

For Public Release

**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE  
REQUEST FOR DECISION**

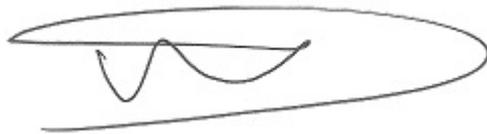
**REF: 006/2021  
DATE: 8 March 2021**

<b>SUBJECT</b>	<b>FINANCIAL GOVERNANCE AND PERFORMANCE REPORT 2019/20</b>
REPORT BY	<b>FORCE CHIEF FINANCE OFFICER (FCFO)</b>
CONTACT OFFICER	<b>SHARON CLARK, FCFO TELEPHONE 01522 947468</b>
<b>EXECUTIVE SUMMARY AND PURPOSE OF REPORT</b> To present the Financial Governance and Performance Report 2019/20 for the Police and Crime Commissioner for Lincolnshire. The 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.	
<b>RECOMMENDATIONS</b>	<b>That the Financial Governance and Performance Report 2019/20 appended to this report be approved.</b>

**POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE**

I hereby approve the recommendation above having considered the content of this report.

Signature:



Date: 8 March 2021

**A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC**

**A1. INTRODUCTION AND BACKGROUND**

1. The purpose of the Financial Governance and Performance report is to provide details of those Financial and Procurement activities required under Financial, Contract and Procurement Regulations to be reported on an annual basis.
2. The report is broken down into the following sections:
  - Overall financial performance;
  - Procurement;
  - Debt recovery;
  - Insurance;
  - Treasury management;

3. The report was presented at the Joint Independent Audit Committee (JIAC) meeting on 25th November 2020, for review and comment. It is now incorporated into this decision request to recognise that the Financial Governance and Performance Report has been received and to make the report available.

## **A2. LINKS TO POLICE AND CRIME PLAN AND PCC'S STRATEGIES/PRIORITIES**

The Financial Governance and Performance Report provides monitoring information on financial and procurement activities, allowing the Police and Crime Commissioner to monitor and review the use of resources.

## **B. FINANCIAL CONSIDERATIONS**

These have been included in the Financial Governance and Performance Report.

## **C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS**

The Police Act 1996 and the Code of Practice on Financial Management requires the Chief Finance Officer to advise the PCC on the safeguarding of assets, including risk management and insurance. Implementation of the arrangements is delegated to the Force.

Under Section 14 of the Police Act 1996, the PCC is required to set up and is responsible for the Police Fund. All money received must be paid into this fund and all expenditure met from it. The Secretary of State has issued a statutory code of practice under Section 39 of the 1996 Act. This recommends that day to day responsibility for financial management should be delegated to the Chief Constable within the scope of Standing Orders and Financial Regulations. Nonetheless, the Chief Finance Officer has a specific duty under the Code of Practice on Financial Management "to secure treasury management including loans and investments." However, for operational reasons, the Chief Finance Officer has delegated the daily management of loans and investment work to the Force Chief Finance Officer, this work is undertaken by the Strategic Partner with a daily authorisation process undertaken to ensure all of the activities are approved.

## **D. PERSONNEL AND EQUALITIES ISSUES**

There are no direct personnel, equal opportunities or diversity issues arising from consideration of this report.

## **E. REVIEW ARRANGEMENTS**

The Financial Governance and Performance Report is the detail of the necessary annual review of financial and procurement activities against strategies and regulations.

**F. RISK MANAGEMENT**

The PCC’s insurance arrangements form a key part of the overall approach to risk management. The levels of retained excess held on policies are designed to balance risk and the cost to the revenue budget of insurance provision.

The PCC and Force Risk Registers include sections on the Treasury Management activities. Regular control and operational reviews are undertaken.

**G. PUBLIC ACCESS TO INFORMATION**

Information in this form along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC’s website within one working day of approval. However, if release by that date would compromise the implementation of the decision being approved, publication may be deferred. An explanation for any deferment must be provided below, together with a date for publication.

<p><b>Is the publication of this form to be deferred? No</b></p> <p>If Yes, for what reason:</p> <p>Until what date:</p>
--

Any facts, advice or recommendations that should not be made automatically available on request should not be included in Part 1 but on the separate Part 2 form.

<p><b>Is there a Part 2 form? Yes</b></p> <p>If Yes, for what reason: Includes sensitive information not to be published.</p>
---

**ORIGINATING OFFICER DECLARATION**

	Initials
<p><b>Originating Officer:</b> CC’s Chief Finance Officer recommends this proposal for the reasons outlined above.</p>	SC
<p><b>Chief Constable:</b> The Chief Constable has been consulted on this proposal.</p>	CH
<p><b>Financial advice:</b> The PCC’s Chief Finance Officer has been consulted on this proposal.</p>	JF
<p><b>Monitoring Officer:</b> The PCC’s Monitoring Officer has been consulted on this proposal.</p>	MB

**OFFICER APPROVAL**

**Chief Executive**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. Consultation outlined above has also taken place. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lincolnshire.

