



POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE

SOUTH WALES POLICE

**SUMMARY STATEMENT OF ACCOUNTS
2021-22**

CHIEF FINANCIAL OFFICER'S STATEMENT

INTRODUCTION

The Summary Statement of Accounts 2021-22 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 2021-22 of £327.9m was approved in February 2021 to fund existing expenditure commitments and identified Force priorities.

RESERVES

The balance on the Police Fund at the end of the financial year was £10.3m which is below the target level of £12.3m (3% of Gross Revenue Expenditure). However, it was an increase of £0.248m from 2020-21 due to a small underspend at year end. Funding of £37.6m is retained in earmarked reserves for specific revenue and capital purposes.

CAPITAL FINANCE & BORROWING

Capital Expenditure for the period was £30.2m 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 more than a year.

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.

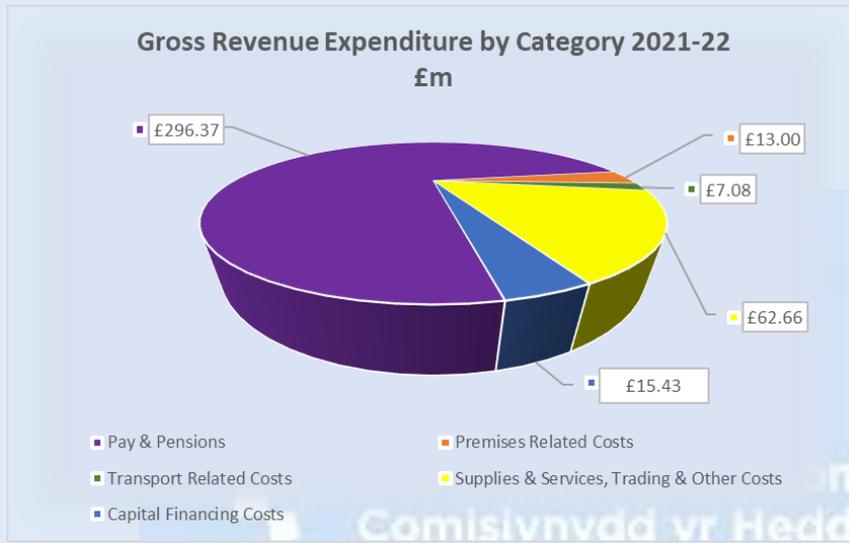
The full published Statement of Accounts and the Audit Wales Auditor General's opinion can be found on the following websites :-

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

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

WHAT WAS THE MONEY SPENT ON IN 2021-22

REVENUE EXPENDITURE



The above shows that of the Gross expenditure of £394.6m almost 75% is on pay and associated costs for Police Officers and Staff (£296.37m). Examples of expenditure within the £62.66m for Supplies and Services and other costs include Communications and Computing (£11.6m), Payments to Other Forces (£7.8m), Other Third Party Payments (17.3m) and Investigative and Operational Costs (£5.9m). There is also £15.43m 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 2021-22 and the previous year are shown below (presented on the basis for monitoring purposes) :-

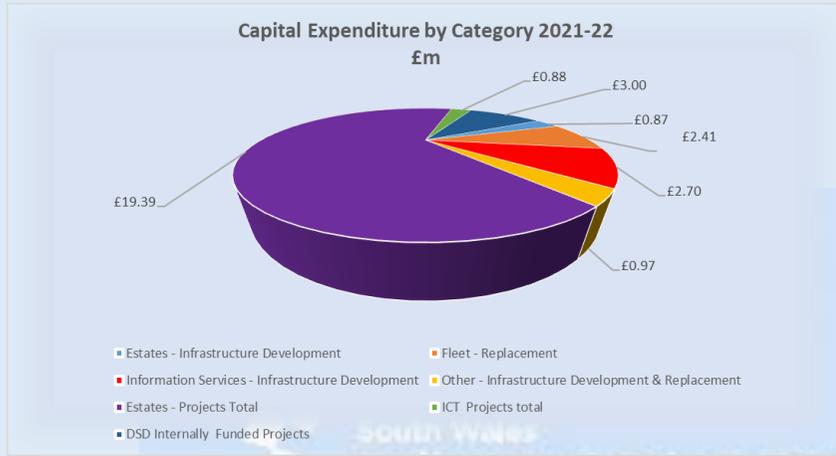
	2021-22 £m	2020-21 £m
Police Officer Pay & Pensions	160.4	154.2
Police Staff Pay & Pensions	64.0	61.1
Devolved Budgets	12.7	9.5
Force / Contingency Budgets	28.4	28.0
Centralised Budgets	14.1	12.8
Externally Funded Budgets	35.8	26.5
Collaborative Budgets	47.1	43.8
Central Budgets	18.1	24.8
Office of the Police & Crime Commissioner	13.7	12.9
Gross Expenditure	394.3	373.6
Less Grants and Income	(66.4)	(65.0)
Net Expenditure	327.9	308.6

