



OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORFOLK

Reply to: Sharon Lister

Tel No: 01953 424455

15 August 2018

Dear Member of Public

Freedom of Information Request FOI/OPCCN/154

I am writing in connection with your email dated 27th July 2018, in which you requested the following information from Chief Finance Officer, Mr John Hummersone:

“I was hoping to have got a reply to my-email yesterday by now in regard to my request for a copy of the audited accounts that the auditors have approved.

I also require details of both your salary and expense payments for the year ended 31st March 2017, and the salary and expenses of the Police commissioner. I noticed in the accounts that you are paying 7 million pounds in interest payments. Please advise me what these interest payments are for. I require details of any loans, the purpose of the loans, and the length of time over which they are to be repaid. If you bought assets on finance please advise me of the assets you have bought and what their purpose is. I want to know if you had to buy these things, was it really necessary. Also, I noticed funding from non-domestic rates in your accounts, but did not see any funding from the ordinary council tax payer. Please advise me if I have overlooked this, and where it appears in the accounts.

I should point out at this stage that I am making this request under the freedom of information act.”

I have reviewed our records and I can advise that the hard copy of the accounts (so that you can compare these to the web version) is enclosed as requested. Both documents are published on the PCC’s website www.norfolk-pcc.gov.uk/spend/annual-accounts.

1. Salary and expenses of the Chief Finance Officer (CFO) and the Police and Crime Commissioner (PCC)

For the year ended 31 March 2017, the Chief Finance Officer’s salary and expense payments can be found on Page 46 of the enclosed Police and Crime Commissioner’s accounts for the CFO part time role for the PCC and in Page 37 of the Chief Constable’s (CC) accounts for the CFO part time role for the CC.

For the year ended 31 March 2017, the PCC’s salary and expenses payments can be found on Page 46 of the enclosed Group and PCCs accounts.

2. Interest payments of £7m (page 17 and 18 [Comprehensive Income and Expenditure Statements] Group and PCC Accounts)

The figure of £7.095m comprises the following interest and other related costs:
Private Finance Initiative (PFI) interest and contingent rent £6.388m

Public Works Loan Board (PWLB) interest £691k
 Temporary borrowing interest £16k

3. Details of Loans, including purpose and length

The PFI loans are detailed in Note 16 Private Finance Initiative (Page 52 of the Group and PCC Accounts).

The loan in respect of the Operations and Communications Centre, Wymondham has an outstanding liability of £25.902m; the loan was taken for a period of 35 years in 2001.

The loan in respect of the Police Investigation Centres (a joint PFI scheme with Suffolk PCC/Constabulary) has an outstanding liability of £36.463m; the loan was taken for a period of 30 years during the financial year 2010/11.

All borrowing has to comply with the requirements of the 'Prudential Code for Capital Finance' (published by the Chartered Institute of Public Finance and Accountancy). Borrowing (except for PFI schemes) is not scheme specific i.e. taken out for one asset, as a domestic mortgage would be. Borrowing is taken when it is no longer possible to finance capital costs internally (from reserves/cash).

The PWLB loans were taken in order to fund historical capital programmes and total £12.761m. Note 32 Financial Instruments (page 84 of the Group and PCC Accounts) shows a balance of £12.840m which is the capital liability of £12.761m plus interest outstanding at the year end. There are 20 loans making up this balance with the principal amounts borrowed ranging from £2k to £2.344m, these are interest only loans with the principal to be repaid in periods ranging from 4 years to 40 years. These loans were taken between 1997 and 2008 and are detailed below.

LONG TERM LOANS - INTEREST ONLY BASIS				
Start	Repay	Lender	Rate	Principal to be repaid
13/10/1997	15/12/2022	Public Works Loan Board	6.38%	£1,000,000
13/10/1997	15/12/2023	Public Works Loan Board	6.38%	£650,000
22/06/1998	30/09/2024	Public Works Loan Board	5.50%	£767,000
22/06/1998	30/09/2024	Public Works Loan Board	5.63%	£383,000
28/09/1998	30/09/2024	Public Works Loan Board	4.88%	£147,718
28/09/1998	30/09/2024	Public Works Loan Board	5.00%	£2,282
12/08/1999	15/12/2024	Public Works Loan Board	4.75%	£350,000
15/11/1999	15/12/2024	Public Works Loan Board	4.25%	£15,899
22/02/2001	15/12/2024	Public Works Loan Board	4.88%	£12,000
08/08/2001	30/09/2025	Public Works Loan Board	5.25%	£584,000
04/02/2003	03/09/2026	Public Works Loan Board	4.63%	£1,118,000
19/12/2003	30/09/2027	Public Works Loan Board	4.95%	£889,000
08/06/2004	15/12/2027	Public Works Loan Board	5.15%	£875,000
18/01/2008	15/12/2032	Public Works Loan Board	4.51%	£2,344,000
20/02/1997	31/03/2055	Public Works Loan Board	7.38%	£301,000
20/02/1997	31/03/2055	Public Works Loan Board	7.38%	£14,000
29/10/1996	30/09/2055	Public Works Loan Board	8.00%	£600,000
17/10/1996	30/09/2056	Public Works Loan Board	7.88%	£600,000
17/10/1996	30/09/2056	Public Works Loan Board	8.00%	£150,000
11/06/2008	31/03/2058	Public Works Loan Board	4.56%	£1,958,000
				£12,760,899

