of others led to a budget surplus of £51,000. An additional £95,000 was received for other police services, including the policing of events and escort requirements. The Force also benefited from additional grant funding for specific projects, producing additional income of £98,000. These favourable variances were partially offset by a reduction in rental income on Force owned property of £36,000, due to lease terminations.

Scottish Police Services Authority (SPSA)

On 1 April 2008, all Scottish Police Forces transferred their ICT services to the SPSA following on from the previous transfer of Forensic Services. Thereafter, all of the Joint Police Boards across Scotland signed an Agency Agreement with SPSA, which allowed SPSA to purchase ICT goods and services directly from suppliers, on behalf of the Force. This came into effect on 1 July 2009 and has been extended to 31 March 2013.

Under the new arrangement, SPSA pay the suppliers, and thereafter recover an

equivalent sum from the Force. The Force will then draw down that sum from the Scottish Government.

An adjustment is made at the year end to reflect expenditure, which has been pre-paid or requires to be accrued by both SPSA and the Force. The total revenue spend by SPSA on ICT goods and services during 2011-12, which was grant funded amounted to £1.646m. The total capital expenditure for ICT assets amounted to £0.046m.

General Fund

Last year the Scottish Government revised the carry forward limits associated with revenue underspends in any given financial year, as well as maximum balances on the General Fund. In any given year, the Force is permitted to carry forward up to 4% of its core funding and can now hold balances on its General Fund up to 8% of its core funding.

The closing balance on the General Fund increased by £2.996m, from £5.361m to £8.357m, after taking account of the prior year adjustment described earlier. Following the introduction of revised accounting arrangements for Police Officer pensions in 2010-11, no element of the General Fund requires to be earmarked for pensions. The closing balance of £8.357m is in excess of the 8% carry forward limit for reserves.

Whilst it is necessary to ensure that there are resources available to meet any significant unplanned operational needs, especially in light of the nature and types of risks faced by the Force, the balance on the General Fund can be used to support the revenue budget. The 2012-13 revenue budget plans to utilise £1.500m of the balance, principally as revenue support to the capital project for new custody facilities in Aberdeen.

Capital Plan

Capital expenditure is determined by the Board, based upon the available resources, which comprise, capital grant, capital receipts, revenue funding and Prudential borrowing, if required.

The Force's approved Capital Plan is updated during the financial year as the Board considers appropriate. At 31 March 2012 the Force's Capital Plan included a budget for the year of £2.894m, while the actual spend was £2.503m. The total capital spend can be split into two different elements. The first is the on-going programme of replacement / improvement of capital assets (including buildings, ICT equipment and vehicles) and, the second, individual projects where capital investment is required. The total budget for these different categories in 2011-12 was £2.232m and £0.662m respectively and the actual spend was £2.045m and £0.458m respectively. In addition the Force acquired assets under a finance lease of £0.085m.

The total expenditure of £2.503m was funded by a £1.712m capital grant, supplementary grants and other contributions amounting to £0.108m, and contributions from current revenue totalling £0.683m. The balance of capital receipts at the start of 2011-12 was £4.001m. The Force generated £0.577m of receipts from the sale of

surplus assets and with no receipts applied in the year, the balance at 31 March 2012 amounted to £4.578m, which will be carried forward into 2012-13.

The Force has a portfolio of long-term debt originating from 1995 to 1997. This comprises a number of fixed-term loans that have fixed interest rates of between 7% and 11%. The cost of redemption is relatively high, given the interest rates, but the portfolio is subject to periodic review to assess whether or not any re-financing of the loans would generate any savings. No new borrowing was undertaken during 2011-12, nor is any planned to fund the capital programme over the next three years.

The Force, acting on behalf of all Scottish Police Forces, was previously awarded a grant from the Efficient Government Fund totalling £5.378m, towards the capital cost of implementing the National Platform Project. Grampian Police is acting as the Lead Force for this project, which will provide all Forces accessing shared performance management information. There was no spend in 2011-12. In total the Project has spent £3.973m of the £5.378m grant, leaving a balance of £1.405m to be carried forward into 2012-13.

NATIONAL SHARED ASSETS

The accounting treatment for spend and associated funding on national capital projects (including the National Platform Project) changed during the financial year 2008-09. Each Scottish Police Force now includes a share of these national assets on their respective Balance Sheet, based upon its share of the associated benefits and risks. This process has been agreed by all Scottish Police Forces and Audit Scotland. These adjustments are required to be made in order to adhere to particular accounting standards, however it is important to note that under the Code, none of these changes will impact upon the Force's General Fund.

There are currently five national ICT projects being classified as shared assets, namely the Infrastructure Project, Command and Control, Vulnerable Persons Database, Information Management Systems and the National Platform Project. Grampian Police includes 9.82% of the total cost of these national assets on the Balance Sheet, in line with the national funding allocations. There are both tangible and intangible fixed assets, whose values are written down in accordance with the Force's accounting policies, once the assets become operational. The total net book value of the national shared assets as at 31 March 2012, was £1.2m (£1.1m at 31 March 2011).

PENSION AND INJURY AWARD LIABILITIES

The application of IAS19 (Employee Benefits) means that the Force is required to recognise the cost of post employment benefits and include these within the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge to the General Fund should equate to the cash paid into the Police Pension Account or the Pension Fund (Police Staff) during the financial year. Consequently, the accounting transactions pertaining to IAS19 are reversed through the Movement in Reserves Statement. The Force is also required to show the net liability that exists at

the year end.

The Force's total net pension liability was £714.343m at 31 March 2012. This was made up of £26.416m for Police Staff and £687.927m for Police Officers. The Police Officers' pension scheme is unfunded and therefore is a significant future liability for the Force. However, the Force receives funding year on year specifically to cover the anticipated annual Police Officer pension costs (net of Police Officer contributions).

This is the third year that the liability associated with Police Officer Injury Awards, has been disclosed separately. The total liability at 31 March 2012 was £30.316m, which compares to the balance for the previous financial year, of £28.404m. Details of the various rates applied are set out within the Notes to the Accounts.

The application of the technical accounting rules has had no impact on the underlying basis for meeting the Board's current and on-going pension liabilities. These will be met out of the Board's funding from Government Grants and contributions from constituent authorities under the Amalgamation Scheme 1995. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Barry Jenkins, CPFA
Treasurer
4 Jun 2012

STATEMENT OF RESPONSIBILITIES

The Board's Responsibilities

The Board is required to:

make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for such administration of those affairs. For this Board that Officer is the Treasurer, who is the Head of Finance for Aberdeen City Council; and

manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

approve the Statement of Accounts.

The Treasurer's Responsibilities:

The Treasurer is responsible for the preparation of the Board's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Treasurer has:

selected suitable accounting policies and then applied them consistently;
made judgments and estimates that were reasonable and prudent;
complied with the Code;
kept proper accounting records, which were up to date; and
taken reasonable steps for the prevention and detection of fraud and other irregularities.

Barry Jenkins, CPFA
Treasurer
4 June 2012

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Grampian Joint Police Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, effectively and ethically. The Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities, elected members and senior officers are responsible for implementing proper arrangements for the governance of the Board's affairs, and facilitating the effective exercise of its functions, including arrangements for management of risk.

The Board has approved and adopted a governance framework that is consistent with the principles, and reflects the requirements, of the CIPFA/ SOLACE framework *Delivering Good Governance in Local Government*. This statement explains how Grampian Joint Police Board delivers good governance and reviews the effectiveness of these arrangements. It also includes a statement on internal financial control in accordance with proper practice.

The Board's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Board is directed and controlled, and its activities through which it accounts to, engages with and influences the community. It enables the Board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services and value for money. The framework reflects the arrangements in place to meet the principles of effective corporate governance.

A significant part of the governance framework is the system of internal control which is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives. These are outlined in the Force's Strategic Plan and local Policing Plans. This will enable the Board to manage its key risks efficiently, effectively, economically and ethically. While the system of internal control is designed to manage risk at a reasonable level it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, Standing Orders, Financial Regulations, administrative procedures and management supervision. In particular the system includes;

comprehensive budgeting systems

regular reviews of periodic and annual financial reports which include financial performance against the forecasts
setting targets to measure financial and other performance
the preparation of regular financial reports which indicate actual expenditure against the forecasts and
clearly defined capital expenditure guidelines

Determining the Board's purpose, its vision for the local area and intended outcomes for the Community

The Board aims to provide a quality service and the Force has communicated its vision, values and strategy in its Strategic Plan.

The governance framework is supported by detailed evidence of compliance which is regularly reviewed. The key documents supporting the framework are available for inspection, and some, including policies, are on our website.

Review of Effectiveness

The Board has put in place arrangements for monitoring each element of the framework and providing evidence of compliance. The Deputy Chief Constable is responsible within Grampian Police for the effectiveness of the framework and reviews the work on a regular and ongoing basis through the Development and Governance Business Area. Reports are regularly provided to the Grampian Joint Police Board and the Stewardship Sub-Committee.

The review of the effectiveness of its governance framework including the system of internal financial control is informed by:

- the work of the internal auditor
- the Chief Constable's assurance certificate on internal control;
- the operation and monitoring of controls by Force managers;
- the external auditors in their annual audit letter and other reports
- other inspection agencies comments and reports

Through the year elected members and officers have responsibility for the development and maintenance of the governance environment. These review mechanisms include:

The Grampian Joint Police Board provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Board's performance.

The Police Board's Stewardship Sub-Committee demonstrates the Board's commitment to the principles of good corporate governance. Its remit includes promoting internal control and includes scrutiny of performance, Internal Audit and external reports, assessments, Best Value reviews and policing performance.

The Force Executive Board, comprising the Chief Constable, Deputy Chief Constable, Assistant Chief Constables, Directors of Corporate Services and

Finance and non-executive members, is responsible for developing policy, facilitating its implementation and auditing its efficiency and effectiveness.

Internal Audit is provided through a contract with Deloitte LLP. A programme of work (referred to as the Audit Plan) has been approved by the Board's Stewardship Sub Committee and this is subject to regular review and updated where necessary. Whilst the plan includes a periodic review of all key financial processes, there is also a requirement to assess the adequacy of other non financial procedures, systems and controls. The force receives an overall assessment of the internal control system based on the internal audit work undertaken in the period. The Internal Auditor cannot be expected to give total assurance that control weaknesses or irregularities do not exist. The Internal Auditor undertakes work as part of the agreed Audit Plan to assess;

- the adequacy and effectiveness of the internal controls in relation to processes
- adherence to Force policies, strategies, objectives and any statutory requirements where appropriate and
- the means of safeguarding assets and, as appropriate, verifying their existence

External Auditor's Annual Audit Report is considered by the Force Executive Board, the Stewardship Sub-Committee and Board along with the output from other external audits and inspections.

The Corporate Risk Register is reviewed regularly and on an ongoing basis in accordance with the governance framework Significant risks are monitored by the Force Executive Board and the Stewardship Sub-Committee. This ensures that actions are taken to effectively manage the Board's highest risks.

The Clerk to the Grampian Joint Police Board is responsible to the Board for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. The remit includes providing support to Board Members in the execution of their duties, and to support and develop the Board's scrutiny functions, by providing advice, information and briefings to Board Members on business items as well as to the Stewardship Sub-Committee;

- to support members in their special interest areas by helping to develop knowledge and expertise, and facilitating contacts with the Police
- to arrange occasional seminars and information events for Board members
- to provide support for the Convener

The Development and Governance Business Area remit includes providing support to the Force Executive Board in the execution of their duties, and to support and develop the Board's scrutiny functions, by providing advice, information and briefings to Board members on business items.

Certification

In compliance with accounting practice, the Treasurer has provided the Chief Executive with a statement on the adequacy and effectiveness of the Board's internal financial control system for the year ended 31st March 2012. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system.

There is evidence that the governance framework is operating effectively with overall compliance by Grampian Police and Grampian Police Joint Board in all significant areas of its corporate governance arrangements.

Convener of
Grampian Joint
Police Board:

Date

Chief Executive
and Clerk:

Date

Chief Constable:

Date

Treasurer:

Date

REMUNERATION REPORT

The Force is required to produce a Remuneration Report and include it within the Annual Accounts. This follows on from the requirements set out in the Local Authority Accounts (Scotland) Amendment Regulations 2011 (SSI No 2011/64), which have amended the Local Authority Accounts (Scotland) Regulations 1985 (SI No 1985/267). The Remuneration Report is a statement in its own right and is not a note to the Annual Accounts.

Remuneration Arrangements

The salaries of Chief Police Officers are set through national arrangements overseen by the Police Negotiating Board (PNB). The PNB circular 08/9 includes the salaries for the Chief Police Officers for the period 2008 to 2012. The remuneration for the posts of Director of Corporate Services and Director of Finance is set by the Chief Constable, commensurate with other national positions.

Members of the Force Executive may increase their remuneration through performance related pay. Key objectives are set by the Board and assessed using the Force's system of Performance Development Review. The appraisal process is overseen by the Board.

Remuneration of Chief Police Officers and Senior Employees of the Force

The following table provides details of the remuneration paid to the members of the Force Executive.

	2011-12		2010-11	
	Salary, fees and allowances	Non-cash expenses & benefits in kind	Total Remuneration 2011-12	Total remuneration 2010-11
	£000	£000	£000	£000
Chief Constable:				
Colin McKerracher	143	3	146	145
Deputy Chief Constable:				
John McNab	115	6	121	125
Assistant Chief Constable:				
Colin Menzies	111	3	114	119
Assistant Chief Constable:				
William Gordon from 5 January 2011	99	0	99	24
Director of Corporate Services:				
Karen Williams	87	0	87	86
Director of Finance:				
Gary Craig	79	0	79	78
Total	634	12	646	577

Following bi-lateral discussions with the Scottish Government, performance related payments were suspended for 2010-11 and this continued in 2011-12. The pension entitlements of Chief Police Officers and Senior Employees for the year to 31 March 2012 are shown in the table below, together with the contribution made by the Force to each Senior Employees' pension during the year.

	In year pension contributions			Accrued pension benefits	
	For year to 31 March 2012 £000	For year to 31 March 2011 £000		As at 31 March 2012 £000	Difference from 31 March 2011 £000
Chief Constable: Colin McKerracher	33	33	Pension	89	1
Deputy Chief Constable: John McNab	27	27	Pension	59	5
Assistant Chief Constable: Colin Menzies	26	26	Pension	68	4
Assistant Chief Constable: William Gordon (from 5 January 2011)	23	6	Pension	51	14
Director of Corporate Services: Karen Williams	16	16	Pension Lump Sum	13 27	1 0
Director of Finance: Gary Craig	15	15	Pension Lump Sum	35 93	2 0
Total	140	123	Pension Lump Sum	315 120	27 0

Whilst there is no Pension Fund for Police Officers, the Force does provide for a equivalent notional charge for Police Officer pensions based upon the Police Pension Account (Scotland) Regulations 2010 (SSI 2010 No, 232). The Force contributes 24.7% of the Police Officers' pensionable pay.

Both the Director of Corporate Services and the Director of Finance are members of the Local Government Pension Scheme. Their pension figures show the benefits that have accrued over a period of time and may include balances transferred from other pension funds linked to previous employment.

GENERAL DISCLOSURE BY PAY BAND

The table below indicates the numbers of Grampian Police employees receiving remuneration (excluding pension contributions) greater than £50,000 in bands of £5,000. Remuneration includes all sums actually paid to an employee and sums due by way of expenses, allowances (as far as those sums are chargeable to UK income tax) as well as the money value of any other benefits received other than cash

Remuneration Bands	Number of Employees	
	2010-11	2011-12
£50,000 - £54,999	82	75
£55,000 - £59,999	79	79
£60,000 - £64,999	5	8
£65,000 - £69,999	3	1
£70,000 - £74,999	6	1
£75,000 - £79,999	5	10
£80,000 - £84,999	8	6
£85,000 - £89,999	3	2
£90,000 - £94,999	2	0
£95,000 - £99,999	0	1
£110,000 - £114,999	0	2
£115,000 - £119,999	1	0
£135,000 - £135,999	1	0
£140,000 - £144,999	0	1
£160,000 - £164,999	1	0
Totals	196	186

EXIT PACKAGES

There were no exit packages for either Police Officers or Police Staff in 2011-12.

MEMBERS ALLOWANCES

The Convener and Vice-Convener of the Board are remunerated by the Council of which they are a Council Member.

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements. These regulations set out the amounts a Councillor may be paid for being a Convener or Vice-Convener of a Joint Board. This is inclusive of any amount payable to them as either a Councillor or Senior Councillor within the Constituent Authority.

The Board has an arrangement with each Council who remunerates the Convener and Vice-Convener to reimburse the Council for the additional costs of that Councillor arising from them being a Convener or Vice-Convener of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for

remuneration and does not reflect the full value of the remuneration that may be paid to the Councillor.

The table below shows the amounts that were paid to Members of the Board. This includes the recharge from the Constituent Authorities for the recovery of salary costs for the Convener and Vice-Convener of the Board.

		2010-11			2011-12		
		Salaries	Allowances	Total	Salaries	Allowances	Total
		£000	£000	£000	£000	£000	£000
Aberdeen City Council	M Greig (Convener)	16	0	16	14	0	14
Aberdeenshire Council	A J C Cullinane (Vice-Convener)	3	0	3	0	0	0
Moray Council	R H Shepherd (Vice-Convener)	0	0	0	0	0	0
		19	0	19	14	0	14

All information disclosed in the tables in this Remuneration Report is, at this stage, subject to audit by Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they were consistent with the financial statements.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Force.

	General Fund Balance	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Note
	£000	£000	£000	£000	£000	
Balance at 31 March 2010	(4,248)	(3,872)	(8,120)	706,809	698,689	
Movement in reserves during 2010-11						
(Surplus) or deficit on the provision of services	(22,318)	0	(22,318)	0	(22,318)	
Other Comprehensive Income and Expenditure	0	0	0	(9,165)	(9,165)	
Total Comprehensive Income and Expenditure	(22,318)	0	(22,318)	(9,165)	(31,483)	
Adjustments between accounting basis & funding basis under regulations	21,205	(129)	21,076	(21,076)	0	7
(Increase)/ Decrease in 2010-11	(1,113)	(129)	(1,242)	(30,241)	(31,483)	
Balance at 31 March 2011	(5,361)	(4,001)	(9,362)	676,568	667,206	
Movement in reserves during 2011-12						
(Surplus) or deficit on the provision of services	37,125	0	37,125	0	37,125	
Other Comprehensive Income and Expenditure	0	0	0	(2,158)	(2,158)	
Total Comprehensive Income and Expenditure	37,125	0	37,125	(2,158)	34,967	
Adjustments between accounting basis & funding basis under regulations	(40,121)	(577)	(40,698)	40,698	0	7
(Increase)/ Decrease in 2011-12	(2,996)	(577)	(3,573)	38,540	34,967	
Balance at 31 March 2012	(8,357)	(4,578)	(12,935)	715,108	702,173	

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the changes in the Force's financial resources over the year.

