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**Gwent Police
and Crime Panel**

**Panel Heddlu
a Throseddu Gwent**

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Date: 8th December 2023

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, 15th December, 2023** at **10.00 am** to consider the matters contained in the following agenda.

A G E N D A

	Pages
1	Declarations of Interest.
2	Apologies for Absence.
To approve and sign the following minutes: -	
3	Gwent Police and Crime Panel held on 29th September 2023. 1 - 6
4	Update by the Police and Crime Commissioner for Gwent. 7 - 12
5	To Receive and Answer any Questions to the Police and Crime Commissioner for Gwent. 13 - 14
6	Operational Context and Requirements for the Finance Strategy. 15 - 58
7	Treasury Management Update 59 - 68
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9	Forward Work Programme. 69 - 70
10	Information Only: Performance Framework Quarter 2 71 - 102

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
Cllr Nick Horler, Torfaen County Borough Council

Co-opted Members- Mrs G. Howells and Ms R. Jones.

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 29TH SEPTEMBER 2023 AT 10.00AM

Present:

Mrs G. Howells – Chair

Councillors G. Davies and J. Thomas – Blaenau Gwent County Borough Council
Councillors M. Chacon-Dawson and C. Mann – Caerphilly County Borough Council
Councillor A. Easson – Monmouthshire County Council
Councillors F. Hussain, D. Jenkins and M. Spencer - Newport County Borough Council
Councillors L. Clarkson and N. Horler – Torfaen County Borough Council

Ms R. Jones – Co-opted Member

By invitation:

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 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. DECLARATIONS OF INTEREST

No declarations of interest were declared by Members.

2. APOLOGIES FOR ABSENCE

Apologies were received from Cllrs. C. Forehead and T. Kear, Mr J. Cuthbert, Mr D. Garwood-Pask and Ms Pam Kelly - Chief Constable of Gwent Police.

3. TO APPROVE AND SIGN THE FOLLOWING MINUTES: Gwent Police and Crime Panel held on 23rd June 2023

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 23rd June 2023 (minute no. 1 - 6) be approved as a correct record.

4. GWENT POLICE AND CRIME PANEL INDEPENDENT CO-OPTED MEMBER

The Lead Officer (Mrs. Forbes-Thompson) outlined to Members the recruitment process for appointing a new independent co-opted Member, following the resignation of Mr. P. Nuttall last year, and sought approval of the interview panel's recommendation that Ms. Rhiannon Jones should be appointed. By a show of hands, it was unanimously RESOLVED that Ms. Rhiannon Jones should be appointed independent co-opted Member of the Gwent Police and Crime Panel. The Chair and DPCC formally welcomed Ms. Jones to the Panel and Ms. Jones outlined to the Panel her career as a registered nurse and more recently within the Office of the Chief Nursing Officer.

5. POLICE AND CRIME COMMISSIONER FOR GWENT VERBAL UPDATE

The DPCC read a personal statement from the PCC. The meeting heard how the PCC planned to make a phased return to work after a period of ill-health and had made the decision not to seek re-election at the Police and Crime Commissioner elections in May 2024. It was outlined how the PCC intended to complete his term in office and address the priorities in his Police and Crime Plan. In response the Chair wished the PCC a speedy recovery and thanked OPCC staff for their additional work in his absence.

6. UPDATE BY THE POLICE AND CRIME COMMISSIONER FOR GWENT

The DPCC advised that this update covered the period from July to September and invited questions from Members.

One Member wished to know how long Operation Harley would continue. The DPCC advised that the commitment to tackle illegal off-road biking was long-term but that the duration of specific operations was a matter for the Chief Constable and partner organisations. Another Member highlighted an article he had read on the Police in Newport using seized vehicles for Policing purposes. The DPCC did not have enough information to comment fully on this article but outlined how on occasion seized property had been donated to worthy organisations for recycling purposes. The DPCC also emphasised the importance of reporting hotspots for illegal off-road biking in response to a further question from a Panel Member.

The Chair requested more information on the improvements in 999/101 call-handling. The DPCC outlined how this area was a priority for the Chief Constable and had been raised at a Strategic Partnership Board meeting. Members heard how response times had improved despite a significant increase in demand but that more analysis was needed into abandoned calls. In response to a further question the DPCC advised that callback requests could be included in the rates for abandoned calls. The Head of Strategy advised that BT call data did not currently separate these requests.

A Panel Member enquired about the scrutiny arrangements around stop and search rates. The DPCC provided information on the scrutiny mechanisms and highlighted that the OPCC's Legitimacy Scrutiny Panel was part of this process and the membership included representatives of Gwent Police's Independent Advisory Group. The DPCC observed that more could be done to publicise the scrutiny arrangements around stop and search incidents.

One Member enquired about the ability to differentiate between stop and search incidents in rural and urban settings. Also, between targeted and live incidents. The DPCC highlighted to Members that all incidents of stop and search are reviewed by Gwent Police and advised that the ability to produce a specific data report on the areas raised would have to be checked with data system managers. Members were reminded that there had to be a valid reason for conducting stop and search procedures.

In response to a question on the diversity of the Independent Advisory Group that participated in the review of stop and search incidents, Members were advised that the group was made-up from people from diverse backgrounds.

A Member asked about potential abuse of an elderly person by a carer and the danger of it not being reported for fear of losing the care provided. The DPCC outlined the importance of safeguarding procedures to limit the risk of this happening but also acknowledged the complexity of such issues.

On the issue of public engagement sessions, a Member enquired about the perception of policing amongst younger generations. The Meeting heard how responses had been positive and expectations differed depending on age. Feedback showed that older people wanted more police patrols in the community, whilst younger participants valued easy accessibility to Policing if needed rather than a more visible presence.

The Chair enquired about the availability of data on the effectiveness of Victim Services. The DPCC outlined areas of improvement in terms of performance monitoring.

One Member suggested that Abergavenny Police Station should be termed an Operational Facility instead. The DPCC advised that this matter was the subject of ongoing conversations the OPCC was having with the Chief Constable and the PCP Estates subgroup.

A Member asked if Ystrad Mynach custody suite was now permanently closed leaving only the one unit at Newport Central station. The DPCC advised Members that this was not the case and that the facility at Ystrad Mynach was being refurbished. The Member enquired what was happening to those in custody when the Newport suite had reached full capacity. The Chief Executive advised that procedures were in place with South Wales Police should the situation be critical. Members heard from the DPCC about "Mutual Aid" which referred to the collaboration with other Police Forces in England and Wales and which did involve remuneration for services received, but it did work both ways and Gwent Police also received recompense when providing services to other Forces.

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

One Member wished to know what action can the OPCC take to ensure Gwent Police are adequately equipped to deal with the anti-social behaviour associated with electric dirt/pit bikes and other off-road vehicles? Also, were they aware of any pressure on the UK Government to make legislative changes in this area?

The DPCC outlined the OPCC's awareness of the significant impact this behaviour caused and advised that a formal report on it by the Chief Constable had been requested. When received a sustained plan would be developed around the report's findings. The DPCC advised that this matter was not just a Policing problem and suggested it was also a Community Safety Partnership issue. The Panel heard about existing legislation on these activities, and initiatives such as Operation Harley was also highlighted.

8. PERFORMANCE QUARTER 1

The report was introduced by the DPCC who also thanked the Performance Subgroup for their input and highlighted the reduction in burglaries and victim satisfaction rates to Members.

A Member enquired about the increased rates of anti-social behaviour. During the ensuing discussion it was highlighted how a seasonal element impacted on the data with more incidents reported during summer months when compared to the winter. The Member asked if the OPCC worked with Universities to better understand anti-social behaviour. The DPCC and the Head

of Strategy gave details of collaborative work between Police Forces and Universities in Wales which was being led by Dyfed Powys Police and also the All-Wales Academic Policing Collaboration Group. But it was highlighted that the work was far wider than anti-social behaviour.

One Member requested more information on the shoplifting figures. The DPCC highlighted the impact of lockdown restrictions when comparing current rates with previous years. Members also heard about work on a national level with retailers on how to tackle shoplifting. It was further highlighted that figures showed a good response to the intervention measures in Gwent. The DPCC also outlined how a greater understanding was needed into the relationship between shoplifting and social issues such as the cost-of-living crisis.

A Member enquired about the types of behaviour covered by violent crimes. The Head of Strategy advised that they were classified as with or without injury. Harassment was given as an example of a violent crime without physical injury.

One Member asked if the data on the number of 999 calls were all for genuine emergencies or if they also include non-emergency calls. The Panel heard how an element of the calls received were not genuine but there was also a percentage of accidental calling.

A Member raised the issue of improving community confidence levels. During the ensuing discussion Panel heard about the need to gain an understanding of the driving factors for confidence levels and the possible impact of national issues on these rates. The Member highlighted the need to keep victims of crime updated on their cases and the DPCC advised that this was a priority for the Victims Care Unit.

One Panel Member asked about the possibility of securing Safer Streets funding for the installation of CCTV cameras. Panel heard about ongoing discussions regarding CCTV Cameras, but it was highlighted that there were specific criteria for Safer Streets funding such as ward-based bids and meeting certain funding levels. It was also outlined that the bidding process for this funding had now closed.

9. MTFP AND BUDGET SETTING TIMETABLE

The report was introduced by the DPCC and she highlighted confirmation of the 7% national pay award, the inclusion of vacancy trends within budgeting plans, and the schedule around the Precept Bid from the Chief Constable. In terms of the pay award the DPCC advised that the Home Office would be paying the differential between the negotiated rate and the budgeted cost estimated by each Police Force.

A Member enquired about the possibility of cutting PCSOs (Police Community Support Officers) and asked for information on the SARC (Sexual Assault Referral Centres) programme. The DPCC advised that PCSO levels were currently retained and gave information on the cooperative work with Health partners which was putting victims at the heart of service provision.

10. FORWARD WORK PROGRAMME

The Lead Officer (Mrs. Forbes-Thompson) advised that the next meeting would be on the 15th of December 2023 and the main agenda item would be the presentation from the Chief Constable. Panel were advised that there would also be a presentation on violence against women and girls at this meeting. It was highlighted that the Estates Strategy Update which was due at this meeting was on hold due to officer sickness. During the ensuing discussion on whether this update should now be scheduled for the January or March PCP Meeting, the Chair's opinion was that it should be presented at the meeting on the 26th of January.

Meeting Closed at 12:00 pm.

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Police and Crime Commissioner Update December 2023

This is a selection of activities undertaken, scrutinised or supported by the Office of the Police and Crime Commissioner (OPCC) in September - December 2023.

HMICFRS PEEL Inspection Report

At November's Strategy and Performance Board (SPB), the Chief Constable and her team provided an update on work undertaken since His Majesty's Inspectorate of Constabulary of Fire and Rescue Services' (HMICFRS) PEEL Inspection report was published earlier this year. Good progress has been made against most of the areas for improvement identified by the inspectorate. Between 25-29 September, HMICFRS repeated its victim service assessment to identify and report on any progress Gwent Police had made against several recommendations. It also allowed it to identify and report on progress against other areas of improvement. This included how Gwent Police investigates crime, as well as the way it responds to the public when calls for service are made. As part of this assessment, it reviewed 100 case files and the outcome of each case. It found that Gwent Police:

- Has improved how it assesses risk when the public makes calls for service, including how well it identifies vulnerable and repeat callers.
- Should reduce the number of non-emergency calls abandoned by the caller because they aren't answered, and should improve how promptly it attends incidents.
- Improved how well it investigates crime, including how effectively it follows lines of enquiry and how promptly it carries out investigations.

In addition to this, panel members will be able to see through the performance report the significant improvements made against 999 and 101 performance. An update will be provided at the meeting. The office will continue to require reports from Gwent Police for future SPB meetings in order to ensure that the focus on positive progress is maintained and the areas for improvement are addressed.

KEEP NEIGHBOURHOODS SAFE

Halloween and Bonfire Night

The office supported Gwent Police, partners and communities throughout the half-term break to help tackle anti-social behaviour associated with Halloween and Bonfire Night. The office supported events in Bargoed and Brynmawr, with hundreds of families attending. Both events gave children the opportunity to enjoy trick or treating safely, without potentially disturbing vulnerable members of the community for whom Halloween can be an upsetting time. The office also joined funded partners Positive Futures at an outreach session in Pillgwenlly aimed at educating children on the dangers of fireworks. The session engaged children and young people with different sports and activities, while staff discussed the risks of using fireworks illegally.

Police Community Fund

The office is currently reviewing all the submissions to the Police Community Fund, with decisions due to be made in February. Local groups delivering projects that create more resilient, safer and inclusive communities can bid for grants of £10,000 - £50,000. The office received 12 applications and is already currently funding 12 projects in 2023/24.

Safer Streets

Gwent has been awarded £700,553 from the Home Office's Safer Streets fund to support initiatives that tackle crime in communities. There is very specific criteria for the grant and work was undertaken with partners through the summer to ensure that appropriate bids

were submitted. The money will be split between two projects. The first will focus on neighbourhood crime in areas of Ebbw Vale and Maindee. A second project will improve the safety of women and girls, and support survivors of abuse, by working with Gwent's colleges and universities. The projects will be delivered in partnership with Gwent Police, Blaenau Gwent County Borough Council, Newport City Council, New Pathways and the Office of the Police and Crime Commissioner. The funding will enable Gwent Police to provide more than 2,500 crime prevention packs, including home alarms and property-marking kits, to residents in areas of Ebbw Vale and Maindee. It will also pay for deployable CCTV cameras to help tackle anti-social behaviour.

Women's Pathfinder Whole System Approach and 18-25 Early Intervention Service

The tender process with South Wales OPCC and His Majesty's Prison and Probation Service (HMPPS) to re-commission women's and young people's diversionary services is under way. This service aims to divert people from the criminal justice system and reduced reoffending. They will be supported to find opportunities which enable them to live positive, independent and healthy lives. This is a complex exercise to bring together the OPCCs' Women's Pathfinder and 18-25 services, with the HMPPS-commissioned rehabilitation services and provision for mothers in prison and their children. The tender process is due to be completed in January, with a new provider expected to be in place by April 2024.

COMBAT SERIOUS CRIME

Knife Angel

One year after the Knife Angel came to Newport the city reinforced its commitment to the National Anti-Violence Charter. Knife Angel owners, the British Ironwork Centre, has gifted a plaque to Newport City Council as a symbol of its commitment to the charter and this has been erected at Civic Centre. The 27ft Knife Angel is made from more than 100,000 knives from amnesties across the UK and was displayed in Newport throughout November 2022.

Serious Violence Duty

The Serious Violence Duty working group, led by the OPCC, has continued to oversee the development of the strategic needs assessment, strategy and delivery plan across Gwent and all local authority areas. Work continues on this, with all three due to be published at the end of January. Funding has been agreed for the following range of pilot interventions this year from the fund provided by the Home Office:

- A Serious Violence Prevention Coordinator working in the Grange Hospital and minor injuries unit;
- Expanding the 'Night Ambassadors' working to prevent violence in Newport City Centre;
- The use of violence prevention mentors providing one-to-one support to school children in Torfaen, alongside violence reduction school group sessions; and
- Purchasing knife crime and gang violence prevention resources to enable youth offending teams to deliver one-to-one and family-based prevention and diversion sessions.

These interventions will be assessed in early 2024 in relation to whether they continue using next year's funding, and in line with the new strategy.

SUPPORT VICTIMS AND PROTECT THE VULNERABLE

Domestic Abuse

A new scheme to tackle relationship abuse has been launched with South Wales OPCC, Safer Merthyr Tydfil and Phoenix Domestic Abuse Services. The initiative is an early 'awareness raising' diversionary intervention, targeting alleged first-time, low/standard risk

domestic abuse offenders as part of a conditional caution. Offenders must take part in two one-day workshops, designed to help offenders understand what domestic abuse is, how it impacts on victims and families, and to explore their personal risk factors.

Meanwhile, a police-perpetrated domestic abuse service has gone live and, from January, a new multi-agency partnership team will work with people who have committed domestic abuse to help them tackle their behaviour going forward. Gwent Police has also appointed a Prevent Officer who sits within the Professional Standards Department (PSD) and provides additional support to victims and witnesses. A new independent domestic violence advisor (IDVA) service is also due to go live in April 2024.

Hate Crime

The office held a week-long series of roadshows in Gwent communities to mark Hate Crime Awareness Week. This year's focus was faith-based hate and engagement sessions were held in all of the five counties. Part of the Police and Crime Commissioner's role is to hold the Chief Constable to account for the way that policing services are delivered in Gwent. This includes ensuring that anyone who has dealings with the police are treated equitably and with fairness and respect. Understanding matters surrounding faith and religion is vital for any police service seeking confidence and cohesion within its local communities. In total, the office engaged with more than 400 people during the week.

White Ribbon Day

The office again led and delivered key partnership work on White Ribbon Day this year. White Ribbon is the UK's leading charity engaging men and boys to end violence against women and girls. This year's White Ribbon Day's theme was '#ChangeTheStory', aiming to reverse the narrative that women and girls are responsible for threats to their own safety. In the run-up to White Ribbon Day, the office delivered roadshows at Coleg Gwent campuses in each of Gwent's five counties, as well as five additional events in communities. In total, the team spoke to more than 900 residents and college students encouraging them to pledge their support to ending violence against women and girls, and sign posting them to support services. At the time of writing, the 16 days of action are still ongoing, so more information will be provided in the next panel update.

INCREASE COMMUNITY CONFIDENCE IN POLICING

Black History Month

The office was again pleased to support and fund Black History Cymru 365, and joined the Gwent launch at the Riverfront Theatre and Arts Centre in November. This is Race Council Cymru's year-long celebration of the rich cultural heritage, history and modern-day triumphs of Black people in Wales. It is again sponsored by the four Police and Crime Commissioners in Wales, which included sponsoring the 'Public Services to Wales' prize at the Black History Wales National Youth and Community Awards. Edith Melendez was this year's winner for the hard work she has done for the community. Edith came to this country as an asylum seeker and now, working as a trained translator with the African Community Centre, she works with refugees and asylum seekers to ensure they have access to critical help and support.