**Signature:**  \_\_\_\_\_

**Date:** 8 March 2021

## **FINANCIAL GOVERNANCE AND PERFORMANCE 2019/20**

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 report covers:

- Overall financial performance (Appendix A);
  - Procurement (Appendix B);
  - Debt recovery (Appendix C);
  - Insurance (Appendix D);
  - Treasury Management Annual Report (Appendix E).
-

## APPENDIX A

### FINANCIAL PERFORMANCE – ANNUAL REPORT 2019/20

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 2019/20 Revenue Outturn Report, the 2019/20 Capital Outturn Report and the 2019/20 Financial Statements. The following is a summary of the main conclusions:

- Value for Money continues to be an area of strength. Planned savings were achieved and an underspend was achieved for 2019/20.
- Financial health was generally sound prior to the global coronavirus pandemic. The budget for 2020/21 and the following 3 years were in a balanced position prior to the Covid-19 pandemic in 2020/21. The cost pressures emerging as a consequence of the effect on the economy means that once again, the force will be facing the need to implement a programme of significant cost reduction to balance the budget in future years. Difficult decisions will need to be made to prioritise the use of limited funding available.
- The government's future intention in relation to grant funding allocations and limitations of council tax increases remains unclear. The much anticipated Core Grant Distribution Review (funding formula review) has once again been delayed as a result of the Covid-19 pandemic and no specific timing has yet been announced.
- 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. In the meantime, the PCC continues to pursue opportunities to secure one-off funding to support policing in Lincolnshire. The Home Office awarded Lincolnshire £0.9m of Special Grant funding in March 2020 which provides the opportunity for further investment in a limited range of service areas.

The current political and economic uncertainty will continue to impact on future central Government expenditure with a consequent potential impact on police funding. Continuing sound financial control and planning will also be important to delivering financial balance into the medium term as reserves to support the revenue budget have been depleted over recent years

- 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 2019/20.
-

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

REF	INDICATOR	NARRATIVE	2018/19	2019/20
<b>Financial health</b>				
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.	4.3%	4.8%
2	Borrowing	Annual cost of debt repayment and interest not to exceed 5% of annual income.	0.7%	0.6%
3	Internal control	All core financial systems to receive "significant assurance" internal audit conclusions.	No (70%)	No (83%)
4	Accounting	Unqualified external audit opinion on the annual financial statements.	Not yet given	Not yet given
<b>Fairer funding</b>				
5	Government grant	Increased share of national police grant.	No	No
<b>Value for money</b>				
6	Spending	Lower than national average spending per head of population (Net Revenue Expenditure estimates, excluding national policing and PCC)	15.7% lower	14.5% lower
7	Spending	Unqualified VfM Conclusion from the external auditor.	Not yet given	Not yet given
<b>Financial performance</b>				
8	Revenue budget management	More than 50% of budgets managed to within 1%.	38%	25%
9	Capital programme management	Actual capital spending managed to more than 80% of the approved programme.	80%	57%
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.	35 days	29 days

REF	INDICATOR	NARRATIVE	2018/19	2019/20
12	Payments	More than 90% of undisputed invoices to be paid within 30 calendar days.	89%	92%
13	G4S contract – finance functions	100% of G4S contractual targets achieved.	97%	100%
<b>Treasury management</b>				
14	Interest earned	Interest rate on investments higher than average bank rate (0.72% during period).	0.095% below BR	0.21% above BR
15	Interest paid	Interest paid on new long term borrowing less than average government borrowing rate.	0.29% less than average	0.46% less than average
<b>Procurement</b>				
16	Extent of competition	Percentage of spending via national and regional frameworks and other competitive processes	65%	67%
17	Major contracts	Savings achieved on major contracts	£52k	£627k

## **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 2019/20, the SPU comprised a total of two G4S staff, one of whom is fully MCIPS qualified and one who commenced with the organisation on 29<sup>th</sup> April 2019.

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 2019/20 the unit awarded 96 contracts for Lincolnshire Police with a total value of £13.994 million, with 49 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 £627k have been achieved in 2019/20.

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 40 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 £5.8 million pounds per annum (67% of total spend). The SPU has been instrumental in the “adoption” of many of these arrangements.

During the year, 20 contracts were required to be awarded without formal competition comprising a total value of £1.365 million. A description of these contracts together with justification from the user department is given in Table 2.

A new No PO No Pay process was implemented by the Strategic Procurement Unit and Finance that went live on 1<sup>st</sup> April 2019, which has reduced the number of retrospective orders being raised this year by 84% compared to last financial year. A total of 128 retrospective purchase orders (raised after the invoice has been received) have been raised by the Force during the year, with a total value of £98K. 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 only one of these suppliers was above £25k (on nine POs raised during April 2019), which were for autopsy services over and above the value of the annual PO raised for the previous financial year. 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.

In March 2020, the SPU consolidated the Contracts Database (an access database holding details of Lincolnshire Police/PCC Contracts above £25k dealt with by the Unit that was no longer supported by ICT) and the Managed Contracts List (details of all fixed term Lincolnshire Police/PCC Contracts held at any value) into one consolidated Contracts Register. This has eliminated duplication of records.