2010-11 (Re-stated)			2011-12			Note	
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
£000	£000	£000	£000	£000	£000		
68,447	(14,829)	53,618	Local Policing	68,975	(18,280)	50,695	
10,234	(666)	9,568	Dealing with the Public Criminal Justice Arrangements	10,342	(840)	9,502	
8,192	(1,149)	7,043	Roads Policing	7,826	(1,170)	6,656	
6,843	(1,525)	5,318	Specialist Operations	7,885	(2,153)	5,732	
5,995	(1,788)	4,207	Intelligence	5,255	(1,770)	3,485	
5,752	(633)	5,119	Specialist Investigations	5,696	(817)	4,879	
8,710	(1,250)	7,460	Investigative Support	7,866	(1,402)	6,464	
620	(329)	291	National Policing	703	(54)	649	
6,071	(3,673)	2,398	Non Distributed Costs	5,428	(3,446)	1,982	
0	(61,876)	(61,876)	Corporate and Democratic Core	2,495	0	2,495	
1,031	(37)	994		736	(35)	701	
121,895	(87,755)	34,140	Cost of Services	123,207	(29,967)	93,240	
0	(68)	(68)	Other operating expenditure			(183)	8
42,349	(377)	41,972	Financing and investment income and expenditure			38,632	9
0	(98,362)	(98,362)	Non-specific grant income			(94,564)	10
		(22,318)	(Surplus) or Deficit on Provision of Services			37,125	
		(9,165)	Actuarial (gains)/losses on Pension assets/liabilities & Injury Award liabilities			(2,333)	36/37
		0	Net Revaluation Losses on Non-Current Assets			175	24
		(9,165)	Other Comprehensive Income and Expenditure			(2,158)	
		(31,483)	Total Comprehensive Income and Expenditure			34,967	

BALANCE SHEET

This statement shows how the resources available to the Force are held in the form of assets and liabilities.

31 March 2011 Re-Stated		31 March 2012	
£000		£000	Note
37,215	Property, plant & equipment	34,188	11
3,325	Investment property	3,325	12
298	Intangible assets	154	13
1	Long term debtors	0	
40,839	Long term assets	37,667	
162	Assets held for sale	245	20
215	Inventories	242	17
5,253	Short term debtors	6,680	18
16,616	Cash and cash equivalents	16,605	19
22,246	Current assets	23,772	
0	Short term borrowing	0	
(12,795)	Short term creditors	(10,249)	21
(780)	Provisions	(500)	22
(13,575)	Current liabilities	(10,749)	
(8,124)	Long term borrowing	(8,124)	16
(708,592)	Other long term liabilities	(744,739)	36&37
(716,716)	Long term liabilities	(752,863)	
(667,206)	Net liabilities	(702,173)	
(9,362)	Usable reserves	(12,935)	23
676,568	Unusable reserves	715,108	24
667,206	Total reserves	702,173	

Barry Jenkins, CPFA
Treasurer
4 June 2012

The unaudited accounts were issued on 4 June 2012.

CASH FLOW STATEMENT

This statement shows how the movement in resources has been reflected in cash flows.

2010-11		2011-12	
£000		£000	Note
(22,318)	Net (surplus) or deficit on the provision of services	37,125	
	Adjustments to net surplus or deficit on the provision of services		
16,275	for non cash movements	(40,177)	25
	Adjustments for items in the net surplus or deficit on the provision		
<u>3,763</u>	of services that are for investing and financing activities	<u>2,827</u>	
(2,280)	Net cash flows from operating activities	(225)	26
375	Investing activities	861	27
<u>(305)</u>	Financing activities	<u>(625)</u>	28
<u>(2,210)</u>	Net (increase) in cash and cash equivalents	<u>11</u>	
	Cash and cash equivalents at the beginning of the reporting		
14,406	period	16,616	
<u>16,616</u>	Cash and cash equivalents at the end of the reporting period	<u>16,605</u>	

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) General Principles

The Statement of Accounts summarises the Board's transactions for the financial year 2011-12 and its position as at 31 March 2012. The Local Authority Accounts (Scotland) Regulations 1985 require the Board to prepare an Annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12 and the Service Reporting Code of Practice 2011-12, supported by International Financial Reporting Standards (IFRS).

Accounting policies are the principles, bases, conventions, rules and practices applied by the Board that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, selecting measurement bases for, and presenting assets, liabilities, gains, losses and changes in reserves.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Board has adopted accounting policies with the intention that the Statement of Accounts reflect a True and Fair View of the financial performance and position of the Force.

b) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet.

Fees, charges, rent and other income are accounted for in the period to which they relate, i.e. any payments received in advance are included as a liability within the Balance Sheet.

Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Income and expenditure are credited and debited to the relevant revenue account, unless they properly represent capital receipts or capital expenditure.

The full cost of employees is charged to the Comprehensive Income and Expenditure Statement of the period within which the employees worked.

c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Force's cash management arrangements.

d) Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Force's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

e) Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- amortisation of intangible fixed assets attributable to the service.

Whilst the Force is not required to raise additional funding to cover depreciation, impairment losses or amortisations, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (equal to either an amount calculated on a prudent basis determined by the Force in accordance with statutory guidance, or principal loan repayments). Depreciation, impairment losses and amortisations are therefore replaced by a revenue provision in

the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

f) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits, such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the Force. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and that can be carried forward into the next financial year.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an individual's employment before the normal retirement date or an individual's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Account when the Force is demonstrably committed to either terminating the employment of an individual or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions allow the General Fund balance to be charged with the amount payable by the Force to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

The Force participates in two different Pension Schemes that provide benefits for employees (retirement lump sums and pensions). Both are administered by the North East of Scotland Pension Fund.

These include:

Police Pension Scheme for Police Officers which is an unfunded scheme,
Local Government Pension Scheme for Police Staff.

Both schemes provide members with defined benefits related to pay and service. The Police Pension Scheme is unfunded with the respective revenue transactions being posted to the Police Pension Account.

Both Pension Schemes are accounted for as a defined benefits scheme:

The liabilities of the pension schemes attributable to the Force are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.

Liabilities are discounted to their value at current prices, applying a discount rate based on the indicative rate of return on high quality corporate bonds.

The assets (if any) of the pension fund attributable to the Force are included in the Balance Sheet at their fair value:

- quoted securities – current bid price;
- unquoted securities – professional estimate;
- united securities – current bid price;
- property – market value.

The change in the net pensions liability is analysed into seven components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the fund assets attributable to the Force, based on an average of the expected long-term return – credited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- gains/losses on settlements and curtailments – the result of actions to relieve the Force of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve;
- contributions paid to the pension fund or Police Pension Account – cash paid as employer's contributions to the pension fund or the Police Pension Account in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions allow the General Fund balance to be charged with the amount payable by the Force to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Force also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to an employee is accrued in the year of the decision to make the award and accounted for using the same policies as are applied above.

A similar approach is taken when accounting for Injury Awards (payable to Police Officers who have been injured in the course of their employment and have subsequently retired from the Force). As these are not considered to be pension costs, they are disclosed separately within the respective accounting statements. This includes a separate liability on the face of the Balance Sheet. A corresponding entry is posted to the balance sheet within the Employee Statutory Adjustment Account.

g) Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events;

those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

h) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Force's financial performance.

i) Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Force becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Force has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Income and Expenditure Account in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Force has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

j) Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market;
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Force becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive

Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Force has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Available-for-Sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Force becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (eg, dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Force.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis;
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus/Deficit on Revaluation of Available-for-Sale. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain/loss for the asset accumulated in the Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive

Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses previously recognised in the former Statement of Total Recognised Gains and Losses. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

k) Foreign Currency Translation

Where the Force has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

l) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Force when there is reasonable assurance that:

the Force will comply with the conditions attached to the payments, and the grants or contributions will be received.

Amounts recognised as due to the Force are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants

Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied.

m) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Force as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Force.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Force will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Force's goods or services.

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Force cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life and charged to the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are charged to the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

n) Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

o) Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value,

based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

p) Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Force in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Force recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Force and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Force accounts for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

q) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Force as Lessee

Finance leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's

inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Force are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Force is not required to raise additional funds to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense.

The Force as Lessor

Finance leases

Where the Force grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Force's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability (together with any premiums received), and

finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Force grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg, there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

r) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Force and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Force does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Force. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Force.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- assets under construction – depreciated historical cost;
- all other assets – fair value, determined the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an

asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance up to the amount of the accumulated gains;

where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Force's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against the General Fund, as the cost

of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following basis -

Buildings are depreciated on a reducing balance basis over their estimated useful lives of 30 years.

Vehicles are depreciated on a straight line basis over their estimated useful lives as follows with residual value of approximately 10% of cost:

Incident Vehicles 10 years

Beat and Traffic Vehicles 3 years

Other non-current assets are depreciated on a straight-line basis over their estimated useful lives as follows

Computers and software 3 – 5 years

Plant and equipment 5 – 10 years

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

s) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Force a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Force becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged against the provision carried on

the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the Comprehensive Income and Expenditure Statement if it is virtually certain that reimbursement will be received if the Force settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Force a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Force. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Force a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Force.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Reserves

Amounts set aside for purposes falling outwith the definition of provisions are considered as reserves. The purpose and nature of reserves held by the Board are disclosed in the notes to the balance sheet.

t) VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

2. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Force has had to make certain judgments about complex transactions or those involving uncertainty about future events.

There is a level of uncertainty regarding the future structure and levels of funding for Scottish Police Forces. However, the Force has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Force may be impaired in some way through a need to reconfigure service provision.

The Board has a significant net liability associated with the future pension and injury award costs. However, statutory arrangements for the funding of the deficit means that the financial position of the Board remains assured. On the basis of this funding arrangement, the Board considers it appropriate that the Statement of Accounts should follow the going concern basis of accounting.

3. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Force about the future. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The following items should be considered –

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of maintenance. If the Force is unable to sustain the current level of spend on the assets, then there is a risk that the lives of the assets would be shortened.

The resultant changes would be that the level of depreciation charged would increase and the carrying values fall.

Pension and Injury Award Liabilities

The liability associated with the future payments of pensions and injury awards is calculated by an actuary applying a range of complex and varied assumptions.

Any changes to the assumptions could have a significant impact upon the net balance sheet liability and charges to the Comprehensive Income and Expenditure Statement given the relative values involved.

4. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Treasurer to the Board on 4 June 2012. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2012, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

5. PRIOR YEAR ADJUSTMENT

The accounts include a prior year adjustment in respect of 2010-11. In 2010-11 the Force ran a voluntary redundancy scheme for Police Staff and in some cases compensatory added years were included within the total benefit. At the time the Force took a prudent approach and accounted for these future costs by accruing them and creating a provision in the 2010-11 accounts. The relevant accounting treatment has been under review and has been confirmed. The compensatory added years element, i.e. unfunded benefits, is included in the Actuary's calculation of the Force's overall pension liability as at 31 March 2011 and therefore no provision was required. The accruals and provision have been reversed by way of a prior year adjustment. The resultant changes are shown below;

Comprehensive Income and Expenditure Account

	Published Accounts 2010-11 £000	Prior Year Adjustment £000	Re-Styled Accounts 2010-11
Police Staff Pension Costs	1,418	(1,470)	(52)

Balance Sheet

	Published Accounts 2010-11 £000	Prior Year Adjustment £000	Re-Styled Accounts 2010-11
Short-Term Creditors	(13,624)	829	(12,795)
Provisions	(1,421)	641	(780)
Useable Reserves – General Fund	(3,891)	(1,470)	(5,361)

6. INTRODUCTION OF POLICE OBJECTIVE ANALYSIS

Up to and including 2010-11 the Force allocated expenditure across five main activities following the Best Value Accounting Code of Practice, namely;

- Crime Management
- Traffic Management
- Public Order
- Community Safety
- Call Management

along with Corporate and Democratic Core and Non Distributed Costs.

The 2011-12 accounts employ the Police Objective Analysis (POA) to allocate expenditure over activities. POA was developed originally between the Chartered Institute of Public Finance and Accountancy and police forces in England and Wales. This analysis is now being used by Scottish Forces with small amendments to some of the terminology. POA is fundamentally a management tool to enable comparisons to be made and questions asked. There are nine main areas, namely;

- Local Policing
- Dealing with the Public
- Criminal Justice Arrangements
- Roads Policing
- Specialist Operations
- Intelligence
- Specialist Investigations
- Investigative Support
- National Policing

together with Non Distributed Costs and Corporate and Democratic Core. The costs of support functions are fully allocated over the nine main activities. Within the Comprehensive Income and Expenditure Statement the 2010-11 analysis has been restated in line with the POA categories, in order that 2010-11 and 2011-12 are fully comparable.

Three Police Objective Analysis exercises have been carried out across the Force, using budgeted figures for 2010-11, 2011-12 and 2012-13. During these exercises, Divisions were asked to allocate their Officers/Staff and devolved costs to the POA heading that best reflects the main purpose of the role/cost. This information was summarised to Force level and distributed Force wide.

The actuals for 2011-12 are based primarily on the information supplied by Divisions for their 2011-12 and 2012-13 budgets. Once this initial allocation of costs was made across all headings, costs held within Support Functions were then apportioned over the main service expenditure headings using appropriate cost drivers.

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments to the total Comprehensive Income and Expenditure Statement recognised by the Force in the year, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Force to meet future capital and revenue expenditure.

	2011-12		
	Usable Reserves		
	General Fund Balance £000	Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Account</i>			
Charges for depreciation and impairment of non current assets	(5,118)		5,118
Amortisation of intangible assets	(188)		188
Capital grants and contributions that have been applied to capital financing	2,020		(2,020)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Account	183		(183)
Capital Financed from Current Revenue	682		(682)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Statutory provision for the financing of capital investment	625		(625)
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Account	0	(577)	577
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0
Adjustments involving the Pension Reserves:			
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(57,697)		57,697
Employer's pensions contributions and direct payments to pensioners payable in the year	21,209		(21,209)
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which employee remuneration charged to the Comprehensive Income and Expenditure on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	75		(75)
Adjustments involving the Employee Statutory Mitigation Account:			
Statutory adjustments for Injury Benefits	(1,912)		1,912
Total Adjustments	(40,121)	(577)	40,698

	2010-11		
	Usable Reserves		
	General Fund Balance £000	Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Account</i>			
Charges for depreciation and impairment of non current assets	(2,833)	0	2,833
Amortisation of intangible assets	(224)	0	224
Capital grants and contributions that have been applied to capital financing	3,069	0	(3,069)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Account	68	0	(68)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Statutory provision for the financing of capital investment	626	0	(626)
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Account	0	(180)	180
Use of the Capital Receipts Reserve to finance new capital expenditure	0	51	(51)
Adjustments involving the Pension Reserves:			
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1,505	0	(1,505)
Employer's pensions contributions and direct payments to pensioners payable in the year	18,931	0	(18,931)
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which employee remuneration charged to the Comprehensive Income and Expenditure on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	469	0	(469)
Adjustments involving the Employee Statutory Mitigation Account:			
Statutory adjustments for Injury Benefits	(406)	0	406
Total Adjustments	21,205	(129)	(21,076)

8. OTHER OPERATING EXPENDITURE

2010-11 £000		2011-12 £000
(68)	(Gains)/Losses on disposal of non current assets	(183)
<u>(68)</u>	Total	<u>(183)</u>

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2010-11 £000		2011-12 £000
784	Interest payable and similar charges	760
	Pensions interest cost and expected return on	
41,565	pension assets	38,186
(86)	Interest receivable and similar income	(87)
(291)	Other investment income	(227)
<u>41,972</u>	Total	<u>38,632</u>

10. NON-SPECIFIC GRANT INCOME

2010-11 £000		2011-12 £000
(95,293)	Non specific government grants	(92,544)
(3,069)	Capital grants and contributions	(2,020)
<u>(98,362)</u>	Total	<u>(94,564)</u>

11. PROPERTY, PLANT AND EQUIPMENT

(a) Movement on Balances

Movements During 2011-12	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation				
At 1 April 2011	33,782	11,171	1,658	46,611
Additions	709	1,202	633	2,544
Transfer Across Forces	0	50	150	200
Donations	0	0	0	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	381	0	0	381
Derecognition – disposals	(10)	(1,489)	0	(1,499)
Derecognition – other	0	0	0	0
Assets reclassified (to)/from Held for Sale	(395)	0	0	(395)
Other movement in costs or valuation	207	520	(727)	0
At 31 March 2012	34,674	11,454	1,714	47,842
Accumulated Depreciation & Impairment				
At 1 April 2011	1,897	7,499	0	9,396
Depreciation charge	2,945	1,728	0	4,673
Derecognition – disposals	(1)	(1,396)	0	(1,397)
Impairment losses / (reversals) recognised in the Revaluation Reserve	557	0	0	557
Impairment losses / (reversals) recognised in Surplus / Deficit on the Provision of services	445	0	0	445
Eliminated on reclassification to Assets Held for Sale	(20)	0	0	(20)
At 31 March 2012	5,823	7,831	0	13,654
Net Book Value				
At 31 March 2012	28,851	3,623	1,714	34,188
At 31 March 2011	31,885	3,672	1,658	37,215

The Force's policy on depreciation is described in the accounting policies at Note 1(r) on page 38.

Movements During 2010-11	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation				
At 1 April 2010	32,892	11,264	1,376	45,532
Additions	912	1,062	727	2,701
Transfer Across Forces	0	7	260	267
Donations	0	3	0	3
Derecognition – disposals	0	(971)	0	(971)
Derecognition – other	0	(899)	0	(899)
Assets reclassified (to)/from Held for Sale	(22)	0	0	(22)
Other movement in costs or valuation	0	705	(705)	0
At 31 March 2011	33,782	11,171	1,658	46,611
Accumulated Depreciation & Impairment				
At 1 April 2010	962	7,348	0	8,310
Depreciation charge	936	1,908	0	2,844
Derecognition – disposals	0	(861)	0	(861)
Derecognition – other	0	(896)	0	(896)
Eliminated on reclassification to Assets Held for Sale	(1)	0	0	(1)
At 31 March 2011	1,897	7,499	0	9,396
Net Book Value				
At 31 March 2011	31,885	3,672	1,658	37,215
At 31 March 2010	31,930	3,916	1,376	37,222

(b) Capital Commitments

At 31 March 2012, the Force was committed to a contract for the construction or enhancement of Property, Plant and Equipment with future costs projected to be £0.370m. In addition the Force was committed to the purchase of land, subject to the receipt of planning permission, estimated at £1.7m. This compares with the total value of commitments at 31 March 2011 which amounted to £0.393m.

(c) Revaluations

The Force carries out a rolling programme of property valuations. This is to ensure that all property that is measured at fair value is re-valued at least every five years. The most recent programme of valuations was carried out by Atisreal Limited (Chartered Surveyors) for all properties owned by the Force at 31 March 2009. The valuations were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

In addition to this, during 2011-12, six of the Force's largest properties, those in excess of the de minimis value, were re-valued to provide the relevant information for component depreciation accounting. The following table shows the changes in valuation across the different categories of property spanning a period of 5 years.

	Other Land and Buildings £000s	Vehicles, Plant and Equipment £000s	Assets Under Construction £000s	Total Property, Plant and Equipment £000s
Carried at historical cost	2,732	11,454	1,714	15,900
Valued at fair value as at:				
31 March 2012	9,445	0	0	9445
31 March 2011	0	0	0	0
31 March 2010	0	0	0	0
31 March 2009	22,497	0	0	22,497
31 March 2008	0	0	0	0
Total Cost or Valuation	34,674	11,454	1,714	47,482

(d) Impairment

During 2011-12 the Force has recognised an impairment loss of £0.445m through the Comprehensive income and Expenditure Account in respect of three properties, as a result of the component depreciation referred to above in (c).

