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**Gwent Police  
and Crime Panel**

**Panel Heddlu  
& Throseddu Gwent**

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**Date: 9th December 2022**

Dear Sir/Madam,

A meeting of the **Gwent Police and Crime Panel** will be held at the **Sirhowy Room - Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Friday, 16th December, 2022** at **10.00 am** to consider the matters contained in the following agenda.

## **A G E N D A**

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2	Apologies for Absence.	
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**MEMBERSHIP:**

Councillor Gareth A. Davies, Blaenau Gwent County Borough Council  
Councillor Jacqueline Thomas, Blaenau Gwent County Borough Council  
Councillor Marina Chacon-Dawson, Caerphilly County Borough Council  
Councillor Mrs Christine Forehead, Caerphilly County Borough Council  
Councillor Colin Peter Mann, Caerphilly County Borough Council  
Councillor Tony Easson, Monmouthshire County Council  
Councillor Tony Kear, Monmouthshire County Borough Council  
Councillor Farzina Hussain, Newport City Council  
Councillor Debbie Jenkins, Newport City Council  
Councillor Mark Spencer, Newport City Council  
Councillor Lynda Clarkson, Torfaen County Borough Council  
Gillian Howells

Co-opted Members- Mr P. Nuttall

**By Invitation**

Mr J. Cuthbert, Office of the Gwent Police and Crime Commissioner  
Ms E. Thomas, Office of the Gwent Police and Crime Commissioner  
Mrs S. Curley, Office of the Gwent Police and Crime Commissioner  
Mr D. Garwood-Pask, Office of the Gwent Police and Crime Commissioner

And Appropriate Officers.

Gwent Police  
and Crime Panel

Panel Heddlu  
Gwent a Throseddu

## **GWENT POLICE AND CRIME PANEL**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE ON FRIDAY 30<sup>TH</sup> SEPTEMBER 2022 AT 10.00AM**

Present:

Mrs G. Howells – Chair

Councillor J. Thomas – Blaenau Gwent County Borough Council  
Councillors M. Chacon-Dawson and C. Mann – Caerphilly County Borough Council  
Councillors A. Easson and T. Kear – Monmouthshire County Council  
Councillors F. Hussain and D. Jenkins - Newport County Borough Council  
Councillors L. Clarkson and N. Jones – Torfaen County Borough Council

Mr P. Nuttall – Co-opted Member

By invitation:

Mr J. Cuthbert – Police and Crime Commissioner for Gwent

Ms E. Thomas - Deputy Police and Crime Commissioner for Gwent

Mrs S. Curley - Chief Executive, Office of the Police and Crime Commissioner for Gwent

Mr D. Garwood-Pask - Chief Finance Officer, Office of the Police and Crime Commissioner for Gwent

Mr S. Slater - Head of Strategy, Office of the Police and Crime Commissioner for Gwent.

Together with:

Mrs C. Forbes-Thompson (Scrutiny Manager - CCBC) and Mr M. Jacques (Scrutiny Officer - CCBC).

#### **1. APPOINTMENT OF CHAIR AND VICE CHAIR**

The Lead Officer (Mrs C. Forbes-Thompson) sought nominations from Panel Members for the positions of Chair and Vice Chair. It was moved and seconded that Mrs G. Howells be appointed Chair and Cllr. C. Mann Vice Chair. In separate votes these nominations were unanimously endorsed by the Members. The Chair put on record her thanks to previous Members and welcomed the new Panel Members. The Chair also congratulated the Chief Constable Pam Kelly on receiving the Queen's Police Medal and Deputy Chief Constable Amanda Blakeman on her appointment as Chief Constable of North Wales Police. The role of 143 officers from Gwent Police who assisted at the recent funeral of Her Majesty Queen Elizabeth II in London was also recognised by the Chair.

One Member wished to record his recognition of the work carried out by Cllr Peter Clarke a former Panel Member who sadly passed away before the Council Elections in May.

A minute silence was held to mark the death of Her Majesty Queen Elizabeth II.

## **2. DECLARATIONS OF INTEREST**

No declarations of interest were declared by Members.

## **3. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor G. Davies (Blaenau Gwent County Borough Council), Cllr. C Forehead (Caerphilly County Borough Council), Cllr M. Spencer (Newport County Borough Council), and Chief Constable P. Kelly – Gwent Police.

## **4. TO APPROVE AND SIGN THE FOLLOWING MINUTES: Gwent Police and Crime Panel held on 28<sup>th</sup> January 2022**

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 28<sup>th</sup> January 2022 (minute no. 1 - 4) be approved as a correct record.

## **5. Gwent Police and Crime Panel held on 18<sup>th</sup> February 2022**

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 18<sup>th</sup> February 2022 (minute no. 5 - 8) be approved as a correct record

## **6. UPDATE BY THE POLICE AND CRIME COMMISSIONER FOR GWENT AND AGENDA ITEM 8. OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR GWENT ANNUAL REPORT 2021/22**

The Chair handed over to the Police and Crime Commissioner for Gwent. The Commissioner welcomed new Members to the Gwent Police and Crime Panel. It was outlined to Members that the Chair had agreed for Items 6 and 8 to be considered together as there was an overlap.

The PCC outlined some of the significant events that had occurred since the Panel last met and highlighted the impact on Policing. Members were reminded that Policing was not a devolved matter but that there was still a close working relationship with the Welsh Government. The PCC advised that he was currently Chair of "Policing in Wales" which consisted of the four Chief Constables and four Police and Crime Commissioners. Agreed action points were then fed back to the Policing Partnership Board for Wales which is chaired by the First Minister or his representative. It was outlined how the December meeting would consider the precept and the PCC gave assurances that the deep financial crisis that everyone was experiencing would not be ignored.

The Chair then invited questions from Members. One Member asked about Safer Streets funding and requested further information on investment in the Caldicot area. The PCC observed that he would not be able to expand in any great detail on plans specifically for the Caldicot area, but outlined more generally how funding would address burglary, robbery, theft and antisocial behaviour as per Home Office guidance. The Deputy Police and Crime Commissioner added that Safer Streets provided an opportunity for the OPCC to work with Local Authorities to compile a bid for funding, but that the criteria were rigidly set by the Home Office. The Chief Finance Officer offered to discuss plans for Caldicot with the Member outside of the meeting. The Member also raised the issue of the rollout of the 20 mph speed limit across Wales which was featured in the Annual Report. The Member sought views on the value of setting a speed limit across the board rather than on a site-by-site basis and questioned the impact in terms of pollution caused by vehicle emissions. The PCC outlined how ultimately this was a decision for the Welsh Government for urban areas of the country and explained how they would be assessing local government responses from pilot areas.

A Panel Member asked if the Caerphilly Observer was one of the publications used by the OPCC to promote its work to a wider audience. The PCC confirmed that it was used by the OPCC. The Member made a comment about the Police Race Action Plan and outlined his disappointment at comparatively high levels of Stop and Search actions against ethnic minorities. The PCC observed that this was a matter that was taken very seriously and outlined to members how “dip surveys” were regularly used to gauge any disproportionality. The DPCC outlined some of the independent scrutiny measures that were in place and stressed the importance of creating links with all communities and listening to what they say. The PCC also highlighted how Police and PCSO recruitment policies were designed to ensure that numbers reflected the communities served. The Member also commented on the lack of cyber-crime figures in the section on the work of the Cyber Resilience Centre for Wales. The PCC outlined how the Home Office did not currently have a category specifically for cyber-related crime and highlighted a general move away from conventional crime towards scams for example. To counter this trend the work of the Cyber Resilience Centre for Wales was highlighted by the PCC. The DPCC observed that cyber-crime had been scrutinised by the Panel previously and suggested that it might be useful for new Members if it was returned to in the future. The Head of Strategy outlined how cyber-crime was high on the agenda for the Performance Panel and highlighted the challenge of compiling regional data for an international crime. The Chief Executive outlined to new Members how visits to Gwent Police HQ in order to gain further information would be facilitated if requested.

One Member questioned the priorities listed in the Annual Report and observed that generally public confidence in policing was low and the downturn in the wish to report crimes reflected this trend. The PCC defended the priorities and outlined how they were aligned to the manifesto he produced during his election campaign. The PCC stressed the importance of reporting crime and highlighted how crime was constantly evolving and therefore the methods of tackling crimes also had to change accordingly.

A Panel Member praised a Gwent Police presentation on cyber-crime which he had attended in Usk. It was agreed that details of any similar Cyber Information events would be shared with Members. The Member then raised the issue of the 999 League Tables which featured in the report. He wished to know where Gwent featured in the table and whether or not there was a similar table for 101 calls. The PCC outlined that Gwent was doing reasonably well with the majority of calls answered within 10 seconds. He also commented that sometimes a call might be initially sent to the wrong force by BT which would unfairly have a negative effect on the Force’s position in the League Table. Members heard how the League Table situation on 101 calls was complex and had been paused currently as the nature of these calls was non-emergency and related to multi-agencies rather than just the emergency services. The Member asked for the exact position of Gwent Police in the 999 League Table. It was outlined to Members that Gwent Police were currently 17<sup>th</sup> in a league of 43 Police Forces in England and Wales and that three-quarters of all calls were answered in under 10 seconds.

A Member wished to discuss the issue of recruitment and asked for a breakdown for the 1,423 figure quoted in the report as a Freedom of Information request revealed that 117 officers were on duty in Monmouthshire across all shifts during a week in 2022 which compared with a weekly figure of 251 officers in 2019. The PCC explained that the allocation of officers was a matter for the Chief Constable and suggested that he would need more information on this question. The Chief Executive provided further clarity on retention forecasts and asked the Member to share the Fol information with her outside of the meeting so that she could provide a more detailed response.

One Member related a poor experience received by one of his constituents when she rang to report some anti-social behaviour. The PCC requested that the Member submitted the details in writing to him so that he could raise it with officers.

The Chair asked a question on the Victim Care Unit. The Chair wished to know why the uptake figure of nearly 7,000 successfully contacted was so low when compared to the total figure of more than 44,000 victims referred to the unit. The DPCC suggested that the wording in the

report was misleading and provided clarity by explaining that the 7,000 victims referred to had asked for the enhanced service. Members heard how the majority of cases referred to the unit had been satisfied with the information received and had therefore not requested the enhanced service. Another Member agreed that the paragraph was misleading. The DPCC advised that the paragraph would be updated and suggested that a future visit to the unit by Members or meeting discussion on the work of the Victim Care Unit might be appropriate.

In conclusion, the Chair commented that the Annual Report was quite “wordy” and suggested that more detail could have been provided in terms of how actions helped to deliver priorities in the PCC’s Plan. This was noted by the Chief Executive.

## **7. TO RECEIVE AND ANSWER ANY QUESTIONS TO THE POLICE AND CRIME COMMISSIONER FOR GWENT**

No questions were submitted by Panel Members prior to this meeting.

## **9. PERFORMANCE QTR 4**

The PCC introduced the report before handing over to the Head of Strategy. The Head of Strategy outlined how previous comments from Members on the presentation of quarterly reports had been taken into account and were reflected in this report. He shared the PCC’s gratitude for the work of the Performance Sub-Group in helping to shape the report. The Head of Strategy then invited questions from the Panel.

One Member questioned the low positive outcomes figure for rape and serious sexual offence cases. Officers highlighted that the pandemic and industrial action by barristers had delayed cases but also outlined the work undertaken to create robust systems which were now in place across the region, and which had predated the national focus on this matter.

A Member wished to know the role of social media platforms in terms of reporting crime. Demand for the 999 and 101 services featured in the report but the Member questioned why in this digital age social media interaction was not also included. Officers gave assurances that social media interaction would be incorporated into future reports to the Panel. The PCC recognised the importance of social media and highlighted campaigns designed to promote these platforms as a way of reporting crime. The DPCC observed that initially it was thought that the use of social media would reduce demand on traditional avenues for reporting crime, but in effect it had created a new demand which was now being addressed.

One Member questioned how data was presented under the Violence against Women, Domestic Abuse and Sexual Violence section. The Member suggested that cases should be categorised under either male or female, as men could also be victims of domestic abuse and sexual violence. The DPCC observed that predominantly such cases were against women but that cases could be split by gender in future reports to the Panel. The Member also questioned the trend pattern for outcomes which he thought was missing from the report. The Head of Strategy outlined how currently data showed trend patterns for crimes but that in future reports trend patterns based on outcomes could also be included.

The Chair thanked the officer for his presentation and advised that she would email her points to him outside the meeting. The meeting was then briefly adjourned to allow a comfort break for Panel Members.

## **10. MTFP PRESENTATION & BUDGET SETTING TIMETABLE**

The PCC introduced this agenda item and highlighted the difficult financial situation which was described as fluid and unpredictable. The PCC then handed over to the Chief Finance Officer who delivered a PowerPoint presentation. Members heard about variables such as external influences, funding and efficiencies. During the presentation Members also received an overview of the Governance structure and the context in which the system operates. The Chief Finance Officer advised that factors such as a real-term cut of 22% since 2010/11 and crime levels returning to pre-Covid-19 levels created the context for Policing in Gwent. It was agreed that a glossary of terms would be provided to Panel members.

The Chair thanked the officer for his presentation and invited questions. One Member asked how the gap illustrated in the Post-Efficiency Scheme Deficits slide would be filled. The Chief Finance Officer highlighted that as savings of £53M had been made over the last twelve years it was now a matter of budget cuts rather than identifying further efficiencies. Members also heard how a new national procurement strategy was designed as a measure to ensure better value for money in the future. A review of the current business model was also briefly outlined.

A Member highlighted that the upper range of a proposed precept increase of 7% would be a frightening prospect for many residents. The Member also observed that borrowing was a challenging prospect due to high interest rates. The Chief Finance Officer agreed and also accepted the Member's point about the lengthy timescale associated with an invest-to-save strategy. The Officer provided assurances about the robust nature of the overall strategy especially in regard to the Gwent Police estate.

## **11. FORWARD WORK PROGRAMME**

The Lead Officer (Mrs Forbes-Thompson) advised Members that the next meeting of the Panel would be on the 16<sup>th</sup> of December followed by a further meeting on the 27<sup>th</sup> of January. A request to add an Estates Strategy report as an Information Item for consideration at the December meeting was highlighted by the officer. The Officer also advised that she would make enquiries to facilitate requests to visit the Cyber Crimes Unit and the 101/999 control room once it was fully operational at new Gwent Police HQ.

The Lead Officer requested expressions of interest for sub-group membership. By a show of hands, the following membership was agreed:

- Finance – Gill Howells, Cllr Mann, Cllr Chacon-Dawson, Cllr Kear
- Estates – Peter Nuttall, Cllr Easson, Cllr Jones
- Performance – Gill Howells, Peter Nuttall, Cllr Clarkson, Cllr Mann

The PCC enquired how the findings of the sub-groups would be fed back to the Panel. It was agreed that briefing notes would be shared with Members at the Panel's Pre-Meeting.

The Chair requested a review group to look at the issue of Victim Support and report back to the Panel next summer. The Lead Officer advised that she would email Panel Members requesting interest in membership of this review group. The PCC welcomed the request and advised that he would speak with the Chief Constable about officer engagement with this process.

Meeting Closed at 12:50 am.

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## **Police and Crime Commissioner for Gwent's Update December 2022**

This is a selection of activities undertaken, scrutinised or supported by the Office of the Police and Crime Commissioner (OPCC) during September - November.

### **Police conduct**

As panel members will be aware, on Sunday 13 November the Sunday Times ran an article uncovering appalling messages sent between former and serving officers of Gwent Police via a WhatsApp group. The messages were discovered following a search of a former police officer's personal mobile phone and date back a number of years.

Since these messages were brought to light swift action has been taken by Gwent Police's chief officer team and a number of officers have already been suspended in relation to allegations of misconduct. If further issues are identified, then I am confident that they will be dealt with appropriately. As Police and Crime Commissioner I have no formal role in the investigation process as this is an operational function, however, should misconduct be identified, and any officer dismissed, then my office would have a legal role to play should they appeal.

My key focus now is to ensure that victims and members of the public have the confidence to come forward to Gwent Police, and reassure them that any concerns they report will be dealt with to the highest possible standards. I am also supporting the Chief Constable to ensure these claims are investigated and take the appropriate action. I welcome the involvement of the IOPC in this matter and I hope that it will reassure our communities that this investigation will be a robust and transparent process. I continue to support the Chief Constable in improving culture of Gwent Police, and to fulfil my role in scrutinising the force's complaints and conduct processes.

## **KEEP NEIGHBOURHOODS SAFE**

### **Burglaries**

The 43 Chief Constables in England and Wales have agreed that dealing with burglary is a priority. We want to stop people becoming victims of burglary in the first place. Gwent Police's We Don't Buy Crime team has been helping to protect our communities and disrupt the criminal supply chain, making it harder for criminals to dispose of stolen goods. The team also provides victims with crime prevention packs to help deter reoffending. During October, the team visited 200 shops across Gwent to offer crime prevention advice as part of The National Business Crime Centre's national week of action, while 70 businesses were also provided with SmartWater crime prevention packs.

Through the Home Office's Safer Streets scheme, we have also secured funding to provide home security devices and other crime prevention tools for our communities. In recent months we have seen domestic burglaries fall in Gwent and,

while we will never be complacent, I am proud that the proactive work we have been doing is now starting to show real results.

## **COMBAT SERIOUS CRIME**

### **Knife Angel**

I was delighted to host the Knife Angel throughout November. Constructed from more than 100,000 knives, the 27ft Knife Angel sculpture was displayed at Friars Walk in Newport to help to raise awareness of the devastation that violent and aggressive behaviour can have on communities. Commissioned by the British Ironwork Centre in Oswestry, and created by artist Alfie Bradley, the iconic sculpture has visited 27 towns and cities across the UK since 2018. Huge amounts of engagement and communication work was undertaken by the team throughout the duration of the visit. We worked with Gwent Police and partners including Newport City Council, Fearless and Street Doctors to deliver workshops in Gwent on the dangers of violence and aggression to young people. We also delivered bespoke workshops in primary schools, ran engagement sessions in all five Gwent local authority areas to promote the Knife Angel's visit, and held a competition for children aged 10 – 12 themed around 'no to violence'. We are currently collating information about the month-long project and this will be shared with panel members once it has been completed.

## **SUPPORT VICTIMS AND PROTECT THE VULNERABLE**

### **Hate Crime**

In October, we marked Hate Crime Awareness Week with engagement events in all five local authority areas, to raise awareness and allow people to give their views. We organised these in partnership with Gwent Police, Connect Gwent, Fearless, South Wales Fire and Rescue, Umbrella Cymru and Victim Support Cymru. I also visited Caerphilly People First to thank them for their help with creating a new easy read leaflet to make sure that people with disabilities understand when a hate crime has been committed and how to report it. The leaflet provides information on the many types of abuse people with disabilities can face and reinforces the importance of reporting a crime. I would like to thank My Mates and Caerphilly People First for their help in producing the leaflet.

### **White Ribbon Day**

My office and I led work with Gwent Police and Gwent Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) regional team to raise awareness of White Ribbon Day again this year. On Friday 25 November, organisations from across Gwent were invited to take part in the #33Challenge, which highlighted the number of women who are living in high-risk situations every week because of domestic abuse or sexual violence. White Ribbon Day is an annual event that marks the United Nation's International Day for the Elimination of Violence Against Women. People, families, schools, organisations, sports teams, and community groups were encouraged to set their own challenges focusing on

the number 33 and post their actions of support online. The challenge could take place on Friday 25 November or anytime during the 16 days of action which ends on 10 December. I will provide a full update within the next iteration of this report.

## **INCREASE COMMUNITY CONFIDENCE IN POLICING**

### **Anti-Racism Action Plan**

Criminal Justice in Wales launched its new Anti-Racism Action Plan, outlining the determination of partners to do all they can to root out any form of racism across the Criminal Justice System. My team worked with partners in Criminal Justice Wales to develop and implement a dedicated and transparent anti-racism action plan. Developed over 18 months with more than 600 members of Black, Asian and Ethnic Minority communities across Wales, the plan outlines the actions that we will take over the next three years as part of our commitment to achieving an anti-racist criminal justice system. Holding us to account for these commitments will be an independent oversight and advisory panel. This consists of 12 members, drawn from across Wales, with diverse professional backgrounds and experience, who will scrutinise the delivery of the plan.

### **Award Winners**

Every year, Gwent Police's Force Awards recognise police officers and staff who have gone above and beyond what is required of them in the line of duty. I was delighted to speak at the recent event, which paid tribute to the work that officers and staff from Gwent Police do to protect and reassure our communities. Over the course of the evening, 69 officers and staff received awards recognising their outstanding work throughout the year. The vast majority of Gwent's police officers and staff work diligently under immense pressure and incredibly difficult circumstances. Often this means putting themselves at great personal risk and dealing with situations that most people will, thankfully, never have to encounter in their lifetime. On behalf of the residents of Gwent I want to pay tribute to the police officers and staff celebrated as part of this award ceremony for everything they do every day to keep our communities safe.

I was delighted to join Gwent Police in presenting the Community Award at the Black History Wales National Youth and Community Awards. These awards recognise the contributions of outstanding young people of African and Caribbean descent and celebrate their achievements. The award recipients Rahila Hamid and Reggie Al-Haddi have done some fantastic work in their communities, and I was delighted to present them with this award. I also sponsored and presented the 'adult volunteer of the year' category at this year's Torfaen Community and Voluntary Awards. These awards recognise the contributions that volunteers have played in our communities throughout 2022. This year the award went to Vicki Randall, founder of Cwmbran Netball Club. Starting out with just five players, Vicki's passion has led to the club expanding to 350 members.

## **Child-Centred Policing**

We have continued to make significant progress in our child-centred policing work, in partnership with Gwent Police. This aims to build better relationships between police, children and young people. My team and I have been working with a cluster of schools in the Caerphilly County Borough, further developing our safe spaces workshops. These involve talking to children about the areas in their community where they feel safe or unsafe and discussing the reasons for these feelings. We then talk about what they feel may be needed in their community to help them feel safer. We also discuss their perceptions and understanding of the police and, crucially, if they know what they need to do to contact the police in an emergency. We recently ran nine sessions with children and were joined by Community Support Officers from the local policing team. This helps to familiarise children with the officers they may encounter in their own communities. We are currently collating feedback and information that the children have given us and will work with the neighbourhood policing team to improve confidence in policing in communities.

We have also started planning for our fifth annual Youth Question Time. I launched Youth Question Time in 2019 to give young people an opportunity to ask the Chief Constable of Gwent Police, public sector leaders and me the questions that matter to them, the event is a partnership between us and local youth groups. We have run engagement sessions with young people in November which led to a series of thought-provoking discussions about issues including local policing, the cost-of-living crisis and how it will affect access to services for young people, and the impact social media has on young people's mental health. This feedback will help to shape the event which will take place in March next year.

## **DRIVE SUSTAINABLE POLICING**

### **Budget Survey**

As Police and Crime Commissioner, it is my duty to set the annual council tax precept, which is the money residents pay towards policing each month. Almost 40 per cent of Gwent Police's overall budget of £173 million now comes from local council tax.

To make this decision, I must take into account:

- The amount of money that the Chief Constable says Gwent Police need to operate an efficient and effective service;
- The final financial settlement from the UK Government for the year;
- The levels of specific funding from the Welsh Government and the Ministry of Justice, along with other income that I can raise locally; and
- The affordability for local residents.

This is always a difficult decision to make and this year, in the middle of a cost of living crisis, it is harder than ever. We will not know how much money we will receive from UK Government until mid to late December and I will continue to lobby the Home Office to provide more funding for policing to meet the exceptional costs

we now face to maintain service delivery. Before I make any decisions on Gwent Police's budget for 2023/24, it is essential I listen to the views of our residents. To help achieve this, we are currently running a survey and are holding 20 dedicated engagement events in communities to speak to as wide a range of people as possible.

### **Estates Survey**

Throughout the summer, I asked residents to give their views on policing premises in Gwent. More than 1,000 had their say on this at community engagement events across Gwent or online. Work is still under way on the review of Gwent Police's Estate Strategy, which will ensure that police premises are sustainable, affordable, demonstrate value for money, and are fit to deliver modern day policing. Once completed, the new Estate Strategy will ensure that services are delivered consistently across Gwent, while giving Gwent Police the flexibility to evolve to meet emerging and future changes. This includes elements of collaboration at a local and regional level which will create a modern, demand-led model of policing.

### **Graduate Officers**

We recently welcomed 38 new police officers into Gwent Police, who have now been deployed with policing teams across Gwent's five local authority areas. The public understandably want to see more police and I am proud that there are now more than 270 new police officers in Gwent than when I first became Commissioner in 2016.

### **Independent Custody Visiting Scheme**

I am currently recruiting Independent Custody Visitors (ICVs) to conduct unannounced visits to custody units in order to check on the treatment of detainees, the conditions in which they are being held, and to ensure that their rights and entitlements are being observed. ICVs do a crucial job on my behalf, ensuring that Gwent Police are held to the highest standards and that detainees are treated appropriately. We currently have eight ICVs, who volunteer approximately 20 hours a month to support the service.

### **Partnership Working**

Partnership working between public services in Wales is a requirement of the Well-being of Future Generations Act. I introduced the Bill to the National Assembly when I was a Welsh Government Minister, and I remain incredibly proud of it. It highlights a fundamental principle of mine and ensures that public services work together to make decisions that are in the best interests of the people and communities they serve. There have been numerous examples of both my office, Gwent Police and I supporting this approach in the last two months. In total, 143 police officers travelled from Gwent to support the Metropolitan Police during the 12 days between the Queen's passing and her funeral. This presented an unprecedented security challenge and was one of the largest policing operations in history. Gwent Police supported colleagues from across the country with specialist search officers, explosive detection dogs, drones, motorcyclists and public order trained officers. It was the biggest deployment of mutual aid from Gwent in many

years. All of the officers did an outstanding job.

As part of my national work, I attended a partnership summit organised by the National Police Chiefs Council and the Association of Police and Crime Commissioners. This was an important opportunity for PCCs and senior police leaders to meet and discuss key policing issues. It included an address from the new Home Secretary where she set out her priorities for policing in England and Wales.

More locally, I spoke at the launch of the Wales Safer Communities Network, which represents the strategic voice that championing community safety. Work on this started in 2021 to bring together policing, local government and other partners with the singular goal of improving safety in our communities in Wales. It is fantastic to see this work finally realised and I look forward to working with network closely in my role as commissioner and as the chair of Policing in Wales.

Working with partners in our local communities is essential in breaking down barriers and building trust. I was therefore honoured to be invited to the launch of Short Perspectives, a new film from Newport-based arts organisation Urban Circle. October was Dwarfism Awareness Month and the film explores issues of accessibility, inclusion and community from the perspective of those living with Dwarfism. It was directed by Danielle Webb who has worked closely with my office on a range of issues.

I also recently presented certificates to young refugees who have completed a series of workshops with Gwent Police. The young people, aged between 16 – 18, completed a five-week course that introduces them to the police, explains the laws here in the UK, and gives them information that will help to keep them safe. Newport is home to about one third of Wales's unaccompanied refugees and asylum seekers, who can be vulnerable to exploitation from criminal gangs due to lack of language, and cultural understanding. These workshops are helping to keep them safe and enabling them to play an active part in their community.

### **Police Headquarters**

Last month, we welcomed HRH the Earl of Wessex to Gwent Police's new headquarters in Cwmbran. The 5,178 sqm facility at Llantarnam Industrial Estate accommodates 480 officers and staff, and is now home to the force control room, which is the first point of contact for 999 and 101 calls. The new facility is playing a key role in ensuring the well-being and training needs of policing staff in Gwent are met, helping them to protect and reassure the communities they serve. It also houses major crime teams, support services and senior management. The Earl had a tour of the building and took the opportunity to meet with young people from the Cwmbran Centre for Young People (CCYP) to discuss their work. My office provides funding to CCYP which enables the centre to open its doors to young people five nights a week. This is helping to tackle a problem with anti-social behaviour in the town centre by providing young people with a safe environment in which to socialise. However, the support available goes much deeper than that,

offering a range of emotional, educational, and training support that is helping young people to have a happier and healthier future.

### **Strategy and Performance Board**

I chaired the quarterly Strategy and Performance Board in November, which is where I formally hold the Chief Constable to account on behalf of the public. We scrutinised a range of performance measures and reports to ensure that Gwent Police are delivering an efficient and effective service to residents. There was a particular emphasis on Professional Standards and Ethics. The Chief Constable also presented her budget bid to me which I will now consider when setting the precept level for 2023/2024.

### **Welsh Language Standards**

I have recently published our Welsh Language Standards Annual Compliance Report for 2021-22. The report highlights our progress and where we continue to work to improve our Welsh language capabilities. The Chief Constable and I remain fully committed to ensuring that members of the public can access, through the medium of Welsh, the services we provide on a day-to-day basis. As a policing service, we continue to work to embrace the use of the Welsh language within the workplace and with our communities.

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## Gwent Police and Crime Panel

### Questions to the Gwent Police and Crime Commissioner – 16<sup>th</sup> December 2022

Panel Member	Question
Mrs Gill Howells	<p>It was reported in the Press recently that the Chief Constables in England and Wales are going to send officers to every home burglary.  <a href="https://www.pcc.police.uk/news/2022/12/01/police-forces-in-england-and-wales-will-send-officers-to-every-burgled-home/">Police forces in England and Wales will send officers to every burgled home   Gwent Police and Crime Commissioner (pcc.police.uk)</a></p> <p>Please can the Commissioner</p> <ol style="list-style-type: none"> <li>1. Advise of the number of the house burglaries reported in Gwent during 20/21 and 21/22 and for the respective years what proportion of these crimes reported were subject to an officer attendance.</li> <li>2. Within what time frame following a burglary should a victim expected a visit and how are you going to ensure that the public assurance given by Chief Constables and yourself is going to be adhered to.</li> </ol>
Mrs Gill Howells	<p>Further to the recent press article about the culture in the Gwent Police force exposed by an Officers private phone messages, what assurances can the Commissioner provide to the Panel in respect of:</p> <p>A. The awareness by Officers and Staff and the effectiveness of the Chief Constable’s ‘Not in My Force’ initiative to identify and eradicate such behaviour within the Force</p> <p>B. The scrutiny he and his office have undertaken of complaints received and reviewed in respect of Gwent Police and whether the behaviours reported are noted as a common theme for complaint and referral.</p> <p>C. When the PCC was first made aware of the current issue?</p>

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**SUBJECT: GWENT POLICE AND CRIME PANEL RECORDED COMPLAINTS AND CONDUCT MATTERS REGISTER**

**DATE: 16TH DECEMBER 2022**

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## **1. PURPOSE OF REPORT**

- 1.1** This report provides Members of the Panel with an overview of the complaints received by the Panel for the period from November 2021 to November 2022.

## **2. LINKS TO STRATEGY**

- 2.1** The Police Reform and Social Responsibility Act 2011 requires the establishment of a Police and Crime Panel within each police force area to support and challenge the local Police and Crime Commissioner. The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2011 provides the legislative background to the handling of complaints by the Panel and the Police and Crime Panels (Application of Local Authority Enactments) Regulations 2012 also provides procedural requirements for the Panel.