---

**TABLE 1: STRATEGIC PROCUREMENT UNIT  
CONTRACTS AWARDED 01/04/2019 TO 31/03/2020**

<b>Award Date</b>	<b>File Reference</b>	<b>Description</b>
02-Mar-20	0005	DSE eye sight tests for employees (5185)
07-Feb-20	0012	PCC Contribution to Lincolnshire Children's Safeguarding Board for FY 2020/21 (5788)
13-Feb-20	0038	Subscription charges for Covert Authorities (5780)
03-Jun-19	0277	Income Budgets Grant FY2020-21 (5796)
06-Feb-20	0278	PCC Contribution to Lincolnshire Youth Offending Service (5786)
06-Mar-20	0279	Police Pensions Administration Services (5771)
06-Mar-20	0280	Redacted
07-Feb-20	0281	PCC Contribution to Lincolnshire Adult Safeguarding Board (5787)
30-Mar-20	0282	Insurance Services (Lot 1 MD, BI & Money; Lot 2 Contract Works; Lot 3 PA & Travel) (5697)
05-Feb-20	0288	NUMS Lite - supply of Patrol Officer uniforms (5450)
05-Feb-20	0289	Boarding up services (5256)
16-Mar-20	0290	Adobe Acrobat DC Pro (435 licences) (5773)
20-Mar-20	0291	Conversion of Federation Garage to office accommodation for C&C Project
31-Mar-20	0295	Engineering inspection and insurance
01-Apr-19	4965	Police Pensions Admin Services from April 2019 - Regional collaboration
15-Aug-19	5265	Vehicle Telematics Procurement
06-Jun-19	5481	The Chartered Management Degree Apprenticeship (CMDA)
18-Apr-19	5489	Insurance Brokerage Services

<b>Award Date</b>	<b>File Reference</b>	<b>Description</b>
02-Apr-19	5506	Renewal of Oracle Enterprise Licences
17-Apr-19	5550	Excellence in Policing Conference in September
15-Apr-19	5577	Financial and Data Services
16-Jul-19	5584	Window replacement project (North & West level 1 HQ) & mini refurbishment to same areas and undertake the Cyber Crime Alterations
02-Apr-19	5598	Renewal of phone triage kiosk licences and purchase of new kiosk
25-Apr-19	5600	National Office Products Contract extension
01-May-19	5604	Substance misuse testing service contract
01-Apr-19	5609	IL4 Overlay Extension (PSNP)
01-Apr-19	5610	National Contract for Fuel Cards
04-Apr-19	5611	ABM Renewal
16-Apr-19	5615	Home Office Contributions 2019/20
03-Jun-19	5620	Royal Mail Postage - Traffic, Summons & Fixed Penalty Offence Notices
05-Jun-19	5623	Taser X2 Ammunition Cartridges FY 2019/20
04-Jul-19	5625	Hire of venue for Police Communicator courses and Annual Conference 2019-2020
29-Apr-19	5627	Digital Interview Recording (DIR) support renewal
10-May-19	5628	PO for FHQ franking machine fund top ups FY 2019-20
26-Apr-19	5630	Non-Life Insurance Services
19-Jun-19	5631	Lincolnshire Rape Crisis FY 2019-20
14-Jun-19	5635	CIPFA- Achieving Finance Excellence in Policing
10-May-19	5640	Home Office Subscriptions for Covert Authorities 01/04/2019 to 31/03/2020

<b>Award Date</b>	<b>File Reference</b>	<b>Description</b>
18-Dec-19	5643	Vehicle Recovery Services
13-Jun-19	5645	Employee Benefits - Cycle to Work Scheme
06-Jun-19	5649	Senior Leaders Degree Apprenticeship - SLDA
03-Jun-19	5651	Income Budgets Grant FY2019-20 - RESPECT
05-Jun-19	5652	Income Budgets Grant FY2019-20 - WAFE
03-Jun-19	5654	Redacted
25-Jun-19	5655	National Police Procurement Hub (Zanzibar - NPPH) eMarketplace
30-Oct-19	5665	Ratings Appeals
05-Jul-19	5666	PCC Contribution to Lincolnshire Children's Safeguarding Board for FY 2019/20
05-Jul-19	5667	PCC Contribution to Lincolnshire Adult Safeguarding Board FY 2019/20
05-Jul-19	5668	PCC Contribution to Lincolnshire Youth Offending Service FY 2019/20
05-Jul-19	5669	PCC Contribution to Bluelight Treatment Resistant Drinkers Project Year 3 - FY 2019/20
05-Jul-19	5670	PCC Crime & Disorder Grant - LPFT Mental Health
25-Jul-19	5673	Purchase of Replacement Vauxhall Astras
23-Jul-19	5674	Purchase of 6 Vauxhall Corsas
11-Sep-19	5675	Consultancy for G4S extension project
14-Oct-19	5679	Building works for gyms at Gainsborough, Sleaford and Spalding
18-Sep-19	5680	Consultancy services
14-Aug-19	5683	Purchase of BMW
14-Aug-19	5684	Purchase of BMW

<b>Award Date</b>	<b>File Reference</b>	<b>Description</b>
10-Jan-20	5688	Solar PV Installations
21-Aug-19	5690	Purchase of 2 x BMW X5 vehicles in Alpine White
21-Aug-19	5691	Purchase of 1 x BMW X5 in Sophisto Grey Xirallic
16-Sep-19	5695	Annual Recharge Contribution to EMSOU/EMCHRS 2019/20
06-Sep-19	5698	Purchase of 4 Ford Mondeo Dog Vehicles
05-Dec-19	5700	Customer satisfaction surveys
15-Aug-19	5701	EnCASE Forensic 8 x Standard Site Licence
04-Nov-19	5703	Estates Valuation Services
05-Sep-19	5706	Contribution to NABIS 2019-20
28-Oct-19	5707	Natural Gas to Lincolnshire Police (V6 & L6)
25-Nov-19	5713	Adobe Acrobat licences
01-Oct-19	5717	Financial & Data Services
29-Oct-19	5720	Business Travel, Accommodation and Events Year 2 Nov 19 - Nov 20
11-Sep-19	5721	Force Contribution to EMSOU/EMCHR FY 2019/20
14-Oct-19	5722	Water Aggregation Services
29-Oct-19	5723	Provision of ANPR Camera Capability
10-Dec-19	5725	Junior counsel for the Judicial Review against the College of Policing
28-Oct-19	5727	Supply of Half Hourly Electricity to 8 sites (V6 & L6)
14-Oct-19	5728	Supply of Non half hourly electricity (L6)
16-Oct-19	5731	Contribution towards Community Payback post, transport & equipment 2019-2020