12. INVESTMENT PROPERTIES

The following items of income and expenditure have been accounted for in the Comprehensive Income and Expenditure Statement:

2010-11 £000		2011-12 £000
(414)	Rental income from investment properties	(389)
123	Direct operating expenses associated with investment properties	162
(291)	Net (Gain)/Loss	(227)

There are no restrictions on the Force's ability to realise the value inherent in its investment property or on the Force's right to the remittance of income and the proceeds of disposal. The Force has no contractual obligations to purchase, construct or develop investment property.

The following table summarises the movement in the fair value of investment properties over the year

2010-11 £000		2011-12 £000
3,325	Opening Balance	3,325
0	Transfer from Property, Plant and Equipment	0
3,325	Closing Balance	3,325

13. INTANGIBLE ASSETS

The Force accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and software. The Force does not have any internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Force. The useful lives assigned to the major software suites used by the Force are:

Purchased Software & Licenses	Useful Life
Other Purchased Software & Licenses	3 Years
National Infrastructure Project	4 Years

The movement on Intangible Asset balances during the year is as follows:

2010-11 £000		2011-12 £000
946	Gross Carrying amounts	1,095
(573)	Accumulated amortisation	(797)
373	Net Carrying amount at 1 April	298
147	Purchases	44
2	Transfer across Forces	0
0	Other Changes	(185)
(224)	Amortisation for the period	(3)
298	Net Carrying amount at 31 March	154
Comprising -		
1,095	Gross carrying amounts	954
(797)	Accumulated amortisation	(800)
298	Total	154

14. SHARED ASSETS

There are a number of national ICT systems, which are currently in development. The accounting treatment for spend and associated funding on national projects (treated as Non-Current Assets) has recently changed. Each Scottish Police Force is required to include a share of the written down cost on their respective Balance Sheet. Grampian Police's share of these national assets was calculated on the basis of the funding allocation for Police Grant (which equates to 9.82% of the total). Consequently, an adjustment has been made to the Force's Balance Sheet to reflect the carrying value of the national shared asset.

The following tables provide a breakdown of the carrying value for each of the national assets on the Force's Balance Sheet.

a) Intangible Assets

	National Infrastructure System	National Command & Control System	Vulnerable Persons System	Information Management System	National Platform Project	Total
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 April 2011	89	0	0	0	0	89
Transfer from/(to)Forces	0	0	0	0	0	0
As at 31 March 2012	89	0	0	0	0	89
Amortisation						
As at 1 April 2011	56	0	0	0	0	56
Amortisation	22	0	0	0	0	22
As at 31 March 2012	78	0	0	0	0	78
Net Book Value	11	0	0	0	0	11
As at 31 March 2012						
As at 31 March 2011	33	0	0	0	0	33

b) Property, Plant and Equipment

	National Infrastructure System	National Command & Control System	Vulnerable Persons System	Information Management System	National Platform	Total
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 April 2011	476	473	18	47	399	1,413
Additions	0	0	0	0	0	0
Transfer from /(to)Forces	50	55	0	95	0	200
As at 31 March 2012	526	528	18	142	399	1,613
Depreciation						
As at 1 April 2011	331	0	0	0	2	333
Depreciation	114	0	0	0	2	116
As at 31 March 2012	445	0	0	0	4	449
Net Book Value						
As at 31 March 2012	81	528	18	142	395	1164
As at 31 March 2011	145	473	18	47	397	1,080

15. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred during 2011-12 is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Force, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Force that has yet to be financed. The capital expenditure and financing as well as the CFR is analysed in the following table.

2010-11 £000		2011-12 £000
7,880	Opening Capital Financing Requirement	7,254
	Capital investment -	
2,701	Property, Plant and Equipment	2,544
147	Intangible Assets	44
	Sources of finance -	
(51)	Capital receipts from the sale of property, plant and equipment, investment property and intangible assets	0
(2,504)	Local Authorities – capital grants and other contributions	(1,774)
(280)	Scottish Government – specific capital grants and other contributions	(46)
(13)	Other grants	0
	Sums set aside from revenue -	
(626)	Loans fund principal	(625)
0	Capital Financed from Current Revenue	(683)
<u>7,254</u>	Closing Capital Financing Requirement	<u>6,714</u>
	Explanation of movements in year -	
(626)	Notional repayment of borrowing (supported by government financial assistance)	(625)
	Assets acquired under Finance Leases	85
<u>(626)</u>	Decrease in Capital Financing Requirement	<u>(540)</u>

16. FINANCIAL INSTRUMENTS

The Force has adopted the disclosure requirements prescribed by the Code. These are based upon the requirements of IAS 32 Financial Instruments: Presentation.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and liabilities such as trade receivables and trade payables as well as the most complex ones such as derivatives and embedded derivatives. Typical financial instruments include financial liabilities (trade payables and other payables; borrowings and financial guarantees); and financial assets (bank deposits; trade receivables; loans receivable; other receivables and advances as well as investments).

The financial instruments will be valued initially at their fair value and thereafter will be carried on the Balance Sheet at their amortised cost. The fair value is the amount for which an asset could be exchanged.

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet.

	Long term		Short term	
	As at 31 March 2011 £000	As at 31 March 2012 £000	As at 31 March 2011 £000	As at 31 March 2012 £000
Borrowings -				
Financial liabilities at amortised cost	(8,124)	(8,124)	(12,795)	(10,249)
Total Borrowings	(8,124)	(8,124)	(12,795)	(10,249)
Investments -				
Loans and receivables	1	0	22,023	23,560
Total Investments	1	0	22,023	23,560

Further to the initial valuation, the financial instruments are considered over the longer term, in particular the application of a constant effective interest rate over the life of the asset or liability.

The amortised cost is a method of determining the carrying amount on the Balance Sheet and periodic charges or credits to the Comprehensive Income and Expenditure Statement of a financial instrument from the expected cash flows. Ignoring impairment, the carrying amount at any point in time of a financial instrument carried at amortised cost, is the carrying amount on initial recognition plus the interest taken to the Comprehensive Income and Expenditure Statement less the cash paid or received (both interest and principal). The interest expense or income is calculated using the effective interest rate method.

Where financial assets and liabilities are not being carried on the Balance Sheet at their fair value, the Code requires disclosure of their fair value.

Income, Expense, Gains and Losses

	2010-11					2011-12				
	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available for sale	Assets and Liabilities at Fair Value through Profit and Loss	Total	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available for sale	Assets and Liabilities at Fair Value through Profit and Loss	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Interest Expense	784	0	0	0	784	760	0	0	0	760
Losses on derecognition	0	1	0	0	1	0	0	0	9	9
Impairment losses	0	84	0	0	84	0	11	0	445	456
Total expense in Surplus or Deficit on the Provision of Services	784	85	0	0	869	760	11	0	454	1,225
Interest Income	0	(86)	0	0	(86)	0	(87)	0	0	(87)
Total income in Surplus or Deficit on the Provision of Services	0	(86)	0	0	(86)	0	(87)	0	0	(87)
Net (gain)/loss for the year	784	(1)	0	0	783	760	(76)	0	454	1,138

Fair Value of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

For Public Works Loan Board (PWL) debt, the premature repayment rate is used to calculate the discounted value on the premise that there is no opportunity to exit the loan other than to accept the repayment terms offered by PWLB.

For other market debt and investments the discount rate used is the rate available for an instrument with the same terms from a comparable lender.

Interpolation techniques have been used between available rates where the exact maturity period was not available.

No early repayment or impairment is recognised.

Fair values have been calculated for all major financial instruments in the portfolio.

The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	As at 31 Mar 2011		As at 31 Mar 2012	
	Carrying Amount £000's	Fair Value £000's	Carrying Amount £000's	Fair Value £000's
Financial liabilities				
Creditors	(12,795)	(12,795)	(10,249)	(10,249)
Bank Overdraft	(188)	(188)	(327)	(327)
Long-term creditors				
PWLB Loan – maturity	(8,124)	(11,779)	(8,124)	(12,480)

The fair value of the liabilities is higher than the carrying amount because the Force's portfolio of loans includes a number of fixed rate loans with the PWLB, where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2012) arising from a commitment to pay interest to PWLB above current market rates.

	As at 31 Mar 2011		As at 31 Mar 2012	
	Carrying Amount £000's	Fair Value £000's	Carrying Amount £000's	Fair Value £000's
Loans and receivables				
Deposits with bank	34	34	52	52
Debtors	5,253	5,253	6,680	6,680
Short Term Investment	16,770	16,770	16,880	16,880
Long-term debtors	1	1	0	0

Where possible, the Force invests surplus cash balances with Aberdeen City Council's Loans Fund, in order to maximise the return. These investments are short term, and allow instant access to balances held, but the notional amount will not reduce below that invested. The key risk for the Force is that returns on such investments may be minimal. Consequently, the fair value equates to the carrying value of the investments held on the Balance Sheet at 31 March 2012.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

17. INVENTORIES

	Uniforms		Stationery		Cleaning & Medical		Vehicle Parts		Total	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Opening balance	189	179	6	5	2	4	27	27	224	215
Purchases	231	200	280	271	48	40	164	175	723	686
Utilised stock items	(241)	(183)	(281)	(270)	(46)	(40)	(164)	(166)	(732)	(659)
Closing Balance	179	196	5	6	4	4	27	36	215	242

18. DEBTORS

31 March 2011 £000			31 March 2012 £000	
3,398	Central government bodies		5,557	
1,591	Local authorities		609	
3	NHS Organisations		7	
261	Other entities and individuals		507	
5,253	Total		6,680	

19. CASH AND CASH EQUIVALENTS

The actual balance on the Force's bank account is adjusted at the year end, to take account of cheques and BACS payments that have been issued but have not been presented or drawn from the account. The bank account is managed on a daily basis to ensure that best use is made of available funds.

31 March 2011 £000			31 March 2012 £000	
18	Cash held by the Force		19	
(172)	Bank accounts		(294)	
16,770	Short term investments		16,880	
16,616	Total		16,605	

20. ASSETS HELD FOR SALE

31 March 2011 £000		31 March 2012 £000
129	Opening Balance	162
	Assets newly re-classified as Held for Sale:	
22	Property, Plant & Equipment	375
11	Revaluation gains	0
0	Assets sold	(292)
162	Total	245

21. CREDITORS

31 March 2011 £000		31 March 2012 £000
(4,853)	Central government bodies	(4,167)
(1,544)	Local authorities	(1,103)
(565)	NHS organisations	(84)
(1)	Public corporations and trading functions	(0)
(5,832)	Other entities and individuals	(4,895)
(12,795)	Total	(10,249)

22. PROVISIONS

The provision in 2010-11 was in respect of the Force's voluntary redundancy scheme. This provision was subject to a prior year adjustment, described in Note 5. No voluntary redundancy scheme was run in 2011-12.

In the 2010-11 accounts the Force disclosed, as a contingent liability, details of claims received under Equal Pay legislation. At that time there was insufficient information available to allow a full evaluation of the likelihood of the success of the claims or any likely financial impact. As further information is now available and actions are ongoing, though currently sisted (on hold), it is considered appropriate to make a provision in the 2011-12 accounts, estimated at £500,000.

2010-11 £000		2011-12 £000
(410)	Balance at 1 April	(780)
410	Amounts utilised in year	780
(780)	Amounts provided for in year	(500)
(780)	Balance at 31 March	(500)

23. USABLE RESERVES

Movements in the Force's usable reserves are detailed in the Movement in Reserves Statement.

24. UNUSABLE RESERVES

31 March 2011		31 March 2012
£000		£000
(2,327)	Revaluation Reserve	(1,907)
(31,420)	Capital Adjustment Account	(29,292)
680,188	Pension Reserve	714,343
30,127	Employee Statutory Adjustment Account	31,964
676,568	Total Unusable Reserves	715,108

Details relating to the individual reserves are provided within the following notes.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Force arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

re-valued downwards or impaired and the gains are lost;
used in the provision of services and the gains are consumed through depreciation, or
disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date at which the reserve was created. Accumulated gains arising before that date were consolidated into the balance on the Capital Adjustment Account.

2010-11 £000		2011-12 £000	2011-12 £000
(2,397)	Balance at 1 April		(2,327)
0	Upward Revaluation of Assets	(382)	
0	Downward Revaluation of Assets and Impairment Losses not charged to the Surplus/Deficit on the Provision of Services	557	
0	Surplus or Deficit of revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		175
70	Difference between fair value depreciation and historical cost depreciation	123	
0	Accumulated Gains on assets sold or scrapped	122	
70	Amount written off to the Capital Adjustment Account		245
(2,327)	Balance at 31 March		(1,907)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Force as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Force.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2010-11 £000		2011-12 £000	2011-12 £000
(30,773)	Balance at 1 April		(31,420)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
	Charges for depreciation and impairment of non-current assets	5,118	
2,833			
224	Amortisation of intangible assets	188	
0	Capital financed from Current Revenue	(683)	
	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		
112		395	
			5,018
(70)	Adjusting amounts written out of the Revaluation Reserve		(245)
(27,674)	Net written out amount of the cost of non-current assets consumed in the year		(26,647)
	Capital financing applied in the year:		
	Use of the Capital Receipts Reserve to finance new capital expenditure	0	
(51)			
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,020)	
(3,069)			
(626)	Statutory provision for the financing of capital investment charged against the General Fund	(625)	
(3,746)			(2,645)
(31,420)	Balance at 31 March		(29,292)

Pension Reserve

The Pensions Reserve absorbs the timing difference arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Force accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Force makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Force has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2010-11 £000		2011-12 £000
702,149	Balance at 1 April	680,188
(1,525)	Actuarial gains or losses on pensions assets and liabilities	(2,333)
(1,505)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	57,697
(18,931)	Employer's pensions contributions and direct payments to pensioners payable in the year	(21,209)
680,188	Balance at 31 March	714,343

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund from accruing for future payments of ill health benefits to retired Police Officers (not treated as pensionable benefits) and compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the Account.

(a) Injury Awards

The Force is liable for the payment of non pensionable benefits to Police Officers that have retired through ill health. The future cost has been identified through actuarial valuations and the corresponding balance appears in the Force's Balance Sheet.

2010-11 £000		2011-12 £000
35,638	Balance at 1 April	28,404
(7,640)	Actuarial gains or losses on injury award liabilities	0
913	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	2,467
(507)	Employer's contributions and direct payments to pensioners payable in the year	(555)
28,404	Balance at 31 March	30,316

(b) Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March.

The Force operates with a leave entitlement spanning the calendar year rather than the financial year. Consequently, an analysis is undertaken of the proportion of leave taken during the latter 3 months of the financial year, in order to determine the cost of annual leave that is treated as a potential liability or asset at the year end.

2010-11 £000		2011-12 £000	2011-12 £000
2,192	Balance at 1 April		1,723
(2,192)	Settlement or cancellation of accrual made at the end of the preceding year	(1,723)	
1,723	Amounts accrued at the end of the current year	1,648	
(469)	Amount by which employee remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(75)
1,723	Balance at 31 March		1,648

25. CASH FLOW STATEMENT – ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON CASH MOVEMENTS

2010-11 £000		2011-12 £000
(2,833)	Depreciation and impairment of Non-current Assets	(5,118)
(224)	Amortisation of Intangible Assets	(188)
1,505	Reversal of items relating to post employment benefits through the Surplus or Deficit to the Provision of Services in the Comprehensive I&E	(57,697)
18,931	Employer's pensions contributions and direct payments to pensioners payable in the year	21,209
(406)	Statutory adjustments for Injury Benefits	(1,912)
(4)	Increase / (Decrease) in Long-term Debtors	(1)
(9)	Increase / (Decrease) in Inventories	26
204	Increase / (Decrease) in Revenue Debtors	1,482
(519)	(Increase) / Decrease in Revenue Creditors	1,742
(370)	(Increase) / Decrease in Provision	280
16,275		(40,177)

26. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows arising from operating activities include the following items:

2010-11 £000		2011-12 £000
(82)	Interest received	(86)
791	Interest paid	758

27. CASHFLOW STATEMENT – INVESTING ACTIVITIES

2010-11 £000		2011-12 £000
3,592	Purchase of property, plant and equipment, investment property and intangible assets	3,313
(180)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(577)
(3,037)	Other receipts from investing activities	(1,875)
375	Net cash flows from investing activities	861

28. CASHFLOW STATEMENT – FINANCING ACTIVITIES

2010-11 £000		2011-12 £000
(626)	Other receipts from financing activities	(625)
321	Repayment of short- and long-term borrowing	0
(305)	Net cash flows from financing activities	(625)

29. AMOUNTS REPORTED FOR RESOURCE ALLOCATION

Revenue Budget Monitoring Report	2011-12 Budget £000	2011-12 Actual £000
Employee Costs		
Police Officers (incl Overtime)	65,002	63,620
Police Staff (incl Overtime)	20,201	19,641
Recruitment and Relocation Costs	95	100
Sub-total	85,298	83,361
Police Officer Pensions		
Pension Costs	18,404	18,404
Injury Awards	522	602
Ill Health Awards	225	75
Sub-total	19,151	19,081
Property Costs		
Rent and Rates	2,302	2,254
Insurances	20	21
Repairs and Maintenance	1,082	1,258
Heating, Lighting and Cleaning	1,295	1,253
Sub-total	4,699	4,786
Transport and Plant Costs		
Repairs and Maintenance	277	250
Petrol and Diesel Fuel	950	956
Licences and Insurances	300	297
Car Hire	211	194
Travel and Subsistence	505	448
Sub-total	2,243	2,145
Supplies and Services Costs		
Operational Equipment and Materials	678	676
Operational Supplies and Services	2,595	2,641
Uniforms and Clothing	244	246
Computer Maintenance and Software	1,236	1,123
Computer Networks and Telephony	1,077	1,031
Catering	156	142
Conferences and Subsistence	326	273
Printing, Stationery and Postages	494	433
Insurances	399	398
Advertising	13	29
Other Administration Costs	363	234
Sub-total	7,581	7,226

	2011-12 Budget £000	2011-12 Actual £000
Payments to Agencies and Other Bodies		
Council Support Services	228	161
Other Agencies	1,271	1,160
Sub-total	1,499	1,321
Statutory Financing Charges		
Supported Loan Charges – Interest	760	760
Supported Loan Charges – Loan Repayment	625	625
Capital Financed from Current Revenue	1,010	683
Sub-total	2,395	2,068
Gross Expenditure	122,866	119,988
Income		
Recharges for Services	(1,416)	(1,511)
Secondee Recoveries	(1,105)	(1,156)
Sales, Fees and Lost Property	(536)	(618)
Sponsorship	(24)	(18)
Rents	(807)	(771)
Partnership Income	(821)	(825)
Non SG Funding	(506)	(604)
Other Income	(80)	(87)
Sub-total	(5,295)	(5,590)
Total Net Expenditure	117,571	114,398
Grant Funding		
SG Police Grant	(47,166)	(47,166)
LA Requisitions	(44,116)	(44,116)
SG Loan Charge Support	(644)	(644)
LA Loan Charge Support	(618)	(618)
SG Specific Grant (100% Funded)	(6,602)	(6,423)
SG Specific Grant (Part Funded)	(21)	(23)
SG Specific Grant (Police Pensions)	(18,404)	(18,404)
Sub-total	(117,571)	(117,394)
Operational Underspend	0	(2,996)

	2011-12
	£000
Operational Underspend	(2,996)
Reconciling Adjustments	
IAS 19 Pension Adjustments	38,401
Movement in Short Term Absences	(75)
Depreciation of Non-Current Assets	4,673
Amortisation of Intangibles	188
Impairment on Non-Current Assets	445
Gains on Disposal of Non-Current Assets	(183)
Statutory Provision for the financing of capital investment (through Movement in Reserves)	(625)
Capital Income Grants	(2,020)
Capital From Current Revenue	(683)
Deficit on Provision of Services	<u>37,125</u>

30. AGENCY SERVICES

Under various statutory powers, the Board may agree to work with other Boards, Local Authorities and Government Bodies, to progress various schemes. The main items of Agency income and expenditure were as follows:

2010-11		2011-12
£000		£000
955	Payments to Agencies and other bodies	1,160
176	Payments under Service Level Agreements	161
<u>1,131</u>	Total	<u>1,321</u>
<u>1,648</u>	Income from staff secondments	<u>1,156</u>

Scottish Police Services Authority

The SPSA was fully brought into operation on 1 April 2007, when it acquired full statutory powers, duties and functions. In the first instance, the Forensic Service passed from the Force to SPSA, and from 1 April 2007 the SPSA became responsible for providing related services to all Scottish Police Forces. On 1 April 2008 the ICT function transferred from Forces to SPSA and thereafter all ICT development, provision, maintenance and support was carried out by SPSA.