## **3. BACKGROUND**

- 3.1** The Gwent Police and Crime Panel (“the Panel”) was established in November 2012 following the first elections for Police and Crime Commissioners. The Panel has statutory responsibilities as to the handling and determination of certain complaints made against the Police and Crime Commissioner (PCC) and Deputy Police and Crime Commissioner (DPCC). The Panel agreed its revised procedure for the handling of complaints on 14th December 2018.

## **4. COMPLAINTS DATA**

- 4.1** During the period November 2021 to November 2022 there were no recorded complaints.
- 4.2** There are three categories of complaints with the corresponding outcomes:
- A Complaint - a general complaint about the PCC or DPCC that is not a Conduct Matter or a Serious Complaint or is a complaint that ceases to be investigated by the Independent Police Complaints Commission or a police force. The Panel is responsible for the informal resolution of these complaints.
  - A Conduct Matter - a matter where there is an indication (whether from the circumstances or otherwise) that the PCC and/or DPCC may have committed a

criminal offence. Conduct matters can arise without a Complaint being made (for example, press stories). The Gwent Police and Crime Panel must notify the IOPC of Conduct Matters. The IOPC are responsible for considering all Conduct matters.

- A Serious Complaint - a complaint about the conduct of the PCC or DPCC which constitutes or involves or appears to constitute or involve the commission of a criminal offence. The Gwent Police and Crime Panel must notify the IOPC of Serious Complaints. The IOPC are responsible for considering all Serious Complaints.

4.4 The Panel received one complaint during the past year that was not recorded. After examining the complaint and the requested outcome it was confirmed that it did not relate to the PCC or the Deputy PCC. The complainant was advised that the outcomes sought by the complainant are not within the powers or remit of the Gwent Police and Crime Panel.

4.5 In addition the Panel has received 18 contacts from people wishing to make a complaint about Gwent Police and these were referred to the Professional Standards Department of Gwent Police.

## **5. FINANCIAL IMPLICATIONS**

5.1 The handling of complaints is funded using the existing resources within the Home Office Grant.

## **6. EQUALITIES IMPLICATIONS**

6.1 Monitoring of complaints by the Panel addresses the statutory duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 as any specific complaints to the Panel around alleged discrimination can be considered as well as the monitoring of complaints from people who fall under the categories protected by the Equality Act 2010.

## **7. CONSULTATION**

7.2 Consultation has been undertaken as listed below and any responses received have been incorporated into the report.

## **8. RECOMMENDATION**

8.3 The Panel are asked to note the information provided in this report.

## **9. REASON FOR RECOMMENDATIONS**

9.1 To monitor and note complaints received by Gwent Police and Crime Panel.

## **9. STATUTORY POWERS**

10.1 Police Reform and Social Responsibility Act 2011.

10.2 The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2011

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**Consultees:** Robert Tranter, Head of Legal and Monitoring Officer Caerphilly County Borough Council  
Lisa Lane, Head of Democratic Services Caerphilly County Borough Council  
Sian Curley, Chief Executive Office of the Gwent Police and Crime Commissioner  
Gwent Police and Crime Panel Complaints Group

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# Agenda Item 8

## GWENT POLICE AND CRIME PANEL FORWARD WORK PROGRAMME 2022/23

Meeting Date	Items - Theme Sustainable Policing
<b>16 Dec 2022</b>	PCC Update
	Panel Questions to PCC (if submitted)
	PCP Recorded Complaints Report
	Operational Context and Requirements for the Finance Strategy
	Treasury Management update
	Performance Framework Q 2 (Information Report)
	Estates Strategy (Information Report)
	Gwent Police and Crime Panel Annual Report 2021/22(Information Report)

Meeting Date	Items – No Theme – Precept meeting
<b>27 Jan 2023</b>	Panel Questions to PCC (if submitted)
	Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal

Meeting Date	Items – Theme Support Victims and Protect the Vulnerable
<b>31<sup>st</sup> March 2023</b>	PCC Update
	Panel Questions to PCC (if submitted)
	Performance Qtr 3

Meeting Date	Items – Theme Combat Serious Crime
<b>23<sup>rd</sup> June 2023</b>	Elect Chair and Vice Chair
	PCC Update
	Panel Questions to PCC (if submitted)
	Office of the Police and Crime Commissioner for Gwent Annual Report 2022/23
	Performance Qtr 4

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Gwent Police  
and Crime Panel

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## Annual Report 2021 - 2022

### Introduction

This report has been compiled to outline the activity of the Gwent Police and Crime Panel during the period April 2021 to March 2022. Despite the continued restrictions of COVID during the year the Panel were able to meet in person. The Panel were focused on the achievement, priorities, performance and wellbeing of the staff and officers.

### Summary

In accordance with best practice for scrutiny and transparency as noted in Schedule 3 – In-Year Monitoring Information Requirements of the Home Office Grant Agreement, an annual report by Police and Crime Panels is an important Key Performance Indicator (KPI) to be monitored and reported on.

This report provides a summary of the activity of the Gwent Police and Crime Panel during May 2021 - May 2022.

The Host Authority for the Gwent Police and Crime Panel is Caerphilly County Borough Council who are responsible for the governance and administrative support. All Home Office funding for the Panel is administered by the host authority.

### Report

#### 1. Background

Police and Crime Commissioners (PCCs) were introduced through the Police Reform and Social Responsibility Act 2011, which significantly changed the arrangements for police governance and accountability in

England and Wales. Police and Crime Panels (PCPs) were established through this legislation in order to provide scrutiny and support to PCCs.

In Wales Police and Crime Panels are not local authority committees but free-standing public bodies set up and maintained by the Home Secretary in accordance with the Police Reform and Social Responsibility Act.

## **2. Panel Powers**

The functions of a panel in Wales are those set out in the Act and are the same as those of a panel in England.

Panels have specific responsibilities around the Police and Crime Plan and Annual Report. Panels must make reports about the proposals by the commissioner on the level of the precept and on the appointment of a chief constable.

## **3. Membership**

The legislation states that panels will comprise of at least one councillor from each local authority within the force area and two independent co-opted members. Panels should include a minimum of ten elected representatives.

Gwent has five local authorities that were originally allocated two seats each, however in view of the larger population sizes of Caerphilly and Newport the Home Secretary approved one additional seat for each of these areas. Therefore, the distribution of seats is as follows:

Blaenau Gwent County Borough Council – 2 Seats

Caerphilly County Borough Council – 3 Seats

Monmouthshire County Borough Council – 2 seats

Newport City Council – 3 Seats

Torfaen County Borough Council – 2 Seats

Plus 2 Independent Co-opted Members

The term of office for Co-opted Members shall be until 31st October of the same year as the next ordinary Police and Crime Commissioner election.

The Police and Crime Commissioner elections were held in May 2021 therefore the co-opted members positions were advertised in the regional press and on the website in June 2021. This was also promoted on social

media. A total of two applications were received, and these were from the existing co-opted members, by the closing date of 5th July 2021.

The interview panel assessed the applications and both applicants met the requirements, therefore both were invited to interview on 27th July 2021. The interview panel subsequently recommended that the two applicants be appointed as independent co-opted members until the 31 October 2024.

The Elected Members of the Panel shall, as far as practical, reflect the political balance and community demographic of Gwent. Appointments of elected members to the Panel shall be made by each of the Authorities. The balanced appointment objective requires that the local authority Members of the Panel should:

- a) represent all parts of the police force area;
- b) represent the political make-up of the Authorities; and,
- c) taken together have the skills, knowledge and experience necessary for the Panel to discharge its functions effectively

#### 4. Panel Membership 2021-2022

Blaenau Gwent County Borough Council	Councillor Clive Meredith
Blaenau Gwent County Borough Council	Councillor Lisa Winnett
Caerphilly County Borough Council	Councillor Mrs. Christine Forehead
Caerphilly County Borough Council	Councillor Sean Morgan
Caerphilly County Borough Council	Councillor Colin Peter Mann
Monmouthshire County Council	Councillor Tony Easson
Monmouthshire County Council	Councillor Peter Clarke
Newport City Council	Councillor Jason Jordan
Newport City Council	Councillor David Fouweather
Newport City Council	Councillor Mark Spencer
Torfaen County Borough Council	Councillor John Killick
Torfaen County Borough Council	Councillor Gwyn Jenkins
Independent	Mrs Gillian Howells
Independent	Mr Peter Nuttall

The Gwent Police and Crime Panel has its own dedicated website [www.gwentpcp.org](http://www.gwentpcp.org) where the Panel Arrangements and Terms of reference are published together with agenda packs, webcasts of meetings and further information on the role of the panel can be found.

The Chair and Vice Chair are elected annually. For the year 2021/2022 Mrs Gillian Howells was elected Chair and Councillor Colin Mann was elected as Vice Chair.

## 5. Meetings

The Panel held a total of 6 meetings in 2021/22 meetings resumed in person from May 2021 with the first meeting, a Confirmation Hearing, held on the 20<sup>th</sup> May 2021 to consider the recommendation to re-appoint the Deputy Police and Crime Commissioner. The final meeting planned for 2021/2022 was due to be held on 1<sup>st</sup> April 2022 but was cancelled as it fell within the pre-election period for the Local Government Elections.

The dates of each meeting are listed below with a link to each document pack:

20<sup>th</sup> May 2021 ([Public Pack](https://www.gwentpcp.org.uk))[Agenda Document for Gwent Police and Crime Panel, 20/05/2021 10:00 \(gwentpcp.org.uk\)](https://www.gwentpcp.org.uk)

2<sup>nd</sup> July 2021 ([Public Pack](https://www.gwentpcp.org.uk))[Agenda Document for Gwent Police and Crime Panel, 02/07/2021 10:00 \(gwentpcp.org.uk\)](https://www.gwentpcp.org.uk)

24<sup>th</sup> September 2021 – ([Public Pack](https://www.gwentpcp.org.uk))[Agenda Document for Gwent Police and Crime Panel, 24/09/2021 10:00 \(gwentpcp.org.uk\)](https://www.gwentpcp.org.uk)

10<sup>th</sup> December 2021 ([Public Pack](https://www.gwentpcp.org.uk))[Agenda Document for Gwent Police and Crime Panel, 10/12/2021 10:00 \(gwentpcp.org.uk\)](https://www.gwentpcp.org.uk)

28<sup>th</sup> January 2022 ([Public Pack](https://www.gwentpcp.org.uk))[Agenda Document for Gwent Police and Crime Panel, 28/01/2022 10:00 \(gwentpcp.org.uk\)](https://www.gwentpcp.org.uk)

18<sup>th</sup> February 2022 ([Public Pack](https://www.gwentpcp.org.uk))[Agenda Document for Gwent Police and Crime Panel, 18/02/2022 10:00 \(gwentpcp.org.uk\)](https://www.gwentpcp.org.uk)

## 6. Work of the Panel

The Panel focus their efforts on the work of the Police and Crime Commissioner for Gwent, in particular the achievement of the priorities set out in his Plan and how he holds the Chief Constable to account for the delivery of that plan.

Following the Police and Crime Commissioner election in May 2021 the Commissioner developed his new plan and the draft form was considered by the PCP at the meeting held in September 2021.

The former police and crime plan was measured against the former priorities, as detailed below:

1. Crime Prevention – Promoting and reducing crime that causes the

most harm in our communities and against the most vulnerable people.

2. Supporting Victims – Providing excellent support for victims of crime, particularly those who have experienced the most serious harm.
3. Community Cohesion – Increasing understanding and respect amongst communities to improve equality, safety and wellbeing.
4. Tackling Anti Social Behaviour – ensuring Gwent Police work to resolve Anti Social Behaviour working closely with partner organisations to help address this issue effectively.
5. Effective and Efficient Service Delivery – ensuring that Gwent Police deliver services that meet the needs of our communities.

The priorities in the new plan are summarised below and the full plan is available here

[pcp-final-english-2021.pdf \(pcc.police.uk\)](#)

1. Keep Neighbourhoods Safe – Reduce public order offences, anti-social behaviour and acquisitive crime and repeat offenders. Improve the safety of roads and commission and invest in effective crime prevention,
2. Combat Serious Crime – Reduce the number of repeat victim of child criminal and sexual exploitation. Increase disruption of serious organised crime and re-invest assets seized in the community. Improve the overall criminal justice response to violence against women, domestic abuse, and sexual violence. Commission services that work with perpetrators of serious crime to prevent and reduce re-offending.
3. Support Victims and Protect the Vulnerable – Improve victims services to ensure the needs are identified and responded to. Improve the work with partners to protect the most vulnerable, increase the timeliness of investigation updates to victims. Commission and invest in specialist services to support victims throughout the criminal justice process.
4. Increase Community Confidence in Policing – Increase the effectiveness of officer and staff engagement with residents and community trust in Gwent Police. Improve accessibility of neighbourhood police teams, increase reporting of crime that are less likely to engage with the police and increase officer and staff diversity to reflect communities.
5. Drive Sustainable Policing – Ensure that Gwent Police have the right numbers of Officers, staff and volunteers. Increase investment and adopt new technology for the future. Enhance health and wellbeing

support for officers and staff and reduce environmental impacts of policing.

The next section of this report focuses on the activity of the Panel throughout the year. There is a report from the PCC at every meeting updating the Panel on the various actions which the OPCC has undertaken against each of the priorities.

The Panel also has a regular agenda item whereby panel members are able to submit questions for the PCC on any aspect of the plan. Where such questions have been submitted and discussed these will be highlighted in bold in the specific area of the report below.

Throughout the year the continued impact of COVID on Gwent Police and on crime in Gwent has been a constant theme of review and discussion.

## 6.1 Crime Prevention

The Panel has asked a number of questions on this priority area during the year. This has included the following:

- The Panel sought information on the resources available for tackling off road biking and were advised that whilst there isn't the demand for a dedicated unit, they rely on local information to target their responses.
- **Panel Question** – on the pilot 20mph speed limit areas, asking if they are enforceable. PCC advised that the aim is to see how this could work. There is evidence that a reduction to 20mph reduces risk of death by 10% and the results of this pilot will need to be assessed to see how it could work, including how it could be enforced.
- The Panel examined the quarter 4 performance report under crime prevention and queried if the 40% figure estimated for cybercrime was realistic. PCC advised that his office had queried the figure with the Force. The Head of Continuous Improvement is part of a national group considering this matter, with most crimes having a cyber element, for example fraud. The national group is seeking to find a solution to measuring cybercrime. The PCC advised that there is funding for education and awareness raising, to provide the public with the knowledge to identify cybercrime. This continues to be an issue for the Panel to progress
- Panel members examined the Crime Investigation Rates, for positive outcomes against finalised outcomes and questioned whether this figure would have an impact on public confidence to report crime. The

PCC advised that whilst speaking to shopkeepers in the community regarding shoplifters, some had said that they wouldn't report some crimes because of their relatively low value. He has emphasised the need to report these crimes so that patterns of organised crime can be identified. DPCC stated it is important to build public confidence in the criminal justice system and work to improve support to witnesses and victims. The 'We Don't Buy Crime' has been a focus for the Force during this year and the initiative appears to deter criminals from targeting shops.

- The Panel sought information on the compilation and reliability of data in relation to a report on Cyber Crime, Economic Crime & Digital Policing. The PCC advised that there are difficulties caused by overlapping crimes and that a lot of work is taking place at a national level to extrapolate cyber-crime elements from the overarching substantive crime such as bullying for example.
- The Panel asked for clarification on the use of stop and search and were advised that stops had to be based on reasonable grounds with officers expected to ask pertinent questions beforehand which might then lead to the development of grounds to exercise Stop and Search powers. It was also confirmed that there are consistent reviews of the Stop and Searches carried out by Officers to ensure the powers are used appropriately.

## 6.2 Supporting Victims

The Panel has asked several questions on this priority area during the year. This has included the following:

- **Panel Question** – The Panel asked for clarification on the low rate of rape allegations in Wales that result in a charge being made and what is being done to improve the way Gwent deals with this. The PCC advised that the OPCC has completed a review of the response to rape crime by Gwent Police. This review has identified areas of strength and areas for improvement. Findings have been used to inform the action plan, with a formal response from Gwent Police to be presented to the Strategy and Performance Board in December. The focus is on victims, to ensure they are dealt with appropriately and sensitively.
- The Panel sought information on the effectiveness of the support for victims of domestic violence. The PCC advised this is a priority for his office and additional resources have been allocated. The OPCC and Gwent Police have reached out to victims during the pandemic. They

are not complacent and conscious that victims can feel isolated. They work closely with Connect Gwent who have a Victim's Unit and a Survivor Officer based there, to listen to victims experiences and help improve the service.

### 6.3 Community Cohesion

The Panel has asked several questions on this priority area during the year. This has included the following:

- Panel members sought an update on the recruitment of BME officers and asked what progress had been made in engaging Officer and Staff from the minority backgrounds. The PCC stated that this an area where they are seeking to engage across Gwent to promote working for Gwent Police as a career. He advised that they do quite well in recruiting PCSO's but improvement is needed for Police Officer recruitment.
- The Panel reviewed the Equalities report and highlighted the low percentage of BAME staff shown in the report and suggested that significant work needed to take place to address this situation. OPCC Officers advised that great progress had been made in terms of reaching out to all communities and that Positive Action Officers were targeting all disadvantaged communities in the region. The Chief Constable recognised the challenge and advised Members that 12 BAME people were included in the latest intake of new recruits to Gwent Police. The Chief Constable also outlined how out-dated perceptions of the Police in some communities was a challenge which was being worked on and highlighted the importance of retention.

### 6.4 Tackling Anti-Social Behaviour

The Panel has asked several questions on this priority area during the year. This has included the following:

- **Panel Question** – The Panel asked about CCTV Provision and whether there been a demonstrable reduction in overall crime and anti-social behaviour. They sought clarify about whether the systems are robust enough and fit for purpose with officers currently unable to access real-time information and having to travel to control centres. The PCC advised that Gwent has varying quality of CCTV but it is still a good deterrent, but a standard system with more modern technology would improve access for police officers. There is a possibility for a



standard system for Gwent Police and the local authorities. This could have real time information, and also be available on handheld devices. A business plan is being devised which will require consultation with the 5 local authorities. It was confirmed that the new Gwent Police Headquarters would be the optimum location solution in the business case which would allow access to CCTV but would also require 24-hour monitoring, with public liaison and links with calls.

- Panel members confirmed the importance of Youth Services providing a service outside of school hours. The DPCC agreed and highlighted the work being done with Youth Services and said that it was an investment that helped to reduce anti-social behaviour. It was outlined to the Member raising the question that the views of the Panel on Youth Services would be passed to the Gwent PSB. The DPCC also advised that she awaited the Welsh Government response to an Interim Youth Board report on youth work.

## **6.5 Effective and Efficient Service Delivery**

The Panel has asked several questions on this priority area during the year. This has included the following:

- The Panel welcomed the plans for apprenticeships set out in the report and were encouraged to hear about the Youth Question Time event held in March.
- The Panel referred to the workforce sickness absence information and complaints and asked when the changes suggested by the Panel to improve the information will be available, to include context on the percentages and actual number of complaints etc. The OPCC advised that they were re-assured that there has been a lot of work going on in this area including the inclusion of the Home Office requirements to publish information. It was suggested that the Performance Management Subgroup could be involved in looking at the changes with OPCC, to ensure that the information for the framework is at the right level.
- The Panel asked for an update on the Covid vaccine uptake amongst Police Offices and Staff. PCC stated that despite lobbying for Police to have the vaccine as a priority group, it didn't happen, but because of the progress in vaccinations for age groups more have been offered the vaccine. There are some staff self-isolating but there is no data on vaccine refusal, as that is something offered in their personal lives.
- Panel members sought re-assurance that there is mental health support and training available for stress and PTSD for police officers.

The Panel were advised that there has been a previous presentation to the Panel on this matter and they could look at updating the information within that presentation and circulating it to the Panel. It was highlighted that when there is an incident that the Chief Constable will ring the officer directly, often on the same day, and procedures to refer to occupational health are put into place.

- **Panel Question** – The Panel queried recent social media comments that referred to a lack of response when reporting crimes. Questions were raised about the scale/ proportion of crime reported to Gwent Police which did not result in any follow up action being taken. The Panel were advised that the OPCC had corresponded with the Chief Constable on the concerns raised on social media. Officers and staff always tried to respond to all reports, but demand could be both complex and challenging. The Deputy Police and Crime Commissioner for Gwent assured Panel Members that there was a robust monitoring process in place to ensure calls are responded to in a timely way. Members heard how there was also a robust complaints process in place for those who were not happy with the response when reporting crimes. Victims of crime were also updated on progress by the Victim Care Unit. It was also pointed out that Gwent Police had received an increased number of calls compared with previous years.
- The Panel discussed the Investigation Outcomes and specifically the data showing an increase in the number of victims who withdraw support after a named suspect had been identified and whether the reasons for withdrawing support were known. The OPCC Officers advised that this is a particularly challenging dataset due to the complexities of the various reasons for withdrawing support.
- The Panel considered the performance data for Quarter 1 and sought clarity on the missing children incidents. They were advised that Partnership working with organisations such as Llamau was instrumental in determining if youths had run away from care-homes or their families. These workers were neither Police or Social Workers and this neutrality sometimes helped to establish trust with children who had been reported missing from their home. The Panel suggested that Youth Services also be used in this regard.
- The Panel sought information on mental health training for staff to ensure that officers could recognise conditions such as PTSD amongst colleagues. Members assured that this was a core part of training and highlighted how there were Well-being Champions in every Police Station.
- **Panel Question** – The Panel referred to a recent report on delayed vetting of Officers and staff and asked the PCC what assurances he

has received on, the extent of and the status of Officer and Staff vetting in Gwent Police. The PCC confirmed vetting was up to date and in place for all staff. In addition, any complaints/ intelligence received about Officers and Staff is taken seriously throughout the organisation to ensure any potentially inappropriate behaviour is dealt with. The Panel were assured that the vetting process was up to date with the exception of a single individual who was on long-term sickness leave. This process was also supported through regular interaction with the Independent Office of Police Conduct. Additional resources had been provided to the Vetting Department and all staff had annual vetting health checks to establish any change in their circumstances. There was also vetting carried out by the Home Office. Members also heard how the Vetting Department carried out vetting when individuals changed roles within the organisation. On the issue of complaints, the Panel heard how dip sampling ensured that they met regulatory requirements. The Chief Executive also highlighted work being done on tackling any abuse of position of trust and also the 'Not in My Force' initiative.

- The Panel considered the Precept report, and it was stated that the increase requested was still a significant amount for residents at a time of increasing costs for food and utility bills. A Member asked about the implications on budget forecasting of factoring in future National Insurance policies. The PCC highlighted that he shared concerns about the cost of living rises and suggested that was a principal reason why the satisfaction rating following the public engagement exercise was under 50%. He also highlighted how increased energy costs would have an impact on Police budgets. The Chief Finance Officer advised Panel Members that if the planned National Insurance increase was cancelled, money given specifically for the rise as part of the settlement following the CSR would be taken back by central government. Members then heard that if the planned NI increase was deferred for a year, it would create a non-recurrent surplus in the current budget as the funding would be used in 2023/24 instead. The Chief Finance Officer also highlighted that increased National Insurance contributions were an obligation for both employees and their employers.
- The Panel asked about the implications of inflationary pressures on crime levels. The PCC advised that financial disadvantage could lead to an increase in crime, and he outlined how affordability was one of the factors leading to the reduced Council Tax Precept Proposal. Panel Members also heard how proceeds of crime money recovered was used by Gwent Police to benefit financially disadvantaged areas of the Gwent region. It was highlighted to Panel Members that the

uncertainty of the societal costs of the Covid-19 pandemic and the need to ensure that Gwent Police were adequately resourced to be able to deal with future challenges were key issues for consideration.

- The Panel asked about the implications of further savings on Gwent Police. The OPCC advised of the operational needs around the Estates Strategy and then highlighted the major challenge of delivering an effective service whilst having a budget shortfall of £2.5M.

## **7. Sub – Committees**

The Gwent Police and Crime Panel has established a Complaints Sub-Committee to consider non-criminal complaints about the Gwent Police and Crime Commissioner and the Deputy Police and Crime Commissioner.

The membership of the group is made up of the Chair and Vice Chair and the independent member(s). The Complaints Sub-Committee meets as and when required and when a complaint that falls under its remit arises, in line with the agreed Complaints Protocol and the Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012.

The Complaints Sub-Committee received 0 recorded complaints during 2021/22. The Panel received a complaints report at the meeting on 12<sup>th</sup> December 2021.

The host authority has had to administer 18 complaints/queries that were Police complaints/queries incorrectly sent to the Panel email account. The complainants received a prompt response and advised of the correct contact details

## **8. Subgroups**

The Panel has also established three subgroups to monitor, review and develop certain areas of work. The current sub-groups are:

1. Finance
2. Performance
3. Estates

### **8.1. Finance**

This group is made up of the three members the Chair and Vice Chair plus one additional Panel Member. The aim is for the group to receive detailed

briefing prior to consideration of budget matters at the formal Panel meetings. The Panel Finance Reference Group met three times during this municipal year, on 6th October 2021, 3rd December 2021 and 20th December 2021.

## **8.2. Performance**

This Group is made of three members the Chair and Vice Chair plus one additional panel member. The group was established to work with the OPCC to develop a performance framework that would provide the Panel with robust data to scrutinise and challenge the performance of the Police and Crime Plan. The performance sub-group met on three occasions, 10th October 2021, 30th November 2021 and 16<sup>th</sup> March 2022.

## **8.3. Estates**

The Estates Strategy Reference Group was established at the meeting of the Panel held on 25<sup>th</sup> September 2020. There are three Members on the Panel, with agreement that additional members will join when the group is considering matters in a particular area. The group has met twice on 30th June 2021 and 8th April 2022.

## **9. Training**

Induction training for new members was held on 10th June 2021, 24th August 2021 and 23rd November 2021. This was provided by the Host Authority Lead Officer.

## **10. Reviews and Consultations**

During the year the Home Office commenced a review of the Police and Crime Commissioner arrangements and engaged Dods Group Ltd to produce new guidance and training for Police (Fire) and Crime Panels. The Panel Chair, Vice Chair and Lead Officer participated in the project stakeholder engagement. In addition, the Panel gave feedback on the PCC review part 2 consultation.

## **11. Networking**

The Panel Chair and Vice Chair meets with the Chairs and Vice Chairs of the other three Welsh Panels, to share practice and knowledge. This is facilitated by the Welsh Local Government Association. During 2021/22 a meeting was held on the 20th May 2021 and 30th June 2021, was attended

by the Chair and Vice Chair of the Panel, accompanied by the Host Authority Lead Officer.

The Chair and Vice Chair also attended the LGA Workshops held on 13th July 2021.

## **12. Visits**

A small group of Panel Members visited the Force Control room on 6<sup>th</sup> August 2021.

Panel Members were provided with the opportunity to observe live streaming of the Chief Constables Commendation Ceremony and Force Awards on 7pm on 16th November 2021.

## **13. Panels Budget**

In establishing Police and Crime Panels, the Home Office agreed that a limited grant would be provided to each local authority acting as the host authority in providing the administrative support and management and maintaining the Police and Crime Panel.

The host authority for the Gwent PCP is Caerphilly County Borough Council. Welsh Local Authorities are not permitted to supplement the costs to run the Panels, with all costs being met from the Home Office Grant.

## **14. Members Allowances and Expenses**

Panel Members are paid a daily rate fee. The rate shall be the same as the full daily rate fee determined from time to time by the Independent Remuneration Panel for Wales for the Chair and Co-opted Ordinary Member of local authority Standards Committees.

The daily rate fee is capped at a maximum of 6 days a year per Panel Member. Discretionary additional payments can be where attendance is required in respect of statutory responsibilities. Payments are made for meeting time or attendance at training/ conferences only and are inclusive of preparation time and travelling.

## **15. Payment of Travel and Subsistence Allowances**

Travel allowances can be claimed for 'approved duties' defined as:  
(a) attendance at a meeting of the Panel or of any subcommittee of the

Panel.

(b) a duty undertaken for the purpose of or in connection with the discharge of the Panel's functions.

(c) attendance at any training or developmental event approved by the Panel.

The rates of travel claims shall be at the HMRC rates of mileage.

Total amounts claimed by each panel member are published every year on the Panel website.

The total amounts spent on Administration, Expenses and Translation costs are also published every year on the Panel Website [www.gwentpcp.org](http://www.gwentpcp.org)

### **Further Information**

The Gwent Police and Crime Panel has its own dedicated website where all agenda packs, videos of previous meetings, reports can be found. The website also has detailed information on the role of the panel and its members.

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## Performance Monitoring Framework

Quarter 2 2022 / 2023

This report provides an overview of the Police and Crime Commissioner's (PCC) oversight and scrutiny of Gwent Police performance in relation to the Police and Crime Plan. This is a report for quarter 1 of the financial year 2022/23.

The scrutiny and monitoring of force performance take place in a variety of forms, including observation and participation in boards and meetings as a critical friend. The main forum where this takes place is the Strategy and Performance Board, the meeting at which the PCC holds the Chief Constable (CC) to account and is open to the public. There are also specific reports and briefings requested as required. The PCC has weekly one-to-one meetings with the CC to discuss matters arising and any areas of particular concern. The PCC has made it very clear to the CC that his expectation is that he is provided with good quality information, so he can understand performance and undertake effective scrutiny and monitoring.

