

Public Document Pack

Tŷ Penallta
Parc Tredomen
Ystrad Mynach
Hengoed
CF82 7PG

Penallta House
Tredomen Park
Ystrad Mynach
Hengoed
CF82 7PG

**Gwent Police
and Crime Panel**

**Panel Heddlu
& Throseddu Gwent**

Am bob ymholiad sy'n ymwneud â'r agenda hon, cysylltwch Mark Jacques
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Dyddiad: Dydd Iau, 5 Rhagfyr 2024

Annwyl Syr/Fadam,

Cynhelir cyfarfod o **Banel Heddlu a Throseddu Gwent yn Ystafell Syrhowy, Tŷ Penallta, Tredomen, Ystrad Mynach ar Dydd Gwener, 13eg Rhagfyr, 2024 am 9.00 am**) I ystyried y materion a gynhwysir yn yr agenda ganlynol.

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AELODAETH:

Cynghorydd Gareth A. Davies, Cyngor Bwrdeistref Sirol Blaenau Gwent
Cynghorydd Jacqueline Thomas, Cyngor Bwrdeistref Sirol Blaenau Gwent
Cynghorydd Marina Chacon-Dawson, Cyngor Bwrdeistref Sirol Caerffili
Cynghorydd Mrs Christine Forehead, Cyngor Bwrdeistref Sirol Caerffili
Cynghorydd Colin Mann, Cyngor Bwrdeistref Sirol Caerffili
Cynghorydd Tony Easson, Monmouthshire Sir Fynwy
Cynghorydd Tony Kear, Monmouthshire Sir Fynwy
Cynghorydd Gavin Horton, Cyngor Dinas Casnewydd
Cynghorydd Farzina Hussain, Cyngor Dinas Casnewydd
Cynghorydd Debbie Jenkins, Cyngor Dinas Casnewydd
Cynghorydd Lynda Clarkson, Cyngor Bwrdeistref Sirol Torfaen
Cynghorydd Nick Horler, Cyngor Bwrdeistref Sirol Torfaen

Aelodau Cyfetholedig- Mrs G. Howells a Ms K. Stevenson

Drwy Wahoddiad

Ms J. Mudd, Swyddfa Comisiynydd yr Heddlu a Throsedd
Ms E. Thomas, Swyddfa Comisiynydd yr Heddlu a Throsedd
Mrs S. Curley, Swyddfa Comisiynydd yr Heddlu a Throsedd
Mr D. Garwood-Pask, Swyddfa Comisiynydd yr Heddlu a Throsedd

A Swyddogion Addas.

OFFICE OF POLICE AND CRIME COMMISSIONER

TITLE: Proposed Appointment of Chief Constable

DATE: 13th December 2024

PURPOSE: For Confirmation

<p>1.</p>	<p><u>RECOMMENDATION</u></p> <p>In accordance with the Police Reform and Social Responsibility Act 2011 (the ‘Act’) the Police and Crime Panel (the PCP) are invited to:</p> <ul style="list-style-type: none">a. Review the proposed appointment of Mark Hobrough as Chief Constable of Gwent Police.b. Make a recommendation to the Police and Crime Commissioner (PCC) as to whether the candidate should be appointed.
<p>2.</p>	<p><u>INTRODUCTION & BACKGROUND</u></p> <p>The PCC must, under the Act, notify the PCP of the proposed appointment of a Chief Constable. Paragraph 3(2) of Schedule 8 of the Act requires the PCC to provide the following information:</p> <ul style="list-style-type: none">(a) The name of the person whom the Commissioner is proposing to appoint (“the candidate”);(b) The criteria used to assess the suitability of the candidate for the appointment;(c) Why the candidate satisfies those criteria; and(d) The terms and conditions on which the candidate is to be appointed. <p>The PCP is required to review the proposed appointment and hold a confirmation hearing. The procedural steps that must be followed are set out in Schedule 8 to the Act and the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012.</p> <p>In progressing the recruitment of a new Chief Constable, the PCC has had regard to the legislation referred to above and the updated College of Policing Guidance for the Appointment of Chief Officers published in April 2024.</p> <p>From June to September 2024, the PCC surveyed the people of Gwent in relation to their priorities for policing. Those surveyed were also asked what qualities they wished to see in the future Chief Constable. The helpful feedback from this process was used to inform the candidate pack and the selection process.</p>

3.

ISSUES FOR CONSIDERATION

Advertisement - The College of Policing guidance on the appointment of chief officers states that vacancies must be advertised on a public website or some other form of publication which deals with police matters for a minimum period of 3 weeks. The vacancy should also be advertised nationally to ensure the opportunity is available to the widest pool of eligible candidates. The advert was placed on the OPCC website on 10th September 2024 with a closing date of 3rd October 2024, meeting the 3 week minimum requirement. The shortlisting process took place on 7th October with the interview process taking place on 6th and 7th November.

The advertisement for the role of Chief Constable was placed on the website of the PCC for Gwent. It was also published by the College of Policing which is the primary location for all Chief Officer vacancy advertisements.

Recruitment Pack - the recruitment pack was published on the PCC's website. This comprised a video and a number of documents:

- Recruitment Information Pack containing:
 - An Introduction from the PCC
 - Information about Gwent
 - Overview of the Role
 - Key Accountabilities
 - Behaviours
 - Education, Qualifications, Skills and Experience
 - Terms and Conditions
 - Information on the Application Process
- Application Form and Guidance Notes
- Equal Opportunities and Welsh Language Monitoring Form

A copy of the Recruitment Information Pack is attached at Appendix 1.

The Behaviours section of the information pack sets out the key personal competencies and values required to perform the role of Chief Constable for Gwent. All candidates were required to address these competencies in their application form and during the interview process where they were assessed against the College of Policing Competency and Values Framework. This is attached at appendix 2.

The independent member of the appointment panel, who has many years' experience in senior police officer recruitment, reviewed all documentation in the recruitment pack.

Terms and Conditions - The term of appointment will be for a five year period at a salary of £167,876 per annum. This level of salary is the nationally set spot salary for Gwent. The role also attracts a number of benefits in accordance with Police Regulations and Determinations.

Appointment Panel – Whilst the Act states that it is the PCC's responsibility to appoint the Chief Constable, the College of Policing Guidance suggests that the PCC should convene an appointment panel (to include at least one independent panel member as set out in the Home Office Circular 013/2018 on the selection and appointment of Chief Officers). The role of the independent member is to ensure the appointment process is conducted fairly and openly and that the successful candidate is selected on merit. The independent member is also required to produce a written report on the appointment process for submission to the PCP. This is attached at appendix 4.

The PCC selected an appointment panel to assist her as follows:

- Sir Andy Marsh, Chief Executive Officer, College of Policing
- His Majesty's Inspector of Constabulary, Michelle Skeer*
- Shereen Williams, Chief Executive, Democracy and Border Commission
- Siân Curley, Chief Executive (OPCC)
- Val Ainsworth, Independent Panel Member.

The panel members all received a copy of the College of Policing Guidance for the Appointment of Chief Officers as well as a copy of the Competency and Values Framework against which the candidates were assessed throughout the recruitment process. The Panel was supported and advised by Darren Garwood –Pask, Chief Finance Officer (OPCC) and observed by two College of Policing psychologists

*HMI Skeer was unable to join the interview panel on the day due to unforeseen circumstances.

Applications – 2 applications were submitted to the OPCC.

Shortlisting - Shortlisting took place on 7th October via teams conference due to the differing locations of the interview panel. All panel members assessed the application forms of each candidate. This feedback was built into the final

question set which was to be used during the interview process. Both applicants were shortlisted for interview.

Interview Process - The interview process consisted of feedback from the psychometric tests, which the candidates completed prior to the day, three external stakeholder panels, a media exercise, and a presentation and formal interview. The aim of the interview process was to assess the candidates against the competencies for the role using a process that was both appropriate and rigorous.

External Stakeholder Panels – The PCC decided to hold three stakeholder panels in order to provide additional scrutiny and a wider perspective during the assessment process.

- Partnership Panel
- Communities Panel
- Youth Panel

The stakeholder panel members were invited to take part by the PCC, ensuring that there was representation from a diverse range of key partners, community members and young people.

Each facilitator provided qualitative feedback to the PCC and Appointments Panel prior to deliberations

Media Exercise

An external consultant was invited to prepare and facilitate an exercise which the candidates undertook. The consultant was supported by the PCC's Head of Communication and Engagement and feedback was provided to the panel members following the interview process.

Presentation and Interviews - Each candidate was provided with a candidate brief on 18th October 2024 to ensure they had sufficient time to prepare a presentation. The candidates delivered their presentations then answered questions on that presentation.

This was followed by formal interview questions and formed the evidence gathering upon which the PCC based her conclusion. Each candidate was measured against the College of Policing Competency and Values Framework.

The Preferred Candidate – The candidate who scored the highest mark in the presentation and interview session was Mark Hobrough, current Temporary Chief Constable of Gwent Police.

	<p>Accordingly, the PCC formally proposes to the PCP that Mark Hobrough be so appointed.</p> <p>Further information on how the candidate met the required criteria is attached at appendix 3.</p>
4.	<p><u>NEXT STEPS</u></p> <p>Next steps will be dependent on the decision of the PCP and are laid out in legislation.</p> <p>The preferred candidate has held Developed Vetting status for over 7 years and has recently been through a re-vetting process by the Cabinet Office as part of normal re-vetting timescales. It is hoped that the candidate will have his developed vetting status reconfirmed within the coming weeks. It must be noted that this increased vetting level is a requirement of the role and must be completed successfully for the candidate to hold the position,</p>
5.	<p><u>FINANCIAL CONSIDERATIONS</u></p> <p>The financial aspects of the post of Chief Constable are outlined in this report.</p>
6.	<p><u>PERSONNEL CONSIDERATIONS</u></p> <p>The appointment process was carried out in accordance with the guidance issued by the College of Policing in April 2024.</p>
7.	<p><u>LEGAL IMPLICATIONS</u></p> <p>The appointment process was carried out in accordance with the Police Reform and Social Responsibility Act 2011.</p>
8.	<p><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></p> <p>In order to support the use of the Welsh language, the ability of the candidate to speak Welsh was listed as a desirable requirement within the Terms and Conditions of Appointment. The advert for the post was published in both Welsh and English and the application form and information pack were also available in both languages.</p> <p>In carrying out this role, the Chief Constable will need to have due regard to the provisions of the Equality Act 2010 and, in particular, to the general equality duty, the broad purpose of which is to integrate consideration of equality and good relations into day to day business and for consideration to be given to how public bodies can positively contribute to the advancement of equality and good community relations.</p>
9.	<p><u>RISK</u></p> <p>Failure to appoint the preferred candidate would result in the loss of an excellent quality candidate and result in a period of instability for the force, as well as a potential loss of public confidence.</p>

10.	<u>PUBLIC INTEREST</u> This report and appendices will be made available to the public.
11.	<u>CONTACT OFFICER</u> Siân Curley, Chief Executive
12.	<u>ANNEXES</u> Appendix 1 – Recruitment Information Pack (including Terms and Conditions of Appointment) Appendix 2 – College of Policing Competency and Values Framework Appendix 3 – Suitability of Candidate for Appointment Appendix 4 – Independent Member Report.

CHIEF CONSTABLE RECRUITMENT PACK



HELP US MAKE GWENT A SAFER
PLACE TO LIVE AND WORK



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7. **Terms and Conditions**
8. **Application Process**



INTRODUCTION FROM THE POLICE AND CRIME COMMISSIONER

Thank you for your interest in the position of Chief Constable of Gwent Police.

As the newly elected Police and Crime Commissioner for Gwent my priority is to serve the communities of Gwent to the best of my ability. So it is to our communities that I turned to tell me what they want to see from their leader of police.

This recruitment pack, and the questions you will be asked throughout the recruitment process, is informed by voices from the diverse communities that make up the policing area of Gwent.

Gwent consists of five separate counties, each with their own identity, and encompasses busy market towns, former mining villages, vast rural areas, and one of Wales's biggest cities. We have areas of extreme poverty and of high affluence, and the policing needs across these areas can be very different.

I am looking for a leader who understands the complexities of policing such a diverse area, and who can deliver for the many different communities that call Gwent their home.

The public's confidence in policing across the country has been badly damaged in recent years. Building trust and confidence between the public and the police must be a priority for anyone who is serious about taking on this role.

I need a strong leader who is trusted by their officers and staff, trusted by their

communities, and is someone that I can trust to do their very best for the people of Gwent.

Tackling crime and the wider societal issues that lead to criminality and providing the right support for the victims of crime cannot be left to policing alone.

Therefore, I need someone with a proven track record of partnership working and an understanding of policing in a country where most public services are devolved to the Welsh Government.

It is an exciting time of change here in Gwent. I am currently in the process of developing my Police and Crime Plan that will set out my priorities for the next four years and as Chief Constable you will be responsible for delivering on this plan.

It is an opportunity for us both to shape policing in Gwent going forward, to recognise the good work that has gone before and to build on this for the benefit of our communities.

If you are strong leader, with the experience, the knowledge, and the dedication to be the next Chief Constable of Gwent Police, then I want to hear from you.



”

Jane Mudd

Police and Crime
Commissioner for Gwent
September 2024

ABOUT GWENT POLICE



Protect and reassure – that’s what we are all about.

We are proud to be part of the community and we work as part of our community to keep Gwent safe. We want our residents, businesses and visitors to be confident in our ability to prevent and tackle crime. We cover an area of 600 square miles, including the five local authority areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen. With a mix of rural and urban communities, our area also includes key routes such the M4 through south Wales.

We also police the main route into Wales from England – the Prince of Wales Bridge.

We have nearly 2,500 staff with police officers the largest group of our staff, with an additional 60 special officers volunteering their time to support us. Our highly skilled front-line policing teams use their local knowledge, specialist skills

and the latest technology to prevent crime, and to catch criminals. From serious organised crime to domestic burglars, protecting our most vulnerable community members is at the heart of what we do.

While a great deal of our day to day work is in our local neighbourhoods, we also tackle the most sophisticated of crimes such as cyber-crime which is a growing area of concern for us all.