All of the Forces agreed to a budget transfer in line with the amounts of spend being incurred. Whilst the costs associated with the provision of Forensic services are borne by SPSA directly with no recharge to the Force, a different approach has been adopted for the purchase of ICT goods and services. Prior to the introduction of the Agency

Agreement, SPSA purchased goods and services for each Force, with the suppliers invoicing the Force directly. The Agency Agreement allows SPSA to now purchase the ICT goods and services but also pay the supplier and recover the corresponding amounts from the Force. Thereafter, the Force will draw down an equivalent amount from the Scottish Government.

There is no expenditure relating to Forensic Services included within the Force's 2011-12 Statement of Accounts. The ICT revenue costs incurred during 2011-12 in conjunction with SPSA and funded from the Scottish Government, amounted to £1.646m (2010-11: £1.823m). This includes elements of spend associated with the running costs of SPSA. The total capital spend amounted to £0.046m (2010-11: £0.230). The ICT revenue and capital expenditure, as well as the corresponding grant funding from the Scottish Government appears in the 2011-12 Statement of Accounts.

31. EXTERNAL AUDIT COSTS

The external audit for 2010-11 was the final year of Henderson Loggie's appointment and the audit for 2011-12 was the first year of Audit Scotland's appointment.

2010-11 £000		2011-12 £000
44	Fees payable with regard to external audit services carried out by the appointed auditor for the year	42
0	Rebate of charges for previous year	(3)
44	Total	39

32. GRANT INCOME

The Force receives non-specific core funding from the Scottish Government, referred to as Police Grant. The Force also receives funding towards external loan charges (including an amount for principal loan repayments, as well as interest charges). The amount receivable from the Scottish Government equates to 51% of the total agreed funding allocation.

Grants credited to non-specific grant income;

2010-11		2011-12
£000		£000
48,761	Scottish Government Police Grant and support for loan charges	47,810
46,532	Local Authority Requisitions and support for loan charges	44,734
3,069	Capital grants and contributions	2,020
98,362	Total	94,564

Grants credited to services;

The Force also benefited from additional grant funding for a number of different activities and these are detailed in the table below.

2010-11		2011-12
£000		£000
154	Counter Terrorism Advisor	154
170	Grampian Resilience, Strategic Co-ordinator & Training Post	173
1,822	SPSA ICT Costs	1,646
35	RHWI Pilot	0
2,848	Additional Police Officers	3,107
13,565	Pension Account Funding (Police Officers)	18,404
407	Injury Benefits Funding (Police Officers)	0
277	Whole Approach	75
1,172	Counter Terrorism Additional Staff	1,258
0	Act Now	1
42	Adult Support and Protection	32
669	Other Local Authority Operational Grants	604
21,161	Total	25,454

The Force has received a number of grants, contributions and donations that have yet to be recognised as income because they have conditions attached to them, as yet unmet, that require them to be returned to the provider if the conditions are not satisfied. The balances at 31 March 2012 are as follows;

Current Liabilities**(Capital Grants)**

2010-11 £000		2011-12 £000
1,405	ACPOS National Platform Project	1,405
1,405	Total	1,405

(Revenue Grants)

2010-11 £000		2011-12 £000
42	Adult Support and Protection Grampian Resilience, Strategic Co-ordinator & Training Post	51
6	Counter Terrorism Additional Staff	7
4	Whole Approach	4
0	Drug Operations Grant	11
17	Anti Social Behaviour Grant	80
39	Act Now	52
1	Domestic Abuse Liaison Grant	0
0	Shire Community Analyst Grant	4
0	Moray Community Analyst Grant	4
9	Moray Road Safety	0
7	Motorcycle Safety Campaign Grant	0
10	Moray Safer Streets Grant	7
18	Aberdeen Safer Streets Grant	13
3	Anti Social Behaviour Activities Grant	0
49	Scottish Natural Heritage Grant	63
5	Keeping Children Safe Grant	5
6	Other Operational Grants	0
33		0
249		301

33. RELATED PARTIES

The Board comprises Councillors from each of the three Constituent Authorities. The funding for the Force and the subsequent charge upon the three Constituent Authorities is agreed by the Board prior to the start of the financial year. The requisitions detailed below provide for revenue grant funding and support for loan charges.

2010-11 £000		2011-12 £000
22,169	Aberdeen City Council	21,328
16,772	Aberdeenshire Council	16,110
7,591	Moray Council	7,296
46,532	Total	44,734

34. LEASES

Operating Leases (Force as Lessee)

There are a number of assets which are provided to the Force through operating leases. The minimum lease payments due under non-cancellable leases in future years are shown in the table below.

2010-11				2011-12		
Land & Buildings	Vehicles	Total		Land & Buildings	Vehicles	Total
£000	£000	£000		£000	£000	£000
795	92	887	Not later than one year	812	79	891
2,636	88	2,724	Later than one year and not later than five years	2,107	9	2,116
5,346	0	5,346	Beyond five years	4,817	0	4,817
8,777	180	8,957	Total	7,736	88	7,824

The expenditure charged in the Comprehensive Income and Expenditure Statement during the year in relation to these leases are shown in the table below.

2010-11				2011-12		
Land & Buildings	Vehicles	Total		Land & Buildings	Vehicles	Total
£000	£000	£000		£000	£000	£000
820	110	930	Minimum lease payments	880	91	971
(89)	(45)	(134)	(Sub-lease payments receivable/contributions)	(89)	(38)	(127)
731	65	796	Total	791	53	844

Operating Leases (Force as Lessor)

The Force leases out a number of properties in order to generate income and maximise the economic benefit of the assets. All of the agreements are treated as operating leases. The future minimum lease payments receivable under non-cancellable leases in future years are shown in the table below.

31 March 2011		31 March 2012
£000		£000
655	Not later than one year	634
1,968	Later than one year and not later than five years	1,966
1,300	Beyond five years	1,055
3,923	Total	3,655

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

Finance Leases (Force as Lessee)

The Force acquired a property under a finance lease in 2011-12 and is carried under Property, Plant and Equipment on the Balance Sheet at the following net amounts;

31 March 2011		31 March 2012
£000		£000
0	Other land and Buildings	85
0	Total	85

The Force is committed to making minimum lease payments under this lease, comprising settlement of the long-term liability for the property acquired by the Force and finance costs that will be payable by the Force in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts;

31 March 2011		31 March 2012
£000		£000
	Finance lease liabilities (net present value of minimum lease payments)	
0	- current	5
0	- non-current	80
0	Finance costs payable in future years	68
0	Minimum Lease Payments	153

The minimum lease payments will be payable over the following periods;

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000
Not later than one year	0	9	0	5
Later than one year but not later than five years	0	31	0	18
Later than five years	0	113	0	62
Total	0	153	0	85

35. TERMINATION BENEFITS

The Force did not run an early retirement/voluntary redundancy scheme for Police Staff in 2011-12, following similar schemes in the previous three years. There was, therefore, no cost in 2011-12, compared with £2.383m that was expended during 2010-11 involving 71 Police Staff.

36. PENSION COSTS

As part of the terms and conditions of employment of Police Officers and Police Staff, the Force will make a commitment to pay post employment benefits. Although these benefits will not actually be payable until employees retire, the Force is required to disclose a breakdown of the future costs that are expected to arise as a result of offering these post employment benefits.

The Force participates in two pension schemes:

The Local Government Pension Scheme (LGPS) for Police Staff, administered by the North East of Scotland Pension Fund – this is a funded scheme, meaning that both the Force and employees make payments into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Police Pension Scheme for Police Officers – this is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Force recognises the cost of retirement benefits (in the Cost of Services) when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against the Police Grant is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been posted to the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement.

Local Government Pension Scheme

	Local Government Pension Scheme Unfunded Benefits		Local Government Pension Scheme Total Benefits	
	2010-11 £000	2011-12 £000	2010-11 £000	2011-12 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of Services:</i>				
current service cost	0	0	2,948	2,960
past service costs	(34)	0	(5,637)	0
settlements and curtailments	616	800	925	2,495
<i>Financing and Investment Income and Expenditure</i>				
interest cost	30	58	4,304	4,463
expected return on scheme assets	0	0	(3,243)	(3,786)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	612	858	(703)	6,132
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>				
actuarial gains and losses	14	1,681	1,766	2,333
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	626	2,539	1,063	8,465
<i>Movement in Reserves Statement</i>				
reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(507)	(703)	3,748	(3,361)
Actual amount charged against the General Fund Balance for pensions in the year:				
employers' contributions payable to scheme	105	155	3,045	2,771

Assets and Liabilities in Relation to Post Employment Benefits

Reconciliation of present value of the scheme liabilities:

	Local Government Pension Scheme Unfunded Benefits		Local Government Pension Scheme Total Benefits	
	2010-11 £000	2011-12 £000	2010-11 £000	2011-12 £000
1 April	586	1,107	73,616	80,521
Current service cost	0	0	2,948	2,960
Past service costs	(34)	0	(5,637)	0
Curtailments	616	800	925	2,495
Settlements	0	0	0	0
Interest cost	30	58	4,304	4,463
Actuarial gains and losses	14	1,681	3,538	(12,212)
Contributions by scheme participants	0	0	932	840
Benefits paid	(105)	(124)	(105)	(2,587)
31 March	1,107	3,522	80,521	76,480

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme Unfunded Benefits		Local Government Pension Scheme Total Benefits	
	2010-11 £000	2011-12 £000	2010-11 £000	2011-12 £000
1 April	0	0	46,246	55,133
Expected rate of return	0	0	3,243	3,786
Curtailments/Settlements	0	0	0	0
Actuarial gains and losses	0	0	1,772	(9,879)
Employer contributions	105	124	3,045	2,771
Contributions by scheme participants	0	0	932	840
Benefits paid	(105)	(124)	(105)	(2,587)
31 March	0	0	55,133	50,064

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in financial year 2011-12 was £0.724m (2010-11: £5.015m).

Police Pension Scheme

	Police Pension Scheme	
	2010-11	2011-12
	£000	£000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
current service cost	15,567	15,628
past service costs	(54,822)	0
settlements and curtailments	0	0
<i>Financing and Investment Income and Expenditure</i>		
interest cost	38,453	35,937
expected return on scheme assets	0	0
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	(802)	51,565
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
actuarial gains and losses	(3,291)	0
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(4,093)	51,565
<i>Movement in Reserves Statement</i>		
reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	16,668	(33,127)
Actual amount charged against the General Fund Balance for pensions in the year:		
employers' contributions payable to scheme		
retirement benefits payable to pensioners	15,866	18,438

Liabilities in Relation to Post Employment Benefits

Reconciliation of present value of the scheme liabilities:

	Police Pension Scheme	
	2010-11	2011-12
	£000	£000
1 April	674,779	654,800
Current service cost	15,567	15,628
Past service costs	(54,822)	0
Curtailments	0	0
Settlements	0	0
Interest cost	38,453	35,937
Actuarial gains and losses	(3,291)	0
Contributions by scheme participants	5,763	5,605
Benefits paid	(21,649)	(24,043)
31 March	654,800	687,927

The Police Pension Scheme is unfunded and therefore does not have any scheme assets.

Scheme history

	2007-08 £000	2008-09 £000	2009-10 £000	2010-11 £000	2011-12 £000
Present value of liabilities:					
Local Government Pension Scheme	(57,088)	(45,766)	(73,616)	(80,521)	(76,480)
Police Pension Scheme	(557,741)	(458,299)	(674,779)	(654,800)	(687,927)
Fair value of assets:					
Local Government Pension Scheme	40,448	29,919	46,246	55,133	50,064
Total Scheme (Deficit)	(574,381)	(474,146)	(702,149)	(680,188)	(714,343)

The liabilities show the underlying commitments that the Force has in the long run to pay retirement benefits. The total liability of £764.4m has a substantial impact on the net worth of the Force as recorded in the Balance Sheet, less assets of £50.1m, resulting in a negative overall balance of £714.3m.

However, statutory arrangements for funding the deficit means that the financial position of the Board remains healthy:

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

Finance is only required to cover police pensions when the pensions are due for payment.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, and an estimate of the pensions that will be payable in future years dependent on assumptions about the mortality rates, salary levels, etc. Both the Police Scheme and Local Government Pension Fund liabilities have been assessed by Mercer Limited, an independent firm of actuaries, with estimates for the Aberdeen City Council Pension Fund being based on the latest valuation of the scheme as at 31 March 2011. This was a full actuarial valuation.

The main assumptions used in their calculations include:

	Local Government Pension Scheme		Police Pension Scheme	
	2010-11 %	2011-12 %	2010-11 %	2011-12 %
Long term expected rate of return on assets in the scheme				
Equity Investments	7.5	7.0	0	0
Government Bonds	4.4	3.1	0	0
Other Bonds	5.1	4.1	0	0
Property	6.5	6.0	0	0
Cash/Current Assets	0.5	0.5	0	0
Longevity at 65 for current pensioners				
Men	22.2	22.3	0	0
Women	24.2	25.3	0	0
Longevity at 60 for current pensioners				
Men	0	0	26.8	26.9
Women	0	0	29.1	29.1
Longevity at 65 for future pensioners				
Men	23.2	24.6	0	0
Women	25.1	27.7	0	0
Longevity at 60 for future pensioners				
Men	0	0	28.4	28.5
Women	0	0	30.7	30.8
Rate of inflation (CPI)	3.0	2.5	3.0	2.5
Rate of increase in salaries	5.25	4.25	4.75	4.35
Rate of increase in pensions	3.5	2.5	3.0	2.6
Rate for discounting scheme liabilities	5.6	4.9	5.5	5.1
Take-up of options to convert annual pension into retirement grant	50	50	0	0

The pension liabilities are expressed in present value terms rather than the cash amount that will eventually be paid out in order to allow for the 'time value of money'. This is undertaken by discounting these future cash amounts by use of a corporate bond rate.

The Police Pension Scheme has no assets to cover its liabilities. Assets in the Aberdeen City Council Pension Fund are valued at fair value, principally market value for investments, totalling £2.092m for the Fund as a whole at 31 March 2012 (£2,207m at 31 March 2011).

The Fund is made up of the following assets:

	31 Mar 2010 % of fund	31 Mar 2011 % of fund	31 Mar 2012 % of fund
Equities	74.0	79.6	81.5
Government Bonds	4.5	4.8	7.0
Other Bonds	4.5	3.0	2.9
Property	9.0	5.6	6.4
Cash/Current Assets	3.0	2.7	2.2
Other	5.0	4.3	0.0
Total	100.0	100.0	100.0

Actuarial (Gains) and Losses

The actuarial (gains)/losses identified as movements on the Pension Reserve can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at the year end:

Police Staff

	2007-08		2008-09		2009-10		2010-11		2011-12	
	£m	%	£m	%	£m	%	£m	%	£m	%
Differences between the expected and actual return on assets	3.80	9.4	16.10	54.0	10.17	22.0	1.77	3.2	(9.88)	(19.7)
Differences between actuarial assumptions about liabilities and actual experience	0.00	0.0	2.10	4.6	0.00	0.0	0.00	0.0	12.18	16.1
	<u>3.80</u>		<u>18.20</u>		<u>10.17</u>		<u>1.77</u>		<u>2.30</u>	

Police Officers

	2007-08		2008-09		2009-10		2010-11		2011-12	
	£m	%	£m	%	£m	%	£m	%	£m	%
Differences between actuarial assumptions about liabilities and actual experience	(1.50)	0.3	0.00	0.0	0.00	0.00	4.51	0.8	0.00	0.00
	<u>(1.50)</u>		<u>0.00</u>		<u>0.00</u>		<u>4.51</u>		<u>0.00</u>	

Future Payments

It is estimated that the Force will make payments amounting to £2.617m into the Local Government Pension Scheme in 2012-13 for Police Staff. It is also anticipated that the Force will make payments totalling £25.864m to retired Police Officers during 2012-13, however this will be offset by £5.638m of pension contributions received from serving Police Officers.

37. INJURY AWARDS

There are former Police Officers who have been injured through the course of their employment and subsequently retired from the Force. Where this occurs the Force may agree to make a termination benefit payable to the retired Police Officer on a monthly basis. This is not considered to be a pension benefit and therefore is accounted for separately from the pension costs and liabilities.

The following transactions have been posted to the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement.

	Police Injury Award Scheme	
	2010-11 £000	2011-12 £000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
current service cost	1,204	895
past service costs	(2,342)	0
settlements and curtailments	0	0
<i>Financing and Investment Income and Expenditure</i>		
interest cost	2,051	1,572
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	913	2,467
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
actuarial gains and losses	(7,640)	0
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(6,727)	2,467
<i>Movement in Reserves Statement</i>		
reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(406)	(1,912)
Actual amount charged against the General Fund Balance for pensions in the year:		
injury benefits payable to pensioners	507	555

Reconciliation of present value of the injury award liabilities:

	Police Injury Award Scheme	
	2010-11 £000	2011-12 £000
1 April	35,638	28,404
Current service cost	1,204	895
Past service costs	(2,342)	0
Curtailments	0	0
Settlements	0	0
Interest cost	2,051	1,572
Actuarial gains and losses	(7,640)	0
Contributions by scheme participants	0	0
Benefits paid	(507)	(555)
31 March	<u>28,404</u>	<u>30,316</u>

Scheme history

	2008-09 £000	2009-10 £000	2010-11 £000	2011-12 £000
Present value of liabilities: Police Injury Award Scheme	(22,313)	(35,638)	(28,404)	(30,316)

The liabilities show the underlying commitments that the Force has in the long run to pay the future injury awards.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, and an estimate of the payments relating to injury awards that will be payable in future years dependent on assumptions about the mortality rates, salary levels, etc.

