FINANCIAL GOVERNANCE AND PERFORMANCE 2018/19

This report includes details of issues required to be reported under the Financial Contract and Procurement Regulations. It also includes the annual reports agreed as part of arrangements for performance management. The Treasury Management Annual Report 2018/19 was presented to JIAC members in July 2019.

The report covers:

- Overall financial performance (Appendix A);
- Procurement (Appendix B);
- Debt recovery (Appendix C);
- Insurance (Appendix D);
- Corporate Finance team performance (Appendix E).

APPENDIX A

FINANCIAL PERFORMANCE – ANNUAL REPORT 2018/19

The Commissioner's Financial Strategy requires the preparation of an annual report on financial performance covering the issues agreed within the Financial Strategy.

Full details of financial performance in the year are set out in the 2018/19 Revenue Outturn Report, the 2018/19 Capital Outturn Report and the 2018/19 Financial Statements. The following is a summary of the main conclusions:

- Value for Money continues to be an area of strength;

- Financial health is generally sound. The budget for 2019/20 and the following 3 years relies on a programme of significant cost reduction to balance the budget in each of the years. However, financial plans to deliver the reductions are better developed than their associated operational plans. Further development of the operational plans might lead to changed financial plans.

- Continued national political uncertainty has meant that proposals to update the national police grant funding formula have not been progressed by government. Whilst the distribution mechanism has not changed, greater than anticipated precept flexibility, which was exercised by the PCC, meant that budget reductions were not as great as had been feared.

- Audits of core financial processes have received satisfactory levels of assurance with a small number of recommendations for improvement. These reviews inform the overall review of governance arrangements and provide assurance that the controls which the organisation relies upon to manage are suitably designed, consistently applied and effective;

Considerable effort continues to be made to promote Lincolnshire's case for fairer funding in the government grant distribution. This has included the CFO's participation in the joint Home Office/APCC/NPCC team developing a spending review submission for 2019 and applications by the PCC for Special Grant. The PCC continues to ensure that Lincolnshire's MPs are fully briefed. Lincolnshire was awarded £1.8m of Special Grant funding in March 2019 which provides the opportunity for further investment in a limited range of service areas.

The current political and economic uncertainty will continue to impact future central Government expenditure with a consequent potential impact on police funding. Continuing funding uncertainty underlines the need for robust plans with adequate levels of reserves.

- Insurance, procurement and Corporate Finance team performance are described in detail in separate appendices;

- The completion of a programme of reviews of financial processes is a key task in the Corporate Finance Business Plan for 2018/19.

The following table provides a narrative on some of the key financial health indicators:

REF	INDICATOR	NARRATIVE	2017/18	2018/19
Financial health				
1	Risk & General reserves	Maintained around the minimum level of a target range based on a financial risk assessment, currently around 4% of total annual expenditure.	4.4%	4.3%
2	Borrowing	Annual cost of debt repayment and interest not to exceed 5% of annual income.	0.67%	0.7%
3	Internal control	All core financial systems to receive "significant assurance" internal audit conclusions.	No (50%)	No (70%)
4	Accounting	Unqualified external audit opinion on the annual financial statements.	Yes	Audit due Jan 20
Fairer funding				
5	Government grant	Increased share of national police grant.	No	No
Value for money				
6	Spending	Lower than national average spending per head of population (Net Revenue Expenditure estimates)	14.4% lower	15.7% lower
7	Spending	Unqualified VfM Conclusion from the external auditor.	Yes	Audit due Jan 20
Financial performance				
8	Revenue budget management	More than 50% of budgets managed to within 1%.	33%	38%
9	Capital programme management	Actual capital spending managed to more than 80% of the approved programme.	87%	80%
10	Income from fees and charges	Annual Income from fees and charges (with the exception of mutual aid) to exceed £1m.	£1.6m	£1.6m
11	Income collection	Average number of debtor days not to exceed 30.	37 days	35 days
12	Payments	More than 90% of undisputed invoices to be paid within 30 calendar days.	90%	89%

REF	INDICATOR	NARRATIVE	2017/18	2018/19
13	G4S contract – finance functions	100% of G4S contractual targets achieved.	100%	97%
Treasury management				
14	Interest earned	Interest rate on investments higher than average bank rate (0.67% during period).	0.029% above BR	0.095% below BR
15	Interest paid	Interest paid on new long term borrowing less than average government borrowing rate.	n/a No long term borrowing	0.29% less than average
Procurement				
16	Extent of competition	Percentage of spending via national and regional frameworks and other competitive processes	68%	65%
17	Major contracts	Savings achieved on major contracts	£56k	£52k

APPENDIX B

PROCUREMENT

The Strategic Procurement Unit (SPU) seeks to secure best value in all aspects of procurement through the delivery of a professional procurement service to the Force and PCC. During 2018/19, the SPU comprised a total of two G4S staff, one of whom is fully MCIPS qualified and one who is in the process of completing Level 6 MCIPS.

