

<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER</b>	
<b>LEAD CHIEF OFFICER:</b>	<b>Nigel Stephens</b>
<b>TITLE:</b>	<b>Financial Performance Report 2018/19 including Key performance Indicators</b>
<b>DATE:</b>	<b>3<sup>rd</sup> June 2019</b>
<b>TIMING:</b>	<b>Quarterly</b>
<b>PURPOSE:</b>	<b>For monitoring</b>
<b>1.</b>	<b><u>RECOMMENDATION</u></b>
1.1	To consider and note the financial performance of the Force and OPCC for the fourth and final quarter of financial year 2018/19.
<b>2.</b>	<b><u>INTRODUCTION &amp; BACKGROUND</u></b>
2.1	<p>This quarterly financial report presents detailed information on revenue, balance sheet and working capital balances (debtors, creditors and cash/investments). This provides a comprehensive position for Chief Officers to consider and Inform decision making.</p> <p>Quarterly reporting enables business partnering to provide robust analysis to the work stream leads. It also reduces the burden on year end reporting as information is maintained regularly throughout the year.</p> <p>This position presents the out-turn reporting in the draft annual accounts which will be submitted to Joint Audit Committee and reviewed by the Wales Audit Office. They are therefore subject to change with the audited accounts timetable due to conclude by 31 July 2019.</p> <p>The quarterly report includes:</p> <ol style="list-style-type: none"> <li>1) <b>Appendix 1a, 1b, 1c:</b> Income and Expenditure for the group, force and OPCC (as previously reported). The income and expenditure report takes into account expenditure commitments made as at the quarter end but have not yet been invoiced or paid and a forecast of the year end position.</li> <li>2) <b>Appendix 2:</b> Investment fund – details of items approved, spent and budget reallocated.</li> <li>3) <b>Appendix 3a:</b> Cash and investments – details of level of cash the force has and how much money is on investment.</li> <li>4) <b>Appendix 3b:</b> Debtors position. This details the level of income yet to be cash receipted and the age of the debt.</li> <li>5) <b>Appendix 3c:</b> Creditors position. This details the level of expenditure</li> </ol>

	<p>yet to be cash paid and the age of the liability.</p> <p>6) <b>Appendix 3d: Capital &amp; Project spend report.</b> This details the spend to date on capital projects and the budget remaining to the end of the financial year.</p> <p>7) <b>Appendix 4: Usable reserves.</b> This schedule identifies the level of cash backed reserves in line with the Reserves Strategy and the MTFP.</p> <p>8) <b>Appendix 5: Medium Term Financial Plan.</b> This provides a longer term view on the financial position of the force.</p> <p>Further development of the dashboard of high level financial indicators continues.</p>
<b>3.</b>	<b><u>Financial Highlights – Year End Outturn: underspend £106k (Q3: £217k)</u></b>
<b>3.1</b>	The information below provides details on key trends and results for the year. Where a variance (favourable or adverse) represents a significant risk to being able to meet budget a more detailed analysis is provided.
<b>3.2</b>	On a group basis, there is an underspend of £106k at the year end. This is comparable to the Q3 position of £217k and confirms the committed expenditure for body armour replacement, and investment scheme deferred expenditure of £658k both of which have been transferred to an earmarked reserve. There have also been some additional costs pressures on pensions, redundancies and additional medical retirements in this quarter. The OPCC has overspent at 31 March 2019 by £47k for the year following the implementation the new organisational structure part way through the year. The group underspend arises from the following variances:
	<b>Pay variances – officers and staff: underspend £3,720k (Q3: £3,566k)</b>
<b>3.3</b>	At the end of Q4, police officer pay and salary allowances at the end of the financial year are under budget by £3,720k due to :  Budget variance re: spinal points on Officer pay: £3,196k Impact of retirees/transferees: £524k Total: £3,720k
<b>3.4</b>	As previously reported in Quarters 1, 2 & 3, the budget variance for police officers of £3,196k is due to the standard budget assumptions using the mid-point of the salary scale for new officers. In 2017/18 there were approximately 100 new officers and a further 78 in 2018/19. These posts are paid initially at the bottom of the grade rather than the mid point. These probationers cost approximately £18,000 less than the average salary of officers. The full year effect of the 2017/18 recruitment and the partial effect of the 2018/19 recruitment accounts for the positive variance of £3,196k against the original budget. The assumptions for the 2018/19 budget have already been changed to reflect probationers being recruited at lower than the mid point of the salary scale.
<b>3.5</b>	Impact of retirees (£350k): The original budget assumed 55 officers would