“I would like to see the next Chief Constable being more visible in the community and showcase how they are delivering the priorities of the public.”
Blaenau Gwent resident

And behind the scenes we have a wealth of experience and knowledge enabling our police teams by offering legal, scientific or business support. The same values drive all of our team: be compassionate, be courageous, be proud, be positive and keep learning.

We also work with other services within Wales and across the border in England to make the best use of our resources. Whether its air support, firearms teams or forensics, working together can make us more efficient.

OVERVIEW OF THE ROLE

I am looking for an enthusiastic, innovative, energetic, focused Chief Constable to lead the delivery of policing services for the communities within the Gwent area.

You should have significant leadership experience, strong communication skills, focus, drive and energy. The Chief Constable will be responsible for fulfilling all professional and legal obligations of the office of Chief Constable and must account to the Police and Crime Commissioner for the policing in Gwent. The Chief Constable will be expected to:

- develop and communicate a clear, effective and deliverable plan for Gwent Police, which will enable it to deliver its part in the Police and Crime Plan and ensure policing across Gwent best serves the needs of local people and makes the area safer.
- review, determine and lead changes to the future shape and culture of the organisation, ensuring our communities have trust and confidence in policing.
- enable delivery of policing within financial and resource constraints, responding to both national and local demands and improving productivity and performance.
- develop a cohesive and well led chief officer team and organisation, where the workforce is enthused, inspired, held to account, is highly productive yet flexible enough to respond to a changing environment whilst delivering a first class policing service, which responds to the needs of local people.
- develop strong, effective relationships through influence, negotiation, trust and respect, where key partners and stakeholders at local, Welsh and UK levels want to engage in working together to achieve improved outcomes for local people.
- be a role model for upholding high standards of professional and ethical behaviour.

“The future Chief Constable should have an understanding of the pressures officers and staff face not only from the types of calls they attend but also from members of public. They should be approachable and have the wellbeing of all staff and officers of the organisation at the heart of any decisions they make.”

Newport resident

ROLE PURPOSE:

- The Chief Constable has overall responsibility for leading the Force, creating a vision and setting direction and culture for the Force that builds public and organisational confidence and trust and enables the delivery of an effective policing service.
- The Chief Constable is accountable for the totality of policing within their Force area, including the operational delivery of policing services and the effective command and leadership of the policing response to crime, and major and critical incidents.
- The Chief Constable is responsible for influencing the development of regional and national policing operations or standard setting and is responsible for providing a professional, effective and efficient policing service.
- As a Corporation Sole the Chief Constable is responsible for fulfilling all statutory and legal obligations of the office of Chief Constable and complying with any Schemes of Governance or Consent that exist, which determine Force governance arrangements.

“Make us feel safe in our local areas, more visible police on the beat.”

Torfaen resident

KEY ACCOUNTABILITIES

- Set and ensure the implementation of organisational and operational strategy for the Force, having due regard to the Police and Crime Plan and Strategic Policing Requirement and any wider plans and objectives, in order to provide an effective and efficient policing service that meets current and future policing demands.
- Develop and maintain governance arrangements and processes within the Force, to ensure effective decision making and appropriate action at all levels/tiers of the organisation.
- Develop a mutually productive strategic relationship with the Police and Crime Commissioner in line with the requirements of the Policing Protocol, whilst fulfilling all statutory and legal obligations as Corporation Sole.
- Lead the Force, communicating a clear direction, setting organisational culture and promoting values, ethics and high standards of professional conduct to enable an effective and professional service.
- Lead, inspire and engage the Chief Officer team; setting and role modelling approaches to a workforce culture that promotes well-being, facilitates impactful professional development and performance management to create empowered teams that effectively enable the achievement of the Force vision and goals.
- Fulfil the authorising responsibilities of a Chief Constable e.g. authorisation of intrusive surveillance and maintain operational oversight, holding accountability for effective, compliant policing responses, in order to protect the public and further develop the Force's operational strategies.
- Lead and command the operational policing responses on occasion, in the most high risk and high profile instances, in order to protect the public and ensure an appropriate and effective response.
- Hold accountability for Force financial management and determine functional budgets within the agreed framework as issued by the Police and Crime Commissioner, to ensure the effective use of public spending and maximise value for money.
- Develop and maintain strategic relationships with local, regional and national partners, effectively influencing and collaborating to contribute to improvements and change in the broader operating context and enable the achievement of the Force objectives.
- Advise national bodies such as the Civil Contingencies Committee (COBR) on matters of public safety and national security to contribute to effective decision making that protects the public from serious threat and upholds the law.
- Represent the Force at a local, regional and national level to the public, media and other external stakeholders to promote visibility, connect with the public and build confidence in policing.
- Lead national thinking, policy and guidance within an area of specialism to enable the continuous improvement of effective policing practice.
- Create and drive a culture of development, change and innovation to ensure enhanced productivity, value for money and continuous improvement in evidence based policing.
- Play an active role in national decision making on the development of the Police Service to enable the effective co-ordination of operations, reform and improvements in policing and the provision of value for money.

The next Chief Constable should have the highest levels of integrity as this promotes high staff morale and public confidence.

Monmouthshire resident

BEHAVIOURS

All roles are expected to know, understand and act within the ethics and values of the Police Service.

Values are beliefs which are important to us as individuals, and which motivate particular behaviours and actions. Policing is a deeply ethical profession.

The three values in the Competency and Values Framework (CVF) are derived from the ethical policing principles and support everything we do:

- Respect and empathy
- Courage
- Public service

These principles are mainly reflected in the values, but some aspects are incorporated in the competencies where appropriate.

COMPETENCIES

Competencies are skills, abilities and practical behaviours that contribute to effective job performance. There are six competencies in the CVF with each one having three levels.

This role requires the candidate to be achieving level three of the CVF. Please note that the levels are cumulative meaning the candidate should have built on their behaviours from the preceding levels.

- We are emotionally aware
- We take ownership
- We collaborate
- We support and inspire
- We analyse critically
- We are innovative and open-minded



EDUCATION, QUALIFICATIONS, SKILLS AND EXPERIENCE

EDUCATION/EXPERIENCE

- Has held rank of ACC/Commander or a more senior rank in a UK Police Force (or held one of the designated roles if appointed from overseas)
- Authorising Officer Training.
- A demonstrable track record of successful experience of working at a strategic level, including the leadership of law enforcement officers and staff at senior leadership level.
- Experience of successfully engaging with and influencing multi-agency partnerships.
- Experience of implementing an effective performance management framework.
- Experience of implementing successful organisational development, change and innovation.
- Experience of accountability for management of significant budgets.
- Up-to-date operational/technical policing knowledge.
- Knowledge of developing legal, political, economic, social, technological and environmental factors and an understanding of the implications for strategic planning.
- Knowledge of relevant local, regional and national policies, strategies and initiatives and an understanding of the implications within the policing context.



The new Chief Constable needs to be more helpful to victims

Blaenau Gwent resident



SKILLS

- Highly skilled in the development of ambitious vision, strategy and policy, aligned to operational realities and wider plans/goals.
- Able to operate with high levels of commercial acumen, skilled in effective organisational financial management which balances conflicting resource demands and drives value for money.
- Able to create strategic organisational change, to deliver appropriate responses to emerging trends and issues.
- Able to scan the internal and external horizon, identifying emerging trends and issues and use these to inform strategic planning.
- Able to operate with high levels of political astuteness, skilled in impacting the internal and external political landscape effectively.
 - Able to use a wide range of highly effective communication and influencing techniques and methods to successfully negotiate, collaborate and influence change at the most senior levels and across a diverse range of stakeholders.
- Skilled in building and maintaining strategic stakeholder relationships at the most senior levels, being able to resolve issues and to reconcile conflicts of interest.
- Skilled in leading, developing and inspiring people, engaging the organisation with strategic priorities, values and behaviours.
- Able to reflect on and hold themselves, individuals and the organisation to account for performance and behaviours.
- Able to identify, commission and implement new or improved technologies/services that have a transformational impact on Force service delivery and/or cost.

TERMS AND CONDITIONS

The post will be subject to the following terms and conditions:

SALARY

Remuneration will be £167,876 per annum as set nationally.

TERM OF APPOINTMENT

The successful candidate will be appointed for an initial fixed term of up to 5 years to be negotiated with the Police and Crime Commissioner.

MEDICAL EXAMINATION

Appointment to the role of Chief Constable is subject to the completion of a satisfactory medical assessment.

VETTING

The successful applicant will be appointed subject to obtaining security clearance at Management Vetting (MV) and Developed Vetting (DV) level.

POST SERVICE EMPLOYMENT

The Chief Constable must provide notification to the Police and Crime Commissioner of any proposed post-service employment for a period of 12 months after leaving the police service, the Police and Crime Commissioner will then make a recommendation on the suitability of the new appointment.

NOTICE PERIOD

The appointment may be terminated by four months' notice in writing on either side.

WORKING LOCATION

The majority of work will be carried out from

Gwent Police Headquarters based in Llantarnam, Cwmbran. However, the nature of the work will also require travel throughout Gwent as well as nationally. This may on occasions include periods of time spent working at other locations around the country.

WORKING HOURS AND ANNUAL LEAVE

The post holder will be contracted to work 40 hours per week and will be paid on a monthly basis. However, as the post holder will have the responsibility of heading the service they will be required to be contactable 24 hours per day. The role may require the post holder to attend major incidents or other operational events at short notice.

This role will require evening and weekend working including attending meetings and events during these times.

The successful candidate will be required to devote their whole time service to fulfilling the duties of the office of Chief Constable and shall not take up any other additional appointment or undertake a business interest without the prior written consent of the Police and Crime Commissioner.

The post holder will be entitled to 35 days annual leave and to re-rostered rest days. It is a requirement that the Chief Constable and Police and Crime Commissioner keep each other informed about their availability and periods of leave of absence.

RELOCATION

To facilitate the recruitment of high quality Officers to the rank of Chief Constable, a relocation package is available to successful candidates who relocate their home upon appointment.

The Office of the Police and Crime Commissioner's relocation policy is available on request.

TERMS AND CONDITIONS

BENEFITS

Professional insurance – The Police and Crime Commissioner will meet the cost of the annual legal protection reactive insurance cover and membership provided by the Chief Police Officers' Staff Association (CPOSA).

Personal support and advice – A range of initiatives are available to support your wellbeing, including occupational health support, employee assistance programme, cycle to work scheme and discounts through the Blue Light Scheme and Vectis Card.

Professional development – Access to continuous ongoing professional development opportunities will be provided.

Sports and social – Access to several free on-site gyms.

Health cover – You will have the opportunity to join a private healthcare scheme.

Security – Gwent Police will arrange a full home security review.

Personal Issue Vehicle – A car will be provided to you under the Chief Officer Car Leasing Scheme.

EXPENSES

Reimbursement of all reasonable expenses incurred in the execution of duty (reimbursed through expenses). Mileage expenses will be paid in line with standard HMRC rates.

GIFTS AND HOSPITALITY

All accepted and declined gifts and hospitality offered to the Chief Constable must be approved in advance (wherever possible) by the Police and Crime Commissioner.

Gwent Police has a Gifts and Hospitality Policy which sets out the detail and guidance on accepting

gifts and hospitality in an open and transparent manner. The policy, which is available on the Force intranet, is applicable to Chief Officers who are expected to familiarise themselves with its contents and to act in accordance with its requirements.

BUSINESS INTERESTS

The Chief Constable is required to request approval from the Police and Crime Commissioner for any business interests prior to their commencement.

Gwent Police has a Business Interests policy which provides further information and is available on the Force intranet.

PERFORMANCE AND DEVELOPMENT REVIEW (PDR)

The post will be subject to PDRs that will be undertaken by the Police and Crime Commissioner.

CONTINUED PROFESSIONAL DEVELOPMENT (CPD)

You are expected to maintain your professional knowledge and development including your physical fitness, in accordance with the College of Policing CPD framework in line with the evolving requirements of the post. You will be expected to complete the national fitness test annually.

EQUAL OPPORTUNITIES

The Police and Crime Commissioner for Gwent is committed to equal opportunities for existing and potential members of staff. The Police and Crime Commissioner welcomes applications from candidates regardless of ethnic origin, religious belief, gender, sexual orientation, disability or any other irrelevant factor.

TERMS AND CONDITIONS

WELSH LANGUAGE

The Office of the Police and Crime Commissioner for Gwent and Gwent Police are committed to promoting the use of the Welsh language throughout both organisations. You will therefore be expected to demonstrate an understanding and positive approach towards the Welsh Language and the culture of Wales.

The ability to speak Welsh is desirable, support will be provided to any person wishing to develop their skills in this area.

REFERENCES

The successful applicant will be subject to reference checks.

OTHER CONDITIONS

This post will be offered in accordance with the Police Regulations and any other Laws, Regulations or requirements in Force.

“We need to see more involvement with local community. He/she must be committed to serving the community and in building a better relationship between members of the public and police.”
Torfaen resident

APPLICATION PROCESS

The deadline for Chief Constable applications is 9am on Thursday 3 October.

The application form is attached to the email you have received with this pack. In addition to this form you also need to provide a short video (less than three minutes in length) telling me about yourself, why you want to be the Chief Constable of Gwent Police and why you believe you would be the best candidate.

Short-listing will take place on **7-8 October.**

All successful candidates will



be required to undertake psychometric testing prior to interview.

Interviews will take place on **6-7 November** and will include

a presentation, media exercise and stakeholder groups.

Full details will be provided to successful candidates in their official invitation for interview.

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Competency and values framework (CVF)

Describing the behaviours required for recruitment, assessment and development in policing.

First published 8 May 2024

The competency and values framework (CVF) provides clear expectations for everyone working in policing. It describes the behaviours required by you, as a police officer or member of staff, to be effective in your role and uphold the [Code of Ethics](#). It plays a significant role in the recruitment, assessment, and development of officers and staff at every level.

The competency and values framework (2024) replaces the [2016 version](#). All forces are being encouraged to embed the updated CVF into their processes. Your force has until 1 May 2025 to transition to this revised version.