The service provided covers, but is not limited to, provision of advice to officers and staff on a wide range of procurement issues and regulations, tenders/mini competitions, award of contracts and implementation of the most suitable procurement arrangements and requirements to meet operational and support service needs. In 2018/19 the unit awarded 86 contracts for Lincolnshire Police with a total value of £13.3m, with 35 of them being awarded under the EMPLS standard terms and conditions. These contracts are detailed in Table 1.

From the award of these contracts it is estimated that savings totalling approximately £52k have been achieved in 2018/19.

In addition Lincolnshire Police utilise many government/police and local authority collaborative/framework arrangements for a wide range of goods and services. It is estimated up to around 67 arrangements have been utilized to a greater or lesser degree. Spend on these arrangements varies year to year dependent on revenue/capital requirements but is estimated to be as a minimum in excess of £7m pounds per annum. The SPU has been instrumental in the “adoption” of many of these arrangements.

During the year 22 contracts were required to be awarded without formal competition comprising a total value of £1m. A description of these contracts together with justification from the user department is given in Table 2.

Also during the year, a total of 786 retrospective purchase orders (raised after the invoice has been received) have been raised by the Force with a total value of £604k. The SPU have investigated these suppliers and the level of spend if the same items/services have been ordered from the same suppliers; and found that the total annual value for 3 of these suppliers was above £25k. The SPU has liaised with the relevant user departments to ensure that processes can be put in place to try and reduce the number of retrospective orders going forward. These are detailed in Table 3 and equate to approximately 111 purchase orders with a value of approximately £208k. This work will continue to be investigated on a 6 monthly basis. A new No PO No Pay process has been implemented during this year and will go live on 1 April 2019. This should help to reduce the number of retrospective orders being raised during next financial year.

TABLE 1: STRATEGIC PROCUREMENT UNIT CONTRACTS AWARDED 01/04/2018 TO 31/03/2019

Award Date	File Reference	Description
10-Apr-18	5365	Purchasing further taser equipment
11-Apr-18	5362	Purchase of 2 Vauxhall Vivaro Cell Vans
19-Apr-18	5364	Non-Life Insurance Services for period 01/04/18 to 31/03/2019
26-Apr-18	5341	Communications and Media Services for OPCC for period 01/05/19 to 30/04/2020
30-Apr-18	5379	Purchase of 10 Vauxhall Astras in white
01-May-18	5370	Renewal of Oracle Enterprise Licences for period 06/04/19 to 05/04/2019
04-May-18	5307	Upgrade of mobile ANPR - new procurement process
10-May-18	5322	Redacted
29-May-18	5371	Create new office area to the under croft adjacent to the Lakeside at HQ
01-Jun-18	5340	Hire of venue for Police Communicator courses and Annual Conference 2018-2019
06-Jun-18	5315	Dog Vehicle replacement
11-Jun-18	5400	Create a new DDA path from the Lakeside to the Gym at HQ
12-Jun-18	5402	Purchase of 5 Ford Mondeo AWD Estate in white
12-Jun-18	5390	Redacted
26-Jun-18	5392	Temp for Finance for OBIEE for period 21/05/2018 to 17/08/18
27-Jun-18	5406	Carry out essential works to HQ & Boston Offices
28-Jun-18	5306	Forensic Medical Examiner (FME) Services for period 01/09/2018 to 31/08/20
04-Jul-18	5425	Purchase of 6 BMW's
05-Jul-18	5458	Various Mandatory Contributions as per PCC's Decision Report

Award Date	File Reference	Description
05-Jul-18	5369	Upgrade to ABM pegasus
05-Jul-18	5416	ABM Renewal for period 01/04/18 to 31/03/19
17-Jul-18	5324	Victims's Support Services - Outreach Service for period 01/10/18 to 31/03/21
18-Jul-18	5320	Calibration, repairs and postage of 10 Gatso digital speed cameras for period 01/04/18 to 31/03/22
18-Jul-18	5447	Coroner's Officers recharge for FY 17/18 & FY 18/19
24-Jul-18	5415	Extension to Airwave Coverage Contract for period 01/07/18 to 30/06/19
24-Jul-18	5319	Upgrade of EROS2 to EROS Core for period 01/04/18 to 31/03/21
31-Jul-18	5426	Interim SOE contract for period 25/06/18 to 31/08/18
02-Aug-18	5476	Temp for Finance for OBIEE for period 18/08/18 to 17/11/18
09-Aug-18	5459	Contribution to Sobriety Tag Pilot for period 01/04/18 to 31/03/19
14-Aug-18	5462	Purchase of 3 converted Mercedes Sprinter Panel Vans in white - PO CANCELLED
23-Aug-18	5470	Purchase of 9 Vauxhall Astra Estate
30-Aug-18	5347	Mobile Telephone - NPTC Commercial Working Group deals via EMSCU for period 01/09/18 to 31/08/20
04-Sep-18	5496	Vehicle Lubricants National Contract led by GMP for period 05/10/18 to 04/10/20
10-Sep-18	5540	NPAS Contribution for FY 2018/2019
11-Sep-18	5457	PINS renewal for period 01/09/18 to 31/08/20
11-Sep-18	5412	To refurbish the ground floor toilets and showers at Gainsborough
11-Sep-18	5376	Supply of Diesel, Kerosene and Heating Oil for period 01/10/18 to 30/09/20
13-Sep-18	5431	Habit 5 - Community Panel for public consultations (2 year pilot scheme) for period 01/08/18 to 31/07/20
20-Sep-18	5539	Redacted