	retire in 2018/19. In most cases the retired officer would be at top of grade and this is what was budgeted for. The effect of replacing experienced officers with equivalent officers at the bottom of the grade is estimated at £350k.												
3.6	The remaining underspend is due to an additional 10 officers transferring into new externally funded posts which will mean that there will be less officers to fund from the base establishment.												
3.7	At the end of Q4, staff and PCSO pay costs were overspent by £93k (Q3: overspend £9k). Within this, staff pay was underspent by £1,257k due to vacancies which was offset by agency costs of £1,076K to cover vacancies in the short term. Additional pension capital costs from early retirements of £162k and £112k of additional redundancy costs were incurred.												
	<b>Overtime – officers and staff: overspend £52k (Q3: underspend £105k)</b>												
3.8	Total overtime costs (officer and staff) at year end show a net overspend of £52k, made up as follows:												
	<table border="1"> <tr> <td>Police Officer overtime overspend</td> <td align="right">£182k</td> </tr> <tr> <td>Police Officer rest day overtime overspend</td> <td align="right">£296k</td> </tr> <tr> <td>Police Officer public holiday underspend</td> <td align="right">(£180k)</td> </tr> <tr> <td>Police staff overtime – overspend</td> <td align="right">£41k</td> </tr> <tr> <td>Police staff weekend &amp; public holiday enhancements underspend</td> <td align="right">(£287k)</td> </tr> <tr> <td><b>Total overspend at 31 March 2019</b></td> <td align="right"><b>£52k</b></td> </tr> </table>	Police Officer overtime overspend	£182k	Police Officer rest day overtime overspend	£296k	Police Officer public holiday underspend	(£180k)	Police staff overtime – overspend	£41k	Police staff weekend & public holiday enhancements underspend	(£287k)	<b>Total overspend at 31 March 2019</b>	<b>£52k</b>
Police Officer overtime overspend	£182k												
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Police staff weekend & public holiday enhancements underspend	(£287k)												
<b>Total overspend at 31 March 2019</b>	<b>£52k</b>												
	<b>Other employee related costs: underspend £957k (Q3: £552k)</b>												
3.9	There is a net underspend of £957k for other employee related costs. There are fewer early medical retirements than anticipated resulting in an underspend of £753k (Q3: £675k). This is offset by additional pension costs for injury payments of £160k against budget. There were also underspends in training costs (£260k), medical treatments (£15k) and employee insurance (£25k).												
	<b>Non-pay variances – Premises costs: overspend £861k (Q3: £528k)</b>												
3.10	Premises are overspent at year end by £861k due primarily to £410k of additional rates costs claimed for the Operational Training Centre for which the rates appeals process has been initiated. Other overspends includes unplanned and planned maintenance (£162k), contracted services (£162k) and buildings insurance (£53k).												
	<b>Non-pay variances – Transport costs: overspend £103k (Q3: £347k)</b>												
3.11	Transport costs are overspent at year end by £103k, primarily due to overspends on mileage and travel costs (£156k) and an underspend on helicopter hire (£26k).												
	<b>Non-pay variances – Supplies &amp; Services costs: overspend £2,014k (Q3: £1,223k)</b>												
3.12	Supplies & services costs are overspent at year end by £2,014k. This overspend includes significant investment on the operational collaborations												

	<p>(£1,206k), medical examination and custody medical contract budgets (£357k), custody medical contract (£246k) due to increased demand for the services. The costs associated with HQ design &amp; relocation have now been transferred from revenue expenditure to capital costs as assets under construction, following approval of the HQ planning application.</p> <p>The operational collaborative overspend can be further split into Firearms (£531k), Joint Scientific Investigation Unit (£285k), Regional Organised Crime Unit (£389k).</p>								
	<b>Other movements: net (overspend) movement £1,541k (Q3: £1,908k)</b>								
3.13	The net movements are explained by a £1,918k underspend on the investment fund, additional other income totalling £852k offset by a £2,805k (Q3: £2,800k) transfer from revenue to capital reserves to fund the development of the new HQ and the FFF technology rollout. A number of schemes were not achieved in 2018/19 due to delays and the projected cost of these schemes has also been transferred into earmarked reserves to be released in 2019/20 to cover the cost.								
<b>4</b>	<b><u>Financial Highlights – Investment priorities</u></b>								
4.1	Appendix 2 provides more detail on the planned expenditure from this budget and is made up as follows: <table border="1" data-bbox="300 1059 1326 1279"> <tr> <td>Original Investment Fund budget</td> <td align="right">£5,641,025</td> </tr> <tr> <td>Add additions to budget in year</td> <td align="right">£586,000</td> </tr> <tr> <td>Less amounts allocated out at budget set</td> <td align="right">(£2,386,477)</td> </tr> <tr> <td><b>Total original budget</b></td> <td align="right"><b>£3,840,548</b></td> </tr> </table> <p>Appendix 2 shows that the total value of all identified projects currently marked for funding by the Investment Fund is £4,373k. A number of potential investments remain with the Chief Officers for discussion and approval. These are annotated by “TBC” within Appendix 2. The actual spend for 2018/19 is £2,536k (Q3: £2,835k) – a further reduction on Q3 as some projects have been deferred to 2019/20.</p>	Original Investment Fund budget	£5,641,025	Add additions to budget in year	£586,000	Less amounts allocated out at budget set	(£2,386,477)	<b>Total original budget</b>	<b>£3,840,548</b>
Original Investment Fund budget	£5,641,025								
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Less amounts allocated out at budget set	(£2,386,477)								
<b>Total original budget</b>	<b>£3,840,548</b>								
<b>5.</b>	<b><u>Financial Highlights – balance sheet</u></b>								
5.1	The information within section 5 provides the highlights and key performance indicators in relation to balance sheet items. The key areas that are significant to the overall financial performance of the force are: <ul style="list-style-type: none"> <li>• Investments and cash</li> <li>• Debtors</li> <li>• Creditors</li> <li>• Capital</li> </ul>								