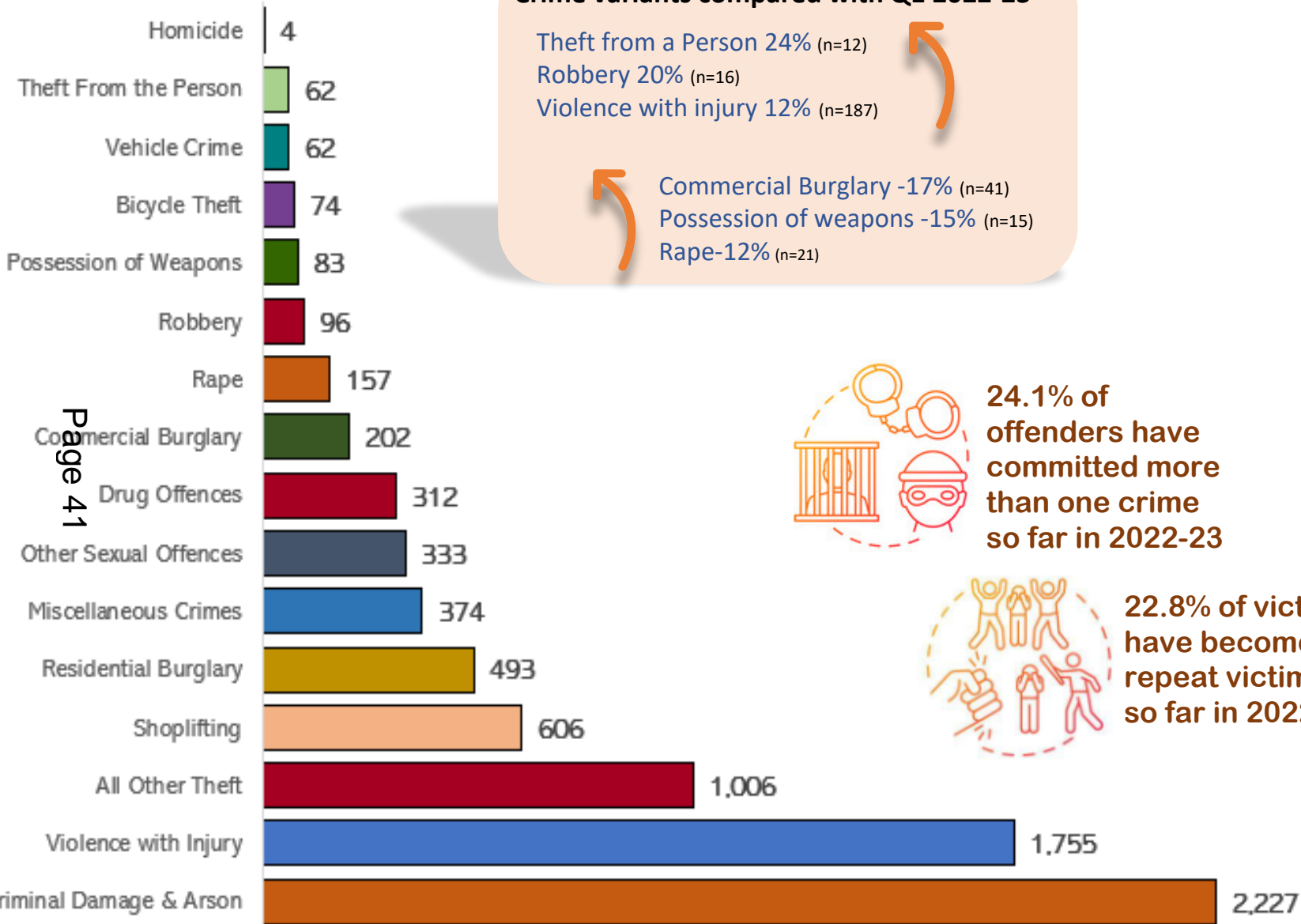
### **Police & Crime Plan Priorities**

- **Keep Neighbourhoods Safe**
- **Combat Serious Crime**
- **Support Victims and Protect the Vulnerable**
- **Increase Confidence in Policing**
- **Drive Sustainable Policing**

**Crime variants compared with Q1 2022-23**

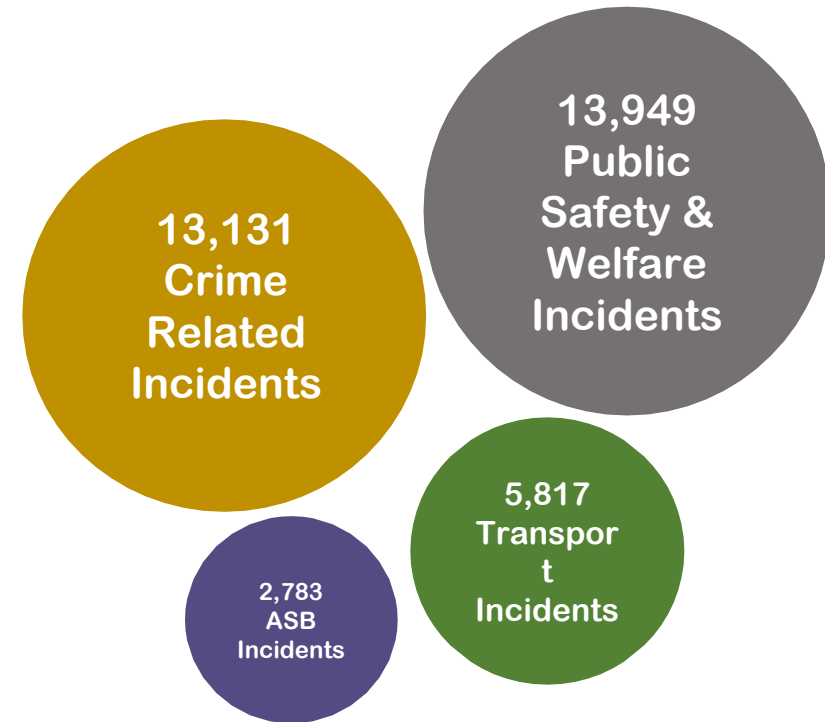
Theft from a Person 24% (n=12)  
 Robbery 20% (n=16)  
 Violence with injury 12% (n=187)

Commercial Burglary -17% (n=41)  
 Possession of weapons -15% (n=15)  
 Rape-12% (n=21)



24.1% of offenders have committed more than one crime so far in 2022-23

22.8% of victims have become repeat victims so far in 2022-23



**ASB has decreased by 3% in Q2 2022/23 compared with Q1 2022-23**

N.B Admin Incidents are those that don't fall into the main national groupings, e.g. police generated, pre-planned events, duplicates. Repeat victims & offenders are those that have been subject to criminal activity on one or more occasions in the financial year of 2022-23.

All Incidents	2018-19					2019-20					2020-21					2021-22					2022-23		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Public Safety and Welfare	13,992	13,763	13,218	13,121	54,094	13,691	14,634	12,977	12,669	53,971	12,215	13,436	11,500	10,988	48,139	12,993	13,274	12,427	12,672	51,366	12,613	13,949	26,562
Crime Related	14,341	14,002	13,452	13,237	55,032	13,448	14,052	12,574	11,490	51,564	11,176	12,750	10,713	9,945	44,584	11,930	12,146	11,375	11,033	46,484	12,515	13,131	25,646
Transport	8,687	8,073	8,097	8,421	33,278	8,326	8,374	7,833	7,208	31,741	5,612	6,638	5,872	5,556	23,678	6,789	6,807	6,360	5,776	25,732	5,659	5,817	11,476
Anti-Social Behaviour	2,844	3,096	2,518	2,608	11,066	2,843	2,998	2,464	2,931	11,236	11,482	5,296	5,102	6,741	28,621	4,722	3,562	2,880	2,811	13,975	2,959	2,783	5,742
Admin	8,012	7,985	7,465	7,328	30,790	7,742	8,383	7,500	7,345	30,970	8,284	8,589	7,531	7,286	31,690	8,198	8,707	7,685	6,988	31,578	7,279	7,436	14,715
Open Log	38	58	119	81	296	233	182	98	92	605	181	268	315	247	1,011	285	311	2,880	295	3,771	470	490	960
Total	47,914	46,977	44,869	44,796	184,556	46,283	48,623	43,446	41,735	180,087	48,950	46,977	41,033	40,763	177,723	44,917	44,807	43,607	39,575	172,906	41,495	43,606	85,101
% change since previous year	-1.56%					% change since previous year -2.42%					% change since previous year -1.31%					% change since previous year -2.71%					% change since previous year -50.78%		

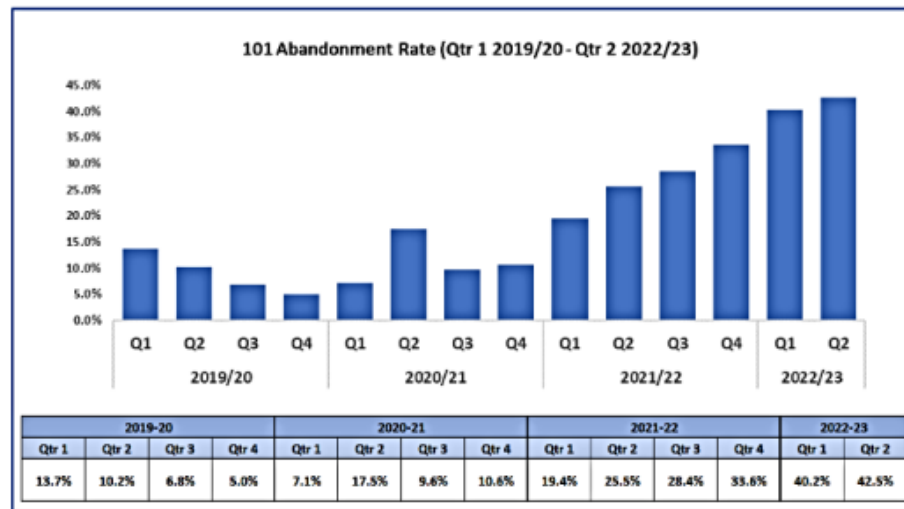
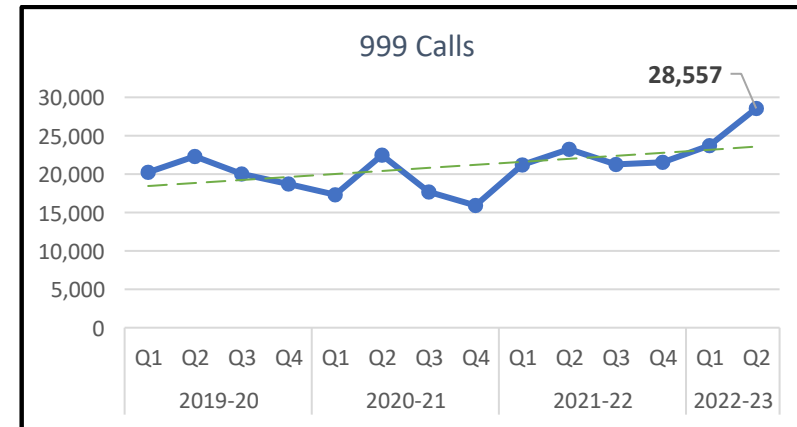
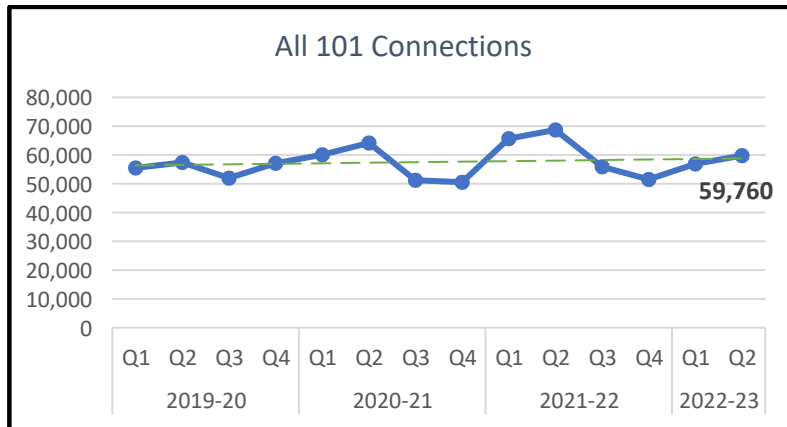
Crime Type	2018-19					2019-20					2020-21					2021-22					2022-23		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
All Other Theft	1,245	1,257	1,134	1,118	4,754	1,161	1,154	1,028	925	4,268	708	869	712	704	2,993	744	852	878	821	3,295	988	1,006	1,994
Bicycle Theft	116	108	95	107	426	97	110	68	54	329	71	90	70	43	274	101	106	57	54	318	78	74	152
Commercial Burglary	270	247	340	302	1,159	288	305	250	254	1,097	195	165	181	148	689	144	167	163	218	692	243	202	445
Criminal Damage & Arson	2,280	2,491	2,295	2,347	9,413	2,382	2,064	2,190	1,910	8,546	1,683	1,772	1,759	1,618	6,832	2,019	1,887	2,067	2,036	8,009	2,154	2,227	4,381
Drug Offences	323	384	386	389	1,482	410	358	373	376	1,517	544	391	439	444	1,818	425	298	305	314	1,342	341	312	653
Homicide	0	1	0	1	2	0	3	1	2	6	0	0	1	2	3	2	0	2	1	5	4	4	8
Miscellaneous Crimes	392	358	332	352	1,434	379	339	434	556	1,708	547	440	368	375	1,730	418	357	385	368	1,528	416	374	790
Non Notifiable Offences	23	30	19	26	98	26	25	28	26	105	27	21	16	12	76	21	26	47	34	128	36	23	59
Other Sexual Offences	213	257	256	278	1,004	246	256	271	282	1,055	196	211	209	199	815	310	267	297	296	1,170	336	333	669
Possession of Weapons	47	61	54	75	237	49	83	55	62	249	77	47	59	67	250	62	51	76	108	297	98	83	181
Public Order Offences	2,140	2,267	1,747	1,682	7,836	2,023	2,168	1,707	1,637	7,535	1,942	2,217	1,579	1,449	7,187	2,101	2,197	2,050	2,298	8,646	2,551	2,853	5,404
Rape	110	153	163	168	594	118	143	118	125	504	89	96	104	122	411	130	144	163	161	598	178	157	335
Residential Burglary	700	592	620	621	2,533	666	604	654	570	2,494	492	510	473	478	1,953	378	437	487	479	1,781	462	493	955
Robbery	91	77	65	68	301	79	70	82	70	301	57	61	67	55	240	79	59	65	64	267	80	96	176
Shoplifting	992	863	877	812	3,544	823	893	907	824	3,447	479	558	542	482	2,061	520	566	564	537	2,187	651	606	1,257
Theft From the Person	105	83	106	75	369	74	73	83	54	284	49	51	31	22	153	38	37	50	45	170	50	62	112
Vehicle Crime	836	744	904	912	3,396	749	910	841	734	3,234	578	565	597	514	2,254	547	589	576	591	2,303	612	581	1,193
Violence with Injury	1,455	1,495	1,521	1,415	5,886	1,430	1,484	1,475	1,397	5,786	1,100	1,270	1,106	1,069	4,545	1,402	1,429	1,528	1,504	5,863	1,568	1,755	3,323
Violence without Injury	3,410	3,577	3,503	3,646	14,136	3,593	3,837	3,551	3,665	14,646	3,593	3,739	3,304	3,311	13,947	3,617	3,703	3,924	4,335	15,579	4,464	4,874	9,338
Total	14,748	15,045	14,417	14,394	58,604	14,593	14,879	14,117	13,523	57,112	12,427	13,073	11,618	11,114	48,232	13,059	13,172	13,685	14,264	54,180	15,310	16,115	31,425
% change since previous year	19.93%					% change since previous year -2.55%					% change since previous year -15.55%					% change since previous year 12.33%							

Outcome Rates	2018-19					2019-20					2020-21					2021-22					2022-23		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
All Other Theft	4%	4%	5%	5%	4%	2%	5%	3%	5%	4%	7%	4%	7%	6%	6%	3%	2%	2%	4%	3%	1%	4%	3%
Bicycle Theft	1%	6%	10%	2%	4%	3%	6%	0%	15%	6%	3%	3%	0%	3%	2%	4%	15%	5%	9%	8%	5%	1%	3%
Commercial Burglary	11%	9%	4%	6%	7%	9%	9%	4%	11%	8%	15%	14%	11%	11%	13%	5%	12%	7%	4%	7%	6%	5%	6%
Criminal Damage & Arson	8%	7%	8%	6%	7%	7%	8%	6%	8%	7%	13%	10%	10%	10%	11%	6%	9%	6%	8%	7%	5%	8%	6%
Drug Offences	64%	60%	75%	67%	67%	67%	86%	70%	100%	81%	87%	79%	69%	81%	79%	69%	88%	48%	62%	67%	40%	55%	48%
Fraud	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Homicide	0%	100%	0%	100%	100%	0%	33%	0%	100%	67%	0%	0%	0%	50%	50%	0%	0%	0%	100%	100%	25%	56%	40%
Miscellaneous Crimes	19%	11%	18%	17%	16%	15%	15%	9%	16%	14%	23%	16%	22%	22%	21%	15%	22%	19%	14%	18%	9%	12%	11%
Non Notifiable Offences	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Sexual Offences	8%	7%	11%	7%	8%	8%	13%	7%	14%	10%	22%	9%	10%	12%	13%	7%	12%	4%	8%	8%	5%	6%	5%
Possession of Weapons	55%	44%	54%	32%	46%	84%	54%	40%	57%	59%	74%	70%	54%	49%	62%	34%	69%	45%	35%	46%	22%	32%	27%
Public Order Offences	7%	8%	11%	8%	9%	7%	9%	8%	11%	9%	13%	12%	19%	14%	15%	10%	10%	9%	12%	10%	6%	7%	6%
Rape	5%	4%	4%	5%	4%	9%	7%	6%	4%	6%	21%	11%	6%	7%	11%	5%	9%	2%	4%	5%	5%	5%	5%
Residential Burglary	5%	3%	5%	3%	4%	6%	4%	3%	6%	5%	7%	10%	5%	8%	7%	5%	9%	6%	5%	6%	4%	4%	4%
Robbery	11%	13%	32%	16%	18%	23%	23%	15%	17%	19%	19%	8%	16%	18%	16%	15%	25%	12%	22%	19%	9%	9%	9%
Shoplifting	30%	33%	32%	28%	31%	26%	31%	22%	36%	29%	39%	33%	37%	33%	35%	25%	22%	26%	37%	28%	19%	22%	21%
Theft From the Person	3%	4%	3%	3%	3%	4%	3%	2%	4%	3%	10%	10%	0%	5%	6%	11%	3%	8%	0%	5%	0%	0%	0%
Vehicle Crime	4%	4%	3%	2%	3%	4%	4%	3%	3%	4%	7%	4%	5%	5%	5%	3%	6%	4%	11%	6%	3%	4%	3%
Violence with Injury	17%	19%	17%	12%	16%	15%	17%	13%	19%	16%	24%	20%	17%	16%	19%	10%	14%	11%	20%	14%	10%	11%	10%
Violence without Injury	10%	10%	11%	7%	9%	7%	10%	8%	9%	8%	12%	12%	13%	11%	12%	8%	10%	7%	8%	8%	5%	6%	5%
<b>Overall Positive Outcome rate</b>	<b>15%</b>	<b>11%</b>	<b>13%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	<b>10%</b>	<b>14%</b>	<b>12%</b>	<b>18%</b>	<b>15%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>	<b>11%</b>	<b>13%</b>	<b>9%</b>	<b>12%</b>	<b>11%</b>	<b>7%</b>	<b>9%</b>	<b>8%</b>
	% change since previous year -29.00%					% change since previous year 3.51%					% change since previous year 36.44%					% change since previous year -31.06%					% change since previous year -27.48%		

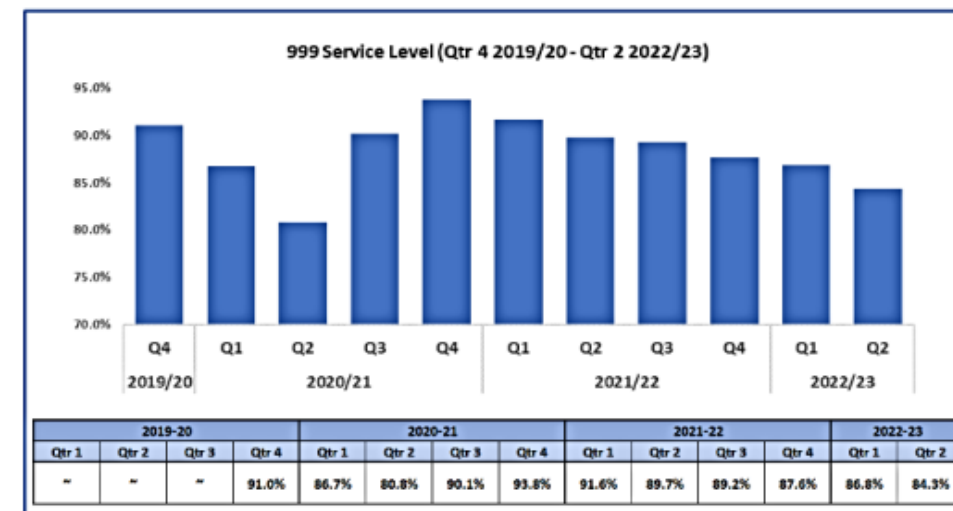
Positive Outcomes	
Court	Non-Court
Charge, Summons, or Postal Requisition (incl offences 'Taken Into Consideration')	Caution (Adult/Youth) Conditional Caution Youth Restorative Disposal Community Resolution (Adult) Fixed Penalty Notice (traffic)

999 and 101 demand has continued to rise when compared to the previous quarter. For 999 demand, this is the highest level seen within the timeframe shown, with high volumes of calls being recorded across the country, largely driven by the heatwave during the summer. 101 demand conforms to seasonal trends, with the abandonment rate going higher again as 999 demand takes precedent.

The Force Control Centre has now moved to the new HQ. Gwent Police should start to see the impacts of its investments in technology and recruitment to ensure the teams within the control room are maintained at establishment levels and service levels are improved.



% of 101 calls abandoned – includes those opting for callback



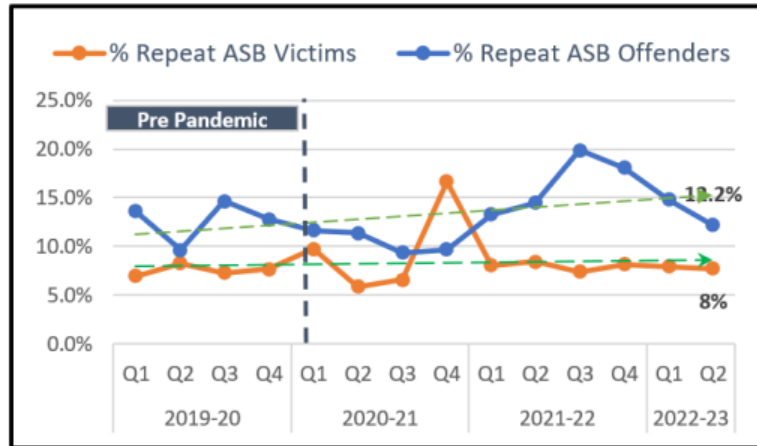
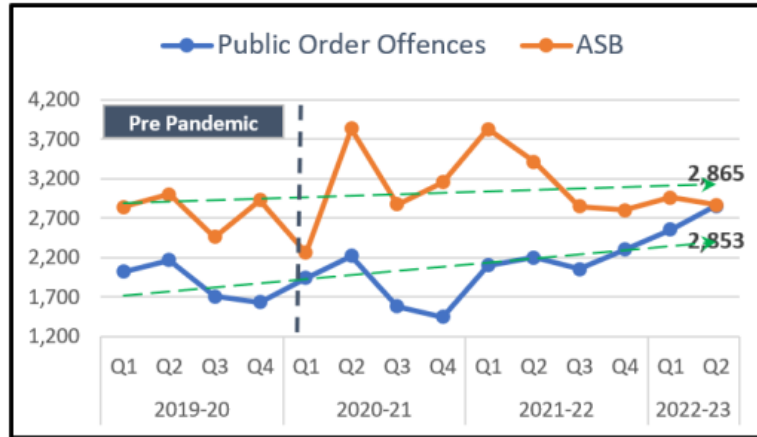
% of 999 calls answered in 10 seconds



# Priority 1. Keep Neighbourhoods Safe

Tackling crime and anti-social behaviour that impacts the safety and well being of communities in Gwent

## Reduce Public Order and Anti-social Behaviour (ASB), and the Number of People who Repeatedly Carry Out These Acts



Quarter 2 2022/23 saw Public Order (PO) offences increase further. The sustained increase since Q3 2021/22 has exceeded pre-pandemic levels and thus suggests the increase is more than a post-COVID correction. The solved rate increased by 2% compared to the last quarter.

The reduction in ASB has followed several initiatives such as Operation Ashton, which uses intervention courses to prevent re-offending. Safer Streets funding is also being used to deter ASB through diversionary tactics, such as educational youth outreach programmes delivered from new or refurbished youth shelters.

### What have the PCC and OPCC Done?

#### Holding the Chief Constable to Account:

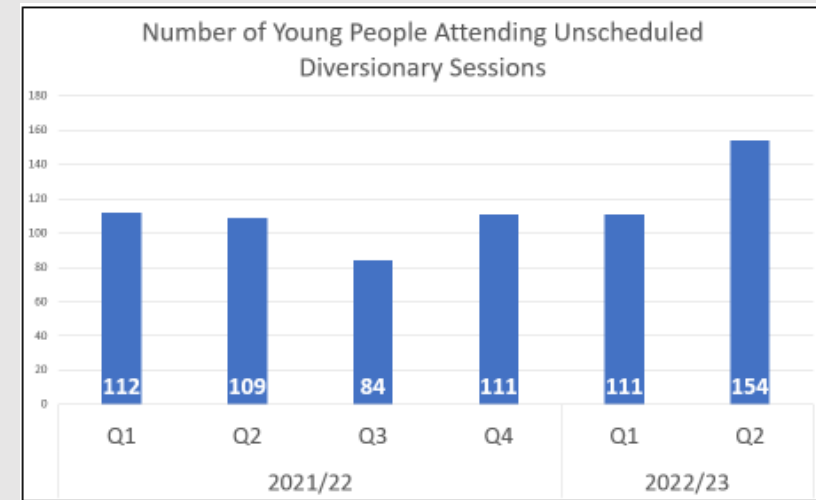
##### Thematic Areas Covered at SPB:

- The force acknowledged that there has been an increase in public order offences and that Gwent does not compare favourably to forces nationally. However, the force believe that better crime recording is a significant contributing factor to the increase in offences and that they are capturing demand accurately. There is a concerted effort to increase positive outcomes in this area and the force are encouraging officers to use community resolutions, where appropriate.

#### Funding and Commissioned Services:

#### Policy, Projects and Partnerships:

The OPCC observed a Community Trigger review panel and, subsequently, conducted an independent review of the panel process. This work has been informed by the PCC's ambition to increase public and partners' awareness of the Trigger by increasing its promotion. There has also been work to refine the Trigger process. The findings of the independent review resulted in recommendations on how to further improve the Trigger process.

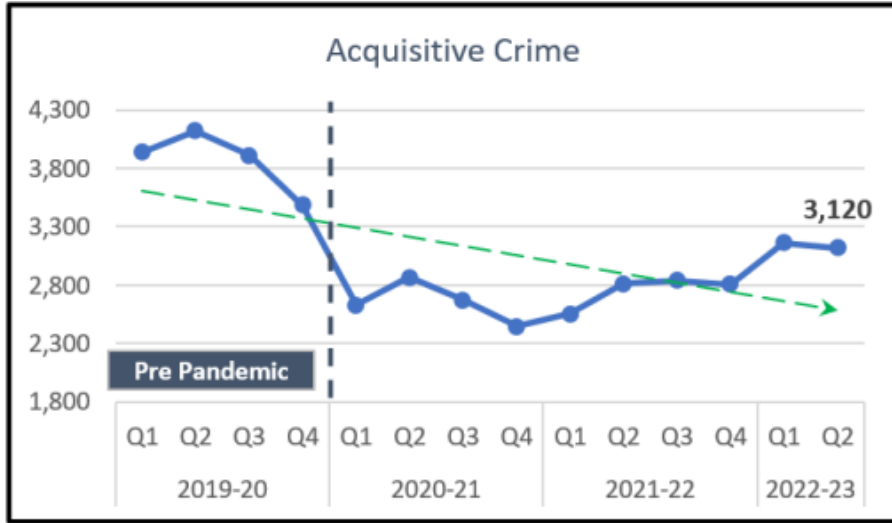


The graph above shows the number of young people who attended an unscheduled ASB diversionary sessions delivered across Gwent over the past five quarters; the numbers do not count repeat attendance. Attendance at sessions rose in Q2, which is positive as it means that more young people were receiving support to engagement more positively in their local communities. It also aligns with a decline in ASB, as observed in the force's data.

# Priority 1. Keep Neighbourhoods Safe

Tackling crime and anti-social behaviour that impacts the safety and well being of communities in Gwent

## Reduce Acquisitive Crime and Repeat Offenders



Acquisitive crime consists of burglary, robbery, vehicle crime, shoplifting and theft. After an increase in Q1, the We Don't Buy Crime (WDBC) team were tasked with increasing activity to drive crime down. A reduction in Q2 suggests that this work has achieved some success.

Positive outcome rates for Residential Burglary fell by 1% compared to the previous quarter. For the financial year to date, Gwent Police have a positive outcome rate of 3.8%. This places Gwent 38<sup>th</sup> nationally and the worst in its most similar group.

August marked the commencement of the Burglary Response Improvement Pilot, which represents an effort to increase the Residential Burglary solved rate via actions such as the consistent allocation of Crime Scene Investigators, as well as a focus on golden hour enquiries. This pilot is expected to result in an increased solved rate in the following quarters.

### What have the PCC and OPCC done?

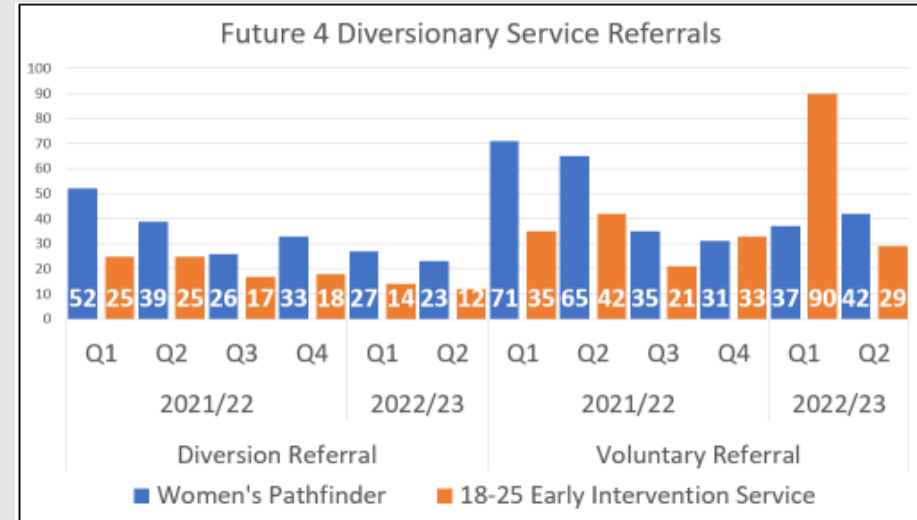
#### Holding the Chief Constable to Account:

*Thematic Areas covered at SPB:*  
 - The force recognised that there has been an increase in residential burglary over the quarter. However, this was attributed to seasonal demand, where an increase in recorded offences is to be expected. The force stated that they anticipate the Residential Burglary pilot will improve positive outcomes in this area.

#### Policy, Projects and Partnerships:

The OPCC are contributing to the Criminal Justice in Wales and Local Criminal Justice Board 'people who offend' work stream. This work is seeking to develop national and local priorities for improving the criminal justice system's approach to working with offenders and reducing the harm they pose to the wider community.