Award Date	File Reference	Description
20-Sep-18	5538	NABIS Force Funding Contribution for Firearm offences for period FY18/19 - CANCELLED
20-Sep-18	5482	Contribution to NABIS 2018-19
25-Sep-18	5410	Financial and Data Services for period 01/04/18 to 31/03/19
08-Oct-18	5288	National Mobile Phone Register (NMPR) for period 01/04/18 to 31/03/20
15-Oct-18	5243	Provision of electric vehicles
30-Oct-18	5593	First Aid products for period 09/11/18 to 30/09/19
06-Nov-18	5512	Business Travel, Accommodation and Events for period 10/11/18 to 09/11/19
13-Nov-18	5537	Public Sector Audit fee for the PCC and CC of Lincolnshire 2018/19
13-Nov-18	5366	National Contract for Fuel Cards for period 01/08/18 to 31/03/19
15-Nov-18	5504	FCR Mental Health Crisis Nurse Pilot Extension for period 10/07/18 to 31/01/19
20-Nov-18	5509	Supply of Drugwipes for period 20/11/18 to 06/02/20
27-Nov-18	5541	Temp for Finance for OBIEE for period 18/11/18 to 31/12/18
28-Nov-18	5498	Redacted
30-Nov-18	5534	Redacted
30-Nov-18	5503	Integrated Restorative Justice Services Extension for period 01/04/19 to 31/03/21
30-Nov-18	5453	Building works to make provision for gym equipment
07-Dec-18	5420	National Protected Personal Carriers (van) standard competition extension for period 19/12/18 to 18/12/19
07-Dec-18	5532	Internal Audit Services for period 08/05/19 to 07/05/22
18-Dec-18	5558	Temp OBIEE Accountant for period 01/01/19 to 31/01/19
21-Dec-18	5500	Redacted

Award Date	File Reference	Description
21-Dec-18	5276	Supply and installation of LED lighting
27-Dec-18	5542	Extension of CHISVA - Children and Young Person's Sexual Violence Support Services for period 01/10/19 to 30/09/21
18-Jan-19	5546	Vehicle Recovery Services led by North Wales Police for period 14/01/19 to 13/01/20
18-Jan-19	5513	SDIS Support for period 15/11/17 to 31/03/21
22-Jan-19	5527	Extension of pilot to provide psychological assessments and counselling to staff for period 15/10/18 to 31/03/19
23-Jan-19	5501	Redacted
30-Jan-19	5531	Temp for Finance for OBIEE for period 01/02/19 to 31/03/2019
11-Feb-19	5514	Chronicle system support - Regional Contract led by EMSCU for period 01/10/18 to 30/09/24
19-Feb-19	5629	NPAS Contribution for FY 2019/2020
06-Mar-19	5235	Purchase of gym equipment
06-Mar-19	5556	Extension for Provision and Monitoring of temporary alarms for period02/01/19 to 01/01/21
07-Mar-19	5522	Supply of Half Hourly Electricity to 8 sites for period 01/04/19 to 31/03/20
07-Mar-19	5523	Supply of Non half hourly electricity for period 01/04/19 to 31/03/20
07-Mar-19	5521	Natural Gas to Lincolnshire Police for period 01/04/19 to 31/03/20
11-Mar-19	5545	Installation of Home Office Type approved spot speed camera and housing to be sited at Ryhall Road Stamford for period 01/04/19 to 31/03/24
11-Mar-19	5488	Employee Benefits - Cycle to work scheme for period 01/04/19 to 31/07/19
12-Mar-19	5596	Women's Aid Contribution - Grant Q3 & Q4
20-Mar-19	5601	PCC & CC Audit fees 2019/20
25-Mar-19	5583	Consultancy services for G4S extension
25-Mar-19	5613	Contribution for MH Outreach Worker 2018-19 and 2019-20

