



POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE

SOUTH WALES POLICE

**SUMMARY STATEMENT OF ACCOUNTS
2020-21**

CHIEF FINANCIAL OFFICER'S STATEMENT

INTRODUCTION

The Summary Statement of Accounts 2020-21 sets out the main revenue and capital activity for the year for South Wales Police. The revenue expenditure excludes certain transactions relating to International Financial Reporting Standards (IFRS) with a view to simplifying the presentation of the accounts. These transactions do not affect the transfer to the Police Fund.

REVENUE ACCOUNT

A net revenue budget for 2020-21 of £308.6m was approved in February 2020 to fund existing expenditure commitments and identified Force priorities. In addition, a further £0.3m of capital expenditure funded by Government Grant brought the total budget requirement to £308.9m.

RESERVES

The balance on the Police Fund at the end of the financial year was £10.1m which is below the target level of £11.9m (3% of Gross Revenue Expenditure). However, it was an increase of £0.176m from 2019-20 due to a small underspend at year end. Funding of £25.8m is retained in earmarked reserves for specific revenue and capital purposes.

CAPITAL FINANCE & BORROWING

Capital Expenditure for the period was £31.3m and was financed through borrowing, revenue contributions, capital receipts and specific grants. This represents money spent by South Wales Police for the purpose of purchasing, upgrading and improving assets such as property, vehicles and ICT. The distinction from revenue expenditure is that South Wales

Police receives the benefit from capital expenditure on assets over a longer period of time.

CORPORATE GOVERNANCE

A joint Annual Governance Statement (AGS) for both the Commissioner and the Chief Constable is issued alongside the Statement of Accounts. This highlights the internal control environment, comments on its effectiveness and identifies issues for future work. Revised guidance for 'Delivering Good Governance' for Policing Bodies was published by CIPFA in July 2016 which has been supplemented by CIPFA guidance in February 2021 on the 'Application of the Good Governance Framework 2020-21', in response to the continuing impact of the Coronavirus pandemic on governance. The joint AGS has been produced following this guidance.

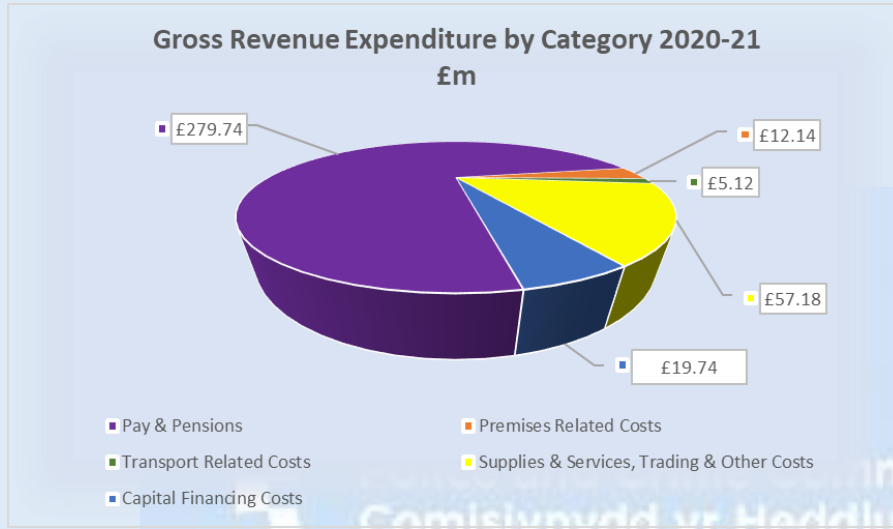
The full published Statement of Accounts and the Audit Wales Auditor General's opinion can be found on the following websites :-

- ❖ Police and Crime Commissioner for South Wales Police
[Finance \(southwalescommissioner.org.uk\)](https://www.southwalescommissioner.org.uk/finance)
- ❖ Chief Constable for South Wales Police

[Annual Statement of Accounts | South Wales Police \(south-wales.police.uk\)](https://www.southwalespolice.uk/annual-statement-of-accounts)

WHAT WAS THE MONEY SPENT ON IN 2020-21

REVENUE EXPENDITURE



The above shows that of the Gross expenditure of £373.9m almost 75% is on pay and associated costs for Police Officers and Staff (£279.74m). Examples of expenditure within the £57.18m for Supplies and Services and other costs include Communications and Computing (£10.6m), Payments to Other Forces (£7.7m), Other Third Party Payments (15.1m) and Investigative and Operational Costs (£5.8m). There is also £19.7m on capital financing costs which includes the interest paid on borrowing, an amount set aside to cover the principal repayment and a revenue contribution to capital financing.