#### Funding and Commissioned Services:



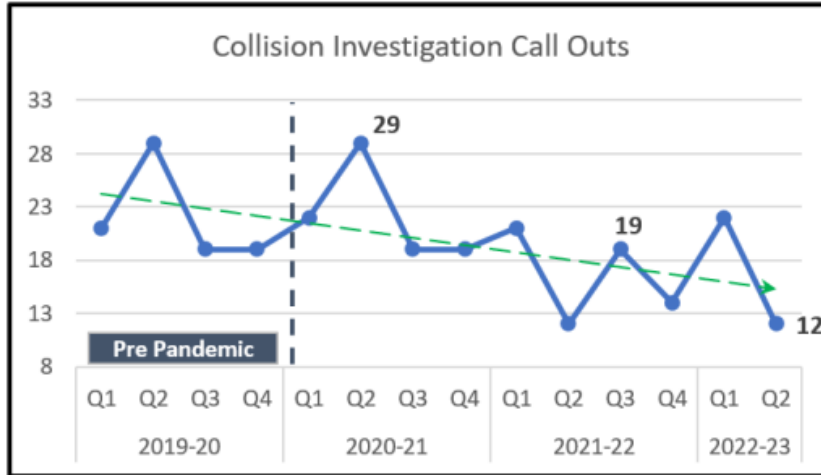
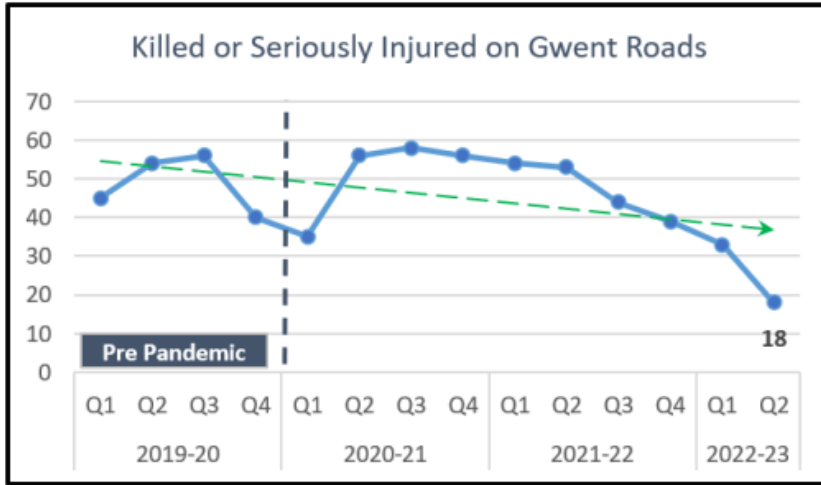
The OPCC has provided funding for the delivery of innovative diversionary programmes, 18-25 Early Intervention Service and Women's Pathfinder, in Gwent. These services support those entering the criminal justice system, addressing criminogenic needs to reduce reoffending. The support delivered by Future 4 helps young adults and women referred into the service achieve positive outcomes such as getting access to accommodation, improving their financially situation, gaining employment and improving their overall health and wellbeing. These are vital developments in helping to reduce re-offending.



# Priority 1. Keep Neighbourhoods Safe

Tackling crime and anti-social behaviour that impacts the safety and well being of communities in Gwent

## Improving the Safety of Roads Throughout Gwent



Q2 22/23	103
Q1 22/23	117
Q4 21/22	117
Q3 21/22	165
Q2 21/22	167
Q1 21/22	150

**347** persons reported for 'Fatal Five' offences in Q2:

- Careless Driving
- Drink/Drug Driving
- No Seatbelt
- Use of Mobile Phone
- Speeding

**What have the PCC and OPCC done?**

**Holding the Chief Constable to Account:**  
*Thematics covered at SPB:*  
 - There has been a positive increase in the number of Fatal Five offences detected on the roads. The force stated that this has increased the safety on roads and contributed to the reduction in road traffic collisions.

**Policy, Projects and Partnerships:**  
 The OPCC have supported Welsh Government's 20mph speed limit reduction pilot. This pilot has been introduced ahead of Welsh Government's planned move to reduce 30mph zones to 20mph. As the PCC roads policing lead for Wales, the PCC is monitoring the findings of the pilot, including associated public engagement work.

**Funding and Commissioned Services:**  
 The OPCC have identified a service gap in road safety provision and an opportunity for investment into this area. In line with the PCC's commitment to improve the safety of the roads through Gwent through scrutiny of Gwent Police's performance and working alongside partners, the OPCC is considering options for funding. This will inform the OPCC's commissioning intentions strategy.

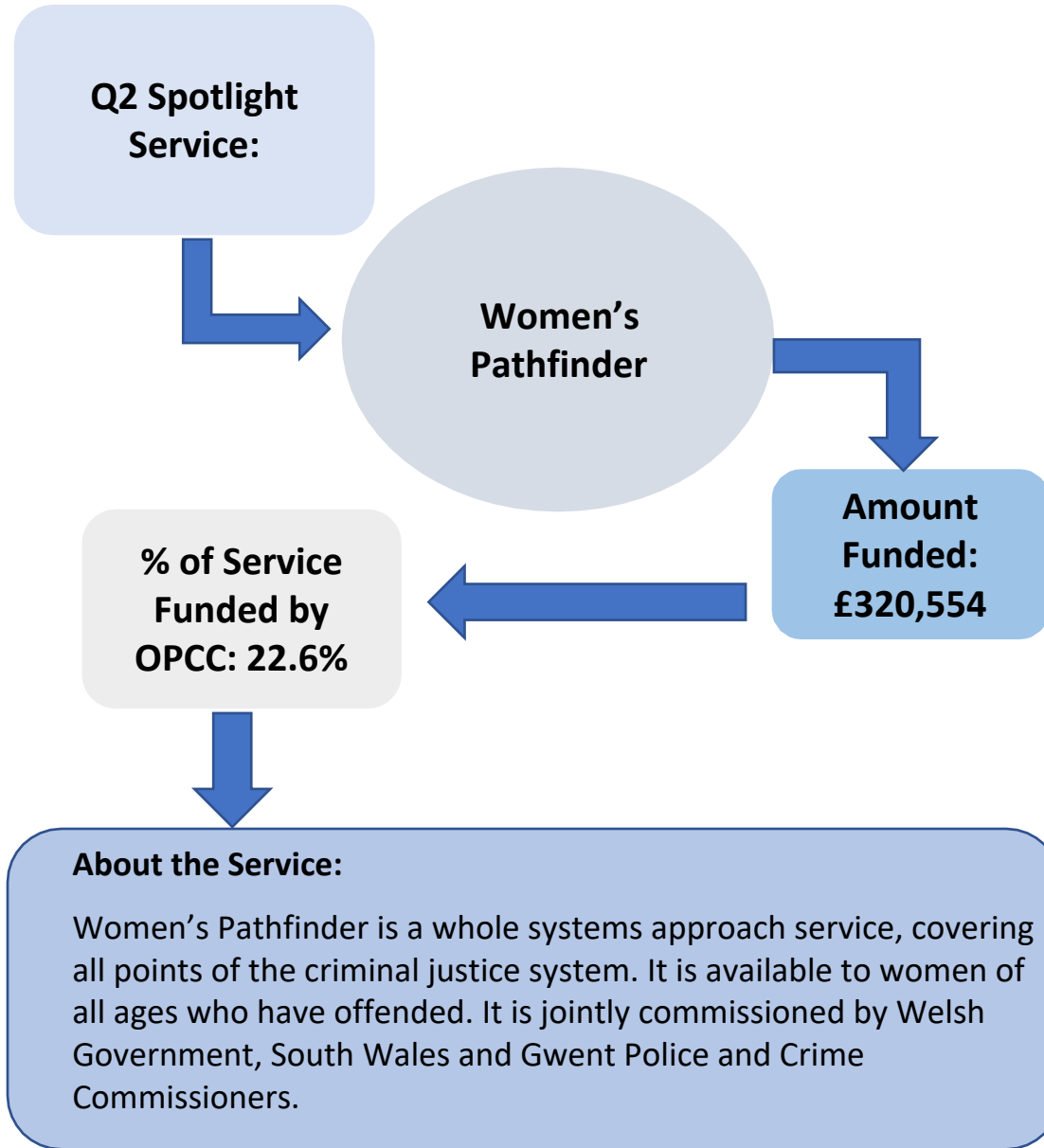
The number of people killed or serious injured (KSI) fell by 12% in Q2, continuing the downwards trend seen in previous quarters. Collision investigation callouts also fell in line with the downwards trends observed in KSI figures.

Gwent Police took part in the national summer Drink/Drug drive campaign between 22/08/2022 and 28/08/2022. The campaign was supported by a victim of a drink driver which featured as a lead story on the BBC Drink driving: My husband of 54 years was killed by drink-driver. During the weeklong operation, the force conducted over 300 breath alcohol tests and approximately 150 drug wipe tests. Over 60 drivers were arrested as a result of failing tests.

# Priority 1. Keep Neighbourhoods Safe

Tackling crime and anti-social behaviour that impacts the safety and well being of communities in Gwent

## Commission and Invest in Effective Crime Prevention Initiatives



### Case Study:

Client A was a Prison referral; she had been recalled to Prison for Theft. Client A has an extensive history of offending, and entrenched illicit substance misuse addiction. She is well known to services in the area and has been sentenced to custody several times. Client A has had her children removed by social services in the past, due to her chaotic lifestyle and has found it difficult to engage with services due to how she feels she has been judged in the past.

Upon release from prison, Women's Pathfinder support Client A in addressing needs around housing, substance misuse and contact with her children.

Client A successfully completed her probation period, whilst remaining in the community (not prison). Women's Pathfinder was able to continue to support Client A when her order came to an end, as we had been able to build a good relationship throughout, whilst supporting her alongside probation.

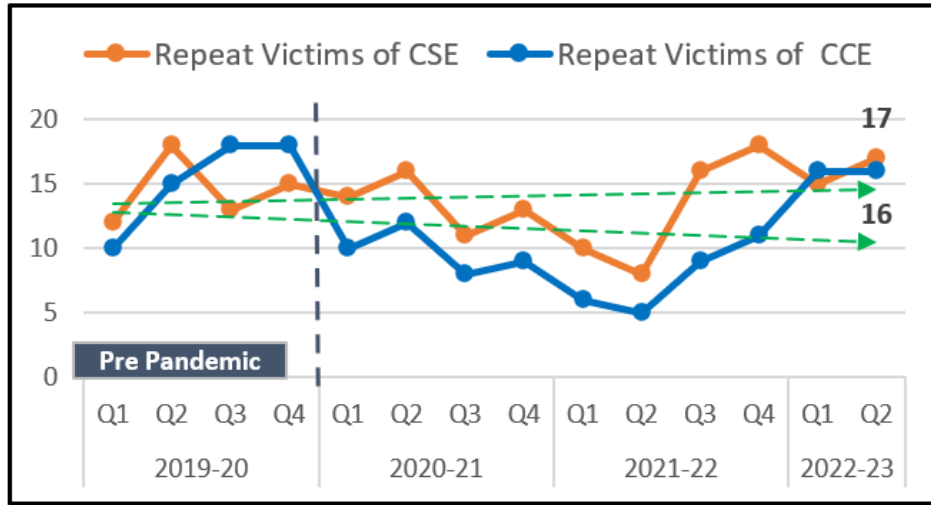
On closing Client A's case more recently, she had transitioned out of supported housing and had moved into permanent accommodation. She reported feeling that she was doing really well, felt safe and had built up her own skills so that she could manage without the support of Women's Pathfinder.

**Note: performance data included on page 8**

# Priority 2. Combat Serious Crime

Preventing and reducing crimes that cause significant harm to communities and victims

## Reduce the Number of Repeat Victims of Child Criminal and Sexual Exploitation



The number of repeat victims of CCE has been increasing since Q2 2021/22. While it plateaued in Q2 2022/23, it is clear that the trend is moving towards pre-pandemic levels. Repeat victims of CSE continued its upward trend, after a brief period of decline in Q1.

The trends observed with both CCE and CSE repeat victims are of concern and will be receiving increased attention by the OPCC.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

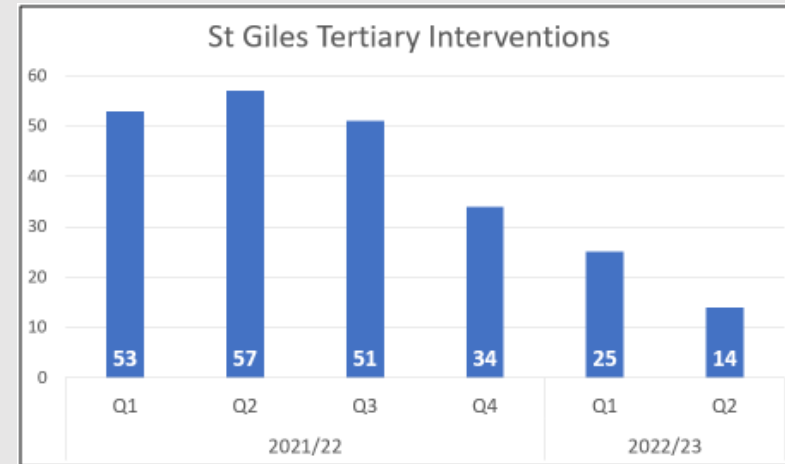
*Thematics Covered at SPB:*

- The force drew attention to the reduction in the overall number of child exploitation offences and stated that the Cyber team have been doing positive work in disrupting online child exploitation.

#### Policy, Projects and Partnerships:

The OPCC continue work with Newport City Council on a pilot supporting vulnerable children and families in the Llanwern area who are believed to be at risk of criminality and exploitation (criminal or sexual). The pilot currently has 14 children on the case load, receiving person-centred support built around the needs of children and their families. There has been encouraging commitment shown by partners and schools. The OPCC will produce an evaluation report at the end of the current school year.

#### Funding and Commissioned Services:

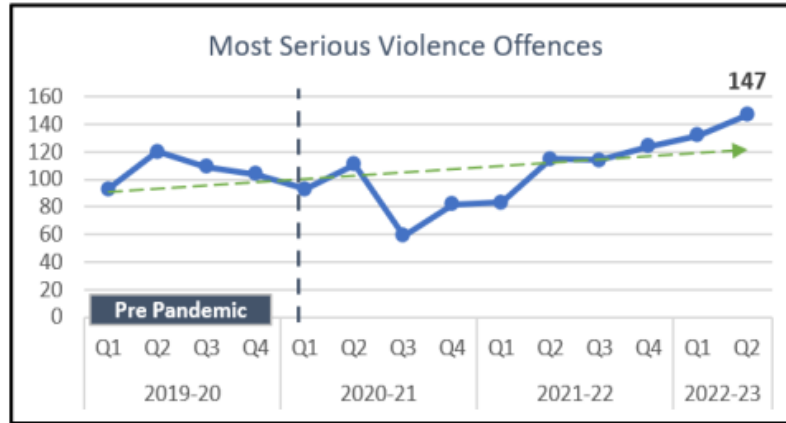
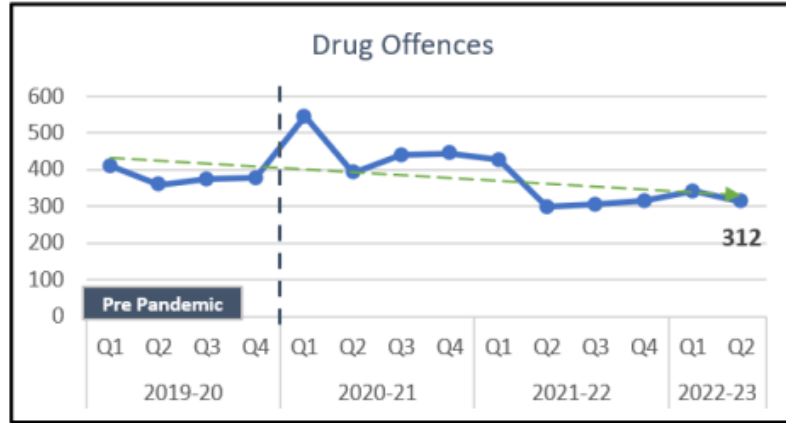


St Giles Trust support children and young people at risk of or currently being exploited. The graph above shows the number of 1-1 tertiary interventions delivered by St Giles. These interventions work with children and young people known to be exploited. A combination of successfully supporting children to successfully disengage with serious organised crime and ongoing staff retention issues has seen the number of interventions decline. St Giles Trust are actively seeking to address staff issues, with the recruitment process currently under way.

# Priority 2. Combat Serious Crime

Preventing and reducing crimes that cause significant harm to communities and victims

## Increase Disruption of Serious Organised Crime, and Reinvest Assets Seized Back into Communities



After incremental increases over the previous four quarters, drug offences dipped in Q2. The trend is currently below pre-pandemic levels. 1,576 Drug Supply and Dealing intelligence logs were submitted during Q2. This is an increase of 39 logs when compared to Quarter 1 2022/23, which saw 1,537 logs submitted.

Serious violence offences continued their upwards trajectory in Q2, with this quarter seeing the highest number offences recorded over the past three years. Positive outcomes for serious violent offending increased by 2.4% in compared to the previous quarter. Compared to the same period pre-Covid, the positive outcome rate has fallen by 4.7%.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

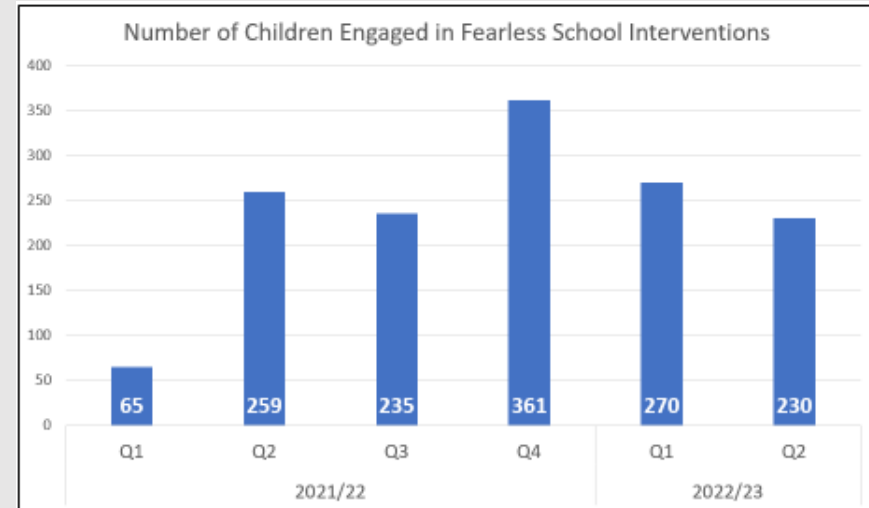
*Thematics covered at SPB:*

- The force stated they are 'in the middle of the pack' when it comes to the number of serious violent crime offences recorded and their positive outcome rate in this area. This is not where they want to be and have developed the serious violent crime strategy to improve this.

#### Policy, Projects and Partnerships:

The OPCC requested that the force provide more information on Serious Organised Crime in the SPB performance report. It was recognised that the limited information available hindered the OPCC's ability to effectively scrutinise performance in this area. The request for more information should facilitate the scrutiny function of the OPCC.

#### Funding and Commissioned Services:

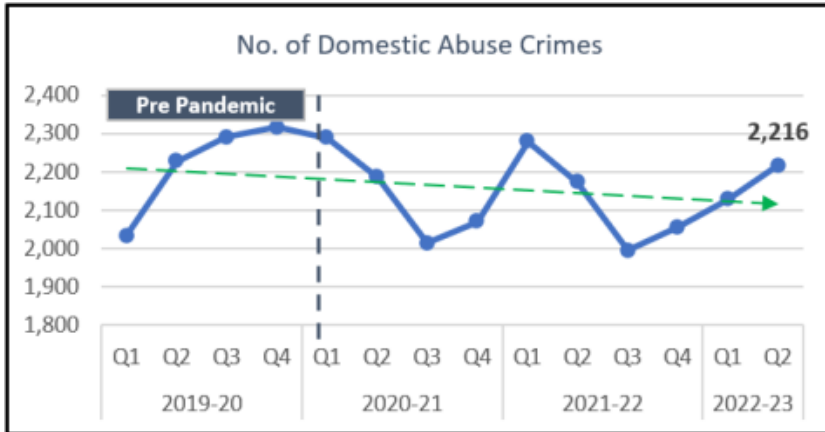
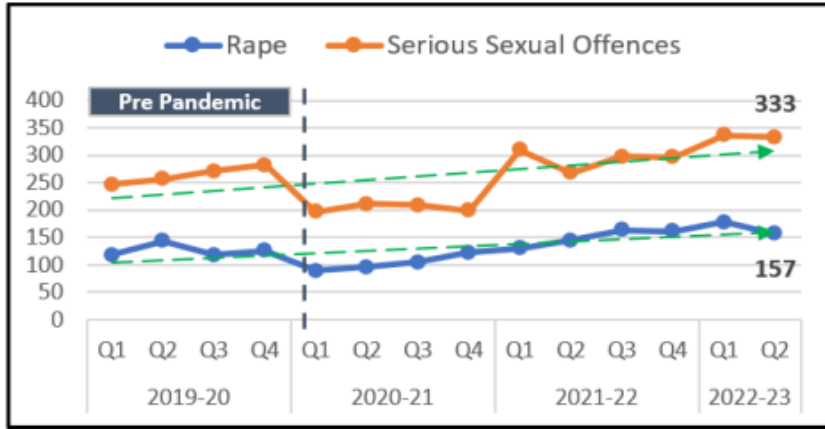


The OPCC provides funding to Fearless to deliver interventions to school children, with a focus on the risks of SOC, county lines and serious violence. Q2 2022/23 saw a slight reduction in school-based interventions due the summer holidays. However, Fearless have been active in the wider community and have engaged with 2588 children and young people over the summer at events such as Behind the Badge and at community hubs like the Millennium Hub and International Sports Village. These outreach engagement sessions have provided excellent opportunities to reach children and young people out in the community and in the spaces they feel safe.

# Priority 2. Combat Serious Crime

Preventing and reducing crimes that cause significant harm to communities and victims

## Improve the Overall Criminal Justice Response to Violence Against Women, Domestic Abuse and Sexual Violence



Reported rape and serious sexual offences fell in Q2. The force have set a local priority to actively increase rape reporting and so it should be anticipated that recorded offences will rise in future quarters.

Reported domestic abuse has steadily increased since Q3 in the last financial year, though offences are still below pre-pandemic levels. Domestic abuse is historically underreported and so this rise is more likely a reflection of increased reporting rates, rather than an increased level of crime.

The Rape Investigation Team (RIT) commenced in September 2022 and Operation Soteria began in October, which will improve the police response to RASSO offences. Workload reviews have been carried out within the RIT with the assistance of inspectors and sergeants from other teams, in order to streamline their allocated tasks and reduce backlogs.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

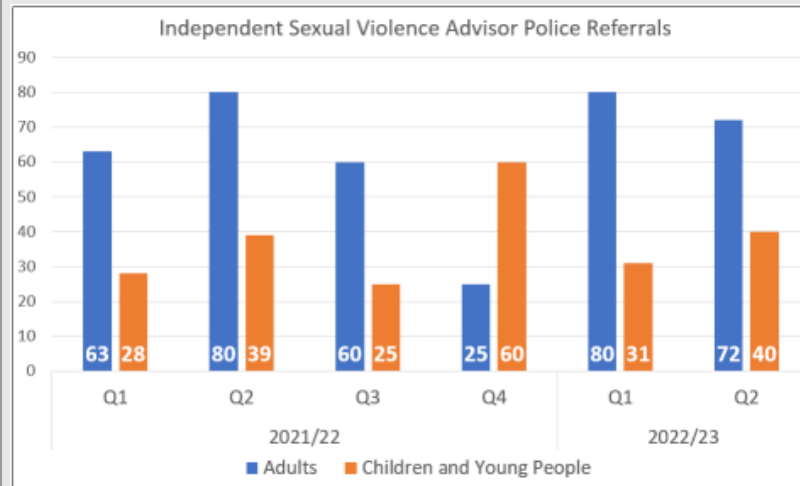
*Thematics Covered at SPB:*

- The force have increased focus on improving their investigative approach to stalking and harassment. There was acknowledgement that this an area where potential offences had been missed by investigating officers. Work undertaken in this area has resulted in an increase in stalking and harassment offences.

#### Policy, Projects and Partnerships:

The OPCC are collaborating with the force to develop a new approach for a domestic abuse perpetrator service. Plans are in place to pursue a model utilising community cautions to secure perpetrators' engagement with services. This model has been assessed by national, peer-reviewed studies and there is strong evidence for its success in reducing re-offending.

#### Funding and Commissioned Services:



16.6% non-engagement rate for ISVA referrals\*

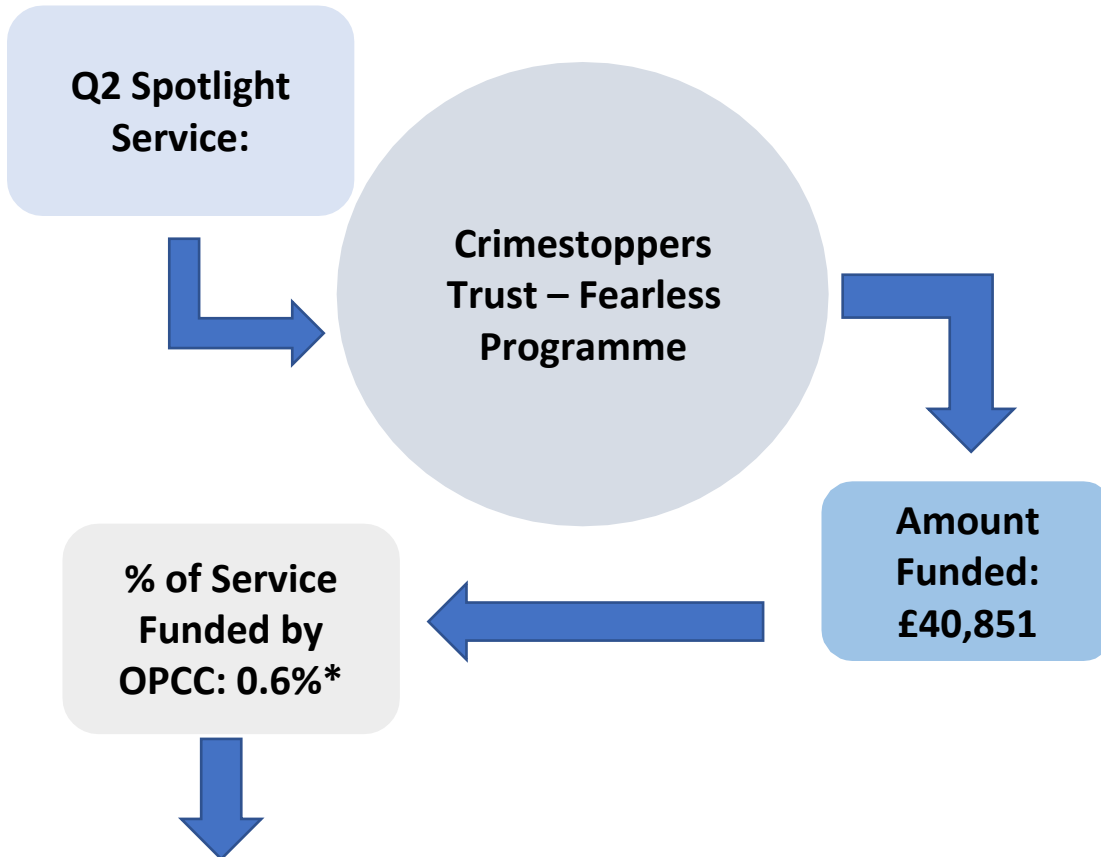
\*Total referrals from all agencies for adults and children and young people.

New Pathways provides a specialist Independent Sexual Violence Advisor (ISVA) service for victims of rape and serious sexual offences. Police referrals in Q2 saw minor fluctuations compared to the previous quarter. It is noted that there is a significant gap between the recorded crime and ISVA referral numbers. The OPCC are undertaking work to understand the reasons behind this gap.

# Commission and Invest in Services that Work with Perpetrators of Serious Crime to Prevent and Reduce Re-offending

## Priority 2. Combat Serious Crime

Preventing and reducing crimes that cause significant harm to communities and victims



Q2 Spotlight Service:

Crimestoppers Trust – Fearless Programme

Amount Funded: £40,851

% of Service Funded by OPCC: 0.6%\*

### About the Service:

The Fearless Programme is a schools-based intervention focussed on raising awareness of the impact and dangers of serious organised crime and violence. The programme has also expanded into delivering community-based outreach work with young people in areas where there are concern over serious organised crime and violence.

### Case Study:

Fearless worked closely with a targeted group in Llanwern High School. The consisted of pupils who had been identified as being at high risk involvement in county lines and knife crime.

Working in partnership with local organisations such as Positive Futures and football clubs in the local area, Fearless were able to engage several hard-to-reach groups in an environment which they felt more comfortable.

When Fearless first began working with these young people they would barely engage, but by the end of the summer holidays they had agreed to sit down and record a podcast with a member of the police. This podcast aimed to repair the relationship between the police and young people, which will ultimately help young people report more crimes.

**Note: performance data included on page 12**

\*Crimestoppers Trust is a UK-wide third sector provider and thus have a budget pooled from funding granted by commissioners across the country. Therefore, OPCC funding will account for a small percentage of the overall service.



# Priority 3. Support Victims and Protect the Vulnerable

Providing high-quality support to victims of crime and protecting those who are most vulnerable from harm

## Improve Victim Services and Ensure the Needs of Victims are Identified and Responded to Appropriately Through Connect Gwent and the Victim Care Unit

The Victim Care Unit (VCU) continues to experience growing demand, with referrals 16% higher than before implementation. During the last quarter, 14,294 victims were referred for support.

Victim Satisfaction Measure	Baseline (pre Jul 21)	General Crime	Domestic Abuse	Hate Crime	Sexual Violence
Satisfied with Initial Contact (Survey 1)	N/A	60%	76%	100%	100%
Satisfied with Follow Up & Investigation (Survey 2)	N/A	58%	88%	67%	67%
Satisfied with the service from the VCO (survey 2)	85%	88%	100%	100%	100%
Satisfied with the service from the OIC (survey 2)	85%	78%	91%	100%	100%
Satisfied with being kept informed (survey 2)	74%	83%	89%	100%	100%
Satisfied with Post Charge (Survey 3)	N/A	40%	100%	No Data	No Data

The VCU conducts three quarterly victim surveys across live and finalised cases to assess the service received at different points in the criminal justice process. For this quarter, sample sizes ranged from 547 respondents for survey 1, 88 respondents for survey 2, and 10 respondents for survey 3. The maximum sample size for hate crime is 10 respondents, and for sexual violence is 9 respondents.

The Witness Care Unit (WCU) continue to guide victims and witnesses through the final part of their criminal justice journey. The unit are currently supporting 6,837 victims and witnesses, with an average attendance rate of 91% for Magistrates Court and 94% for Crown Court.

The Special Measures Advisor provides quality assurance for the force by identifying DA and RASSO court cases where a 'not guilty' plea is anticipated. Victims and witnesses are contacted to complete a tailored needs assessment to help determine if special measures are required and which are most appropriate. The role is raising awareness of the Remote Evidence Site and already there has been a significant increase in requests being submitted.

