

Police Services

The Police Services SEA was merged into one line in 2007 BVACOP with no separate mandatory or discretionary subdivisions pending the development of a new objective analysis. This update to the 2008 edition of the Police Services SEA implements the new objective analysis for periods commencing 1 April 2009 or later.

Part One:

Service Expenditure Analysis for Police Services

Part Two:

Guidance Note: Completing the Service Expenditure Analysis for Police Services

Part Three:

Guidance Note: What to Include in the Net Cost of Police Services

Part Four:

Guidance Note: What to Include in the Net Cost of Service Divisions Below the Cost of Service Line

Part One: Service Expenditure Analysis for Police Services

Service Division (Mandatory)
Local Policing
Dealing with the Public
Criminal Justice Arrangements
Road Policing
Specialist Operations
Intelligence
Specialist Investigation
Investigative Support
National Policing
Non Distributed Costs
Corporate and Democratic Core
Net Cost of Police Services
Gains/Losses on Disposal of Fixed Assets
Levies
External Interest Payable
Interest and Investment Income
Extraordinary Items
Trading Account Surpluses or Deficits
Pensions Interest Costs and Expected Return on Assets
Minimum Revenue Provision
Reversal of Depreciation and Impairment of Fixed Assets

Part Two: Guidance Note: Completing the Service Expenditure Analysis for Police Services

1.0 INTRODUCTION AND BACKGROUND

- 1.1** The aim of this guidance is to ensure that different police forces' financial reports are produced on the most accurate and consistent basis possible. It is not intended to influence how different forces are organised on the ground. This is not CIPFA's role and is contrary to the spirit of Best Value and the requirements of the *Best Value Accounting Code of Practice* (BVACOP), which encourages innovative approaches to service delivery and autonomy for services. The guidance merely seeks to provide a means for the aggregation of the costs of policing, regardless of how forces are organised, on, where possible, a comparable total cost basis. Section 2 of BVACOP requires that total cost includes appropriate shares of capital charges, overheads and support services.
- 1.2** From April 2007 police authorities are no longer Best Value authorities in respect of the production of Best Value reviews and performance plans. The relevant legislation is contained in the Police and Justice Act 2006. However, the aim of this guidance is still to ensure that the activities of operational policing are recorded in a consistent, accurate way whilst complying with the requirements of BVACOP and the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (the SORP), which police authorities must still adhere to.
- 1.3** This guidance often refers to officers. *Officers* is used as a generic term. It does not imply work by uniformed police officers as opposed to civilian staff. The choice of personnel to do any particular activity is a local management matter.

2.0 THE REVISED POLICE SERVICE EXPENDITURE ANALYSIS

- 2.1** This guidance seeks to provide a means of comparable aggregation of the costs of police activities at service division level in line with the general requirements of BVACOP specified in the introduction to Section 3 of BVACOP.
- 2.2** This update to BVACOP 2008 introduces a revised Police Service Expenditure Analysis with nine divisions of service. The revised Police Service Expenditure Analysis has been developed by a practitioner group (including representatives from HMIC, the Audit Commission and CIPFA) supported by the CIPFA Police Panel and Police Statistics Working Party.
- 2.3** Three optional holding accounts are also identified (Support Functions, Police Authority and Income). These accounts should be allocated to the divisions of service identified in the Police Services SEA or the two service divisions that Section 2 of BVACOP requires to be excluded from the definition of total cost, ie Corporate and Democratic Core and Non Distributed Costs.
- 2.4** Capital charges can also be directly attributed to the divisions of service. Capital charges are defined in Section 2 of BVACOP.

Additional Guidance

- 2.5** The remainder of the guidance for Police Services is set out as follows:
- **Part Three** details the costs that should be included in the Net Cost of Police Services.
 - **Part Four** details those expenditure items accounted for below the cost of service line (see paragraph 5.0 below).

3.0 APPLICABILITY OF THE CORPORATE AND DEMOCRATIC CORE

- 3.1** Annex E to Section 2 of BVACOP states clearly that the concept of the Corporate and Democratic Core applies to Police Services. These costs should not be allocated or apportioned to other divisions of service. The definitions at Annex E to Section 2 of BVACOP apply equally to Police Services, except that:
- The statutory roles of the clerk and treasurer will be under DRM point (b) as officer time spent supporting democratic representation and management.
 - Corporate Management point (a) is less likely to apply, as the chief constable will either be involved in direct management of services (charged to divisions of service) or with the provision of advice and support to members (charged to DRM).
 - Corporate Management point (e) will not apply.

4.0 APPLICABILITY OF NON DISTRIBUTED COSTS

- 4.1** Non Distributed Costs as defined by Section 2 (eg past service costs) and Annex F also apply to police forces for non-uniformed police force staff. It is, however, less likely that costs associated with unused shares of IT facilities and the costs of shares of other long-term unused but unrealisable assets will arise at police authorities.

5.0 ITEMS BELOW THE COST OF SERVICE LINE

- 5.1** The revised SEA includes an analysis of the net operating section of the Income and Expenditure Account for police authorities. For additional guidance on this section see the Central Services SEA or the SORP.

6.0 STATUS AND IMPLEMENTATION

- 6.1** This SEA for Police Services replaces all previous versions issued by CIPFA and is mandatory for English and Welsh forces from 1 April 2009. This update to 2008 BVACOP applies to the following statutory disclosures:
- 2009/10 Budgets
 - 2009/10 Performance Indicators
 - 2009/10 Statement of Accounts.

7.0 THE RECOMMENDED STANDARD SUBJECTIVE ANALYSIS

- 7.1** For budgetary and management accounting purposes police authorities/forces may also wish to analyse expenditure using the subjective analysis (already a requirement of government statistical returns). CIPFA's Recommended Standard Subjective Analysis is included in Chapter 9, Section 4 of BVACOP.