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

	2021-22 £m	2020-21 £m
Council Tax Income	(144.3)	(135.9)
Non-Domestic Rate Income (Welsh Governme	(23.3)	(21.9)
Revenue Support Grant (Welsh Government)	(52.7)	(53.9)
Police Grant (Home Office)	(107.6)	(96.9)
Total Funding	(327.9)	(308.6)

WHAT WAS THE MONEY SPENT ON IN 2021-22

CAPITAL EXPENDITURE



The capital expenditure was funded from the following sources:-

Sources of Funding	£m
Home Office Grant	0.26
Revenue Contributions	7.11
Other Grants and Contributions	0.15
Use of Capital Reserves	4.93
Capital Receipts	0.65
Borrowing	17.12
Total Funding	30.22

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:-

	2021-22 £m	2020-21 £m
Tangible Assets (Property, Vehicles, Computer Systems and Equipment)	193.8	172.4
Intangible Assets (Computer Software)	2.1	1.7
Stocks	1.9	1.4
Debtors (Money Owed to SWP)	43.0	36.2
Creditors (Money Owed by SWP)	(42.7)	(34.9)
Investments, Cash and Cash Equivalents	35.5	32.0
Provisions	(3.6)	(3.8)
Long Term Borrowing	(32.6)	(23.8)
Less Unusable Reserves	(149.4)	(145.3)
Total Assets less Liabilities	48.0	35.9
Financed by:		
Usable Reserves	(48.0)	(35.9)
	(48.0)	(35.9)

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 2022, South Wales Police had £38m of short term investments, cash and cash equivalents held in either Call Accounts, Deposits or Money Market Funds.

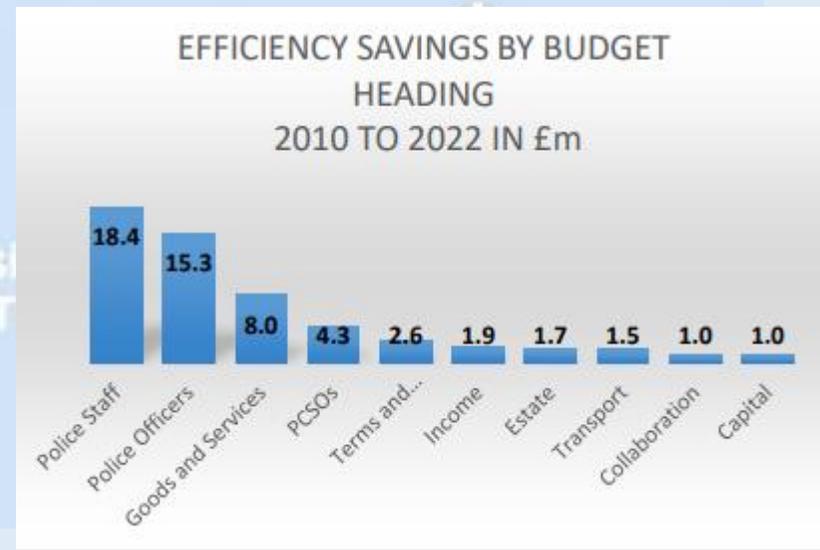
At the same reporting date, there was £34m of outstanding Public Works Loans Board (PWLB) borrowing to be repaid as below (£1.2m being classified as short-term borrowing) which included a new £10m loan taken in year :-



The overall treasury position at the end of the financial year was therefore net investments of £4m.