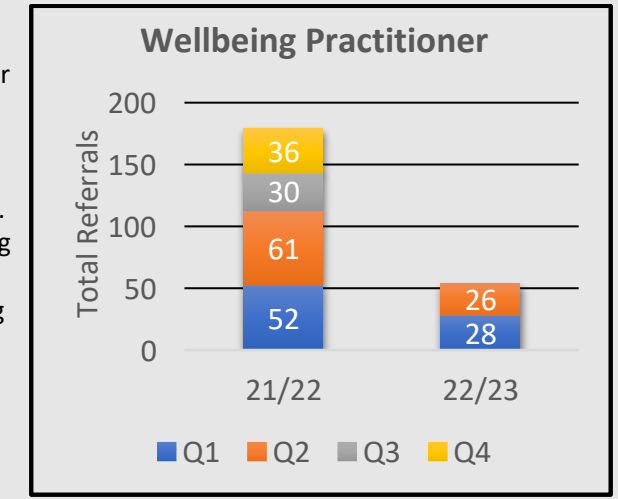
### What have the PCC and OPCC done?

**Holding the Chief Constable to Account:**  
Thematic Areas Covered at SPB this quarter:  
- We were advised that, during the quarter, approximately 10% of all victims had been assessed as having additional needs or vulnerabilities.  
- We were informed that the Survivor Engagement Coordinator continues to improve how the force is supporting victims through direct engagement and reflection of their lived experience of policing.

### Funding and Commissioned Services:

The OPCC contributes funding for the Wellbeing Practitioner within Connect Gwent who provides support for victims or witnesses of crime experiencing mental health difficulties (but not in crisis). Support is provided either standalone or jointly with other Connect Gwent services. The majority of service users report feeling better able to cope and recover and more informed and empowered to act following support. 17 individuals are currently receiving ongoing support with the remainder of cases closed.

**Policy, Projects and Partnerships:**  
The OPCC commenced work to develop proposals for a new service for victims of fatal and serious road incidents. Following a workshop with officers from Gwent Police's Roads Policing Unit, the Head of Victim Services and Brake, a business case will be developed to support decision making. If agreed, the new service would work alongside those offered through Connect Gwent, further enhancing the existing offer to victims and those affected by crime.



## Increase the Timeliness of Police Investigation Updates Provided to Victims

Q2 data not available for this report

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

These new measures are currently under development since the introduction of the VCU. The DPCC and Head of Strategy both attend the Victims' Board where there is an opportunity to review performance in this area and support development of the measures needed to reflect performance.

#### Policy, Projects and Partnerships:

The OPCC leads on the Victims' Code Compliance Dip Sample for Gwent. Domestic abuse, hate crime, RASSO and offences against the person (all closed cases) have been reviewed to date. Right 6: to be provided with information about the investigation and prosecution is included within the dip sample.

Measures include:

- **Police:** % investigations where the victim received updates on key stages
- **WCU:** % cases where the victim was informed of the outcome
- **CPS:** % victims where Right to Review was applicable
- **HMCTS:** % cases where the witness was informed of court information

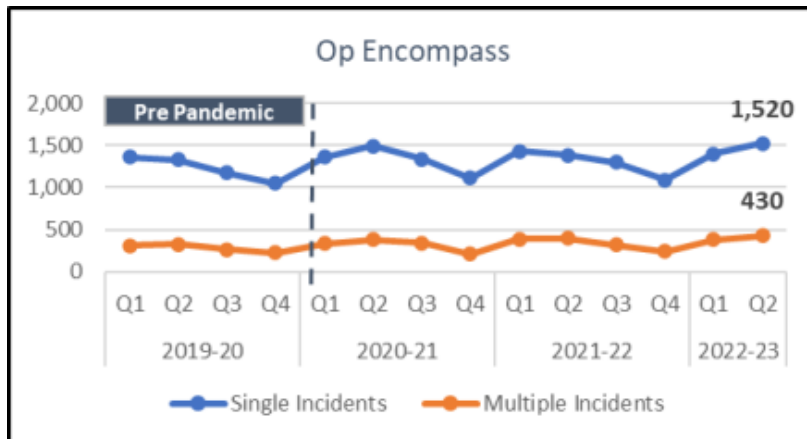
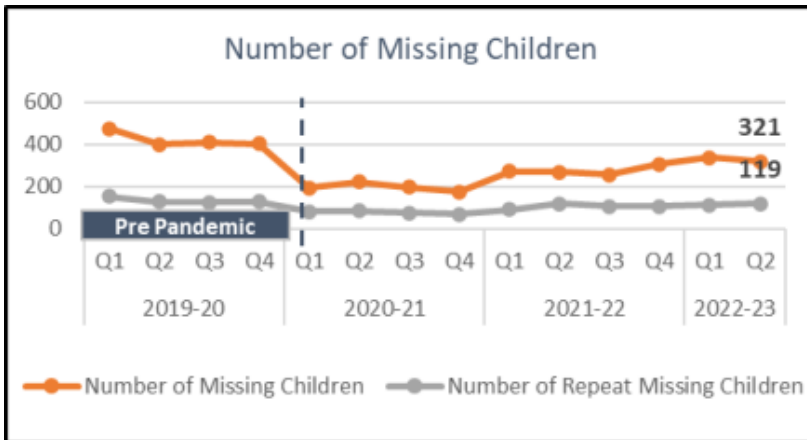
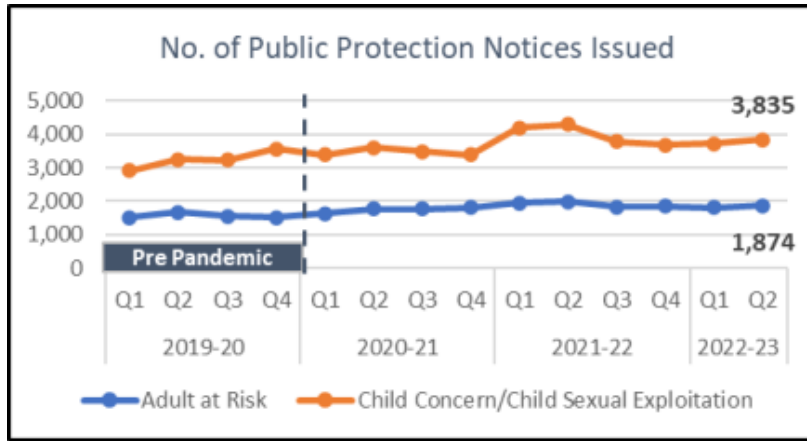
Outcomes for the Q1 dip sample will be reported to the Gwent Criminal Justice Strategy Board in November with the data from 2021/22 providing a benchmark for compliance. Any recommendations or further insights from the activity are fed back to agencies for consideration.



# Priority 3. Support Victims and Protect the <sup>59</sup> aged Vulnerable

Providing high-quality support to victims of crime and protecting those who are most vulnerable from harm

## Further Improve Our Work With Partners to Protect Those Most Vulnerable



### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

Thematic Areas Covered at SPB:

- The Public Protection Unit has been supporting victims and protecting vulnerable people within the Problem-Solving Hubs. Over the past month, 232 referrals for the West LPA have been received and processed: 167 child protection referrals, 57 Protection of Vulnerable Adults (POVA) referrals, four Professional Strategies (allegations against professionals), and four CSE and CCE referrals. Specialist officers have engaged to offer support and advice, with partner agencies assisting in the safeguarding and welfare of the victims and their families.

#### Policy, Projects and Partnerships:

The OPCC is engaging with Gwent Police's preparations to participate in Operation Soteria Bluestone from October. The programme aims to transform the policing response to rape and serious sexual offences (RASSO). Following an initial self-assessment, an improvement plan will be created to allow officers to participate in enhanced learning and development opportunities, with specialist guidance and peer support from the national learning network.

#### Funding and Commissioned Services:

The OPCC continues to provide funding to the Sanctuary in Newport, a refugee project that works with care leavers and other young asylum seekers aged 14-25. Flexible, community-based support enables clients to flourish in their lives at less risk of harm from criminal activity and exploitation. The project works with partners to provide a holistic response based on need, including social and cultural awareness and advocacy. Diversionary activities are supported by Newport Live Positive Futures (also part-funded by the OPCC). During 2021/22, 1,621 support interventions were delivered, with 1,326 of these to the 19-25 age group. The main requirements were accommodation, education, and employment. Pastoral support work was also provided due to the pandemic's impact on young refugees' wellbeing.

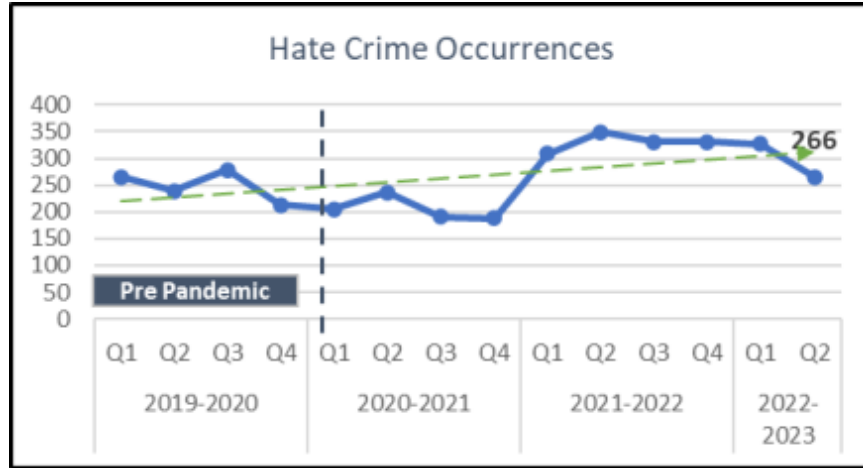
More information on Child Sexual Exploitation data is included on slide 10.

# Priority 3. Support Victims and Protect the Vulnerable

59 aged

Providing high-quality support to victims of crime and protecting those who are most vulnerable from harm

## Further Improve Our Work With Partners to Protect Those Most Vulnerable



While there has been a drop in hate crimes recorded during Q2, there continues to be an upward trend in reporting compared to previous years. This is consistent with the national picture.

Racially motivated hate crime continues to be the most prevalent type. However, disability reported crime increased by 54 occurrences and homophobic reports increased by 27 compared to the previous year (to August 22), most of which is reported in the West.

The VCU is seeing a reduction in victims needing to be referred into external agencies for support due to the Victim Care Officer being able to provide updates and ensure their rights are met. As previously seen, hate crime victims are expressing high levels of satisfaction with the service being provided by the VCU.

Gwent Police continues to work with the Crown Prosecution Service to identify effective actions to increase the number of successful hate crime prosecutions, with performance monitored at the Gwent Hate Crime Forum.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

Thematic Areas Covered at SPB:

- The ACC advised that the overall direction of travel for hate crime reporting was positive, as had been reflected in feedback from the Independent Advisory Group.
- We were assured that the force has an appropriate focus on hate crime, which is also featured within the Gwent Race Action Plan.
- We were informed that, while overall positive outcome rates were lower than desired, an increase had been seen for the current quarter.

#### Policy, Projects and Partnerships:

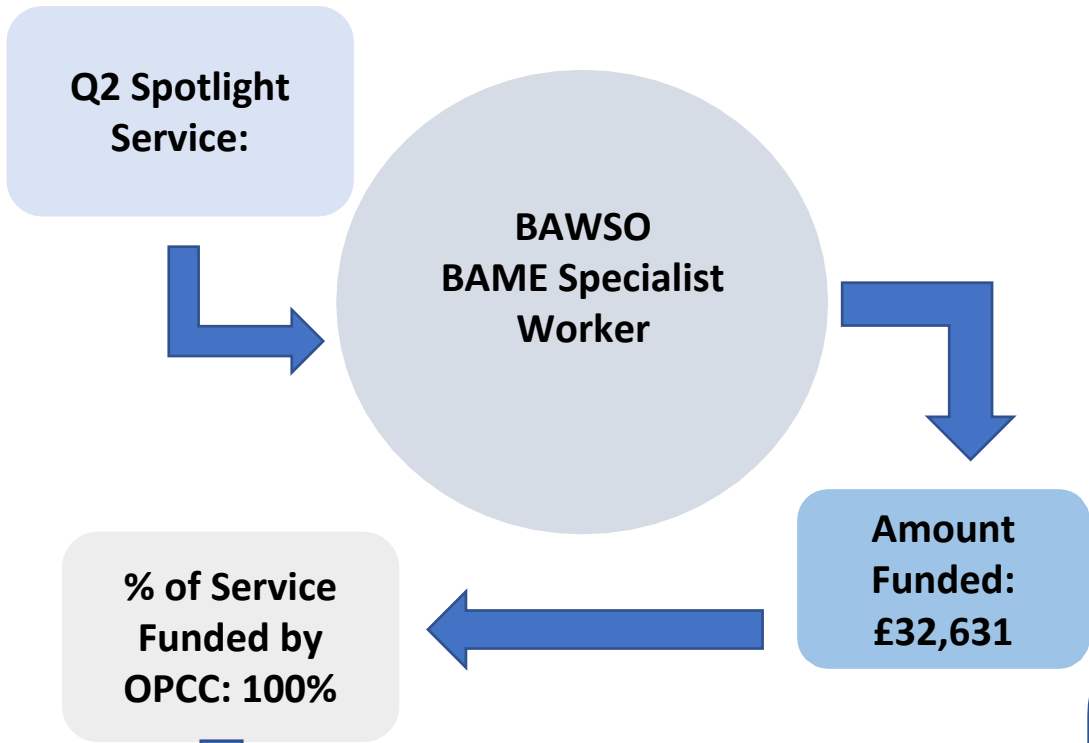
The PCC along with members of the OPCC team attended the Pride Cymru celebrations in Cardiff.

This provided opportunity to raise awareness of the support services commissioned by the OPCC as well as the partnerships in place specific to the LGBTQ+ community, to help increase their trust and confidence to report issues such as hate crime.

# Commission and Invest in Specialist Services to Support Victims Throughout the Criminal Justice Process

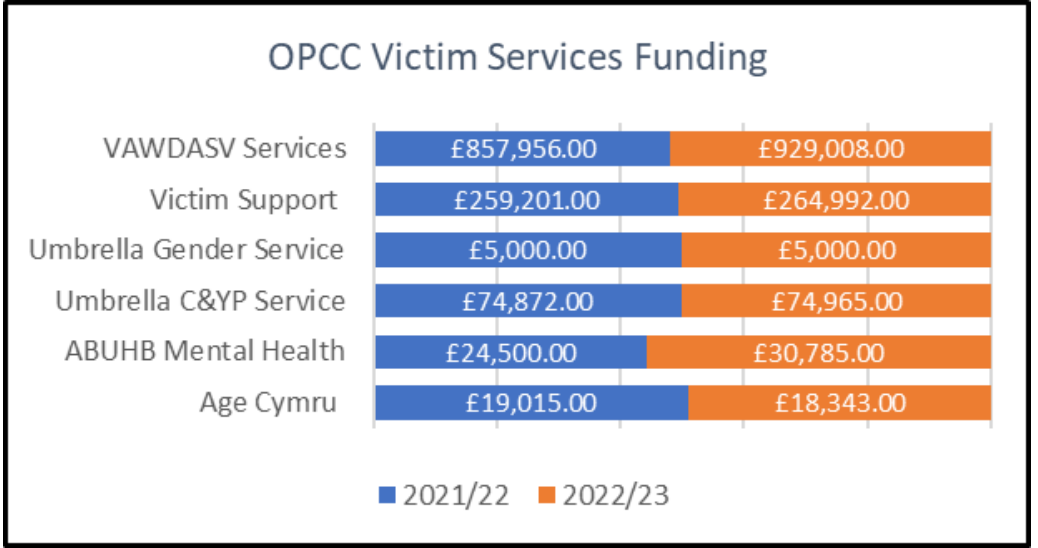
## Priority 3. Support Victims and Protect the Vulnerable

Providing high-quality support to victims of crime and protecting those who are most vulnerable from harm



BASWO is a service for Black, Asian and minority ethnic victims, including those experiencing domestic abuse, honour-based abuse and forced marriage. A specialist worker in Gwent provides needs-based support, working with partners to provide high risk clients with suitable interventions to limit further exposure to abuse. Support is also provided to those with unstable immigration status (such as a spousal visa) who may be less likely to ask for help. Many of the service users have limited knowledge of criminal justice and welfare processes and the specialist worker also provides advice, information and signposting for further support. Clients are encouraged to attend ESOL classes to improve their English.

### Overall funding:



### Case Study:

K followed her husband from Pakistan to the UK where they lived with his parents. K was expected to cook and clean for the family while holding a job. Her wages were taken off her leaving her financially dependent. When she fell pregnant with her first child her husband was physically and emotionally abusive towards her. K felt like there was no way out, even contemplating suicide. K fell pregnant with her second child and eventually contacted BAWSO for support. The BAME specialist worker learned that K was on a Spouse Visa and explained about the destitution domestic violence (DDV) concession. Following successful application, arrangements were made for K to go into refuge. However, K was soon admitted into hospital and remained there after a difficult birth and the baby experiencing health problems. Eventually, K stayed with a friend in another area to recuperate. Once well enough, she felt empowered to make a statement against her husband without fearing community reprisals.

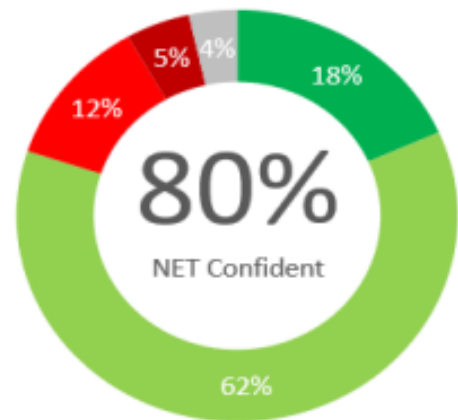
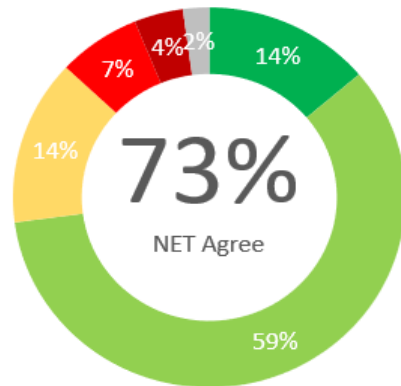
# Priority 4. Increase Community Confidence in Policing

Working with Gwent Police to improve our relationships with our communities and improve public confidence in policing

## Increase the Effectiveness of Officer and Staff Engagement with Residents in their Communities, and Community Confidence and Trust in Gwent Police

73% of people agree they have confidence in the police in their area. This is lowest in Newport (68%) and highest in Monmouthshire (79%). Ethnic minority groups have less confidence in this statement, with 49% agreeing they have confidence in police in their area.

- Strongly agree
- Tend to agree
- Neither
- Tend to disagree
- Strongly disagree
- Don't know



- Very confident
- Fairly confident
- Not very confident
- Not at all confident
- Don't know

Eight in 10 residents are confident they would receive a good service from Gwent Police if they had to report a crime or incident. 32% of individuals in a minority ethnic group surveyed disagree with this statement, higher than white individuals at 16%.

Three-fifths (of respondents 60%) agree that Gwent Police are dealing with important issues in their community. This reduced by 3 percentage points from Q4 2021-22.

All sectors have similar individual perceptions with the highest being Monmouth (65%) and the lowest Newport (56%) in agreement.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

Thematic areas covered at SPB :  
 - We were advised that the force is currently focusing on improving confidence in ethnic minority communities with targeted activity being coordinated in conjunction with the Gwent Race Action Plan.

#### Policy, Projects and Partnerships:

The OPCC has worked with Gwent Police's Strategic Equality and Diversity Manager to develop a Race Action Plan for Gwent that responds to the National Police Chiefs' Council's (NPCC) Race Action Plan. The Gwent plan also reflects relevant actions from the Anti-Racism Action Plans published by the Criminal Justice Board for Wales and the WG, and the joint OPCC/Gwent Police Strategic Equality Plan. An engagement and consultation process is planned to support the implementation of the plan.

#### Funding and Commissioned Services:

The Newport Inclusion Cohesion Shield is an annual event hosted by Newport Live Positive Futures and Newport City Council Youth Justice Service. Over 100 young people from Newport participated, many of whom are supported by OPCC-funded projects including the Newport Yemeni Community Association and The Sanctuary project. Gwent Police also provides support for the event which seeks to provide an environment where people are not judged or discriminated against because of their background of community and feel greater trust towards the police.



# Priority 4. Increase Community Confidence in Policing

Working with Gwent Police to improve our relationships with our communities and improve public confidence in policing

## Increase the Effectiveness of Officer and Staff Engagement with Residents in their Communities, and Community Confidence and Trust in Gwent Police

Schedule 3	Total complaints recorded	Finalised during this period
Q3 21/22	40	13
Q4 21/22	49	17
Q1 22/23	43	21
Q2 22/23	41	14

In quarter 2, 41 'Schedule 3' cases were recorded. There are currently 32 live Schedule 3 complaints being investigated.

Non-Schedule 3	Total complaints recorded	Finalised during this period
Q3 21/22	94	92
Q4 21/22	89	89
Q1 22/23	73	72
Q2 22/23	89	89

89 'Non-Schedule 3' cases were logged for the same period. There are no live non-schedule 3 complaints.

Complaint allegations decreased by 14% during quarter 2 compared to quarter 1.

While timeliness is no longer a 'Key Performance Indicator' nationally, Gwent PSD resolve most complaints in a timely manner. During quarter 2, 119 complaints were resolved within 30 days. 68% of the cases relate to non-Schedule 3 complaints.

Please note, the blank column relates to organisational complaints.

SUMMARY			No further action required	Not determined if the service acceptable	Not Resolved - NFA	Resolved	The service provided was acceptable	The service provided was not acceptable	Total Cases
Complaint	(A) 0 - 30 days	10	8	1	2	87	11	0	119
	(B) 31 - 60 days	6	0	0	0	0	1	1	8
	(C) 61 - 90 days	4	0	0	0	0	0	0	4
	Total	20	8	1	2	87	12	1	131

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

Thematic areas covered at SPB:  
 - We were assured that the force is committed to maximising support and advocacy for victims and witnesses in police misconduct matters, with effective access to appropriate services currently being explored.

#### Policy, Projects and Partnerships:

The PCC attended the Shree Swaminarayan Hindu Temple with Gwent Police officers and staff as part of South Asian Heritage month. Organised by the Diversity and Inclusion Team, this was one of a series of visits to improve links with South Asian communities and build trust and confidence with the police. The insights from such visits are used to strengthen our approaches to working with our diverse communities.

More detailed information on complaints is available in the Professional Standards Report provided as part of the Strategy and Performance Board pack.

1) Non-schedule 3 (Logged) allows complaints to be dealt with outside of the Police Reform Act 2002, previously regarded as 'dissatisfaction'.

2) Schedule 3 (Recorded) - complaints dealt with under the Police Reform Act 2002, whereby the complainant can request a review if they are not satisfied. Schedule 3 complaints are further split into Special Procedures (Misconduct/Gross Misconduct) - the review body for which is the IOPC; and Non-Special Procedures (handled reasonably and proportionately) the review body for which being the OPCC.

**This slide is under development and in future will include information relating to social media contacts and other channels available to the public.**

However, some highlights this quarter include...

During the quarter, the neighbourhood policing teams in Caerphilly North held 23 Police Surgeries and a number for community-based engagement activities, including a MacMillan coffee morning in September which was attended by over 100 members of the public and raised £450 for the charity. The event provided an opportunity to discuss community policing, provide crime prevention materials and offer community reassurance about the teams work across the section

Neighbourhood Police Sergeants and Community Support Officers in Torfaen are currently undergoing driver training that will allow them to deploy the mobile police station to support their public surgeries.

Neighbourhood teams continue to work with the OPCC when undertaking community engagement activity.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

Thematic areas covered at SPB:

- We were assured that information for other contact methods, such as the Social Media Desk, would be included within future performance reports to enable effective scrutiny of this commitment.

#### Policy, Projects and Partnerships:

The OPCC has been working with a cluster of schools in the Caerphilly borough to further develop our safe spaces workshops. More than 180 pupils engaged over the course of a week. Community Support officers joined OPCC staff to listen to and help reassure pupils.

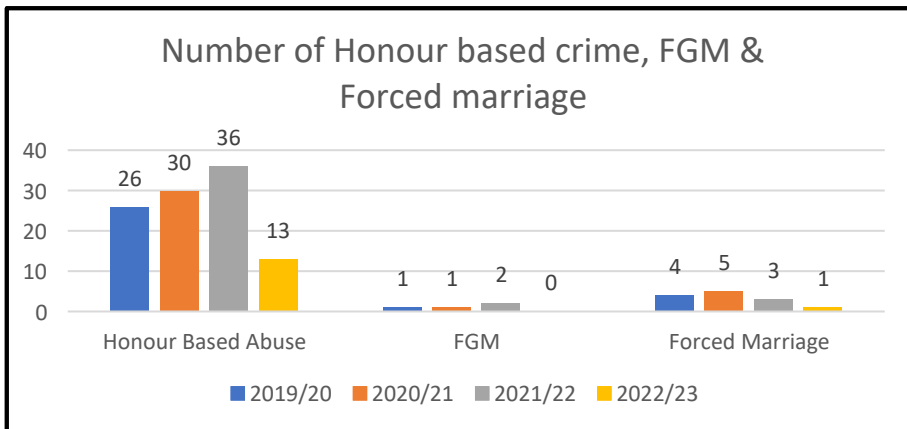
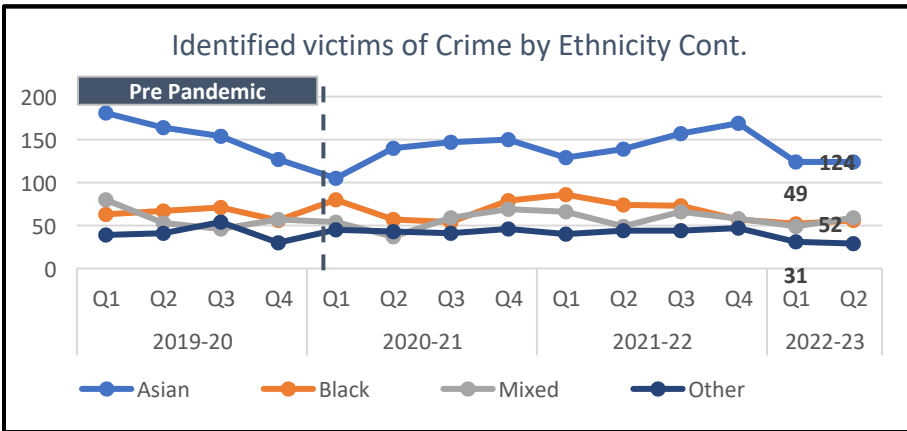
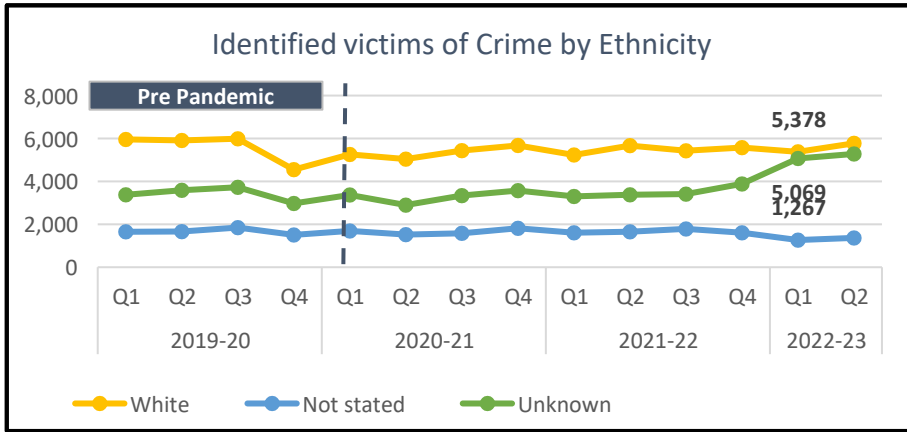
The sessions helped pupils to talk about the areas in their community where they feel safe or unsafe and discuss the reasons for those feelings. A range of methods were used to gain pupils' views, from small group work to whole class discussion, with some choosing to annotate their information with drawings.

The information will be collated and fed back to the local neighbourhood policing teams and the schools. A meeting with Caerphilly Council is also planned regarding working together to address some the issues raised. Follow-up visits to the schools will take place to provide feedback and raise awareness of topics such as online safety.

# Priority 4. Increase Community Confidence in Policing

Working with Gwent Police to improve our relationships with our communities and improve public confidence in policing

## Increase Reporting of Crime by Communities that are Less Likely to Engage with the Police



### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

This remains a crucial issue for Gwent Police and significant focus is being applied to improve performance in this area. Focus from the OPCC in the victims' board, the Joint Strategic Equality Plan and other forums is to improve the recording practices to understand this better.

#### Policy, Projects and Partnerships:

The OPCC supported the launch of the Criminal Justice Board for Wales's Anti-Racism Action Plan. The launch took place in September at City Hall, Cardiff and was attended by members of the Board, as well as criminal justice equality and diversity leads.

The launch took the form of a systems thinking workshop for senior leaders to explore how to take forward the commitments within plan, with OPCC staff facilitating elements of the group discussions and feedback.

The Deputy PCC has continued to play a key role in the launch and communication of the Plan and supporting activities, such as the recruitment of the Independent Oversight and Advisory Panel which will provide honest and constructive challenge around the delivery of the Plan to ensure real change is realised.

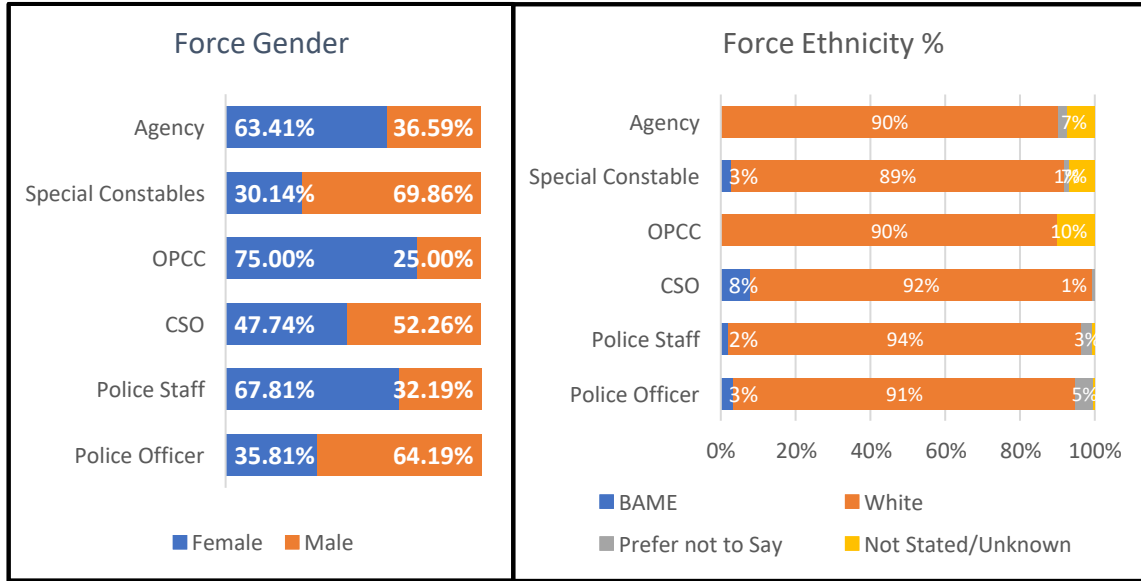
Effective recoding of victim demographic data continues to be a focus for Gwent Police. Ethnicity data is a feature of the Gwent Race Action Plan, as well as a key commitment under the CJ Race workstream and Anti-Racist Action Plan which should help to drive improvements for both victim and offender information.