	<ul style="list-style-type: none"> <li>• Reserves</li> </ul>
	<b>Investment and cash (appendix 3a)</b>
5.2	<p>As at 31<sup>st</sup> March 2019, £49m of cash reserves were held as investments with local authorities or held within the money market. All loans are for 12 months or less and are scheduled to ensure that cash flow is available to cover all commitments as they fall due.</p> <p>Average Interest rates on investments is 0.89% (Q3: 0.78%, Q2: 0.66%, Q1: 0.56%). Interest rates are starting to increase however they still remain low. Investment interest, therefore, does not contribute significantly to the force's income budget.</p> <p>Actual cash held within the bank account at 31 March 2019 was £2,843k.</p>
	<b>Debtors (appendix 3b)</b>
5.3	Total sales invoices that were unpaid as at 31 <sup>st</sup> March 2019 totalled £930k (Q3: £385k), of which £350k (Q3: £347k) was overdue. This position continues to improve significantly on Q1 and Q2.
5.4	The collectability of debtors is not considered a risk. The top 5 debtors, as presented in Appendix 3b total £706k (76% of total debtors by value) and are primarily public sector bodies. There are no irrecoverable debts identified in the year.
	<b>Creditors (appendix 3c)</b>
5.5	As at 31 <sup>st</sup> March 2019 there was £1,374k of creditors, an improvement on the total creditors of £1,380 at Q3, £2,474k at Q2 and £5,592k at Q1.
5.6	The average age of an invoice paid within the quarter was 24.34 days (Q3: 33.57 days, Q2: 51.33 days, Q1: 62.02 days). This is a significant improvement on the start of the financial year with monthly days now regularly meeting the 30 day target. It is expected that the average age will continue to meet this target going forward.
	<b>Capital (appendix 3d)</b>
5.7	The initial budget for the capital and projects was £23,269k, which reduces to £22,789k with the slippage of the Monmouth Hub project (£400k) in 2018/19. The expenditure to date on capital projects is £6,902k leaving a remaining total adjusted budget of £14,547k.
5.8	Estates – the budget £15,527k includes major projects relating to HQ relocation (£9,987k) and Ystrad Mynach PFI (£4,000k). Delays with planning permission for HQ (subsequently granted) means the vast majority of this expenditure is now likely in 2019/20 (Enabling works commenced). The Ystrad Mynach PFI scheme is now at the business case stage and the voluntary termination is planned in the coming months.
5.9	Vehicles – the budget of £1,012k was overspent by £301k at the year end following acceleration of the replacement programme to secure lower prices ahead of the new contract that commenced on 1 April 2019.

5.10	ICT – the budget of £1,280k relates primarily to mobile devices (£880k) and was overspent at year end by £1,917k following the approval to accelerate the programme for laptop devices following the successful roll out of the mobile devices in October and November 2018.
5.11	Other long term projects – the adjusted budget of £4,200k includes a further £4,000k for Ystrad Mynach PFI that relates to the revenue element of the voluntary termination.
	<b>Reserves (appendix 4)</b>
5.12	Appendix 4 details the current forecast in relation to reserves over the five year Medium Term Financial Plan (MTFP). At year end, usable reserves stand at £55,331k, after a net draw down for the year of £2,402k. This movement reflects the likelihood of the utilisation of the PFI reserve and HQ reserves draw downs deferring into 2019/20 and the transfer of accelerated forecast savings to contribute to the new HQ.
<b>6</b>	<b>Medium Term Financial Plan (appendix 5)</b>
6.1	Appendix 5 provides detail of the latest 2019 version of the MTFP that has been prepared as the final budget for 2019/20. Following the Home Secretary's police grant announcement, the total year 5 deficit, including the expected impact of funding formula cuts remains at £6.1m.  The MTFP will be updated in June.
<b>7.</b>	<b><u>Risk areas identified</u></b>
7.1	The underspend for the year is £106k and there is a residual risk that this could change following the external audit of the accounts.  The full year cost of collaborative activities is dependent on a final reconciliation of the share of actual costs across the four Welsh forces at 31 March 2019. There has been very little financial information available throughout the year from the collaborative finance section that has impacted the ability to provide an accurate forecast. The quality and timing of reporting processes will be improved in 2019/20.
<b>8.</b>	<b><u>FINANCIAL CONSIDERATIONS</u></b>
8.1	These are detailed in the report.
<b>9.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>
9.1	There are no staffing / personnel implications arising from this report.
<b>10.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
10.1	There are no legal implications arising from this report.
<b>11.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
11.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to

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	discriminate against any particular group.
11.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
12.	<b><u>PUBLIC INTEREST</u></b>
12.1	This is a public document.
13.	<b><u>CONTACT OFFICER</u></b>
13.1	Jackie Glossop, Har Ping Boey, Matthew Coe
14.	<b><u>ANNEXES</u></b>
14.1	2018/19 Q4 financial Performance report