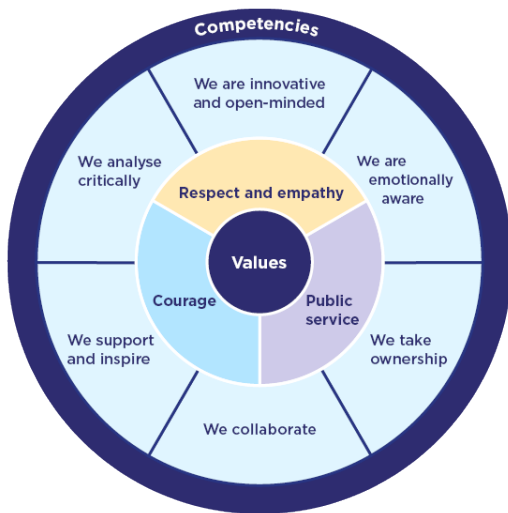
If you are a candidate about to take an assessment, you can [find out if your assessment uses the CVF \(2024\)](#).

The CVF (2024)

The CVF is made up of:

- [three values](#)
- [six competencies](#)

The CVF provides a summary of these values and competencies, starting with a description that includes an explanation of why it is important. This provides the context needed to have a full and complete understanding of expectations in the workplace.



Each competency and value includes a list of example behaviours. These are examples and are not intended as a comprehensive list of all behaviours under the competency or value. There will be many more ways of demonstrating the behaviour that falls within the competency or value area, as defined by the description.

How to use the CVF in assessment, recruitment and selection for individuals and forces

The CVF can be used in performance assessment – for example, as part of a professional development review (PDR) process or when selecting applicants for a role. The behaviours in the CVF should not be used in isolation or as a checklist. This is because the behaviours are just examples, and in any role there will be many other ways in which an individual might demonstrate the competencies and values.

When conducting an assessment of competency behaviours, it is important that the assessment takes account of:

- individual circumstances
- the specific requirements of a role
- performance against the wider competency description (not just the behavioural examples)

The CVF and differing abilities, including neurodiversity

The CVF sets out the behaviours expected of people working in policing. They are behaviours associated with effective performance in policing roles. However, all people have different strengths and preferences, in terms of skills, abilities and personal attributes. The CVF should be used in ways that allow for differing abilities. This includes those that stem from disabilities or neurodiversity.

When setting standards for assessment, consider the importance of each competency and value for the particular role. Assessments should be designed accordingly. When assessing all competencies and values, allow for candidates to demonstrate strengths in different areas. Reasonable adjustments should always be made for people who have disabilities that have an impact on their ability to demonstrate the competencies. This is in line with equality legislation.

The CVF – Values

Values are beliefs which are important to us as individuals, and which motivate particular behaviours and actions. Policing is a deeply ethical profession.

The three values in the CVF are derived from the [ethical policing principles](#) and support everything we do:

- [Courage](#)
- [Respect and empathy](#)
- [Public service](#)

These principles are mainly reflected in the values, but some aspects are incorporated in the competencies where appropriate.

The CVF – Competencies

Competencies are skills, abilities and practical behaviours that contribute to effective job performance.

There are six competencies in the CVF:

- [We are emotionally aware](#)
- [We take ownership](#)

- [We collaborate](#)
- [We support and inspire](#)
- [We analyse critically](#)
- [We are innovative and open-minded](#)

Each competency has three levels, which can be used flexibly to allow for a better fit with frontline and non-frontline policing roles, and at different levels of seniority. The values are not split into levels as everyone in policing is expected to display the same values regardless of their role or seniority.

- Level 1: Practitioner
- Level 2: Supervisor/middle manager
- Level 3: Senior manager/executive

The levels are cumulative. This means that those working at higher levels should have built on their behaviours from the preceding levels.

Related resources

Guidance is available on how to use the CVF in recruitment, assessment and development processes in the police service.

- [Competency and values framework guidance \(pdf\) 279.87 KB](#)

Cyfieithiad Cymraeg (Welsh translation)

- [Fframwaith-cymhwysedd-a-gwerthoedd-ar-gyfer-plismona \(pdf\) 264.01 KB](#)
- [Canllawiaur-fframwaith-cymhwysedd-a-gwerthoedd \(pdf\) 260.83 KB](#)

Tags

CVF

Suitability of Candidate for Appointment

The PCC must, amongst other things, provide the PCP with information on the criteria used to assess the suitability of the candidate for the appointment and further explanation of why the candidate satisfies these criteria. This document sets out the evidence which demonstrates how the criteria are met.

Experience

Mark Hobrough has 29 years of policing experience. After obtaining his degree in Financial and Industrial Economics, he spent the majority of his career in South Wales Police. Mark joined Gwent Police as Chief Superintendent in 2020, leading local policing for Caerphilly, Torfaen, and Blaenau Gwent, and was formally appointed Assistant Chief Constable in 2022 after receiving a distinction at the Strategic Command Course. Mark stepped in as Temporary Deputy Chief Constable earlier this year and has served as Temporary Chief Constable since the retirement of the former Chief Constable.

Mark Hobrough previously worked as a Police Dog Handler and is a trained Tactical Firearms Commander and Hostage Negotiator. He has since become a specialist Strategic Firearms Commander, Gold Public Order Commander, and Gold CBRN (Chemical, Biological, Radiological and Nuclear Threat) Commander. Mark was the Welsh regions' lead Counter Terrorism Security Co-ordinator; he led in this area for the NATO Summit and Champions League Final and was highly commended for his work.

Mark has worked overseas for the Kenyan Police in Nairobi, as well as the Queensland Police in Australia to support the policing of the Commonwealth Games in 2018.

In 2020, Mark was responsible for Gwent Police's response to the Covid-19 pandemic as Gold lead.

Mark is the National Police Chiefs' Council's (NPCC) lead for both Hate Crime and Dangerous Dogs and provides national operational perspectives on crime and policing issues relating to these.

Eligibility Criteria

Mark Hobrough has met the following criteria:

- Successfully completed the Police National Assessment Centre (PNAC)
- Successfully completed the Strategic Command Course (SCC)
- Served at the rank of constable in a UK police force
- Held the rank of Assistant Chief Constable, Commander or a more senior rank in a UK police force

Mark is vetted locally to Management Vetting level. He has also held Developed Vetting status for 7 years and is currently being re-vetted to meet normal timescales for renewal of status.

Positive references in relation to Mark's suitability for the post have been received from his referees.

Interview Competency

The Interview panel considered Mark's presentation and his responses to the interview questions utilising the College of Policing 'Competency and Values Framework for Policing'.

Conclusions

The Appointments Panel concluded that Mark Hobrough met the competencies and values required for the role. It was felt that Mark demonstrated strong leadership, emotional intelligence and a passion for the role and Gwent Police. His extensive operational experience was evidenced throughout the interview process.

The panel was unanimously of the view that he should be appointed to the role of Chief Constable.

CHIEF CONSTABLE OF GWENT POLICE

APPOINTMENT PROCESS

INDEPENDENT MEMBER REPORT NOVEMBER 2024

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INTRODUCTION

Home Office Circular 013/ 2018 (updated 2024) outlines that it is for the Police and Crime Commissioner (PCC) to decide how s/he wishes to run her/his appointment process for the post of Chief Constable and which candidate s/he wishes to appoint. However, s/he should involve an independent member during assessment, shortlisting and interviewing of candidates.

This is the Independent Member's report relating to the appointment process for the Chief Constable for Gwent Police in November 2024. The process is the responsibility of PCC for Gwent, Jane Mudd. The aim of this report is to provide an assessment of the extent to which the appointment process in Gwent has been conducted fairly, openly and based on merit. In addition it details the extent to which the panel fulfilled its responsibility to challenge and test the candidates' suitability against the requirements of the role.

INDEPENDENT MEMBER'S GENERIC ROLE

The role of the Independent Member is laid out in Home Office Circular 013/2018 (updated 2024). It is described more fully within the Guidance for Chief Officer Appointments produced and maintained by the College of Policing in consultation with a wide range of stakeholder groups within policing. These include His Majesty's Inspectorate of Constabulary and Fire & Rescue Services, Association of Police and Crime Commissioners, National Police Chiefs' Council, Association of Police and Crime Commissioner Chief Executives, , Police Superintendents Association and the Home Office. It was produced under the direction of the Police Advisory Board England and Wales Sub-group on Chief Officer Appointments.

As outlined within the guidance, Independent Members should be appointed with relevant experience in selection and assessment practices in order that they can determine the extent to which the appointment process is conducted in line with the principles of merit, fairness and openness. I am currently an Independent Member from a group originally accredited by the College of Policing. In order to become an accredited member of this group I was required to undergo a fair, open and merit-based selection process. This was designed to assess my suitability and skills to offer independent and impartial advice to others on assessment, and my capability in ensuring quality assessment processes. I have undergone an induction into this role from the College of Policing and I am continually quality assured in my delivery of services as an Independent Assessor for the College in the various services which it currently offers, for example, Direct Entry, Fast Track, and Executive Leadership Programme (ELP). Further details of my role as Independent Member are set out in the role profile in Appendix A and my background is provided in more detail in Appendix B.

INDEPENDENT MEMBER'S REMIT IN THE APPOINTMENT PROCESS FOR THE CHIEF CONSTABLE OF GWENT POLICE, NOVEMBER 2024

I was invited by the PCC for Gwent, to be the Independent Member with regard to the above appointment for the Shortlisting and Interview parts of the process. The Office of the Police and Crime Commissioner (OPCC) for Gwent made contact with me in late September 2024 and, in response to issues raised at the first contact, I was provided with details regarding

- A. The proposed composition of the interview panel(s).
- B. The schedule for the appointment.
- C. A copy of the application form.
- D. A copy of the application pack sent to applicants.

THE APPLICATION PACK

This was comprehensive and provided prospective applicants with details of the role requirements. It met legal requirements and gave prospective candidates the assurance that the process would be fair, open and based upon merit.

The pack contained a letter from the PCC to applicants, a Job Description and Role Requirements, Person Specification, details of the qualities and attributes to be assessed and a timetable of the process. There was a clear statement within the pack that a more specific and detailed interview schedule would be provided for shortlisted candidates.

ROLE PROFILE

The Role Profile in the pack was produced in line with the present and future needs and priorities in the Force area, particularly in relation to the strategic vision for the Force. It was also made explicit that the role might change in line with changing priorities. Professional integrity and adherence to the highest of personal standards were demanded of all applicants.

Documentation included in the pack had already been finalised prior to my engagement as Independent Member in this appointment, but, from the time when I was contacted onwards, my independent advice was sought, welcomed, respected and responded to throughout the remainder of the process. Moreover, I was asked to comment upon the process thus far in terms of its structure, and was able to ascertain that the basic principles of fairness, openness and with a basis of merit had been followed in its design.

SHORTLISTING AND INTERVIEWS DESIGN

Contact was maintained with the PCC's Office prior to the shortlisting which was scheduled for October 7th. I was not able to attend on this date, but the candidate application forms were provided to me in good time. I was invited to be fully involved in assessing the candidates' application forms, to submit my findings to the other members of the Appointment Panel, and to be part of the process after shortlisting. All of the shortlisting panel were experienced in senior appointment processes; each was aware of her/his duties in relation to the documentation provided in the areas of rating scales. It was explicitly agreed that judgements would be made on the evidence presented in written form by each candidate. This was to ensure consistency, transparency and fairness throughout this stage of the process, to be continued in the later stages.

I was able to note that the preliminary stages had met with the best of good practice and had followed the guidance, namely, in the Application Pack (see previous notes) and in the advertisement.

THE ADVERTISEMENT

This had been placed by the PCC and her team, in September 2024 both locally and nationally, to attract as wide a pool of candidates as possible. It was placed on appropriate websites. It adhered to the guidance given by the College of Policing with regard to its content and in ensuring the widest possible exposure to attract a suitably qualified pool of candidates.

APPOINTMENT PANEL REMIT

The Appointment Panel role is set out in the Guidance for Chief Officer Appointments. This outlines that the Panel should be convened by the PCC before any stage of the appointment process takes place and that consideration may be given to having panel members involved in helping to define the requirements of the role. In addition, it states the purpose of the panel is to challenge and test that the candidate meets the necessary requirements to perform the role and that the PCC should select a panel capable of discharging this responsibility

The PCC should also ensure that panel members are diverse and suitably experienced and competent in selection practices and that they must adhere to the principles of merit, fairness and openness. All members should be provided with a copy of this Guidance to ensure they are familiar with its content prior to the appointment process. In addition, it is the PCC's responsibility to ensure that appropriate briefing/assessor training is undertaken by all panel members. It is suggested that a panel of approximately five members is convened but this is at the discretion of the PCC.

SHORTLISTING PANEL

This consisted of

Police and Crime Commissioner for Gwent - Jane Mudd

Chief Executive of the College of Policing - Sir Andrew Marsh

Chief Executive of the Local Democracy and Boundary Commission Cymru -
Shereen Williams

Chief Executive of the Office of the Police and Crime Commissioner for Gwent - Sian
Curley

The Independent Member (myself) and His Majesty's Inspector of Constabulary,
Michelle Skeer, gave written feedback to this part of the process

There were thus one white male, four white females and one female of ethnic
heritage as the shortlisting panel.

APPOINTMENT PANEL

Police and Crime Commissioner for Gwent - Jane Mudd

Chief Executive of the College of Policing - Sir Andrew Marsh

Independent Member - Val Ainsworth

Chief Executive of the Local Democracy and Boundary Commission Cymru –
Shereen Williams

Chief Executive of the Office of the Police and Crime Commissioner for Gwent - Sian
Curley

There were thus five people on the Appointment Panel, one white male, three white
females and one ethnic minority female. Unfortunately, due to unforeseen
circumstances, HMI Skeer was unable to attend the day of the interviews. The
ethnic composition of the local population across the Gwent policing area is shown in
the table below:

I was satisfied that the expertise of the shortlisting panel was more than sufficient to
address the task in hand, and that it did not compromise the overall process. All
panel members both at shortlisting and at interview stage had worked at senior level
within their respective organisations and had previous experience of senior
recruitment. Their senior operational experience in large organisations was sufficient
to allow them to challenge and test others at executive level and all were given a
copy of the Guidance for Chief Officer Appointments.