The cost of policing in South Wales and the funding for 2021-21 and the previous year are shown below (presented on the basis for monitoring purposes) :-

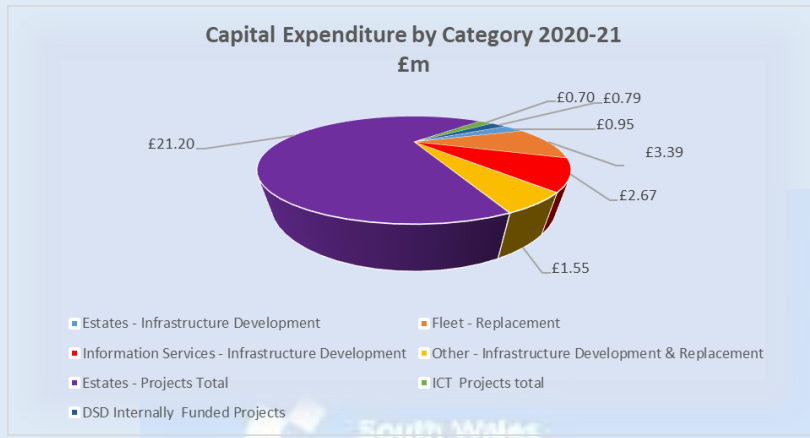
	2020-21 £m	2019-20 £m
Police Officer Pay & Pensions	154.2	146.7
Police Staff Pay & Pensions	61.1	59.4
Devolved Budgets	9.5	10.5
Force / Contingency Budgets	28.0	23.6
Centralised Budgets	12.8	13.0
Externally Funded Budgets	26.5	22.6
Collaborative Budgets	43.8	41.9
Central Budgets	25.1	20.0
Office of the Police & Crime Commissioner	12.9	14.3
Gross Expenditure	373.9	352.0
Less Grants and Income	(65.0)	(63.8)
Net Expenditure	308.9	288.2

The table below shows how South Wales Police was funded in the year with comparison to the prior year.

	2020-21 £m	2019-20 £m
Capital Government Grants	(0.3)	(1.0)
Council Tax Income	(135.9)	(126.5)
Non-Domestic Rate Income (Welsh Government)	(21.9)	(22.4)
Revenue Support Grant (Welsh Government)	(53.9)	(53.4)
Police Grant (Home Office)	(96.9)	(84.9)
Total Funding	(308.9)	(288.2)

WHAT WAS THE MONEY SPENT ON IN 2020-21

CAPITAL EXPENDITURE



The capital expenditure was funded from the following sources:-

Sources of Funding	£m
Home Office Grant	0.27
Revenue Contributions	10.42
Other Grants and Contributions	0.32
Use of Capital Reserves	5.72
Capital Receipts	0.23
Borrowing	14.29
Total Funding	31.24

The capital expenditure includes further progress towards completing the Police Learning and Development Centre at Police Headquarters, a vehicle replacement programme and enhanced mobile capability and is

on target to deliver the ‘Right Person, Right Place at the Right Time ambition’.