<b>BUDGET AREA</b>		Annual Budget	Budget YTD	Actual YTD	Future Commitments	Variance YTD
<b>Qwent Police Group Revenue Budget as at period 201808</b>						
<b>EXPENDITURE</b>						
1	Police Officer Pay & Allowances	66,384,566	66,384,566	65,571,230		3,813,336
2	Police Staff & CSO Pay & Allowances	27,873,040	27,873,040	27,866,254		(6,786)
3	Police Officer Overtime & Enhancements	2,084,014	2,084,014	2,382,296		(298,282)
4	Police Staff & CSO Overtime & Enhancements	1,820,631	1,820,631	1,574,253		246,378
5	Other Employees Related Costs	3,847,848	3,847,848	2,881,183		966,665
6	Premises Costs	5,186,587	5,186,587	6,081,146		(894,559)
7	Transport Costs	2,827,751	2,827,751	2,731,237		(96,514)
8	Supplies & Services	20,119,700	20,119,700	22,184,081		(2,064,381)
9	Major Incident Schemes	368,638	368,638	306,416		62,222
10	Proactive Operational Initiatives	233,360	233,360	240,960		(7,600)
11	Contribution to Police Computer Co.	780,467	780,467	730,830		49,637
12	Capital Charge	69,948	69,948	0		69,948
		134,438,650	134,419,650	112,591,566	0	1,851,084
<b>OTHER APPROVED REVENUE REQUIREMENTS</b>						
13	Development Funds	1,918,427	1,918,427	0	0	1,918,427
14	Identified Recurring Savings	0	0	0	0	0
		1,918,427	1,918,427	0	0	1,918,427
<b>INCOME</b>						
15	Investment Income	(183,320)	(183,320)	(443,382)	0	260,062
16	Other Income	(11,470,454)	(11,470,454)	(12,083,248)	0	612,794
		(11,653,774)	(11,653,774)	(12,526,630)	0	(872,856)
17	NET EXPENDITURE BEFORE TRANSFERS	124,704,303	124,704,303	128,081,315	0	(3,377,012)
<b>TRANSFERS</b>						
18	Transfers to Reserves	395,186	395,186	2,048,944	0	(1,711,758)
19	Revenue Contribution To Capital/Projects Scheme	1,188,003	1,188,003	3,853,638	0	(2,665,635)
	<b>TOTAL RESERVE TRANSFERS</b>	1,583,189	1,583,189	5,902,582	0	(4,319,393)
20	NET EXPENDITURE INCLUDING TRANSFERS	126,287,492	126,287,492	133,983,897	0	(7,696,405)
21	FUNDED BY:					
22	Revenue Support Grant	(21,332,800)	(21,332,800)	(21,332,800)	0	0
23	National Non-Domestic rates	(8,750,310)	(8,750,310)	(9,750,310)	0	0
24	Police Grant	(40,403,679)	(40,403,679)	(40,403,679)	0	0
25	Council Tax	(52,035,431)	(52,035,431)	(52,035,431)	0	0
26	Specific Grant Income	0	0	0	0	0
27	Use Of General Reserves	0	0	0	0	0
28	Use of Exempted Reserves	(2,708,272)	(2,708,272)	(2,708,272)	0	0
	<b>TOTAL FUNDING</b>	(118,228,482)	(118,228,482)	(118,228,482)	0	0
	<b>(OVER)UNDERSPEND</b>	0	0	15,311,412	0	(15,311,412)



**BUDGET AREA**  
**Gwent Police Group Revenue Budget as at period 201806**

	Annual Budget	Budget YTD	Actual YTD	Future Commitments	Variance YTD
<b>EXPENDITURE</b>					
1 Police Officer Pay & Allowances	69,394,568	69,394,595	69,571,230		3,813,336
2 Police Staff & CSO Pay & Allowances	26,981,346	26,981,346	26,920,255		41,081
3 Police Officer Overtime & Enhancements	2,094,014	2,094,014	2,392,268		(298,252)
4 Police Staff & CSO Overtime & Enhancements	1,820,631	1,820,631	1,574,258		246,373
5 Other Employees Related Costs	3,633,191	3,633,191	2,872,461		860,730
6 Premises Costs	5,182,032	5,182,032	6,042,338		(860,306)
7 Transport Costs	2,598,683	2,598,683	2,701,259		(102,576)
8 Supplies & Services	18,840,675	18,840,675	18,943,722		(2,102,847)
9 Major Incident Schemes	388,639	388,639	308,416		82,223
10 Proactive Operational Initiatives	233,360	233,360	240,360		(7,000)
11 Contribution to Police Computer Co.	790,467	790,467	730,530		68,937
12 Capital Charge	69,949	69,949	0		69,949
	<b>130,197,753</b>	<b>130,197,753</b>	<b>128,383,678</b>	<b>0</b>	<b>1,812,077</b>
<b>OTHER APPROVED REVENUE REQUIREMENTS</b>					
13 Development Funds	1,918,427	1,918,427	0	0	1,918,427
14 Identified Recurring Savings	0	0	0	0	0
	<b>1,918,427</b>	<b>1,918,427</b>	<b>0</b>	<b>0</b>	<b>1,918,427</b>
<b>INCOME</b>					
15 Investment Income	(183,320)	(183,320)	(443,382)	0	260,062
16 Other Income	(10,458,427)	(10,458,427)	(11,047,033)	0	588,606
	<b>(10,641,747)</b>	<b>(10,641,747)</b>	<b>(11,490,415)</b>	<b>0</b>	<b>848,669</b>
<b>17 NET EXPENDITURE BEFORE TRANSFERS</b>	<b>121,474,433</b>	<b>121,474,433</b>	<b>116,905,260</b>	<b>0</b>	<b>4,569,173</b>
<b>TRANSFERS</b>					
18 Transfers to Reserves	335,186	335,186	2,046,944	0	(1,711,758)
19 Revenue Contribution To Capital/Projects Scheme	1,168,003	1,168,003	3,993,639	0	(2,804,636)
<b>TOTAL RESERVE TRANSFERS</b>	<b>1,504,189</b>	<b>1,504,189</b>	<b>6,040,583</b>	<b>0</b>	<b>(4,536,384)</b>
<b>20 NET EXPENDITURE INCLUDING TRANSFERS</b>	<b>122,978,622</b>	<b>122,978,622</b>	<b>122,945,843</b>	<b>0</b>	<b>152,779</b>
<b>21 FUNDED BY:</b>					
22 Revenue Support Grant	(21,332,800)	(21,332,800)	(21,332,800)	0	0
23 National Non-Domestic rates	(9,750,310)	(9,750,310)	(9,750,310)	0	0
24 Police Grant	(40,403,679)	(40,403,679)	(40,403,679)	0	0
25 Council Tax	(48,805,561)	(48,805,561)	(48,805,561)	0	(0)
26 Specific Grant Income	0	0	0	0	0
27 Use Of General Reserves	0	0	0	0	0
28 Use of Elmerford Reserves	(2,705,272)	(2,705,272)	(2,705,272)	0	0
<b>TOTAL FUNDING</b>	<b>(122,918,622)</b>	<b>(122,918,622)</b>	<b>(122,918,622)</b>	<b>0</b>	<b>0</b>
<b>(OVER)UNDERSPEND</b>	<b>0</b>	<b>0</b>	<b>137,371</b>	<b>0</b>	<b>152,779</b>