<b>Award Date</b>	<b>File Reference</b>	<b>Description</b>
25-Oct-19	5734	Purchase of 8 x Connect Vans in White
12-Nov-19	5735	Apprenticeship leadership course - new starter to IMU
10-Dec-19	5736	Purchase of scanner equipment for Forensic Collision Investigator Team
04-Dec-19	5737	Phase 2 Gym Equipment
13-Nov-19	5743	Single Online Home FY19/20
05-Dec-19	5746	Purchase of Orbis
27-Nov-19	5747	Purchase of 5 x Vauxhall Corsa Vehicles
27-Nov-19	5748	Purchase of 6 x Vauxhall Astra Vehicles
29-Nov-19	5749	Extension of Airwave Coverage and Menu Services Contract to NSD or 31/12/22
05-Dec-19	5750	ESN DNSP extension
18-Dec-19	5751	Financial & Data Information Search Services
30-Jan-20	5755	Vehicle Conversions
18-Dec-19	5756	Consultancy extension to assist CPT in Partnership Futures Project
30-Jan-20	5763	ABM Renewal
14-Jan-20	5766	Industrial Gases
21-Jan-20	5767	IT M&M GCF Renewal
23-Mar-20	5782	Royal Mail Postage: Traffic, Summons & Fixed Penalty Notices - FY 2020/21
30-Mar-20	5799	Consultancy Support for G4S Extension Project
<b>TOTAL</b>	<b>96</b>	

**TABLE 2: STRATEGIC PROCUREMENT UNIT  
EXCEPTIONAL PURCHASE ACTION  
CONTRACTS AWARDED 01/04/19 TO 31/03/20**

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

<b>Award Date</b>	<b>File Reference</b>	<b>Contract Value £'000</b>	<b>Provider &amp; Description</b>	<b>User Justification as detailed in the Exceptional Purchase Action Form</b>	<b>Department</b>
02-Apr-19	5506	138	ORACLE CORPORATION UK LTD Renewal of Oracle Enterprise Licences for period 06/04/19 to 05/04/21	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.	CPT/G4S IT
02-Apr-19	5598	54	CELLEBRITE UK LTD Renewal of phone triage kiosk licences and purchase of new kiosk for period 01/01/19 to 28/06/22	These existing products are owned by the supplier and therefore support and licences are not available via another supplier. This is to consolidate the expiry dates of all existing licences to the same date and purchase of a new kiosk.	Support Services/CPT
04-Apr-19	5611	30	ABM UK LTD Renewal of ABM Pegasus solution for period 01/04/19 to 31/03/20	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/CPT
17-Apr-19	5550	20	ANDERTON MOORE Excellence in Policing Conference in September for period 01/04/19 to 31/03/21	This Contract taken over from EMSCU as the Chief Constable is now Chair of the NPCC and therefore holds the budget for this. There was no provision in the EMSCU contract to novate the Contract to Lincolnshire and as this was an existing service in place there were no other procurement options	Executive

<b>Award Date</b>	<b>File Reference</b>	<b>Contract Value £'000</b>	<b>Provider &amp; Description</b>	<b>User Justification as detailed in the Exceptional Purchase Action Form</b>	<b>Department</b>
18-Apr-19	5489	40	HENDERSON INSURANCE BROKERS LTD Insurance Brokerage Services for period up to 31/03/21	Supplier has worked with the Force for a number of years and have a detailed knowledge of the Force's insurance arrangements and requirements. There are no available frameworks under which this can be procured.	Retained Finance
10-May-19	5628	70	PITNEY BOWES PURCHASE POWER FHQ franking machine fund top ups FY 2019-20	The existing franking machine is provided by this supplier and therefore tops have to be via this supplier	Facilities Management
03-Jun-19	5620	80	ROYAL MAIL Royal Mail Postage - CTO pre-paid envelopes postage for FY 2019-20	All traffic, summons and fixed penalty offences are sent out via this contract. There are set timescales for issuing these and this service ensure these are met as well as providing proof of postage.	G4S FM
03-Jun-19	5654	35	Redacted	Redacted	Rural Crime Lead
06-Jun-19	5481	289	UNIVERSITY OF LINCOLN The Chartered Management Degree Apprenticeship for period up to 02/09/2021	This supplier was selected by the Force to provide the service due to the location to Lincolnshire Police, Relationship development in preparation for potential PEQF elements and they are already set up as an Apprenticeship Provider with known and effective links to the Chartered Management Institute.	Learning & Development
06-Jun-19	5649	36	UNIVERSITY OF LINCOLN Senior Leaders Degree Apprenticeship – SLDA for period up to 28/06/21	This supplier was selected by the Force to provide the service due to the location to Lincolnshire Police, Relationship development in preparation for potential PEQF elements and they are already set up as an Apprenticeship Provider with known and effective links to the Chartered Management Institute.	Learning & Development
14-Aug-19	5683	27	BMW AUTHORITIES Purchase of ex demonstration vehicle for Armed Response duties	The lead time on these vehicles is considerable therefore Fleet Management have secured an ex BMW X5 demonstrator, that is fully kitted out with police emergency equipment. This purchase represents excellent value for money due to the savings achieved against procuring a new fully commissioned vehicle	Fleet