The office also supported Race Council Cymru's lecture on Black history at the Senedd, delivered by historian, Professor Olivette Otele. A Newport resident, Professor Otele delivered an educational presentation on 'Foremothers', looking at the impact that Black women have made to society. Attendees also heard impactful speeches from the First Minister, Mark Drakeford, and the Minister for Social Justice, Jane Hutt. They spoke about the importance of creating an anti-racist Wales. The office shares this commitment, having played an active role with partners in Criminal Justice Wales to develop and implement a

dedicated anti-racism action plan last year. The Senedd event was also attended by representatives from Cwmbran Centre for Young People (CCYP). The OPCC funds CCYP to provide an evening youth club during the week and, as part of these sessions, it ran a month of activities centred around Black history.

The office also sponsored the National Black Police Association conference. This was an opportunity to further support Gwent's Black officers and police staff, as well as listening and learning from policing colleagues and speakers from across the UK, including Dr Stuart Lawrence who spoke movingly on the life and legacy of his brother Stephen.

Child-Centred Policing

The office has been awarded the Children and Young People's Participation Standards Charter for a second time. The charter recognises the OPCC's continued commitment to ensuring the seven National Participation Standards are followed when working with children and young people.

Work with pupils in schools continues, with the office visiting three Heddlu Bach Mini Police schemes in Caerphilly, Monmouthshire and Torfaen. Building trust between young people and the police is essential. The Heddlu Bach scheme helps achieve this while giving children the opportunity to make new friends and develop new skills that will benefit them for the rest of their lives. The office has also continued to deliver Safe Spaces workshops to children at 11 schools in the last two months. These sessions encourage children to talk about areas where they feel safe and unsafe in their communities, and the information is fed back to the local policing team and other partners.

The office joined Gwent Police and Newport Youth Justice Service for a 'Crimes and Consequences' workshop at Ysgol Gyfun Gwent Is Coed. The workshop was part of a six-week education diversion project to inform young people about the dangers and risks of negative behaviours. Diversion and education are key drivers to prevent young people from entering the criminal justice system. During the session, pupils discussed the consequences of criminal behaviour and the impact of anti-social behaviour. Future sessions will include presentations about drug awareness from Gwent Drug and Alcohol Service, plus county lines and exploitation by St Giles Trust.

The office has started planning for its sixth annual Youth Question Time. Launched in 2019, Youth Question Time gives young people an opportunity to ask the Commissioner, Chief Constable, and some public sector leaders questions that matter to them. The event is co-produced between the office and local youth groups. Engagement sessions were run 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 violence against women and girls. This feedback will help to shape the event which will take place in February.

DRIVE SUSTAINABLE POLICING

Awards

Gwent Police's annual Force Awards was held in November, with Deputy Police and Crime Commissioner Eleri Thomas presenting several awards to officers and volunteers who have gone above and beyond what is required of them in the line of duty. 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. The Force Awards are an opportunity to thank police officers and staff for all they do to help keep communities safe.

Budget Setting

As part of the budget setting process, the office has been busy engaging with residents about the budget, with a digital survey online complemented by 25 planned engagement sessions (five in each borough) during October-January. This work is ongoing and more details will be reported to the panel in January's meeting.

Complaint Reviews

To date in 2023/24, we have received 21 requests for a review of a police complaint. One review was not valid, one was withdrawn, and one was upheld with feedback provided to PSD for officers in relation to their use of stop and search. In total, 18 reviews were not upheld as the office determined PSD had provided a reasonable and proportionate outcome to the complainant.

Estates

A steel signing ceremony was held to mark a key milestone in the construction of the new police base in Abergavenny. The new facility in Llanfoist is due to open in spring 2024, and will house neighbourhood policing and response teams. Its location will give police and community support officers easy access to the town centre on foot, while response cars will have good access to local road networks. As part of the project, staff from Willmott Dixon, the company building the facility, worked with pupils at Llanfoist Fawr and Llanvihangel Crucorney primary schools to design and build giant tetrahedrons. The workshops are a great way for children to have fun while learning about engineering.

Independent Custody Visitors (ICVs)

The office has achieved a Silver Award for its ICV scheme. Work has been ongoing to evidence where compliance is met and exceeded against the Independent Custody Visiting Association's performance framework. This is an improvement from the 'Code Compliant' status that the office was given in the previous assessment period. The office has also appointed five new ICVs following a recruitment campaign over the summer.

Joint Audit Committee (JAC)

CIPFA published an updated guide for police audit committees. This has been reviewed and the JAC terms of reference updated as appropriate. The main area of change has been in relation to fraud and an increase in the information that the JAC will receive to ensure it is able to provide assurance to the Chief Constable and Commissioner that there are adequate arrangements in place in relation to this area of business.

Strategy and Performance Board

The quarterly Strategy and Performance Board took place in November. The office scrutinised reports and presentations relating to the HMICFRS PEEL inspection report, victims services, and issues connected to off-road biking among other matters. The Chief Constable also presented her budget bid which will be considered when setting the precept level for 2024/2025. The reports are available on the OPCC website.

Statement of accounts

Both the OPCC and Gwent Police sets of accounts have now been scrutinised by the JAC and have been signed by relevant officers and Audit Wales. It is reassuring to note that, following this auditing process, an unqualified audit opinion was received and there are no areas of concern that need to be raised with the panel.

Vetting Scrutiny Panel

PSD has established a Vetting Scrutiny Panel, which includes representation from the OPCC. The first panel meeting took place during November with a random sample of

vetting cases reviewed. Feedback on the cases has been provided. The panel will continue to be developed going forward.

Welsh Affairs Select Committee

In a one-off evidence session, the Welsh Affairs Committee was attended by Deputy PCC Eleri Thomas and the three PCCs of Wales other three police forces. The Welsh Affairs Committee is responsible for scrutinising the expenditure, administration and policies of the Wales Office, and the policies of the UK Government as a whole that have an impact in Wales. The positive session explored many topics related to policing, including operational independence, how forces are tackling key crime issues and how adequate the existing funding arrangements are for police forces in Wales. This hearing built on evidence from the Police Chief Constables when they appeared before the Committee in July, where they discussed a range of issues, including force performances, police-public relations, and operational challenges.

Gwent Police and Crime Panel

Questions to the Gwent Police and Crime Commissioner – 15th December 2023

Panel Member	Question
Gill Howells	<p>There is a significant amount of funding from the OPCC towards Victim Support and Diversionary Activity.</p> <p>Please can you provide a high level breakdown of the funding provided to organisations in both these areas and the numbers of individuals that received support from these organisations during 2022/23. To support this please can you provide the key achievements which illustrates the effectiveness of the funding to these organisations in line with the measure outlined in the Police and Crime Plan?</p>

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APPENDIX A

OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR GWENT

Treasury Management Strategy 2024/25 to 2026/27

1 INTRODUCTION

- 1.1 Treasury Management is the management of cash flows, banking, money market and capital market transactions; the management of the associated risks, and the pursuit of the optimum performance or return 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 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 2024/25, 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 30th September 2025, providing a selection of actual prudential and treasury indicators.

- 1.5 The Treasury Management Strategy for 2024/25 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 2024/25 to 2026/27

- 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. Currently, there is no grsnt available from the Government for capital expenditure so any decisions by the Commissioner 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. 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:

First Prudential Indicator - Estimates of Capital Expenditure					
	2023/24 Original £000's	2023/24 Revised £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's
Capital Expenditure	23,902	21,090	19,751	11,282	17,830
Financed by:					
Capital Receipts	0	0	0	0	0
Capital Grants and PIF Grants	14	93	178	0	0
Reserves	6,662	14,846	0	0	0
Revenue	6,226	6,151	7,573	7,282	7,330
Net Financing Need for the Year	11,000	0	12,000	4,000	10,500

- 2.3.7 The above financing need excludes other long-term liabilities, leasing arrangements which already include borrowing instruments. The table above identifies the financial requirements for the delivery of the Commissioner's Estate Strategy, which includes the continued development of the 'Hub and Spoke' model for operational policing, a new Joint Firearms Range in collaboration with South Wales Police and Dyfed Powys Police, and investment in a future custody facility resulting in a borrowing need from 2024/25 onwards. During 2024/25, the Capital Programme will be funded from a combination of 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. lease arrangements) 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:

Second Prudential Indicator - the Capital Financing Requirement (CFR)					
	2023/24	2023/24	2024/25	2025/26	2026/27
	Original	Revised	Estimate	Estimate	Estimate
	£000's	£000's	£000's	£000's	£000's
Opening CFR	0	0	0	13,117	16,370
Capital Spend	23,902	21,090	19,751	11,282	17,830
Movement In finance lease liability	0	0	1,117	(267)	(181)
Resources Used	(12,902)	(21,090)	(7,751)	(7,282)	(7,330)
MRP	(440)	0	0	(480)	(160)
Closing CFR	10,560	0	13,117	16,370	26,529

2.4.4 The adoption of International Financial Reporting Standard (IFRS) 16 – 'Accounting for Leases' should have commenced at the 1st 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 1st April 2022 but was delayed a further two years and will now commence 1st April 2024. The table above shows the impact of the implementation of IFRS 16 with a net increase in the financial lease liability of £849,421. This represents the initial recognition of £1,116,891 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 7th November 2023 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 2025/26. 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 2024/25:

- (i) For all capital expenditure incurred before 1st 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 1st 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.

*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					
	2023/24 Original %	2023/24 Revised %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %
Ratio	0.43%	0.00%	(0.05%)	0.49%	0.74%

- 5.3 The estimates of financing costs include current commitments and the proposals in the budget report. The ratio turns positive in 2025/26 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			
	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
Increase	2.95	2.88	2.12

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 31st October 2023, 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.

Borrowing Position					
	2023/24 Original £000's	2023/24 Revised £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's
External Debt					
Debt at 1st April	0	0	0	12,000	16,000
Expected Change in Debt	11,000	0	12,000	4,000	10,500
Other Long Term Liabilities (Finance Lease Liability - IFRS16) at 1st April	0	0	1,116	849	668
Expected Change in OLTL	0	0	(267)	(181)	(194)
Gross Debt at 31st March	11,000	0	12,849	16,668	26,973
Capital Financing Requirement at 31st March	10,560	0	12,849	16,188	26,334
Under/(Over) Borrowing	(440)	0	0	(480)	(640)

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

Impact on Revenue Budgets					
Revenue Budget Heading	2023/24 Original £000's	2023/24 Revised £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's
Interest on Borrowing	653	0	668	814	1,104
Investment Income	(400)	0	(750)	(415)	(373)
Net Police Fund Borrowing Cost	253	0	(82)	399	731

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 2024/25 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					
	2023/24 Original £000's	2023/24 Revised £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's
Gross Debt	11,000	0	12,849	16,668	26,973
Investments	(14,277)	(9,860)	(10,071)	(10,186)	(10,396)
Net Borrowing	(3,277)	(9,860)	2,778	6,482	16,577
Capital Financing Requirement	10,560	0	12,849	16,188	26,334
Gross Debt <= CFR	No	Yes	Yes	No	No

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					
	2023/24 Original £000's	2023/24 Revised £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's
Debt	11,000	0	12,000	16,000	26,500
Other Long Term Liabilities	0	0	1,116	668	473
Net Borrowing	11,000	0	13,116	16,668	26,973

- 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					
	2023/24 Original £000's	2023/24 Revised £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's
Debt	11,550	0	12,600	16,800	27,825
Other Long Term Liabilities	0	0	1,116	668	473
Working Capital Requirement	679	(5,491)	(5,491)	(5,491)	(5,491)
Authorised Limit	12,229	(5,491)	8,225	11,977	22,807

- 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.
- 7.5 The working capital requirement for 2023-24 onwards is a snap-shot based on the 2022-23 actuals but is subject to change as cash flows from debtors and creditors come in/out, respectively, during the financial year. As such, the Commissioner will review the Authorised Limit prior to arranging any borrowing to ensure that the authorised Limit reflects current information and, if necessary, approve any amendments.

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.

Interest Rate Forecasts								
Bank Rate	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Link	5.25%	5.25%	5.25%	5.00%	4.50%	4.00%	3.50%	3.25%
Cap Econ	5.25%	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%
5Y PWLB RATE								
Link	5.00%	4.90%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%
Cap Econ	5.10%	4.90%	4.70%	4.50%	4.20%	4.20%	4.10%	4.00%
10Y PWLB RATE								
Link	5.10%	5.00%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%
Cap Econ	5.10%	4.90%	4.70%	4.50%	4.30%	4.30%	4.30%	4.30%
25Y PWLB RATE								
Link	5.50%	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.20%
Cap Econ	5.40%	5.10%	4.90%	4.60%	4.40%	4.50%	4.60%	4.70%
50Y PWLB RATE								
Link	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.10%	4.00%
Cap Econ	5.20%	5.00%	4.80%	4.60%	4.40%	4.50%	4.50%	4.60%

- 8.2 The Monetary Policy Committee (MPC) voted (6:3) to keep the Bank Rate at 5.25% during the November 2023 meeting. Furthermore, in the November Quarterly Monetary Policy Report the Bank revised down its Q3 and Q4 GDP forecasts for this year and its annual forecast for 2024 from 0.4% to 0.0% (2023 stayed at 0.5%). In terms of messaging, the Bank once again said that “further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures”, citing the rise in global bond yields and the upside risks to inflation from “energy prices given events in the Middle East”. A new addition to the statement, underlining the commitment to policy maintenance, said that the “MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time”. In terms of forecasts, the modal (ie most likely) view on inflation is 1.9% two years ahead and 1.5% in three years' time. However, after adjusting for risk, the mean forecast is now 2.2% in 2 years and 1.9% in 3 years. These were fractionally higher than those of August. On growth, the projections were revised lower for the second half of this year (although 2023 as a whole was unchanged at 0.5%) while that for 2024 was dropped from 0.4% to 0.0%. Overall, the meeting underlined market views that policy rates have peaked, given there was little in the report to counter the previously held view that the Committee has a greater tolerance to upside data surprises. However, while the next move is expected to be a cut, this may not materialise until the latter stages of 2024, with Bailey reiterating that it was “much too early to be thinking about rate cuts”.
- 8.3 In terms of market reaction, gilt yields pulled lower, while market rate expectations for the second half of next year also eased, given that many believe that the economic outlook painted by the Bank remains too optimistic. Inflation figures have come in modestly lower than market expectations during November. The headline 4.6% annual rate was the lowest since October 2021, with the decline primarily driven by falls in housing and household services (which includes energy bills, reflecting energy price cap reduction alongside sharp falls in gas and electricity prices compared to a year earlier), food and non-alcoholic beverages, and restaurants and hotels, with recreation and culture the only large positive contribution. Core CPI and services CPI (a key consideration for the MPC) also fell by more than expected.
- 8.4 The Office for National Statistics has released its reformatted employment figures, citing that previous iterations were becoming less relevant due to low response numbers. At the headline level, the figures showed that the

unemployment (claimant count) rate remained at 4.0% in October, while adjusting this using additional data points puts the figure at 4.2% for the July-September period, again unchanged from its previous reading. On wages, overall weekly average earnings dropped from 8.1% to 7.9%, which was stronger than market expectations of a fall to 7.3%, while excluding bonuses, the rate fell from an upwardly revised 7.9% to 7.7%, as markets had expected. A range of MPC members took to the floor, all reiterating the "higher for longer" mantra that has been central to policymaker commentary in recent times.

- 8.5 In the US, the annual core consumer price inflation rate, which excludes volatile items such as food and energy, edged down to an over two-year low of 4% in October, from 4.1% in the prior month, while markets had expected it to remain steady at 4.1%. Meanwhile, headline consumer prices were unchanged in October, after rising 0.4% in September and compared with market expectations of a 0.1% increase. This left the annual rate at 3.2%, down from 3.7% previously and modestly below market expectations of a 3.3% reading.
- 8.6 ECB's Guindos warned that consumer price growth may pick up again temporarily, though its prevailing direction is downwards. He also said that the Eurozone economy will stay subdued for now though it should then strengthen again, while there are signs that the labour market is starting to weaken. Elsewhere, ECB's Villeroy said the ECB's decision to halt interest rate increases at its October meeting is fully justified by a slowdown in inflation. However, Holzmann and Wunsch reminded markets that the need for further hikes should not be discounted, while Nagel also said that it is still unclear whether rates have peaked.
- 8.7 Japanese growth weakened sharply in Q3, contracting 0.5% compared to an average gain of 1% per quarter across the first half of the year. The figure was somewhat below market expectations of a 0.1% decline. Meanwhile, Chinese activity data showed some modest resilience in the economy as Q4 kicked off. Retail sales bounced to 7.6% (year-on-year) but much of the "gain" reflected base effects as many cities went into lockdown during October of 2022. Also, the Chinese central bank kept its 1yr and 5yr Loan Prime Rates unchanged at today's fixings.

9. BORROWING STRATEGY 2024/25 – 2026/27

- 9.1 The uncertainty over future interest rates increases the risks associated with treasury activity. Investment returns are likely to decrease slightly towards the latter part of 2024-25 due to the decreasing amount of capital to invest. 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 shorter 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 2024/25 it is predicted there will be debt as the CFR exceeds the internal resources utilised funding 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 2024/25 – 2026/27

- 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. The changes to the CIPFA Treasury Management (TM) Code 2021 has incorporated environmental, social and governance (ESG) factors into Treasury Management Practice 1 as follows:

“The organisation’s credit and counterparty policies should set out its policy and practices relating to ESG considerations. This is a developing area, and it is not implied that the organisation’s ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.”

To satisfy the TM Code 2021 recommendation the Police and Crime Commissioner will consider environmental, social and governance (ESG) issues in its treasury management policies when investing. ESG scoring or other real-time ESG criteria will not be included until further clarification is provided by CIPFA .

- 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) 0.009% 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 31st December 2021.

10.7 The security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.009%	0.009%	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. Then Commissioner will also consider ESG factors when considering counterparties. 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:

	Fitch (or equivalent)	Money Limit	Time Limit
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 31st March 2024. The contract allows three extensions, the first extension has been approved and the next extension is due on the 1st April 2024.

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		
	2024/25 Estimated +1% £000's	2024/25 Estimated -1% £000's
Interest on Borrowing	120	(120)
Investment Income	143	(143)

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.