**BUDGET AREA**  
**PCC For Genert Revenue Budget as at period 201806**

	Annual Budget	Budget YTD	Actual YTD	Future Commitments	Variance YTD
<b>EXPENDITURE</b>					
1 Police Officer Pay & Allowances	0	0	0	0	0
2 Police Staff & CSO Pay & Allowances	911,694	911,694	1,046,989		(134,305)
3 Police Officer Overtime & Enhancements	0	0	0	0	0
4 Police Staff & CSO Overtime & Enhancements	0	0	5		(5)
5 Other Employees Related Costs	14,655	14,655	18,721		(4,066)
6 Prisons Costs	7,565	7,565	7,808		(243)
7 Transport Costs	29,068	29,068	29,997		(929)
8 Supplies & Services	3,278,915	3,278,915	3,190,369		88,546
9 Major Incident Schemes	0	0	0	0	0
10 Proactive Operational Initiatives	0	0	0	0	0
11 Contribution to Police Computer Co.	0	0	0	0	0
12 Capital Charge	0	0	0	0	0
	4,241,957	4,241,957	4,252,860	0	(50,903)
<b>OTHER APPROVED REVENUE REQUIREMENTS</b>					
13 Development Funds	0	0	0	0	0
14 Identified Recurring Savings	0	0	0	0	0
	0	0	0	0	0
<b>INCOME</b>					
15 Investment Income	0	0	0	0	0
16 Other Income	(1,012,027)	(1,012,027)	(1,016,215)	0	4,188
	(1,012,027)	(1,012,027)	(1,016,215)	0	4,188
<b>17 NET EXPENDITURE BEFORE TRANSFERS</b>	<b>3,229,930</b>	<b>3,229,930</b>	<b>3,270,675</b>	<b>0</b>	<b>(40,745)</b>
<b>TRANSFERS</b>					
18 Transfers to Reserves	0	0	0	0	0
19 Revenue Contribution To Capital/Projects Scheme	0	0	0	0	0
<b>TOTAL RESERVE TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>20 NET EXPENDITURE INCLUDING TRANSFERS</b>	<b>3,229,930</b>	<b>3,229,930</b>	<b>3,270,675</b>	<b>0</b>	<b>(40,745)</b>
<b>21 FUNDED BY:</b>					
22 Revenue Support Grant	0	0	0	0	0
23 National Non-Domestic rates	0	0	0	0	0
24 Police Grant	0	0	0	0	0
25 Council Tax	(3,229,930)	(3,229,930)	(3,229,930)	0	0
26 Specific Grant Income	0	0	0	0	0
27 Use Of General Reserves	0	0	0	0	0
28 Use of Earned Reserves	0	0	0	0	0
<b>TOTAL FUNDING</b>	<b>(3,229,930)</b>	<b>(3,229,930)</b>	<b>(3,229,930)</b>	<b>0</b>	<b>0</b>
<b>(OVER)UNDERSPEND</b>	<b>0</b>	<b>0</b>	<b>40,745</b>	<b>0</b>	<b>(40,745)</b>



## Appendix 2 - Investment Fund Proposals

The following presents priorities for investment 2018/19.