Award Date	File Reference	Description
28-Mar-19	5614	Subscription to Police ICT Company for period 01/04/19 to 31/03/20
28-Mar-19	5588	Taser ammunition and ancillary equipment
28-Mar-19	5617	Redacted
28-Mar-19	5591	Autopsy Services for 2019/2020
28-Mar-19	5602	Coroner's Officers recharge FY 19/20
29-Mar-19	5618	OPCC Leics Contributions 2018-19
29-Mar-19	5595	Temp OBIEE Accountant for period 01/04/19 to 30/06/19
TOTAL	**86**	

TABLE 2: STRATEGIC PROCUREMENT UNIT
EXCEPTIONAL PURCHASE ACTION
CONTRACTS AWARDED 01/04/18 TO 31/03/19

EXCEPTIONAL PURCHASE ACTION/TEMPLATE APPROVAL DOCUMENTATION HAS BEEN COMPLETED FOR EACH OF THE CONTRACTS BELOW IN ORDER TO JUSTIFY NOT SEEKING FORMAL COMPETITION

Award Date	File Reference	Contract Value £'000	Provider & Description	User Justification as detailed in the Exceptional Purchase Action Form	Department
01/05/18	5370	69	ORACLE CORPORATION UK LTD Renewal of Enterprise Licences for period 06/04/18 to 05/04/19	This is being awarded under the CCS MoU. There is no benefit to awarding to another reseller due to additional charges that this would bring.	IT
11/06/18	5400	30	ROBERT WOODHEAD LTD Create new DDA path from Lakeside to Gym at HQ	This supplier is already undertaking works in this location under the EMPA framework and therefore can carry out this work at the same time and by the deadline of 30/09/18	Facilities Management
12/06/18	5390	27	Redacted	Redacted	Support Services
26/06/18	5392	34	CHERRY PROFESSIONAL RECRUITMENT Temp for Finance for OBIEE consultancy for period 21/05/18 to 17/08/18	The contractor has specific skills and has already been providing this service to the Force so knows exactly what we need and can provide guidance and expertise in both the System and Police specific finance reporting.	Corporate Finance
27/06/18	5406	54	SELMEC (LINCOLN) LTD Essential works to HQ & Boston offices	These works cannot be advertised due to having to release sensitive details regarding the departments that this relates to hence single source approval obtained	Facilities Management

Award Date	File Reference	Contract Value £'000	Provider & Description	User Justification as detailed in the Exceptional Purchase Action Form	Department
05/07/18	5416	29	ABM INTELLIGENCE LTD Renewal of ABM Pegasus solution for period 01/04/18 to 31/03/19	These products are owned by ABM and therefore not available via another supplier hence the need to single source to ABM	IT
05/07/18	5369	31	ABM UK LTD Upgrade to ABM Pegasus	The products are owned by ABM and therefore only this supplier can provide upgrades to the system hence the need to single source to ABM	IT
18/07/18	5320	70	CUBIC TRANSPORTATION SYSTEMS LTD Annual calibration speed cameras for period 01.04.18 to 31/03/22	Cubic systems are the sole supplier of all our current Gatso wet film cameras and Gatso digital speed cameras. All the speed cameras require an annual calibration as part of the Home Office Type Approval system and Cubic are the only company that are permitted to calibrate or repair their equipment.	LRSP
24/07/18	5319	44	CUBIC TRANSPORTATION SYSTEMS LTD Upgrade to EROS Core and support for period 01/04/18 to 31/03/21	Cubic systems are the sole supplier of all our current Gatso wet film cameras and Gatso digital speed cameras. Cubic are the only company that can provide this upgrade to the existing system.	LRSP
31/07/18	5426	40	CASTLEROCK RECRUITMENT GROUP LTD Interim SOE cover for period 25/06/18 to 31/08/18	New FME contract starts on 01/09/18. Current provider advised they are unable to provide cover throughout this interim period therefore the same provider as the tendered FME contract will provide interim cover as and when required	CPT
02/08/18	5476	34	CHERRY PROFESSIONAL RECRUITMENT Temp for Finance for OBIEE consultancy for period 18/08/18 to 17/11/18	The contractor has specific skills and has already been providing this service to the Force so knows exactly what we need and can provide guidance and expertise in both the System and Police specific finance reporting.	Corporate Finance