	2024/25	2025/26	2026/27
Interest rate Exposures			

	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	35%	35%	35%
Maturity Structure of fixed interest rate borrowing 2024/25			
	Lower	Upper	
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%	
Maximum principal sums invested > 364 days			
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 %
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Maximum proportion of interest on borrowing which is subject to variable rate interest	35 %
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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:

On Balance Sheet	Fixed	Variable
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

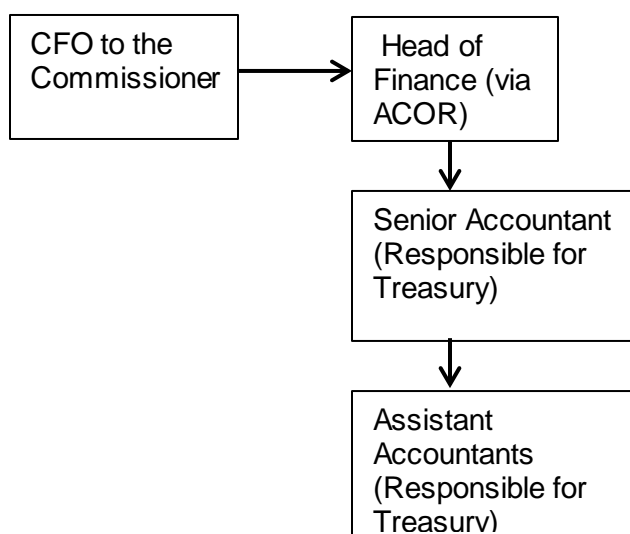
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- 5.6 List of approved brokers**
- 5.7 Policy on brokers' services**
- 5.8 Policy on taping of conversations**
- 5.9 Direct dealing practices**
- 5.10 Settlement transmission procedures**
- 5.11 Documentation requirements**

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 30th 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 30th 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 31st March 2024; 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),
6th 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) Link ATS;
- c) Tullett Prebon;
- d) Tradition UK Limited;
- e) ICAP; and
- f) 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.

<u>OFFICE OF THE POLICE & CRIME COMMISSIONER</u>	
TITLE:	Treasury Management Update Report
DATE:	7th December 2023
TIMING:	Routine
PURPOSE:	For monitoring
1.	<u>RECOMMENDATION</u>
1.1	To consider the Treasury Management Activity for the period 1 st April 2023 to 30 th September 2023.
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	Treasury Management Activity is reported twice yearly to Joint Audit Committee (JAC) members. This is the first Treasury Management Activity report for 2023/24.
2.2	Treasury Management Activity includes investment and borrowing transactions.
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	<u>INVESTMENTS</u>
3.1.1	<p>Appendix 1 summarises fixed investments on deposit with counterparties as at 30th September 2023. The listing shows that the Police and Crime Commissioner's (PCC's) current fixed investment portfolio totals £39m. On maturity these deposits will earn an average rate of return of 4.90%, which will amount to £1.282m 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 30th September 2023. The listing shows a current MMF portfolio of £2.5m, invested in a triple-A rated funds. The current yield is 5.29%, which will provide an estimated annual interest return of £0.132m 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 5.14% which is not much lower than the current MMF investments available but provides more flexibility in terms of accessing funds.</p>

3.1.2	<p>The current investment portfolio composition is shown in Table 1 below:</p> <p><u>Table 1</u></p> <table><tr><th><u>Counterparty</u></th><th><u>Deposit £'m</u></th><th><u>Portfolio %</u></th></tr><tr><td>UK Debt Management Office</td><td>0.00</td><td>0.00</td></tr><tr><td>Banks & Building Societies – Call Account</td><td>2.00</td><td>4.70</td></tr><tr><td>Banks & Building Societies – Fixed</td><td>8.00</td><td>18.30</td></tr><tr><td>Local Authorities - Fixed</td><td>31.00</td><td>71.30</td></tr><tr><td>Money Market Funds</td><td>2.50</td><td>5.70</td></tr><tr><td></td><td>43.50</td><td>100.0</td></tr></table>	<u>Counterparty</u>	<u>Deposit £'m</u>	<u>Portfolio %</u>	UK Debt Management Office	0.00	0.00	Banks & Building Societies – Call Account	2.00	4.70	Banks & Building Societies – Fixed	8.00	18.30	Local Authorities - Fixed	31.00	71.30	Money Market Funds	2.50	5.70		43.50	100.0
<u>Counterparty</u>	<u>Deposit £'m</u>	<u>Portfolio %</u>																				
UK Debt Management Office	0.00	0.00																				
Banks & Building Societies – Call Account	2.00	4.70																				
Banks & Building Societies – Fixed	8.00	18.30																				
Local Authorities - Fixed	31.00	71.30																				
Money Market Funds	2.50	5.70																				
	43.50	100.0																				
3.1.3	<p>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.</p>																					
3.1.4	<p>No single fixed term deposit exceeds a time limit of 364 days. As at the 30th September 2023 there is one deposit, which on maturity will have been on deposit for 364 days. This is with Warrington Borough Council amounting to £3,000,000 and on maturity will generate interest of £124,158.90. There are no active fixed investments with Thurrock Borough Council.</p> <p>The average maturity of fixed term investments as at the 30th September 2023 was 242 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 £10m for UK Banks and £15m for Local Authorities. The most invested with one, single counterparty is £13m with Cornwall Council.</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 30th September 2023 was 5.25%, which is just above the average rate of return of 4.90% on the current investment portfolio due to having 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 1st April 2023 to 30th September 2023. Investment interest earned on matured deposits during this period totalled £0.228m on a cash basis. The average rate of return on these deposits was 1.213% which is an improvement on the 2022-23 equivalent figure of 0.196%</p> <p>Table 2 below details the movement in money market funds during the period 1st April 2023 to 30th September 2023. Funds earned an average daily rate of return of 1.28% over this period.</p>																					

Table 2

Counterparty	Ave Daily Rate %	Fund b/fwd £'000	Transfers In £'000	Transfers Out £'000	Fund c/fwd £'000	Interest Rec £'000
Blackrock	4.47	0	16,000	(16,000)	0	45.79
BNP Paribas	4.78	3,000	6,000	(9,000)	0	110.20
Goldman Sachs	4.87	0	2,000	(2,000)	0	3.47
HSBC	4.73	0	12,000	(12,000)	0	22.71
Invesco	4.96	0	17,000	(14,500)	2,500	57.16
Morgan Stanley	4.88	0	14,000	(14,000)	0	31.90
Totals	28.69	3,000	67,000	(67,500)	2,500	271.23

Average daily rate of return % **4.78**

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

Table 3

Instant Access Scheme	Ave rate %	Fund B/fwd	Transfer In £'000	Transfer Out £'000	Fund C/fwd	Interest Rec £'000
Bonus Account	5.14	2,000	0	0	2,000	47.04

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
3.2.1

BORROWING

The borrowing position and portfolio as at 30th September 2023 is shown in Table 4 below:

Table 4

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

3.2.2

No new borrowing has been taken out during the period 1st April 2023 to 30th September 2023.

4.	<u>NEXT STEPS</u>
5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	These are detailed in the report.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no staffing/personnel implications arising from this report.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	There are no legal implications arising from this report.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
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.
9.	<u>RISK</u>
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.
10.	<u>PUBLIC INTEREST</u>
10.1	This is a public document.
11.	<u>CONTACT OFFICER</u>
11.1	Har Ping Boey – Senior Accountant.
12.	<u>APPENDICES</u>
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.

Police and Crime Commissioner for Gwent

Fixed Investments as at 30th September 2023

Borrower	Principal (£)	Interest Rate %	Interest at Maturity (£)	Start Date	Maturity Date	Days
WARRINGTON BOROUGH COUNCIL	3,000,000	4.15	124,158.90	07/02/23	06/02/24	364
CONWY COUNTY BOROUGH COUNCIL	1,500,000	4.40	40,504.11	21/03/23	31/10/23	224
GLOUCESTER CITY COUNCIL	1,500,000	4.35	40,043.84	21/03/23	31/10/23	224
CONWY COUNTY BOROUGH COUNCIL	4,000,000	4.40	142,246.58	11/04/23	31/01/24	295
EASTBOURNE BOROUGH COUNCIL	4,000,000	4.40	126,334.25	11/04/23	29/12/23	262
CORNWALL COUNCIL	4,000,000	4.20	104,021.92	18/04/23	30/11/23	226
LLOYDS BANK CORPORATE MARKETS	3,000,000	5.62	126,565.48	07/06/23	07/03/24	274
CORNWALL COUNCIL	5,000,000	4.95	124,767.12	25/07/23	25/01/24	184
CORNWALL COUNCIL	4,000,000	5.15	137,709.59	27/07/23	27/03/24	244
DERBYSHIRE COUNTY COUNCIL	4,000,000	5.45	145,731.51	25/08/23	25/04/24	244
SMBC BANK INTERNATIONAL PLC	2,000,000	5.45	27,473.97	03/07/23	03/10/23	92
LLOYDS BANK CORPORATE MARKETS	3,000,000	6.32	142,849.32	03/07/23	03/04/24	275
Total Investments	39,000,000	4.90	1,282,406.59			242
		Average				Average

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Police and Crime Commissioner for Gwent

Money Market Investments as at 30th September 2023

Borrower	Closing Balance (£)	Average Yield (%)	Est Annual Interest (£)
Invesco Sterling	2,500,000	5.29	132,250.00
Total Investments	2,500,000	5.29	132,250.00

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Analysis of Fixed Investments Made and Repaid

Date	Borrower	Rate %	Terms	Loans Made £	Loans Repaid £	Interest Rate Received %	Int Received £	Maturity date
April 2023	Balance b/f			35,000,000				
Loans made								
11-04-23	CONWY COUNTY BOROUGH COUNCIL	4.400	Fixed	4,000,000				31-01-24
11-04-23	EASTBOURNE BOROUGH COUNCIL	4.400	Fixed	4,000,000				29-12-23
18-04-23	CORNWALL COUNCIL	4.200	Fixed	4,000,000				30-11-23
Loans repaid								
25-04-23	THURROCK BOROUGH COUNCIL				6,000,000	0.250	14,958.90	
28-04-23	CONWY				9,000,000	2.100	141,361.64	
May 2023								
Loans made								
Loans repaid								
June 2023								
Loans made								
07-06-23	LLOYDS BANK CORPORATE MARKETS	5.620	Fixed	3,000,000				07-03-24
Loans repaid								
July 2023								
Loans made								
25-07-23	CORNWALL COUNCIL	4.950	Fixed	5,000,000				25-01-24
27-07-23	CORNWALL COUNCIL	5.150	Fixed	4,000,000				27-03-24
03-07-23	SMBC BANK INTERNATIONAL PLC	5.450	Fixed	2,000,000				03-10-23
03-07-23	LLOYDS BANK CORPORATE MARKETS	6.320	Fixed	3,000,000				03-04-24
Loans repaid								
25-07-23	SLOUGH BOROUGH COUNCIL				5,000,000	2.20000	109,698.63	

Date	Borrower	Rate %	Terms	Loans Made £	Loans Repaid £	Interest Rate Received %	Int Received £	Maturity date
August 2023								
Loans made 25-08-23	DERBYSHIRE COUNTY COUNCIL	5.450	Fixed	4,000,000				25-04-24
Loans repaid 25-08-23	THURROCK BOROUGH COUNCIL				4,000,000	0.30000	11,967.12	
September 2023								
Loans made								
Loans repaid								
				68,000,000	24,000,000		277,986.29	
	Balance C/F				44,000,000			
	Average rate of interest received April to Oct	5.104				1.213		

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.

GWENT POLICE AND CRIME PANEL FORWARD WORK PROGRAMME 2023/24

Meeting Date	Items – Theme
15th Dec 2023	PCC Update
	Panel Questions to PCC (if submitted)
	Operational Context and Requirements for the Finance Strategy
	Treasury Management update
	Briefing on violence against women and girls- presentation
	Performance Framework Q 2 (Information Report)
Meeting Date	Items – No Theme – Precept meeting
26 Jan 2024	Panel Questions to PCC (if submitted)
	Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal
	PCP Recorded Complaints Report
	Estates Strategy Update
Meeting Date	Items – Theme
15th March 2024 – subject to Pre-election period	PCC Update
	Panel Questions to PCC (if submitted)
Proposed Meeting Dates	Items – Theme
28 th June 2024	
27 th Sept 2024	
13 th Dec 2024	
31 st Jan 2025	
28 th March 2025	
	Date to be confirmed
	We Don't Buy Crime Initiative
2024	Complaints

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PCCs Quarterly Performance Monitoring Report

Quarter 2 2023 / 2024

Introduction

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 2 of the financial year 2023/24.

The scrutiny and monitoring of force performance take place in a variety of forms. 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. Members of the OPCC also observe and participate in boards and meetings as a critical friend, specific reports and briefings are requested as required, and the PCC has weekly one-to-one meetings with the CC to discuss matters arising and any areas of particular concern.

The Police and Crime Plan Priorities

Keep Neighbourhoods
Safe

Combat Serious Crime

Support Victims and
Protect the Vulnerable

Increase Confidence
in Policing

Drive Sustainable
Policing

Overview - Highlights and Areas of Focus

Highlights

- We were pleased that upon reinspection by HMICFRS, the Cause for Concern and Areas For Improvement (AFIs) linked to the victim service assessment, the force control centre and investigation standards have been met. Gwent Police were praised for the significant improvements made. Scrutiny of this and wider inspection recommendations continue through the Commissioner's Strategy and Performance Board.
- Performance of time taken from despatch to arrival at scenes has improved.
- Residential Burglary continues a downward trend.
- Positive Outcome rates have improved again in Q2 and showing an upward trend, with a reduction in 'Outcome 16' (victim withdrawing support)

Areas of Focus

- Stop search and in particular strip searching of children during stops is now a keen area of focus for scrutiny.
- Acquisitive Crime increases such as shoplifting and vehicle crime continue to remain high, with the potential effects of the cost-of-living crisis.
- Anti-social behaviour has been a significant feature of recent engagement with the public and town and county/borough councils. Including levels of off-road biking.

All Incidents Updated for Quarter 2 2023-24

These tables provide a breakdown of the 'incidents' that Gwent Police have to manage on an annual and quarterly basis. For ease they are broken down into 4 main incident categories (ASB, Crime, Public Safety and Transport), albeit some incidents can be categorised in any of them so there is some crossover between them.

These 4 incident categories can be further broken down into over 200 different incident types. The top 5 for each main category are shown to the left. These tend to be consistent year on year, other than 2020/21 and 2021/22 when Covid lockdown enforcement meant that COVID related ASB was a top category of ASB.

All Incidents	2019-20	2020-21	2021-22					2022-23					2023-24			Quarterly % Change
	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total	
Public Safety and Welfare	53,971	48,139	12,992	13,274	12,427	12,389	51,082	12,607	14,644	13,776	14,225	55,252	17,804	17,017	34,821	-4%
Crime Related	51,564	44,584	11,929	12,146	11,375	11,029	46,479	12,525	13,742	12,352	12,236	50,855	13,878	13,849	27,727	0%
Transport	31,741	23,678	6,791	6,807	6,360	5,778	25,736	5,682	6,099	5,895	6,018	23,694	6,727	6,616	13,343	-2%
Anti-Social Behaviour	11,236	28,621	4,726	3,562	2,883	2,813	13,984	2,954	2,889	2,220	2,608	10,671	3,524	3,484	7,008	-1%
Admin	30,970	31,690	8,196	8,707	7,674	6,971	31,548	7,297	7,746	6,933	6,958	28,934	7,721	8,149	15,870	6%
Open Log	610	1,031	285	308	227	283	1,103	415	239	185	194	1,033	223	288	511	29%
Total	180,092	177,743	44,919	44,804	40,946	39,263	169,932	41,480	45,359	41,361	42,239	170,439	49,877	49,403	99,280	-1%
% change since previous year		-1.30%					-4.39%					0.30%			-42%	

Closing Category 1 Incident Sub Categories 2020-21			Incident Sub Categories 2021-22			Incident Sub Categories 2022-23			Incident Sub Categories 2023-24		
Closing Category 1	Closing Category 2	Total	Closing Category 2	Total		Closing Category 2	Total		Closing Category 2	Total	
ANTI SOCIAL BEHAVIOUR	ASB - COVID19	16,574	ASB - NUISANCE	6,612		ASB - NUISANCE	6,066		ASB - NUISANCE	4,621	
	ASB - NUISANCE	6,446	ASB - PERSONAL	1,862		ASB - ENVIRONMENTAL	1,559		VIOLENCE AGAINST THE PERSON	740	
	ASB - ENVIRONMENTAL	1,830	ASB - ENVIRONMENTAL	1,594		VIOLENCE AGAINST THE PERSON	1,152		ASB - ENVIRONMENTAL	639	
	ASB - PERSONAL	1,820	ASB - COVID19	1,185		ASB - PERSONAL	955		ASB - PERSONAL	528	
	VIOLENCE AGAINST THE PERSON	837	VIOLENCE AGAINST THE PERSON	1,174		CRIMINAL DAMAGE	272		CRIMINAL DAMAGE	133	
CRIME RELATED	VIOLENCE AGAINST THE PERSON	20,906	VIOLENCE AGAINST THE PERSON	21,752		VIOLENCE AGAINST THE PERSON	24,903		VIOLENCE AGAINST THE PERSON	13,435	
	THEFT AND HANDLING	7,299	THEFT AND HANDLING	7,746		THEFT AND HANDLING	8,922		THEFT AND HANDLING	5,241	
	CRIMINAL DAMAGE	5,704	CRIMINAL DAMAGE	6,355		CRIMINAL DAMAGE	6,403		CRIMINAL DAMAGE	3,164	
	BURGLARY	2,516	BURGLARY	2,222		BURGLARY	2,278		BURGLARY	1,095	
	FRAUD AND FORGERY	1,038	SEXUAL OFFENCES	1,133		SEXUAL OFFENCES	1,315		SEXUAL OFFENCES	661	
PUBLIC SAFETY & WELFARE	CONCERN FOR SAFETY	14,261	ABANDONED CALL	14,318		ABANDONED CALL	17,953		ABANDONED CALL	13,595	
	ABANDONED CALL	11,449	CONCERN FOR SAFETY	14,200		CONCERN FOR SAFETY	13,351		CONCERN FOR SAFETY	6,468	
	DOMESTIC INCIDENT	3,898	MISSING PERSONS	3,925		MISSING PERSONS	4,436		SUS CIRCUM/INSEC PREMISES/VEH	3,764	
	SUSPICIOUS CIRCUMSTANCES/IN	3,608	DOMESTIC INCIDENT	3,895		SUS CIRCUM/INSEC PREMISES/VI	4,117		MISSING PERSONS	2,866	
	MISSING PERSONS	2,968	SUSPICIOUS CIRCUMSTANCES/IN	3,712		DOMESTIC INCIDENT	3,529		DOMESTIC INCIDENT	1,986	
TRANSPORT	ROAD RELATED OFFENCE	11,607	ROAD RELATED OFFENCE	11,429		ROAD RELATED OFFENCE	10,036		ROAD RELATED OFFENCE	5,978	
	HIGHWAY DISRUPTION	7,436	HIGHWAY DISRUPTION	8,472		HIGHWAY DISRUPTION	7,549		HIGHWAY DISRUPTION	4,345	
	RTC DAMAGE ONLY	3,610	RTC DAMAGE ONLY	4,719		RTC DAMAGE ONLY	4,997		RTC DAMAGE ONLY	2,453	
	RTC DEATH/INJURY	583	RTC DEATH/INJURY	708		RTC DEATH/INJURY	679		RTC DEATH/INJURY	351	
	VIOLENCE AGAINST THE PERSON	66	VIOLENCE AGAINST THE PERSON	77		POLICE GENERATED RESOURCE	130		VIOLENCE AGAINST THE PERSON	49	