<b>Award Date</b>	<b>File Reference</b>	<b>Contract Value £'000</b>	<b>Provider &amp; Description</b>	<b>User Justification as detailed in the Exceptional Purchase Action Form</b>	<b>Department</b>
14-Aug-19	5684	27	BMW AUTHORITIES Purchase of ex demonstration vehicle for Armed Response duties	The lead time on these vehicles is considerable therefore Fleet Management have secured an ex BMW X5 demonstrator, that is fully kitted out with police emergency equipment. This purchase represents excellent value for money due to the savings achieved against procuring a new fully commissioned vehicle	Fleet
11-Sep-19	5675	60	SARAH FARMER CONSULTING Consultancy for G4S extension project for period 21/07/2019 to 31/12/19	This supplier has a detailed prior knowledge of the Partnership Contract. Under Regulation 10.2.3 it is considered that the market place for advice with regards to this contract is limited and to tender would substantially increase the costs and time involved and due to time constraints it is not appropriate to tender this requirement	CPT
18-Sep-19	5680	38	E2E PROJECT MANAGEMENT LTD Provision of consultancy service to assist CPT in Partnership Futures Project for period 01/08/2019 to 31/12/19	This supplier has a detailed prior knowledge of the Partnership Contract. Under Regulation 10.2.3 it is considered that the market place for advice with regards to this contract is limited and to tender would substantially increase the costs and time involved and due to time constraints it is not appropriate to tender this requirement	CPT
05-Dec-19	5746	33	Redacted	Redacted	CPT
10-Dec-19	5725	75	11 KBW Junior counsel for the Judicial Review against the College of Policing	This supplier has been recommended as the leading exponent of this type of JR in the country by Chambers	Executive
10-Dec-19	5736	69	RIEGL Purchase of scanner equipment for Forensic Collision Investigator Team	This is the only provider of this equipment which is ISO 17020 compliant and therefore procurement from the only other supplier would mean repurchase would be necessary within 2 years to become ISO compliant. We have consulted with other forces and the Forensic Collision Investigation Network (falling under the Specialist Capabilities Programme) to ensure that there are no other providers who can fulfil the requirements for this equipment.	LRSP

<b>Award Date</b>	<b>File Reference</b>	<b>Contract Value £'000</b>	<b>Provider &amp; Description</b>	<b>User Justification as detailed in the Exceptional Purchase Action Form</b>	<b>Department</b>
18-Dec-19	5756	73	E2E PROJECT MANAGEMENT LTD Consultancy extension to assist CPT in Partnership Futures Project for period 01/01/2020 to 30/09/20	This supplier has a detailed prior knowledge of the Partnership Contract. Under Regulation 10.2.3 it is considered that the market place for advice with regards to this contract is limited and to tender would substantially increase the costs and time involved and due to time constraints it is not appropriate to tender this requirement	CPT
20-Mar-20	0291	75	ROBERT WOODHEAD LTD Conversion of Federation Garage to office accommodation for C&C Project	Due to the urgency of this requirement, the preferred method to employ a contractor to carry out this work would be a direct order with an established contractor, who are currently on site finalising other building works. This contractor through the Pagabo Framework has shown value for money by delivering projects on time to a very good standard of workmanship. It is not possible to direct employ them through the framework on this particular occasion, as the value is outside the medium contract values of £250k -£1m.	G4S Facilities Management
30-Mar-20	5799	96	SARAH FARMER CONSULTING LTD Consultancy Support extension for period 01/01/2020 to 30/09/20	This supplier has a detailed prior knowledge of the Partnership Contract. Under Regulation 10.2.3 it is considered that the market place for advice with regards to this contract is limited and to tender would substantially increase the costs and time involved and due to time constraints it is not appropriate to tender this requirement	CPT
<b>TOTAL</b>	<b>20</b>	<b>1,365</b>			

## APPENDIX C

### DEBT RECOVERY 2019/20

The total of debtor invoices raised in 2019/20 on behalf of the PCC was £7.245m (2018/19 £6.572m).

The level of outstanding debt at 31 March 2020 was £1.443m. Most of this was money owed to the PCC by companies or public bodies.

Type of Debtor	2018/19		2019/20	
	Amount £000s	% of Total Outstanding	Amount £000s	% of Total Outstanding
Individuals	46	3.45%	41	2.84%
Companies	25	1.88%	28	1.94%
Public bodies	1,261	94.67%	1,374	95.22%
<b>Total Outstanding</b>	<b>1,332</b>		<b>1,443</b>	

The age profile of this debt is shown below. This is a snapshot as at 31 March 2020.