Award Date	File Reference	Contract Value £'000	Provider & Description	User Justification as detailed in the Exceptional Purchase Action Form	Department
13/09/18	5431	50	HABIT 5 Community panel for public consultations (2 year pilot scheme) for period 01/08/18 to 31/07/20	This supplier has previously undertaken a consultation on behalf of OPCC and therefore have an existing base of individuals who have already expressed an interest in being involved in future consultation. There is no other organisation who would have access to this base of individuals within the requested timeframe.	Strategic Development
15/11/18	5504	30	LINCOLNSHIRE PARTNERSHIP NHS FOUNDATION TRUST FCR mental health crisis nurse for period 10/07/18 to 31/01/19	Extension to existing contract. The NHS is the only provider of this service which has access to NHS protocols and is already signed up to ISA between LPFT and Lincs Police. Part of the service is the ability to seamlessly pathway sufferers into appropriate care – this can only be provided by LPFT.	OPCC
20/11/18	5519	47	BRITISH GAS NEW HEATING T/A BRITISH GAS HQ boiler replacement	Due to urgency as one boiler has failed and due to the time of year the other boilers may not be able to cope with the extra load.	Facilities Management
28/11/18	5498	12	Redacted	Redacted	CPT
21/12/18	5500	22	Redacted	Redacted	CPT
18/01/19	5513	32	CUBIC TRANSPORTATION SYSTEMS LTD SDIS Support renewal for period 15/11/17 to 31/03/21	Cubic are the only company that can provide support for this existing system.	LRSP

Award Date	File Reference	Contract Value £'000	Provider & Description	User Justification as detailed in the Exceptional Purchase Action Form	Department
22/01/19	5527	30	SUPPORTING MINDS Extension of pilot to provide psychological assessments and counselling to staff for period 15/10/2018 to 31/03/19	The force has an existing contract with this supplier to provide psychological support and counselling to officers and staff in the Public Protection Unit. This request seeks to extend this and to incorporate a screening assessment for response officers at Boston and Spalding stations. Delivery timescales for the pilot schemes imposed by the Police Transformation Fund meant that service had to commence in October 2018.	Wellbeing Programme
23/01/19	5501	32	Redacted	Redacted	CPT
25/03/19	5583	95	CIPFA BUSINESS LTD Consultancy services for Strategic Partnership Contract extension	Due to the timescales involved with this project it not considered that there is sufficient time to enable a mini-competition to be held. Three quotes were received however it was believed that this would able to be procured under a framework without realising a formal mini-competition process should be followed.	CPT
28/03/19	5591	156	UNIVERSITY OF LEICESTER Autopsy Services for 2019/2020	Home Office autopsies must be carried out by an approved Home Office Pathologist. The local Home Office approved supplier is University of Leicester	Support Services
28/02/18	5595	33	CHERRY PROFESSIONAL RECRUITMENT for period	The contractor has specific skills and has already been providing this service to the Force so knows exactly what we need and can provide guidance and expertise in both the System and Police specific finance reporting.	Corporate Finance
TOTAL	**22**	**1,001**			

TABLE 3: STRATEGIC PROCUREMENT UNIT RETROSPECTIVE PURCHASE ORDERS CONTRACTS AWARDED 01/04/18 TO 31/03/19

Supplier	Action Taken
Pitney Bowes	Liaised with Support Services and annual PO's will now be raised
Royal Mail	Liaised with Support Services and annual PO's will now be raised
Vodafone	Liaised with IT to ensure requisitions are raised prior to invoices coming in

APPENDIX C

DEBT RECOVERY 2018/19

The total of debtor invoices raised in 2018/19 on behalf of the PCC was £6.572m (2017/18 £7.478m).

The level of outstanding debt at 31 March 2019 was £1.332m. Most of this was money owed to the PCC by companies or public bodies.

	2017/18		2018/19	
Type of Debtor	**Amount £000s**	**% of Total Outstanding**	**Amount £000s**	**% of Total Outstanding**
Individuals	39	3.18%	46	3.45%
Companies	47	3.83%	25	1.88%
Public bodies	1,140	92.99%	1,261	94.67%
Total Outstanding	**1,226**		**1,332**	

The age profile of this debt is shown below. This is a snapshot as at 31 March 2019.

Number of Days	**0 - 30**	**31 - 60**	**61 - 90**	**>90**	**Total Outstanding**
2018/19					
Amount Outstanding £000s	1,265	13	1	53	**1,332**
% of Outstanding Debt	95.0%	1.0%	0.0%	4.0%	
2017/18					
Amount Outstanding £000s	1,007	119	37	63	**1,226**
% of Outstanding Debt	82.1%	9.7%	3.0%	5.2%	

Invoices outstanding for more than 90 days include those which are subject to challenge or clarification by the debtor.

Debts written off in the year total £20,096 equivalent to 0.3% of the total debt raised. This includes invoices for legal court costs which have been awarded to Lincolnshire Police but have proved unrecoverable. The debts written off were subject to investigation by the appointed external Debt Recovery Agent prior to write off.

All debt write offs are approved in accordance with the Financial Regulations.