All Crimes Updated for Quarter 2 2023-24

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Crime Type	2019-20	2020-21	2021-22				2022-23				2023-24			Quarterly %		
	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total	Change
All Other Theft	4,269	2,992	742	851	874	801	3,268	964	983	921	889	3,757	980	952	1,932	-3%
Bicycle Theft	329	274	101	106	57	53	317	79	73	59	52	263	71	93	164	31%
Commercial Burglary	1,097	689	144	167	162	218	691	237	195	163	168	763	216	199	415	-8%
Criminal Damage & Arson	8,549	6,839	2,019	1,887	2,062	2,020	7,988	2,133	2,195	1,808	1,742	7,878	1,996	1,765	3,761	-12%
Drug Offences	1,523	1,824	425	298	302	310	1,335	332	304	329	345	1,310	326	406	732	25%
Homicide	6	3	2	0	2	0	4	5	4	0	1	10	2	1	3	-50%
Miscellaneous Crimes	1,715	1,735	417	356	384	364	1,521	403	364	377	377	1,521	420	454	874	8%
Non Notifiable Offences	106	79	21	25	46	34	126	33	22	25	32	112	28	20	48	-29%
Other Sexual Offences	1,059	825	306	265	295	289	1,155	325	326	314	331	1,296	318	275	593	-14%
Possession of Weapons	251	250	62	53	75	109	299	98	76	104	101	379	129	143	272	11%
Public Order Offences	7,483	7,060	2,023	2,105	1,951	2,109	8,188	2,393	2,616	2,204	2,079	9,292	2,268	1,904	4,172	-16%
Rape	507	424	127	142	159	157	585	176	153	141	138	608	142	145	287	2%
Residential Burglary	2,496	1,952	378	436	484	466	1,764	442	466	374	374	1,656	401	341	742	-15%
Robbery	304	242	79	59	66	63	267	77	93	79	82	331	67	88	155	31%
Shoplifting	3,452	2,062	520	566	565	536	2,187	645	594	800	948	2,987	824	986	1,810	20%
Theft From the Person	284	153	38	37	50	42	167	49	52	59	53	213	66	49	115	-26%
Vehicle Crime	3,238	2,258	547	589	576	588	2,300	605	566	620	561	2,352	718	847	1,565	18%
Violence with Injury	5,801	4,559	1,401	1,431	1,532	1,490	5,854	1,555	1,753	1,656	1,611	6,575	1,849	1,686	3,535	-9%
Violence without Injury	14,674	13,963	3,610	3,693	3,898	4,224	15,425	4,322	4,647	4,350	4,600	17,919	4,743	4,332	9,075	-9%
Total	57,144	48,184	12,962	13,066	13,540	13,873	53,441	14,873	15,482	14,383	14,484	59,222	15,564	14,686	30,250	-6%
% change since previous year		-15.68%					10.91%					10.82%			-49%	

Positive Outcomes and Rates for Quarter 1 2023-24

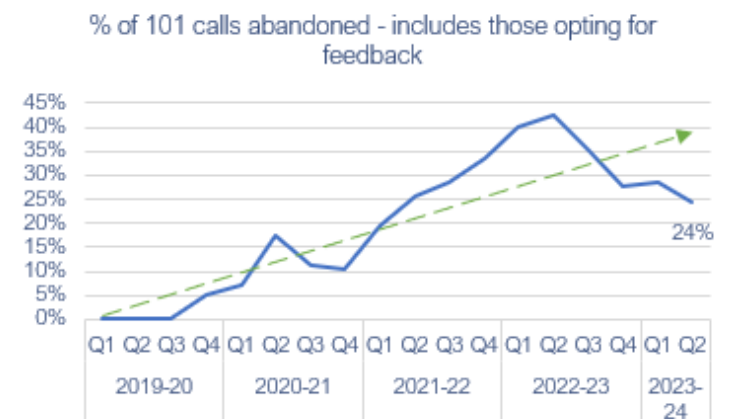
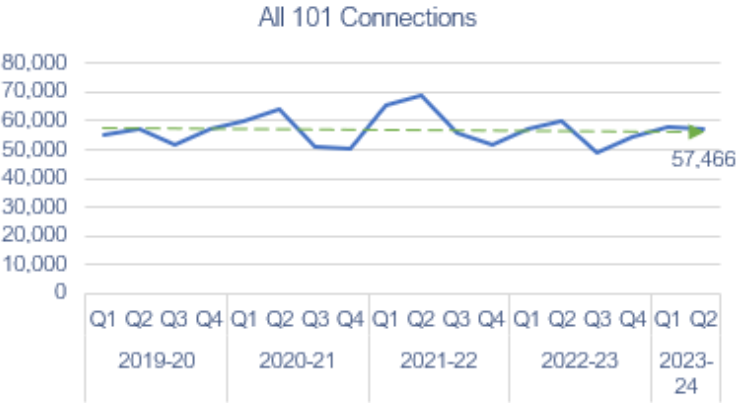
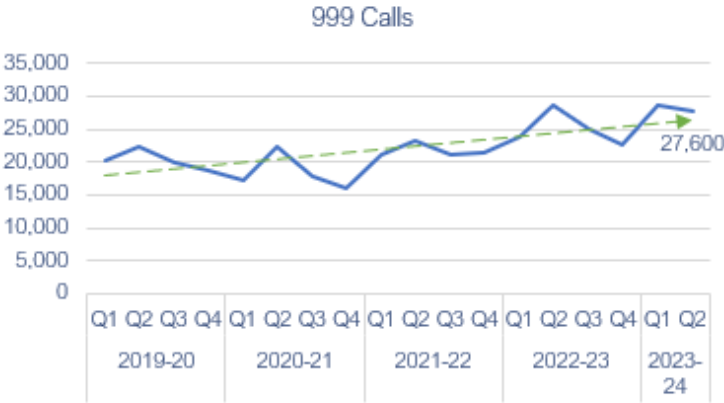
These charts show the Positive Outcomes types and percentages for each crime type. The chart to the right identifies those listed in **bold** as the 'Positive Outcomes' as per Home Office Counting Rules. Note that this information is changing daily as the volumes of 'New/Still Open' cases will continue to be finalised and further outcomes recorded.

Criminal Justice Positive Outcome Rates	2019-20 Total	2020-21 Total	2021-22 Total	2022-23				Total	2023-24		
				Q1	Q2	Q3	Q4		Q1	Q2	Total
All Other Theft	4%	6%	3%	1%	4%	2%	4%	3%	4%	6%	5%
Bicycle Theft	6%	2%	8%	5%	1%	2%	12%	5%	11%	1%	6%
Commercial Burglary	8%	13%	7%	6%	7%	10%	14%	9%	11%	15%	13%
Criminal Damage & Arson	7%	11%	7%	5%	8%	9%	8%	7%	6%	10%	8%
Drug Offences	81%	79%	67%	41%	61%	62%	54%	54%	52%	62%	57%
Homicide	67%	50%	100%	25%	100%	100%	0%	56%	100%	0%	50%
Miscellaneous Crimes	14%	21%	18%	9%	17%	18%	19%	16%	15%	15%	15%
Non Notifiable Offences	0%	0%	0%	9%	0%	4%	0%	3%	0%	0%	0%
Other Sexual Offences	10%	13%	8%	5%	9%	8%	11%	8%	9%	9%	9%
Possession of Weapons	59%	62%	46%	22%	46%	44%	43%	39%	37%	41%	39%
Public Order Offences	9%	15%	10%	6%	8%	8%	9%	7%	8%	11%	9%
Rape	6%	11%	5%	5%	7%	8%	7%	7%	6%	8%	7%
Residential Burglary	5%	7%	6%	5%	4%	5%	7%	5%	5%	5%	5%
Robbery	19%	16%	19%	9%	10%	20%	12%	13%	15%	16%	16%
Shoplifting	29%	35%	28%	19%	26%	21%	26%	23%	32%	27%	29%
Theft From the Person	3%	6%	5%	0%	2%	2%	0%	1%	3%	2%	2%
Vehicle Crime	4%	5%	6%	3%	5%	5%	3%	4%	6%	3%	5%
Violence with Injury	16%	19%	14%	10%	13%	11%	14%	12%	14%	15%	15%
Violence without Injury	8%	12%	8%	5%	8%	8%	8%	7%	8%	9%	9%
Overall Positive Outcome rate	12%	16%	11%	7%	10%	10%	11%	10%	11%	13%	12%
% change since previous year		36.44%	-31.06%					-14.19%			24%

Outcome Rates for All Crime (based on period crime was recorded)	2019-20 Total	2020-21 Total	2021-22 Total	2022-23 Total	2023-24 YTD Total
1: Charged/Summoned	4,786	5,112	3,907	3,854	2,218
2: Youth Caution/Conditional Caution	75	90	66	75	27
3: Adult Caution/Conditional Caution	731	642	426	512	204
4: TIC (Taken into Consideration)	32	12	8	5	22
5: Offender has Died	13	15	32	67	39
6: Penalty Notice for disorder	250	286	124	4	1
7: Cannabis Warning	278	383	190	5	0
8: Community Resolution/Youth Restorative Justice	562	1,139	1,192	1,232	1,059
9: Prosecution not in the public interest	10	25	8	30	7
10: Police - Formal action not in public interest	573	558	366	795	233
11: Named suspect below age of criminal responsibility	79	74	88	183	88
12: Named suspect too ill to prosecute	54	127	56	179	75
13: Named suspect but victim/key witness deceased or too ill	36	26	26	54	50
14: Victim declines/unable to support action to identify offender	3,069	2,935	2,578	2,825	1,012
15: Named suspect, victim supports but evidential difficulties	9,161	9,553	6,741	13,033	9,128
16: Victim withdraws support - named suspect identified	14,300	14,949	12,377	17,162	5,233
17: Suspect identified but prosecution time limit expired	140	188	160	353	15
18: Investigation complete no suspect identified	21,287	15,554	13,582	21,504	9,636
20: Other body agency has investigation primacy	375	213	152	721	327
21: Named suspect, investigation not in the public interest	203	130	85	278	156
22: Diversionary, educational or intervention activity	141	205	164	186	87
New/Still Open	113	118	198	324	281
Positive Outcomes	6,727	7,679	5,945	5,754	3,570
Total Outcomes	56,155	52,216	42,328	63,057	29,617
% of Positive Outcomes Against Finalised Outcomes	12.0%	14.7%	14.0%	9.1%	12.1%

999 and 101 Demand for Quarter 2 2023-24

Quarter 2 2023-24 999 demand has decreased by 0.95% compared with quarter 1 2023-24. Quarter 2 has seen a slight dip in demand in calls, however this is in line with the decrease in recorded crimes for quarter 2 2023-24. Despite such a small decrease in demand the percentage of 999 calls answered in 10 seconds has increased to 91.6%, which is the highest service level recorded since quarter 1 2021-22. 101 demand in has remained similar to the figure seen in quarter 1 2022-23, despite this the 101-abandonment rate has decreased by 5% to 24% which is the lowest seen since Quarter 1 2021-22. These improvements are because of a significant focus on leadership, systems and processes, and operation Uplift coming to completion.

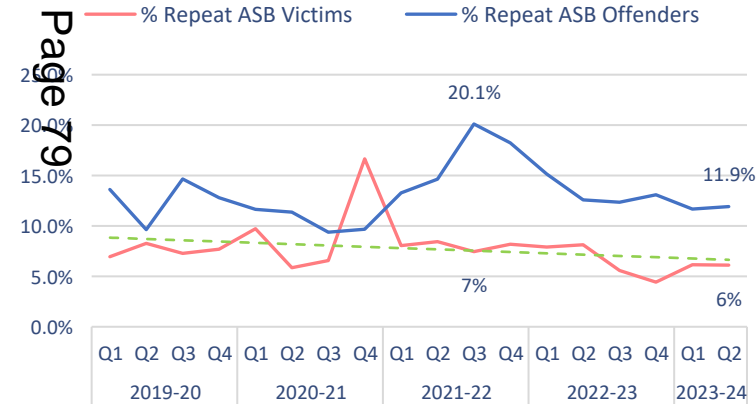
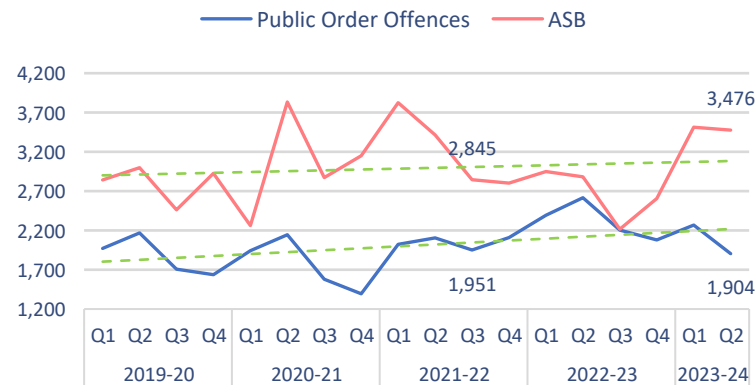


101 Average Answer Speed	2022-23				2023-24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	06:53	07:45	09:41	07:47	06:27	05:05		

Priority One: Keep Neighbourhoods Safe

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

PRIORITY 1. KEEP NEIGHBOURHOODS SAFE: REDUCE PUBLIC ORDER AND ANTI-SOCIAL BEHAVIOUR (ASB), AND THE NUMBER OF PEOPLE WHO REPEATEDLY CARRY OUT THESE ACTS



Quarter 2 2023-24 continues to show a downward trend in Public Order, and ASB shows a slight decrease compared to Q1 of 2023-24.

What have the PCC and OPCC Done?

Holding the Chief Constable to Account

Increasing ASB was scrutinised at the most recent Strategy and Performance Board. Gwent Police highlighted the work they are undertaking to address this, including the launch of 'The Gwent Community Link', a free service enabling residents to sign up and receive email updates from their neighbourhood policing team. They also flagged new powers for CSOs to issue community protection notices, reviews of area based problem oriented policing plans, and a detailed update on off-road biking. This will continue to be monitored.

Policy, Projects and Partnerships

New powers have recently been announced through the Home Office's review of Community Safety Partnerships, which will bring the relationship between CSPs and PCCs closer, and enable PCCs to make recommendations on the work of these partnerships.

Additionally, the Gwent CSP review is still underway, the OPCC continues to work with the police and CSP partners to continue developing this work. Q2 saw the final draft Regional CSP Review paper agreed for the next PSB.

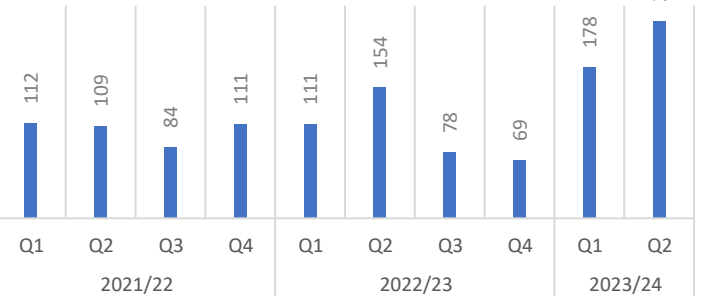
Each month the OPCC analyst provides crime and ASB information to the CSPs to enable them to focus priorities. Newport continue to develop their local Strategic Needs Assessment using information that has come from the OPCC to contribute to that.

Funding and Commissioned Services

Positive Futures are a diversionary service for children and young people, funded by the PCC in Newport and wider Gwent. They put on a range of scheduled sessions each week, but also unscheduled sessions in response to emerging community issues. The graph below shows the number of young people who attended an unscheduled ASB diversionary session delivered across Gwent; the numbers do not count repeat attendance.

Q2 saw a rise in sessions required and young people who attended in comparison to previous quarters. This a combination of increased engagement sessions across the summer holiday period and good weather conditions.

NUMBER OF YOUNG PEOPLE ATTENDING UNSCHEDULED DIVERSIONARY SESSIONS



PRIORITY 1. KEEP NEIGHBOURHOODS SAFE: REDUCE ACQUISITIVE CRIME AND REPEAT OFFENDERS



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Acquisitive crime consists of burglary, robbery, vehicle crime, shoplifting and theft. Q2 saw an increase in the number of acquisitive crime incidents, following the pattern seen in Q1.

Although burglary remains low with a downward trend of 15% since Q1, vehicle crime, robbery, and shoplifting has increased and are highest in the past 5 years.

What have the PCC and OPCC Done?