Honour based abuse, female genital mutilation (FGM) and forced marriage continue to be under-reported by the communities that experience them. However, honour-based abuse continues to occur more prevalently than FGM and forced marriage within Gwent.

# Priority 4. Increase Community Confidence in Policing

Working with Gwent Police to improve our relationships with our communities and improve public confidence in policing

## Further Increase Officer and Staff Diversity to Ensure Our Police Service Reflects the Communities that we Serve



Gender disparity is evident in the workforce for both officers and staff. For officers, females are underrepresented by approximately 16 percentage points (current census data reveals that females make up 51% of the population in Gwent). However, females are overrepresented in the staff workstream area (by approximately 16 percentage points).

There is also disparity in the minority ethnic representation within the workforce. For police officers, currently 3.4% are persons from an ethnic minority (3.9% 2011 Census, 4.9% StatsWales). Ethnic minority representation in staff is even lower at 2.1%

The PSD continues to proactively promote the importance of professional standards and ethical culture within the organisation. Detailed inputs are provided to all new starters within the organisation including updated content on Abuse of Position for a Sexual Purpose.

### What have the PCC and OPCC done?

#### Holding the Chief Constable to Account:

Thematic areas covered at SPB:

- The ACC assured us that while ethnic minority representation remained below current census data, significant improvements had been seen since the start of Operation Uplift when only 2.2% of Gwent Police officers were known to be from an ethnic minority background.

#### Policy, Projects and Partnerships:

The PCC attended the national Disability in Policing Conference, part organised by Gwent Police and led by the Deputy Chief Constable. The event explored ways to improve the accessibility of policing for those with disabilities, and what more can be done to support officers and staff. Many personal testimonies were heard during the day and the shared learning and best practice examples provided will be used to make further improvements within policing in Gwent.

The Commissioner has a statutory obligation to publish the number of staff in their team, including the proportion of staff who are women, and (where disclosed) are members of an ethnic minority and / or have a disability. The OPCC team currently includes the following staff, with no recorded change since the last quarter:

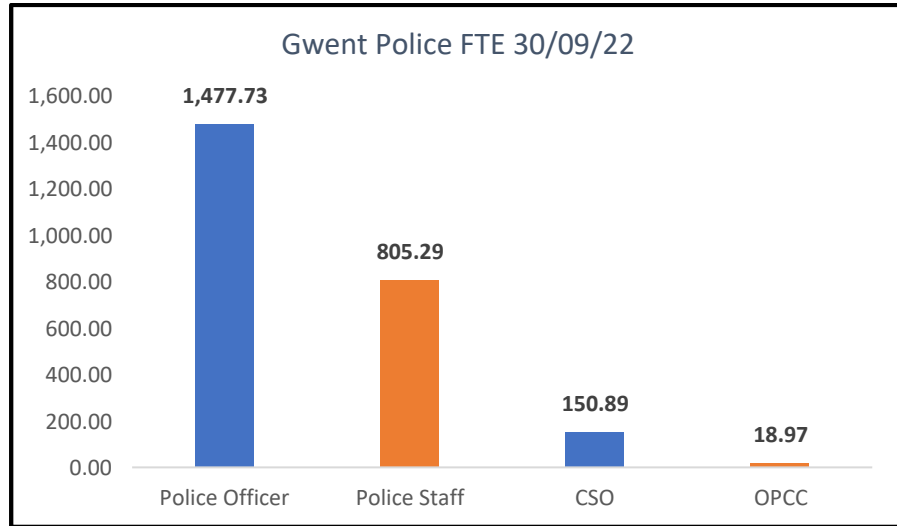
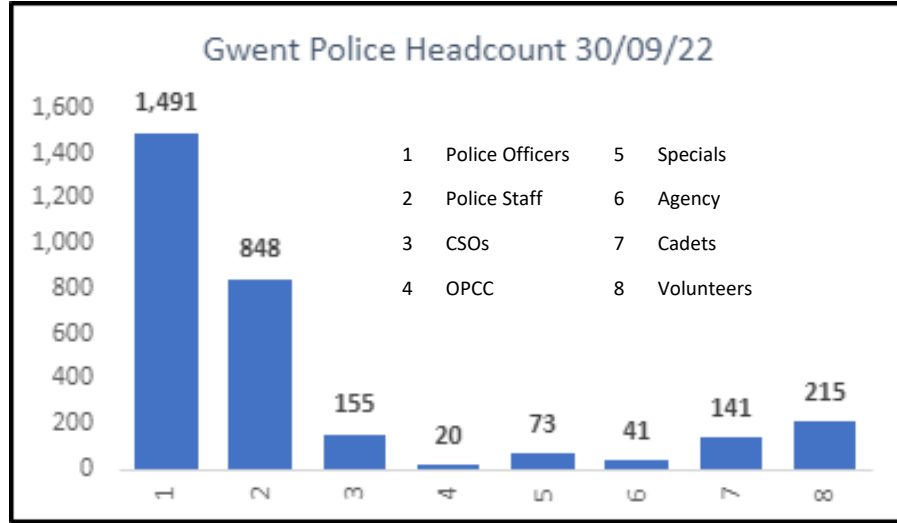
Number of posts*	17 (FTE)
Proportion of staff who are women*	11
Proportion of ethnic minority staff*	0
Proportion of staff with a disability*	2



# Priority 5. Drive Sustainable Policing

Providing a value for money police service that operates responsibly, with sustainable infrastructures that support current and future demands

## Ensure Gwent Police have the right number of officers, staff and volunteers in the right places

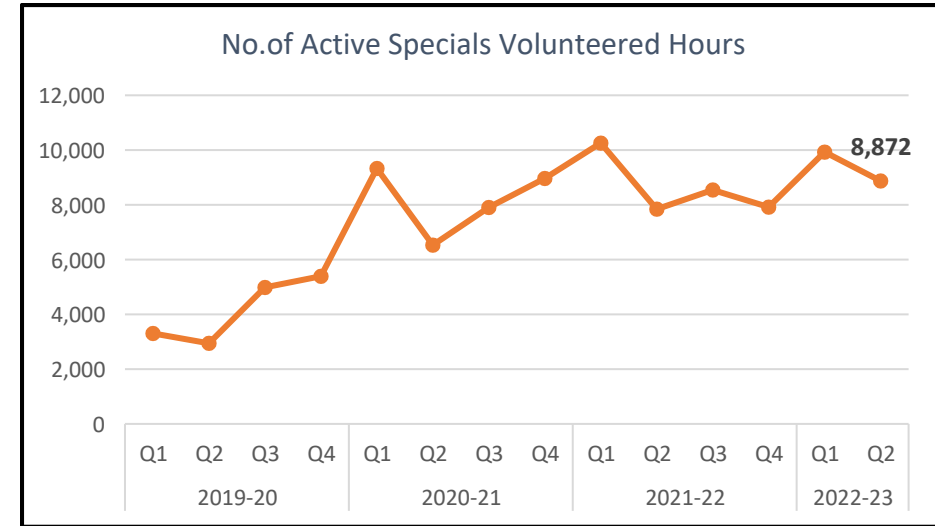


Gwent Police are on target to achieve operational uplift. 59 probationers joined on the 26th of September (the largest cohort to date), and 22 CSOs started on the 24th of October to bring the force in line with the Welsh Government funded CSOs. Over the past 12 months, police officer establishment has risen from 1389, to 1500.

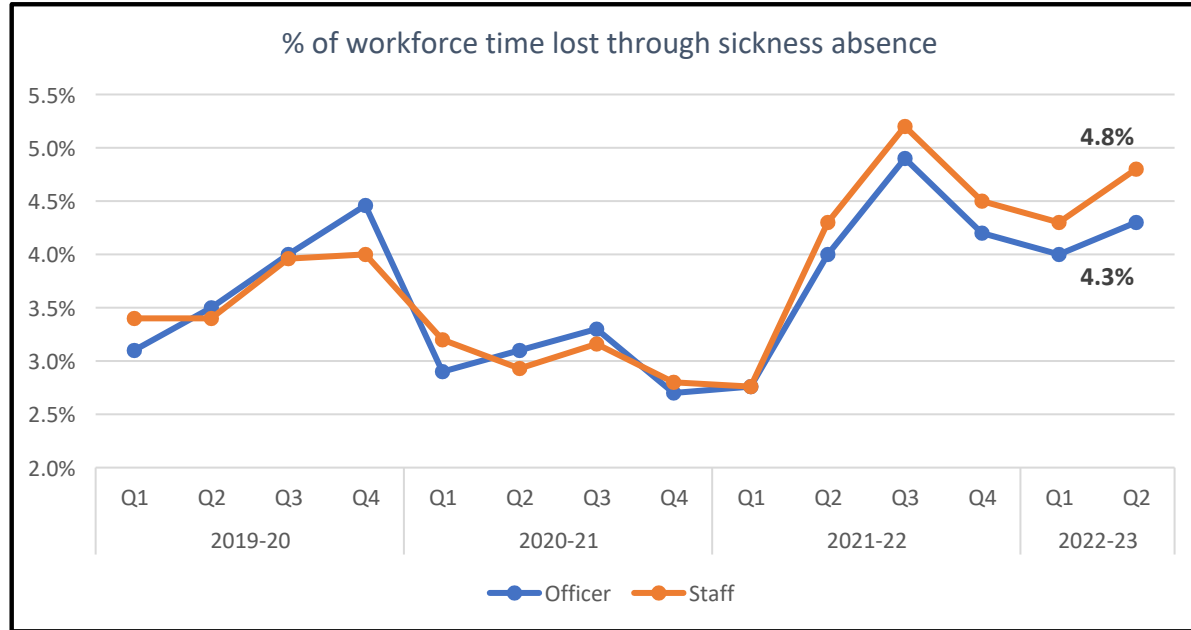
The introduction of the new Rape and Serious Sexual Offences Team is now being monitored closely to see improvements in this area.

The Force Control Centre continues it's recruitment campaign to get to establishment levels.

Gwent continues to see great community support through the Specials and Heddlu Bach programmes. Although there was a slight dip in Q2, the hours volunteered by Specials continues to impress.



## Enhance health and wellbeing support for officers and staff to ensure our workforce is fit and ready to meet the challenges of policing



### Top 5 Short Term Sickness Absence Reasons

1. Vomiting/Diarrhoea
2. COVID-19 Positive
3. Cold
4. Influenza
5. Vaccine Reaction

### Top 5 Long Term Sickness Absence Reasons

1. Other Stress
2. Anxiety
3. Depression
4. Back Condition/injury
5. Post COVID illness

### What have the PCC and OPCC done?

The OPCC continue to work closely with the force and partners to make recommendations on the content of the Wellbeing Plan for the Gwent Public Services Board. The team have been working closely with Public Health Wales, Local Authorities and others to promote the draft plan through multi-agency engagement sessions.

As chair of Policing in Wales (PCCs and Chief Constables), a briefing was discussed by the OPCC on the impact of the cost of living crisis on policing, which is now a standing agenda item on the agenda for that meeting.

A cost of living crisis survey has also been sent to all commissioned services to understand how this is impacting not only on the services themselves but also the people they support. The results will be factored into future planning.

<b><u>OFFICE OF THE POLICE &amp; CRIME COMMISSIONER</u></b>																
<b>TITLE:</b>	<b>Treasury Management Update Report</b>															
<b>DATE:</b>	<b>8<sup>th</sup> December 2022</b>															
<b>TIMING:</b>	<b>Routine</b>															
<b>PURPOSE:</b>	<b>For monitoring</b>															
<b>1.</b>	<b><u>RECOMMENDATION</u></b>															
1.1	To consider the Treasury Management Activity for the period 1 <sup>st</sup> April 2022 to 30 <sup>th</sup> September 2022.															
<b>2.</b>	<b><u>INTRODUCTION &amp; BACKGROUND</u></b>															
2.1	Treasury Management Activity is reported twice yearly to Joint Audit Committee (JAC) members. This is the first Treasury Management Activity report for 2022/23.															
2.2	Treasury Management Activity includes investment and borrowing transactions.															
<b>3.</b>	<b><u>ISSUES FOR CONSIDERATION</u></b>															
3.1	<b><u>INVESTMENTS</u></b>															
3.1.1	<p>Appendix 1 summarises fixed investments on deposit with counterparties as at 30<sup>th</sup> September 2022. The listing shows that the Police and Crime Commissioner's (PCC's) current fixed investment portfolio totals £35m. On maturity these deposits will earn an average rate of return of 1.403%, which will amount to £0.367m of earned interest income on maturity.</p> <p>Appendix 2 summarises money market investments (MMF) and the amount invested in the Lloyds Instant Access account as at 30<sup>th</sup> September 2022. The listing shows a current MMF portfolio of £7.5m, invested in triple-A rated funds. The current yield is 1.983%, which will provide an estimated annual interest return of £0.137m if the current investment level is maintained and rates remain stable. An amount of £2m is invested in a Lloyds Bank Instant Access Bonus Account at a current yield of 0.15% which is lower than the current MMF investments available but provides more flexibility in terms of accessing funds. The movement of funds within the Instant Access Account has generated an average yield of 0.05% to the 30<sup>th</sup> September 2022.</p>															
3.1.2	<p>The current investment portfolio composition is shown in Table 1 below:</p> <p><b>Table 1</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><b><u>Counterparty</u></b></th> <th style="text-align: center;"><b><u>Deposit</u></b> <b><u>£'m</u></b></th> <th style="text-align: center;"><b><u>Portfolio</u></b> <b><u>%</u></b></th> </tr> </thead> <tbody> <tr> <td>UK Debt Management Office</td> <td style="text-align: center;">0.00</td> <td style="text-align: center;">0.00</td> </tr> <tr> <td>Banks &amp; Building Societies</td> <td style="text-align: center;">2.00</td> <td style="text-align: center;">4.00</td> </tr> <tr> <td>Local Authorities</td> <td style="text-align: center;">35.00</td> <td style="text-align: center;">79.00</td> </tr> <tr> <td>Money Market Funds</td> <td style="text-align: center;">7.50</td> <td style="text-align: center;">17.00</td> </tr> </tbody> </table>	<b><u>Counterparty</u></b>	<b><u>Deposit</u></b> <b><u>£'m</u></b>	<b><u>Portfolio</u></b> <b><u>%</u></b>	UK Debt Management Office	0.00	0.00	Banks & Building Societies	2.00	4.00	Local Authorities	35.00	79.00	Money Market Funds	7.50	17.00
<b><u>Counterparty</u></b>	<b><u>Deposit</u></b> <b><u>£'m</u></b>	<b><u>Portfolio</u></b> <b><u>%</u></b>														
UK Debt Management Office	0.00	0.00														
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Local Authorities	35.00	79.00														
Money Market Funds	7.50	17.00														

		<b>44.50</b>	<b>100.0</b>																					
3.1.3	As per the 2022/23 Treasury Management Strategy all investment deposits are with counterparties that have at least an 'F1/P1/A1' short term credit rating (Fitch, Moody's and Standard and Poor's). All money market funds are triple-A rated.																							
3.1.4	<p>No single fixed term deposit exceeds a time limit of 364 days. There are currently four deposits, which on maturity will have been on deposit for 364 days. Three are with Thurrock Borough Council, amounting to £3m, £6m and £4m and the remaining deposit is with Slough Borough Council amounting to £5m. On maturity these deposits will earn interest of £0.144m.</p> <p>The average maturity of fixed term investments as at the 30<sup>th</sup> September 2022 was 286 days and two of these investments held during the first six months of the year had a maturity of between 3 to 6 months.</p> <p>In addition, no single or multiple deposits with a single counterparty exceeded the money limit of £5m for Banks and Building Societies and £15m for Local Authorities. The most invested with one, single counterparty is £13m with Thurrock Borough Council. However, due to the Government intervention in appointing Essex County Council to support Thurrock Borough Council with their financial challenges, the PCC will not be loaning any additional money to Thurrock Borough Council. Furthermore, The PCC has received assurance the current investments will be paid back at the arranged due dates.</p> <p>There is no money limit for investments with the UK Debt Management Office (DMO), however no funds are currently invested with the DMO due to the low interest rate. The Bank of England Interest rate as at the 30<sup>th</sup> September was 2.25%, which is above the average rate of return of 1.403% on the current investment portfolio due to making fixed term investments when the interest rates were lower.</p>																							
3.1.5	<p>Appendix 3 details fixed term investment deposits made and repaid during the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022. Investment interest earned on matured deposits during this period totalled £0.039m on a cash basis. The average rate of return on these deposits was 0.196%. As at the 30<sup>th</sup> September 2022, the average rate of return-on-investment deposits outstanding was 1.595%.</p> <p>Table 2 below details the movement in money market funds during the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022. Funds earned an average daily rate of return of 1.28% over this period.</p> <p><b>Table 2</b></p> <table border="1"> <thead> <tr> <th>Counterparty</th> <th>Ave Daily Rate %</th> <th>Fund b/fwd £'000</th> <th>Transfers In £'000</th> <th>Transfers Out £'000</th> <th>Fund c/fwd £'000</th> <th>Interest Rec £'000</th> </tr> </thead> <tbody> <tr> <td>Blackrock</td> <td>1.24</td> <td>0</td> <td>21,000</td> <td>(21,000)</td> <td>0</td> <td>23.07</td> </tr> <tr> <td>BNP Paribas</td> <td>1.10</td> <td>5,000</td> <td>12,500</td> <td>(15,500)</td> <td>2,000</td> <td>17.29</td> </tr> </tbody> </table>			Counterparty	Ave Daily Rate %	Fund b/fwd £'000	Transfers In £'000	Transfers Out £'000	Fund c/fwd £'000	Interest Rec £'000	Blackrock	1.24	0	21,000	(21,000)	0	23.07	BNP Paribas	1.10	5,000	12,500	(15,500)	2,000	17.29
Counterparty	Ave Daily Rate %	Fund b/fwd £'000	Transfers In £'000	Transfers Out £'000	Fund c/fwd £'000	Interest Rec £'000																		
Blackrock	1.24	0	21,000	(21,000)	0	23.07																		
BNP Paribas	1.10	5,000	12,500	(15,500)	2,000	17.29																		

Goldman Sachs	1.21	0	16,000	(16,000)	0	6.32
HSBC	1.45	0	12,000	(11,500)	500	9.24
Invesco	1.56	0	7,000	(2,000)	5,000	19.13
Morgan Stanley	1.10	0	5,000	(5,000)	0	2.87
<b>Totals</b>		<b>5,000</b>	<b>73,500</b>	<b>(71,000)</b>	<b>7,500</b>	<b>77.92</b>

Table 3 below shows the activity in the Lloyds Instant Access Account.

**Table 3**

<b>Instant Access Scheme</b>	<b>Ave rate %</b>	<b>Fund B/fwd</b>	<b>Transfers In £'000</b>	<b>Transfers Out £'000</b>	<b>Fund C/fwd</b>	<b>Interest Rec £'000</b>
Bonus Account	0.05	1,000	6,000	(5,000)	2,000	0.607

During the period, the MMF and Instant Access funds have proved a useful alternative to fixed term investments. The liquid nature of these funds, with the ability to invest and redeem as and when required, has helped manage unplanned cash surpluses and provided additional flexibility around the timing of settling financial commitments.

3.2 **BORROWING**

3.2.1 The borrowing position and portfolio as at 30<sup>th</sup> September 2022 is shown in Table 4 below:

**Table 4**

<b><u>Lender</u></b>	<b><u>Amount Borrowed £'m</u></b>	<b><u>Annual Interest Rate %</u></b>
Public Works Loan Board (PWLB)	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

3.2.2 No new borrowing has been taken out during the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022.

**4. NEXT STEPS**

4.1 That Members note the Treasury Management Activity.

**5. FINANCIAL CONSIDERATIONS**

5.1 These are detailed in the report.

**6. PERSONNEL CONSIDERATIONS**

6.1	There are no staffing/personnel implications arising from this report.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
7.1	There are no legal implications arising from this report.
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Single Equality Plan and has been assessed not to discriminate against any particular group.
8.2	Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.
<b>9.</b>	<b><u>RISK</u></b>
9.1	Treasury Management can never be risk free. In borrowing, the risk is that interest payable might be higher than necessary and in lending there is the risk of default on repayment and the risk that a better rate of return could have been achieved. Adherence to the CIPFA Code of Practice on Treasury Management is best practice in terms of balancing risk and return.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	This is a public document.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Har Ping Boey – Senior Accountant.
<b>12.</b>	<b><u>APPENDICES</u></b>
12.1	Appendix 1 – Current Fixed Term Investment List. Appendix 2 – Current Money Market Investment List. Appendix 3 – Analysis of Fixed Term Investments Made and Repaid.

Appendix 1

Police and Crime Commissioner for Gwent

Fixed Investments as at 30th September 2022

Borrower	Principal (£)	Interest Rate	Interest at Maturity (£)	Start Date	Maturity Date	Days
Thurrock Borough Council	4,000,000	0.300%	11,967.12	26/08/2022	25/08/2023	364
Thurrock Borough Council	3,000,000	0.250%	7,479.45	24/03/2022	23/03/2023	364
Thurrock Borough Council	6,000,000	0.250%	14,958.90	26/04/2022	25/04/2023	364
Conwy Council	9,000,000	2.100%	141,361.64	29/07/2022	28/04/2023	273
Slough Borough Council	5,000,000	2.200%	109,698.63	26/07/2022	25/07/2023	364
Lloyds Bank Corporate markets	5,000,000	2.620%	66,038.36	08/08/2022	08/02/2023	184
SMBC Bank International	3,000,000	2.100%	15,879.45	08/08/2022	08/11/2022	92
<b>Total Investments</b>	<b>35,000,000</b>	<b>1.403%</b>	<b>367,383.55</b>			<b>2,005</b>

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## Police and Crime Commissioner for Gwent

## Money Market Investments as at 30th September 2022

Borrower	Closing Balance (£)	Average Yield	Est Annual Interest (£)
BNP Paribas	2,000,000	2.190%	43,800.00
HSBC Sterling	500,000	2.100%	10,500.00
Invesco Sterling	5,000,000	1.660%	83,000.00
<b>Total Investments</b>	<b>7,500,000</b>	<b>1.983%</b>	<b>137,300.00</b>

## Instant Access Account Investments as at 30th September 2022

Borrower	Closing Balance (£)	Average Yield	Est Annual Interest (£)
Lloyds Treasury Monthly Bonus Call Account	2,000,000	0.050%	1,000.00
<b>Total Investments</b>	<b>2,000,000</b>	<b>0.050%</b>	<b>1,000.00</b>



## Analysis of Fixed Investments Made and Repaid

Date	Borrower	Rate %	Terms	Loans Made £	Loans Repaid £	Interest Rate Received %	Int Received £	Maturity date
	Balance b/f			24,000,000				
<b>April 2022</b>								
<b>Loans made</b>								
26-04-22	Thurrock Borough Council	0.25000	Fixed	6,000,000				25-04-23
<b>Loans repaid</b>								
26-04-22	Thurrock Borough Council				6,000,000	0.38000	22,737.53	
<b>May 2022</b>								
<b>Loans made</b>								
<b>Loans repaid</b>								
<b>June 2022</b>								
<b>Loans made</b>								
<b>Loans repaid</b>								
<b>July 2021</b>								
<b>Loans made</b>								
29-07-22	Conwy Council	2.10000	Fixed	9,000,000				28-04-23
26-07-22	Slough Borough Council	2.20000	Fixed	5,000,000				25-07-23
<b>Loans repaid</b>								
29-07-22	Conwy Council				5,000,000	0.10000	2,452.05	
29-07-22	Conwy Council				4,000,000	0.10000	2,104.11	
<b>August 2021</b>								
<b>Loans made</b>								
08-08-22	Lloyds Bank Corporate markets	2.62000	Fixed	5,000,000				08-02-23
08-08-22	SMBC Bank International Plc	2.10000	Fixed	3,000,000				08-11-22
26-08-22	Thurrock Borough Council	0.30000	Fixed	4,000,000				25-08-23
<b>Loans repaid</b>								
26-08-22	Thurrock Borough Council				4,000,000	0.20000	7,978.08	
<b>September 2021</b>								
<b>Loans made</b>								
<b>Loans repaid</b>								
28-09-22	Thurrock Borough Council				2,000,000	0.20000	3,989.04	
				56,000,000	21,000,000		39,260.81	
	Balance C/F				35,000,000			
	<b>Average rate of interest received April to Oct</b>	<b>1.595</b>				<b>0.196</b>		

## Explanation of Credit Ratings

- F1 (Fitch) Indicates the strongest capacity for timely repayment of financial commitments; may have an added '+' to denote an exceptionally strong credit feature.
- A1 (S&P) The obligator's capacity to meet its financial commitment on the obligation is strong. With this category, certain obligations are designated with a plus '+' sign. This indicates that the obligator's capacity to meet its financial commitment is extremely strong.
- P1 (Moody's) Issuers (or supporting institutions) rated Prime - 1 have a superior ability to pay short term debt obligations.

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## OFFICE OF POLICE AND CRIME COMMISSIONER

**TITLE:** OPCC Treasury Management Strategy 2023/24 to 2025/26

**DATE:** 8<sup>th</sup> December 2022

**TIMING:** This decision needs to be taken before the Revenue Budget for 2023/24 is formally approved

**PURPOSE:** For Consideration

1.	<p><b><u>RECOMMENDATION</u></b></p> <p>That the Joint Audit Committee considers and comments on the Treasury Management Strategy for 2023/24. This will enable the Police and Crime Commissioner (Commissioner) to subsequently approve:</p> <ul style="list-style-type: none"> <li>(i) The Treasury Management Strategy for 2023/24 to 2025/26 set out in Appendix A; and</li> <li>(ii) The twelve Treasury Management Practices set out in Appendix B.</li> </ul>
2.	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b></p> <p>Treasury Management is the management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This report fulfils four key annual legislative requirements:</p> <ul style="list-style-type: none"> <li>(i) The setting of the Prudential Indicators relating to Capital Expenditure;</li> <li>(ii) The Minimum Revenue Provision Policy;</li> <li>(iii) The Treasury Management Strategy; and</li> <li>(iv) The Investment Strategy in accordance with the Welsh Government’s Guidance on Local Government Investments.</li> </ul> <p>The report also seeks approval for twelve Treasury Management Practices.</p>
3.	<p><b><u>ISSUES FOR CONSIDERATION</u></b></p> <p>The Commissioner is required to adopt and comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (2011 (as revised)) and the CIPFA Code of Practice on Treasury Management (2011 (as revised)). The Treasury Management Strategy 2023/24 to 2025/26 (Appendix A) and the Treasury Management Practices (Appendix B) are submitted for approval in compliance with the Codes.</p>
4.	<p><b><u>NEXT STEPS</u></b></p> <p>The Capital Prudential Indicators demonstrate that the Capital Programme is affordable, prudent and sustainable and it is essential that the Commissioner is satisfied of this situation prior to formally setting the Budget and Council Tax Precept for 2023/24.</p>

5.	<p><b><u>FINANCIAL CONSIDERATIONS</u></b></p> <p>This is a financial report required prior to setting the budget and Council Tax Precept for 2023/24.</p>
6.	<p><b><u>PERSONNEL CONSIDERATIONS</u></b></p> <p>There are no additional staff requirements stemming from this report.</p>
7.	<p><b><u>LEGAL IMPLICATIONS</u></b></p> <p>Approval of the Treasury Management Strategy by the Commissioner is a statutory responsibility.</p>
8.	<p><b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b></p> <p>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 discriminate against any particular group.</p> <p>Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.</p>
9.	<p><b><u>RISK</u></b></p> <p>Treasury Management can never be risk free. In borrowing, the risk is that interest payable might be higher than necessary and in lending there is the risk of default on repayment and the risk that a better rate of return could have been achieved. Adherence to the CIPFA Code of Practice on Treasury Management is best practice in terms of balancing risk and return.</p>
10.	<p><b><u>PUBLIC INTEREST</u></b></p> <p>Once approved the Treasury Management Strategy will be published on the Commissioner's website.</p>
11.	<p><b><u>CONTACT OFFICER</u></b></p> <p>Darren Garwood-Pask, Chief Finance Officer (Section 151 Officer) to the Commissioner.</p>
12.	<p><b><u>ANNEXES</u></b></p> <p>The Appendices to this report provide more details on the proposal.</p>

**OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR GWENT**

**Treasury Management Strategy 2023/24 to 2025/26**

**1 INTRODUCTION**

- 1.1 Treasury Management is the management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. The treasury management service is an important part of the overall financial management of the Police and Crime Commissioner's (Commissioner) affairs. The Commissioner is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Commissioner's low risk appetite, providing adequate liquidity initially, before considering investment return. The second main function of the treasury management service is the funding of the Commissioner's capital plans. These capital plans provide a guide to the borrowing need of the Commissioner, essentially the longer term cash flow planning to ensure that the Commissioner can meet his capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet the Commissioner's risk or cost objectives.
- 1.2 The Commissioner's treasury activities are strictly regulated by statutory requirements and a professional code of practice, the CIPFA Code of Practice on Treasury Management. Under the Code, the Commissioner is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.
- 1.3 The Prudential Code 2017 introduced a new requirement for local authorities (including Commissioners) to produce a Capital Strategy. It is for local authorities to decide whether to include their treasury management strategy and annual investment strategy as part of a Capital Strategy or to complete separately. Since the first year of operation, the Commissioner has elected to complete a separate four-year Capital Strategy which was last completed at the conclusion of the budget setting process in February 2022 and approved before the commencement of the 2022/23 financial year. The Capital Strategy will next be updated for the commencement of the 2025/26 financial year.
- 1.4 The adoption of a Treasury Management Strategy for 2023/24, prior to the start of the financial year, is the first of the three reporting requirements in respect of that year. This will be followed in due course by a mid-year

Treasury Management report and an Annual Treasury Management Report before 30<sup>th</sup> September 2024, providing a selection of actual prudential and treasury indicators.

1.5 The Treasury Management Strategy for 2023/24 covers two main areas:

### **Capital Issues**

- (i) The capital plans and the prudential indicators; and
- (ii) The Minimum Revenue Provision (MRP) strategy.

### **Treasury Management Issues**

- (i) Debt and investment projections;
- (ii) Limits on borrowing activity;
- (iii) The expected movement in interest rates;
- (iv) Borrowing and investment strategies;
- (v) Treasury performance indicators; and
- (vi) Specific limits on treasury activities.

## **2. CAPITAL PRUDENTIAL INDICATORS 2023/24 to 2025/26**

2.1 The Local Government Act 2003 requires the Commissioner to adopt the CIPFA Prudential Code, which was updated in 2021, and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the underlying capital appraisal systems. This document updates currently approved indicators.

2.2 Within this overall prudential framework there is an impact on the Commissioner's treasury management activity, as it will directly impact on borrowing or investment activity.

### **2.3 Capital Expenditure Plans**

2.3.1 The capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government (which has now largely ceased); any decisions by the Commissioner to spend above this level will be considered unsupported capital expenditure.