EFFICIENCY & EFFECTIVENESS

As a consequence of central grant funding from the Home Office not keeping pace with rising costs and changing demands, rigorous financial measures had to be implemented to deal with the budget shortfalls and a comprehensive Value for Money Plan was developed which has delivered £56m of cash releasing savings to date in the following areas :-



The latest Medium Term Financial Strategy 2026 based on the three year Government spending review forecasts an additional budget gap over the next four years of £10m against which £4.6m of savings have been targeted during the 2022-23 financial year.

ACHIEVEMENTS FORCE WIDE IN 2021-22

Final Outturn Position

The Revenue Outturn for 2021-22 against £328m net revenue budget was a £0.3m underspend. The Capital Programme Outturn for 2021-22 was a £0.02m underspend. The Draft Statement of Accounts was produced in accordance with the statutory deadlines in Wales of the 31 May. However due to resourcing issues there was an extended audit and the Final Statement of Accounts was signed by the Auditor General on the 29 September where an unqualified Audit Opinion was received.

Making Every Contact Count

71.5% of 999 calls were answered within 10 seconds which is below the national target. Overall 97.3% of 999 calls were answered and 78.9% of non-emergency calls were answered.

Equality, Diversity and Human Rights

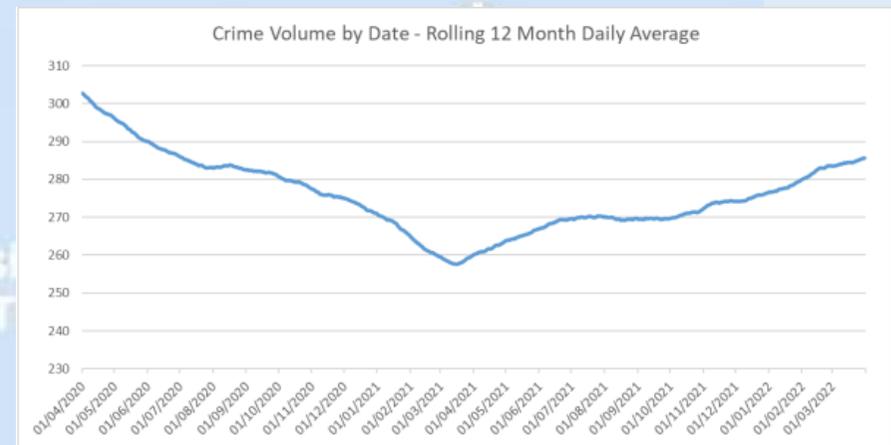
South Wales Police has been working to improve the confidence of victims of hate crime to report incidences and recorded a 26% increase in hate crimes in 2021-22 with 2,671 hate crimes, compared to 2,119 in 2020-21.

Quality of Service

During 2021-22, 93.3% of crimes reported to South Wales Police were recorded within 24 hours. South Wales Police recorded a positive outcome rate of 15.9% for overall crime in 2021-22, compared to 22.4% in 2020-21. South Wales Police recorded a 8% decrease in burglaries in 2021-22 with 4,318 crimes, compared to 4,690 in 2020-21.

Recorded Crime

Given the national restrictions on public movements and rules on isolation the 2020-21 financial year was unusual whereby crime reduced month on month. However, as restrictions eased the graph below shows that month on month crime levels started to increase albeit not yet to the levels experienced pre-covid.



Positive Outcome Rate by Offence Group & ONS Group

This chart shows comparative performance on positive outcome rates between 2020-21 and 2021-22 using the Office of National Statistics groupings on crime and it is pleasing to note the significant improvement on tackling possession and trafficking of drugs activity across the force area. In respect of outcomes on Homicides, these tend to be complicated investigations and prosecutions and often span financial years.