ASSESSMENT DESIGN

The PCC, assisted by the Head of Assurance and Compliance from the OPCC, led on the choice of the application form in line with the guidance from the College of Policing and the Home Office. The Application Form required details of the previous posts held by the applicant, including roles and responsibilities and key achievements, training in specialist areas, and evidence of successful completion of the Senior Command Course and Senior Police National Assessment Centre (PNAC) or the Executive Leadership Programme (ELP). It was an appropriate tool for assessment based on merit. Moreover, the PCC had produced some very detailed and informative information regarding the format of the interview process, which was very useful to both Candidates and Panel Members

The choice of Interview questions was also based upon the Competency and Values Framework (CVF), being appropriately worded to engage the candidates in the areas of policing which were being explored.

It was clear that the candidates had been welcomed into the Gwent Police Service in advance of the process by the tone and content of the information provided.

The marking schemes for the process were clear and unambiguous, based on a five-point scale and Point 3 deemed to be indicative of a satisfactory performance. A standardised marking sheet was provided for all interviewers at each stage of the assessment process, with clear guidance as to the competencies and values being assessed.

Examples of probing questions for the Interview were discussed, with regard to the fairness of the procedure in terms of the experience of each candidate, but with the intention of supporting the legitimacy of the need to clarify any points which needed further exploration with any candidate by the Appointment Panel.

Three **Stakeholder Panels** were convened as an additional means of testing each candidate, meeting a day prior to the Interview. The remit of the Stakeholder Panels was to add to the information available in the appointment process, but that their opinion did not constitute a vote. The panels were as follows:

A **Youth Panel** facilitated by the OPCC Communications and Engagement Officer, Rhian Cook.

A **Community Panel** was facilitated by the Deputy Police and Crime Commissioner for Gwent, Eleri Thomas.

A **Partnership Panel** was facilitated by Beverley Owen, Chief Executive of Newport County Council.

Further, each candidate was to undergo a **Psychometric Assessment** by an accredited external assessor, a specialist in this field, from the College of Policing, with the intention that the information provided by this assessment would be disclosed prior to a primary decision regarding the most suitable candidate for appointment.

A **Media Exercise** was also included in the design of the process, with experts in this field being employed to undertake this part of the overall assessment of each candidate.

The inclusion in the process of these panels to add extra dimensions to the information available to the Appointment Panel, added to the robustness of the whole process, ensuring that a wide range of views and opinions was taken into consideration.

Shortlisting Exercise and Assessment of Candidates

Two applications were received one of which was from an internal candidate. Using the method outlined above at the design stage, the panel agreed unanimously to shortlist both applicants for interview, consisting of one white male and one white female. Assessment was carried out independently by shortlisting members. There was insufficient evidence to rule out either candidate at this stage. Both candidates had demonstrated at least the agreed minimum overall performance which was a requirement to go to the next stage, with no difference in the opinion of those conducting the shortlisting exercise. This was felt to be a good result and one which was conducted fairly, openly and based upon merit.

Presentation and Interview Exercises, conducted consecutively for each Candidate

The Interview Panel revisited the object of the day's activities prior to the start of the Interview day, recalling the purposes of the day's assessments.

- What are we trying to achieve? Identification of the best person for the post.
- What if we do not find that in the shortlisted candidates following the days assessment activities? We start the process again.
- What will success look like? The result will be not just what they can offer, but how they are best fit for this position.
- Which qualities/attributes must be satisfactory at least, and which will be deal-breakers by their absence in any candidate? A good track record in delivering organisational change is essential, but a lack of experience in some areas may be tolerated.

Then the day's activities began, November 7th 2024.

Each of the Appointment Panel Members first scored the candidates separately in the presentation exercise. Questions were then asked by all five panel members in relation to the content of the presentation. The interview followed, with Panel Members posing previously agreed questions relating to the CVF. Scores were collated and evidence was fully discussed, with a total consensus of the scores in relation to the two candidates' performances. Panel Members listened to and considered very carefully the evidence offered by other Panel Members. This enabled each candidate to be assessed on merit, with reference to evidence throughout the process, and prior to the agreed score being recorded. The candidates displayed some differences in their awarded scores for the different parts of the exercise. There were discernible differences in the manner in which they presented themselves (soft skills).

The results of the Psychometric Testing and of the opinions of the other Panels added to the rounded picture of each candidate, both of whom were more than capable of meeting the demands of the post, but with differences of approach and methods of operating.

The PCC was mindful of the responsibility which would be that of the new Chief Constable and was clear that the final decision was hers to make. The Panel drew the same conclusion regarding the choice presented by the two candidates and was therefore in total agreement with the PCC's choice.

The decision was therefore taken to select Temporary Chief Constable Mark Hobrough from Gwent Police as the preferred candidate for the position of Chief Constable.

The decision-making process was demonstrably fair, open and based upon merit according to those skills and attributes to be measured by the processes in use.

CONCLUSIONS

Through the use of the steps outlined in this report, the PCC for Gwent fulfilled her responsibility to ensure that a process which was fair, open and based upon merit, was put in place and implemented at each stage of its use, in accordance with her responsibilities as laid out in the Guidance.

She sought, and took, advice at each stage, using the CVF as a basis to ensure that evidence was recorded and evaluated in order to make the most effective decisions with regard to this post.

The Panels at each stage rigorously challenged and tested each of the candidates against the necessary requirements for the role, giving assurance that the best candidate for the post was appointed. They used robust and searching discussion to test the recorded evidence prior to agreeing their final comments by consensus.

Thanks are due to Joanne Regan, Head of Assurance and Compliance of the OPCC in particular, to the PCC for Gwent, to the members of all the Panels for their professional attention to every aspect of the appointment process, including their willingness to engage with the advice sought and given by the Independent Member.

I am pleased, therefore, to confirm that the selection of the preferred candidate to be the next Chief Constable of Gwent Police met in full the basic principles of fairness, openness and merit, and that the whole process was robust, thorough and well-designed. The probity of the PCC ensured this by her significant efforts to take into consideration a wide range of views and expertise to reach a sound result.

Valerie M. Ainsworth Cert.Ed., B.Ed., M.Ed., MA.

Independent Member

November 2024

APPENDICES

Independent member role profile
Independent Member pen picture
Application Pack including role specification

APPENDIX A: Independent Member Role Profile

1. To be familiar with the Guidance for the Appointment of Chief Officers, the appointment process procedures, and to adhere to the principles of merit, fairness and openness throughout the appointments process.
2. To work collaboratively with the PCC/CC or Commissioner and other appointment panel members to challenge and test whether the candidates meet the necessary requirements to perform the role effectively throughout the appointments process.
3. In providing independent advice during the appointments process, where requested to do so, their responsibilities are likely to include the following:
 - a. To provide independent advice in the shortlisting of candidates against the agreed appointments criteria
 - b. To play an active role (where required) as part of the appointments panel and to provide independent advice in assessing shortlisted candidates against the agreed appointments criteria (this might include through use of interviews, presentations, psychometric measures, assessment exercises, etc.).
 - c. To provide independent advice on which candidate(s) most closely meet(s) the appointment criteria in line with the principles of fairness, openness and merit.
4. To produce a written report on the appointment process, which expressly addresses the appointment principles of merit, fairness and openness, and of the extent to which the panel was able to fulfil its purpose.
5. To provide feedback to the Police Service to whom the Report applies, on the appointment process.

Appendix B: Independent Member Pen Picture – Val Ainsworth

My background is in senior leadership posts in the fields of Secondary, Further and Higher Education, (Principal of two large secondary schools, Lecturer in Education, Chair of the Corporation of College of Technology for twenty years) with wide and long experience in Management, Governance, Human Resources and Policy Development. I have effected major changes in large establishments and have made appointments at the most senior levels in the public, private and voluntary sectors, practising the principles of openness, fairness and merit, underpinned by the highest of personal standards. In the processes leading to appointing the best person for a post, I have trained others to improve their skills in drawing up an advertisement, preparing Job Specifications and Person Specifications, devising effective interview activities, sharpening observation and recording skills, and in the interviewing process itself screening out bias, overt and covert.

I am a Non-Service Member of the College of Policing, having had extensive experience of assessment at Senior PNAC, Fast Track, ELPS and Direct Entry levels; I have written detailed feedback reports to individual candidates and to Boards of Directors, giving a supportive independent and external view of the success of appointment procedures and practices, and addressing training needs as they become apparent and before they compromise the appointment process itself and its openness, fairness and its basis on merit.

I have worked alongside numerous Police Services across the UK in making Senior

Appointments to ACPO grade posts, and lately to select candidates to be supported by police forces onto Fast Track, Direct Entry and ELPS schemes.

I will pass on my skills in relation to making sound appointments, training wherever necessary during the process, and thus enabling you and others to feel confident in your ability to recruit the best person for a post, and to use those skills in the future. I will write a report for all involved in the task, so that a record and a reference point remain for future consultation and clarification. You will thus have a sound basis from which to demonstrate that the appointments you make are indeed based on sound systems which will withstand high levels of scrutiny.

Thank you for selecting me as your Independent Member. It was indeed a pleasure to work again alongside colleagues in Gwent Police.

Valerie M Ainsworth

November 2024

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Gwent Police
and Crime Panel

Panel Heddlu
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GWENT POLICE AND CRIME PANEL

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE ON FRIDAY 27TH SEPTEMBER 2024 AT 10.00AM

Present:

Mrs G. Howells – Chair

Councillor G. Davies – Blaenau Gwent County Borough Council
Councillors M. Chacon-Dawson and C. Forehead – Caerphilly County Borough Council
Councillors A. Easson and T. Kear – Monmouthshire County Council
Councillor D. Jenkins - Newport County Borough Council
Councillors L. Clarkson and N. Horler – Torfaen County Borough Council

Ms R. Jones – Co-opted Member.

By invitation:

Ms J. Mudd - Police and Crime Commissioner for Gwent

Ms E. Thomas - Deputy Police and Crime Commissioner for Gwent

Mrs S. Curley - Chief Executive, Office of the Police and Crime Commissioner for Gwent

Mr D. Garwood-Pask – Chief Finance Officer, Office of the Police and Crime Commissioner for Gwent

Mr M. Hobrough – Temporary Chief Constable of Gwent Police

Mr S. Slater - Head of Strategy, Office of the Police and Crime Commissioner for Gwent

Mr R. Guest - Head of Communications, Office of the Police and Crime Commissioner for Gwent

Together with:

Mrs C. Forbes-Thompson (Scrutiny Manager - CCBC), Mr M. Jacques (Scrutiny Officer - CCBC), and Mrs L. Lane (Head of Democratic Services – CCBC).

1. DECLARATIONS OF INTEREST

Both Co-opted Members – Mrs G. Howells and Ms R. Jones – declared personal and prejudicial declarations of interest for Agenda Item 9 and outlined their intention to leave the meeting whilst it was being discussed.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillors C. Mann (Caerphilly County Borough Council), F. Hussain (Newport County Borough Council), G. Horton (Newport County Borough Council nomination awaiting Home Office approval), and J. Thomas (Blaenau Gwent County Borough Council).

3. TO APPROVE AND SIGN THE FOLLOWING MINUTES: Gwent Police and Crime Panel held on 12th July 2024

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 12th July 2024 (minute no. 1 – 6) be approved as a correct record.

4. UPDATE BY THE POLICE AND CRIME COMMISSIONER FOR GWENT

Members were updated by the PCC on the ongoing work to develop the new Police and Crime Plan. It was outlined to Panel Members that significant public engagement was taking place to raise awareness of the public survey on the plan. The PCC also gave Members an update on the recruitment process for a new Chief Constable. The PCC highlighted to Members that Gwent Police created a Community Tensions Monitoring Group in response to the rioting across the UK during the summer. It was outlined that the civil unrest in parts of the UK did not arise in the Gwent region, but the Force was still able to allay any fears within community groups due to its prompt response to a UK-wide issue. Members were also advised that the PCC had decided to pause the Estates Strategy to allow a review which will ensure the strategy is fully aligned with the priorities of the new Police and Crime Plan.

The Chair thanked the PCC and outlined how she looked forward to engagement around the development of the Police and Crime Plan. The Chair also welcomed the update on the Estates Strategy due to concerns raised by Panel Members on the strategy at previous meetings.

One Member raised the work being done with the regional organised crime unit, Tarian, and asked what more could be done to combat online and telephone scams. The PCC advised that this was an excellent example of some of the challenges faced. The PCC outlined how greater public awareness on scamming was needed but that this wasn't something that the OPCC and Gwent Police could do in isolation. Input from Trading Standards colleagues in the Gwent Local Authorities was also required. The Temporary Chief Constable of Gwent Police advised that cyber-crime was a national issue which had recently been added to the Strategic Policing Requirement. Members heard how City of London Police took the national lead on online fraud and shared data which Gwent Police and partners would use to raise awareness amongst the public. The Member suggested that the elderly were more susceptible to this type of crime. The DPCC advised that Age Cymru were a key partner at Connect Gwent and helped to get the message across to this group.

On knife crime a Member enquired about the methodology for transporting a knife to a Police station as part of the surrender and compensation scheme. The Member thought that this would be challenging for residents who did not own a vehicle. The Temporary Chief Constable of Gwent Police advised that it was an offence to carry a knife even if the intention was to surrender it during an amnesty period. The advice given was that residents should call 101 or contact the Gwent Police social media desk and make a pre-arranged appointment for a Neighbourhood Officer to collect the surrendered weapon from their home.

On the violence against women, domestic abuse and sexual violence update one Member asked the overall approach undertaken. The PCC provided details on engagement and the work with partners which was taking place.

A Member raised concerns about the lack of consultation with the Finance & Estates subgroup on the decision to pause the Estates Strategy. The Member suggested the subgroup should meet to receive a briefing on the PCC's decision. The PCC assured Members that she took her fiscal responsibilities very seriously and felt that the strategy could not proceed until the Police and Crime Plan objectives were established. The PCC reassured Members that input from the Finance & Estates subgroup would be welcomed when this stage was reached. The PCC also advised that the subgroup would be updated once the parameters of her review of the Estates Strategy were established. The Member received confirmation on the date of the next subgroup

meeting, and he also clarified his intention to remain a Member of the Finance & Estates subgroup.

