

FINANCIAL KEY PERFORMANCE INDICATORS 2016/17

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 2016/2017.

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.

3. Detail

Sales Ledger & Credit Control

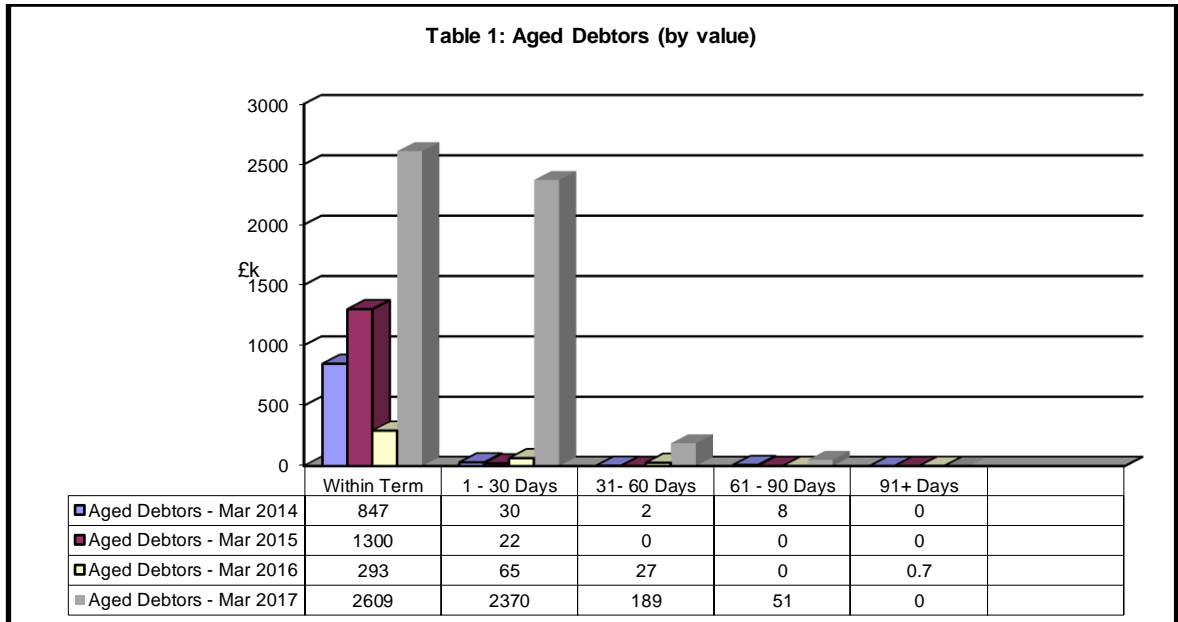
3.1 The overall sales ledger balance at **31st March 2017** was **£2.6m**; this compares with **£386k** for the previous year end. This is a increase on the previous year due to the higher amount of collaboration invoice requests. The Finance Officer and Supervisor take a proactive stance on debt recovery and continue to make efforts 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):

2013/14	2014/15	2015/16	2016/17
57.3 days	76.4 days	18.9 days	106.3 days

The significant difference between 2015/16 and 2016/17 is due to a change in Finance System and the debt recovery process not being available for a significant period of time.

3.3 There was an outstanding debt at 91+ days for 2015/2016 of £0.7k. Table 1 show that there is no outstanding debt over 91+ days for 2016/2017.



3.4 The Top Ten Debtors list (Table 2) identifies the most significant customers, based on the value of invoices raised between **April 2016 and March 2017**.

Table 2: Top Ten Debtors (by value)

1	The PCC for Hertfordshire	£3,830,071
2	The PCC for Bedfordshire	£2,503,928
3	NHS England	£371,256
4	HMIC	£213,285
5	AA Drivetech	£199,528
6	College of Policing	£179,972
7	National Crime Agency (NCA)	£167,368
8	Backwoodsman Ltd	£153,509
9	PCC West Yorkshire	£139,057
10	Metropolitan Police	£130,684
	TOTAL	£7,888,658

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. HMIC – this is in relation to seconded officers salaries.
5. AA Drive Tech – this is for speed awareness course completions on a monthly basis.

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 94.4% of invoices were paid within the 30 day target. This decrease is again due to the change of finance system and the downtime and training time which was involved in implementation.
- 4.3 The details are shown in Table 3 below.

Table 3: Prompt Payment KPIs

	2013/14	2014/15	2015/16	2016/17
Invoices Paid no.	21,043	20,389	19,052	18,470
Paid within 30 days (no.)	20,657	20,027	18,695	17,434
Paid within 30 days (%)	98.2%	98.2%	98.1%	94.4%
Target	95%	95%	95%	95%

- 4.4 The average number of days taken to process invoices for goods and services is 28.44 (12.55) days, which is just outside the target. Normally 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 Tri-force ERP system ,all costs are invoiced to Cambridgeshire, as lead force, and then recharged out. The second biggest spend relates to spend with the Home Office for centrally delivered services (previously provided by NPIA). There is also a significant spend relating to Cambridgeshire's share of collaboration costs. As usual fuel supply continues to be a significant spend as do communications.
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Table 4: Top Ten Suppliers (by Value)

1	ADVANCED BUSINESS SOLUTIONS	3,066,226
2	HOME OFFICE	1,816,792
3	PCC FOR HERTFORDSHIRE	1,611,654
4	PCC BEDFORDSHIRE	1,386,529
5	PCC FOR NORFOLK	1,322,097
6	UPSTREAM DEVELOPMENTS LIMITED	1,251,286
7	AIRWAVE SOLUTIONS LTD	1,204,557
8	ALLSTAR BUSINESS SOLUTIONS LTD	1,127,969
9	PCC FOR ESSEX	1,050,521
10	COULSON & SON LTD	1,025,319
	Total	14,862,950

- 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.
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