The main assumptions used in their calculations include:

	Injury Awards Scheme	
	2010-11 %	2011-12 %
Longevity at 65 for current pensioners		
Men	24.3	24.3
Women	26.4	26.5
Longevity at 65 for future pensioners		
Men	25.8	25.9
Women	28.0	28.1
Rate of inflation (CPI)	3.0	2.6
Rate of increase in salaries	4.75	4.35
Rate of increase in pensions	3.0	2.6
Rate for discounting scheme liabilities	5.5	5.1

Future Payments

It is estimated that the Force will make payments amounting to £0.555m during 2012-13 to Police Officers who have retired through ill health and receive an enhanced benefit.

38. POLICE PENSION ACCOUNT

From 1 April 2010, the Scottish Government introduced a requirement for each Scottish Police Force to maintain a Police Pension Account in respect of the Police Pension Scheme. The requirements are set out within Police Pension Account (Scotland) Regulations 2010. The regulations specify that a Police Pension Account must be maintained to record the payments made and the income received in respect of Police Pensions.

2010-11 £000		2011-12 £000	2011-12 £000
	Contributions receivable -		
	Police Board -		
	Contributions based on 24.7% of pensionable		
(13,564)	pay	(13,307)	
(403)	Early retirements	(75)	
(12)	Other	(10)	
(5,834)	Officers' contributions	(5,687)	
(19,813)	Sub-total		(19,079)
(61)	Transfers in from other Police Forces		(56)
	Benefits payable:		
16,683	Pensions	17,743	
5,178	Commutations and lump sum retirement	6,064	
50	benefits	52	
21,911	Lump sum death benefits		23,859
	Sub-total		
	Payments to and on account of leavers:		
241	Transfer values paid	341	
59	Refunds of contributions to employees	32	
300	Sub-total		373
	Sub-total for the year before transfer of an amount		
	equal to the deficit to the Police Operating		
2,337	Account		5,097
(2,505)	Transfer of balance from earmarked element of		
	General Fund		0
168	Amount payable to the Police Operating Account		
	in respect of the surplus / deficit for the year		5,097
0	Balance at 31 March		0

The Police Operating Account will reflect a debtor or creditor at the end of the financial year in respect of any deficit or surplus on the Police Pension Account. In the case of a deficit, the debtor will represent funding for Police Officer pensions which the Scottish Government is committed to meeting. In the case of a surplus, the creditor will represent the excess pensions funding for the year, which is repayable to the Scottish Government.

39. CONTINGENT LIABILITIES

The Force had no Contingent Liabilities as at 31 March 2012.

40. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Force's activities expose it to a variety of financial risks, which principally include:

Credit Risk – the possibility that other parties might fail to pay amounts due to the Force.

Liquidity Risk – the possibility that the Force might not have funds available to meet its commitments to make payments.

Market Risk – the possibility that financial loss might arise as a result of changes in such measures as interest rate movements.

The Force currently contracts Aberdeen City Council to provide treasury management services. The Force has consequently adopted the approach taken by Aberdeen City Council in dealing with treasury management policy and related matters. The Council complies with the CIPFA Prudential Code, and has adopted the CIPFA Treasury Management in the Public Services Code of Practice. The Council maintains written principles for overall risk management, as well as policies covering specific areas including interest rate risk, credit risk, and the investment of surplus cash.

Credit Risk

Whilst the greatest proportion of the Force's financial instruments are held in relatively risk free forms, namely small value bank deposits in a mainstream bank and short term investments held within Aberdeen City Council's loans fund, the invoicing of trade debtors poses the greatest risk of non payment.

The total debtor balance is made up of a number of elements, which are disclosed in Note 18. The total trade debtors balance at 31 March 2012 amounted to £1.080m.

	Amount as at 31 Mar 2012 £000's (A)	Historical experience of default % (B)	Historical experience adjusted for market conditions as at 31 Mar 2012 % (C)	Estimated maximum exposure to default and uncollectability at 31 March 2012 £000 (A X C)	Estimated maximum exposure at 31 Mar 2011 £000
Deposits with bank Short Term Investment	105	0	0	0	0
Debtors*	6,037	0.65%	0.65%	39	110
Total	23,022			39	110

* Debtors include all amounts due to the Force but excludes prepayments.

The Force does not generally allow credit for customers, such that £0.617m of the £1.080m trade debtors' balance is past its due date of payment. The past due but not impaired amount can be analysed by age as follows:

31 March 2011 £000		31 March 2012 £000	
832	Less than three months	552	
15	Three to six months	5	
40	Six months to one year	21	
23	More than one year	39	
910	Total	617	

Liquidity Risk

The Force manages its cash flow through the Treasury Management function of Aberdeen City Council. The Council ensures that the Board has sufficient liquidity to cover all of its payment obligations. This includes monitoring the surplus cash funds to ensure sufficient liquidity is available for the Board's day to day cash flow needs. Given the level of short term investments held by the Force in relation to outstanding liabilities, there is negligible risk that the Force would be unable to meet financial commitments with the financial instruments in place.

The Force, has in the past, borrowed from the Public Works Loan Board (PWLB) to finance capital expenditure. The current balance of loans outstanding amounts to £8.124M (2010-11: £8.124m), with an interest payment of £0.213m (2010-11: £0.211m) also due. All the loans have fixed interest rates, and are repayable upon set maturity dates.

The Force currently receives annual support from the Scottish Government and the Constituent Authorities to repay interest charges and a proportion of the principal loan debt. This is set aside and held as a short term investment until such time as the loan

debt has to be repaid to the lender.

The maturity analysis of financial liabilities is as follows:

2010-11 £000		2011-12 £000
0	Less than one year	0
0	Between one and two years	386
2,314	Between two and five years	2,791
5,810	More than five years	4,947
8,124	Total	8,124

All trade and other payables are due to be paid in less than one year.

The Force does not have investments with a maturity date beyond one year.

Market Risk

Interest rate risk

The Force is exposed to potential changes in interest rate movements. Whilst all of the PWLB loans are at a fixed rate, the return on investments held in Aberdeen City Council's loans fund is based upon a variable rate. Movements in interest rates have a complex impact on the Force. For instance, a rise in interest rates would have the following effects:

Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.

Borrowings at fixed rates – the fair value of the liabilities borrowings will fall

Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise

Investments at fixed rates – the fair value of the assets will fall.

Low interest rates continue to impact upon the level of income generated from investments. The interest rate applied by Aberdeen City Council to the Force's short term investments at 31 March 2012, was 0.5% (equivalent to the base rate).

The following table illustrates the consequences if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

2010-11 £000		2011-12 £000
0	Increase in interest payable on variable rate borrowings	0
176	Increase in interest receivable on variable rate investments	175

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk

The Force does not invest in equity shares.

Foreign Exchange Risk

The Force has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

GLOSSARY OF TERMS

The glossary is provided to assist the reader with an explanation of terms used within this document.

Accrual – The recognition, in the correct accounting period, of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

Actuarial Gains and Losses – For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or the actuarial assumptions have changed.

Actuarial Valuation - A valuation of assets held, an estimate of the present value of benefits to be paid, and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

Amortised Cost - This is a mechanism that measures the real cost each year associated with entering into a financial liability. The carrying amount of some assets and liabilities in the Balance Sheet will be written down or up via the CI&E Statement over the terms of the instrument.

Asset – An item which has a value that extends beyond a period of one year.

Assets Held for Sale – These are assets previously used in the provision of services, which are now available for immediate sale. The assets are being actively marketed and a sale is probable.

Budget - A statement of the Force's financial plans. The budget is approved by the Board prior to the start of each financial year and is used to monitor and control actual expenditure throughout the year.

Capital Adjustment Account – An account which accumulates the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It also accumulates the resources that have been set aside to finance capital expenditure.

Capital Expenditure – Expenditure incurred purchasing or enhancing fixed assets (prolonging the expected life or adding to its overall value).

Capital Financed from Current Revenue – Contribution from the Revenue Account to finance capital expenditure.

Capital Financing Requirement – A measure defined by the Prudential Code of the Force's level of borrowing for capital purposes.

Capital Grant – Grant funding provided by Government and used to finance capital expenditure.

Capital Receipts – The proceeds from the sale of a fixed asset.

Cashflow Statement – This summarises the inflows and outflows of cash during the financial year.

Creditors – Individuals or organisations to whom the Force owes money (may also be referred to as "Trade and other payables").

Current Assets and Liabilities – These include assets that can be readily converted into cash. Current liabilities are items that are usually payable within one year of the balance sheet date.

Current Service Costs (Pensions) – The increase in the present value of a defined benefit scheme's liabilities expected to arise from the employee service in the current period.

Debtors – Individuals or organisations who owe the Force money at the end of the financial year (may also be referred to as "Trade and other receivables").

Defined Benefit Scheme – A pension scheme where the benefits payable upon retirement are linked to final years' salaries, rather than the total contributions paid.

Depreciation – An annual charge to reflect the extent to which an asset has been worn out or consumed during the financial year.

Expected Rate of Return on Pension Assets – For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair Value – This is the amount for which an asset could be exchanged or a liability settled by knowledgeable parties in the arms length transaction. For many financial instruments fair value will be the same as the outstanding principal amount.

Finance and Operating Leases – A Finance Lease transfers all of the risks and rewards of ownership of a fixed asset to the lessee. If these leases are used, the assets acquired have to be included within the fixed assets in the balance sheet at the market value of the asset involved. With an Operating Lease the ownership of the asset remains with the lessee and an annual rent is charged.

Financial Instrument – A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability of another. The term covers both financial liabilities and financial assets, and includes the borrowing, lending, soft loans, financial guarantees and bank deposits of the Force.

Financial Year – A period of twelve months commencing 1st April.

General Reserve – Monies set aside by the Force that do not fall within the definition of provisions and are available to deal with unforeseen events that might arise.

Impairment – A diminution in value of fixed assets resulting from obsolescence, physical damage or general market conditions.

Interest Income – The money earned from the investment of surplus cash.

Interest Costs (Pensions) – For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Investment Properties – Land and buildings that are held for capital gain and rental income and not for the provision of services.

Liabilities – Amounts payable to individuals or organisations.

Net Book Value – The amount at which fixed assets are included in the balance sheet, which should relate to their net worth at the period end.

Non Current Assets – Tangible assets that generate economic benefits beyond the period of one year.

Non Distributed Costs – This includes overheads that cannot be charged or apportioned to activities within the normal Service Expenditure Analysis.

Out-turn – The actual expenditure incurred and income generated.

Past Service Cost – For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or change to, retirement benefits.

Provision – A liability of uncertain timing or amount.

Prudential Code – This Code sets out the conditions for responsible borrowing and investing activities. The Force complies with the code by setting and observing a range of prudential indicators covering the level of capital expenditure, the cost of borrowing and level and structure of its debt.

Related Party – This includes those individuals or entities who have the potential to influence or control the activities of the Force.

Revaluation Reserve – This records the accumulated gains associated with fixed assets held by the Force. It is debited with the part of the depreciation charge for the asset relating to the revaluation. Any balance on this account is written back to the Capital Adjustment Account upon disposal of the asset.

Scheme Liabilities – The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employee is committed to provide for service up to the valuation date.

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COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 JUNE 2012

TITLE OF REPORT: POLICE TREATMENT CENTRES

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval from Members of the Grampian Joint Police Board for Grampian Police to provide a donation to The Police Treatment Centres in support of their endeavours to update and improve their facilities, treatments and service provision.

2. RECOMMENDATION

- 2.1 To consider and approve the contents of this paper.

3. FINANCIAL IMPLICATIONS

- 3.1 It is proposed that Grampian Police provides a single donation of £50,000 to The Police Treatment Centres to support the development of the facilities at Castlebrae. This would be the equivalent of a donation of just over £30.00 per Officer from the Force.
- 3.2 This would be funded through the recycling of cash efficiency savings.

4. SERVICE & COMMUNITY IMPACT

- 4.1 A Police Officer is assaulted every 20 minutes - 70 a day across the UK and these statistics continue to rise. At any one time around 10% of the UK's 141,000 Police Officer are on restricted duties, often as a result of injury or illness from which most will recover. However, whilst on restricted duties, many are unable to perform the highly skilled and often dangerous work for which they have been specially trained. Every Officer who is in this position is one less who is available to serve within their local community.
- 4.2 Officers need a unique level of fitness that is above and beyond what is normally achievable with the level of medical support that the NHS provides. NHS facilities are not always appropriate and the treatment is not as comprehensive or timely as offered by the Police Treatment Centres. Therapies can be fragmented throughout the healthcare system and with lengthy waiting lists. The goal of the Police Treatment Centre is to offer appropriate, job specific and comprehensive physiotherapy, treatment and care programmes free of charge under one roof and to return injured Officers to active duty as soon as possible, which is vital for both community safety and Officers' morale.

-
- 4.3 Funding for day-to-day services of the Treatment Centres comes overwhelmingly from current serving Officers' contributions to the charity. However, this does not cover expansion and upgrading of facilities. Neither do the Centres receive any statutory funding for this work.
 - 4.4 Officers incapacitated and unable to work bring a huge cost burden to Forces' budgets. In 2008, the bill for Police Officers on long-term sickness was £90 million.
 - 4.5 It costs the Police Treatment Centres approximately £4 million to offer the full range of services to over 4,000 Officers every year. Officers and their partners who have used the facilities have reported improvements in overall wellbeing, benefiting both themselves and their families.
 - 4.6 Most Grampian Officers are admitted to Castlebrae and over the past three years more than 210 Officers have received treatment. In all the feedback received from Officers, they have stated that the service and support provided by the Centre has been excellent and of significant benefit to them. The only negative comments have related to a lack of facilities
 - 4.7 In a study carried out by Glasgow Caledonian University School of Health and Social Care in 2010, over 70% of the patients reported that they had returned to their normal level of daily activity sooner than they would otherwise have done without the support and services provided by the Police Treatment Centres.

5. OTHER IMPLICATIONS

None

6. REPORT

- 6.1 The Police Treatment Centres are a registered charity which provides two Treatment Centres in Harrogate, North Yorkshire and Auchterader, Perthshire (Castlebrae), where serving and retired Police Officers receive intensive physiotherapy, treatment and care following an illness or injury, to aid their sooner return to better health and wellbeing.
- 6.2 Treatment is provided both on a residential and an out-patient basis and includes: intensive physiotherapy; personalised exercise plans and classes; workshops focussing on subjects such as dealing with stress and shift work; and complementary treatments. The charity is supported by voluntary donations from Officers of Police Forces in the North of England, North Wales, Scotland and Northern Ireland and treatment is free of charge to donating Officers and to retired Officers who made the weekly donation whilst serving.

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- 6.3 Castlebrae was opened in 1996 and currently has 76 bedrooms plus two cottages for patients, as well as treatment and leisure facilities. Development of all the facilities at Castlebrae have been constrained by a piecemeal approach to construction, trying to keep pace with demand. An earlier inability to accurately predict future usage and numbers has resulted in a multilevel layout which adversely affects standards of care, treatment and hospitality and increases staff costs related to patient supervision.
- 6.4 With improved facilities re-established in a simpler and more conventional layout the Centre will be able to focus more closely on the client experience, re-siting main thoroughfares, administrative accommodation and upgrading public hospitality areas, with concomitant benefits to clients and staff alike. One of the biggest benefits of the programme will be the reinstatement and conversion of areas that had been previously used as accommodation and for a variety of reasons had been turned into treatment or office facilities, sometimes as satellite facilities at some distance from the main treatment areas. The Centre will also be able to use existing facilities, to augment the bed spaces by 18% without the need for further building work.
- 6.5 The development plans will cost around £4.5 million and have been planned over two phases. This is to ensure that at no time will any of the current services and infrastructure be affected, whilst the redevelopment is taking place. However, the whole programme is dependent upon securing sufficient funding.
- 6.6 Phase one will be the construction of a new treatment and training pool and separate hydrotherapy pool. The current treatment and training pool is too small and only provides a limited capacity for hydrotherapy, for pain-relief and treating illness. Hydrotherapy is considered as an important part of ensuring a swift and complete recovery for “line of duty” injuries. By upgrading to a larger facility with separate hydrotherapy and treatment/training pools, it will allow a better match to patients’ needs with the Centres resources, as well as relocating the two pools to a more suitable position within the Centre complex.
- 6.7 Phase two will consist of the conversion of the small treatment pool into an exercise studio which will be more than three times the current size, doubling the size of the rehab gym and providing a dedicated facility.
- 6.8 The Government has never funded the Treatment Centres daily work but many people and organisations have recognised the value of providing welfare and support to Officers who are prepared to put their life on the line every day for their communities, not least the serving Officers themselves. After completing a thorough planning process the Treatment Centres have recently begun fundraising for this project and are seeking funding from a number of sources to get the redevelopment project underway. They are presently approaching trusts and foundations, major donors; Police organisations and corporate funders as part of their fundraising strategy.

6.9 The Scottish Government has already provided £200k, £500k has been agreed by the Police Dependents Trust, £90k has been received from two Scottish Trust's, The Scottish Police Federation has donated £85k and almost a further £250k has been received or pledged from a number of other Forces, donors and sources thus far.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

None

Chief Constable
01 June 2012



COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 JUNE 2011

TITLE OF REPORT: PROPERTY ASSET MANAGEMENT PLAN (PAMP)

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Members of the Grampian Joint Police Board with information on progress made against agreed Actions in the Force's Property Asset Management Plan (PAMP).

2. RECOMMENDATION(S)

- 2.1 It is recommended that Members of the Board note the update given within this paper on the Force's Property Asset Management Plan (PAMP).

3. FINANCIAL IMPLICATIONS

- 3.1 A key aim of the PAMP is to drive out further efficiencies in the estate, which over a period of time will continue to improve the performance of the Force's properties. This will support operational delivery and to reduce cost/provide income that can be used to minimise the effect of budget reductions on front line services.

4. SERVICE & COMMUNITY IMPACT

- 4.1 The Force's direct involvement within the Public Sector Property Group (PSPG) is seen as an important link to ensure that a property overview is taken across the public sector to ensure joint service opportunities are delivered.
- 4.2 It is proposed that before any outcomes under the PAMP are delivered, a full consultation will take place with the local communities, Councillors and other interested parties. This will reassure such parties that the policing service provided will not diminish, but in most circumstances improve by these proposed changes.

5. OTHER IMPLICATIONS

- 5.1 The future management of the estate will be considered as part of the restructuring in connection with the Single Police Force in Scotland.
- 5.2 In this regard, it is likely that an early key task will be to for the National Police Reform Team (in conjunction with individual Forces) to deliver one overall Asset Management Plan and Strategy for this single organisation. Some of the aspects of this plan may depend on the final financial structure of the Single Police Force (e.g. ability to retain any capital receipts through disposals, treatment of VAT etc).
- 5.3 Another task will be to provide a Carbon Management Plan and calculate an overall Carbon Management Emission total for the Single Police Force.