5. POLICE AND CRIME PLAN UPDATE

The PCC began by advising Members that she was very pleased with the survey responses received so far from the public. It was also highlighted that delivery timescales had been pushed back due to the UK General Election in July and the preceding pre-election period. The responses will now be used to inform focus group discussions in the Autumn. The PCC reiterated the importance of considering the priorities of the citizens of Gwent alongside her manifesto commitments before finalising the plan. The importance of gathering views from partners such as Gwent Police was also highlighted by the PCC. The PCC then invited questions from Members.

One Member sought greater explanation of the novel approach for the plan to be a Police, Crime and Justice Plan. The PCC gave details of partnership working within criminal justice and emphasised the need to reflect the whole system in the plan. It was further outlined that in terms of accountability this approach would also help when it came to measuring progress in the future.

A Member welcomed the use of social media platforms to promote the public survey and asked about the results. The PCC assured Members that survey results would be shared with the Panel following full analysis in October.

6. QUARTERLY PERFORMANCE MONITORING REPORT QTR1

The report was introduced by the Head of Strategy. Members heard that highlights included good 999 and 101 performance, domestic abuse crimes had reduced, and Positive Outcomes were at an improved position against previous years. The areas of focus included shoplifting which had reached a 5-year high, and an increase in burglaries. Questions from Members were then invited.

In response to a question on the crime data the PCC expressed particular concern on shoplifting rates and rural crime as they impacted directly on the livelihood of citizens. Members heard that action being taken by Gwent Police provided assurances but that the situation should be continually monitored. The Temporary Chief Constable of Gwent Police highlighted the importance of viewing data in context and advised that the definitions of certain crimes, such as violent crime for example, had widened. These factors needed to also be taken into account by analysts when considering an increase in a particular crime.

One Member highlighted a slight dip in the trend for 999 calls answered and enquired about the reasons for it. The Temporary Chief Constable of Gwent Police advised that the slight blip was caused by staffing issues during the summer and that these issues had now been resolved. It was also highlighted how generally the service level had remained high due to positive actions taken over the last twelve months.

A Member enquired about 101 calls via email and asked if they were increasing. The Temporary Chief Constable of Gwent Police confirmed that contact via email was not as high as they would like it to be. Members heard about promotional work carried out to highlight this service and that this work was ongoing.

On Priority 4 – to increase community confidence in policing – relating to launching new Facebook pages for the Newport neighbourhood teams, one Member enquired if this would be expanded to other areas in the region. The Temporary Chief Constable of Gwent Police advised that the community hubs on Facebook presented a great opportunity to engage with communities and would be part of Gwent Police's communication strategy moving forwards.

Members heard also that this strategy would incorporate Tik Tok and Instagram platforms too.

7. MTFP AND BUDGET SETTING TIMETABLE

Members received a presentation from the Chief Finance Officer. The first slide showed Mitigations for Budget Balance 2023 - 2027. Members heard about the measures to achieve budget balance and some of the further pressures which were forecast. The data presented gave Members an overview based on forecast financial information for all Forces in England and Wales. Members heard about the long-term borrowing forecasted and heard that the timing could be delayed due to normal scheme slippage. Also, if borrowing was deferred there might be more favourable interest rates. Forecasted annual debt servicing charges were also outlined to Members.

One Member enquired if the aim of the report was to provide national context and the lobbying which was taking place. The Chief Finance Officer confirmed to Members that this was the purpose of the presentation. It was also outlined that Gwent Police had very little borrowing when compared to other Forces due to financial management and introducing efficiencies at an early stage. The Member outlined his view that cash projections be included in future reports. The Chief Finance Officer agreed that more detailed growth in capital data could be included. The Member also highlighted the need to know the point at which drawing on reserves was no longer an option. During the ensuing discussion an explanation was given on the issuing of a section 114 notice if a public body cannot commit to any new spending. It was highlighted that this only happened in rare and extreme circumstances.

8. WELSH LANGUAGE STANDARDS ANNUAL REPORT

Following a brief introduction from the PCC she invited questions from Members. A Member wished to know the emphasis placed on Welsh language skills when recruiting. The PCC highlighted the significance of the Welsh language and outlined how it was usually desirable rather than essential in the recruitment process. The opportunities to learn Welsh at the OPCC were also outlined to the Panel. The PCC also advised that it had been classed as a protected characteristic by North Wales Police which reflected the general population, and that the linguistic situation was different in the Gwent region.

One Member commented that only one member of staff had level 4 Welsh language skills and asked if the organisation needed somebody with a higher level. The Chief Executive advised that the levels were self-decided by staff based on their language capabilities. Members heard how generally staff had low confidence in their own abilities in this area and therefore selected a lower level than their actual Welsh skills merited.

On recruitment a Member asked if making the ability to speak Welsh a desirable specification risked putting some people off applying for the position. The Chief Executive believed that this was not the case but outlined to Members that it could be if the criteria in the person specification was changed to essential.

9. GWENT POLICE AND CRIME PANEL CO-OPTED MEMBERS

As co-opted Members both Mrs G Howells and Ms R Jones left the meeting as they had both declared a personal and prejudicial interest in the matter to be discussed. It was moved and seconded that Cllr Chacon-Dawson Chair the meeting for Agenda Item 9.

The Lead Officer (Mrs Forbes-Thompson) reminded the Panel that co-opted Members served four years and that the current term of office for the two Members ends on 31st October 2024. Therefore, an Interview Panel consisting of Cllr Mann, Cllr Chacon-Dawson and Cllr Horler had been convened as part of a recruitment process. The Interview Panel interviewed four

candidates for the two positions and concluded that Mrs G Howells be reappointed and Ms Katy Stevenson appointed to serve from the 1st of November 2024.

It was moved and seconded that Mrs G Howells be reappointed and Ms Katy Stevenson appointed as co-opted Members of the Gwent Police and Crime Panel. By a show of hands this was unanimously supported. RESOLVED that Mrs Gill Howells and Ms Katy Stevenson be appointed as co-opted Members of the Panel to serve from the 1st of November 2024.

10. FORWARD WORK PROGRAMME

The Lead Officer (Mrs Forbes-Thompson) advised that the next meeting of the Panel would be on the 13th of December 2024 and that she would circulate the date of a confirmation hearing for the new Chief Constable when finalised. It was agreed that officers would liaise with the OPCC over a report on the public survey on the Police and Crime Plan.

Meeting Closed at 12:20 pm.

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Police and Crime Commissioner Update December 2024

This is a selection of activities undertaken, scrutinised or supported by the Office of the Police and Crime Commissioner (OPCC) in September - December 2024.

New Police, Crime and Justice Plan

I have continued to work on my new Police, Crime and Justice Plan, which will be published before 31 March.

I am committed to ensure I undertake significant engagement with residents and partners on this, in my role as the voice of the public in policing. Focus groups have been held in the last two months to further enrich the feedback captured during the survey carried out in the summer/autumn.

Discussions have also taken place with various members of Gwent Police, alongside a formal survey I put to our criminal justice and community safety partners. I am considering all this information as I develop my priorities and the reporting mechanisms to improve scrutiny of police performance.

The key commitments I laid out in my manifesto will feature strongly in my plan, including violence against women and girls, tackling retail crime, improving visible policing, and helping to make improvements to the wider criminal justice system for victims and reducing offending.

A draft plan will be sent to panel members in early January, with a special meeting focusing on the Police and Crime Plan scheduled for 17 January. This will allow an in-depth discussion with panel members, before I publish my finalised plan in March.

KEEP NEIGHBOURHOODS SAFE

Anti-Social Behaviour

I gave the opening address at the All Wales Anti-social Behaviour Practitioners Network's annual conference in October. Tackling anti-social behaviour is incredibly complex and what people see as anti-social behaviour looks different across our communities. We will never eradicate it completely, and one size fits all approach will not work. However, we do know that intervening early in the lives of our children and young people can help to steer them away from these behaviours. There is a huge amount of good work taking place across in across Wales and it is important that we come together to learn and consider how it can be applied to our own communities.

High Sheriff's Fund

I have given £65,000 to Gwent High Sheriff's Community Fund. Community groups, voluntary organisations or charities in Gwent can apply for grants of up to £5,000 from this to support children and young people and help reduce crime and improve safety in their community. Successful applicants will be decided at a participatory grant making event in March that allows local people to decide which initiatives would best address local issues.

Retail crime

I welcome the UK Government's commitment to tackling shoplifting and retail crime. Chancellor Rachel Reeves has pledged to "stop shoplifting in its tracks", removing legislation that means thefts worth under £200 are subject to less serious punishments. She also promised more funding to crack down on organised crime gangs which target retailers, and to provide more training to police officers and

retailers. The rise in shoplifting, and violence and abuse towards shopworkers is deeply concerning and I am really pleased to see the UK Government following through with the commitments it made in the King's Speech earlier this year and investing to tackle these crimes. I look forward to working with the new UK Government, and the government here in Wales, closely to deliver on these commitments for our residents and make a real difference to our communities. During November, the office and I supported the Union of Shop, Distributive and Allied Workers' 'Respect for Shopworkers' campaign. We supported members of the union shops in Cwmbran and Newport and spent time speaking to customers and shop staff about the issues that are concerning them.

COMBAT SERIOUS CRIME

We know that the new UK Government are committed to halving knife crime and violence against women and girls within 10 years. I share this ambition, which will feature in my Police, Crime and Justice Plan. Through the work and interventions such as those highlighted below, my office and I look forward to working with Gwent Police, partners and both UK and Welsh Governments to push for the change we need for our communities.

Serious Violence Duty

My team has been working closely with local community safety partnerships to finalise funding of interventions to help tackle serious violence in our communities. I'm pleased that alongside my funding of St Giles, Fearless and other services helping to divert children from violence, we have now agreed with partners to use the Home Office grant to fund the following services:

- Blaenau-Gwent – Redesigning council services to increase identification of violence in schools and provide 1-1 support to victims and perpetrators
- Caerphilly
 - o Developing a 'Night Safety Charter' for the County Borough, working with licensed premises to improve their safety
 - o Funding New Pathways to carry out specialist therapeutic counselling for child victims of violence
 - o Funding 'Street Doctors' to train young people to become future Street Doctors and know what to do if a violent incident occurs
- Monmouthshire – funding a project to survey children in schools to better understand the levels of serious and sexual violence happening, and engage with children outside of statutory services showing signs of violence, overseen by a new SV Project Panel
- Newport – Night Ambassadors working in the city centre evening and night time economy to reduce violence and help keep people safe
- Torfaen – Community Play and Breakaway sessions in after school programmes, to work with children showing signs of challenging behaviour, including restorative approaches and helping them learn and understand the impacts of their behaviour.
- Pan-Gwent – Piloting the use of virtual reality headsets loaded with specialist footage/software to increase awareness in children and young people of the dangers of knife crime and other serious violence. Headsets will be distributed to Gwent Police, youth offending services and local authority education services to educate children in and out of schools.

Alongside this, we continue to work across the partnership to map all services aiming to tackle violence, along with the above, to be used to identify gaps in service and work out how, collectively, we can close those gaps.

Cautioning And Relationship Abuse (CARA)

The Director of Public Prosecutions has agreed to allow police decision makers to send low-level domestic abuse (DA) perpetrators through the CARA programme, as an alternative to charging to court. I welcome this, as it follows considerable work from my team and Gwent Police.

CARA has been shown in pilot areas to have a significant reduction on reoffending rates, reducing escalation of abuse, and can be achieved quicker than going through the court process. My team will monitor this along with Gwent Police and partners, at a newly formed CARA Scrutiny Panel. It's not the only answer to tackling domestic abuse, and we need more programmes tackling DA offending. However, I am committed to using my powers and influence to improve this position during my time as Police and Crime Commissioner.

SUPPORT VICTIMS AND PROTECT THE VULNERABLE

Hate crime

My team joined Gwent Police and Victim Support to provide advice and guidance to students at the University of South Wales in Newport during Hate Crime Awareness Week. Prior to election I campaigned on the doorsteps of Gwent with a manifesto pledge to address hate crime in our communities. Now, as Police and Crime Commissioner for Gwent, I want to reassure residents that this will continue to be a priority for me throughout my time in office. I want our communities to be places where everyone can live their lives as themselves, free from fear and harm. Where everyone treats each other with the values of acceptance, tolerance, and respect. When the behaviour of those who do not share these values crosses over into hate, we must take firm and appropriate action. This is one of the challenges of a growing and diverse population, and policing must rise to the challenge.

White Ribbon Day

The Chief Constable and I unveiled a powerful exhibition of artworks that aims to prompt conversations about violence against women and girls at Gwent Police's headquarters in Cwmbran to mark White Ribbon Day. 'Words Matter' was originally curated for the campaigning organisation 'This Ends Now' and was launched at Newport's Gallery 57 to mark International Women's Day in March. It includes more than 20 works from artists across the UK and explores the themes of violence, misogyny and victim blaming. It was seen by hundreds of police officers, staff and partners from across Gwent in the run up to White Ribbon Day on Wednesday 25 November and the following week. It is a collection that makes you stop and think about society's attitude towards women and girls, and the conversations it prompts are particularly important as we mark White Ribbon Day. I have set very high standards for Gwent Police and expect the rebuilding of this trust to be a priority over the next four years. Bringing this exhibition into police headquarters, and encouraging these discussions, is just one of the things we are doing to reset the focus on violence against women and girls, domestic abuse and sexual violence, and enable us to make a real difference to our communities. During the 16 days of actions following White Ribbon Day, my team and I also promoted Live Fear Free, the Welsh domestic abuse helpline, online and all our face-to-face engagements.

INCREASE COMMUNITY CONFIDENCE IN POLICING

Anti-racism

I was pleased to join a panel discussion on discrimination and anti-racism as part of the 'Creating an Anti-racist Wales' conference in Cardiff. I want our communities to be places where everyone can live their lives as themselves, where they are treated equitably and with respect. We can only achieve this if our public sector organisations, systems and infrastructures also embody these principles.

Black History Month

I have provided funding to Race Council Cymru for the delivery of its Black History 365 project. As part of this, it was a privilege to represent Wales's Police and Crime Commissioners at the annual Black History Wales Youth and Community Awards, giving awards out to some of the winners. These young people are an inspiration, and it was fantastic to hear so many wonderful stories about the contributions they are making to life across Wales.