BALANCE SHEET

The table below summarise the balance sheet of what South Wales Police ‘owns’ and what it ‘owes’ to others:-

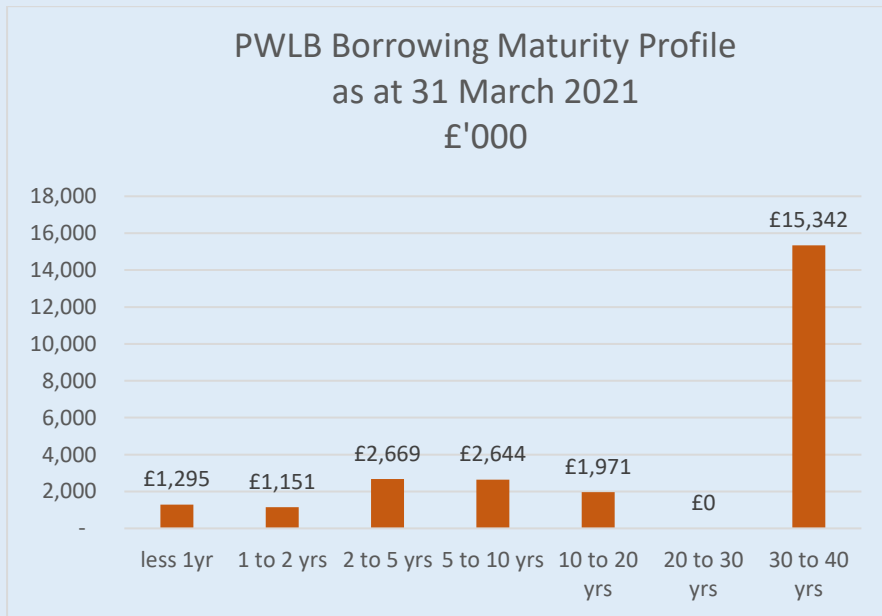
	2020-21 £m	2019-20 m
Tangible Assets (Property, Vehicles, Computer Systems and Equipment)	172.4	149.6
Intangible Assets (Computer Software)	1.7	1.5
Stocks	1.4	1.3
Debtors (Money Owed to SWP)	36.2	39.7
Creditors (Money Owed by SWP)	(34.9)	(27.4)
Cash and Cash Equivalents	32.0	27.2
Provisions	(3.8)	(4.7)
Long Term Borrowing	(23.8)	(25.0)
Less Unusable Reserves	(145.3)	(136.7)
Total Assets less Liabilities	35.9	25.5
Financed by:		
Usable Reserves	(35.9)	(25.5)
	(35.9)	(25.5)

Unusable Reserves hold technical adjustments to the accounts including adjustments made to assets for depreciation and revaluations and are not cash backed reserves.

INVESTMENT & BORROWING

At the 31 March 2021, South Wales Police had £32m of cash and cash equivalents held in either Call Accounts or Money Market Funds.

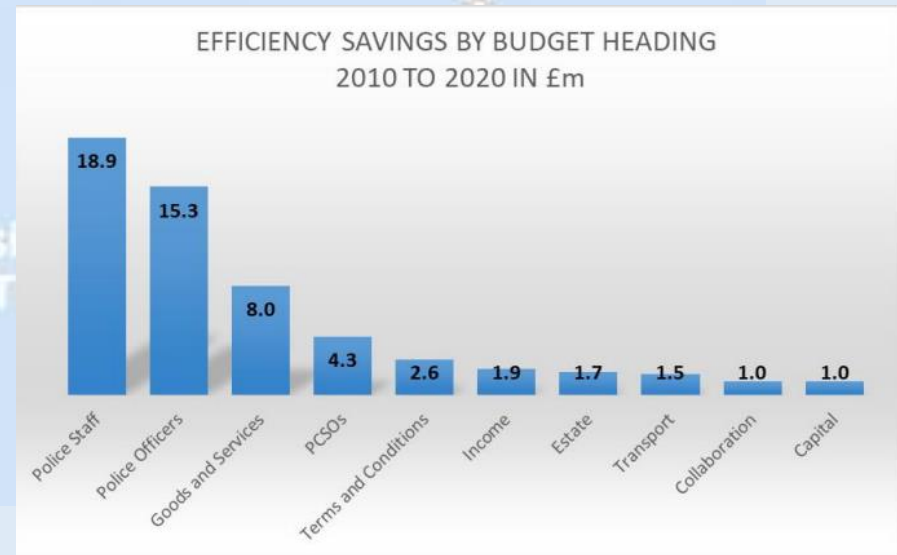
At the same reporting date, there was £25m of outstanding Public Works Loans Board (PWLB) borrowing to be repaid as below (£1.3m being classified as short-term borrowing) :-



The overall treasury position at the end of the financial year was therefore net investments of £7m.