Holding the Chief Constable to Account

The current picture with Acquisitive Crime was scrutinised at the recent SPB, with Vehicle Crime and Shoplifting still at high levels. The ACC highlighted that we would expect some seasonal increases, but that the East and West Local Policing Areas have recently revised focused plans on neighbourhood crime, with some proactivity influencing these figures. The ACC highlighted that some of the outcome rates were not where they wanted to be so would focus on this. The OPCC will continue to monitor this to ensure reporting is accurate and continue to provide context behind this quarterly rise.

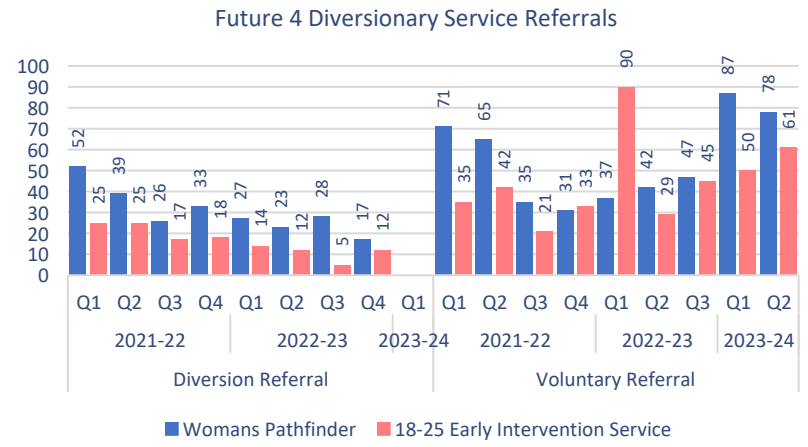
Policy, Projects and Partnerships:

A portion of the £750,000 granted by the Home Office as a result of last year's successful Safer Streets 5 bid last year has been utilised to deter ASB through a range of diversionary tactics, such as educational youth outreach delivered from new or refurbished youth shelters.

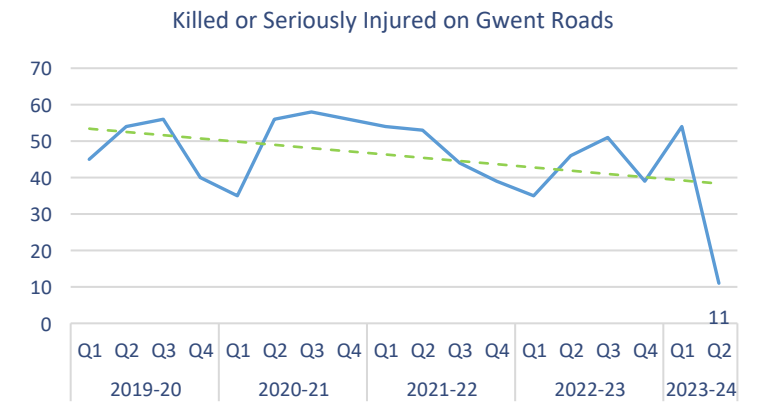
Funding and Commissioned Services

The OPCC provides funding for the delivery of 18-25 Early Intervention Service and Women's Pathfinder in Gwent. The service supports young adults and women entering the criminal justice system to achieve positive outcomes such as improving their accommodation, financial, employment and health situation, vital outcomes for reducing re-offending. Recommission of this service is underway.

This quarter, there has been extensive partnership work, emphasising individual support for women in the community. WSA staff collaborated with a local Community Support Hub and attending PCSO, resulting in women returning on a regular basis, with one becoming a 'friend of Safer Wales'. actively supporting



PRIORITY 1. KEEP NEIGHBOURHOODS SAFE: IMPROVING THE SAFETY OF ROADS THROUGHOUT GWENT



The number of people killed or seriously injured (KSI) decreased in Q2 2023-24, continuing the overall positive downwards trend in recent years.

Investigation call outs are for complex collisions requiring roads policing expertise and do not necessarily reflect the severity of harm involved.

530 persons reported for 'Fatal Five' offences in Q2: Careless Driving, Drink/Drug Driving, No Seatbelt, Use of Mobile Phone, and Speeding. This is a 40.5% reduction when compared to the previous quarter.

Road Policing and Specialist Operations (RSPO) officers continue to respond to the issues of 'Sur-Ron' type e-motorbikes and other off-road vehicles through 'Operation Harley'. Q2 saw Maindee as the chosen pilot, specifically targeting electric vehicles and off-road bikes. Three operations took place and a total of 10 bikes were seized, with one male arrested for drug related offences.

The CC has recognised a deficiency in national support from both the NPCC and College of Policing, who are actively seeking a national lead to provide enhanced guidance on the issues and concerns raised from off-road vehicles.

During Q2, Wales saw the biggest change of speed limits, with a reduction from 30mph to 20mph. Since the start of the year, there have been 23 fatalities on Gwent roads, with the majority at slower speed limits. We will monitor to see if this has an impact on these data.

What have the PCC and OPCC Done?

The OPCC consulted with the Blaenau Gwent Children Grand Council through a range of questions concerning road safety and the 20mph default speed limit. The Commissioner recorded his responses and shared the clip during the Children's Grand Council meeting. The Childrens Grand Council brings together school council representatives from all Primary Schools in Blaenau Gwent.

Work is still ongoing to consider a new service to support victims and families of fatal and catastrophic road injuries by introducing an Advocate, similar to those for sexual violence and domestic abuse survivors. A recent victims needs assessment, commissioned by the OPCC, also recommended including this provision. We are awaiting a response from the Department for Transport, who have recently surveyed all OPCC areas to establish whether a national position is needed on this.

Q1 Spotlight Service: **CRIMESTOPPERS PROGRAMME – FEARLESS TRUST**

- How much funding goes into the service? **£42,485**
- What proportion of the service is funded by the PCC? **100% of the programme in Gwent, not 100% of Crimestoppers**

About the Service

The Fearless Programme is a schools-based intervention focused 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.

Note: Some performance data available on slide 15.

Case Study

Pupil X, facing the risk of permanent exclusion from mainstream education, underwent a remarkable transformation under the dedicated efforts of Fearless' youth worker associated with a High School in Newport.

Initially engaged through small group interventions, the youth worker established trust in Pupil X, leading to candid discussions about the underlying issues behind their involvement in carrying weapons.

Pupil X revealed feelings of alienation, lack of identity, and peer pressure leading to association with a criminal youth gang. Undiagnosed mental health issues exacerbated their struggles, compounded by a lack of support. Fearless' youth workers proactive approach uncovered shared interests in music and sports, enabling the introduction of community opportunities.

Attending drop-in sessions and joining local music provisions, Pupil X actively engaged, showing a newfound passion. Despite program constraints, Fearless' youth worker stayed deeply involved, ensuring ongoing support through regular check-ins with relevant tutors and teachers.

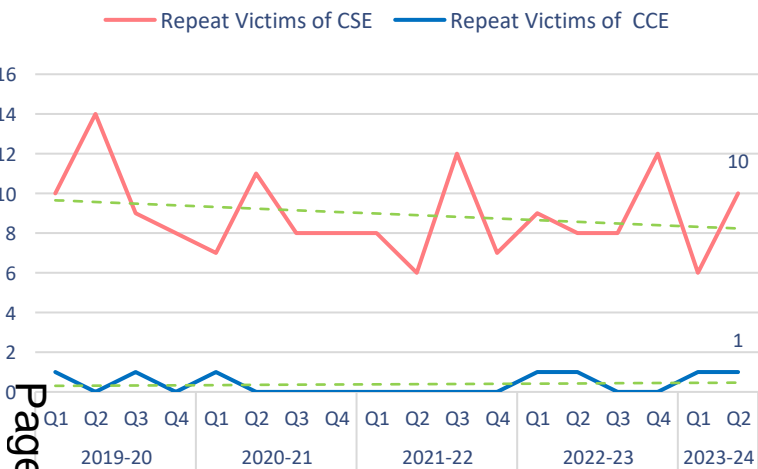
Collaborative efforts led by Fearless' youth worker and the support network resulted in a positive shift for Pupil X. The transformation manifested in increased engagement in music and sports, reflecting an overall improvement in demeanour and attitude. From alienation and criminal involvement, Pupil X's journey exemplifies the potential for positive change through dedicated youth work and community involvement. Fearless' youth workers commitment to understanding individual needs and providing positive outlets played a pivotal role in this transformative process, showcasing the impactful potential when youth workers invest time and effort in the lives of young individuals facing complex challenges.

Priority Two: Combat Serious Crime

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

PRIORITY 2. COMBAT SERIOUS CRIME: REDUCE THE NUMBER OF REPEAT VICTIMS OF CHILD CRIMINAL AND SEXUAL EXPLOITATION

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The number of repeat victims of CCE have remained stagnant this quarter. Alongside this, the number of repeat victims of CSE have slightly increased by 4 this quarter.

The numbers of CSE and CCE repeat victims are very low and it is believed to be underreported, however the force continue to work collaboratively to target those perpetrating these offences and to disrupt registered sex offender whom they manage. Nevertheless, the OPCC will continue to seek assurances that the reporting and recording of CSE/CCE remains accurate.

What have the PCC and OPCC Done?

Holding the Chief Constable to Account

The DPCC at the recent SPB asked about the low levels of CSE. Gwent Police agreed to provide a more detailed response at a later date.

Policy, Projects and Partnerships

The OPCC continue to work with Newport City Council on a pilot supporting vulnerable children and families at risk of criminality and exploitation (criminal or sexual). Known as ‘Understanding the Triggers’ it offers person-centred support built around the needs of children and their families.

Planning has now commenced for the OPCC to produce an evaluation report by the beginning of 2024. There is keen interest in this work from Welsh Government, who will receive the evaluation report to inform their policies in this area.

The OPCC also continue to fund St Giles Trust, during this quarter, team leaders and caseworkers have met with Gwent Police through ‘Operation Quartz’, providing a linked-up approach to support and disrupt young people who are at risk of serious organised crime.

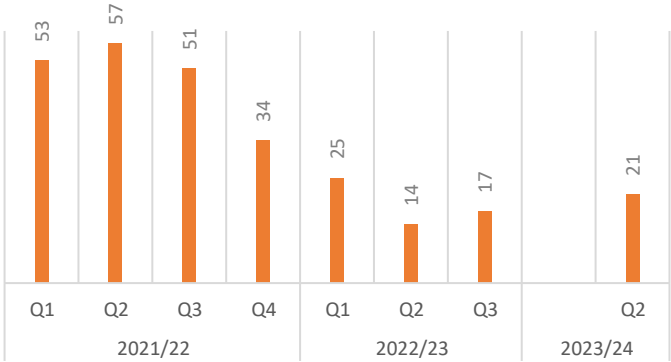
Another of our commissioned services Fearless provide children and professionals with information around CSE/CCE to identify signs and promote awareness, offering advice on different ways to report. More information about this service can be found on slides 12 & 15.

Funding and Commissioned Services

St Giles Trust support children and young people who are at risk of or currently being exploited to Serious Violence and Organised Crime. Tertiary interventions work with children and young people known to be exploited.

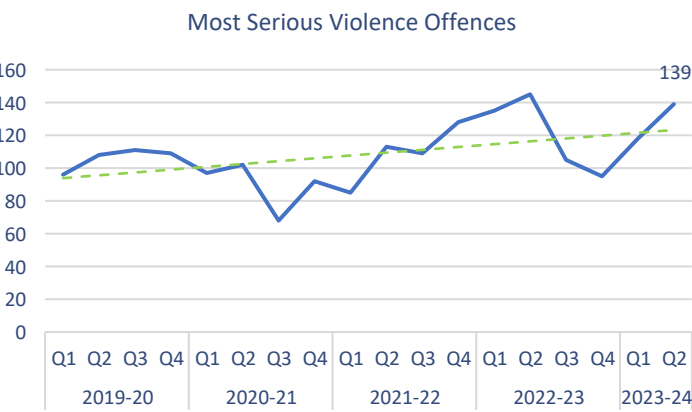
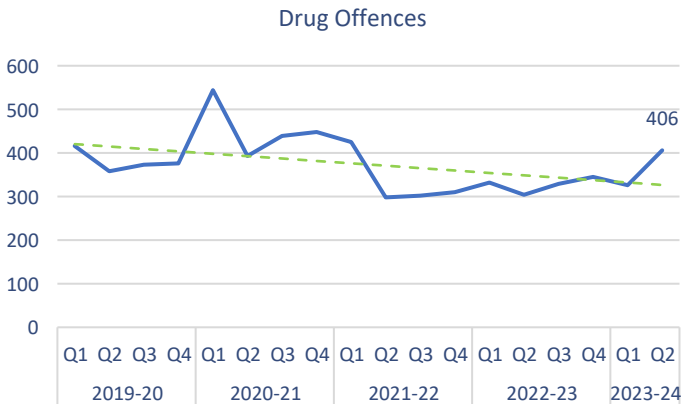
Q2 saw a slight increase in the number of interventions delivered. Engagement with young people has remained high particularly with young people who have not engaged with statutory services with outcomes being achieved for most cases.

ST GILES 1-1 TERTIARY INTERVENTIONS



PRIORITY 2. COMBAT SERIOUS CRIME: INCREASE DISRUPTION OF SERIOUS ORGANISED CRIME, AND REINVEST ASSETS SEIZED BACK INTO COMMUNITIES

Page 85



The number of drug offences has increased in Q2, a quarterly increase of 25%. Due to this notable rise, the force are actively collaborating with partners to identify those individuals involved in the drug supply chain.

Serious violence offences have increased as expected due to seasonal impacts but remains below Q2 22/23.

What have the PCC and OPCC Done?

Policy, Projects and Partnerships

As the 'Lead Convening' authority under the Serious Violence Duty, the OPCC continue to work with partners to develop the response in Gwent. Work in Q2 focused on developing the Serious Violence prevention strategy and delivery plan, which aims to reduce and where possible prevent harm to members of the community. Q2 saw the continued development of the 'Strategic Needs Assessment' across Gwent and the 'Problem Profile' nearing completion.

Funding is secured from the Home Office to deliver the Duty in the next 2 years and agreement has been negotiated with partners to use £60K Serious Violence Duty funding the following schemes:

- Recruitment of a Serious Violence Duty Delivery Manager
- An early intervention pilot in Torfaen schools, providing training to staff, students and mentors to young people identified as at risk of committing violence. Those identified of committing violence in schools and involved in ASB/Crime in the community will be assigned 1:1 sessions by St Giles Trust
- A new Serious Violence Prevention worker in the Emergency Department of the Grange and Royal Gwent Hospitals, supporting those attending with injuries
- Night Angels in Newport, de-escalating potential violence in Newport during the evening and nighttime economy
- Up-to-date training materials on gang and youth violence for the youth offending services across Gwent

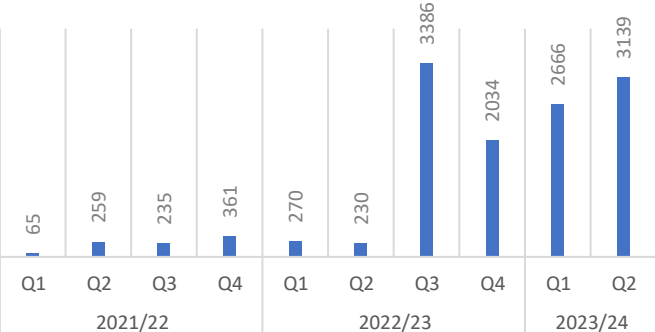
Funding and Commissioned Services

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

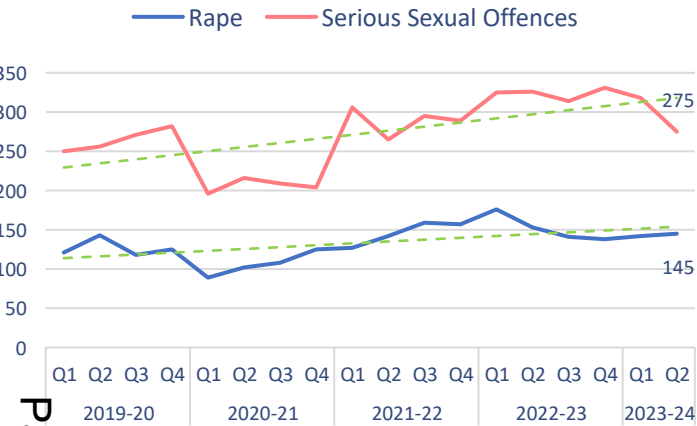
During this quarter, Fearless undertook a comprehensive exploration of the underlying factors that contribute to the susceptibility of young people to serious violence and organised crime. Fearless caseworkers attended multiple hotspots across Gwent during the summer holiday period, providing interactive sessions with children and young people whilst raising awareness of knife crime and county lines.

As a result of these interactive sessions and Newport reinforcing its commitment to the Knife Angel's National Anti-Violence Charter, Q2 saw an increase in children and young people attending intervention sessions.

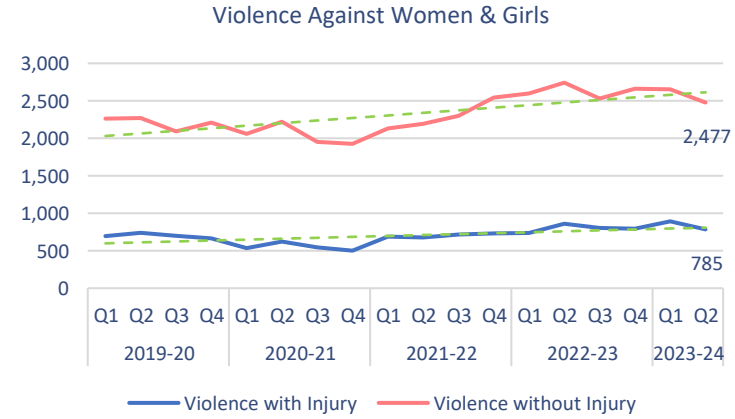
NUMBER OF CHILDREN ENGAGED IN FEARLESS SCHOOL INTERVENTIONS



PRIORITY 2. COMBAT SERIOUS CRIME: IMPROVE THE OVERALL CRIMINAL JUSTICE RESPONSE TO VIOLENCE AGAINST WOMEN, DOMESTIC ABUSE AND SEXUAL VIOLENCE



Page 86



Reported rape has remained relatively steady when compared to previous Q2 22/23. We know from ONS data that only 16-20% of rapes get reported to police, therefore the force is repeating a ‘deep dive’ review of victim experience and will be reviewing progress that has been made and implementing any changes needing to improve.