I was delighted to attend Windrush celebrations in Newport and Cwmbran, speaking to community members from across Gwent about what Windrush means to them. I was also honoured to attend a special memorial service in honour of minority ethnic and Commonwealth service men and women. Their service is often forgotten and so it is important we take time to remember their sacrifice and say thank you.

Child-centred policing

We have continued to run Safe Spaces workshops in Gwent schools, with a rollout in Newport currently being delivered. So far, 13 primary schools have been visited in Newport. The sessions encourage the children to think about the places where they live, go to school, and spend time with friends and family, and share any areas that cause them concern. It is my job to listen to the people and be their voice in policing, and these sessions are one of the ways we ensure that children have their voices heard. The information we gain from these sessions' feeds directly into local policing initiatives and also helps to inform my own decision making

My team have also attended Coleg Gwent freshers fairs at Usk, Cross Keys, Nash and Ebbw Vale campuses, as well as a conference at Maes Manor and a careers event in Ebbw Vale, engaging with more than 900 young people about the work of the office and the issues that matter to them. We are currently working with mini police across Gwent to create a special Christmas card for sharing with partners too.

Legitimacy and scrutiny

My latest legitimacy and scrutiny panel has been held. This brings together members of my team, Gwent Police's independent advisory group, senior police officers, and professionals working for the youth offending service, to review body worn camera footage of incidents where force, or stop and search, were used. The panel provides an additional layer of independent scrutiny to ensure that Gwent Police's use of stop and search, and its use of force, are conducted fairly, effectively, and that any issues are identified and dealt with appropriately.

Out of court resolution (OOCR) Scrutiny Panel

My office chaired the OOCR Scrutiny Panel in October, which reviewed 11 youth and 10 adult cases of OOCRs. The panel brings together Gwent Police and wider criminal justice partners to review the decision making in relation to the OOCRs

chosen. This meeting focused on Possession of Class A and Dangerous Dogs offences, where an OOCR had been chosen, rather than charging to court.

In an interesting development, following conclusions from this meeting and previously, Gwent Police have now reinforced a policy that possession of Class A drugs will no longer be acceptable for the 'Community Resolution' (CR) outcome, with a condition to attend a drug awareness course.

CR conditions are not enforceable if someone doesn't comply with the conditions (unlike conditional cautions or court orders), and the frequency of no compliance had been identified as a concern by members. This highlights the benefits of scrutiny panels such as this in helping to improve practices in policing.

Scrutiny

I am currently restructuring how and when we held future scrutiny meetings, with implementation of this due to align with the new Police and Crime Plan being published.

I held my third Strategy and Performance Board (SPB) in November. Among the reports scrutinised were updates on the progress against the PEEL inspection outcomes, Codes of Practice for Ethical Policing, community engagement, Gwent Police performance and the Temporary Chief Constable's budget bit.

The monthly scrutiny assurance forums have continued to be held, allowing greater, more in-depth scrutiny of key areas of force performance. The last meeting focused on child-centred policing and offender management. The last of these meetings was held in November, after being piloted since the start of the year. I will consider findings from this work as part of the development of my scrutiny programme, as mentioned above.

Community engagement

My team and I supported community events in Blaenau Gwent and Torfaen in the lead-up to Halloween. These events allowed children to enjoy some spooky fun in a safe and secure environment, without having to disturb residents who may not wish to take part in the Halloween celebrations. I have also undertaken walkabouts in Caerphilly and Newport, in addition to substantial engagement on the Police and Crime Plan, White Ribbon Day and budget setting.

DRIVE SUSTAINABLE POLICING

Budget setting

I have received the Temporary Chief Constable's budget bid and this is currently under review. The Provisional Funding Settlement from Government is expected in the week commencing 9 December, which will confirm the Home Office funding for 2025/26. The emerging financial position will be presented to the panel members at the December meeting, outlining the operational context to the budget as well as the draft precept proposal and options to balance the budget. The financial position will be refined up to the January panel meeting, to incorporate funding settlements; any further savings; as well as emerging financial investments required for the delivery of the new Police and Crime Plan. We are currently engaging with residents across Gwent on the proposed budget. More than 1,800 people also had their say on this issue during the engagement process for the new Police and Crime Plan over the summer, as well as at focus groups to refine my plan.

Chief Constable recruitment

Following a comprehensive recruitment process, I have chosen Temporary Chief Constable Mark Hobrough as my preferred candidate to become Chief Constable. Mr Hobrough was chosen following a robust and competitive selection process that included a public survey run throughout the summer, a series of stakeholder interview panels with partner organisations, community members, and children and young people, and a challenging media exercise. My decision must be formally approved by the Gwent Police and Crime Panel, as set out under the Police and Social Responsibility Act 2011.

Estates

The development of the estate strategy remains paused as I finalise my Police and Crime Plan. A draft Estate Strategy is expected to be presented to Members next spring, upon the finalisation of my Police and Crime Plan. As part of my focus on the estate, I recently visited Gwent Police's workshop in Cwmbran which services a fleet of more than 500 vehicles. We have made considerable investment into these facilities over the last couple of years and I was impressed with the facilities. Gwent Police has invested in its in-house vehicle maintenance capability, which saves money and enables a quicker turnaround to ensure that vehicles can be back out on the road as quickly as possible. Having spent time at the workshop I am reassured that here in Gwent we have a team of highly skilled people, at the top of their field, working hard to support our front-line officers and keep us all safe.

In addition, two panel finance and estate subgroups have been held since the new arrangements started in the summer. The five panel members have been briefed on the key decisions of Estate Strategy Board, updated on the terms of references of the Estates Strategy reset. They has also had briefings on custody works at Ystrad Mynach, the demolition of old HQ, the indefinite pausing of Gwent Police Operational Facility and progress of Joint Firearms Unit. In terms of finance, members have been briefed on policing asks regarding forthcoming spending review, the Chief Constable's budget bid (which is on today's panel agenda), and cashflow forecasting which will become more important as the PCC enters a borrowing phase for future capital works.

Force awards

It was a pleasure to attend Gwent Police's force award ceremony and celebrate some fantastic police work that has saved lives and made our communities safer places to live. I was honoured to present the Police and Crime Commissioner Partnership Award to community support officers Claire Montgomery-Brown and Mark Watts for their proactive work with trading standards to tackle the sale of illegal vapes. On the back of the intelligence gathered by the officers, nearly two million pounds worth of illegal vapes and tobacco were taken off the streets and several businesses selling illegal items were closed.

New officers

During the last few months, 40 new student police officers have formally graduated at Gwent Police. Now that the officers have completed their training they will be deployed with policing teams across Gwent's five counties. They join a further 70 student officers who graduated in July.

Partnership summit

I recently spoke to policing leaders from across the UK about the work Gwent Police is doing to drive culture change within the organisation. The annual Association of Police and Crime Commissioners and National Police Chief's Partnership Summit brings together senior leaders, politicians and experts to discuss some of the most complex issues in law enforcement and criminal justice. I joined Temporary Assistant Chief Constable Nick McLain from Gwent Police to present to the summit the work that work the organisation has been doing to help improve culture, with a particular focus on misogyny and discrimination. Working with the University of South Wales and the Hydra Foundation it is developing a culture based on the three pillars of inclusion, fair and trusted leadership, and community confidence. Gwent Police has been involved in several high-profile cultural challenges in recent years that have attracted significant media attention. There is no doubt that this has affected public confidence in policing in Gwent and this is something I heard regularly when campaigning on doorsteps prior to election. However, I can reassure the people of Gwent that a huge amount of work is taking place within Gwent Police to drive change and rebuild some of the confidence that has been lost. This includes work to place the qualities of inclusion, trust and community confidence at the heart of the organisation and its decision making.

Volunteers

I was delighted to join colleagues from Gwent Police for a special ceremony celebrating the contribution made by more than 80 volunteers who support policing in different roles. As well as 54 Special Constables, Gwent Police is assisted by 34 Police Support Volunteers, working in areas such as crime prevention, airwave support, scrutiny and the chaplaincy service. In 2023 – 2024 volunteers collectively contributed more than 18,000 hours to support policing in Gwent. Whether it is supporting Gwent Police with crime prevention initiatives, offering independent scrutiny and advice or supporting hardworking officers and staff with their pastoral care, all volunteers have an important part to play in ensuring the force provides an efficient and effective service to our residents.

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Agenda Item 6

Questions from Cllr Nick Horler:

In March next year I believe the SPF (Shared Prosperity Fund) that helped to provide joint Borough funding for the "Off Road bike partnership" for .06 of a Police Officers time and .06 of PSCO time to tackle the legal off roading that blights our landscape throughout our borough and adjoining boroughs comes to an end. This initiative has clearly demonstrated positive outcomes to aid and tackle the situation of the damage to our landscapes. Since this project has been in place, with the good work that the Gwent police have been doing, that it is making a difference that is recognized by the commoners and others that use our landscapes.

1. Please will you give the panel an update on the successes that this project is achieving?
2. Does the PCC have any views on how this vital project can continue if the SPF is no longer available?

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PCC's Quarterly Performance Monitoring Report

Quarter 2 2024 / 2025

Introduction

This report provides an overview of the Police and Crime Commissioner's (PCC) oversight and scrutiny of Gwent Police performance in relation to the Police and Crime Plan. This is a report for quarter 2 of the financial year 2024/25.

The scrutiny and monitoring of force performance take place in a variety of forms. The main forum where this takes place is the Strategy and Performance Board, the meeting at which the PCC holds the Chief Constable (CC) to account and is open to the public. A new monthly scrutiny meeting is also being trialled in addition to a new dedicated scrutiny meeting for Professional Standards matters. Members of the OPCC also observe and participate in boards and meetings as a critical friend, specific reports and briefings are requested as required, and the PCC has weekly one-to-one meetings with the CC to discuss matters arising and any areas of particular concern.



Overview - Highlights and Areas of Focus

Highlights

- 999 and 101 performance continue to be good, even during busy summer months
- Shoplifting has had the first quarterly decline for 2 years, despite still being high
- Significant proactive work to tackle drug suppliers and organised criminals continues
- ASB continues to be lower than last year's highs
- Repeat victims and offenders of domestic abuse continue to reduce

Areas of focus

- All crime has had its highest quarterly level in 5 years
- Repeat offenders of robbery and shoplifting are showing signs of increasing
- Most serious violence continues to remain high
- Levels of hate crime increased in Q2, driven by wider social disorder
- Staff welfare and wellbeing through sickness rates are being monitored as we move into the winter months

All Incidents Updated for Quarter 2 2024 - 2025

These tables provide a breakdown of the 'incidents' that Gwent Police have to manage on an annual and quarterly basis. For ease they are broken down into 4 main incident categories (ASB, Crime, Public Safety and Transport), albeit some incidents can be categorised in any of them so there is some crossover between them.

These 4 incident categories can be further broken down into many more different incident types. The top 5 for each main category are shown to the left. These tend to be consistent year on year, other than 2020/21 and 2021/22 when Covid lockdown enforcement meant that COVID related ASB was a top category of ASB.

All Incidents	2019-20	2020-21	2021-22	2022-23				2023-24				2024-25			Quarterly % Change		
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1		Q2	Total
Public Safety and Welfare	55,375	47,761	51,028	12,515	14,423	13,496	14,076	54,510	17,732	17,028	14,650	13,871	63,281	14,887	15,844	30,731	6%
Crime Related	53,059	45,025	46,475	12,061	13,161	11,868	11,635	48,725	13,036	13,025	12,338	12,642	51,041	14,712	14,940	29,652	2%
Transport	31,661	22,881	24,948	5,533	5,958	5,661	5,815	22,967	6,545	6,470	6,505	6,499	26,019	7,347	7,347	14,694	0%
Anti-Social Behaviour	10,807	27,562	12,774	2,879	2,859	2,216	2,645	10,599	3,525	3,397	2,918	2,659	12,499	2,950	3,035	5,985	3%
Admin	32,078	34,436	34,928	8,483	8,923	8,091	8,016	33,513	9,003	9,393	8,715	8,313	35,424	8,985	9,381	36,044	4%
Open Log	12	31	25	4	10	10	19	43	15	35	17	6	73	19	18	351	-5%
Total	182,992	177,696	170,178	41,475	45,334	41,342	42,206	170,357	49,856	49,348	45,143	43,990	188,337	48,900	50,565	117,457	3%
% change since previous year		-2.89%	-4.23%					0.11%					11%			-38%	

Closing Category 1	Incident Sub Categories 2022-23		Incident Sub Categories 2023-24		Incident Sub Categories 2024-25	
	Closing Category 2	Total	Closing Category 2	Total	Closing Category 2	Total
ANTI SOCIAL BEHAVIOUR	ASB - NUISANCE	6,890	ASB - NUISANCE	8,971	ASB - NUISANCE	4,104
	ASB - PERSONAL	1,958	ASB - PERSONAL	2,337	ASB - PERSONAL	1,358
	ASB - ENVIRONMENTAL	1,694	ASB - ENVIRONMENTAL	1,105	ASB - ENVIRONMENTAL	513
	VIOLENCE AGAINST THE PERSON	23	VIOLENCE AGAINST THE PERSON	47	ASB - COVID19	10
	ASB - COVID19	12	ASB - COVID19	20	-	-
CRIME RELATED	VIOLENCE AGAINST THE PERSON	27,615	VIOLENCE AGAINST THE PERSON	28,432	VIOLENCE AGAINST THE PERSON	17,036
	THEFT AND HANDLING	9,025	THEFT AND HANDLING	10,547	THEFT AND HANDLING	6,327
	CRIMINAL DAMAGE	5,966	CRIMINAL DAMAGE	5,770	CRIMINAL DAMAGE	2,987
	BURGLARY	2,416	BURGLARY	2,279	BURGLARY	1,342
	OTHER NOTIFIABLE OFFENCES	2,013	OTHER NOTIFIABLE OFFENCES	2,260	OTHER NOTIFIABLE OFFENCES	1,132
PUBLIC SAFETY & WELFARE	ABANDONED CALL	18,653	ABANDONED CALL	22,865	ABANDONED CALL	9,110
	CONCERN FOR SAFETY	12,948	CONCERN FOR SAFETY	11,881	CONCERN FOR SAFETY	6,186
	SUS CIRCUM/INSEC PREMISES/VEH	6,861	SUS CIRCUM/INSEC PREMISES/VEH	10,001	SUS CIRCUM/INSEC PREMISES/VEH	5,688
	DOMESTIC INCIDENT	4,862	DOMESTIC INCIDENT	5,552	MISSING PERSONS	3,235
	MISSING PERSONS	4,477	MISSING PERSONS	5,544	DOMESTIC INCIDENT	2,452
TRANSPORT	ROAD RELATED OFFENCE	9,531	ROAD RELATED OFFENCE	11,059	ROAD RELATED OFFENCE	6,518
	HIGHWAY DISRUPTION	7,630	HIGHWAY DISRUPTION	9,208	HIGHWAY DISRUPTION	5,188
	RTC DAMAGE ONLY	5,077	RTC DAMAGE ONLY	5,037	RTC DAMAGE ONLY	2,633
	RTC DEATH/INJURY	712	RTC DEATH/INJURY	704	RTC DEATH/INJURY	347
	RAIL/AIR/MARINE INCIDENT NOT RECOF	12	RAIL/AIR/MARINE INCIDENT NOT RECOF	19	RAIL/AIR/MARINE INCIDENT NOT RECOF	8