2.3.2 This unsupported capital expenditure needs to have regard to:

- (i) Service objectives (e.g. strategic planning);
- (ii) Stewardship of assets (e.g. asset management planning);
- (iii) Value for money (e.g. option appraisal);
- (iv) Prudence and sustainability (e.g. risk, implications for external borrowing and whole life costing);
- (v) Affordability (e.g. implications for the council tax); and
- (vi) Practicality (e.g. the achievability of longer term plans).



- 2.3.3 The revenue consequences of capital expenditure, particularly the supported capital expenditure, will need to be paid for from the Commissioner's own resources.
- 2.3.4 This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants, earmarked reserves (known as committed funds) or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Commissioner's borrowing need.
- 2.3.5 A key risk to the plans, are that the level of Government support has been estimated and could therefore be subject to change.
- 2.3.6 The Commissioner is asked to approve the following summary capital expenditure projections which is the first prudential indicator:

<b>First Prudential Indicator - Estimates of Capital Expenditure</b>					
	<b>2022/23 Original £000's</b>	<b>2022/23 Revised £000's</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>
<b>Capital Expenditure</b>	<b>17,944</b>	<b>17,417</b>	<b>23,902</b>	<b>21,739</b>	<b>15,931</b>
Financed by:					
Capital Receipts	210	0	0	0	0
Capital Grants and PIF Grants	120	14	14	0	0
Reserves	6,580	9,336	6,662	140	852
Revenue	7,179	8,067	6,226	6,599	7,079
<b>Net Financing Need for the Year</b>	<b>3,855</b>	<b>0</b>	<b>11,000</b>	<b>15,000</b>	<b>8,000</b>

- 2.3.7 The above financing need excludes other long-term liabilities, such as Private Finance Initiative (PFI) and leasing arrangements which already include borrowing instruments. The table above identifies the financial requirements for the delivery of the Commissioner's draft Estate Strategy (which is still being finalised post review), which includes the investment in the transformation of operational policing presence into a 'Hub and Spoke' model, and a new Joint Firearms Range in collaboration with South Wales Police and Dyfed Powys Police, resulting in a borrowing need from 2023/24 onwards. During 2023/24, the Capital Programme will be funded from a combination of capital grant, revenue contributions to capital and committed funds in addition to borrowing.

## 2.4 The Commissioner's Borrowing Need (the Capital Financing Requirement)

- 2.4.1 The second prudential indicator is the Commissioner's Capital Financing Requirement (CFR) which is simply the total outstanding capital expenditure

which has not yet been paid for from either revenue or capital resources. It is a measure of the Commissioner's underlying borrowing need. Any capital expenditure in the table in paragraph 2.3.6 above which has not immediately been paid for will increase the CFR.

2.4.2 The CFR includes any other long term liabilities (e.g. PFI schemes) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Commissioner's borrowing requirement, these types of scheme include a borrowing facility and so the Commissioner is not required to borrow separately for these schemes.

2.4.3 The Commissioner is asked to approve the CFR projections below:

<b>Second Prudential Indicator - the Capital Financing Requirement (CFR)</b>					
	<b>2022/23 Original £000's</b>	<b>2022/23 Revised £000's</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>
<b>Opening CFR</b>	0	0	0	10,560	25,568
Capital Spend	17,944	17,417	23,902	21,739	15,931
Movement In finance lease liability	1,089	0	0	608	(107)
Resources Used	(14,089)	(17,417)	(12,902)	(6,739)	(7,931)
MRP		0	(440)	(600)	(320)
<b>Closing CFR</b>	<b>4,944</b>	<b>0</b>	<b>10,560</b>	<b>25,568</b>	<b>33,141</b>

2.4.4 The adoption of International Financial Reporting Standard (IFRS) 16 – 'Accounting for Leases' should have commenced at the 1<sup>st</sup> April 2021, which would have already impacted on the calculation of the Commissioner's CFR within this Strategy. However, in late November 2020 as a result of the Coronavirus pandemic, the adoption of this Standard has been delayed for a year and should have taken effect from 1<sup>st</sup> April 2022, but was then delayed a further two years and will now commence 1<sup>st</sup> April 2024. The table above shows the impact of the implementation of IFRS 16 with a net increase in the financial lease liability of £608,318. This represents the initial recognition of £713,150 as a finance lease liability under IFRS 16 plus a decrease due to the in-year lease payments. The above figures were estimates calculated with information available at the 31<sup>st</sup> October 2022 and will therefore be subject to change.

2.4.5 In line with the latest MRP guidance, the Commissioner will be required to make a MRP in 2023/24. The Commissioner's policy on this matter is therefore at section 3 below.

### **3. MINIMUM REVENUE PROVISION POLICY**

3.1 The Commissioner is required to recognise an element of outstanding capital borrowing each year through a revenue charge known as the MRP. The MRP is calculated to match the repayment of borrowing over the life of the assets, for which debt has been raised and is charged in the following year after the asset becomes operational. It is also permissible to pay an

additional amount known as a Voluntary Revenue Provision (VRP). Under Welsh Government (WG) Regulations the Commissioner has to approve an MRP Statement in advance of each year. The Commissioner is recommended to adopt the following MRP policy for 2023/24:

- (i) For all capital expenditure incurred before 1<sup>st</sup> April 2008 and all supported capital expenditure incurred since that date or in the future, the MRP policy will be 4% of the CFR. This is consistent with the practice in place prior to the current regulations; and
- (ii) For all unsupported borrowing since 1<sup>st</sup> April 2008 and in the future, the asset life method will be used, i.e., the amount borrowed will be divided by the life of the asset.

#### 4. THE USE OF THE COMMISSIONER'S RESOURCES AND INVESTMENT POSITION

4.1 The application of resources (capital receipts, committed funds, etc.) will have an on-going impact on investments. Detailed below are estimates of the year-end balances for each resource and anticipated day to day cash flow balances:

<b>Investment Position - Year end Resources</b>					
	<b>2022/23 Original £000's</b>	<b>2022/23 Revised £000's</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>
Police Fund	5,000	5,000	5,000	5,000	5,000
Earmarked Reserves	17,232	19,565	6,878	6,238	5,586
Provisions	1,537	1,720	1,720	1,720	1,720
<b>Total Core Funds</b>	<b>23,769</b>	<b>26,285</b>	<b>13,598</b>	<b>12,958</b>	<b>12,306</b>
Working Capital	5,590	679	679	679	679
<b>Expected Investments</b>	<b>29,359</b>	<b>26,964</b>	<b>14,277</b>	<b>13,637</b>	<b>12,985</b>

\*Working capital balances shown are estimated year end; these may be higher mid-year.

#### 5. AFFORDABILITY PRUDENTIAL INDICATORS

5.1 The previous sections cover the overall capital and control of borrowing prudential indicators. Prudential indicators are also required to assess the affordability of the capital investment plans. The Commissioner is asked to approve the third and fourth prudential indicators, which assess affordability in terms of the impact of the capital investment plans on the Commissioner's overall finances.

5.2 The third prudential indicator is the ratio of net financing costs (financing income less finance interest expense) to net revenue stream. This indicator

identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream:

Third Prudential Indicator - Ratio of Financing Costs to Net Revenue Stream					
	2022/23 Original %	2022/23 Revised %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
<b>Ratio</b>	<b>0.06</b>	<b>0.00</b>	<b>0.43</b>	<b>1.27</b>	<b>1.65</b>

- 5.3 The estimates of financing costs include current commitments and the proposals in the budget report. The ratio turns positive in 2023/24 as interest expense will be payable on newly borrowed debt, at this point forecast interest expense will be greater than interest income.
- 5.4 The fourth prudential indicator identifies the increased revenue costs associated with the approved three year Capital Programme and expresses these in terms of the increase in Band D Council Tax Precept. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which is not published over a three year period:

Fourth Prudential Indicator - Incremental Increase in Council Tax Precept			
	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
<b>Increase</b>	<b>5.87</b>	<b>6.26</b>	<b>3.24</b>

- 5.5 The 2021 CIPFA Prudential Code introduced a new Prudential Indicator to address the risks associated with investments for commercial purposes, to ensure they are proportionate to the local authority's financial capacity. As a minimum, the local authority will estimate for the forthcoming financial year and the following two financial years the proportion of net income from commercial and service investments compared to budgeted net revenue stream.
- 5.6 Net income from commercial and service investments comprises net income from financial investments (other than treasury management investments), together with net income from other assets held primarily for financial return, such as commercial property. Based on this definition, the Commissioner hold no commercial and service investments.

## 6. BORROWING

- 6.1 The capital expenditure plans are set out in Section 2.3.6. The treasury management function ensures that the cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the capital expenditure requirements. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury

prudential indicators, the current and projected debt positions and the annual investment strategy.

## 6.2 Current borrowing portfolio position

The current treasury borrowing position at 30<sup>th</sup> September 2022, with forward projections, are summarised below. The below table shows the actual and forecasted external debt (the treasury management operations), against the future underlying capital borrowing need (the CFR), highlighting any over or under borrowing:

<b>Borrowing Position</b>					
	<b>2022/23 Original £000's</b>	<b>2022/23 Revised £000's</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>
<b>External Debt</b>					
Debt at 1st April	0	0	0	11,000	26,000
Expected Change in Debt	3,855	0	11,000	15,000	8,000
Other Long-Term Liabilities (Finance Lease Liability) at 1st April	1,352	0	0	713	608
Expected Change in OLTL	(262)	0	0	(105)	(107)
<b>Gross Debt at 31st March</b>	<b>4,944</b>	<b>0</b>	<b>11,000</b>	<b>26,608</b>	<b>34,501</b>
Capital Financing Requirement at 31st March	0	0	10,560	25,568	33,141
<b>Under/(Over) Borrowing</b>	<b>(4,944)</b>	<b>0</b>	<b>(440)</b>	<b>(1,040)</b>	<b>(1,360)</b>

6.3 The related impact of the above movements on the revenue budget is shown below:

<b>Impact on Revenue Budgets</b>					
	<b>2022/23 Original £000's</b>	<b>2022/23 Revised £000's</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>
<b>Revenue Budget Heading</b>					
Interest on Borrowing	148	0	653	1,444	1,780
Investment Income	(50)	0	(400)	(286)	(205)
<b>Net Police Fund Borrowing Cost</b>	<b>98</b>	<b>0</b>	<b>253</b>	<b>1,158</b>	<b>1,576</b>

## 7. LIMITS ON BORROWING ACTIVITY

- 7.1 Within the prudential indicators there are a number of key indicators to ensure that the Commissioner operates activities within well-defined limits. For the first of these the Commissioner needs to ensure that gross debt does not, except in the short term, exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The following table is relevant for this indicator:

Limits on Borrowing Activity - Year End Position					
	2022/23 Original £000's	2022/23 Revised £000's	2023/24 Estimate £000's	2024/25 Estimate £000's	2025/26 Estimate £000's
<b>Gross Debt</b>	<b>4,944</b>	<b>0</b>	<b>11,000</b>	<b>26,608</b>	<b>34,501</b>
Investments	(29,359)	(26,964)	(14,277)	(13,637)	(12,985)
Net Borrowing	(24,415)	(26,964)	(3,277)	12,971	21,516
<b>Capital Financing Requirement</b>	<b>4,944</b>	<b>0</b>	<b>10,560</b>	<b>25,568</b>	<b>33,141</b>
<b>Gross Debt &lt;= CFR</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

Note: Gross Debt is greater than the CFR by the MRP amount and therefore does not raise a concern.

- 7.2 The next key indicator is the operational boundary. This is the limit beyond which external debt is not normally expected to exceed:

Operational Boundary for Debt at 1st April					
	2022/23 Original £000's	2022/23 Revised £000's	2023/24 Estimate £000's	2024/25 Estimate £000's	2025/26 Estimate £000's
Debt	3,855	0	11,000	26,000	34,000
Other Long-Term Liabilities	1,352	0	0	608	501
<b>Net Borrowing</b>	<b>5,207</b>	<b>0</b>	<b>11,000</b>	<b>26,608</b>	<b>34,501</b>

- 7.3 A further key prudential indicator representing a control on the overall level of borrowing is the Authorised Limit for External Debt. This is calculated on a 5% mark up on the operational boundary. This represents a limit beyond which external debt is prohibited and this limit needs to be set or revised by the Commissioner. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total plans of all Local Authorities and Commissioners, or those of a specific Authority or Commissioner, although no control has yet been exercised. The Commissioner is asked to approve the following Authorised Limit:

Authorised Limit for Debt at 1st April					
	2022/23 Original £000's	2022/23 Revised £000's	2023/24 Estimate £000's	2024/25 Estimate £000's	2025/26 Estimate £000's
Debt	4,047	0	11,550	27,300	35,700
Other Long Term Liabilities	1,352	0	0	608	501
Working Capital Requirement	5,590	679	679	679	679
Authorised Limit	10,989	679	12,229	28,587	36,880

7.4 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

## 8. PROSPECTS FOR INTEREST RATES

8.1 The Commissioner uses Link Asset Services as treasury management advisors and part of their service is to provide a view on the prospects for interest rates and economic growth. The following table gives the Link Asset Services central view on the prospects for interest rates.



### UK Interest Rate Forecast

Bank Rate														
	NOW	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link Group	3.00%	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	2.75%	2.50%	2.50%
Capital Economics	3.00%	3.75%	4.75%	5.00%	5.00%	5.00%	4.75%	4.25%	3.75%	3.25%	-	-	-	-
5yr PWLB Rate														
	NOW	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link Group	4.09%	4.30%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.20%	3.10%
Capital Economics	4.09%	4.50%	4.30%	4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.50%	-	-	-	-
10yr PWLB Rate														
	NOW	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link Group	4.21%	4.50%	4.50%	4.40%	4.30%	4.20%	4.00%	3.90%	3.70%	3.60%	3.50%	3.40%	3.30%	3.20%
Capital Economics	4.21%	4.30%	4.20%	4.10%	4.00%	3.80%	3.80%	3.70%	3.60%	3.60%	-	-	-	-
25yr PWLB Rate														
	NOW	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link Group	4.36%	4.70%	4.70%	4.60%	4.50%	4.40%	4.30%	4.10%	4.00%	3.90%	3.70%	3.60%	3.50%	3.50%
Capital Economics	4.36%	4.30%	4.30%	4.20%	4.20%	4.10%	4.00%	4.00%	3.90%	3.90%	-	-	-	-
50yr PWLB Rate														
	NOW	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link Group	3.82%	4.30%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.40%	3.30%	3.20%	3.20%
Capital Economics	3.82%	4.20%	4.20%	4.10%	4.10%	4.10%	4.00%	3.90%	3.90%	3.80%	-	-	-	-

8.2 The Monetary Policy Committee (MPC) voted (7:2) to increase the Bank Rate by 0.75% to 3% during the November 2022 meeting. In making this decision, the MPC assumed that some fiscal support will continue beyond

the current six-month period of the Energy Price Guarantee (EPG), mechanically limiting CPI inflation and reducing its volatility. Against this backdrop, the MPC expect Gross Domestic Product (GDP) to decline by around 0.75% during the second half of 2022, in part reflecting the squeeze on real incomes from higher global energy and tradable goods prices. The MPC also projects that Consumer Price Index (CPI) inflation will increase to around 11% in the fourth quarter of 2022, lower than was expected in August, reflecting the impact of the EPG. The British economy expanded 2.4% year-on-year in the third quarter of 2022, the lowest reading since the contraction in quarter one of 2021, but slightly above market expectations of 2.1%, which preliminary estimates showed. On a quarterly basis in quarter 3 of 2022 the economy shrank 0.2%, lower than market forecasts of a 0.5% drop, which preliminary estimates showed. The services sector stalled, while the production sector went down 1.5%, including a 2.3% fall in manufacturing and a 1% loss in mining and quarrying. On a monthly basis, the economy contracted by 0.6% in September, following a downwardly revised 0.1% decline in August, and worse than market forecasts of a 0.4% fall.

- 8.3 The S&P Global/CIPS UK Composite Purchasing Managers' Index (PMI) fell to 48.2 in October from 49.1 in September, but above the flash estimate of 47.2. The annual inflation rate in the UK rose to 10.1% year on year in September from 9.9% in August, above market expectations of 10%. The largest contribution to the increase was from food (which increased by 14.8% compared to 13.4% in August). On the other hand, price growth for motor fuels further slowed inflation for transportation (10.6% vs 12%). Compared to the previous month, core consumer prices went up by 0.6% in September, down from a 0.8% rise in August but slightly above market expectations of 0.5%.
- 8.4 The number of people in work in the UK fell by 109,000 in the three months to August, the biggest decline since January last year and compared to market expectations of a 155,000 fall. However, the unemployment rate fell to 3.5% in the three months to September, a new low since 1974 and below 3.6% in the previous period and market forecasts of 3.6%. The number of people claiming unemployment benefits increased by 25,500 in September, a second consecutive monthly rise.
- 8.5 Average weekly earnings including bonuses increased by 6.0% year on year in the three months to August, above a 5.5% gain in the three months to July and market forecasts of 5.9%. Regular pay (which excludes bonus payments) rose 5.4%, after a 5.2% rise in the previous period, exceeding expectations of 5.3%.
- 8.6 The US unemployment rate rose to 3.7% in August, the highest since February and above market expectations of 3.5%. The number of unemployed people increased by 344,000 to 6.01 million, while employment levels went up by 442,000 to 158.73 million. The US economy contracted by an annualised 0.6% in quarter two of 2022, confirming the economy technically entered a recession, following a 1.6% drop in quarter one. The Federal Reserve raised the Federal Funds Rate by 75 basis points to the



3%-3.25% range at its September meeting, the third straight three-quarter point increase and pushing borrowing costs to the highest since 2008. Policymakers also anticipate that ongoing increases in the target range will be appropriate, which was reinforced by Chair Powell at the post-meeting press conference. The Fed's "dot plot", which outlines individual member forecasts, showed interest rates will likely reach 4.4% by December, above 3.4% projected in June, and rise to 4.6% next year.

- 8.7 The Euro Area economy expanded 0.8% in quarter two of 2022, higher than a 0.6% rise indicated and the strongest growth rate in three quarters. Household spending was the main driver of the expansion, prompted by the easing of Coronavirus restrictions and the summer tourism season. The annual inflation rate in the Euro Area jumped to 10% in September of 2022 from 9.1% in August. It marks the fifth consecutive month of rising inflation, with prices showing no signs of peaking. In a similar vein, core inflation, which excludes prices of energy, food, alcohol and tobacco, increased to a record high of 4.8% in September from 4.3% in August.

## **9. BORROWING STRATEGY 2023/24 – 2025/26**

- 9.1 The uncertainty over future interest rates increases the risks associated with treasury activity. Investment returns are likely to increase during 2023/24 with a small decrease during the latter half the financial year as interest rates are expected to reduce slightly. As a result, the Commissioner will continue a cautious approach to treasury strategy.
- 9.2 The Chief Finance Officer (CFO) (Section 151 Officer), under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that longer term fixed rates may provide lower cost opportunities in the short/medium term.
- 9.3 The Commissioner is currently maintaining a neutral-borrowing position. This means that the capital borrowing need (the CFR), has been fully matched with loan debt. During 2023/24 it is predicted there will be debt as the CFR exceeds the internal resources utilised to fund the Capital Programme.
- 9.4 External debt will only be sought once the committed funds earmarked for capital expenditure have been utilised. In future years, the over-borrowing position is a direct impact of the MRP charge reducing the CFR.

## **10. INVESTMENT STRATEGY 2023/24 – 2025/26**

- 10.1 **Key Objectives** – The Commissioner's primary investment strategy objectives are, firstly, safeguarding the re-payment of the principal and interest of his investments on time and, secondly, ensuring adequate liquidity. The investment return is an important third objective, but not as important as the first two objectives. Following the economic background

outlined above, the current investment climate has one over-riding risk consideration; that of counterparty security risk.

10.2 **Risk Benchmarking** – A development in the revised 2011 Codes and the Welsh Government Investment Guidance is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements in the revised Code, although the application of these is more subjective in nature.

10.3 These benchmarks are simple guides (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

10.4 **Security** – The Commissioner’s maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- (i) 0.011% historic risk of default when compared to the whole portfolio.

10.5 **Liquidity** – In respect of this area the Commissioner seeks to maintain:

- (i) Liquid short term deposits of at least £2m available with a week’s notice; and
- (ii) Weighted Average Life of investments with banks between 3 and 12 months; and
- (iii) Note that no overdraft facility is held at Lloyds bank.

10.6 **Yield** – Local measures of yield benchmarks are:

- (i) Investments – Internal returns compared to the average Sterling Overnight Index Average (SONIA) rate. The transition to SONIA is due to the phasing out of LIBOR, which took place on the 31<sup>st</sup> December 2021.

10.7 The security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.011%	0.011%	Not applicable	Not Applicable	Not Applicable

Note: This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment.

10.8 **Investment Counterparty Selection Criteria** – The primary principle governing the Commissioner’s investment criteria is the security of his investments, although the yield or return on the investment is also a key

consideration. The Commissioner will not use non-specified investments i.e. investments exceeding 1 year 364 days. The Commissioner will ensure:

- (i) A policy covering types of investment, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified Investment (investments not exceeding 1 year 364 days) sections below; and
- (ii) Sufficient liquidity in investments. For this purpose procedures will be set out for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the prudential indicators covering the maximum principal sums invested.

10.9 The Assistant Chief Officer - Resources will maintain a counterparty list in compliance with the following criteria. This criteria is separate from that which chooses Specified and Non-Specified Investments, as it provides an overall pool of counterparties considered high quality that the Commissioner may use rather than defining what his investments are.

10.10 The rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Commissioner's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Commissioner's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

10.11 Credit rating information is supplied by the Commissioner's treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to a counterparty at the minimum of the Commissioner's criteria will be suspended from use, with all others being reviewed in light of market conditions.

10.12 The Commissioner only uses the following high credit quality counterparties:

- (i) UK banks and banks domiciled in a country other than the UK which has a minimum Sovereign long term rating of AAA, which have at least the following Fitch, Moody's and Standard and Poor's ratings (where rated):
  - Short Term – F1/A1/P1;
  - Long Term – A;

- (ii) Part-nationalised UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part-nationalised or they meet the ratings in Banks above;
- (iii) Building Societies which:
  - Meet the ratings for banks outlined above; or
  - Have assets in excess of £1bn;
- (iv) Money Market Funds – AAA;
- (v) UK Government (including gilts and the DMADF (see below));
- (vi) Local Authorities;
- (vii) Property Funds – These funds allow the Commissioner to diversify into asset classes other than cash without the need to own and manage the underlying investments; Property Funds offer enhanced returns over the longer term but are more volatile in the short term. Their value changes with market prices, so will be considered for longer investment periods; and
- (viii) Supranational institutions.

10.13 Due care will be taken to consider the country, group and sector exposure of the Commissioner’s investments. In part, the country selection will be chosen by the credit rating of the Sovereign state. In addition:

- (i) No more than £3m will be placed with any single non-UK country at any time;
- (ii) Limits in place above will apply to Group companies; and
- (iii) Sector limits will be monitored regularly for appropriateness.

10.14 Additional requirements under the Code of Practice now require the Commissioner to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/ outlooks) will be applied to compare the relative security of differing investment counterparties.

10.15 The time and monetary limits for institutions on the Commissioner’s Counterparty List are as follows:

	<b>Fitch (or equivalent)</b>	<b>Money Limit</b>	<b>Time Limit</b>
UK Banks (Groups)	<i>P1/F1/A1</i>	£10m	<365days
Non UK Banks (Groups)	<i>P1/F1/A1</i>	£5m	<365days
Building Societies	<i>P1/F1/A1</i>	£5m	<365days
Money Market Funds	AAA	£5m	<365days
Local Authorities	-	£15m	<2 years

UK DMO	-	None	<365days
Property Fund		£5m	<5 years
Guaranteed Organisations	-	£3m*	<365days

*\*Guaranteed institutions will need to be restricted to the terms of the guarantee.*

10.16 In the normal course of the Commissioner’s cash flow operations it is expected that only Specified Investments will be utilised.

10.17 **The criteria for choosing counterparties set out above provide a sound approach to investment in ‘normal’ market circumstances. However, under exceptional market conditions the CFO may, after consulting the Commissioner, temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to ‘normal’ conditions. Similarly the time periods for investments may be restricted.** Examples of these restrictions would be the greater use of the Debt Management Account Deposit Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

10.18 Additionally, the Commissioner reserves the right to continue to hold an investment if the institutions credit rating is down-graded during the investment period if he is satisfied that the risks associated with the institution and investment are able to be managed and/or mitigated appropriately.

#### 10.19 **Banking Arrangements**

The Commissioner’s banker is Lloyds Bank, the contract is due to expire on 31<sup>st</sup> March 2023. The contract allows three extensions, the first one is due on the 1<sup>st</sup> April 2023 and is in the process of being formally extended for another year.

### 11. **SENSITIVITY TO INTEREST RATE MOVEMENTS**

11.1 The Commissioner is required to disclose in the accounts the impact of risks on treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes:

Sensitivity to Interest Rate Movements		
	<b>2023/24 Estimated +1% £000's</b>	<b>2023/24 Estimated -1% £000's</b>
Interest on Borrowing	109	(109)
Investment Income	114	(114)

## 12. TREASURY MANAGEMENT - LIMITS ON ACTIVITY

- 12.1 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. The Commissioner approves these limits:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	100%	100%	100%
<b>Limits on variable interest rates based on net debt</b>	35%	35%	35%
<b>Maturity Structure of fixed interest rate borrowing 2023/24</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	20%	
5 years to 10 years	0%	20%	
10 years and above	20%	90%	
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	£m 20	£m 20	£m 20

## 13. PERFORMANCE INDICATORS

- 13.1 The Code of Practice on Treasury Management requires the Commissioner to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Performance indicators to be used for the treasury function are:

- (i) Debt – Borrowing - Average rate of borrowing for the year compared to PWLB rates; and
- (ii) Investments – Internal returns compared with the average SONIA rate.

The results of these indicators will be reported in the Treasury Annual Report.

## **14. TREASURY MANAGEMENT ADVISERS**

14.1 The Commissioner uses Link Asset Services as treasury management advisors. The company provides a range of services which include:

- (i) Technical support on treasury matters, capital finance issues and code compliance;
- (ii) Economic and interest rate analysis;
- (iii) Debt services which includes advice on the timing of borrowing;
- (iv) Debt rescheduling advice surrounding the existing portfolio;
- (v) Generic investment advice on interest rates, timing and investment instruments; and
- (vi) Credit ratings/market information service, comprising the three main credit rating agencies.

14.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Commissioner.

## **15. TREASURY MANAGEMENT TRAINING**

15.1 Officer training needs are assessed on appointment, as part of the Personal Development Review (PDR) process and when legislation changes are announced. Officers attend seminars arranged by Link Asset Services and other organisations. Staff within the Office of the Police and Crime Commissioner and Joint Audit Committee members also receive periodic Treasury Management training.

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## **APPENDIX B**

### **SCHEDULE OF TREASURY MANAGEMENT PRACTICES (TMP's)**

TMP 1 - Risk Management

TMP 2 - Performance Measurement

TMP 3 - Decision–Making and Analysis

TMP 4 - Approved Instruments, Methods and Techniques

TMP 5 - Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements

TMP 6 - Reporting Requirements and Management Information Arrangements

TMP 7 - Budgeting, Accounting and Audit Arrangements

TMP 8 - Cash and Cash Flow Management

TMP 9 - Money Laundering

TMP 10 - Training and Qualifications

TMP 11 - Use of External Service Providers

TMP 12 - Corporate Governance

# Treasury Management Practice (TMP) 1 RISK MANAGEMENT

## 1. CREDIT AND COUNTERPARTY RISK MANAGEMENT

### 1.1 CRITERIA TO BE USED FOR CREATING AND MANAGING APPROVED COUNTERPARTY LISTS/LIMITS

1.1.1 The Welsh Government issued revised Investment Guidance in April 2010, and this forms the structure of the Police and Crime Commissioner for Gwent's (Commissioner) policy below.

1.1.2 The key intention of the Guidance is to maintain the current requirement for Local Authorities and Police and Crime Commissioners to invest prudently and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires the Commissioner to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 edition). **TMP 1(1), covering investment counterparty policy requires approval each year.**

1.1.3 **Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- a) The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- b) The principles to be used to determine the maximum periods for which funds can be committed;
- c) Specified investments the Commissioner will use. These are high security (i.e. high credit rating, although this is defined by the Commissioner, and no guidelines are given) and high liquidity investments in sterling and with a maturity of no more than a year (two years for Local Authorities); and
- d) Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

1.1.4 The investment policy proposed for the Commissioner is:

**Strategy Guidelines** – The main strategy guidelines are contained in the Treasury Management Strategy.

**Specified Investments** – These investments are sterling investments of not more than one-year maturity (two years for Local Authorities), or those which could be for a longer period, but where the Commissioner has the right to be repaid within 12 months if he wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- a) The UK Government (such as the Debt Management Account Deposit Facility (DMADF), UK Treasury Bills or a Gilt with less than one year to maturity);
- b) Supranational bonds of less than one year's duration;
- c) A Local Authority, parish council or community council;

- d) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. Money Market Funds, have to be rated AAA by Standard and Poor's, Moody's or Fitch rating agencies; and
- e) A body that is considered of a high credit quality (such as a bank or building society. This covers bodies with a minimum short-term rating of P1/F1/A1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Within these bodies and in accordance with the Code, the Commissioner has set additional criteria to set the time and amount of monies which will be invested in these bodies. Non-specified investments will not be utilised.

**1.1.5 The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Commissioner receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services (formerly known as Capita Asset Services) as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The Commissioner retains the right to continue an investment until it matures in the event of a down-grading, providing that the exposure risk can be managed and/or mitigated appropriately. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by treasury management staff and if required new counterparties which meet the criteria will be added to the list.

1.1.6 The Treasury Management Strategy will include suitable criteria for assessing and monitoring the credit risk of investment counterparties which will be used to construct a lending list comprising time, type, sector, country and specific counterparty limits.

1.1.7 Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.

1.1.8 The Commissioner will use credit criteria to determine creditworthy counterparties for the placing of investments.

1.1.9 In the event that more than one rating agency provides a credit rating for a counterparty, then the Lowest Common Denominator (LCD) approach must be applied when determining the rating for a particular counterparty.

1.1.10 Treasury Management Consultants will provide a weekly update of all ratings relevant to the Commissioner and notify the Commissioner of any changes to credit ratings during the week.

1.1.11 The approved counterparty list and type, limit and period of investment are determined by the criteria set out in the Annual Treasury Management Strategy.

1.1.12 The Commissioner should not place an over reliance on credit rating information. Other market information, such as concerns raised in the quality financial press, should also be used to ascertain the credit risk of a particular counterparty.

## **1.2 APPROVED METHODOLOGY FOR CHANGING LIMITS AND ADDING / REMOVING COUNTERPARTIES**

1.2.1 Credit ratings for individual counterparties can change at any time. The Chief Finance Officer (Section 151 Officer) to the Office of the Police and Crime Commissioner (hereafter referred to as the CFO) is responsible for applying the stated credit rating criteria for selecting approved counterparties; and will add or delete counterparties as

appropriate to / from the approved counterparty list, when there is a change in the credit ratings of individual counterparties, or in banking structures e.g. on mergers or takeovers. This is delegated on a daily basis to staff in the Finance Department.