6. REPORT

Background

- 6.1 The GJPB at its meeting on 2 September 2011 approved a Property Asset Management (PAMP). A full copy of the PAMP can be made available on request.
- 6.2 The PAMP identified that Grampian Police has 64 (now 62) operational properties spread throughout the region area, covering the three local authority areas of Aberdeen City, Aberdeenshire and Moray Councils. The majority of these properties are owned by Grampian Police including the main buildings at Queen Street, Nelson Street, Bucksburn, Inverurie, Elgin and Fraserburgh.
- 6.3 The remainder of the occupied estate is leased by Grampian Police and includes leases at Woodhill House and King Street/Castle street and ground leases of radio mast hill sites. The rental cost of these leases is approximately £780,000 per annum. The most expensive leases are at Woodhill House and King Street/Castle Street which combined have a rental charge exceeding £480,000 per annum.
- 6.4 Grampian Police also has a number of non-operational/investment properties which comprise Police houses, houses which have been sub-leased to Aberdeen City Council, former Stations let to third parties and a number of radio masts. The revenue income received for leases of non-operational property to third parties will exceed £800,000 in 2010/11 (the majority for radio mast leases, house leases to Aberdeen City Council and SPSA accommodation recharges).
- 6.5 The PAMP identified that the owned operational and non operational capital value of Grampian Police's estate was £36.5 million (re-valued in March 2009). The revenue cost of running the estate in 2011/12 was £4,698,000.

6.6 The PAMP identified a number of drivers on the estate including:

- Future Scottish Police Forces Structure
- Future Operating Budget
- Move to Local Policing Teams
- Fragmentation of HQ Functions
- Custody and Prisoner Welfare
- Community Engagement and Public Contact
- Proposed Local Development Plan Changes
- Climate Change
- Shared Accommodation with Public Sector Partners
- Shared Services with Other Police Forces
- Potential Relocation of the SPSA Forensic Service to Dundee
- Future Rifle Range requirement
- Proposed New Aberdeen Football Club Stadium

6.7 The approved PAMP was prepared having regard to these drivers, Force Corporate Aims and Objectives, identified significant risks in relation to property and the results of a Property Performance Review.

Current Situation

6.8 The PAMP, within its Section Nine, set out a series of actions relating to the Force estate (with estimated savings and costs) over the next 5 year period.

6.9 It was agreed that as part of Governance arrangements, that progress against these actions would annually be reported to the GJPB.

6.10 Progress against the tasks in the Action Plan of the PAMP is summarised in Appendix 1. It can be seen, that significant development has been made in moving the PAMP forward and this can be cross-checked against the Action Plan (Section NINE) from the PAMP, as it related to specific property (Appendix 2).

6.11 Following this PAMP overview, there are also papers on specific property being presented to the GJPB for its consideration. The PAMP itself will, as a living document, be updated to reflect the changes made to the estate.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

N/A

Chief Constable
01 June 2012

UPDATE AGAINST TASKS IN THE ACTION PLAN

ACTION 1

The identified changes in the Category 1 (green highlighted in Appendix 2) properties will be implemented.

Progress - Green

Updates against all individual properties are as follows:

Property	Comment
New Aberdeen Custody Suite	A site has been purchased from Scottish Water (subject to planning) and is the subject to a separate report to this Board).
Elgin Suite	A design and costing for relocating the temporary custody building from Fraserburgh Station to Elgin Station has been obtained. This will be dependent upon the new Peterhead Station development proceeding.
Cullen	The short tem lease of this property has been terminated.
Tomintoul	Discussions are ongoing with the Grampian Fire and Rescue Service and the Scottish Ambulance Service of rationalising accommodation in this community.
Cairncry	Following the opening of the new office at Manor Park School, this property has been closed and is currently for sale on the open market.
Old Aberdeen/University	Following the relocation to new offices at Seaton School, this lease has been terminated.
Oscar Road	The office at Victoria Road is planned to have a substantial refurbishment and extension in 2012. The need to retain the lease of the small office at Oscar Road will thereafter be considered.
Laurencekirk	The relocation of the Laurencekirk office into the new Police accommodation in the Mearns Academy was approved by the GJPB at its meeting on 1 July 2011.
Aberdeen Academy	A Notice to Quit this leased office has been served on the landlord. It is proposed to source alternative accommodation for the Federation(who occupy this space) from within other Force accommodation.
Silverburn	The lease of this office was terminated in August 2011 and the NESAMP staff relocated to alternative space within Nigg Police Office.
Woolmanhill	The relocation of the Victims Examination Suite into the new Aberdeen Health Village was approved by the GJPB at its meeting on 1 July 2011. The lease of this space will be revenue funded.

ACTION 2

To re-profile the Capital Plan to take account of the anticipated Capital Expenditure to the green highlighted properties. These Capital projects will be taken forward.

Progress - Amber

The Force's Capital Plan has currently allocated Capital amounts for the new Aberdeen Custody Suite and the Laurencekirk projects. There are several individual reports to this GJPB which, if approved, will require the Capital Plan to be adjusted (these are the Aberdeen Custody Suite, New Peterhead Office, Relocation of Rosemount LPT, New Buckie Office and the Portlethen Firearms Training Facility).

ACTION 3

Opportunities to take forward Category 2 (orange highlighted in Appendix 2) properties will be continue to be scoped as they arise.

Progress - Green

Specific highlights against individual properties are as follows:

Property	Comment
Special Branch, Aberdeen Airport	Discussions are ongoing with BAA to secure improved rent free office space at Aberdeen Airport as part of BAA proposed redevelopment of the Controls Authorities accommodation at the Airport.
Windmill Brae	The City Centre Team has been relocated into Queen Street accommodation. This has enabled a Notice to Quit to be served in respect of a leased office at Windmill Brae.
New Pitsligo	This Office has effectively been closed by the Divisions in lieu of alternative methods of Policing. This is the subject to a separate report to this Board.
Mile End	A paper to this Board has been prepared on relinquishing this property in favour of improved alternative space at a City Council Community Centre at Rosemount.
Buckie Office	A paper to this Board has been prepared on relinquishing this property in favour of an improved office within the town.
Peterhead	The progression of this project is the subject of a separate report to the Board.

ACTION 4

The Policy of disposing of non-operational assets be reiterated and that action is taken to dispose of non operational property as soon as possible and where it is cost effective to do so.

Progress - Green

Two properties comprising the former Hazlehead box and 29 Viewfield Road were sold in 2011/12 generating receipts of £397,000.

There is a further Capital Receipt target to achieve £932,000 through the sale of properties in 2012/13. At the end of May 2012, two concluded bargains for the sale of former properties at Fonthill and Peterculter Stations have already achieved

£682,000. With four former Police Stations (Bryon, Mastrick, Northfield and Tillydrone) a house at 4 Deevale Crescent, Aberdeen and two redundant radio masts at Mormond/Corehill being advertised for sale, it is expected that receipts in excess of £1 M will be achieved during this financial year.

ACTION 5

That income on the Force's radio masts from third party equipment sharers be maximised.

Progress - Green

The PAMP set a target to increase rental and other income from Masts from £312,000 to £375,000 by 2014/15.

There is some pressure by radio mast companies to renegotiate lease terms following consolidation of certain radio equipment suppliers i.e. Vodafone/O2 under "Cornerstone". Despite this, with additional third party leases being agreed the estimated income from radio masts in 2012/13 will be £356,000.

ACTION 6

Continue to take all necessary actions to mitigate the revenue costs associated with the estate.

Progress - Amber

Following successful rates appeals a rates rebate of £87,000 was obtained in 2011/12. Despite this, the revenue budget for the estate was overspent by £106,000 but this was due to additional investment in building fabric of the estate (See Action 8).

ACTION 7

Consider future opportunities to reorganise the estate which will enable leased properties to be terminated.

Progress - Green

The leases at Silverburn, Cullen and the University have already been relinquished. In addition, Notices to Quit have now been served in relation to the Aberdeen Academy and the Windmill Brae leases.

If the New Aberdeen Custody Suite report and the scheme progresses, it will probably enable the large leased building at King Street/Castle Street to be given up in 2014.

These lease terminations assist in mitigating the cost and carbon footprint of the estate

ACTION 8

That the planned repairs and maintenance budget will continue to be targeted with regard to financial resources and to those core properties which need the most attention and will be retained in the longer term.

Progress - Green

At the end of 2011/12, Facilities was allocated an extra £200,000 in its Repairs and Maintenance budget and this enabled a range of repairs to be brought forward.

ACTION 9

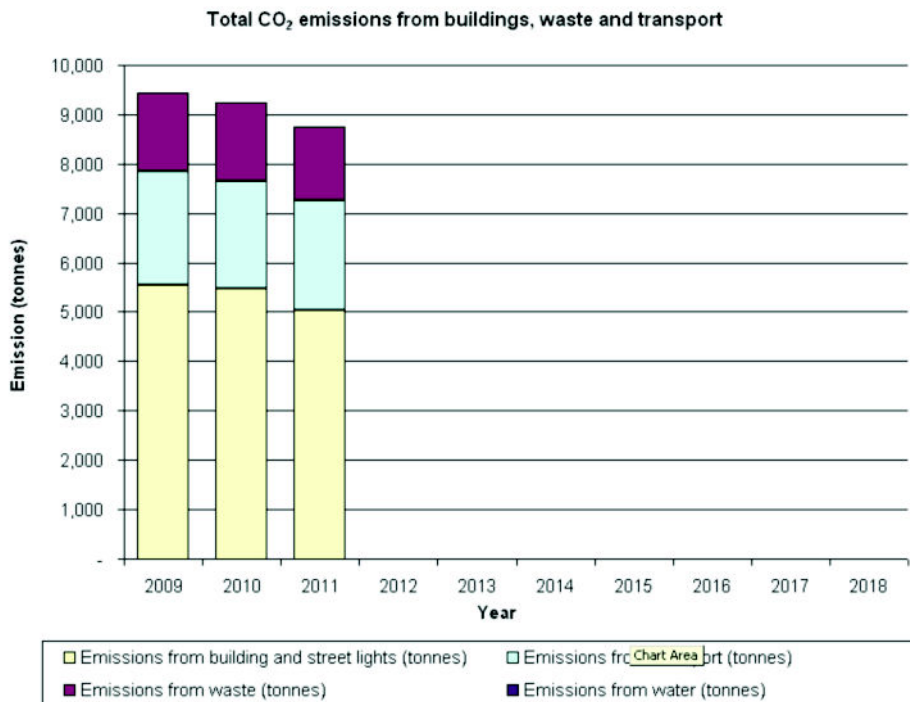
Support appropriate investment in the Force's estate to reduce carbon emissions within budgetary constraints. There will be a need to demonstrate a reasonable cost reduction back period for such investment and a strategy to retain such properties.

Progress - Green

The GJPB at its meeting on 1 July 2011 approved Grampian Police's Carbon Management Plan. This Plan identified that, the baseline figure of CO₂ emissions made by Grampian Police in 2009-10 was 9,523 tonnes, and set a target to reduce these emissions by 20% by 2015.

Property (through energy usage) contributes to approximately 60% of the Force's Carbon footprint. The Environmental Group continues to meet and bring forward initiatives. Examples of ongoing work in relation to the estate includes the roll out of further heating controls, upgrading lighting, sourcing free WEEE electrical waste uplift at no charge, reduction in water billing by 8.5% by electronic billing. In 2011/12 gas/electricity consumption reduced by approximately 4%/10% respectively.

The 2011/12 the Carbon footprint of the Force has been recalculated to be 8,828 tonnes which represents a 7.3% reduction from the baseline footprint.



The identified green properties – changes will be implemented, orange properties – opportunity to change will be scoped, white properties – to be retained/no change proposed over the next 5 years.

APPENDIX 2

	Year 11/12	Year 12/13	Year 13/14	Year 14/15	Year 15/16	Comment
Custody						
New Aberdeen Suite Capital(cost/receipt) Revenue(cost/saving)		NEW BUILD £5,000,000 TBC	£5,000,000 TBC			Key operational requirement to build a new 60 cell custody facility in Aberdeen. Need identified in Risk analysis. Site firstly needs to be identified. Capital Plan will be reprofiled in terms of this significant requirement.
Elgin Suite Capital(cost/receipt) Revenue(cost/saving)		EXTENSION £200,000 £2,000	£2,000 £2,000		£2,000	This 4 cell extension at Elgin will allow Forres overspill custody suite to close. This will allow for improved processing at Primary Custody Suite. Capital Plan will be reprofiled in terms of this requirement.
Moray Divisional Properties						
Buckie Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE	SCOPE			Fragmented space including a closed custody area. Review along with Keith/Fochabers/Lossie. Four stations in relatively close geographical area-opportunity to review estate to improve delivery. Any change will likely need to be cost neutral.
Cullen Capital(cost/receipt) Revenue(cost/saving)	CLOSE		£5,000		£5,000	Office lease in village on an annual basis- seldom used. Consider other form of engaging community- use of mobile office or other type of surgery.
Elgin Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Main Divisional office which also incorporates extended Primary Custody Suite. Reasonable if somewhat fragmented space. Offices will be released at the building when staff are transferred to the new Elgin CPU.
Fochabers Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE	SCOPE			Review along with Keith/Buckie/Lossiemouth. Four stations in relatively close geographical area-opportunity to review estate to improve delivery. Any change will likely need to be cost neutral.
Forres Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Good accommodation. Forres custody suite will close when additional custody accommodation is added at Elgin. No change.
Keith Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE	SCOPE			Fragmented space including a closed custody area. Review along with Buckie/Fochabers/Lossie. Four stations in relatively close geographical area-opportunity to review estate to improve delivery. Any change will likely need to be cost neutral.
Lossiemouth Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE	SCOPE			Reasonable office space- adjoining leased house will become empty at end of 11/12. Located 6 miles from Elgin-opportunity to review estate to improve delivery. Any change will likely need to be cost neutral.
Rothies Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE				Reasonable office space but the preferred location operationally to serve Speyside is Aberdeen. There may be an opportunity to share space within the GFRS building at Aberdeen. If this space is suitable, Rothies would close.
Tomintoul Capital(cost/receipt) Revenue(cost/saving)		CLOSE £150,000 £5,000	£5,000		£5,000	Poor existing facility next to old police house now let to Scottish Ambulance Service. Scope opportunity to relocate police officer to GFRS building in the village.
Aberdeen Divisional Properties						
Aberdeen Airport Capital(cost/receipt) Revenue(cost/saving)	RETAIN					This is offices provided rent free by BAA. The offices were refurbished to a good standard in 2009. No change.
Aberdeen ARI Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Small office at hospital let at no charge. No change.
Cairnry Capital(cost/receipt) Revenue(cost/saving)	CLOSE £100,000 £3,000	£6,000	£6,000		£6,000	New 3Rs partnership station at Manor Park serves the Northfield LPT. Action to declare station surplus and dispose. Capital receipt and ongoing revenue saving.
Cove Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New modern office within new Aberdeen City Council Library. No change.
Cults Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New 3Rs Inspector station at Cults Primary serving Hazlehead LPT. No change.

Danestone Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Reasonably modern station serving Bridge of Don LPT Also used by Scottish Ambulance Service for rest facilities No Change
Dyce Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New office within Dyce primary school No change
Hazlehead Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New 3Rs office at Hazlehead Primary serving Gartdee community of Nigg LPT No change
Kainhill Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New 3Rs office serving gartdee community of Nigg LPT No change
Manor Park Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New 3Rs Inspector station serving Northfield LPT No change
Mile End Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE	SCOPE	SCOPE	SCOPE	Small office not large enough for Rosemount LPT-no parking Category 2 property-scope alternatives. Any possible change, if not cost neutral, will be difficult regarding other priorities. Leased office while adequate in space has poor access. Serves Mastrick LPT as Inspector station.Category 2 property-scope alternatives. New facility in Mastrick problematical given other capital/revenue priorities.
Mastrick Capital(cost/receipt) Revenue(cost/saving)			SCOPE	SCOPE	SCOPE	Modern station serving Nigg LPT Part let to NES/CAMP No change
Nigg Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New 3Rs partnership station serves the Seaton LPT Action to declare station surplus and dispose. Capital receipt and ongoing revenue saving.
Old Aberdeen Capital(cost/receipt) Revenue(cost/saving)	CLOSE	£5,000	£12,000	£12,000	£12,000	Small Leased office at NHS Grampian building Proposal to build small extension at Torry-Victoria Road for LPT Inspector This will enable lease to be terminated
Oscar Road Capital(cost/receipt) Revenue(cost/saving)			CLOSE	£13,500	£13,500	New 3Rs Inspector station at Seaton Primary serving Seaton LPT No change
Seaton Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Reasonably modern station serving Tillydrone LPT Recently refurbished No change
Tillydrone Capital(cost/receipt) Revenue(cost/saving)	RETAIN					This office serving Torry LTP was reopened after community consultation. Office refurbished and opened April, 2011. No change
Torry-Victoria Road Capital(cost/receipt) Revenue(cost/saving)	RETAIN	£220,000				Leased office,good location but cramped space There may be scope to centralise Team in future years at Queen Street. Such an option would reduce cost and not diminish operational effectiveness. New shared GNHS/Police office opened in April 2011. No change
Windmill Brae Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE	SCOPE	SCOPE	SCOPE	Recently refurbished station Secondary Custody Facilities.Also used by Scottish Ambulance Service. No change
Whinhill Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Marr Chief Inspector Station. Refurbished in 2009/10. Adjoining house let to Scottish Ambulance Service Possible shared reception with Aberdeenshire Council. No change
Aberdeenshire Divisional Properties						
Baillater Capital(cost/receipt) Revenue(cost/saving)	RETAIN					
Blanchroy Capital(cost/receipt) Revenue(cost/saving)	RETAIN					

Braemar-Ballmillan Road Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Office leased from Aberdeenshire Council Refurbished in 2007 No change
Aboyne Capital(cost/receipt) Revenue(cost/saving)	SCOPE					Fragmanted office-upper floor unused and redundant Custody Area. Significant capital receipt potential
Aiford Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New office opened in 2006. Leased and shared with the Scottish Ambulance Service No change
Banff Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Good sized owned station in the centre of the town. Serving the Banff and Buchan West LPT. No change
Cruden Bay Capital(cost/receipt) Revenue(cost/saving)	SCOPE					One officer based at station often abstracted. Police from Peterhead- 8 miles distant. Linked to Peterhead scoping.
Ellon Capital(cost/receipt) Revenue(cost/saving)	RETAIN					New office-Formartine LPT. Terrorism cell secondary custody accommodation. No change
Fraserburgh Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Relatively modern serving Banff and Buchan East LPT Station has a Primary Custody Suite No change
Huntly Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Reasonable office within Mair LPT area. No change
Inverurie Capital(cost/receipt) Revenue(cost/saving)	SCOPE					Property sub leased from Aberdeenshire Council Aberdeenshire Council considering disposing of interest in building. Future availability of office to be considered in this context.
Inverurie Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Main Divisional office. Modern building Centre of Excellence Primary Custody accommodation. No change.
Kennay Capital(cost/receipt) Revenue(cost/saving)	SCOPE			SCOPE		Owned office within Garloch LPT. Adjoining house leased to Council. Community requires station given demographic growth. New Academy proposed if any possible change, if not cost neutral, will be difficult regarding other priorities.
Laurencekirk Capital(cost/receipt) Revenue(cost/saving)				NEW OFFICE £90,000 £5,000	£5,000	Existing stand alone police office serving Kincardine and Mearns LPT Take office in new Mearns Academy Capital cost partially offset by sale of existing station and revenue saving.
Mintlaw Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Reasonable if slightly fragmented office. Good central location in Buchan LPT area. Base for traffic officers Possible shared reception with Aberdeenshire Council. No change
New Pitslago Capital(cost/receipt) Revenue(cost/saving)	SCOPE					Scope if this station is still required for operational use. Possibility of policing from Mintlaw with Police surgeries, use of mobile office.
Old Meldrum Capital(cost/receipt) Revenue(cost/saving)	SCOPE			£2,500	£5,000	Office at Academy-rent free until August 2012 Modern station-likely to want to retain Review at lease expiry
Peterhead Capital(cost/receipt) Revenue(cost/saving)	SCOPE			SCOPE		Buchan LPT station-fragmented space use of Fraserburgh station as Primary Custody. Aberdeenshire Council are scoping alternative office space in town. New office is operationally less of a priority than new Aberdeen Custody suite.
Portlethen Capital(cost/receipt) Revenue(cost/saving)	SCOPE			SCOPE	SCOPE	Relatively small office serving expanding community including Elisick development. Category 2 property-scope alternatives. New facility in Portlethen problematic given other capital/revenue priorities. Scope if this station is still required for operational use.
Portsoy Capital(cost/receipt) Revenue(cost/saving)	SCOPE					Possibility of policing from Banff with Police surgeries, use of mobile office.