All Crimes Updated for Quarter 2 2024-25

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Crime Type	2019-20	2020-21	2021-22	2022-23				2023-24				2024-25			Quarterly %		
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total	Change
All Other Theft	4,271	2,996	3,251	952	972	909	878	3,711	964	928	885	882	3,659	943	978	1,921	4%
Bicycle Theft	329	274	317	79	73	59	52	263	71	93	71	50	285	77	78	155	1%
Commercial Burglary	1,097	689	687	237	195	161	164	757	211	200	204	173	788	253	222	475	-12%
Criminal Damage & Arson	8,535	6,828	7,964	2,104	2,186	1,803	1,722	7,815	1,983	1,739	1,810	1,632	7,164	1,811	1,798	3,609	-1%
Drug Offences	1,539	1,839	1,329	328	303	326	338	1,295	322	387	363	348	1,420	413	515	928	25%
Homicide	6	3	4	4	4	0	0	8	2	1			3	1	1	2	0%
Miscellaneous Crimes	1,740	1,743	1,515	398	360	375	371	1,504	415	447	361	416	1,639	447	497	944	11%
Non Notifiable Offences	124	82	124	32	22	25	31	110	28	20	24	29	101	20	20	40	0%
Other Sexual Offences	1,075	825	1,141	318	322	306	323	1,269	312	266	280	292	1,150	302	324	626	7%
Possession of Weapons	250	252	297	98	75	105	102	380	130	138	110	110	488	113	131	244	16%
Public Order Offences	7,157	6,805	8,023	2,330	2,539	2,125	2,015	9,009	2,220	1,846	1,629	1,557	7,252	1,901	2,113	4,014	11%
Rape	519	425	575	172	150	139	128	589	137	144	134	168	583	195	174	369	-11%
Residential Burglary	2,497	1,951	1,754	431	456	364	367	1,618	389	334	354	315	1,392	404	355	759	-12%
Robbery	304	243	267	77	93	79	82	331	65	87	67	81	300	93	87	180	-6%
Shoplifting	3,458	2,064	2,186	643	591	797	945	2,976	820	978	1,025	1,107	3,930	1,416	1,317	2,733	-7%
Theft From the Person	283	153	165	49	49	60	50	208	62	44	48	34	188	43	42	85	-2%
Vehicle Crime	3,252	2,259	2,291	603	561	616	553	2,333	713	845	741	766	3,065	764	832	1,596	9%
Violence with Injury	5,853	4,574	5,837	1,547	1,749	1,643	1,601	6,540	1,837	1,670	1,595	1,668	6,770	1,813	1,832	3,645	1%
Violence without Injury	14,735	13,989	15,340	4,241	4,558	4,227	4,442	17,468	4,601	4,192	4,236	4,271	17,300	4,670	4,619	9,289	-1%
Total	57,025	47,995	53,069	14,644	15,258	14,121	14,165	58,187	15,283	14,359	13,937	13,899	57,478	15,679	15,936	31,615	2%
% change since previous year		-15.84%	10.57%					9.64%					-1%				-45%

Positive Outcomes and Rates for Quarter 2 2024-25

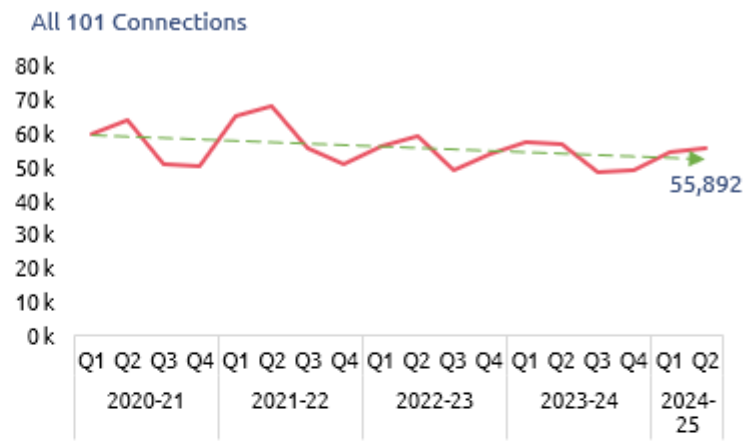
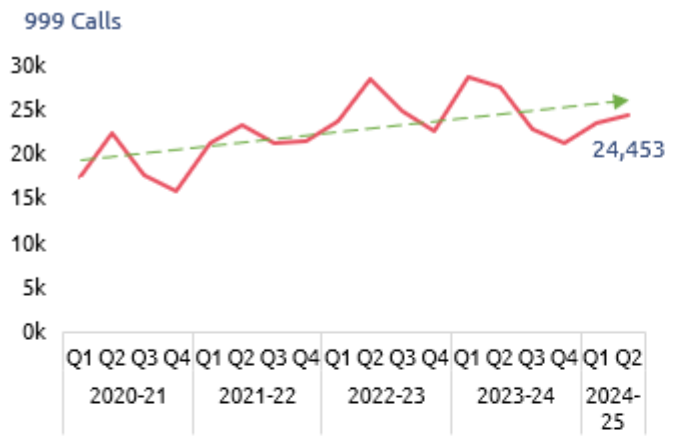
These charts show the Positive Outcomes types and percentages for each crime type. The chart to the right identifies those listed in **bold** as the 'Positive Outcomes' as per Home Office Counting Rules. Note that this information is changing daily as the volumes of 'New/Still Open' cases will continue to be finalised and further outcomes recorded.

Criminal Justice Positive Outcome Rates	2020-21	2021-22	2022-23	2023-24				2024-25	
	Total	Total	Total	Q1	Q2	Q3	Q4	Q1	Q2
All Other Theft	6%	3%	3%	4%	6%	4%	5%	5%	4%
Bicycle Theft	2%	8%	5%	11%	1%	3%	4%	1%	8%
Commercial Burglary	13%	7%	9%	11%	15%	15%	13%	10%	14%
Criminal Damage & Arson	11%	7%	7%	6%	10%	9%	9%	11%	9%
Drug Offences	79%	68%	55%	54%	64%	67%	71%	54%	46%
Homicide	0%	100%	56%	100%	0%	0%	0%	100%	0%
Miscellaneous Crimes	21%	18%	17%	16%	15%	26%	23%	20%	19%
Non Notifiable Offences	0%	0%	3%	0%	0%	0%	0%	0%	0%
Other Sexual Offences	14%	8%	8%	9%	9%	13%	12%	9%	10%
Possession of Weapons	62%	45%	39%	37%	42%	40%	60%	41%	40%
Public Order Offences	13%	10%	7%	8%	11%	10%	12%	9%	10%
Rape	11%	6%	7%	7%	8%	18%	11%	10%	9%
Residential Burglary	7%	6%	5%	5%	5%	7%	12%	6%	9%
Robbery	16%	19%	13%	15%	16%	16%	14%	12%	12%
Shoplifting	35%	28%	24%	32%	27%	49%	25%	29%	26%
Theft From the Person	6%	5%	1%	3%	2%	2%	3%	0%	2%
Vehicle Crime	5%	6%	4%	6%	3%	6%	3%	3%	2%
Violence with Injury	19%	14%	12%	14%	15%	17%	18%	14%	15%
Violence without Injury	12%	8%	7%	8%	9%	10%	11%	9%	10%

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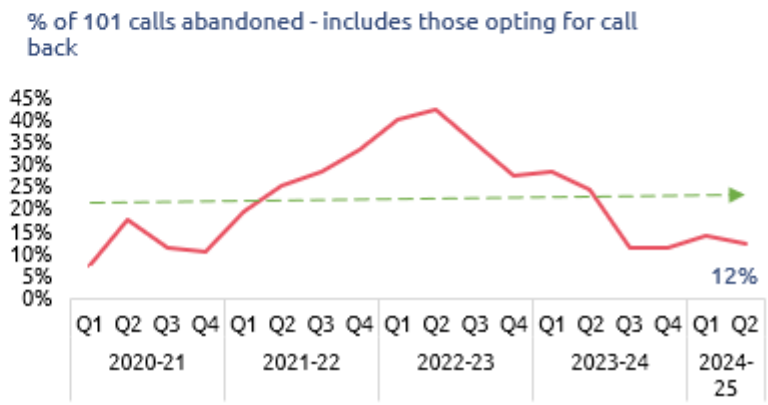
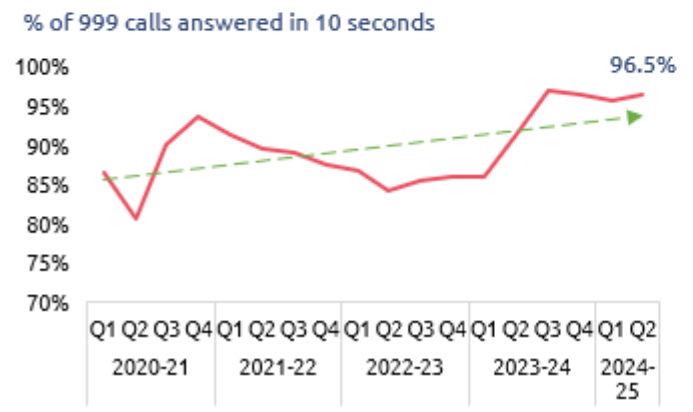
Number of crimes with a recorded outcome rate during time period shown	2020-21	2021-22	2022-23	2023-24	2024-25
	Total	Total	Total	Total	Total
1: Charged/Summoned	5,064	3,873	3,832	4,757	2,591
2: Youth Caution/Conditional Caution	89	66	75	78	12
3: Adult Caution/Conditional Caution	632	424	504	350	99
4: TIC (Taken into Consideration)	12	8	5	24	9
5: Offender has Died	15	32	67	59	26
6: Penalty Notice for disorder	282	124	4	1	0
7: Cannabis Warning	383	190	5	0	0
8: Community Resolution/Youth Restorative Justice	1,134	1,188	1,224	2,294	1,262
9: Prosecution not in the public interest	25	8	29	12	5
10: Police - Formal action not in public interest	557	364	791	386	164
11: Named suspect below age of criminal responsibility	74	88	183	157	82
12: Named suspect too ill to prosecute	127	56	179	135	54
13: Named suspect but victim/key witness deceased or too ill to prosecute	26	26	54	77	17
14: Victim declines/unable to support action to identify offender	2,932	2,578	2,819	1,671	728
15: Named suspect, victim supports but evidential difficulties	9,519	6,707	12,937	17,664	7,316
16: Victim withdraws support - named suspect identified	14,929	12,366	17,135	9,622	3,795
17: Suspect identified but prosecution time limit expired	188	160	350	30	13
18: Investigation complete no suspect identified	15,532	13,562	21,437	19,108	9,412
20: Other body agency has investigation primacy	213	152	719	742	204
21: Named suspect, investigation not in the public interest	130	85	276	288	144
22: Diversionary, educational or intervention activity	203	163	183	194	37
New/Still Open	101	119	141	219	474
Positive Outcomes	7,611	5,905	5,716	7,563	3,999
Total Outcomes	52,066	42,220	62,808	57,649	25,970

999 and 101 Demand for Quarter 2 2024-25



In quarter 2 2024-25, 999 demand has increased by 4% compared with quarter 1 2024-25. This follows the typical trends seen in the last 5 years. The increase in 999 calls also corresponds with the increase in incidents reported in Quarter 2 compared to quarter 1 of 2024-25.

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Even though 999 and 101 demand has increased, the 999 service level remains above 95% and 101 abandonment rate remains low at 12% with calls on average being answered within 3 mins. This continues to show that the focus on leadership, systems and processes, and operational uplift in the force contact center has made a positive impact since April 2023-24.