Temporary borrowings during 2016/17 totalled £94m and included 25 loans taken for individual values ranging from £0.5m to £7m which were for periods ranging from 2 days to 44 days. They were taken for cash flow purposes due to the maturity profiles of short term investments made during the time.

4. Assets bought on finance

Please refer to the PFI loans detailed above.

The question “*If you bought assets on finance please advise me of the assets you have bought and what their purpose is. I want to know if you had to buy these things, was it really necessary*” has also been posed.

The following is an extract from the Budget 2018/19 and Medium Term Financial Plan (MTFP) Report to the Norfolk Police and Crime Panel 6 February 2018:

2. The Funding Context

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| <p>2.1 2018/19 will be the 9th year of austerity. In 2010/11 Norfolk’s Police Grant was £100.9m and in 2017/18 it was £77.9m (on a like for like basis, excluding Legacy Council Tax Grants). This is a reduction of 23% in cash and 37% in real terms.</p> <p>2.2 In 2010/11 Band D Council tax was £191.16 in 2017/18 it is £217.17, an increase of 13.6% (1.9% average per annum).</p> <p>2.3 The annual council tax increase has never been enough to balance the budget so savings have had to be found. To the end of 2016/17 Norfolk Constabulary has saved over £30m. In 2017/18 it will save another £3.8m and in the new MTFP period 2018/22 savings of between £9m and £14m are required depending on the Option proposed by the PCC. This will bring year on year savings to between £43m and £48m over 12 years (2010 to 2022).</p> |
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The PCC’s budget proposals go out to public consultation in the period prior to his decision on the council tax increase. His decision is scrutinised (and confirmed or vetoed) by the Norfolk Police and Crime Panel. His 2018/19 budget (including the capital programme) and council tax increase were unanimously supported by the Panel which is well briefed on the increasing and more complex demands being placed on Norfolk Constabulary.

All projects and every budget are absolutely necessary for the delivery of the PCC’s Police and Crime Plan for Norfolk, for maintaining public safety, supporting victims, and trying to prevent crime. Both the PCC and the Chief Constable have a statutory duty to obtain value for money in all areas of spending and one of the PCC’s priorities, as set out in the Police and Crime Plan, is ‘Good stewardship of taxpayers’ money’. The Budget and MTFP Report can be found on the website <https://www.norfolk-pcc.gov.uk/spend/budget-council-tax/>

5. Clarification on funding

Note 8 Government Grants (page 43 Group and PCC accounts) further breaks down the Taxation and Non-specific Grant Income for the PCC as shown in the Comprehensive Income and Expenditure Statement (page 18/19 Group and PCC accounts). The precept income of £60.166m is the monies received from council tax payers via the District/Borough/City Council collection authorities (see Note 11 Council Tax, page 47 Group and PCC accounts).

Yours sincerely

Sharon Lister
Director of Performance and Scrutiny
Office of the Police and Crime Commissioner for Norfolk

Internal Review

If you think we have not supplied information in accordance with Section 1 (the General Right of Access) of the Freedom of Information Act 2000, or you are dissatisfied with the way in which your request has been handled, then you should write, in the first instance, to:

Mark Stokes
Chief Executive
Office of the Police and Crime Commissioner for Norfolk
Building 8
Jubilee House
Falconers Chase
Wymondham
Norfolk
NR18 0WW

Telephone: 01953 424455

Fax: 01953 424462

Email: opccn@norfolk.pnn.police.uk

If you are dissatisfied in any way with our response or the way we have handled your request, you can contact us by phone, email or in writing. We may, in the first instance, try and resolve your complaint informally. However, at any stage you can request or we may decide to treat your complaint formally under our internal review process.

An internal review is conducted by the Chief Executive who will review the request and response, taking account of your complaint(s), and will respond in writing as soon as possible. The Information Commissioner's Officer recommends that a response should be made in 20 working days. If we are unable to respond in this timeframe we will inform you and provide a date by which you should expect to receive our response.

If, after the internal review, you remain dissatisfied then you can complain to the Information Commissioner's Office, the government regulator for the Freedom of Information Act. Details of how to contact the Information Commissioner's Office can be found at www.ico.gov.uk