Number of Days	0 - 30	31 - 60	61 - 90	>90	Total Outstanding
<b>2019/20</b>					
Amount Outstanding £000s	1,294	115	0	34	<b>1,443</b>
% of Outstanding Debt	89.7%	8.0%	-	2.3%	
<b>2018/19</b>					
Amount Outstanding £000s	1,265	13	1	53	<b>1,332</b>
% of Outstanding Debt	95.0%	1.0%	0.0%	4.0%	

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 £23,300 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 1<sup>st</sup> 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 31<sup>st</sup> March 2020.
- 1.3. Insurance Premium Tax (IPT) was charged at 12% on all invoices for 19/20.
- 1.4. The table in part 2 of this report provides an analysis of the cost of insurance for 2019/20 (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. Paragraphs 1.9 and 1.11 of this document summarise the claims experience over the period from November 2013 to 31<sup>st</sup> March 2020.
  - 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
1 <sup>st</sup> Nov 2013 – 31 <sup>st</sup> Mar 2015	5	8.3	55.0	63.3
1 <sup>st</sup> Apr 2015 – 31 <sup>st</sup> Mar 2016	4	7.9	185.0	192.9
1 <sup>st</sup> Apr 2016 – 31 <sup>st</sup> Mar 2017	5	23.3	25.0	48.3
1 <sup>st</sup> Apr 2017 – 31 <sup>st</sup> Mar 2018	1	10.9	-	10.9
1 <sup>st</sup> Apr 2018 – 31 <sup>st</sup> Mar 2019	2	8.7	30.0	38.7
1 <sup>st</sup> Apr 2019 – 31 <sup>st</sup> Mar 2020	1	-	12.0	12.0
<b>Total</b>	<b>18</b>	<b>59.1</b>	<b>307.0</b>	<b>366.1</b>

### Public Liability Claims

Policy Year	Number of Claims	Sum of Net paid £000s	Sum of Remaining Reserve £000s	Sum of Total Experience £000s
1 <sup>st</sup> Nov 2013 – 31 <sup>st</sup> Mar 2015	37	98.6	1.0	99.6
1 <sup>st</sup> Apr 2015 – 31 <sup>st</sup> Mar 2016	37	79.8	260.0	339.8
1 <sup>st</sup> Apr 2016 – 31 <sup>st</sup> Mar 2017	34	134.8	0.3	135.1
1 <sup>st</sup> Apr 2017 – 31 <sup>st</sup> Mar 2018	15	2.7	182.8	185.5
1 <sup>st</sup> Apr 2018 – 31 <sup>st</sup> Mar 2019	24	13.3	106.0	119.3
1 <sup>st</sup> Apr 2019 – 31 <sup>st</sup> Mar 2020	5	-	10.4	10.4
<b>Total</b>	<b>152</b>	<b>329.2</b>	<b>560.5</b>	<b>889.7</b>

### Motor Claims Handling

- 1.10 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 £153 per claim. All other “non-fault” claims are managed by Hendersons on behalf of the PCC.

- 1.11 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.

<b>Policy Year</b>	<b>Number of Claims</b>	<b>Sum of Net paid £000s</b>	<b>Sum of Remaining Reserve £000s</b>	<b>Sum of Total Experience £000s</b>
1 <sup>st</sup> Nov 2013 – 31 <sup>st</sup> Mar 2015	86	75.6	-	75.6
1 <sup>st</sup> Apr 2015 – 31 <sup>st</sup> Mar 2016	71	38.8	-	38.8
1 <sup>st</sup> Apr 2016 – 31 <sup>st</sup> Mar 2017	73	88.4	37.5	125.9
1 <sup>st</sup> Apr 2017 – 31 <sup>st</sup> Mar 2018	83	26.8	175.7	202.5
1 <sup>st</sup> Apr 2018 – 31 <sup>st</sup> Mar 2019	78	12.5	16.8	29.3
1 <sup>st</sup> Apr 2019 – 31 <sup>st</sup> Mar 2020	70	30.6	61.2	91.8
<b>Total</b>	<b>461</b>	<b>272.7</b>	<b>291.2</b>	<b>563.9</b>

### **Computer Claims**

- a.12 None in the last 10 years.

### **Other Policies**

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

### **Review of Settlements**

- 1.14 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.
- 1.15 One payment has 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 three Public Liability claims, two Employers Liability claims and one motor insurance claim.

## APPENDIX E: ANNUAL TREASURY MANAGEMENT REVIEW 2019/20

---

### 1. Introduction

The Police & Crime Commissioner (PCC) is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2019/20 the minimum reporting requirements were that the PCC should receive the following reports:

- an annual treasury strategy in advance of the year (PCC decision 008-2019 08/05/2019);
- a mid-year treasury update report (JIAC paper 19/11/2019);
- an annual review following the end of the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on JIAC for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the policies previously approved by the PCC.

The PCSB confirms that it has complied with the requirement under the Code to scrutinise treasury management reports.

### 2. The PCC's Capital Expenditure and Financing

The PCC undertakes capital expenditure on long-term assets. These activities may either be:

- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the PCC's borrowing need; or
- if insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Capital Expenditure and Financing (£m)	2018/19 Actual	2019/20 Revised Budget	2019/20 Actual
Capital expenditure	16.4	11.6	9.4
Financed in year	5.8	2.8	2.9
Unfinanced capital expenditure	10.6	8.8	6.5

---

### 3. The PCC's Overall Borrowing Need

The PCC's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the PCC should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. This essentially means that the PCC is not borrowing to support revenue expenditure. This indicator allowed the PCC some flexibility to borrow in advance of its immediate capital needs in 2019/20. The table below highlights the PCC's gross borrowing position against the CFR. The PCC has complied with this prudential indicator.