Alongside this, the Rape Investigation Team (RIT) and Op Soteria approach has started to have some effect and HMICFRS have commenced a review as part of a thematic inspection across England and Wales to establish how the force has adopted the Soteria model for rape cases and to provide feedback.

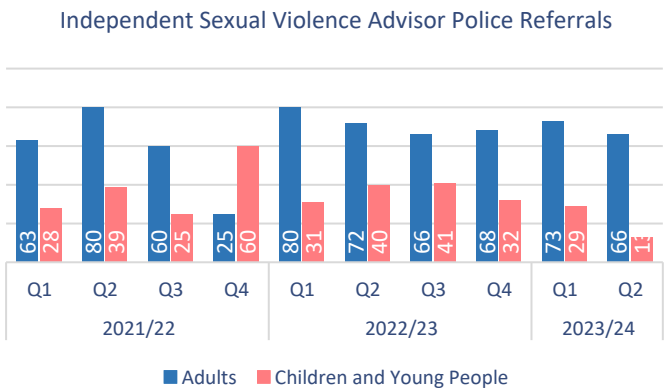
Domestic related crimes and broader violence against women and girls continues to remain high despite seeing a slight decrease this period. Work is ongoing in the force to ensure positive outcomes increase particularly VAWG, which is now monitored at a new VAWG/Vulnerability Board to ensure progress is monitored and departments are held to account. VAWG and VAWDASV are one of our key priorities.

What have the PCC and OPCC Done?

Funding and Commissioned Services

Significant changes have been made since Q1, including the OPCC securing funding to deliver the CARA (cautioning and relationship abuse) intervention service with it’s first group session due to commence in January 2024. Further development also made with MATAAC (multi-agency tasking and coordination) the force are in the process of recruiting dedicated staff to tackle high risk perpetrators of domestic abuse. This is alongside supporting funding for a Police-Perpetrated Domestic Abuse service for victims, and the recommissioning of the IDVA Service (Independent Domestic Violence Advocate) remains ongoing.

New Pathways provides a specialist Independent Sexual Violence Advisor (ISVA) service for victims of rape and serious sexual offences. Police referrals for adults remain relatively stable. However, referrals for children and young people saw a slight decline in referrals this period. The OPCC have raised questions around this for additional context.



Q3 Spotlight Service: ST GILES TRUST

- How much funding goes into the service? £127,706
- What proportion of the service is funded by the PCC? 0.5% (however, we fund 100% of the work that takes place in this programme in Gwent)

About the Service

St Giles Trust support children and young people at risk of or currently being exploited. They provide ‘tertiary’ interventions work with children and young people known to be exploited, working across Wales to help people overcome barriers and get the support they need to move forward with their lives.

Case Study

St Giles has been supporting a young person facing various challenges since January. Initially, the youth exhibited concerning behaviour, including aggression, involvement with expensive items, and associating with unknown older individuals causing the family to actively searching the streets, who often went missing.

Upon supporting the young person, it was discovered that they were involved in cannabis dealing, receiving drug exchange for distribution. St Giles intervened, fostering a positive rapport and addressing the risks involved. N-gage joined in addressing substance misuse, forming a strong relationship with the young person. Regular visits, engaging in activities, and support led to positive outcomes.

Through collaborative efforts, the young person accessed the gym, lost weight, and gained confidence. St Giles accompanied the youth to Career Wales, where they enrolled in a mechanics apprenticeship. Despite challenges in finding work placements, persistence paid off with the young person securing an apprenticeship.

Thriving in the structured environment, the young person's confidence soared, and future goals emerged. St Giles also facilitated acquiring a bike for transportation. The family expressed immense gratitude, noting the transformation in the young person's behaviour and outlook on life.

Reflecting on the anxious period before engagement with St Giles, the family highlighted concerns about the young person's lack of qualifications. Actively participating in St Giles programs, the youth embraced opportunities, leading to reduced drug use. A recent review confirmed a significant decrease in risk, and the young person, now employed for several months, because an ambassador for N-gage, contributing to substance misuse initiatives.

Professionals involved commended St Giles for exceeding expectations, acknowledging the remarkable positive impact on the young person and expressing gratitude for the collaborative efforts that began at the start of the year.

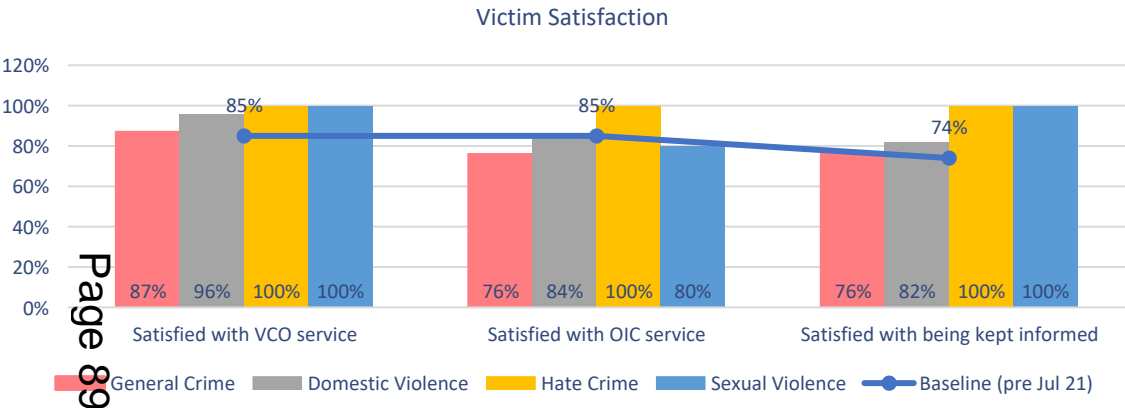
Priority Three: Support Victims and Protect the Vulnerable

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

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: IMPROVE VICTIM SERVICES AND ENSURE THE NEEDS OF VICTIMS ARE IDENTIFIED AND RESPONDED TO APPROPRIATELY THROUGH CONNECT GWENT AND THE VICTIM CARE UNIT

During Q2, the Victim Care Unit (VCU) received 14,190 referrals into the service, a slight decrease from the previous quarter. 4,812 victims were identified as requiring an enhanced service under the Victims’ Code, an increase of 1,605 on Q1. Regular investigation updates were provided to 2,036 victims to keep them informed throughout the criminal justice process,

Witness Care Unit support peaked in September, at 7,667 victims and witnesses. The average attendance rate for Magistrate’s Court was 87% (87% in Q1) and 98% for Crown (97% in Q1).



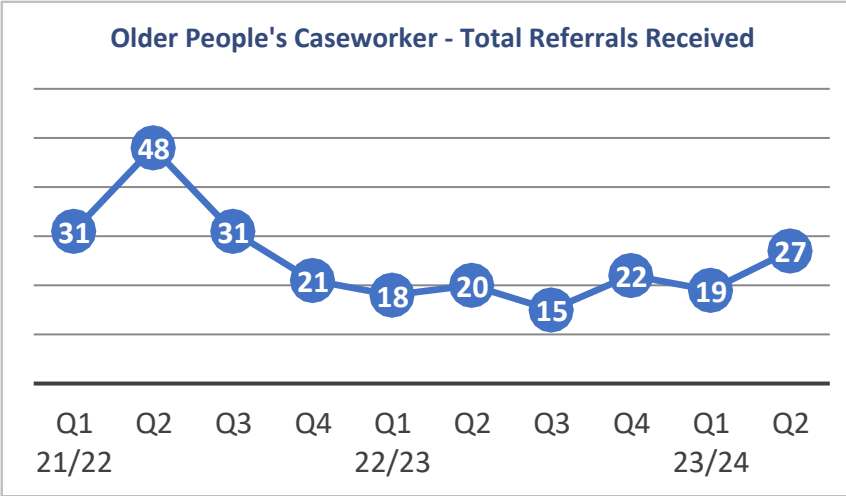
During the reporting period:

- General crime
 - Satisfied with the service from the Victim Care Officer (VCO) rose from 86% in Q1 to 87% in Q2.
 - Satisfied with being kept informed about your case remained at 76% across both quarters.
- Domestic Violence
 - Satisfied with the service from the officer dealing with your case (OIC) remained at 84% across both quarters.

Ensuring a victim focused culture across the whole organisation remains a top priority for Gwent Police and forms a fundamental focus within the Chief Constable’s roadshows.

Surveys with victims have identified high satisfaction with the initial police response, but this is seen to diminish over the course of the investigation. Improving communication with victims about the progress of their case and the actions taken will be fundamental in better managing victims’ expectations and improving their satisfaction with Gwent Police.

Survey results are considered in the force’s governance meetings to enhance service delivery to victims and improve training provision to officers and staff.



Funding and Commissioned Services

The above graph shows the number of referrals for support to the Age Cymru Older People's caseworker, The service is funded by the OPCC as part of Connect Gwent, providing emotional and practical support to people over 50 who have been victims or witnesses of crime.

Referral numbers have remained fairly low; however, this reflects the positive impact of the VCU for criminal justice cases and does not capture the levels of ongoing support for existing service users and those returning to the service for further support, During Q2, 100% of individuals supported expressed improvements in their abilities to cope, feeling better informed and empowered to act.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: INCREASE THE TIMELINESS OF POLICE INVESTIGATION UPDATES PROVIDED TO VICTIMS

Although it is the Officer in Charge’s responsibility to give key stage updates, the Victim Care Officer (VCO) will sometimes provide these to ensure compliance and that the victim has the information they need. While the below is positive, it’s worth noting that key stage updates should be done by officers and the data does not illustrate compliance outside of the VCU.

All victims who are referred into the VCU are given the opportunity to have regular updates. Should they wish to engage, a contact schedule will be arranged by the VCO which should be adhered to throughout the criminal justice journey. Victims can opt out of this at any time. To support ongoing VCU capacity and workload challenges, Gwent Police is exploring options for digital enhancements to enable officers and VCOs more easily identify which victims need contacting.

	Q1 22/23	Q2	Q3	Q4	Q1 23/24*
Victims provided with regular key stage updates	95%	92%	95%	95%	
Victims provided with a final update	91%	96%	98%	98%	
Victims provided with regular updates as agreed	96%	92%	95%	95%	92%
Victims that opted out of regular updates	0%	5%	4%	4%	

* Most recent data as reported by Gwent Police

The Head of Victim Services has collated all national and local priority workstreams into a framework that provides a clear plan for accountability and improvement. This enables updates from portfolio lead to be reported through each governance forum on how the force is meeting these priorities.

A Gwent Police Victims’ Code model (based on the latest national draft framework) has also been created for 2023/24 to capture, scrutinise and make meaningful change and will be utilised as described above and reported through the governance structure along with national forums.

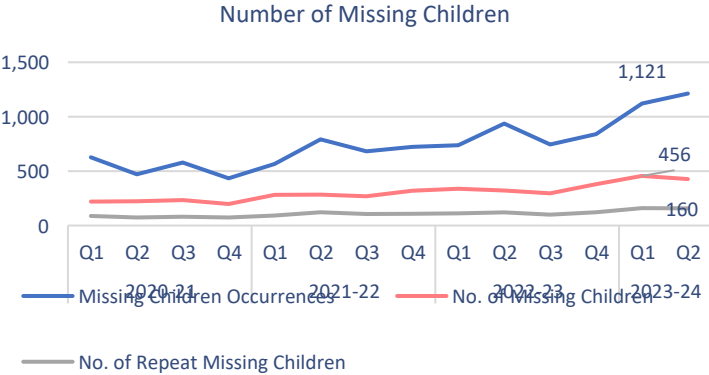
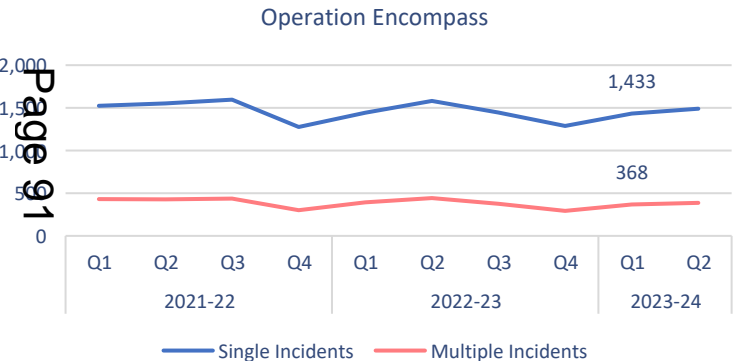
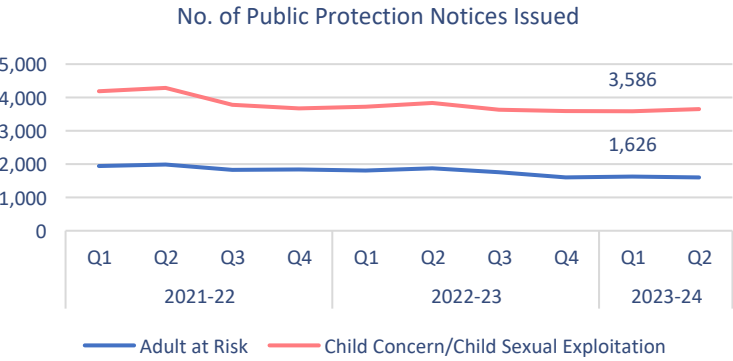
What have the PCC and OPCC Done?

Policy, Projects and Partnerships

The OPCC continues to work with Gwent Police and partners to prepare for the enactment of the Victims and Prisoners’ Bill. This will place a requirement on PCCs to take a convening role in local Victims’ Code compliance monitoring with an intention for the data to be published, where feasible. A draft performance framework has been shared by the Ministry of Justice which is being considered for next steps through the CJ Wales Victim and Witness Taskforce and supporting sub-group.

The OPCC continues to focus on the recommissioning of adult and children's victim services for Connect Gwent. The service will support adults and children who have been affected by crime, either as a victim, or as family or a friend of a victim of crime via a single contract, rather than multiple service providers as per the current arrangements.. The service will provide emotional and practical support to enable victims to cope and recover from the harm they have experienced. The draft specification is currently being considered along the outcomes and recommendations of the Victim Needs Assessment report. Under the current timescales, implementation of the specification is planned for April 2024.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: FURTHER IMPROVE OUR WORK WITH PARTNERS TO PROTECT THOSE MOST VULNERABLE (1)



The number of notices for adults at risk has continued a slight downward trajectory in Q2. Whilst the number of public protection notices issued for children has increased slightly compared to previous quarters. More information on Child Sexual Exploitation data is included on slide 14.

The number of missing children reports have continued to increase over the past few quarters, however in this quarter has seen a slight decline. Whereas the number of repeat missing children and occurrences has remained consistent. The OPCC have posed questions to the force, who advise there has been a reduction in missing children's cases due to a targeted approach. The force have designated PCSO's at residential care homes to provide advice to staff members and children around support, safeguarding and risk management, to promote a proactive approach when it comes to missing children. This has not only seen a reduction in reporting, but an increase in services feeling equipped to manage these children effectively.

What have the PCC and OPCC Done?

Policy, Projects and Partnerships

The OPCC have been working alongside Welsh Women's Aid to finalise an evaluation into Operation Encompass, to review schools and support services that offer help to children affected by domestic abuse through the Gwent region. Findings should be published end of 2023.

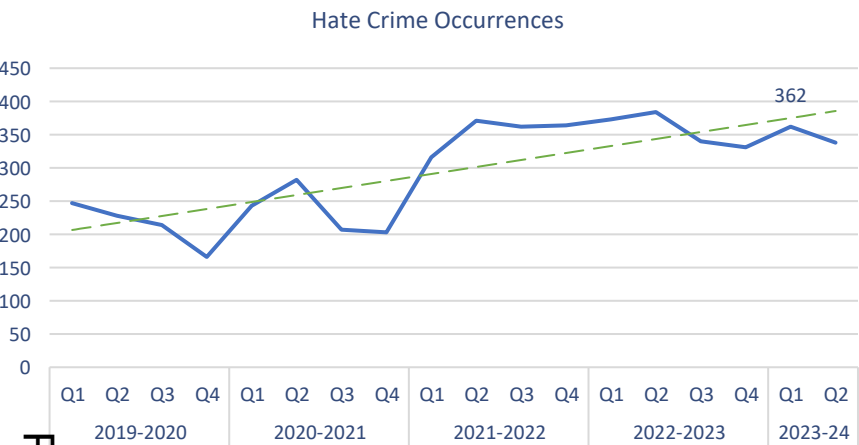
The OPCC is contributing to a Gwent Safeguarding Board Task and Finish Group focusing on police strip searches of children following a stop and search. Outcomes and recommendations from the Group's activity are fed back into the OPCC's independent Legitimacy Scrutiny Panel for consideration and incorporation where appropriate.. This has included a proposed update process between the LSP and the Safeguarding Board to help provide assurance of Gwent Police's performance and compliance with strip searching requirements.

Funding and Commissioned Services

OPCC continue to commission the IDVA Service who support all high-risk victims of domestic abuse across Gwent, male and female, aged 16+. Referrals are received into the IDVA Service via the DAST Team, MARAC's, other agencies direct or victim self-referrals.

IDVA's work with clients at the point of crisis; their key focus is to safety plan the client and their family and identify urgent areas for action and support. This work will therefore involve co-ordinating a support package individualised for each client, dependent on their needs, which may include safety planning, target hardening, risk management and addressing wider needs such as housing, substance misuse and parenting concerns.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: FURTHER IMPROVE OUR WORK WITH PARTNERS TO PROTECT THOSE MOST VULNERABLE (2)



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Compared to Q1:

- Disability-related hate offences decreased by 30.1% when compared to the quarter prior, with 25 fewer crimes recorded for a total of 58.
- Racial hate offences decreased by 12.4% when compared to the quarter prior, with 27 fewer crimes recorded for a total of 190.
- Religious hate offences increased by 9.1% when compared to the quarter prior, with one additional crime recorded for a total of 12.
- Transphobic hate offences decreased by 25.0% when compared to the quarter prior, with four fewer crimes recorded for a total of 12.