Budgets per Master Budget 2018/19		Owner	Workstream	Total Approved £	2018/19 Allocated Budget	2018/19 Actual Expenditure
Amounts budgeted that are forecast to be unspent/ unallocated						
Development Fund 2017/18- Initial Position at Budget Setting Prior to Budget Build				5,641,025	5,641,025	
Police ICT Licences budgets				586,000	586,000	
				<b>6,227,025</b>	<b>6,227,025</b>	
Amounts allocated on a permanent/ recurring basis at Budget Setting:						
Investment posts - Police Officer growth				(1,809,426)	(1,809,426)	
Mental health posts - growth				(269,139)	(269,139)	
Amount used to balance budget				(307,918)	(307,918)	
Remaining budget to be spent identified at budget setting:				3,840,548	3,840,548	3,840,548
Forecast underspend 2018/19:				3,840,548	3,840,548	3,840,548
Total budget to be spent				3,840,548	3,840,548	3,840,548
COT	Additional Investment in L&D Training 2018/19	Mark Thomas		(650,000)	(650,000)	(650,000)
	DPO Officer	Dave Broadway		(35,000)	(20,417)	0
	People Services temporary changes (approved from FRM/SIB)	Neil Lewis		(219,678)	(219,678)	(219,678)
	Finance temporary changes (approved through FRM/SIB)	Lorna Virgo		(59,649)	(59,649)	(59,649)
SIB JUNE	Incident Command Vehicle refit	Glynn Fernquest?		(28,720)	(28,720)	(20,800)
SIB JULY	Operational Command Vehicle - Silver option	Glynn Fernquest		(18,937)	(18,937)	0
SIB JUNE	Data Management revised structure	Dave Broadway		(54,346)	(54,204)	(44,489)
SIB JUNE	Purchase of Core-Vet	Mark Warrander		(17,122)	(17,122)	0
	Service Improvement restructure growth	Emma Ackland		(6,946)	(6,946)	(6,946)
SIB JULY	Cyber Crime Establishment growth - 1* SO2	Steve Corcoran		(39,860)	(19,930)	
SIB AUG	Finance additional growth	Lorna Virgo		(119,855)	(29,964)	(29,964)
ACC-R	NABIS increased contribution	Nigel Stephens		(5,000)	(5,000)	0
ACC-R	Citrix Licences	Nigel Stephens		(102,958)	(102,958)	(102,958)
	Citizens In policing	Marc Budden		(37,495)	(20,000)	(13,000)
Darren Gar	Positive Impact fund West & East LPA	Darren Garwood		(20,000)	(20,000)	(20,000)
	Additional CCTV storage costs for custody (Storage Periods)	Dave Broadway		(34,000)	(34,000)	0
	Consultancy support - review of recruitment/promotion process	Neil Lewis		(20,000)	(24,000)	(20,400)
	Agile Project Manager PO(M)	Lorna Virgo		(58,769)	(44,077)	(49,321)
	Financial Investigation Resilience	Steve Corcoran		(81,932)	(54,621)	(54,621)
SIB May	FPOC Investments - SIB May 2018					
	- Trainer	Steve Corcoran		(35,000)	(26,250)	(26,250)
	- Smart Storm Development	Steve Corcoran		(40,000)	(30,000)	(7,500)
	- Temp Internal Assessor	Steve Corcoran		(4,000)	(3,000)	(3,000)
SIB 2018	FPOC - Deputy Manager - Agreed PO(G)	Steve Corcoran		(50,969)	(38,227)	(38,227)
DCC	Positive Outreach Worker	Heather Powell		(7,700)	(7,700)	(7,700)
SIB	Process Evolution	Karen Thomas		(30,000)	(30,000)	(29,060)
	IF QA Audit (12 months)	Rhiannon Kirk		(100,000)	TBC	(25,000)
	Single Issue Body Worn Video	Dave Broadway		(750,000)	(388,493)	(582,549)
	Quality Assurance Assessor Training	Rhiannon Kirk		(5,000)	(5,000)	(5,000)
	Wellbeing	Neil Lewis		(30,000)	(30,000)	(25,251)
	Upgraded drone	Marc Budden		(50,000)	(35,000)	(40,091)
	Occupational Health - additional support CAER	Neil Lewis		(32,000)	(32,000)	0
	Netmotion Licences	Nigel Stephens				0
	Provision of Public Crime Perception	Emma Ackland				(24,646)
	External consultancy support Operating Model	Emma Ackland		(80,000)	(80,000)	(79,672)
	Grayshift/Gray Key	Mark Maybury				0
DCC	Non pay budget for Cyber CSO	Pam Kelly		(8,000)	(8,000)	(5,238)
	Additional L&D Growth	Neil Lewis		(509,596)	(168,428)	(225,940)
	Terram costs	Nigel Stephens		(39,000)	(39,000)	TBC
	Replacement digital interviewing system	Dave Broadway		(150,000)	(250,000)	0
	Leadership Audit	Neil Lewis		(10,000)	(10,000)	(7,100)
ACC-R	Regional ICT recharging - WECTU & ROCLJ	Nigel Stephens		(46,201)	(46,201)	(46,201)
	Actual amount spent from Police ICT licences (50% Licences 18/19)	Nigel Stephens		(300,000)	TBC	TBC
	Recruitment costs Service Improvement growth	Emma Ackland		(54,510)	(27,255)	0
	Fotowars development	Dave Broadway		(50,000)	(50,000)	0
	Consultancy for re-design/ rebranding	Emma Ackland		(20,000)	(14,000)	(10,980)
	Operation Shaw equipment	Marc Budden		(20,000)	(20,000)	(14,188)
	Enhancing response to SIO (kidnap/hostage training)	Mark Warrander		(25,000)	(25,000)	
	Case Management System for disclosure	Dave Broadway		TBC	TBC	
	Additional Posts SRS - x 4	Nigel Stephens				
	Custody - Ystrad	Dave Broadway		(942,987)	(999,453)	(25,000)
	Replacement CCTV system custody YM	Dave Broadway		(200,000)	(200,000)	0
	National Enabling Programme staff	Nigel Stephens		(250,000)	TBC	
	NFD Treadfinder	Nigel Stephens		(121,456)	(100,000)	0
	Capital funding for additional fleet	TBC				
	Consultancy to support FFF role out (@went and SWP)	TBC				
	Niche additional servers	TBC				
	Workforce Modernisation Agenda (CoP)	TBC				
	Capital funding for estates programme	TBC			Balancing figure	
Under 20k Approved Expenditure						(22,257)
				<b>(5,665,086)</b>	<b>(4,579,159)</b>	<b>(2,136,075)</b>
Remaining (deficit)/ surplus				<b>(1,824,538)</b>	<b>(532,621)</b>	<b>1,304,473</b>





Appendix – Cash and Investments

Current Investments (including Money Market Fund Investments) as at the 31st March 2019

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF BNP Paribas	5,000,000	0.61%		MMF	AAA	0.000%	5
MMF Invesco	4,000,000	0.78%		MMF	AAA	0.000%	4
Thurrock Borough Council	6,000,000	0.90%	30/04/2018	29/04/2019	AA	0.002%	0
Blackburn with Darwen Borough Council	3,000,000	0.85%	07/08/2018	29/04/2019	AA	0.002%	0
Lancashire County Council	4,000,000	0.90%	06/09/2018	29/04/2019	AA	0.002%	0
Suffolk County Council	3,000,000	0.85%	31/10/2018	31/05/2019	AA	0.004%	0
Conwy County Borough Council	3,000,000	0.88%	26/10/2018	28/06/2019	AA	0.006%	0
Slough Borough Council	5,000,000	0.95%	07/12/2018	28/06/2019	AA	0.006%	0
Slough Borough Council	3,000,000	0.90%	31/10/2018	31/07/2019	AA	0.008%	0
Conwy County Borough Council	1,000,000	0.90%	31/01/2019	31/07/2019	AA	0.008%	0
Thurrock Borough Council	1,000,000	0.75%	30/08/2018	29/08/2019	AA	0.010%	0
Blackburn with Darwen Borough Council	5,000,000	0.90%	25/02/2019	30/08/2019	AA	0.010%	0
Conwy County Borough Council	3,000,000	0.95%	19/02/2019	30/09/2019	AA	0.012%	0
Thurrock Borough Council	3,000,000	1.10%	28/03/2019	26/03/2020	AA	0.024%	0
<b>Total Investments</b>	<b>£49,000,000</b>	<b>0.89%</b>				<b>0.006%</b>	<b>£10</b>