Gross Borrowing and CFR (£m)	31-Mar-19 Actual	31-Mar-20 Revised Budget	31-Mar-20 Actual
Capital Financing Requirement	39.8	46.8	43.6
Borrowing	28.7	35.7	29.9
Other long term liabilities*	6.9	4.6	6.1
Over / (under) borrowing	(4.2)	(6.4)	(7.6)

\*includes the finance lease liability for the ICT assets transferred to G4S.

**The authorised limit** - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the PCC does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the PCC has maintained gross borrowing within its authorised limit.

**The operational boundary** – the operational boundary is the expected borrowing position of the PCC during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Authorised Limit and Operational Boundary (£m)	2019/20
Authorised limit	52.0
Maximum gross borrowing position during the year	36.0
Operational boundary	47.0
Average gross borrowing position	29.3
Financing costs as a proportion of net revenue stream	2.19%

#### 4. Treasury Position as at 31 March 2020

At the beginning and the end of 2019/20 the PCC's treasury position (excluding borrowing by PFI and finance leases) was as follows:

Treasury Position (£m)	31-Mar-19 Principal	31-Mar-20 Principal
Total debt	28.7	29.9
Capital Financing Requirement	39.8	43.6
Other long term liabilities	(6.9)	(6.1)
Underlying Borrowing Need	32.9	37.5
Over / (under) borrowing	(4.2)	(7.6)
Total investments	8.1	6.6
Net debt	20.6	23.3

The maturity structure of the debt portfolio was as follows:

Maturity Structure (£m)	31-Mar-19 Actual	31-Mar-20 Actual
Under 12 mths	1.1	1.1
12 mths and within 24 mths	0.8	0.8
24 mths and within 5 yrs	2.4	2.5
5 yrs and within 10 yrs	3.6	3.4
10 yrs and within 20 yrs	2.8	2.1
40 yrs and within 50 yrs	18.0	20.0

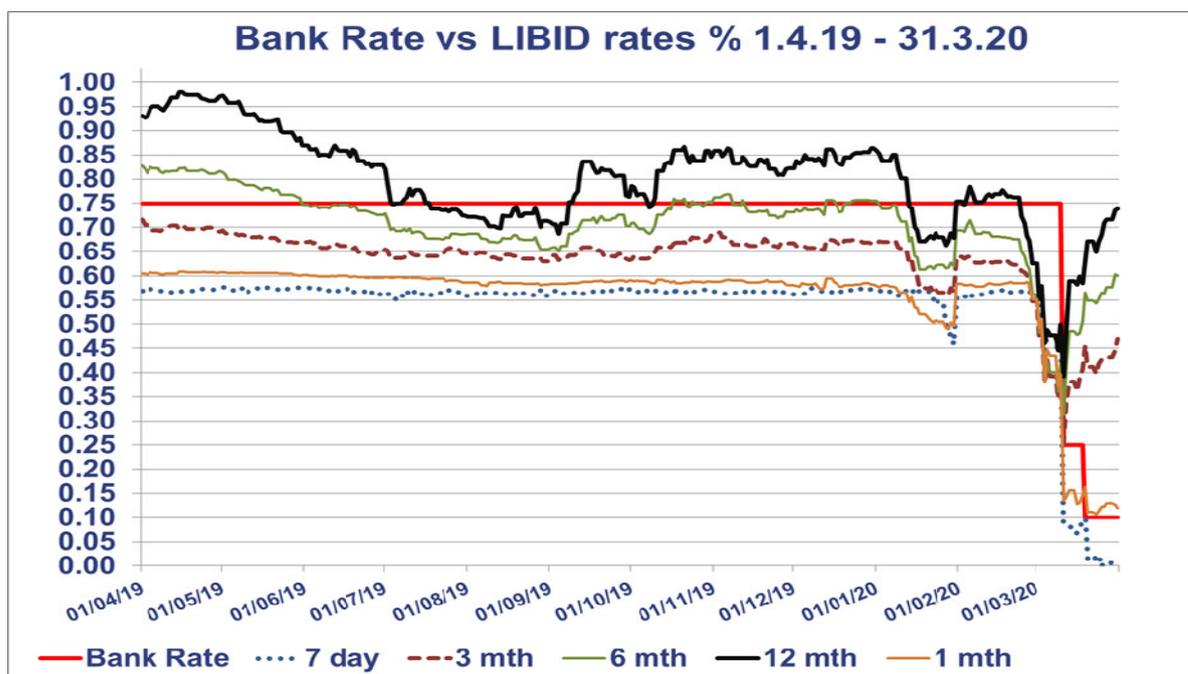
The maturity structure of the investment portfolio was as follows:

Investments (£m)	31-Mar-19	31-Mar-20
Longer than 1 year	-	-
Up to 1 year	8.1	6.6
Total	8.1	6.6

All investments were made for up to one year.

## 5. The Strategy for 2019/20

### Investment strategy and control of interest rate risk



Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.

Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

### Borrowing strategy and control of interest rate risk

During 2019-20, the PCC maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement) was not fully funded with loan debt, as cash supporting the PCC's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this has incurred a revenue cost being the difference between (higher) borrowing costs and (lower) investment returns.