## **2. LIQUIDITY RISK MANAGEMENT**

### **2.1 CASH BALANCES, BORROWING AND INVESTMENTS**

2.1.1. The Commissioner will ensure adequate cash resources, borrowing arrangements and overdraft facilities, for the achievement of business/service objectives.

2.1.2 The Commissioner will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme, or to finance future debt maturities.

2.1.3 The Commissioner will maintain the following:

a) Liquid short-term deposits of at least £2m available with a week's notice.

2.1.4 The Commissioner will also monitor the weighted average length of deposits so that the weighted average life of deposits is between 3 months with a maximum of 12 months.

## **3. INTEREST RATE RISK MANAGEMENT**

### **3.1 Minimum/Maximum proportions of variable rate debt/interest**

Minimum proportion of interest on borrowing which is subject to variable rate interest. 0 %

Maximum proportion of interest on borrowing which is subject to variable rate interest 35 %

### **3.2 Minimum/Maximum proportions of fixed rate debt/interest**

Minimum proportion of interest on borrowing which is subject to fixed rate interest. 65 %

Maximum proportion of interest on borrowing which is subject to fixed rate interest 100 %

### **3.3 Forward Dealing**

Consideration will be given to dealing for forward periods dependent upon market conditions. When forward dealing is more than one week forward, the approval of the Head of Finance is required.

## **4. EXCHANGE RATE RISK MANAGEMENT**

### **4.1 Approved criteria for managing changes in exchange rate levels**

a) As a result of the nature of the business, there may from time to time be exposure to exchange rate risk. This will arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The Commissioner will adopt a full

hedging strategy to control and add certainty to the sterling value of these transactions. This will mean that the Commissioner will eliminate all foreign exchange exposures as soon as they are identified; and

- b) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity, unless the Commissioner has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency will be held on deposit to meet this expenditure commitment.

## **5. INFLATION RISK MANAGEMENT**

### **5.1 INFLATION SENSITIVITY**

- 5.1.1 The organisation will keep under review the sensitivity of its treasury assets and liabilities to inflation and minimise risk accordingly in the context of the whole organisation's inflation exposures.

## **6. REFINANCING RISK MANAGEMENT**

### **6.1 DEBT/OTHER CAPITAL FINANCING MATURITY PROFILING, POLICIES AND PRACTICES**

- 6.1.1 The organisation will ensure that its borrowing, private finance and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal financing, if required, which are competitive and as favourable to the Commissioner as can be reasonably achieved, in light of the market conditions prevailing at the time.
- 6.1.2 The Commissioner will actively manage relationships with counterparties in these transactions in such a manner as to secure this objective and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

## **7. LEGAL AND REGULATORY**

### **7.1 REFERENCES TO RELEVANT STATUTES AND REGULATIONS**

- 7.1.1 The treasury management activities of the Commissioner shall comply fully with legal statute and the regulations. These are:
  - a) CIPFA's Treasury Management Code of Practice (2021 Edition);
  - b) CIPFA Treasury Management in the Public Services Guidance Notes 2021;
  - c) CIPFA statement 17.10.18 on borrowing in advance of need and investment in commercial properties;
  - d) CIPFA Standard of Professional Practice on Treasury Management;
  - e) CIPFA Bulletin 04 Treasury and Capital Management Update April 2020;
  - f) Statutory Investment guidance (2018);
  - g) Statutory MRP guidance (2018);
  - h) The Prudential Code for Capital Finance in Local Authorities (2021 Edition);
  - i) Local Government Act 2003;

- j) Bank of England Non-Investment Products Code (2011);
- k) Standing Orders relating to Contracts;
- l) Financial Standing Orders, Regulations and Procedures;
- m) The Commissioner's Manual of Corporate Governance and Scheme of Delegation; and
- n) Markets in Financial Instruments Directive (MiFiD II).

## **7.2 PROCEDURES FOR EVIDENCING THE ORGANISATION'S POWERS / AUTHORITIES TO COUNTERPARTIES**

7.2.1 The Commissioner will prepare, adopt and maintain, as the cornerstones for effective treasury management:

- a) A Treasury Management Strategy Statement, stating the overriding principles and objectives of his treasury management activities as an integral part of that Statement; and
- b) Treasury Management Practices, setting out the manner in which the Commissioner will achieve those principles and objectives, prescribing how he will manage and control those activities.

## **7.3 REQUIRED INFORMATION FROM COUNTERPARTIES CONCERNING THEIR POWERS/AUTHORITIES**

7.3.1 Lending shall only be made to counterparties on the authorised list.

7.3.2 The Office of the Police and Crime Commissioner for Gwent will apply the MiFiD II regulations using the elected professional status to allow the Commissioner to execute his investment strategy.

## **7.4 STATEMENT ON THE ORGANISATION'S POLITICAL RISKS AND MANAGEMENT OF SAME.**

7.4.1 The CFO shall take appropriate action with the Commissioner to respond and manage political risks.

## **8. OPERATIONAL RISK INCLUDING FRAUD, ERROR AND CORRUPTION**

### **8.1 DETAILS OF SYSTEMS AND PROCEDURES TO BE FOLLOWED, INCLUDING INTERNET SERVICES**

8.1.1 Authority:

- a) Loan procedures are defined in the Commissioner's Financial Standing Orders, Regulations and Procedures; and
- b) The Scheme of Delegation sets out the appropriate delegated levels. All loans and investments are negotiated by authorised persons.

8.1.2 Occurrence:

- a) A detailed register of loans and investments is maintained and independently checked to the ledger balance;
- b) Adequate and effective cash flow forecasting records are maintained on the Treasury Management spreadsheet to support the decision to lend or borrow;

- c) A written acknowledgement of the deal is sent promptly in the case of borrowing from or lending to another counterparty; and
- d) All transactions placed through the brokers are confirmed by a broker note showing details of the loan arranged.

#### 8.1.3 Completeness:

- a) The loans register is updated to record all lending and borrowing. This includes the date of the transaction, brokerage fees etc.

#### 8.1.4 Measurement:

- a) The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy;
- b) The Treasury Management spreadsheet automatically calculates periodic interest payments of Public Works Loans Board (PWLB) and other long-term loans. This is used to check the amount paid to these lenders; and
- c) Rates generated are compared with other Local Authorities and against the Treasury Strategy Statement.

#### 8.1.5 Timeliness:

- a) The Assistant Accountant responsible for treasury ensures that money borrowed or lent is repaid on time.

#### 8.1.6 Regularity:

- a) All lending is only made to institutions on the Approved List;
- b) All loans raised and repayments made go directly to and from the Commissioner's bank accounts;
- c) Limits on value are set for every category of specified and non-specified investments and institution;
- d) Brokers have a list of named officials authorised to perform loan transactions;
- e) There is adequate insurance cover for employees involved in loans management and accounting;
- f) The control totals on the Treasury Management spreadsheet for borrowing and lending are regularly reconciled with the ledger balance sheet codes under the direction of the Senior Accountant;
- g) There is a separation of duties in the Section between the repayment of a loan and its checking and authorisation;
- h) The bank reconciliation is carried out regularly from the bank statement to the financial ledger; and
- i) The Assistant Accountants have up to date financial code lists.

#### 8.1.7 Security:

- a) The Treasury Management Investment spreadsheet can only be accessed by a password; and
- b) Payments can only be authorised by nominated persons, using the Lloyds Bank On-line Banking System. The list of signatories having previously been agreed with the current provider of our banking services, this is reviewed on a quarterly basis.

#### 8.1.8 Substantiation:

- a) The Treasury Management spreadsheet balances are proved to the balance sheet ledger codes at the end of each month and at the financial year end. Working papers are retained for audit inspection; and
- b) A debt charge/investment income listing is produced every time the debt charges/investment income is recalculated for budget monitoring purposes. A debt charge/investment listing is also produced at the financial year end and this document is retained for audit inspection. The method of accounting for unrealised losses or gains on the valuation of assets within the funds will comply with best CIPFA Accounting Code of Practice, by reflecting the market value of the fund in the balance sheet. This will be agreed with external auditors.

## **8.2 EMERGENCY AND CONTINGENCY PLANNING ARRANGEMENTS**

- 8.2.1 Emergency payments are normally made using the Lloyds Commercial On-line Banking System. Balances can also be obtained from the same system. In the event of failure of the electronic system, alternative arrangements can be made by fax or e-mail.

## **8.3 INSURANCE COVER DETAILS.**

- 8.3.1 The Commissioner has general 'Fidelity' insurance cover of £1m, increased to £3m for specific posts within the Finance Department. This covers the loss of cash by fraud or dishonesty of employees and carries a £10,000 excess level.
- 8.3.2 The Commissioner also has a 'Business Interruption' cover of £3m (with a 36-month indemnity – totalling £9,000,000) as part of his insurance arrangements.

## **9. PRICE RISK MANAGEMENT**

### **9.1 DETAILS OF APPROVED PROCEDURES AND LIMITS FOR CONTROLLING EXPOSURE TO INVESTMENTS WHOSE CAPITAL VALUE MAY FLUCTUATE (GILTS, CDS, etc.)**

- 9.1.1 The Commissioner currently does not invest in instruments where capital value can fluctuate.



## **TMP 2 PERFORMANCE MEASUREMENT**

### **2.1 METHODOLOGY TO BE APPLIED FOR EVALUATING THE IMPACT OF TREASURY MANAGEMENT DECISIONS**

2.1.1 The Commissioner carries out efficiency reviews on a rolling programme basis.

### **2.2 POLICY CONCERNING METHODS FOR TESTING VALUE FOR MONEY IN TREASURY MANAGEMENT**

#### **2.2.1 Frequency and processes for tendering**

a) The process for advertising and awarding contracts will be in line with Contract Standing Orders.

#### **2.2.2 Banking services**

a) Banking services will be re-tendered in accordance with Contract Standing Orders.

#### **2.2.3 Money-broking services**

a) The Commissioner will use money broking services in order to make deposits, or to borrow and will establish charges for all services prior to using them. An approved list of brokers will be established which takes account of both prices and quality of services.

#### **2.2.4 Consultants'/advisers' services**

a) The Commissioner currently uses Link Asset Solutions as treasury management consultants. The contract for this service is let in accordance with Contract Standing Orders.

#### **2.2.5 Policy on External Managers**

a) The Commissioner's current policy is to manage cash flow surpluses and deficits in-house. This policy will be kept under review.

### **2.3 METHODS TO BE EMPLOYED FOR MEASURING THE PERFORMANCE OF THE ORGANISATION'S TREASURY MANAGEMENT ACTIVITIES**

2.3.1 Performance measured against Annual Treasury Strategy Statement targets.

2.3.2 Compliance to CIPFA Code of Treasury Practice.

2.3.3 Expenses contained within approved budget.

### **2.4 BENCHMARKS AND CALCULATION METHODOLOGY**

#### **2.4.1 Debt management**

- a) Average rate on all external debt;
- b) Average rate on external debt borrowed in previous financial year;
- c) Average rate on internal borrowing;
- d) Average period to maturity of external debt;

- e) Average period to maturity of new loans in previous year; and
- f) Comparison with UK average for public sector bodies.

#### **2.4.2 Investment.**

- a) The performance of in-house investment earnings will be measured against the average SONIA rate.

## **TMP 3 DECISION-MAKING AND ANALYSIS**

### **3.1 FUNDING, BORROWING, LENDING, AND NEW INSTRUMENTS/TECHNIQUES:**

#### **3.1.1 Records to be kept**

3.1.2 The Finance Department maintains a treasury management spreadsheet. All loan transactions and investments are recorded using this system.

3.1.2 The following records will be used relative to each loan or investment:

- a) Daily cash projections;
- b) Telephone and email rates;
- c) Dealing slips for all money market transactions – including rate changes;
- d) PWLB loan schedules;
- e) Temporary loan receipts;
- f) Market bond certificates;
- g) Special loan certificates; and
- h) Brokers confirmations for deposits/investments.

#### **3.2 Processes to be pursued**

- a) Cash flow analysis;
- b) Maturity Analysis;
- c) Security Analysis;
- d) Liquidity Analysis (Weighted Average Life);
- e) Yield Analysis;
- f) Ledger reconciliations;
- g) Review of borrowing requirement;
- h) Monitoring of projected loan charges, interest and expenses costs;
- i) Collation of monthly performance information; and
- j) Monitoring against Prudential Limits.

#### **3.3 Issues to be addressed**

##### **3.3.1 In respect of every decision made the organisation will:**

- a) Above all be clear about the nature and extent of the risks to which the organisation may become exposed;
- b) Be certain about the legality of the decision reached and the nature of the transaction and that all authorities to proceed have been obtained;
- c) Be content that the documentation is adequate both, to deliver the organisation's objectives and protect the organisation's interests, in order to deliver good housekeeping;
- d) Ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies and that limits have not been exceeded; and
- e) Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.

##### **3.3.2 In respect of borrowing and other funding decisions, the organisation will:**

- a) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;

- b) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- c) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- d) Consider the on-going revenue liabilities created and the implications for future plans and budgets.

**3.3.3 In respect of investment decisions, the organisation will:**

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions; and
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

## **TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

### **4.1. APPROVED ACTIVITIES OF THE TREASURY MANAGEMENT OPERATION**

- 4.1.1 Borrowing.
- 4.1.2 Lending.
- 4.1.3 Debt repayment and rescheduling.
- 4.1.4 Consideration, approval and use of new financial instruments and treasury management techniques.
- 4.1.5 Managing the underlying risk associated with the capital financing and surplus funds activities.
- 4.1.6 Managing cash flow.
- 4.1.7 Banking activities.
- 4.1.8 Leasing.
- 4.1.9 Managing the underlying exchange rate risk associated with business activities.

### **4.2. APPROVED INSTRUMENTS FOR INVESTMENTS**

- 4.2.1 All investments will comply with the Annual Treasury Management Strategy and the guidance issued by the Welsh Government on Investment Strategy issued under Section 15(1) (a) of the Local Government Act 2003. The instruments available for investment and the limitations on their use will be listed in the appendix to the Annual Treasury Management Strategy.

### **4.3. APPROVED METHODS AND SOURCES OF RAISING CAPITAL FINANCE**

- 4.3.1 Finance will only be raised in accordance with the Prudential Code. The Commissioner has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
European Investment Bank	●	●
Market (long-term or temporary)	●	●
Market (Lender Option Borrower Option)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

#### **4.3.2 Other Methods of Financing**

- a) Government and EU Capital Grants;
- b) Lottery monies;
- c) Private Finance Initiative/Public Private Partnerships;
- d) Operating leases; and
- e) Joint arrangements.

4.3.3 All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The CFO has delegated powers in accordance with Standing Orders, Financial Regulations, the Scheme of Delegated Powers and the Treasury Management Strategy, to take the most appropriate form of borrowing from the approved sources.

# **TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

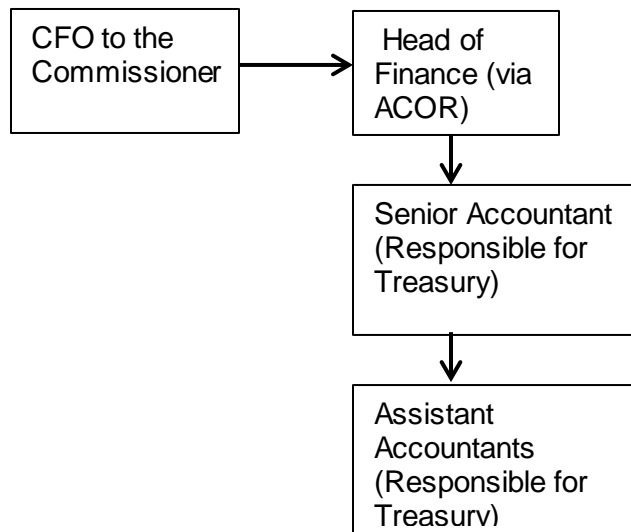
## **INDEX OF SCHEDULES**

- 5.1 Limits to responsibilities/discretion**
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- 5.6 List of approved brokers**
- 5.7 Policy on brokers' services**
- 5.8 Policy on taping of conversations**
- 5.9 Direct dealing practices**
- 5.10 Settlement transmission procedures**
- 5.11 Documentation requirements**

## 5.1 LIMITS TO RESPONSIBILITIES/DISCRETION

- 5.1.1 The CFO will be responsible for recommending amendments to the organisation's adopted clauses, Treasury Management policy statement and treasury management practices.
- 5.1.2 The CFO will approve the segregation of responsibilities.
- 5.1.3 The CFO will receive and review external audit reports concerning treasury management and put recommendations to the Joint Audit Committee and/or Commissioner.

## 5.2 TREASURY MANAGEMENT ORGANISATION CHART



## 5.3 STATEMENT OF DUTIES/RESPONSIBILITIES OF EACH TREASURY POST

### 5.3.1 CFO

a) The CFO will:

- i. Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance;
- ii. Submit treasury management policy reports as required;
- iii. Submit budgets and budget variations in accordance with Financial Regulations and Procedures;
- iv. Receive and review management information reports;
- v. Review the performance of the treasury management function and promote best value reviews;
- vi. Ensure the adequacy of treasury management resources and skills; and the effective division of responsibilities within the treasury management function;
- vii. Ensure the adequacy of internal audit, and liaising with external audit; and
- viii. Recommend on appointment of external service providers in accordance with standing orders.



- b) The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources and to make the most appropriate form of investments in approved instruments; and
- c) Power to borrow and invest may be delegated to members of the Finance Department. The Assistant Accountant (or staff authorised by the Senior Accountant to act as temporary cover for leave/sickness) must conduct all dealing transactions;

### **5.3.2 Assistant Accountant – Treasury Management**

- a) Execution of transactions;
- b) Adherence to agreed policies and practices on a day-to-day basis;
- c) Maintaining relationships with third parties and external service providers;
- d) Monitoring performance on a day-to-day basis;
- e) Submitting management information reports to the Accountant responsible for Treasury; and
- f) Identifying and recommending opportunities for improved practices.

### **5.3.3 Senior Accountant responsible for Treasury**

- a) The Senior Accountant will manage the day to day operation of the treasury function;
- b) The Senior Accountant will ensure that the Treasury Management Strategy and TMP's are adhered to and if not, will bring the matter to the attention of the Head of Finance as soon as possible;
- c) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Senior Accountant to be satisfied that the proposed transaction does not breach any statute, external regulation or the Financial Regulations and Procedures; and
- d) It is also the responsibility of the Senior Accountant to ensure that the Commissioner complies with the requirements of The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

### **5.3.4 Internal Audit**

- a) Reviewing compliance with approved policy and procedures;
- b) Reviewing division of duties and operational practice;
- c) Assessing value for money from treasury activities; and
- d) Undertaking probity audit of treasury function.

## **5.4 ABSENCE COVER ARRANGEMENTS**

- 5.4.1 In the absence of the Assistant Accountant his/her treasury management duties are carried out by the Senior Accountant or a member of staff in the Finance Department nominated by the Senior Accountant.

## **5.5 DEALING LIMITS**

- 5.5.1 Dealing limits are set out in the Annual Treasury Management Strategy.

## **5.6 LIST OF APPROVED BROKERS**

- 5.6.1 A list of approved brokers is maintained within the Finance Department and a record of all transactions recorded against them.

## **5.7 POLICY ON BROKERS' SERVICES**

- 5.7.1 It is the Commissioner's policy to allocate business to the brokers offering the best rate on the day.

## **5.8 POLICY ON TAPING OF CONVERSATIONS**

- 5.8.1 It is not Commissioner's policy to tape brokers' conversations.

## **5.9 DIRECT DEALING PRACTICES**

- 5.9.1 Direct dealing contacts are established with the Commissioner's own bank and several other banks and building societies via the use of Business Reserve Accounts. Direct dealing can bring additional benefits e.g. may take smaller amounts for deposits and may lend direct, as well saving on broking fees.

## **5.10 SETTLEMENT TRANSMISSION PROCEDURES**

- 5.10.1 The Assistant Accountant will produce documentation to support the transaction set up within the Lloyds On-Line system. An approved signatory will authorise the payment within Lloyds Commercial On-Line.

## **5.11 DOCUMENTATION REQUIREMENTS**

For each deal undertaken, a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), and broker.

## **TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

### **6.1 ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT**

- 6.1.1 The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Commissioner for approval before the commencement of each financial year.
- 6.1.2 The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions, in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this organisation may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
- 6.1.3 The Treasury Management Strategy is concerned with the following elements:-
- a) The current Treasury portfolio position;
  - b) The prospects for interest rates;
  - c) The limits placed by this organisation on treasury activities;
  - d) The expected borrowing strategy;
  - e) The expected temporary investment strategy;
  - f) The policy concerning retention of the set aside capital receipts;
  - g) The expectations for debt rescheduling;
  - h) Borrowing requirements; and
  - i) Any extraordinary treasury issue.
- 6.1.4 The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable) and highlight sensitivities to different scenarios.

### **6.2 ANNUAL INVESTMENT STRATEGY**

- 6.2.1 One of the consequences of the introduction under the Local Government Act 2003 of the Prudential Code for Capital Finance in Local Authorities, was the withdrawal of the approved investment regulations. In place of the regulations, guidance on investment practice was formally issued by the Welsh Government, requiring all local authorities (including Commissioners) to formulate an annual investment strategy to be adopted by the Commissioner prior to the start of the financial year.
- 6.2.2 The Annual Investment Strategy will cover the following:
- a) Investment Principles;
  - b) Specified and Non-Specified Investments;
  - c) Permitted Investments;
  - d) Liquidity;
  - e) Security of Capital;
  - f) Investment Limits; and
  - g) External Fund Managers.

### **6.3 POLICY ON INTEREST RATE EXPOSURE**

- 6.3.1 The Commissioner approves before the beginning of each financial year the following treasury limits:

- a) The amount of the overall borrowing limit which may be outstanding by way of short-term borrowing; and
- b) The maximum proportion of interest on borrowing which is subject to variable rate interest.

6.3.2 The CFO is responsible for incorporating these limits into the Annual Treasury Management Strategy and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the CFO shall submit the changes for approval to the Commissioner.

#### **6.4 ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY**

6.4.1 An annual report will be presented to the Commissioner at the earliest practicable meeting after the end of the financial year, but in any case, by the 30<sup>th</sup> September. This report will include the following:

- a) A comprehensive picture for the financial year of all treasury policies, plans, activities and results;
- b) Transactions executed and their revenue (current) effects;
- c) Report on risk implications of decisions taken and transactions executed;
- d) Monitoring of compliance with approved policy, practices and statutory / regulatory requirements;
- e) Monitoring of compliance with powers delegated to officers;
- f) Degree of compliance with the original strategy and explanation of deviations;
- g) Explanation of future impact of decisions taken on the organisation;
- h) Measurements of performance; and
- i) Report on compliance with CIPFA Code recommendations.

#### **6.5 MANAGEMENT INFORMATION REPORTS**

6.5.1 Management information reports will be prepared every month by the Accountant and will be presented to the CFO.

6.5.2 These reports will contain the following information:

- a) A summary of transactions executed and their revenue (current) effects;
- b) Measurements of performance including effects on borrowing charges/investment income; and
- c) Degree of compliance with original strategy and explanation of variances.

#### **6.6 PERIODIC MONITORING COMMITTEE REPORTS**

6.6.1 The Commissioner will receive and consider as a minimum:

- a) An annual treasury strategy before the commencement of the new financial year;
- b) An annual investment strategy before the commencement of the new financial year;
- c) An annual treasury management activity report before the 30<sup>th</sup> September, after the year-end to which it relates; and
- d) A mid-year monitoring report.

## **TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

### **7.1 STATUTORY/REGULATORY REQUIREMENTS**

- 7.1.1 The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

### **7.2 ACCOUNTING PRACTICES AND STANDARDS**

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to the Police Service in Great Britain. The Commissioner adopts in full the principles set out in CIPFA's 'Code of Best Practice and Guide for Treasury Management in the Public Services' (the 'CIPFA Code and Guide'), together with those of its specific recommendations that are relevant to this organisation's treasury management activities.

### **7.3 LIST OF INFORMATION REQUIREMENTS OF EXTERNAL AUDITORS.**

- 7.3.1 The following information is required by the external auditor:

- a) Reconciliation of loans interest and premiums paid to financial ledger by loan type;
- b) Maturity analysis of loans outstanding;
- c) Calculation of loans interest and debt management expenses;
- d) Annual Treasury Report;
- e) Calculation of Revenue Interest;
- f) Analysis of any Deferred Charges;
- g) Principal and interest charges from Treasury Management records; and
- h) Interest accruals calculation from Treasury Management records.

### **7.4 MONTHLY BUDGET MONITORING REPORT**

- 7.4.1 This report will consider year to date and forecast outturn against budget with variances examined, in terms of interest and expense rates derived from the treasury management records.

### **7.5 BUDGET SETTING EXERCISE**

- 7.5.1 A budget for interest paid and received, expenses and minimum revenue provision is prepared, as part of a budget setting exercise.

## **TMP 8 CASH AND CASH FLOW MANAGEMENT**

### **8.1 ARRANGEMENTS FOR PREPARING/SUBMITTING CASH FLOW STATEMENTS**

8.1.1 The Assistant Accountant responsible for day to day treasury management activities maintains a rolling annual cash flow budget, which is revised daily.

### **8.2 LISTING OF SOURCES OF INFORMATION**

8.2.1 In drawing up cash flow projections the following sources of information are used:

- a) Payroll for salaries, national insurance, superannuation and income tax information;
- b) Treasury Management spreadsheet for interest and loans principal payments;
- c) Precept income;
- d) Grant income;
- e) Pensions lump sums;
- f) Police pension account surplus/deficit payments;
- g) Income forecasts;
- h) Creditor payment schedules; and
- i) Capital expenditure programme.

### **8.3 BANK STATEMENT PROCEDURES**

8.3.1 Bank Statements are reconciled against payment and income records on the General Ledger. Finance staff check all items going through the financial ledger to the Bank Statement and investigate discrepancies. Presented cheque information is also uploaded and recorded against cheques drawn, general ledger and bank statements.

### **8.4 PAYMENT SCHEDULING AND AGREED TERMS OF TRADE WITH CREDITORS**

8.4.1 The policy is to pay creditors within 30 days of the invoice date and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within 14 days.

### **8.5 ARRANGEMENTS FOR MONITORING DEBTORS / CREDITORS LEVELS**

8.5.1 The Purchase to Pay section provides the Assistant Accountant with monthly statistics of invoices paid and the percentage paid within 30 days.

### **8.6 PROCEDURES FOR BANKING OF FUNDS**

8.6.1 All money received by officers on behalf of the Commissioner will, without unreasonable delay, be paid to the Cashier or deposited in the Commissioner's bank accounts. Details are included in the Financial Regulations and Financial Procedures.

### **8.7 PRACTICES CONCERNING PREPAYMENTS TO OBTAIN BENEFITS**

8.7.1 All prepayments must be authorised by the CFO.

## **TMP 9 MONEY LAUNDERING**

### **9.1 STATUTORY REQUIREMENTS**

9.1.1 The Commissioner is not directly required to implement the requirements of the Money Laundering Regulations 2007, but the implications of the Terrorism Act 2000; the Anti-Terrorism, Crime and Security Act 2001; and The Proceeds of Crime Act 2002 place an onus of responsibility on individuals associated with treasury processes to consider its implications. It follows that officers involved in treasury management activities must be alert to the possibility that the Commissioner may become the subject of an attempt to involve him in a transaction involving the laundering of money and aware of their reporting responsibility in those circumstances.

### **9.2 PROCEDURES FOR ESTABLISHING IDENTITY / AUTHENTICITY OF LENDERS**

9.2.1 The Commissioner does not accept loans from individuals. All material loans are obtained through brokers, from other local authorities or from authorised institutions. Receipts will normally be paid by BACS or cheques and the relevant bank will be required to comply with money laundering regulations for their customer. Any cash deposits must without delay be reported to the CFO as the nominated Money Laundering Reporting Officer (MLRO).

### **9.3 METHODOLOGIES FOR IDENTIFYING SOURCES OF DEPOSITS**

9.3.1 In the course of its Treasury activities, the Commissioner will only lend money to or invest with those counterparties that are on his approved lending list.

### **9.4 REPORTING PROCEDURES**

9.4.1 Any person in the organisation having reasonable grounds for suspecting money laundering must report their suspicions without delay to the CFO, as nominated MLRO.

9.4.2 On receipt of a disclosure the MLRO should consider, in the light of all information, whether it gives rise to such knowledge or suspicion.

9.4.3 If the MLRO determines that the information or matter should be disclosed, he should do so to the National Crime Agency.

### **9.5 TRAINING**

9.5.1 Relevant employees must be made aware of their responsibilities relating to money laundering and receive appropriate training in recognising and dealing with transactions which may be related to money laundering.

## **TMP 10 TRAINING AND QUALIFICATIONS**

- 10.1** Details of staff and relevant member training needs will be identified as part of the Personal Development Reviews.
- 10.2** Training and training updates will be provided as appropriate on the Treasury Management system.
- 10.3** Treasury Management seminars will be attended as appropriate.
- 10.4** The CFO and Assistant Chief Officer – Resources (ACOR), are committed to professional responsibilities, through both personal compliance and by ensuring that relevant staff are appropriately trained.



## **TMP 11 USE OF EXTERNAL SERVICE PROVIDERS**

### **11.1 DETAILS OF CONTRACTS WITH SERVICE PROVIDERS, INCLUDING BANKERS, BROKERS, CONSULTANTS, ADVISERS**

#### **11.1.1 Banking services**

- a) Name of supplier of service is the Lloyds Bank. The branch address is 1 Gwent Square, Town Centre, Cwmbran, NP44 1XN;
- b) Contract commenced in December 2014 and is due to expire on 31<sup>st</sup> March 2023; and
- c) Cost of service is dependent on transaction volumes through the account.

#### **11.1.2 Treasury Management Advisors**

Link Asset Services (formerly known as Capita Asset Services),  
6<sup>th</sup> Floor,  
65 Gresham Street,  
London,  
EC2V 7NQ.

This contract will be renewed on an annual basis, as the value falls below the current tender threshold.

#### **11.1.3 Money-broking services**

- a) Martin Brokers (UK) plc;
- b) Tullett Prebon;
- c) Tradition UK Limited;
- d) ICAP; and
- e) BCG Partners.

### **11.2 PROCEDURES AND FREQUENCY FOR TENDERING SERVICES**

See TMP2.

## **TMP 12 CORPORATE GOVERNANCE**

### **12.1 LIST OF DOCUMENTS TO BE MADE AVAILABLE FOR PUBLIC INSPECTION**

- a) Statement of Accounts (PCC Group and Chief Constable);
- b) Annual Budget;
- c) 3 Year Capital Plan;
- d) Treasury Management Strategy;
- e) Mid-Year Monitoring Report(s);
- f) Annual Treasury Report;
- g) Annual Investment Strategy; and
- h) Relevant Decisions of the Commissioner.