Total Cash Balance (including all PCC Bank A/CS) as at the 31st March 2019  
 £2,842,592.43



Appendix 3b - Debtors as at 31st March 2019

Outstanding Debt Age Summary

Debt Age	2018-19 Q3	2018-19 Q4
Not Due	37,944	579,810
0-1 Months	(3,671)	261,438
1-3 Months	80,544	35,268
3-6 Months	(7,597)	12,292
6-12 Months	226,998	4,801
> 12 Months	50,633	36,153
	<b>384,850</b>	<b>929,762</b>

Top 5 Debtors

Customer No	Customer Name	O/S Amount	No of Invoices	% of O/S total	Debt Age			
					Not Due	0-1 Month	1-3 Months	3-6 Months
C20134	PCC for West Yorkshire	27,039.18	2	2%	27,039	0	0	0
C20217	Mayors Office for Policing + C	33,760.49	6	5%	11,413	4,817	17,531	0
C20178	UK Immigration Service	92,967.32	5	4%	0	92,967	0	0
C20079	HMIC	152,298.75	8	7%	76,762	75,879	0	(342)
C20131	PCC for South Wales	399,559.53	28	23%	328,239	71,320	0	0
		<b>705,625.27</b>	<b>49</b>	<b>40%</b>				

76% of debtors by value

Debt Paid in Period Age Summary

Debt Age	2018-19 Q4
201810	291,902
201811	591,343
201812	517,934
	<b>1,401,180</b>

Potential Write-Offs

Due Date	Days Old	Description	O/S Amount	Comments
			<b>0.00</b>	
			<b>0.00%</b>	



**Appendix 3c - Creditors as at 31st March 2019**

**Invoice Status Analysis**

**Total Creditors Age Analysis**

	<b>Q3</b>	<b>Q4</b>
	<b>£</b>	<b>£</b>
Not yet Due	(160,319)	(489,994)
1-14 Days Overdue	(123,238)	(159,814)
15-29 Days Overdue	(534,059)	(57,689)
30-44 Days Overdue	(52,142)	(284,393)
45-59 Days Overdue	(19,378)	(7,214)
60+ Days Overdue	(491,296)	(375,105)
	<b>(1,380,431)</b>	<b>(1,374,210)</b>

**Top 5 Creditors**

<b>Customer Name</b>	<b>O/S Amount</b>	<b>Number of Invoices</b>
PCC FOR SOUTH WALES	(405,094)	17
VODAFONE CORPORATE LTD	(262,578)	1
THE AUTOMOBILE ASSOCIATION AA	(102,948)	1
DELOITTE MCS LTD	(95,606)	1
TORFAEN CBC - PENSION FUND	(58,025)	1
	<b>(924,251)</b>	<b>21</b>

**Average days taken to pay**

<b>Month In Quarter</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Month 1	63.18 days	76.5 days	34.07 days	24.34 days
Month 2	51.29 days	41.6 days	36.62 days	22.86 days
Month 3	71.60 days	35.9 days	30.04 days	28.58 days
<b>Average for Quarter</b>	<b>62.02</b>	<b>51.33</b>	<b>33.57</b>	<b>24.34</b>



Appendix 3d - 2018/19 Capital Programme  
Budget and spend as at 31st March 2019

	Initial Annual Budget £'000s	Revised Annual Budget £'000s	Revenue Expenditure To Date £'000s	Capital Expenditure To Date £'000s	Remaining Budget £'000s
<b>Estate Schemes :</b>					
Regular Capital Maintenance	600	600	184	0	336
Replacement of HQ	9,987	9,987	0	1,477	8,510
Estate Strategy - Police Spokes	640	640	0	0	640
Newport Central Upgrade	80	80	0	0	80
Ystrad Mynach PFI	4,000	4,000	60	0	3,960
Ystrad Mynach CCTV	280	280	0	0	280
Collaborative HQ Relocations	100	100	0	0	100
	0	0	0	0	0
<b>Total Estate Schemes</b>	<b>18,527</b>	<b>18,527</b>	<b>214</b>	<b>1,482</b>	<b>13,536</b>
<b>Vehicle</b>					
Vehicle Purchases	1,012	1,012	0	1,313	(301)
<b>Total Vehicle purchases</b>	<b>1,012</b>	<b>1,012</b>	<b>0</b>	<b>1,313</b>	<b>(301)</b>
<b>Information and Communications Technology:</b>					
Mobile Devices (Agile)	880	880	0	3,124	(2,244)
Teletraffic System	280	280	0	0	280
Network Switches	180	180	0	0	180
Other	0	0	0	73	(73)
	1,280	1,280	0	3,197	(1,917)
<b>Other BTCCG Projects / Schemes</b>	<b>200</b>	<b>200</b>	<b>28</b>	<b>788</b>	<b>(584)</b>
<b>Overall Totals</b>	<b>11,019</b>	<b>18,019</b>	<b>239</b>	<b>6,760</b>	<b>11,018</b>
<b>Non Capital Funded Long Term Projects</b>					
FIRMS Project	650	0	530	142	(22)
Estate Feasibility	200	200	0	0	200
Monmouth Hub	400	0	0	0	400
Ystrad Mynach PFI	4,000	4,000	0	0	4,000
<b>Overall Totals</b>	<b>5,250</b>	<b>4,200</b>	<b>530</b>	<b>142</b>	<b>4,068</b>
<b>Grand Total</b>	<b>23,269</b>	<b>22,219</b>	<b>770</b>	<b>6,902</b>	<b>14,847</b>

