

FINANCIAL KEY PERFORMANCE INDICATORS 2017/18

1. Purpose

1.1 To provide the Committee with an update on the Key Financial Performance Indicators (KPI's) for the exchequer services functions of the Finance Team for the financial year 2017/2018.

2. Background

2.1 The Police and Crime Commissioner monitors revenue and capital spending performance against the budget, but there are other targets in place and it is important for him/her to monitor these other key areas, e.g. debt collection, prompt payment, investment returns, and the value of business undertaken with major customers and suppliers.

2.2 Under Reporting on Practices and Performance Regulations 2017, we must now publish a report on our payment practices and procedures twice yearly. A report covering the first six months of 2018/19 will come to the December meeting.

3. Detail

Sales Ledger & Credit Control

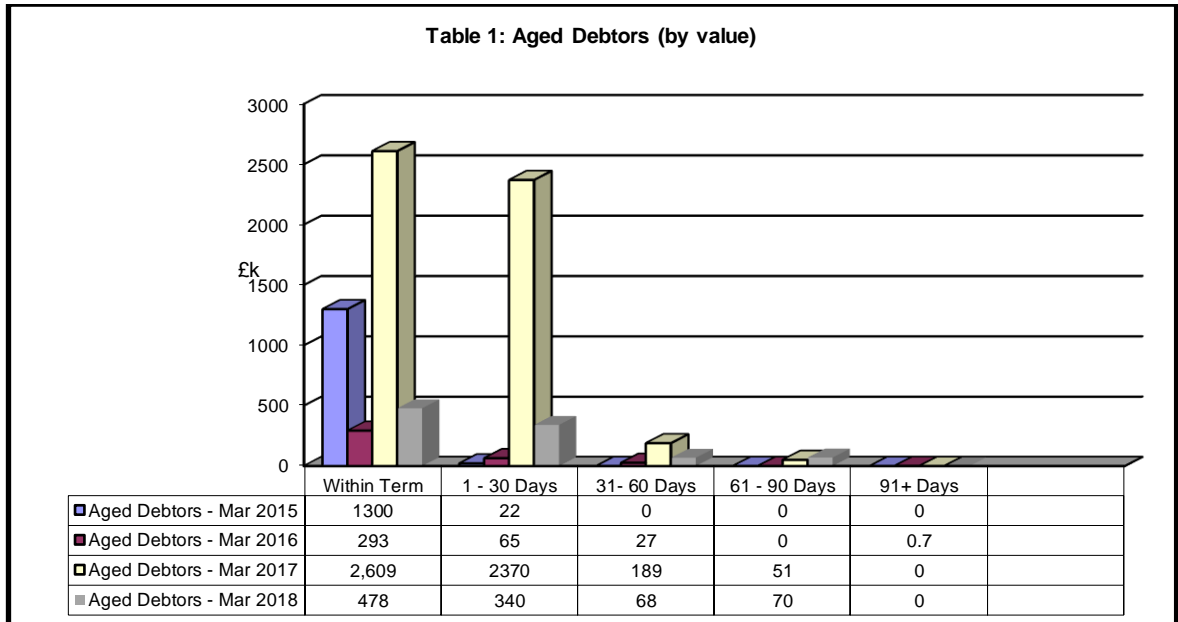
3.1 The overall sales ledger balance at **31st March 2018** was **£470k**; this compares with **£2.6m** for the previous year end. This is a decrease on the previous year due to the proactive stance the Finance Officer and Supervisor take on debt recovery. Their efforts continue on a regular basis to reduce the level of outstanding debt.

3.2 The principal KPI is that of Debtor Days (a measure of the average time taken for payments to be received):

2014/15	2015/16	2016/17	2017/18
76.4 days	18.9 days	106.3 days	28.3 days

The significant difference between 2016/17 and 2017/18 is due the debt recovery process on the new Finance System not being fully operational in 2016/17 and it now being fully operational for 2017/18.

3.3 There was no outstanding debt at 91+ days for 2016/17. Table 1 show that there is also no outstanding debt over 91+ days for 2017/18.



3.4 The Top Ten Debtors list (Table 2) identifies the most significant customers, based on the value of invoices raised between **April 2017 and March 2018**.

Table 2: Top Ten Debtors (by value)

1	The PCC for Hertfordshire	£2,168,315
2	The PCC for Bedfordshire	£1,607,171
3	NHS England	£368,170
4	Home Office	£185,634
5	Metropolitan Police	£182,804
6	NPOCC	£127,789
7	Peterborough City Council	£121,823
8	HMIC	£118,582
9	AA Drive Tech	£116,534
10	Backwoodsman	£106,603
	TOTAL	£5,103,425

1. The PCC for Hertfordshire – this is mainly for Mutual Aid and Tri force Contributions.
2. The PCC for Bedfordshire – this is mainly for Mutual Aid and Tri force Contributions.
3. NHS England – this is mainly for the rent of the SARC premises.
4. Home Office – this is in relation to seconded officers' salaries.
5. Metropolitan Police - this is in relation to seconded officers' salaries.

4. Purchase Ledger & Supplier Payments

- 4.1 The Police and Crime Commissioner seeks to achieve a 30-day turnaround for all supplier payments.
- 4.2 During this period 97.3% of invoices were paid within the 30 day target.
- 4.3 The details are shown in Table 3 below.

Table 3: Prompt Payment KPIs

	2014/15	2015/16	2016/7	2016/17
Invoices Paid no.	20,389	19,052	18,470	16,419
Paid within 30 days (no.)	20,027	18,695	17,434	15,971
Paid within 30 days (%)	98.2%	98.1%	94.4%	97.3%
Target	95%	95%	95%	95%

- 4.4 The average number of days taken to process invoices for goods and services is 13.47 (28.44) days. This is well within target due to the number of immediate payments which are processed e.g. road fund licenses and payroll deductions.
- 4.5 The Top Ten Suppliers list (Table 4) identifies the significant areas of supply for the year. The biggest spend relates to costs associated with the new fleet collaboration with Chiltern Transport Consortium, managed by Thames Valley. The second (and fifth) biggest spend relates to Cambridgeshire’s share of collaboration costs. There is also a significant spend relating to Cambridgeshire’s share of collaboration costs. As usual communication continues to be a significant spend as do costs associated with fuel supplies.

Table 4: Top Ten Suppliers (by Value)

1	PCC FOR THAMES VALLEY	2,446,165
2	PCC FOR HERTFORDSHIRE	1,882,546
3	SCC	1,849,477
4	VIRGIN MEDIA BUSINESS LIMITED	1,632,375
5	PCC BEDFORDSHIRE	1,224,653
6	AIRWAVE SOLUTIONS LTD	1,031,010
7	HOME OFFICE	1,002,893
8	VIRGIN MEDIA LTD	942,173
9	ALLSTAR BUSINESS SOLUTIONS LTD	923,398
10	ADVANCE BUSINESS SOLUTIONS	886,863
	Total	13,821,553

4.6 The new finance system went live on 1st January 2017 and from this time we have stopped issuing cheques. During the last three years cheque payments had reduced significantly and the most cost effective approach to setting up the new payments system was just to have BACS payments.

5. Recommendation

5.1 The JAC is asked to note the report.