

APPENDIX B

PERFORMANCE MEASURES: financial health and performance

REF	MEASURE	TARGET
	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.
2	Borrowing	Annual cost of debt repayment and interest not to exceed 5% of annual income.
3	Internal control	All core financial systems to receive “substantial assurance” internal audit conclusions.
4	Accounting	Unqualified external audit opinion on the annual financial statements.
	Fairer funding	
5	Government grant	Increased share of national Police Grant.
	Value for money	
6	Spending	Lower than national average spending per head of population
7	Spending	Unqualified VFM Conclusion from the external auditor.
	Financial performance	
8	Revenue budget management	More than 50% of budgets managed to within 1%.
9	Capital programme management	Actual capital spending managed to more than 80% of the approved programme.
10	Income from fees and charges	Annual Income from fees and charges (with the exception of mutual aid) to exceed £1m.
11	Income collection	Average number of debtor days not to exceed 30 days.
12	Payments	More than 90% of undisputed invoices to be paid within 30 working days.
13	G4S contract – finance functions	100% of G4S contractual targets achieved.
	Treasury management	
14	Interest earned	Interest rate on investments higher than average bank rate.
15	Interest paid	Interest paid on new long term borrowing less than average government borrowing rate.
	Procurement	
16	Extent of competition	Percentage of spending via national and regional frameworks and other competitive processes
17	Major contracts	Savings achieved on major contracts