The volume of offences classified as hate crimes has fallen by 13.3% when compared to the quarter prior, with 49 fewer offences recorded. A reduction of 18.2% (71 fewer offences) can be observed when comparing Q2 23-24 against the same quarter during the previous financial year, with a less prominent reduction of 9.2% (70 fewer crimes) recorded when comparing the current FYTD against FYTD 2022-23.

Please note: one crime can have multiple hate strands. The overall hate crime trend is based on recorded crimes, whilst the breakdown by hate strand is based on the volume of each individual strand.

The solved rate for offences classified as hate crimes has increased by 2.6 percentage points to 15.6% when compared to the quarter prior, with two additional crimes solved. This represents the highest quarterly solved rate within the timeframe. The solved rate for Q2 23-24 is 6.9 percentage points above that recorded for the same quarter during the previous financial year, with an additional 16 crimes solved. A similar rise of 6.6 percentage points can be observed when comparing the current FYTD against FYTD 22-23, with 40 additional crimes solved.

What have the PCC and OPCC Done?

Policy, Projects and Partnerships

OPCC staff participated in a hate crime awareness session provided by Victim Support. The session aimed to raise awareness of what a hate crime is and the impact on communities and individuals in respect of race, religion, disability, sexual orientation or gender identity. Information on the services available was also shared. Alongside this, jointly with the force, the OPCC attended the first little people UK Dwarfism Awareness Conference as well as an all-Wales Gypsies, Roma, Traveller conference to expand conversation around accessibility and inclusion. The OPCC are committed to breaking down barriers in communities and we will continue to celebrate and raise awareness of diverse groups.

OPCC staff also supported the launch of Black History Cymru 365. This is Race Council Cymru’s year-long celebration of the rich cultural history and heritage, as well as the modern-day triumphs, of Black people in Wales. The OPCC is a proud sponsor of this programme of events which recognise the contributions that Black people have made to Wales and the UK over many generations. Our involvement in events such as these is important in helping to promote positive relations between communities and policing.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE MOST VULNERABLE: COMMISSION AND INVEST IN SPECIALIST SERVICES TO SUPPORT VICTIMS THROUGHOUT THE CRIMINAL JUSTICE PROCESS

Q2 Spotlight Service: Re:LIVE Young Victims, Survivors and Witnesses Support Service in Gwent (via Umbrella Cymru)

- How much funding goes into the service? **£78k**
- What proportion of the service is funded by the PCC? **100%**

About the Service

- Umbrella Cymru offers a range of support to young people under the age of 18 who have experienced, witnessed, or otherwise been affected by crime or antisocial behaviour within the 5 Local Authority areas that Gwent Police serve.
- Support is also provided to many parents, carers and guardians of young people referred to the service. These adults are offered additional support where it would be difficult or inappropriate to separate the support from that being provided to a young person, or where indirect support for a young person through a parent is more beneficial or appropriate.
- The service provides triage, assessment, pathfinding, information, and support services to enable young people to cope better following their experience of crime or antisocial behaviour. Support available includes information, signposting, advocacy, practical and emotional support, and facilitation of onward referrals to other specialist services. All services are tailored to each young person and their families with the aim of providing a bespoke support package to help young people achieve the outcomes they want through accessing support. Detailed and ongoing discussions enable young people to identify and work towards their individual goals.

Case Study

E was referred by the VCU in June 2023 following an assault and a long period of bullying in school. E had developed anxiety resulting in long absences from school, and an eating disorder from using food to comfort themselves. E gained weight, affecting their overall confidence and self-esteem.

During early support, E disclosed frequent suicidal thoughts and was referred to mental health services, but the referral panel felt that E did not require statutory interventions. E was referred to Families First for their parent to also receive support whilst attempting to support E with their declining wellbeing and desperate social situation.

E went on to disclose more about the abuse they had experienced. This included daily threats (including being beaten if they attended school), being encouraged by the offenders to end their life, and feeling that they were being forced to attend school where they felt unsafe and unsupported.

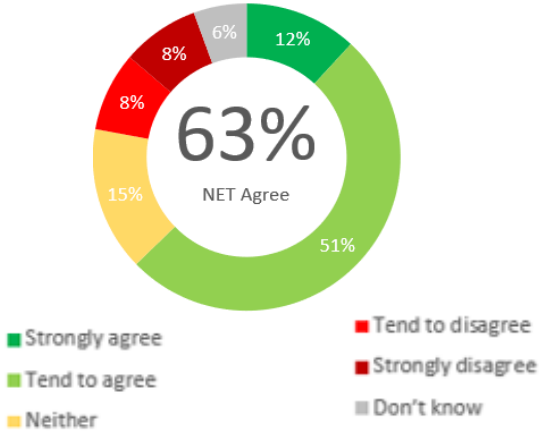
E was supported to write to their school explaining the impact of the bullying and what they felt would help them return. The school was receptive and agreed to reduce E’s timetable and arranged for them to leave class earlier than other students. They provided a member of staff for E to disclose further incidents to, and access to the wellbeing room for quiet time. E was happy with the planned provisions and agreed to return to school. Interventions to ensure that their wellbeing was improved and that the school return would be sustained were also provided.

E’s now attends school full time with wellbeing provisions in place. Due to increased confidence and reduced anxiety, they have made friends in their local youth group, some of whom also attend the same school as E. This support network has meant that E feels less fearful of attending school. Though the bullying persists, E feels this has less impact on their mental health and wellbeing. E continues to receive less frequent support from the service to ensure there is no change, and they continue to feel safe to attend school.

Priority Four: Increase Community Confidence in Policing

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

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: INCREASE THE EFFECTIVENESS OF OFFICER AND STAFF ENGAGEMENT WITH RESIDENTS IN THEIR COMMUNITIES, AND COMMUNITY CONFIDENCE AND TRUST IN GWENT POLICE (1)



Current data shows that 63% of people agree that they have confidence in the police in their area. This has dropped from the Q4 21/22 high of 79%, but has increased from Q4 22/23, which was 61%.

Community confidence is lowest in Blaenau Gwent at 50% (down from 58% in the last period) and highest in Monmouthshire at 68%. 17% of residents disagree that they have confidence in the police in their area.

61% of respondents from ethnic minority communities agreed that they have confidence in the police in their area, an increase from 58% reported in the last period..

75% of residents are confident that they could easily speak to police in their area; however, this has increased from 64% in quarter 3 22/23. Blaenau Gwent residents continued to have the lowest confidence (59%), while Caerphilly residents continued to have the highest (77%).

Blaenau Gwent neighbourhood officers have been visiting residents across the Borough to raise awareness of the new Gwent Community Link messaging service, which launched in September. The free service enables residents to sign up and receive email updates from their neighbourhood policing team on recent arrests and charges, appeals for information, events and more.

Gwent Community Link puts residents at the centre by letting them set their preferences and choose which updates they'd like to receive. Within the system, the public will also have the chance to have their say on local policing priorities in the area and respond to officers' updates.

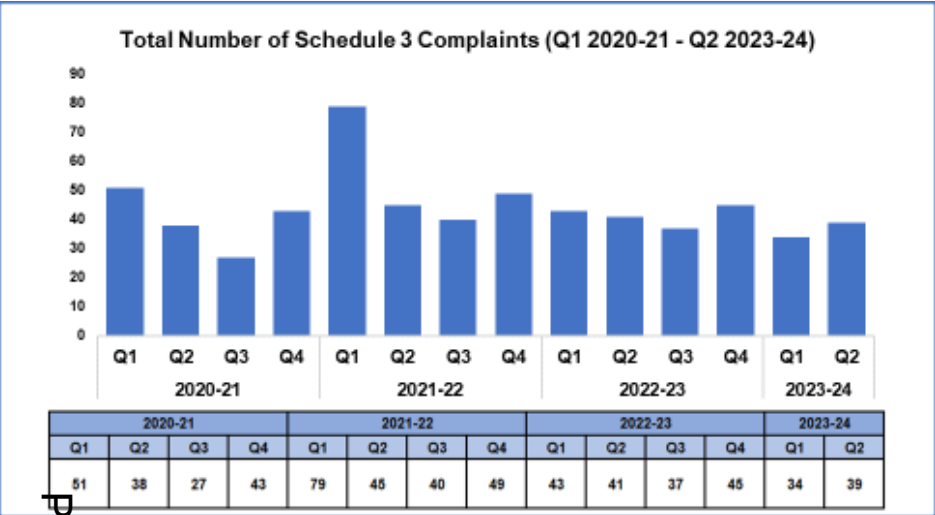
What have the PCC and OPCC Done?

Policy, Projects and Partnerships

The OPCC team supported our partners Willmott Dixon at a jobs fair in Abergavenny market. Willmott Dixon is building the new police station in Llanfoist. There was a lot of positive feedback about the new building, which is being well received by the community. Once completed it will mean that that Gwent Police's neighbourhood team can easily cover the town centre on foot, while response cars have good access to the local road networks for urgent calls. Members of the public who wish to speak to Gwent Police face to face can continue to use the counter service at Abergavenny Town Hall.

Members of the OPCC team joined the Gwent Police Diversity and Inclusion Team and, officers from the local neighbourhood team at Maindee Festival. This important annual community-led event offers a safe and welcoming space for people of all ages to benefit from information and advice from a variety of organisations. Events like Maindee Festival allow the Commissioner to listen to communities and help understand how people are feeling and gather information about and act on any issues that are taking place by working with the Chief Constable and other partners as appropriate.

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: INCREASE THE EFFECTIVENESS OF OFFICER AND STAFF ENGAGEMENT WITH RESIDENTS IN THEIR COMMUNITIES, AND COMMUNITY CONFIDENCE AND TRUST IN GWENT POLICE (2)

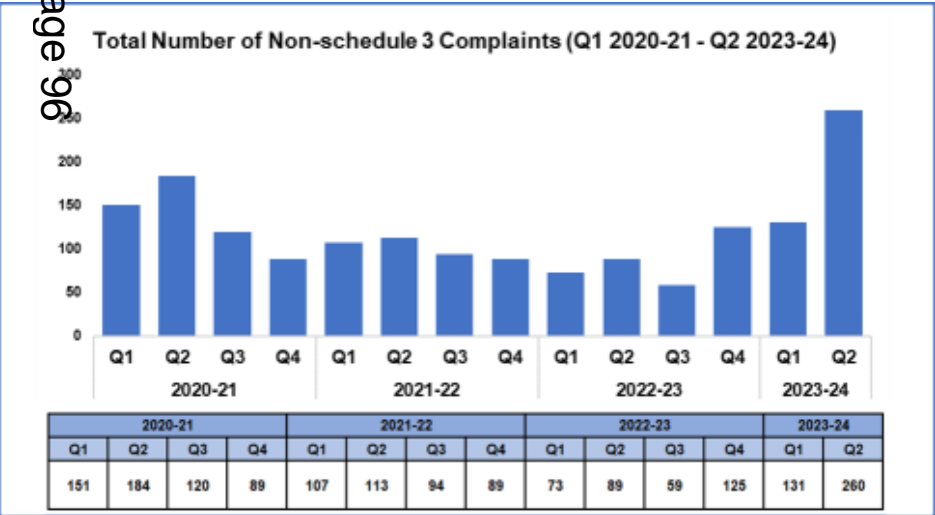


During Q2 there has been a slight increase in Schedule 3 cases when compared with Q4 2022/23. In contrast, non-Schedule 3 has shown a significant increase during Q2 when compared with the previous quarter due to data cleansing and administration.

Schedule 3 complaints are dealt with under the Police Reform Act 2022, whereby the complainant can request a review if they are not satisfied. Non-Schedule 3 complaints are dealt with outside the Police Reform Act 2002 (previously a dissatisfaction).

At the time the data was captured, there were 54 live Schedule 3 complaints and 1 live Non-Schedule 3 complaints. This is comparable to the common live workload and further supports the observation that the rise in cases in drive by Non-Schedule 3 administration.

*Please note these figures can contain multiple allegations.



The Professional Standards Department (PSD) continue to proactively promote the importance of high professional standards and an ethical culture within the organisation. They continue to provide a bespoke input to all new starters within the organisation, covering current themes in police complaints and misconduct.

The team recently received an additional resource to act as a point of contact for all witnesses and victims of police misconduct. This has significantly improved the department’s scope to deal with sensitive intelligence and disclosures from internal and external sources. This, along with a new Prevent officer within Counter Corruption, has allowed the department to take an early action and intervention approach to sub-optimal performance, behaviour, and conduct.

**What have the PCC and OPCC Done?
Policy, Projects and Partnerships**

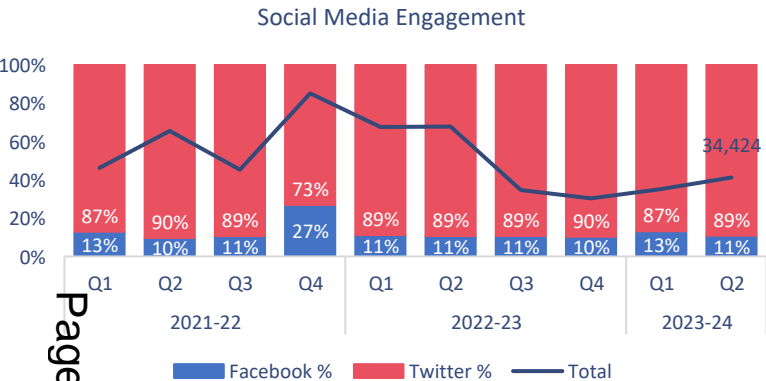
A recruitment campaign for the OPCC’s Independent Custody Visiting Scheme(ICVS)for Gwent was conducted during the quarter. 7 applications were received, 6 interviews were held, and 5 applicants were successfully appointed subject to vetting. The new volunteers will be provided with an induction to support their role and responsibilities.

OPCC staff attended sessions on abuse of trust and power delivered by Gwent Police’s Prevent officer. These were provided across the force to raise awareness of what is being done to tackle the issue, and to help set out standards of behaviour.

More detailed information is available in the PSD Report provided in the Strategy and Performance Board pack.

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: IMPROVE THE ACCESSIBILITY OF NEIGHBOURHOOD POLICE TEAMS THROUGH A VARIETY OF CONTACT CHANNELS THAT MEET THE NEEDS OF THE PUBLIC

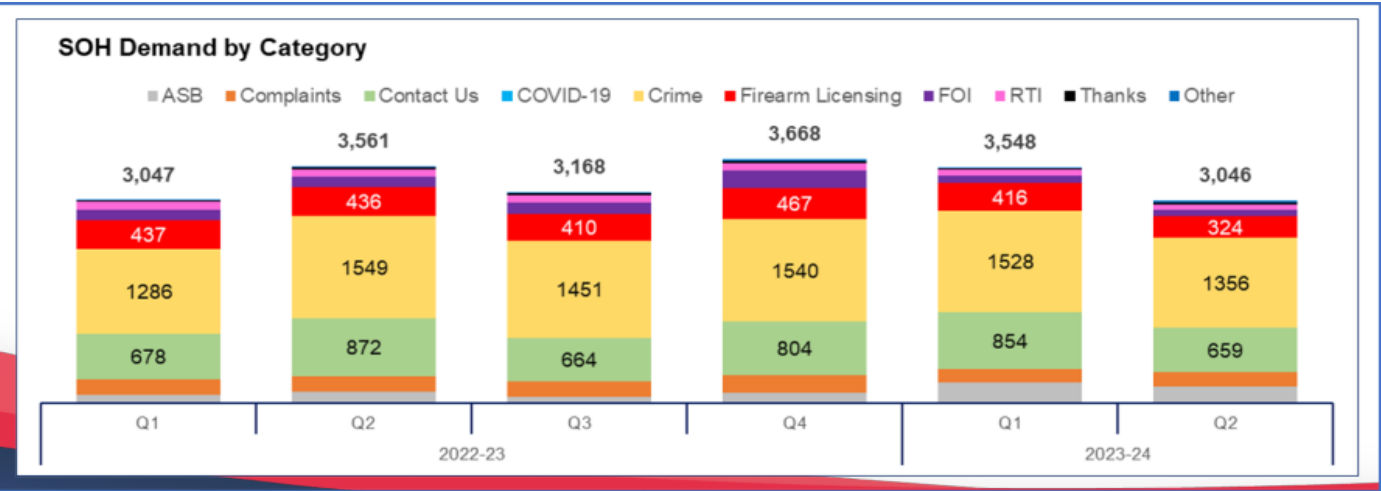
Inbound private messages received via Gwent Police’s social media platforms increased by 4.5% during Q2 2023-24 when compared to the quarter prior, with 1,045 additional messages received for a total of 24,445. In terms of inbound private message sources, 93.2% (22,773 messages) were received via Facebook platforms. Sundays saw the highest volume of inbound private messages (3,737 messages).



Inbound public messages received via Gwent Police’s social media platforms increased by 13.1% during Q2 2023-24 when compared to the quarter prior, with 1,170 additional messages received for a total of 10,107. In terms of inbound public message sources, 79.1% (7,996 messages) were received via Facebook platforms. Thursdays saw the highest volume of inbound public messages (1,788 messages).

3,046 Single Online Home (SOH) forms were submitted during Q2, a reduction of 14.1% (502 fewer forms) when compared to the quarter prior.

The below chart presents these forms by category, with the most numerous being crime reports (44.5% or 1,356 forms), followed by general ‘contact us’ messages (21.6% or 659 forms), and firearm licensing (10.6% or 324 forms). ‘Other’ includes forms with low volume, including events and processions, filming, fingerprints and IP licensing.



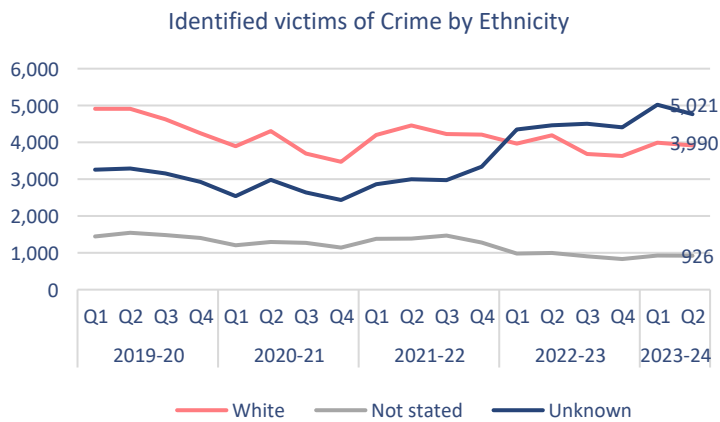
What have the PCC and OPCC Done?