8.0 UPDATING THE GUIDANCE

- 8.1** CIPFA is dedicated to keeping its guidance up to date. This guidance will be reviewed on an annual basis as a minimum.

Part Three: Guidance Note: What to Include in the Net Cost of Police Services

Service Division	Includes
Local Policing	<ul style="list-style-type: none"> • Neighbourhood policing • Incident (response) management • Local investigation • Community liaison • Local command team and support overheads
Dealing with the Public	<ul style="list-style-type: none"> • Local call centres/front desk • Central communications unit • Contact management units
Criminal Justice Arrangements	<ul style="list-style-type: none"> • Custody/prisoner handling • Criminal justice arrangements • Police National Computer (PNC) • Civil disclosure/Criminal Records Bureau (CRB) • Coroner assistance • Fixed penalty scheme (central ticket office) • Property officer/stores
Road Policing	<ul style="list-style-type: none"> • Traffic units • Traffic wardens/police community support officer traffic • Vehicle recovery • Casualty reduction partnership
Specialist Operations	<ul style="list-style-type: none"> • Central operations command team and support overheads • Air operations • Mounted police • Underwater/search/marine support • Dogs section • Level 1 advanced public order • Airport and ports policing unit • Firearms unit • Civil contingencies
Intelligence	<ul style="list-style-type: none"> • Central intelligence command team and support overheads • Intelligence/threat assessments • Covert policing
Specialist Investigation	<ul style="list-style-type: none"> • Crime support command team and support overheads • Major investigation unit • Economic crime (including regional asset recovery team) • Specialist investigation • Serious and organised crime unit • Public protection
Investigative Support	<ul style="list-style-type: none"> • Scenes of crime officers • External forensic costs • Fingerprint/DNA bureau • Photographic image recovery • Other forensic services

Service Division	Includes
National Policing	<ul style="list-style-type: none"> • Secondments (out of force) • Counter-terrorism/Special Branch • ACPO projects/initiatives • Hosting national services • Other national policing requirements
Non Distributed Costs	See Section 2 and Annex F of BVACOP.
Corporate and Democratic Core	<ul style="list-style-type: none"> • See Section 2 and Annex E of BVACOP • Democratic Representation and Management • Corporate Management.
<p>Support Functions (optional holding account)</p> <p>Note: in accordance with the requirements of BVACOP, these costs must be allocated directly or apportioned to service divisions</p>	<p>Support functions need to be charged to appropriate service divisions so that the cost of each service division represents the total cost of each service as defined by Section 2 of BVACOP. For further guidance on overhead apportionment and recharging please see Chapter 2, Section 4 of BVACOP.</p> <ul style="list-style-type: none"> • Human resources • Finance • Legal • Fleet services • Estates/central building costs • Information and communications technology (ICT) • Professional standards • Press and media • Performance review/corporate development • Procurement • Training • Administration support • Force command • Support to associations and trade unions • Force band • Social club support • Insurance and risk management • Catering
<p>Police Authority (optional holding account)</p> <p>Note: in accordance with the requirements of BVACOP, these costs must be allocated directly or apportioned to service divisions or the relevant section in the Service Expenditure Analysis (eg Corporate and Democratic Core)</p>	<p>Police authority costs need to be charged to appropriate service divisions so that the cost of each service division represents the total cost of each service as defined by Section 2 of BVACOP. For further guidance on overhead apportionment and recharging please see Chapter 2, Section 4 of BVACOP.</p> <ul style="list-style-type: none"> • Members' expenses • Authority admin and support • Consultation • Statutory expenses • Treasury management • Internal audit

Service Division	Includes
<p>Income (optional holding account) Note: in accordance with the requirements of BVACOP, income must be allocated directly or apportioned to service divisions</p>	<p>Income needs to be credited to appropriate service divisions so that the net cost of each service division represents the total cost of each service as defined by Section 2 of BVACOP. For further guidance on overhead apportionment and recharging please see Chapter 2, Section 4 of BVACOP.</p> <ul style="list-style-type: none"> • Specific grants • Secondment income • Trading account income • Income from officer services • Proceeds of crime income • Other income
<p>Net Cost of Police Services</p>	

Some teams may deliver functions that relate to more than one division of service. Where the effect will not be material, it is acceptable to allocate the team to the dominant function that it delivers. Where the effect would be material, the costs of the team should be apportioned between the functions delivered.

Some police forces/authorities may have a national policing role that covers functions that are covered in other divisions of service (for example specialist operations). Such forces/authorities should apportion the costs of these functions between the relevant division of service (where the function is carried out on behalf of its local responsibilities) and the National Policing division (where the function is carried out in fulfilment of its national policing role).

Part Four: Guidance Note: What to Include in the Net Cost of Service Divisions Below the Net Cost of Services Line

Service Division	Includes
Gains/Losses on Disposal of Fixed Assets	See the SORP for what to include in this division.
Levies	Include levies to other bodies (specify locally).
External Interest Payable	See the SORP and BVACOP Central Services SEA for what to include in this division.
Interest and Investment Income	See the SORP and BVACOP Central Services SEA for what to include in this division.
Extraordinary Items	See the SORP and BVACOP Central Services SEA for what to include in this division.
Trading Account Surpluses or Deficits	See the SORP and BVACOP Central Services SEA for what to include in this division.
Pensions Interest Cost and Expected Return on Assets	See the SORP and BVACOP Central Services SEA for what to include in this division.
Minimum Revenue Provision	See the SORP and BVACOP Central Services SEA for what to include in this division.
Reversal of Depreciation and Impairment of Fixed Assets	See the SORP and BVACOP Central Services SEA for what to include in this division.