FUNDING OF PROGRAMME	Initial Annual Budget £'000s	Revised Annual Budget £'000s	Received in the Year £'000s
Capital Grants	449	449	449
Supported Borrowing			
3R105			
Revenue Contributions to Capital	575	3,945	3,984
Funding from Reserves	22,245	18,396	2,459
Receipt from sale of premises			
Loans / Use of Revenue Funding			
Home Office - Innovation Grant			
<b>Total Funds Available</b>	<b>23,269</b>	<b>22,790</b>	<b>6,902</b>
<b>Shortfall/(Surplus) in Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>





**Appendix 4 - Usable Reserves Schedule as at 31st March 2019**

	<b>Op Balance</b>	<b>Actual</b>	<b>Bal To Date</b>
	<b>2018 -19</b>	<b>2018-19</b>	<b>2018-19</b>
General Reserve	(4,000,000)	0	(4,000,000)
Accelerated Forecasted Savings	(10,694,035)	5,707,026	(4,987,008)
Future Budgetary Balance Funds	(4,378,798)	0	(4,378,798)
Headquarters Replacement Fund	(13,058,463)	(5,022,856)	(18,081,319)
Staying Ahead Eight Programme	(1,612,787)	1,612,787	0
PCC - Victim Services Commissioning	(228,460)	0	(228,460)
PCC - Commissioning	(899,095)	406,290	(492,805)
PCC - Regional DIP	(167,470)	0	(167,470)
Unspent Revenue Grants	(287,072)	(6,842)	(293,914)
Third Party Funds	(174,804)	110,685	(64,119)
Proceeds of Crime Act	(193,770)	(111,322)	(305,092)
Workstream Specific Reserves	(3,784,352)	(703,925)	(4,488,277)
Speed Awareness	(63,717)	0	(63,717)
Command & Control	(1,722,758)	0	(1,722,758)
Contingent Liability Reserve	(149,000)	0	(149,000)
Capital Recelpts Reserve	(1,700,444)	(626,152)	(2,326,596)
Airwave Reserve	(2,381,053)	(210,322)	(2,591,375)
PFI Investment Reserve	(12,216,039)	1,226,245	(10,989,794)
	<b>(57,712,117)</b>	<b>2,381,615</b>	<b>(55,330,502)</b>



**File classification: SWYDDOGOL-DIM ANGEN MARC OFFICIAL - NO MARKING**

**Appendix 5 - Medium Term Financial Plan 2018-19 PCP January 2019 Iteration**

	(a) 2018/19 Actual £'000s	(b) 2019/20 Forecast £'000s	(c) 2020/21 Forecast £'000s	(d) 2021/22 Forecast £'000s	(e) 2022/23 Forecast £'000s	(f) 2023/24 Forecast £'000s
Effect of increases to authorised Establishment, Pay Awards and Increments		1,289	2,871	2,500	2,404	2,271
Non-Staff Inflation		737	943	961	991	1,023
Apprenticeship Levy Scheme		108	(108)	-	-	-
In Service Pressures / Developments		7,014	1,743	910	219	(67)
Budget savings Identified		(1,138)	(155)	(154)	(155)	(94)
Finance costs		-	477	586	278	107
Unavoidable Cost Increases		8,008	5,772	4,812	3,738	3,239
Gross Budget Movement		8,009	5,772	4,812	3,738	3,239
Recurring Base Budget Brought Forward		123,522	123,522	131,531	137,303	145,853
Projected Budgetary Requirement		131,531	137,303	142,115	145,853	149,092
% Increase on Previous Years Base Budget	2.13%	6.48%	4.39%	3.50%	2.63%	2.22%
<b>Funding</b>						
Central Government Funding						
Police Grant	(40,404)	(42,577)	(41,252)	(39,252)	(37,252)	(35,252)
Revenue Support Grant	(21,333)	(21,781)	(21,781)	(21,781)	(21,781)	(21,781)
National Non-Domestic Rates	(9,750)	(9,955)	(9,955)	(9,955)	(9,955)	(9,955)
Total Central Government Funding	(71,487)	(74,313)	(72,988)	(70,988)	(68,988)	(68,988)
Council Tax	(52,035)	(56,042)	(60,475)	(65,260)	(70,423)	(75,985)
Total Funding	(123,522)	(130,356)	(133,463)	(136,248)	(139,411)	(142,983)
Projected Recurring Deficit / (Surplus) Before Efficiencies	0	1,175	3,839	5,868	6,442	6,109
<b>Efficiencies</b>						
Future Year Staying Ahead Scheme Savings	-	(791)	(791)	(1,223)	(1,044)	(1,020)
Reserve Utilisation	-	(828)	-	-	-	-
Projected Recurring Deficit/ (Surplus) After Efficiencies & Reserve Utilisation	0	(44)	3,048	4,638	4,798	4,181



**Police and Crime Commissioner for Gwent**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

**Signature:**

A handwritten signature in black ink, appearing to be 'Jeff Lewis', written over the signature line.

**Date:**

6/6/19