Stonehaven Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Good sized station serving the Kincardine and Mearns LPT. Next to Court in centre of town No change.
Turriff Capital(cost/receipt) Revenue(cost/saving)				SCOPE		Fragmented office, albeit in centre of town. Main Formarine LPT office is in Eilon. Council scoping new Markethill Primary- possibly police participation. Operational benefits need to be considered and participation only if largely cost neutral.
Westhill Capital(cost/receipt) Revenue(cost/saving)	RETAIN					Modern station serving the sizeable community of Westhill in the Garrioch LPT area.. Aberdeenshire Council use as a service point. No change.
CMBA Properties						
Aberdeen Airport_SB Capital(cost/receipt) Revenue(cost/saving)	SCOPE			SCOPE		Crime Management are provided with a rent free office at the Airport. Special Branch numbers at the airport have increased and a larger office is needed. B&A are proposing to build a new office for the contro, authorities.
Multi Department Stations and Offices						
Queen Street Capital(cost/receipt) Revenue(cost/saving)				SCOPE		While this building has been well maintained and has had certain areas significantly refurbished and upgraded in recent years, the property is now 40 years old and has a high proportion of wated space. It accounts for a significant percentage of the running costs of the entire estate c21% and c29% of the Force estate carbon footprint(this is despite the fact that new gas boilers were recently installed). A significant proportion of the building relates to Custody and when a new Aberdeen Custody facility is built off site, it will be an oportune time at that point to consider the future use of the building. There are significant interdependencies and issues in relation to relocating from Queen Street including that it houses the main telephone switch/CER, the control room ,the need to retain a city centre presence and the proximity of the Court and the Mortuary.
Woodhill House Capital(cost/receipt) Revenue(cost/saving)	SCOPE		SCOPE	POSSIBLY CLOSE £125,000	£500,000	This office accommodates back office functions and its continuing use can be considered in conjunction with the two leases at King Street/Castle Street The lease was originally entered into in 2007 and runs until May 2015. There is an option to terminate the lease on giving 1 years written notice. There are c150 desk spaces in this second floor accommodation at Woodhill House As Service Reconfigurations take place and staff numbers reduce there may be future scope for not renewing one of these leases The total revenue cost of Woodhill House is c£525,000 which is a significant proportion of the entire revenue cost of the estate
King Street/Castle Street Capital(cost/receipt) Revenue(cost/saving)	SCOPE		SCOPE	POSSIBLY CLOSE £100,000	£400,000	This office accommodates back office functions and Aberdeen Divisional functions overspilling from Queen Street it is held on two separate leases both expiring in late 2014. Its continuing use can be considered in conjunction with the lease at Woodhill House. The space is not as good at Woodhill House but its key advantage is its proximity to Queen St. The accommodation also provides emergency planning accommodation. The total revenue cost of the two leases is c£400,000 which is a significant proportion £94,000 is recovered via accommodation charges to SP5A-ICT. The longer term future use of Queen Street(see above) is also a factor when considering whether or not to renew the leases.
Bucksburn Capital(cost/receipt) Revenue(cost/saving)				SCOPE		This is an owned office which incorporates a number of functions including the Service Centre, the Bucksburn LPT office, CMBA offices, support functions and until a new Aberdeen Custody Suite is built- custody overspill. If the service centre is relocated to a shared premises with Aberdeen City Council and when a new Aberdeen Custody Centre is a built a significant proportion of the property will be vacated. This will be scoped in future years.
Nelson Street Capital(cost/receipt) Revenue(cost/saving)	RETAIN					This is an owned office which incorporates a number of functions including Operational Support (roads policing), training, fleet maintenance, Kitybrewster LPT and the main Forensic Labs. As discussed in the drivers for change an announcement is awaited on the future servicing provision of the Forensic Labs. This and other in house Force Service Reconfigurations may mean space readjustment in the building. It is not envisaged that this building will be relinquished over the period of this PAMP.

Miscellaneous										
Aberdeen Academy Capital(cost/receipt) Revenue(cost/saving)		CLOSE	£10,000	£26,000	£26,000	£26,000				This office is leased by the Force of behalf of the Federation. There are 4/5 staff. It is intended to break the lease in October 2012 and relocate the staff to another building. This will provide revenue savings.
Ashgrove Road Capital(cost/receipt) Revenue(cost/saving)		SCOPE								Leased office provided to SERCO for OHU service. OHU charge reflects use of this excellent facility by partners. Use needs to be reviewed with SERCO. Break clause in 2012
Braemar-Mountain Rescue Capital(cost/receipt) Revenue(cost/saving)	RETAIN									Building jointly owned with Braemar Mountain Rescue. Ongoing legal work to clarify revenue responsibilities of partners.
Crathie-Highcliffe Capital(cost/receipt) Revenue(cost/saving)	RETAIN									No change. Office next to Crathie Church required for royalty policing. Minor upgrading work proposed in 2011/12 No change.
Silverburn Crescent Capital(cost/receipt) Revenue(cost/saving)	CLOSE	£52,000	£52,000	£52,000	£52,000	£52,000				This was a leased office previously occupied by NESCAP NESCAP have been relocated to Nigg and lease will be terminated at break option-Aug 2011 Dilapidations in 11/12 but full year revenue savings in future years
Woolmanhill Capital(cost/receipt) Revenue(cost/saving)		NEW OFFICE								Relocate to improved victims examination suite at Health Village at East North Street. Health village due to open late 2013. Revenue charge of space subsidised by Scottish Government.
Under Construction/Business Case Analysis										
Elkinn CPU Capital(cost/receipt) Revenue(cost/saving)	RETAIN									Joint development with Moray Council Due for completion in September 2011 No change
Frederick Street Capital(cost/receipt) Revenue(cost/saving)	SCOPE	TBC	£30,000	£30,000	£30,000	£30,000				A proposed joint service centre at the Former Frederick Street school is being scoped with ACC. Business Case will be prepared to identify if operational/financial benefits justify relocation. Report to Force Programme Board
New Pittodrie Stadium Capital(cost/receipt) Revenue(cost/saving)	SCOPE	SCOPE								Proposed new Stadium at Altens. New Police accommodation at Stadium. To be funded at no charge.

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COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 JUNE 2012

TITLE OF REPORT: PROPOSED NEW ABERDEEN CUSTODY SUITE

1. PURPOSE OF REPORT

- 1.1 To update the Members of the Grampian Joint Police Board on progress made and the current position in relation to this project.

2. RECOMMENDATION(S)

- 2.1 To note the contents of this report and give final agreement to lodge a planning application based on an agreed design and having regard to the Predicted Maximum Price.

3. FINANCIAL IMPLICATIONS

- 3.1 The Predicted Maximum Price (PMP) for this development, as received from North Territory Hub Co is £11.89m. When other costs are taken into consideration the total cost breakdown is as follows;

Predicted Maximum Price	; £ 11,890,000
Site purchase	; £ 1,700,000
Estimated IT / communications costs	; £ 400,000
Estimated TOTAL	; £ 13,990,000

Of this figure, £50,000 has already been paid, leaving a balance of £13.94 million.

- 3.2 The Capital funding of this and other property projects are considered in more financial detail in the separate following paper on Financing the Capital Budget.
- 3.3 There will be revenue costs associated with running this new facility, which will be offset by savings associated in removing the abstraction time for opening overspill facilities for custodies who cannot be accommodated within the existing Queen Street facilities. There will also be additional savings in relation to future estate opportunities, notably giving up the lease on the King Street building currently primarily occupied by Criminal Justice, Operational Planning and IT Departments. This building currently costs approximately £500,000 per annum in leasing costs.

4. SERVICE AND COMMUNITY IMPACT

- 4.1 The new-build will significantly reduce the current level of risk accepted by the Force in terms of both the current facility and the transportation of custodies. Appropriate resources can then be redirected to support the weekend operational response and then critically reduce the impact on Local Policing Teams.
- 4.2 The provision of a base for the Kittybrewster Local Policing Team (LPT) within the LPT area is seen as a significant benefit by local residents and supports the Force Community Focus objective in addition to following the "Local Policing Closer to You" theme of recent years.

5. OTHER IMPLICATIONS

- 5.1 As highlighted in the Force's Property Asset Management Plan (PAMP), Queen Street has been well maintained and has had certain areas upgraded and refurbished in recent years. However, the property is now 40 years old and has a relatively large proportion of ancillary circulation space. The building accounts for a significant percentage of the running costs of the entire estate (21%) and 29% of the Force's carbon footprint. A significant proportion of the building relates to custody and if a new custody facility is built away off site, it will be an opportune time at that point, to consider the future use of the building. In particular, opportunities can be explored for Criminal Justice partners such as the Scottish Courts Service, Scottish Prison Service and G4S to make use of the existing cells at Queen Street.

6. REPORT

- 6.1 Members may recall that Grampian Police initiated a Custody Project as long ago as 2004 based on concerns that the existing Queen Street facility was neither able to meet demand for capacity nor modern Health and Safety requirements. A report produced by Dr Craig Anderson in 2006 made a number of recommendations for Force custody provision, including the replacement of the Aberdeen facility.
- 6.2 A programme of work has been undertaken to upgrade the Queen Street custody facility in order to maintain its operational safety including replacement of cell doors, installation of a fire escape and a variety of smaller works including the installation of some CCTV coverage. Other works have been undertaken elsewhere in the custody estate, including the installation of 10 temporary cells at Fraserburgh to meet the current custody needs for the Buchan Area with a view to replacing the Peterhead Police Office (including a new custody suite) at some point in the future.
- 6.3 Some issues with the existing estate cannot be resolved by means of modification. For example there is insufficient space to increase the capacity of the Queen Street cell block. Also, the existing block extends to 3 floors, a design which contravenes Home Office guidance, which states that custody facilities should be located on a single level. In recent years this has become a matter of increasing concern to the Force and resulted in an entry being made in the Force's significant Risk Register. There are only 2 major mitigated risks in that register, both of them relating to custody facilities, one in Aberdeen and the other in Peterhead. This continues to be a matter of considerable concern to the Force.

- 6.4 The Force has continuously attempted to identify sites for new facilities both in Aberdeen and Peterhead and had, until recently, been unable to identify a site which was both suitable and affordable. A number of sites have been examined and rejected.
- 6.5 Members will recall that Grampian Joint Police Board, at its meetings on 20 January 2012 and 23 March 2012, were advised that Scottish Water had accepted an offer for the identified site at Kittybrewster and the legal paperwork in relation to the site acquisition had been agreed (the offer of £1.7 million is subject to Grampian Police obtaining a satisfactory planning consent for a custody development on the site). The force is utilising the North Territory Hub Co, for the procurement of the design team and contractor for the build.
- 6.6 Progress is being governed by a Custody Project Board chaired by the now T/Deputy Chief Constable Colin Menzies, with relevant stakeholders including a local Councillor and the Convenor of the Grampian Joint Police Board. Progress and decisions are reported to the Force Executive Board for approval. The design process timeline, although aggressive, is successfully meeting planning deadlines.
- 6.7 Detailed consideration has been given by the Project Board to the capacity of the facility taking account of the following;

In the period 01/01/2009 to 31/12/2011 existing cell capacity at Queen Street (31 cells) was exceeded on 42.6% of occasions (467 days from a total of 1095 days).

The "overspill" resulting from this position causes a number of outlying and infrequently used facilities to be opened and staffed to accommodate the additional custodies. This increases the risk to the organisation in a number of ways. Transporting custodies provides risks in itself and staffing the custody facilities with Police Officers whose full time role is not custody care brings further risk. Officers abstracted to perform this role are drawn from Local Policing Teams which reduces visibility in our communities. The minimum financial cost of this requirement is c.£250,000 p.annum.

Custody throughput, which for many years was rising steeply has seen a slowing down of the rate of increase in more recent years and for the first time in 2011 saw a modest decline of 2.65%. It is too early to determine if this is the start of a trend.

The implications arising from Lord Carlways Review of Summary Justice in Scotland are an important consideration with regard to the number of people taken into custody by Police. At this stage, it is difficult to predict with accuracy the full impact but it is believed, based on experience of implementing similar proposals in other parts of the UK, that while the number of people detained for prolonged periods in police custody to appear in court may decline, it is likely that the overall number of suspects and arrested persons taken into police custody on a temporary basis (throughput) will increase.

A priority for the Custody Project Board is to reduce the risk associated with transferring prisoners between facilities and number of staff abstractions associated with opening additional custody facilities to cope with "overspill". The Project Board were asked to determine the optimum capacity for the new facility.

Each cell costs in the region of £50,000 to construct, so there is a clear need to balance the need for increased capacity against the effective use of resources.

A detailed examination of the last 3 years' custody data reveals that constructing a 50 cell facility would still result in the facility being "over capacity" on 5% of occasions, leading to a continuation of the existing issues, albeit on a reduced scale. Constructing 55 cells would result in the facility being over capacity on 1.6% of occasions and 60 cells on 0.5% of occasions. 65 cells would reduce this figure to 0.1% and 70 to 0%. Based on this information, the Custody Project Board recommended a building capacity of 60 cells.

- 6.8 Various construction methods have been considered, including modular metal-framed construction, of the type used in the temporary cells at Fraserburgh, a more robust pre-cast concrete modular construction method of a type used at a recently constructed facility in North Tyneside and a traditional type of cement and block construction. The modular pre-cast concrete option was selected as the favoured approach as it provides the benefits of greatest quality control (units produced in a factory environment), very robust construction leading to greater longevity and a short construction time on site which is least susceptible to delays caused by poor weather conditions.
- 6.9 The vision of Grampian Police and the Custody Project Board is to provide a facility that is capable of supporting innovative, more efficient ways of delivering criminal justice services with relevant partners. It is essential, for example, that healthcare for people in custody is delivered in conjunction with the NHS and discussions are ongoing to determine the most appropriate model for that partnership. It is emphasised however, that NHS Grampian are committed to providing an NHS staffing element in the building. It is also important that custodies with drug and alcohol issues are given appropriate support and advice and that public sector partners such as the Scottish Courts Service and Procurator Fiscal Service work together in the most efficient manner possible. For these reasons, the facility takes a forward-looking approach to joint working.
- 6.10 The command team and local residents are keen to see the Kittybrewster Local Policing Team (LPT) located in the area they serve, and Project Board members felt the opportunity to incorporate the LPT office into the building should not be missed.
- 6.11 The Criminal Justice system of which the custody facility is small part, is supported by a variety of Police administrative roles including Police Reports, Criminal Records etc. Similar roles form part of the Prosecution and Court processes and the Project Board strongly believe that the future will see even closer working between Criminal Justice agencies. On that basis, the Board agreed to design a building that is capable of supporting such joint working and which seeks to anticipate the further opportunities presented by the ongoing Police Reform process.
- 6.12 The Police Criminal Justice Department is currently accommodated, along with other staff, within a leased building located on King Street, Aberdeen. Moving these staff to the new Kittybrewster facility will bring increased efficiencies and together with an estate rationalisation plan which would see the re-location of the remaining staff from the King Street premises would result in the Force giving up the lease to that building when it comes for renewal in 2014. This would save the Force approximately £500,000 per year in revenue costs.

- 6.13 Recent changes to Scottish Law have seen a substantial increase in access by suspects to Solicitor advice. Taking account of this has resulted in the provision of 8 dedicated solicitor access rooms.
- 6.14 Future changes to the Criminal Justice system are likely to see the increased use of Police Bail and substantial numbers of suspects returning for further interview having initially been released from custody pending further enquiry. This mirrors the situation in England and a "Bail Reporting Area" based on the English model has also been incorporated.
- 6.15 While constructing a cell block and immediate administrative support only would be less expensive, it would fail to deliver many of the business benefits outlined above. It must also be noted that only 3% of the floor area of the building comprises specific partner or shared accommodation, so removing this accommodation from the design specification would only marginally reduce the overall cost. Such a move would however, dramatically reduce the opportunities for future partnership collaboration and in the meantime, effective use can be made of such accommodation by existing Grampian Police staff. In addition to the size issues referred to above, certain constraints such as the shape and topography of the site and some degree of soil contamination have all combined to result in costs as detailed in the financial section above.
- 6.16 It is important to note that in spite of the robust construction techniques selected and the innovative approach taken to the design, which seeks to achieve a BREEAM rating (a building standard which provides a measure of how "green" a building is) of "very good", the cost per square metre of the facility has remained constant throughout the project. Achieving a higher BREEAM rating of "excellent" was originally an aspiration of the Project Board, but such a rating is very difficult to achieve in a building which has limited opportunities for using natural daylight, recycled rainwater etc and in the view of the Project Board, to seek to do so would have been prohibitively expensive and unachievable.
- 6.17 The cost figures provided represent a Predicted Maximum Price and are expected to realise a lower actual figure once the process of competitive tendering for individual components has been undertaken. This occurs at the stages following the grant of Planning Permission.
- 6.18 Some opportunities to reduce the overall project cost still exist including reducing the specification of detailed components, but care must be taken in this regard to ensure that it does not impact on resilience of the components which might increase the lifecycle running costs of the building. Such cost reductions are likely to be fairly modest as care has been taken to ensure appropriate specification and a "value engineering" exercise have already taken place.
- 6.19 The Project Board do not consider that any reduction in the scale of the facility is feasible. The floor areas of the design are 3,220 m² for the custody suite and 1,430 m² for the supporting office space. Reducing cell capacity to below 60 would result in a continuation of the existing issues around the accommodation of "overspilling" custodies and all the associated risks. Reducing the capacity of the office accommodation would eliminate the option to give up the lease of the King Street building which would in turn hinder the Force's ability to meet the objectives of National Estate Strategy – ie reduce revenue spend on buildings which are not Police-owned.