APPENDIX D INSURANCE SERVICES

1.1. The Police and Crime Commissioner's (PCC) main classes of insurance, including Motor Fleet, Public / Employers Liability and Fidelity Guarantee, cover were subject to competitive tender under EU rules at the end of 2017, for insurance services commencing 1st April 2018. Contracts were awarded for a three year period with an option to extend for two further individual years.

1.2. The Police and Crime Commissioner's (PCC) other classes of insurance cover, including Property, Business Interruption, Engineering Inspection, Personal Accident and Travel, are still under contract until 31st March 2020.

1.3. Insurance Premium Tax (IPT) was charged at 12% on all invoices for 2018/19.

1.4. The following table provides an analysis of the cost of insurance for 2018/19 (includes IPT):

1.5. Insurance cover is provided for the Office of the PCC as well as Police Officers, PCSOs, Support Staff, Special Constabulary, Police Staff Volunteers, Police Cadets, Volunteer Police Support Officers and JIAC members.

1.6. The PCC's brokers, Henderson Insurance Brokers Limited (HIBL) an Aon company, provide advice on insurance terms and cover level and renegotiations of premiums. Renewal information is provided annually; any changes to our exposure such as changes in vehicle numbers, wages and property value increase or decreases would result in the premiums being adjusted up or down accordingly.

Employers and Public Liability Claims Handling

1.7. Employers Liability and Public Liability claims over the deductible are handled by Risk Management Partners, while those under are handled by East Midlands Police Legal Services.

Claims History

1.8. The tables on pages 19 and 20 of this document summarise the claims experience over the period from November 2012 to 31st March 2019.

1.9. The Sum of Net paid column relates to the actual amount paid out in respect of claims, the Sum of Remaining Reserve represents the estimate of the amount still to be paid in respect of claims, with the Sum of Total Experience therefore being the total potential cost of the claims.

Employers Liability Claims

Policy Year	Number of Claims	Sum of Net paid £000s	Sum of Remaining Reserve £000s	Sum of Total Experience £000s
1st Nov 2012 – 31st Oct 2013	8	16.7	-	16.7
1st Nov 2013 – 31st Mar 2015	5	8.3	55.0	63.3
1st Apr 2015 – 31st Mar 2016	4	7.9	-	7.9
1st Apr 2016 – 31st Mar 2017	5	23.3	40.0	63.3
1st Apr 2017 – 31st Mar 2018	1	10.9	-	10.9
1st Apr 2018 – 31st Mar 2019	-	-	-	-
Total	**23**	**67.1**	**95.0**	**162.1**

Public Liability Claims

Policy Year	Number of Claims	Sum of Net paid £000s	Sum of Remaining Reserve £000s	Sum of Total Experience £000s
1st Nov 2012 – 31st Oct 2013	43	57.5	-	57.5
1st Nov 2013 – 31st Mar 2015	37	98.7	18.5	117.2
1st Apr 2015 – 31st Mar 2016	37	77.3	590.3	667.6
1st Apr 2016 – 31st Mar 2017	33	134.8	20.4	155.2
1st Apr 2017 – 31st Mar 2018	13	2.7	114.5	117.2
1st Apr 2018 – 31st Mar 2019	20	11.9	822.8	834.7
Total	**183**	**382.9**	**1566.5**	**1949.4**

Motor Claims Handling

1.14 Since April 2018, motor claims handling services have been provided by Gallagher Bassett on behalf of Risk Management Partners. The claims team handle all “fault” motor claims and a few “non-fault” motor claims involving a third party, at a fixed price of £149 per claim. All other “non-fault” claims are managed by Hendersons on behalf of the PCC.

1.15 Insurance cover is provided for damage to third parties. The PCC is self-insured in respect of accidental damage to police vehicles as the premiums for comprehensive insurance would be far in excess of the cost of repairs.

Policy Year	Number of Claims	Sum of Net paid £000s	Sum of Remaining Reserve £000s	Sum of Total Experience £000s
1st Nov 2012 – 31st Oct 2013	63	396.6	-	396.6
1st Nov 2013 – 31st Mar 2015	86	75.6	-	75.6
1st Apr 2015 – 31st Mar 2016	71	38.8	-	38.8
1st Apr 2016 – 31st Mar 2017	73	88.4	118.6	207.0
1st Apr 2017 – 31st Mar 2018	82	26.8	177.0	203.8
1st Apr 2018 – 31st Mar 2019	65	12.5	35.2	47.7
Total	**440**	**638.7**	**330.8**	**969.5**

Computer Claims

1.10. None in the last 10 years.

Other Policies

1.16 In the last 10 years, there have been no claims on the other policies held by the PCC.

Review of Settlements

1.17 To comply with Financial Regulations, it is required that the annual report includes the following occurrences in the financial year:

- Settlements made in excess of £25k,
- Ex gratia payments in excess of £10k and
- The position in respect of claims estimated at over £50k.