Policy, Projects and Partnerships

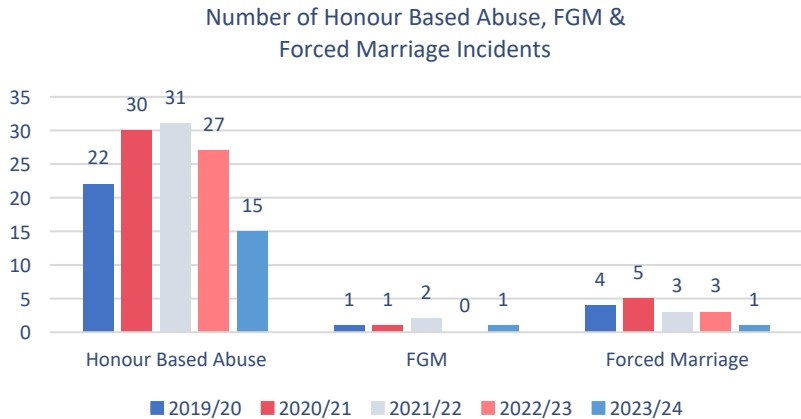
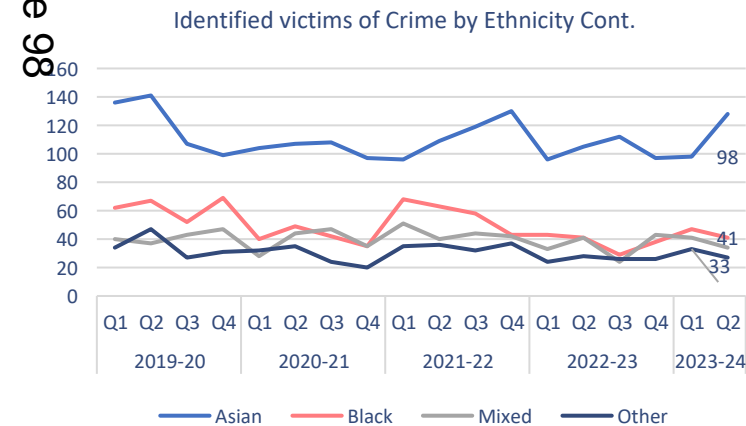
OPCC staff attended Torfaen Sports Development girl’s inclusivity World Cup event at Cwmbran Stadium. The event brought together over 80 young people from across Torfaen to celebrate inclusivity and the empowerment of girls ahead of this year’s Women’s Football World Cup. Officers from Gwent Police’s women’s football team supported the event by helping to referee games and offer endless encouragement to all the teams. The OPCC team was also joined by an officer from Gwent Police Safeguarding team, who engaged with parents and school staff to offer advice and guidance on safeguarding issues.

It was also a great opportunity to engage with pupils to find out how they feel about policing in Gwent by completing one of the OPCC’s youth voice surveys. The feedback from the surveys helps both the OPCC and Gwent Police understand how young people feel about the police and influence our work in the future.

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: INCREASE REPORTING OF CRIME BY COMMUNITIES THAT ARE LESS LIKELY TO ENGAGE WITH THE POLICE



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Improving the quality of demographic data recording remains a focus for Gwent Police which is a key element of the Gwent Race Action Plan and the Criminal Justice Board for Wales Anti-Racism Action Plan. During Q2, there was a slight decrease in the number of reports where ethnicity was ‘unknown’. However, reports from individuals from Asian backgrounds has continued on an upward trend..

The number of Honour Based Abuse incidents recorded during Q2 remains consistent with the same period last year. During the quarter, incidents involving FGM and forced marriage were recorded with numbers consistent with previous years. The VAWDASV partnership continues to ensure appropriate engagement with communities that may be more affected by these crimes.

What have the PCC and OPCC Done?

Policy, Projects and Partnerships

The OPCC has continued to support the delivery of the Criminal Justice Board for Wales Anti-Racism Action Plan. The DPCC remains co-lead of the Community Engagement Workstream and is actively involved in listening to the experiences of our ethnic minority communities in respect of criminal justice in Wales.

Staff from the OPCC communications and engagement and strategy teams are also involved with the Communications Workstream and the Training, Cultural Competency and Workforce Representation Workstreams.

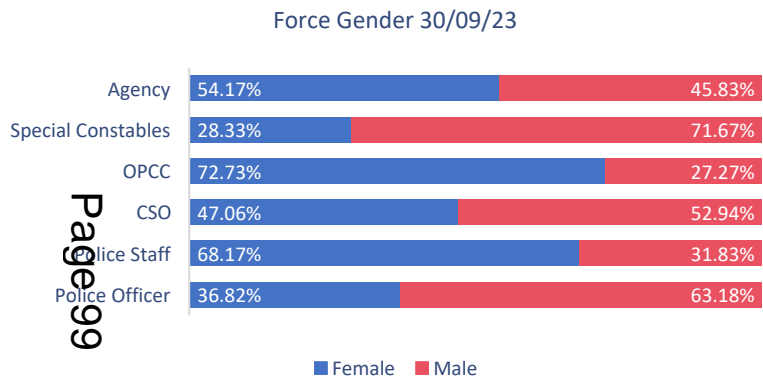
These working groups are responsible for identifying and taking forward specific and targeted actions under the Anti-Racism Implementation Plan with the aim of improving the experiences of people engaged with criminal justice processes and increasing trust and confidence in communities to report crime in the first place.

Through the PCC’s Police and Communities Fund, the Ethnic Minorities Youth Support Team Wales (EYST) has received funding to provide weekly drop-in sessions for young people from ethnic minority backgrounds across Gwent. They currently run sessions in Abergavenny, Maindee and Pillgwenlly. These young people are often vulnerable, and the sessions allow them to take part in a range of activities and trips, while receiving mentoring from positive adult role models.

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: FURTHER INCREASE OFFICER AND STAFF DIVERSITY TO ENSURE OUR POLICE SERVICE REFLECTS THE COMMUNITIES THAT WE SERVE

There is a gender disparity evident in the workforce for both officers and staff. For officers, females are underrepresented by approximately 14 percentage points (females account for 51% of the population in Gwent based on the 2021 Census). However, females are overrepresented in the staff workstream area by approximately 17 percentage points.

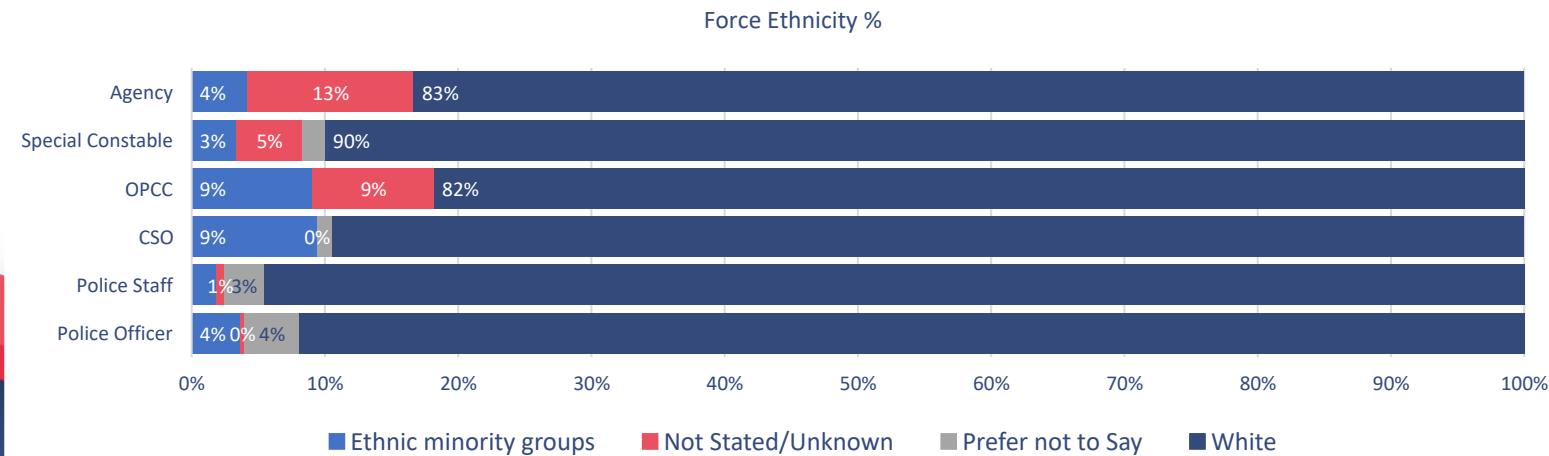
There is also a disparity in the minority ethnic representation within the workforce. In Census 2021, 8.6% of the Gwent population (5.6% in Census 2011) are from an ethnic minority background, which includes individuals in the following ethnic groups: Asian, black, mixed, other, and white minorities. The below table groups this differently, with white including white minorities (Gypsy, Roma and Irish Traveller groups, Irish and any other white background).



5.8% of the Gwent population (3.9% in Census 2011) are from an ethnic background other than white. For police officers, currently 3.6% are from an ethnic group other than white. Ethnic minority representation in staff is lower at 1.9%.

76 Positive Action candidates have been supported in their progression through to the final stages of recruitment, reflecting investment in increasing applications from diverse groups. In addition, a structured delivery programme of Positive Action awareness has been delivered to frontline officers and staff across the force.

A retention roadmap has also been put in place to support the retention of skills and experience within the force.



What have the PCC and OPCC Done?

Policy, Projects and Partnerships

The Commissioner and members of the OPCC team meet regularly with the Chairs of the Gwent Police Staff Support Networks. This enables the Commissioner to listen directly to feedback from the Networks and provide support in addressing any issues or challenges identified by the Networks.

Recently, several of the OPCC team became LGBT+ allies. Part of this role will involve being a visible champion for colleagues and a positive role model that challenges discrimination. Allyship provides an opportunity to help to foster an inclusive workplace culture and positive engagement between colleagues with opportunities to learn from their lived experiences.

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 from an ethnic minority background, or have a disability. The OPCC team currently includes the following staff (excluding the PCC and DPCC).

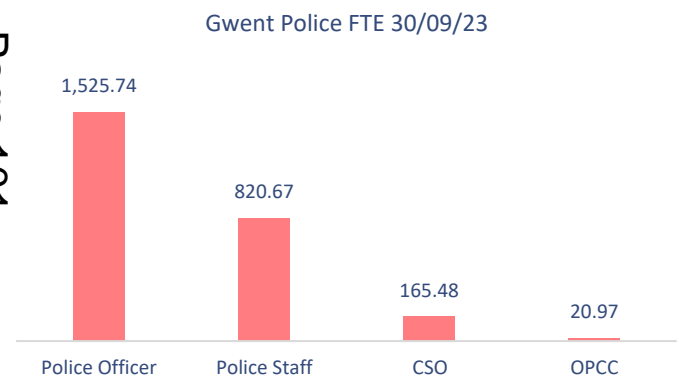
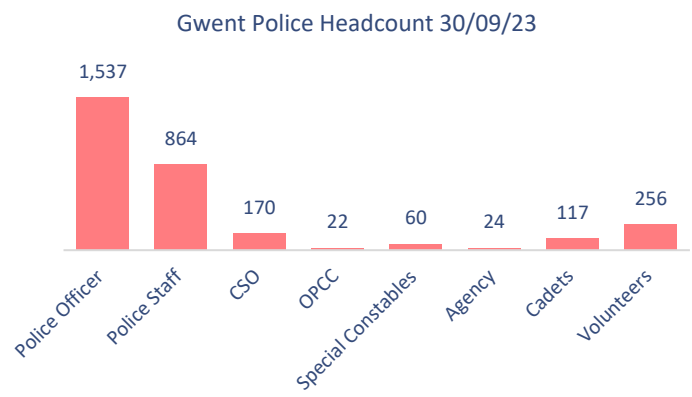
No. of Posts	18 FTE
No. of staff who are women	14
No. of staff from an ethnic minority background	1
No of staff with a disability	2

Priority Five: Drive Sustainable Policing

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

PRIORITY 5. DRIVE SUSTAINABLE POLICING: ENSURE GWENT POLICE HAVE THE RIGHT NUMBER OF OFFICERS, STAFF AND VOLUNTEERS IN THE RIGHT PLACE

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2010/11 – 1477 (the previous high point)
2015/16 – 1147
2019/20 – 1300

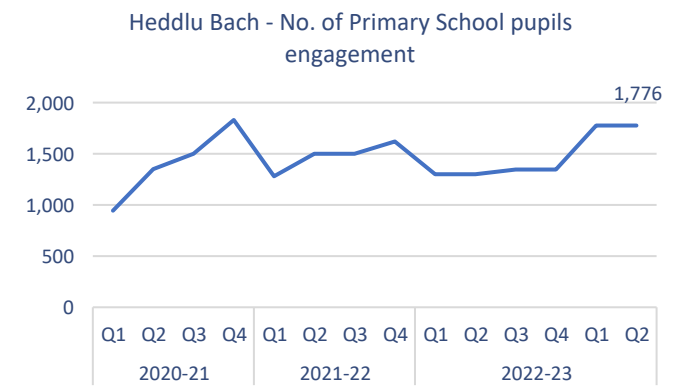
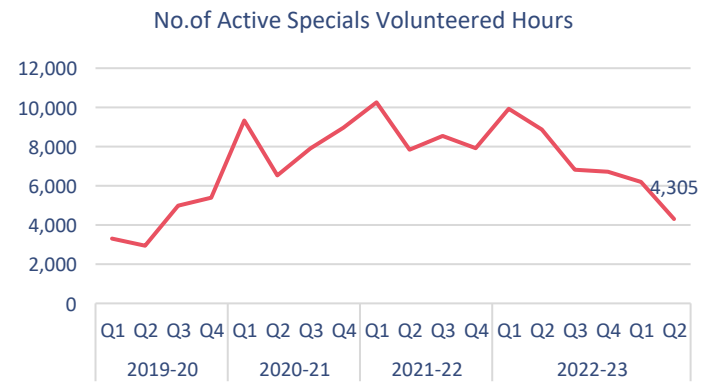
Gwent Police has achieved a Police Constable establishment baseline of 1,506, as well as the 21 additional officers agreed as part of the Over Recruitment Scheme. The current recruitment focus for officers is on increasing detective capacity. Two DCs have transferred to Gwent, and the intake in March 2024 will further support the force in meeting detective strength.

Investments this year have focused in the following areas: Rape Investigation Team, the investigation hub, Neighbourhood Policing review, firearms licensing, and virtual response team.

What have the PCC and OPCC Done?

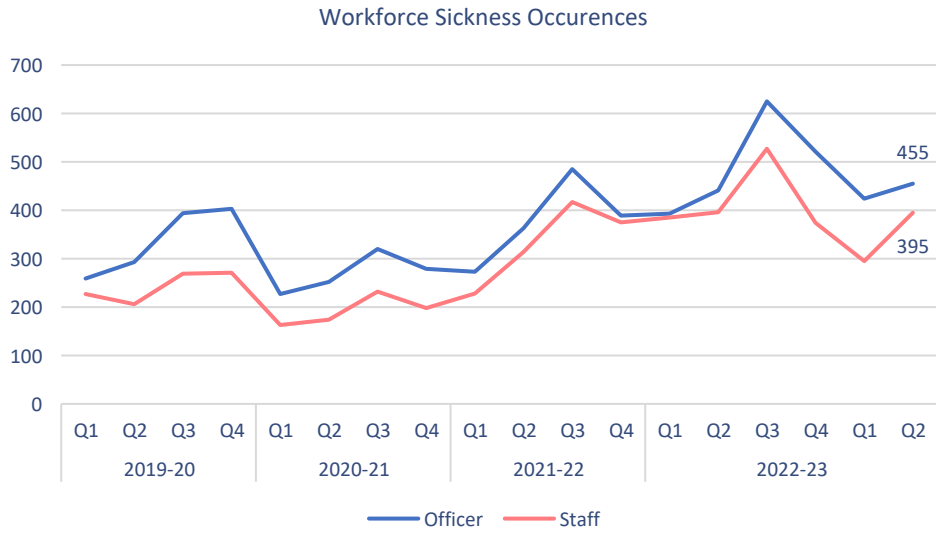
Holding the Chief Constable to Account

The details around establishment were discussed at the recent Strategy and Performance Board as part of the Chief Constable’s budget bid to the Commissioner. This information is now being considered by the Commissioner, in line with statutory requirements, when setting the precept.



PRIORITY 5. DRIVE SUSTAINABLE POLICING: ENHANCE HEALTH AND WELLBEING SUPPORT FOR OFFICERS AND STAFF TO ENSURE OUR WORKFORCE IS FIT AND READY TO MEET THE CHALLENGES OF POLICING

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Top 5 short term sickness absence reasons:

- 1. Vomiting/Diarrhoea
- 2. Covid 19 Positive
- 3. Influenza
- 4. Cold
- 5. Stomach Ache/Abdominal pain

Top 5 long term sickness absence reasons:

- 1. Other Stress
- 2. Anxiety
- 3. Lower limb condition
- 4. Depression
- 5. Back condition

Holding the Chief Constable to Account

The Deputy PCC was pleased to receive helpful updates provided by Gwent Police at the recent Strategy and Performance Board, highlighting the significant focus placed on staff wellbeing. It was reported that:

- The Wellbeing Team won the mental health category at the National Police Wellbeing Service Awards Ceremony for their initiatives.
- Two wellbeing drop-in sessions were created, which ran each week during the summer to support officers and staff during this period of high demand.
- Focus Groups have been run to help understand the reasons for stress in the Force, with the aim of mitigating stressors in order reduce sickness absence.
- A benchmarking request with the support of the National Police Chiefs Council was sent out, with 24 forces providing information in return.
- The flu campaign is 75% complete, with 573 vaccinations given.
- Health Surveillance programmes have been set up in the new patient management system to provide compliance data.
- The force has achieved silver status within the Armed Forces Covenant.