- 6.20 The project has been considered in light of the Police Reform process and it is envisaged that the area covered by the existing Grampian Police Force will always require three primary custodial facilities based at Aberdeen, Elgin and Fraserburgh/Peterhead. At a Scottish level, it is anticipated that the rationalisation of Primary Custodial facilities will largely impact in the central belt area where the most efficiencies offered by sharing facilities are to be made. This is due to the removal of Force boundaries and close proximity of such facilities.
- 6.21 A public consultation exercise has been conducted, with over 50 people attending. Most were very positive about the facility, with the inclusion of the Local Policing Team office being seen as particularly positive. Further smaller consultations with groups such as the Woodside Neighbourhood Network and the Kittybrewster Primary School Parent's Council have also been held.
- 6.22 In terms of operation, a decision has yet to be taken as to whether the facility will be operated by staff employed by the Police Service of Scotland or whether the operation will be outsourced to the private sector where a number of companies currently specialise in running such facilities in the rest of the UK. This decision is also likely to be influenced by discussions taking place in the National Reform arena.
- 6.23 Staffing will require to be particularly flexible as the nature of the facility is such that use will be much lower during weekdays than at weekends. Weekday custody numbers are in the region of 25 – 30, meaning staffing levels are likely to continue at similar levels to those that currently exist. The building is designed to enable individual corridors to be shut down at times of low demand, resulting in savings to running costs. At peak times, staff numbers will need to be higher than at present and work is ongoing to determine the most appropriate staffing model. It is anticipated that the facility will be operating at very close to capacity during many weekends.
- 6.24 Subject to members approval, the next steps will be;
- June 2102 - Submit the plans for Planning Permission. This should take place very shortly after the June meeting of the Grampian Joint Police Board in order to continue to follow the challenging programme time line.
 - August 2012 - The Project Team are targeting the Aberdeen City Council Development Management Sub-Committee meeting on 23 August as the meeting at which the application for Planning Permission will be considered.
 - September 2012 - If Planning Permission is granted, this will enable demolition work to take place during September 2012.
 - October / November 2012 - Construction to begin and continue for a 52 week building programme.
 - November 2013 – Construction completed.
 - November / December 2013 – Commissioning.
 - December 2013 – Facility becomes operational.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

N/A

Chief Constable
01 June 2012

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COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 JUNE 2012

TITLE OF REPORT: NEW BUCKIE POLICE OFFICE

1. PURPOSE OF REPORT

- 1.1 To request Members of the Grampian Joint Police Board to agree to the purchase and refurbishment of an office at East Cathcart Street, Buckie for the Buckie/Keith Local Policing Team (LPT).

2. RECOMMENDATION

- 2.1 Members are asked to agree to the Purchase and refurbishment of accommodation at East Cathcart Street, Buckie.
- 2.2 Subject to the relocation to East Cathcart Street, Buckie, that the existing office at South West Street, Buckie be declared surplus to requirements.

3. FINANCIAL IMPLICATIONS

- 3.1 There are two costs associated with this development, namely, the ongoing revenue charge (rates, energy and other occupation costs) and the initial Capital outlay in purchasing and refurbishing this facility.
- 3.2 While the office at West Cathcart Street is 540 square metres, compared to 420 square metres at the existing office at South West Street, it is anticipated the revenue running of each property will be broadly similar.
- 3.3 The property at East Cathcart Street has been independently valued and it is proposed to submit an offer of £140,000 for the building. The Force's current Capital Plan will need to be re-profiled to include this purchase price. The estimated further capital cost of £100,000 in refurbishing the property can be met from the existing Minor Works Capital budget for 2012/13.
- 3.4 It is estimated that the that the sale of the existing Buckie office will generate a Capital Receipt in the order of £100,000, most probably for residential redevelopment.
- 3.5 **The Capital funding of this and other property projects(principally the Aberdeen Custody development) are considered in more financial detail in the separate following paper on "Financing the Capital Budget".**

4. SERVICE AND COMMUNITY IMPACT

- 4.1 The relocation to this new accommodation will result in improved modern accommodation for Police Officers and provide an enhanced community centred Police presence in the Buckie community. The new office would have additional capacity to allow for any future realignment of Moray Divisional resources and also offer options for co-locating with Council partners, who it is understood will be reviewing their Buckie offices via a "Designing Better Service Review". The latter option has potential to generate income through rental agreements for office space let to any partners.
- 4.2 The building will provide an easily accessible and high visibility Community Focused policing service in an area with a problem of drug dealing, retail crime and antisocial behaviour. The relocating of the Buckie Police Office to this new location would be well received by the residential and business community alike.

5. OTHER IMPLICATIONS

- 5.1 ICT telephone and data connectivity will be required to the accommodation and a Service request has been submitted to SPSA to provide these links.
- 5.2 The relocation to the new office will enable the existing Buckie office at South West Street to be declared surplus to requirements, thereby generating a capital receipt.

6. REPORT

Background

- 6.1 The existing Buckie Office, South West Street, Buckie was built in the early 1950's and provided the necessary office space as was required at that time. Whilst it has served the Force well, its functionality as a Police Station in the 21st century has decreased markedly.
- 6.2 The building is primarily on one floor with canteen and small locker room on the upper level. It is home to 27 Officers including the area Inspector and three Sergeants. With the centralisation of Custody facilities from Buckie to the primary Moray custodial building at Elgin, the building also has a large redundant former cells facility occupying approximately 1/3 of the building and now used as ad hoc storage. The building also suffers from being extremely fragmented with constrained working areas for staff and no adequate meeting or briefing facilities within the station.
- 6.3 The office is located away from the centre of the town and is not readily visible to those frequenting that area. Buckie and its community is typically focussed in the town centre with the retail and licensed businesses condensed in this small area and it is a natural congregating area for people of all ages and characters throughout the course of a day. Typically, it suffers from incidents of drug dealing, shoplifting and with the largest number of problematic licensed premises, with late opening hours at the weekend and alcohol fuelled antisocial behaviour is more commonplace as a consequence.

- 6.4 As you would expect, the Buckie property has a poor performance score in the Property Asset Management Plan, which identifies that opportunities for sourcing alternative accommodation should be investigated.

Current Situation

- 6.5 In this regard, a large two storey office at East Cathcart, Buckie (a purpose build office completed in 1987 for the HM Inland Revenue as was) is available for sale.
- 6.6 This office is located more centrally within Buckie within the town centre adjacent to heavily used shopping areas and the largest public parking area in the town. It offers improved visibility and accessibility to the Local Policing Team by the Buckie community and those visiting from the outlying catchment area. The location is also on the primary pedestrian route to the south and south east of the town where the largest population numbers reside.
- 6.7 Being more centrally located, it is ideally placed to deter antisocial behaviour and retail crime and offers enhanced reassurance to the residential and business communities. It is therefore an optimum location from which to deliver a high quality policing service.
- 6.8 The property while being in generally good order throughout requires to be refurbished to provide the full range of accommodation needed for an LPT Inspector's office, Sergeants office, muster room, body armour/storage room, canteen, ladies and gents changing/showers/toilets and interview facilities. It also has potential to incorporate meeting and training rooms, expanding divisional capacity in this regard which is currently limited and restricted to Elgin. When engaging with partners, such facilities will undoubtedly present a more professional image of Grampian Police moving to a Single Force.
- 6.9 There is sufficient space to allow for future expansion and relocation of Police resources from neighbouring areas in Moray and also opportunities to enhance working relationships with partners from Moray Council by having key personnel co-located within the building.
- 6.10 Grampian Fire and Rescue Service are located immediately next door to Moray House.
- 6.11 The estimated cost of the refurbishing the to provide the accommodation, as detailed in 6.8. is £100,000.

6. REPORT AUTHOR DETAILS

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7. BACKGROUND PAPERS

N/A

Chief Constable
01 June 2012

COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 JUNE 2012

TITLE OF REPORT: NEW OFFICE ROSEMOUNT COMMUNITY CENTRE

1. PURPOSE OF REPORT

- 1.1 To request Members of the Grampian Joint Police Board to agree the lease and refurbishment of accommodation in the Rosemount Community Centre for the Rosemount Local Policing Team (LPT).

2. RECOMMENDATION

- 2.1 To agree to the lease and refurbishment of accommodation in the Rosemount Community Centre.
- 2.2 Subject to the relocation to the Rosemount Community Centre, that the Mile-End Police box be declared surplus to requirements.

3. FINANCIAL IMPLICATIONS

- 3.1 There are two costs associated with this development, namely, the ongoing revenue charge (rent and other occupation costs) and the initial Capital outlay in constructing this facility.
- 3.2 Part of the estimated gross revenue charges (rent of £10,000 plus other running costs) of new Rosemount totalling £20,000 per annum will be reduced by revenue cost saving of closing Mile-End of £10,000 per annum. The net revenue cost of £10,000 per annum can be offset against Grampian Police's revenue budget. This budget includes a sum of £807,000 for third party rentals and under the PAMP there are several leases that have or will be terminated (University Office, Aberdeen Academy and Windmill Brae).
- 3.4 The Force's current Capital Plan will need to be re-profiled to include a sum of £170,000 for this Project.
- 3.5 It is estimated that the sale of the existing Mile-End Police box will generate a Capital Receipt in the order of £75,000.
- 3.6 Having regard to the timescale in Section 6.14 it is anticipated that, although the programme is tight, that the build can be completed this financial year.

- 3.7 **The Capital funding of this and other property projects (principally the Aberdeen Custody development) are considered in more financial detail in the separate following paper on "Financing the Capital Budget".**

4. SERVICE AND COMMUNITY IMPACT

- 4.1 The relocation to this new accommodation will Provide high visibility Community Focused Policing in an area with a known problem of drug dealing and antisocial behaviour, measurable by higher crime detection rate and increased community satisfaction.
- 4.2 By not funding this bid the status quo will be maintained with regard to the fragmented supervision of the Rosemount LPT which could impact on team morale and service delivery within the Rosemount area. Whilst this is acceptable in the short term, it is not desirable.
- 4.3 The proposal is supported by the Chair of the Rosemount Community Council and local Councillors.

5. OTHER IMPLICATIONS

- 5.1 ICT telephone and data connectivity will be required to the accommodation and a Service request has been submitted to SPSA to provide these links.
- 5.2 The relocation to the new Rosemount office will enable the existing Mile-End box to be declared surplus to requirements thereby generating a capital receipt.

6. REPORT

Background

- 6.1 On 1 April 2010, Aberdeen Division moved to a new policing structure based on 13 Local Policing Teams (LPTs) across the City. This represented a major change in the way policing services were carried out by placing a greater focus on local communities and a drive to improve service delivery, particularly for calls relating to quality of life issues.
- 6.2 In Continuing Our Platform for Success and the "*Local Policing-Closer to you*" ethos, this new structure provides an excellent and sustainable framework to take forward and enhance our engagement with communities.
- 6.3 To support this revised structure a number of changes to the estate have taken place to have more community based offices. This included five new offices within Aberdeen City Council's 3Rs schools and the joint GNHS/Police build at Whinhill.
- 6.4 At present with the exception of Rosemount and Kittybrewster, all Aberdeen LPT offices are located in the communities in which they serve.

- 6.5 At present the Rosemount LPT staff of 22 Officers are split between Mile-End Police Office and Queen Street resulting in fragmented supervision and downtime of staff travelling to the Rosemount LPT. The IT infrastructure at Mile-End is very slow and would be very expensive to upgrade. This Office was built *circa* 1950 and has a net internal area of only 29 sq metres. The present accommodation comprises of an office (with only three computers), kitchen/canteen, locker room and toilet and whilst some refurbishment has taken place the office does not meet modern day requirements such as the provision of showers etc.
- 6.6 There is no parking available for either Police vehicles or to the general public who may require to call at this office.
- 6.7 As you would expect the Mile-End property has a poor performance score in the Property Asset Management Plan, which identifies that opportunities for sourcing alternative accommodation should be investigated.

Current Situation

- 6.8 In this regard, space has been identified within the Rosemount Community Education Centre, which is situated in the heart of Rosemount and was the former annex to Aberdeen Grammar School. In recent years, the community centre was used for a variety of activities but latterly has been underused and in need of remedial work. Aberdeen City Council have negotiated with community members to take on the running of the centre and they in turn are keen to attract other partners to share the operational costs.
- 6.9 A scheme has been prepared to refurbish accommodation on the first floor on the building as shown in Appendix 1. When completed, the space will provide the full range of accommodation needed for an LPT - Inspector's office, Sergeants office, muster room, body armour/storage room, canteen, ladies and gents changing/ showers /toilets and an interview room. The accommodation will also have the advantage of being self contained via its own entrance with parking for six vehicles.
- 6.10 The estimated cost of this refurbishment is £170,000 which is made up of the building and servicing work required in creating the accommodation detailed in 5.9 out of two existing large former classrooms.
- 6.11 It has been confirmed that while the community centre will be run by a Management Committee, the lease of the space will be directly from Aberdeen City Council. Following discussion, a rental of £10,000 per annum has been agreed for the accommodation on the basis of a 10 year lease. This is the initial period of agreement between Aberdeen City Council and the Rosemount Management Committee and it is understood that future extensions beyond this 10 year period can be negotiated.
- 6.12 A Programme for the lease and works is as follows:-
- 8 June 2012 – GJPB approval to proceed
 - July/August – Complete lease agreement with Aberdeen City Council
 - July/August- Submit and obtain Building Warrant/planning consent for the works

Late August- Appoint Contractor

Sept-November-Undertake Works

December – Take entry to completed accommodation.

January 2013- Dispose of the Mile-end Station.

7. REPORT AUTHOR DETAILS

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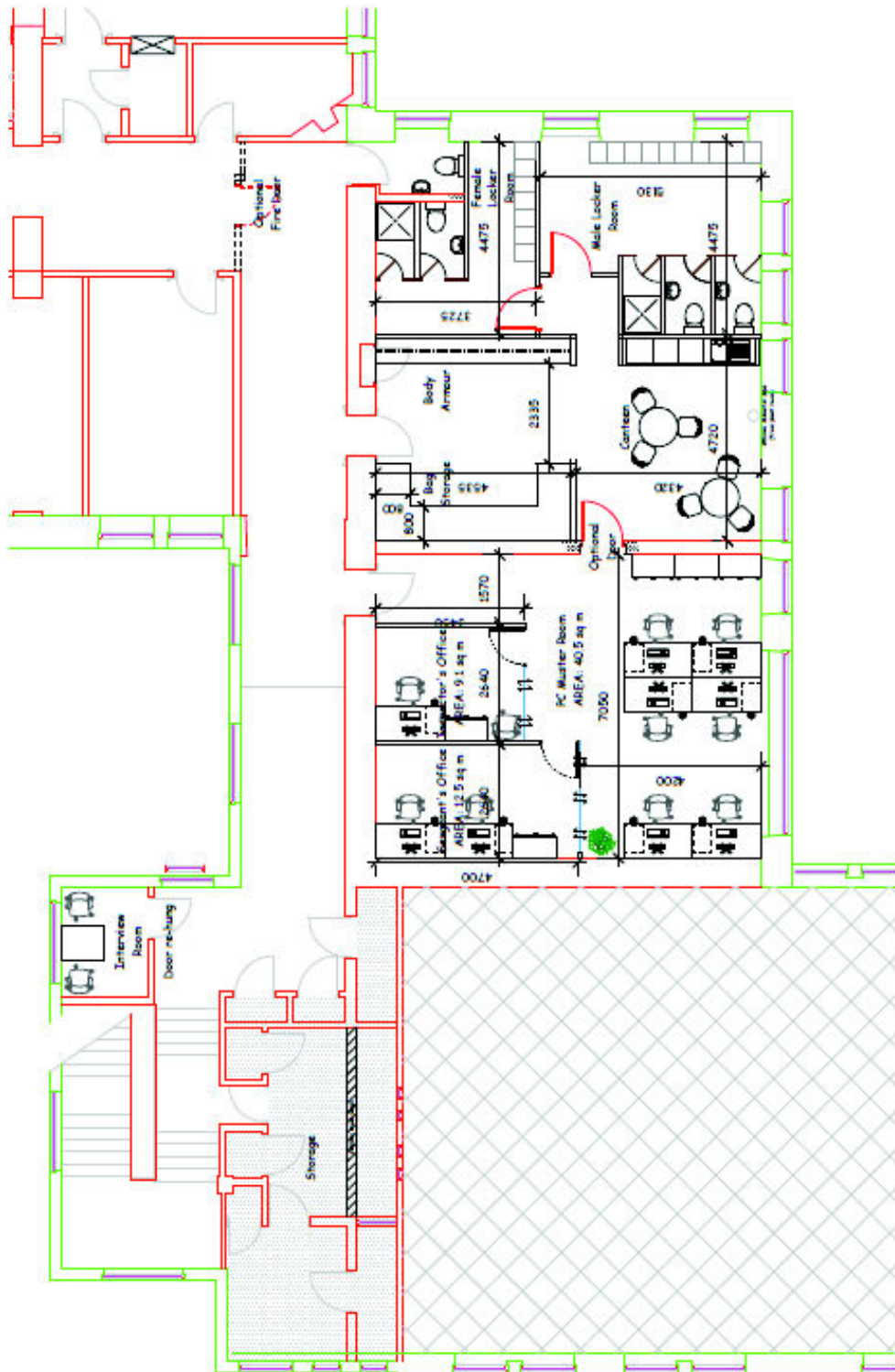
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8. BACKGROUND PAPERS

N/A

Chief Constable

01 June 2012



E.	13.05.12	KS	Senior's office updated to client's request, additional locker added in male locker room
A.	13.02.12	KS	Office updated to suit client's require
no.	date	drawn	checked
Proposed Police Facility (Alt. Option)			
project	Rosemount Community Centre		
client	Grampian Police		
date	Feb-12		
drawn	KS	scale	1:100
code	ABT/2	drawing no.	SK101B

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COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 8 JUNE 2012

TITLE OF REPORT: NEW PITSLIGO POLICE OFFICE

1. PURPOSE OF REPORT

- 1.1 To seek approval of Members the Grampian Joint Police Board to the closure and disposal of the Police Office at Low Street, New Pitsligo, Aberdeenshire.

2. RECOMMENDATION

- 2.1 It is recommended that Members of the Board agree to declare the property at 38 Low Street, New Pitsligo, Aberdeenshire surplus to requirements and it be sold.

3. FINANCIAL IMPLICATIONS

- 3.1 The annual running costs of the building including rates, electricity, cleaning, insurance and maintenance, in the order of £5,000, will be saved.
- 3.2 The disposal of the property will generate a Capital Receipt.

4. SERVICE AND COMMUNITY IMPACT

- 4.1 The proposal to close New Pitsligo Station has been raised at the New Pitsligo Community Council. The Community Council advised that they had been expecting this decision and no issue was raised. The Community Council advised that they were content with the reduction in crime in their area which they attributed to increased police staffing levels at Mintlaw (which covers New Pitsligo).
- 4.2 Councillor Norman Smith and Peter Chapman were also in attendance at the Community Council meeting and were supportive of the closure decision.
- 4.3 While no Officers have been based at New Pitsligo for several months, mobile offices continue to be deployed to the community, although these mobile offices are not heavily attended.

5. OTHER IMPLICATIONS

N/A

6. REPORT

- 6.1 The Board at its meeting on 2 September 2011 approved a Property Asset Management Plan (PAMP).
- 6.2 Within the PAMP, New Pitsligo was identified as a Category 2 property where opportunities to take forward the operational service to the community would be scoped.
- 6.3 The Police Office at New Pitsligo is contained within a larger two storey granite and slate property. The remainder of the property including first floor residential space is vacant.
- 6.4 Following an operational review, it is proposed to close the Office at New Pitsligo. The village will be served by Officers from Mintlaw which has had additional staffing resource with all five shifts being staffed. It is also proposed to have Police Surgeries in New Pitsligo.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

N/A

Chief Constable
01 June 2012

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