1.18 Three payments have been made in excess of the £25k settlement limit and no payments have been made in excess of the £10k Ex Gratia limit. Current ongoing claims with a reserve above £50k consist of five Public Liability claims and one motor insurance claim.

CORPORATE FINANCE TEAM – PERFORMANCE IN 2018/19 APPENDIX E

2018/19 proved to be a challenging year for the finance function. Positive aspects included the financial statements which were provided to external audit in advance of the statutory deadline. External audit issued a clean audit opinion whilst noting that there had been a slight deterioration in working paper quality. On funding, the PCC's CFO invested a significant amount of time as a member of the joint Home Office / APCC / NPCC team developing a spending review submission for the sector. The emerging findings of the team potentially led to a more positive outcome for the 2019/20 police settlement.

The budget round for 2019-23 proved to be challenging, not only because the funding position was tight but also because the budget process was not delivered in accordance with the plan. As a result, an independent external review was commissioned in the spring of 2019 with a view to facilitating a more effective process and outcome for the next budget round. In terms of continuous improvement, the action plan produced following the CIPFA review in 2015/16 came to the end of its useful life. It will be superseded by a new Action Plan as a result of Lincolnshire's participation in the Finance Excellence in Policing programme.

Achievement on the key tasks set out in the Corporate Finance Business Plan for 2018/19 is described below.

REF.	KEY TASK	ACHIEVED?	COMMENTS
1	**Medium Term Financial Plan –** a) To develop medium term scenarios reflecting differing levels of grant and council tax. b) To establish the options potentially available to balance the budget for 2019/20. c) To continue to promote Lincolnshire's case with Home Office officials and others with influence including providing objective information and analysis. d) To review the capital programme in the context of longer term plans for ICT, property and other assets. e) To promote realistic medium term planning for regional collaborations.	✓✓✓ Largely achieved	The medium term plan was developed over the course of the autumn resulting in a 4-year MTFP being approved in February 2019. Whilst a balanced budget for 2019/20 was presented, funding gaps remained for subsequent years. For 2019/20, a savings plan was incorporated in the budget but there was a lack of clarity on the operational impact of the delivery of the savings. Lincolnshire has continued to contribute at a national level with the CFO being a member of the joint Home Office/APCC/NPCC team tasked with developing a Spending Review submission for 2019. For Lincolnshire, national involvement provides opportunities to ensure that the Home Office continues to be aware of the precarious funding position.

			The review of the capital programme was completed but again without the benefit of the key strategies to underpin the forward plan. This will be revisited during the next budget round. Limited progress was made on delivering a medium term financial perspective for the region. Significant uncertainty about the continuation of significant national funding streams together with a lack of consensus from regional partners on the medium term delivery model meant that attention was focused on delivering an agreed budget for the forthcoming year.
2	**Value for money –** a) To assist in delivering the Value for Money Plan 2018/19 including monitoring the delivery of planned savings and realising cashable benefits. b) To promote efficiency savings and improved value for money in regional collaborations. c) Develop and lead on the Priority Based Budgeting.	✓✓✓ Largely achieved	Planned savings were achieved and a small underspend was achieved for 2018/19. The budget for 2019/20 required significant savings to achieve a balanced position. The development of the savings plan was overseen by a Savings Plan Board and was conducted as project with a full governance structure in place. Whilst the savings were identified for 2019/20 and beyond, the operational plans to support the reduced staffing levels were not fully complete before approval of the budget in February 2019. Whilst the situation has changed in 2019/20 due to the announcement of the national uplift programme, the Force recognises that there is still a need to complete the operational plans and this is being addressed in 2019/20. The DCC is leading on this and has commenced the work through a number of Corporate Planning days. These will continue through the budget process and will support the delivery of the substantial savings targets required by the MTFP. The Savings Board has been closed but the work will continue and be overseen by the Change Board chaired by the DCC. A Priority Based Budgeting exercise was completed in