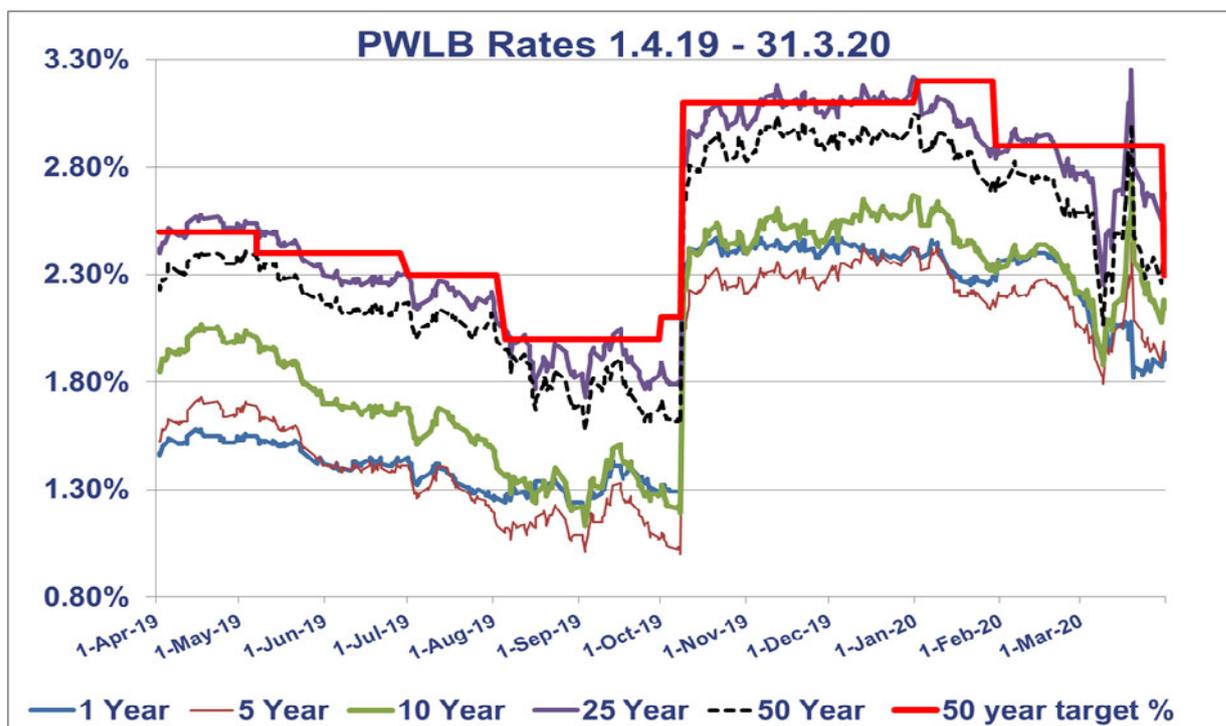
The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under close review in 2019/20 as cash balances were reducing and to avoid incurring higher borrowing costs in the future when the PCC may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Finance Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered;
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View		31.3.20							
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30	
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40	
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55	
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10	
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	



PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.

However, HM Treasury has imposed two changes in the margins over gilt yields for PWLB rates in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- PWLB Standard Rate is gilt plus 200 basis points (G+200bps)
- PWLB Certainty Rate is gilt plus 180 basis points (G+180bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

## 6. Borrowing Outturn for 2019/20

### Borrowing

There has been no temporary borrowing in the year 2019/20 whereas temporary borrowing of £8.6m took place in 2018/19.

Loans were drawn to fund the net unfinanced capital expenditure and naturally maturing debt, whilst taking advantage of the low interest rates available to minimise borrowing costs. The loans drawn were:

Lender	Principal	Type	Average Interest Rate	Maturity
PWLB	£2.0m	Fixed interest rate	2.14%	50 years

### Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

### Repayments

In 2018/19 the PCC repaid £0.8m on the principal on PWLB loans. The outstanding PWLB debt is shown below:

	31-Mar-19	31-Mar-20
Outstanding PWLB debt	£28.4m	£29.5m
Average interest rate	3.13%	3.02%
Average remaining life	36.6 yrs	37.2 yrs

## 7. Investment Outturn for 2019/20

### Investment Policy

The PCC's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the PCC in May 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The PCC held £6.6m of investments as at 31 March 2020; a breakdown of the investments held is in Appendix A1. During the year, no investments were outstanding with counterparties that were not on the PCC's approved list. Interest receipts during the year were £164k, against a budget of £25k.

### Resources

The PCC's cash balances comprise revenue and capital resources and cash flow monies. The PCC's core cash resources were as follows:

Balance Sheet Resources (£k)	31-Mar-19	31-Mar-20
General Fund Balance	3,232	3,333
Earmarked Reserves	9,227	12,439
Provisions	1,657	1,421
Capital Receipts Reserve	-	0
Capital Grants Unapplied	292	12
<b>Total</b>	<b>14,408</b>	<b>17,205</b>

### Appendix A1: Investments List as at 31 March 2020

Capita Colour Coding	Investment duration*	Borrower	Principal (£)	Interest Rate	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Yellow	Up to 5 years	Black Rock MMF	4,000,000	0.52%	MMF	AAA	0.000%
Yellow	Up to 5 years	Aberdeen Standard MMF	2,600,000	0.46%	MMF	AAA	0.000%
		<b>Total Investments</b>	<b>6,600,000</b>	<b>0.50%</b>			<b>0.000%</b>

\*Suggested maximum Investment duratio

