

To: Joint Audit Committee
From: Director of Finance and Resources
Date: 25th July 2019

FINANCIAL KEY PERFORMANCE INDICATORS 2018/19

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 2018/2019.

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

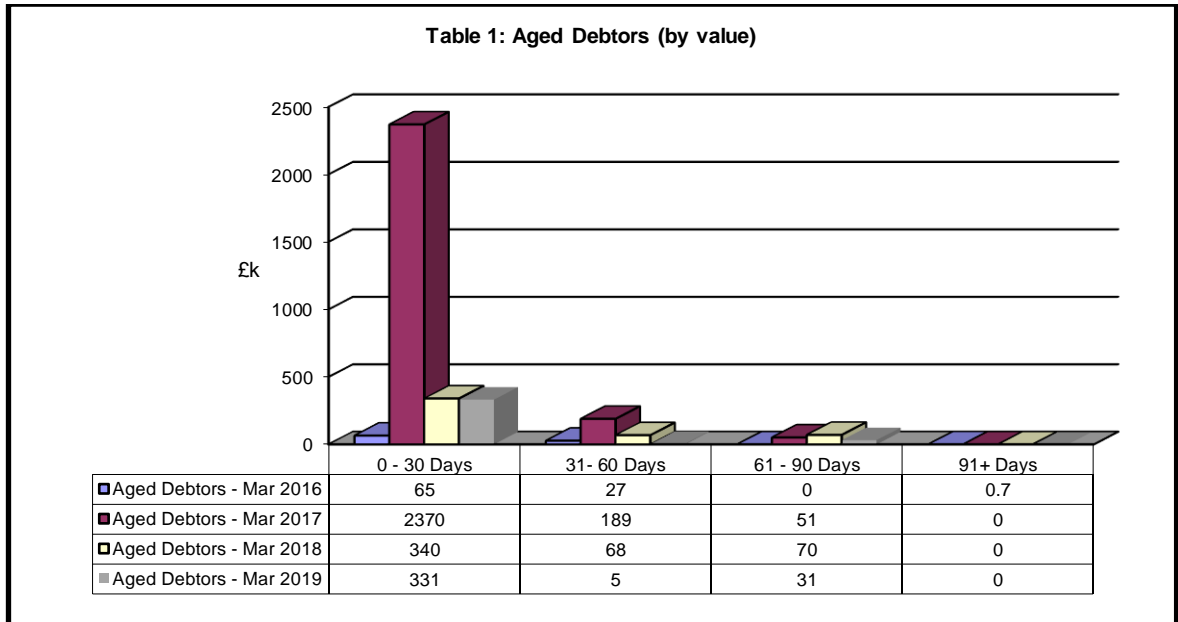
Sales Ledger & Credit Control

- 3.1 The overall sales ledger balance at **31st March 2019** was **£366k**; this compares with **£470k** 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):

2015/16	2016/17	2017/18	2018/19
18.9 days	106.3 days	28.3 days	11.4 days

The significant difference between 2017/18 and 2018/19 is due to the debt recovery process now being fully operational and also the ability to now accept card payments. This often encourages customers to make immediate payment, rather than waiting the 28 days.

- 3.3 There was no outstanding debt at 91+ days for 2017/18. Table 1 show that there is also no outstanding debt over 91+ days for 2018/19.



3.4 The Top Ten Debtors list (Table 2) identifies the most significant customers, based on the value of invoices raised between **April 2018 and March 2019**.

Table 2: Top Ten Debtors (by value)

1	The PCC for Bedfordshire	£4,187,140
2	The PCC for Hertfordshire	£3,865,689
3	PCC for Thames Valley	£1,486,605
4	NHS England	£449,634
5	City of London Corporation	£223,339
6	Highways England	£182,128
7	Metropolitan Police	£133,166
8	Home Office	£129,157
9	PCC for Essex	£117,303
10	Cambridgeshire County Council	£83,137
	TOTAL	£10,857,298

1. The PCC for Bedfordshire – this is mainly for Mutual Aid and Tri force Contributions.
2. The PCC for Hertfordshire – this is mainly for Mutual Aid and Tri force Contributions.
3. The PCC for Thames Valley – this is for costs relating to Chiltern Transport consortium.
4. NHS England – this is mainly for the rent of the SARC premises.
5. City of London Corporation – this is in relation to NEP Programme costs including pay and associated costs.

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 97.7% of invoices were paid within the 30 day target.
- 4.3 The details are shown in Table 3 below.

Table 3: Prompt Payment KPIs

	2015/16	2016/17	2017/18	2018/19
Invoices Paid no.	19,052	18,470	16,419	13613
Paid within 30 days (no.)	18,695	17,434	15,971	13294
Paid within 30 days (%)	98.1%	94.4%	97.3%	97.7%
Target	95%	95%	95%	95%

- 4.4 The average number of days taken to process invoices for goods and services is 13.48 (13.47) 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 fleet collaboration with Chiltern Transport Consortium, managed by Thames Valley. The second (and fourth) biggest spend relates to Cambridgeshire's share of collaboration costs. As usual communication continues to be a significant spend as do costs associated with fuel supplies. Two new suppliers on the list relate to Rates Bills and Temporary Staff. Two big properties were processed early in April 18 rather than March 18, meaning a higher than normal amount for Hunts District Council.

Table 4: Top Ten Suppliers (by Value)

1	PCC FOR THAMES VALLEY	3,097,576
2	PCC BEDFORDSHIRE	3,061,690
3	INSIGHT DIRECT (UK) Ltd	1,917,171
4	PCC FOR HERTFORDSHIRE	1,790,584
5	HOME OFFICE	1,606,338
6	HUNTINGDONSHIRE DISTRICT COUNCIL	1,502,173
7	AIRWAVE SOLUTIONS LTD	1,237,801
8	ALLSTAR BUSINESS SOLUTIONS LTD	1,209,448
9	REED SPECIALIST RECRUITMENT LTD	1,186,964
10	VIRGIN MEDIA BUSINESS LIMITED	1,101,948
	Total	17,711,695

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.