			2016/17. Discussion has taken place regarding the intention is to revisit this as part of formulating the operational structures going forward.
3	**Financial processes –** a) To agree and implement a programme of process reviews. b) To secure t- Police benefits in processes and management information. c) To incorporate resulting changes in the Financial, Contract and Procurement Regulations. d) To secure implementation of agreed training in relation to the Regulations and to promote awareness of the requirements and individuals' responsibilities.	✓✓ Partly achieved	A good deal of the focus and resources has been channelled into the OBIEE and self-approval projects as detailed below. Both projects will be greater efficiency and effectiveness to the tPolice solution. We continue to work towards reviewing and delivering benefits in all processes and management information. Some preparatory work has been undertaken on the Procure to Pay process review – the work identified will be completed in the first half of 2019/20.
4	**Region –** Support the smooth transition to business as usual.	✓✓✓✓ Achieved	G4S finance prepared the financial monitoring reports for the regional collaborations for which Lincolnshire was the lead force in 2018/19 (EMOpSS and EMCJS). During 2019/20, the lead force for finance responsibility for EMOpSS transferred to Leicestershire. For EMCJS, reports continue to be prepared to an agreed timetable for FCFO review before submission to the SMB and Regional Resources Board.
5	**Police Transformation Fund projects –** a) To make appropriate entries and disclosures in the 2018/19 financial statements. b) To clarify financial management arrangements including those for new projects.	✓✓✓✓ Achieved	Police Transformation Fund projects fully reconciled to accounts and claim forms. Grant claims for the Home Office were prepared and submitted within timescales.
6	**Budget management –** a) To review the outturn for 2018/19 identifying reasons for variance from budgets. b) To review budget management arrangements and performance using the CIPFA Financial	✓✓✓ Largely achieved	Review of 2018/19 outturn has been commissioned and will be reported at PCSB, relevant implications will be factored into budget setting and the MTFP. It is agreed that the national 'Achieving Finance Excellence in Policing' (AFEP) programme presents the PCC/Force

	Management Model. c) To establish balance sheet monitoring including cash balances and consider the timing of borrowing.		with the opportunity to take stock of the progress to date and revise future plans to make use of the new resources which will be made available through this initiative. Lincolnshire signed up to AFEP from April 2019, activity will therefore be reported in the 2019/20 business plan review. Balance Sheet monitoring was routinely reported to RG every four months until this meeting was disbanded. It is now reported to the Finance Team Meeting. Progress on longer term forecast cash flows and the borrowing requirement has moved on significantly in 2018/19.
7	**Strategic Partnership –** • To address contract requirements on financial issues, the impact of new developments (e.g. the extension of services to other forces) and KPI's for finance services.	✓✓✓✓ Fully achieved	No specific issues to address, business as usual.
8	**Joint Independent Audit Committee –** a) To support the Committee including addressing members' training needs. b) To continue working arrangements with the internal audit provider.	✓✓✓✓ Fully achieved	One JIAC member left in 2018/19, however due to already having a co-opted member in place the overall committee membership is stable. Courses and forums of interest are highlighted to members to give opportunities to attend. 2018/19 was the final year of the original contract with the Internal Audit provider Mazars, a regional agreement was made to extend for 3 further years. Their relationship with Lincolnshire is very much embedded in the control environment.
9	**Corporate Finance –** • To establish Corporate Finance's identity and promote awareness of financial management/issues. • CIPFA Finance review • Promoting sound Financial Guidance	✓✓✓ Largely achieved	A significant number of the actions identified in the original CIPFA review have now been achieved. With the launch of CIPFA's national initiative "Excellence in Police Finance" in Spring 2018, the plan was updated to include signing up for this initiative, giving access to professional guidance and resources for Police Finance in line with CIPFA's existing

	• Providing VfM		provision for local government and the NHS. This includes provision of the CIPFA Financial Management & Capability Review (FMCR). This has just been completed and Corporate Finance is agreeing the final report prior to sharing with the wider organisation. An action plan will be developed in 2019/20 to address any areas of weakness identified in the report.
10	**Blue Light -** To provide financial advice	✓✓✓✓ Fully achieved	Programme Board and Steering Group meetings have been attended by a representative from Finance. Budget monitoring reports and financial advice provided when required. Finance staff have a good working relationship with Programme Director, PMO team and Partner finance staff.
11	**Self-Authorisation Project**	✓✓ Partly achieved	Much preparation work has been done on this project with regards to risk management, HMRC compliance and Capgemini tPolice configuration. Approval from both PCC and CC to implement the project has been granted. The project has been delayed slightly with the Force changing its travel policy mid-flight which has resulted in a further tPolice configuration change. It is anticipated that project will go live in mid-2019.
12	**OBIEE Reporting Project**	✓✓ Partly achieved	The project commenced in March 2018 with terms of reference agreed. An external consultant was hired for the project to add the required OBIEE reporting expertise. The project expanded beyond its initial scope as further developments where identified and delivered. The project has needed a good deal of support from Capgemini, who are responsible for the configuration of the OBIEE data warehouse.

			A comprehensive library of OBIEE reports is been developed providing a single version of the truth and eliminating the current reporting gap. A budget manager dashboard is been developed which incorporates Finance and HR data. We are now looking to complete the remaining outstanding actions to enable the project to close in Qtr 1 of 2019/20.
13	**Reserves**	✓✓✓✓ Fully achieved	There was a continued focus on the level of reserves during 2018/19 involving a number of questionnaires and the publication if information by the Home Office. As a result, a comprehensive database of Lincolnshire's reserve position has been developed, including a historical perspective of the movement in each reserve together with plans for the use of reserves over the medium term.