EFFICIENCY & EFFECTIVENESS

Central funding from the Government has not kept pace with rising costs and changing demands. The rigorous measures implemented to deal with the financial challenges arising from CSR 2010, as outlined in the Commissioner’s Value for Money Plan, along with continued prudent financial management have enabled the delivery of £56.2m of savings resulting from the CSR 2010 cuts in police grants. The budget areas these savings have come from are depicted in the infographic below:-



Should flat cash funding of existing expenditure commitments continue, then further revenue savings of £13.5m are forecasted to be required over the period 2021-22 to 2024-25.

ACHIEVEMENTS FORCE WIDE IN 2020-21

Final Outturn Position

The Revenue Outturn for 2020-21 against £308m net revenue budget was a £176k underspend. The Capital Programme Outturn for 2020-21 was a £87k underspend. Both the Draft and the Final Statement of Accounts were produced and published in accordance with the statutory deadlines in Wales. An unqualified Audit Opinion on the Accounts was received.

Making Every Contact Count

85.6% of 999 calls were answered within 10 seconds, which is 4.4% below the national target. Overall 99.0% of 999 calls were answered. 91.8% of non-emergency calls were answered.

Equality, Diversity and Human Rights

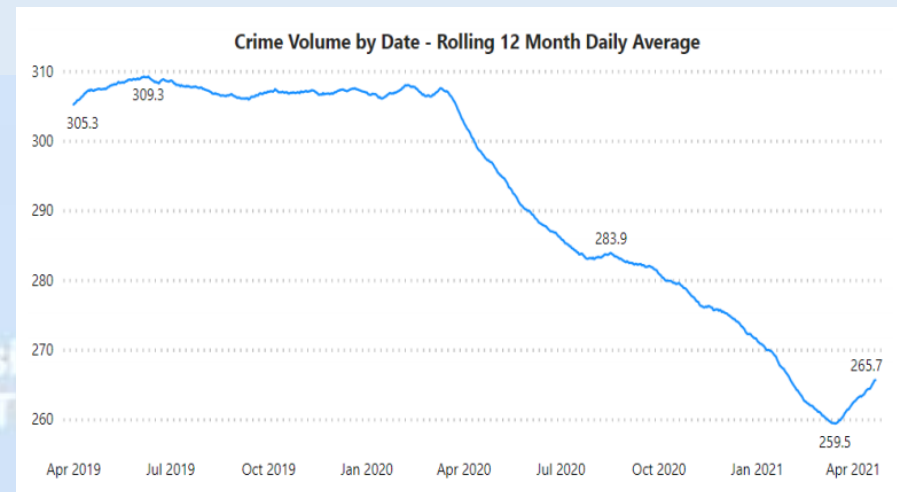
South Wales Police has been working to improve the confidence of victims of hate crime to report incidences and recorded a 7.0% increase in hate crimes in 2020-21 with 2,119 hate crimes, compared to 1,981 in 2019-20.

Quality of Service

93.3% of crimes reported to South Wales Police were recorded within 24 hours. South Wales Police recorded a positive outcome rate of 22.4% for overall crime in 2020-21, compared to 19.4% in 2019-20. South Wales Police recorded a 23.2% decrease in burglaries in 2020-21 with 4,680 crimes, compared to 6,091 in 2019-20.

Recorded Crime

At the end of financial year 2020-21, there was a 13.7% decrease in recorded crime compared to financial year 2019-20. Recorded crime had decreased from an average of over 300 per day at the beginning of 2019-20 to around 260 per day at the end of 2020-21.



The Positive Outcome Rate by offence group for both this financial year and the previous year shows a reduction in the majority of crimes except for criminal damage, burglary of business and community, fraud and forgery and theft of motor vehicles :-