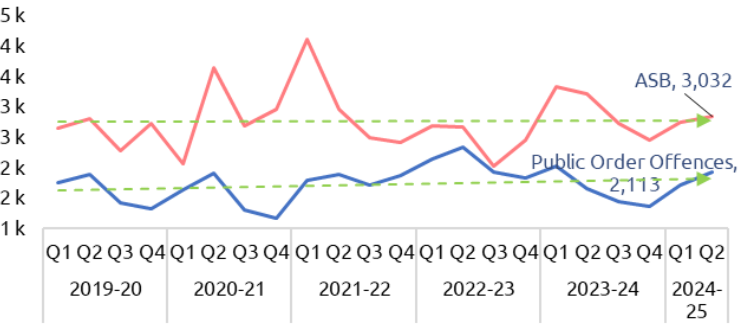
101 Average Answer Speed	2022-23				2023-24				2024-25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	00:06:53	00:07:45	00:09:41	00:06:45	00:06:27	00:05:05	00:02:20	00:02:14	00:02:57	00:02:22

Priority One: Keep Neighbourhoods Safe

Tackling crime and anti-social behaviour that impacts the safety and well being of communities in Gwent

PRIORITY 1. KEEP NEIGHBOURHOODS SAFE: Reduce public order and anti-social behaviour (ASB), and the number of people who repeatedly carry out these acts

ASB & Public order offences



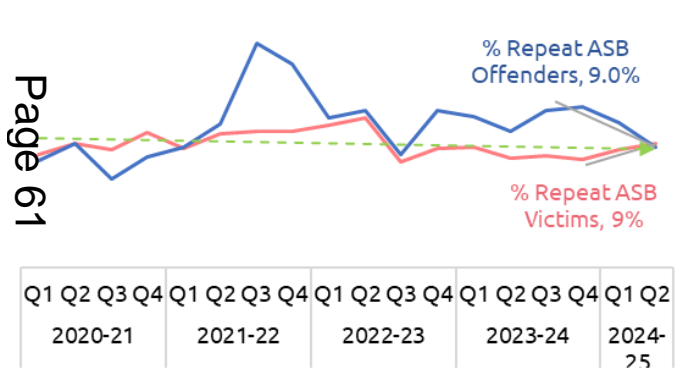
During this quarter, the force continued to work closely with Blaenau Gwent Council to assist with the appointment of two new Community Safety Wardens with a new reporting system created, facilitating their deployment to problematic areas to help reduce ASB.

What have the PCC and OPCC Done? Policy, Projects and Partnerships

Q2 saw the continuation of 'Operation Lumley', Gwent polices response to the 'ASB Hotspot Response patrolling' and 'Grip serious violence hotspot policing' through Home Office funding. As part of this operation, Gwent Police Officers, in conjunction with local authority community safety wardens, are conducting a series of high-visibility patrols in identified 'hotspots' within the force area, with the aim of disrupting ASB and other criminality in these locations whilst engaging with residents.

The OPCC's analyst continues to provide crime and ASB information to the CSPs to enable them to focus priorities.

% of Repeat ASB Victims & Offenders



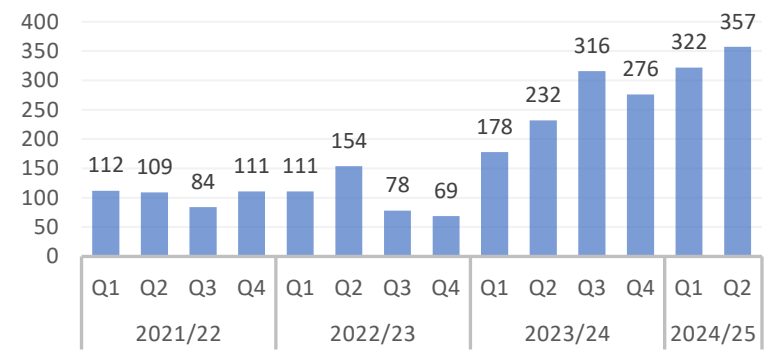
Quarter 2 2024-25 shows that Public order offences and ASB continues the upward trend seen since quarter 4 2023/24 by 11% and 3% respectively, however, this follows the typical trend that's been seen since 2020-21. What's positive to note is that ASB has decreased by 11% compared to the same period in 2023-24.

Funding and Commissioned Services

Positive Futures are a diversionary service for children and young people, funded by the PCC across all local authorities in Gwent. They put on a range of scheduled sessions each week, but also unscheduled sessions in response to emerging community issues.

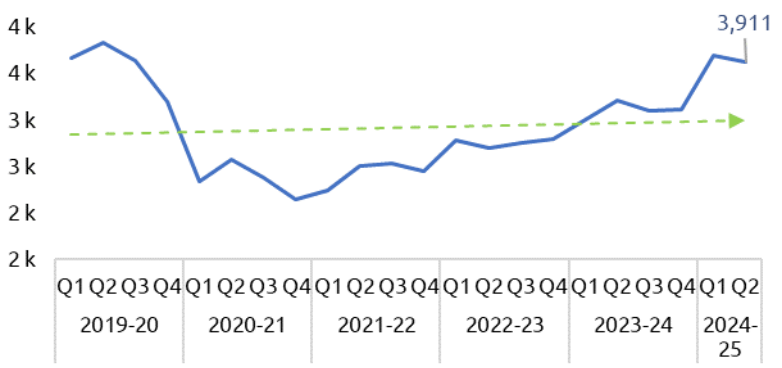
The graph below shows the number of young people attending unscheduled diversionary sessions. Q2 saw an increase in young people attending which is likely to be as a result of the spring and summer holiday period.

NUMBER OF YOUNG PEOPLE ATTENDING UNSCHEDULED DIVERSIONARY SESSIONS



PRIORITY 1. KEEP NEIGHBOURHOODS SAFE: Reduce acquisitive crime and repeat offenders

Acquisitive Crime



Acquisitive crime consists of burglary, robbery, vehicle crime, shoplifting and theft. In Q2 2024-25 this saw a slight decrease of -2%. Decreases can be seen in each category that makes up acquisitive crime with the exception of vehicle crime which had an increase of 9%,

Shoplifting this quarter has decreased by 7%, this is something we will continue to draw focus on until it shows signs of stabilising after the huge increases seen in the previous year. The PCC has committed through her manifesto that Retail Crime will be a priority in the new Police and Crime Plan.

The new burglary app is being piloted to maximise golden hour and investigative opportunities, at the scene of and in response to burglary.

The Store Net initiative gives shop staff radios which they can use to contact Gwent Police and the council's community safety wardens. It allows staff to request support instantly in the event of a crime or antisocial behaviour incident. So far Aldi, Boots and Iceland and the market in Ebbw Vale, and Farm foods and McDonalds in Brynmawr have signed up to the scheme. More on this initiative will be reported in the next quarter.

Additional focus has also been placed on shoplifting through business crime prevention, seasonal demand predictions, and resourcing and offender management. Safer Streets 5 continues during this quarter with the Neighbourhood Policing Team concentrating on the installation of home security equipment for vulnerable residents in targeted communities.

The Home Office have agreed to a proposal from the officer responsible for installation of the equipment to widen the scope of beneficiaries to include those residents who are victims of stalking within the targeted communities.

What have the PCC and OPCC Done? Policy, Projects and Partnerships

In response to an increase in shoplifting, along with wider neighbourhood crime, Q2 saw a specific Scrutiny and Assurance Forum over Gwent Police's plans, priorities and challenges.

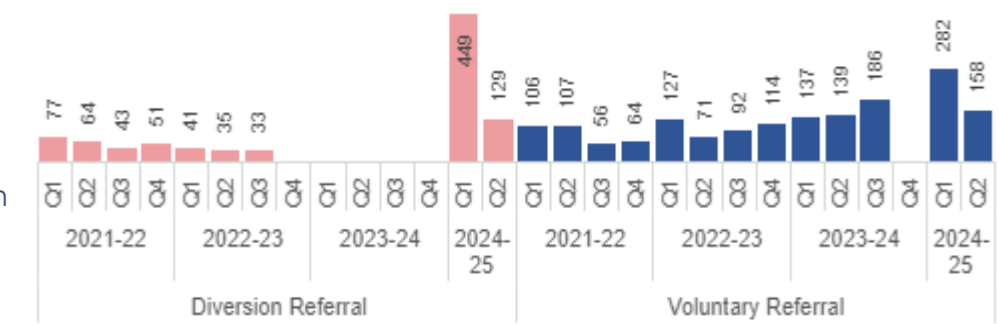
Funding and Commissioned Services

The OPCC provides funding for the delivery of 18-25 Early Intervention Service in Gwent. The service supports young adults and women entering the criminal justice system to achieve positive outcomes such as accessing accommodation, improving their financial situation, gaining employment and improving their overall health and wellbeing. These are vital outcomes for reducing re-offending.

Following a recent commissioning exercise with partners, the new service providers continue to promote the service across custody and with wider stakeholders. This included a recent information session to new police intake in Gwent Police. The aim of the session was to improve the knowledge of the One Wales Service (Women and Young Adults) provide details of the referral pathway and the package of support on offer.

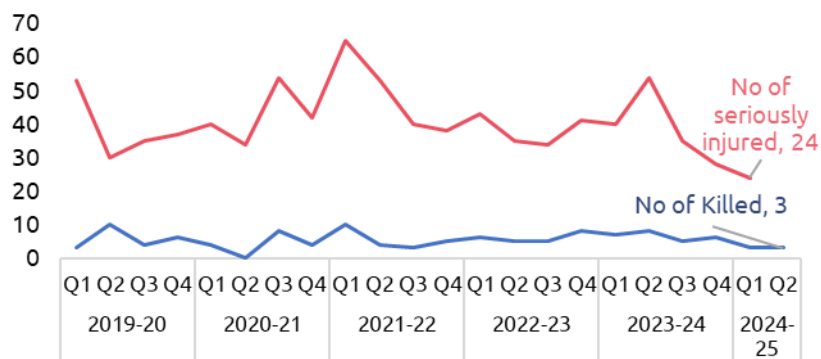
The table below shows the number of diversion and voluntary referrals during Q2. Please note that these referrals are for South Wales and Gwent. In Q2, there were 31 voluntary referrals for Gwent, while 46 referrals were diversionary.

One Wales - Women and Young adult services Wales (Referrals not updated quarterly hence the gaps)



PRIORITY 1. KEEP NEIGHBOURHOODS SAFE: Improving the safety of roads throughout Gwent

No. of people killed or seriously injured on Gwent roads



In quarter 2 2024-25 the number of recorded deaths on our roads in Gwent remains stable with a count of 3, which is the same recorded for quarter 1 2024-25. The data for seriously injured has decreased to 24 this quarter and is a typical change seen in previous Q1 to Q2 trends.

Collision Investigation Callouts are for complex collisions requiring roads policing expertise and do not necessarily reflect the severity of harm involved.

The number of collision investigation callouts stayed the same compared with Q1 2024-25.

The 'Fatal Five' offences consist of:

- Careless Driving
- Drink/Drug Driving
- No Seatbelt
- Use of Mobile Phone
- Speeding

During Q2 2024-25, a total of 558 individuals were reported for one of the 'Fatal Five' offences, an increase of 2.6% when compared to the previous quarter.

The most commonly reported factor during Q2 was drink/drug driving, which accounted for 22.7% of all Fatal Five reports with 188 instances recorded. This was followed by excessive speed, comprising 19.4% of all Fatal Five reports with 108 instances recorded.

During this quarter, Gwent Roads Policing and Specialist Operations (RPSO) officers participated in Operation Spotlight. This nationwide roads policing operation was organised by the National Police Chiefs' Council, with the aim of counteracting the seasonal spike in road safety violations recorded during July across a five-year period.

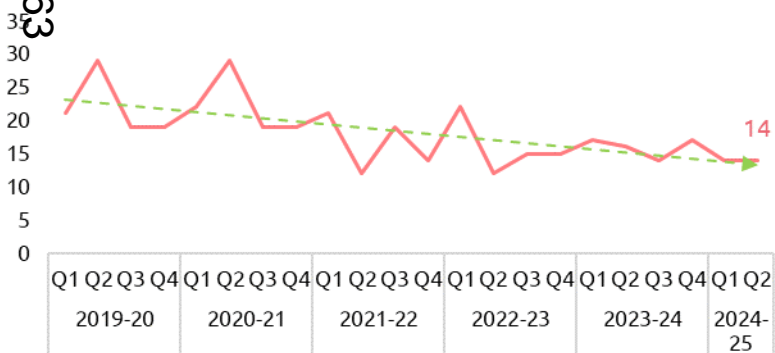
A total of 783 breath tests were administered over the course of the operation, with 39 of these returning a positive result. A further 88 drug tests were performed, 44 of which resulted in a positive reading. Driving bans have been issued to these individuals, with this early intervention potentially contributing to a reduction in serious collisions going forward.

What have the PCC and OPCC Done? Funding and Commissioned Services

Project Edward stands for Every Day Without a Road Death and was founded in 2016 to showcase and share good practice in road safety. Each year Gwent Police takes part in a targeted week of action Project EDWARD in partnership with Local Councils, the Fire and Rescue Service, and DVLA to tackle unsafe driving across Gwent.

During Q2, the charity Project EDWARD visited the Commissioner, who recorded a short video of support and signed the pledge to help reduce the number of people killed and seriously injured on Gwent's Road.

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Collision Investigation Callouts



Q2 Spotlight Service POSITIVE FUTURES

- How much funding goes into the service? **£197, 652**
- What proportion of the service is funded by the PCC? **59.6%**

About the Service

Positive Futures is a sports based, social inclusion programme which offers young people fresh and engaging opportunities to become involved in sporting activities, helping them develop life skills and achieve their potential.

The programme is targeted at 10–19-year-olds in Gwent but predominantly Newport, who are at risk of being excluded from school, not gaining qualifications and in some cases, at risk of drug and alcohol abuse. By providing quality sport, the programme acts as a positive alternative to anti-social behaviour, creating safer and more inclusive communities.

Case Study

X faced significant challenges through their adolescent period, X was physically and emotionally abused and neglected by their mother.

X would regularly be sent out of school and sessions for disruption and needed additional support. The school reached out to Positive Futures in 2023 to request support for X and help with their emotional intelligence. X was a very confident young person and would engage positively when regulated but lacked the intelligence to control their emotions when they found conflict within their relationships.

X was asked to leave their mainstream high school. The school were keen to place them in an alternative education off site. Sessions with Positive Futures became a part of that package to help X achieve their potential both in and out of the school environment. As a result of the significant trauma X suffered living with their mother, X gained access to CAMHS for support from a clinical psychologist. Positive Futures staff had regular contact with X’s CAMHS worker.

X has always been amazing at engaging with Positive Futures, sharing their views on matters that were causing them stress. Although X was excellent at sharing information, X didn’t have the capacity to see another viewpoint from their own perspective, even when it conflicted with someone else. Positive Futures staff would break down these barriers by listening to X and being curious about their perspective.

Positive Futures staff worked closely with X to help facilitate them doing GCSE’s. Some of the teaching staff at school didn’t believe X would be able to attend school without having a behavioural incident. At one point, sitting a stressful exam would have been impossible for him to achieve at school. But after a reliable, intense, quality support structure, X sat every exam scheduled at the school.

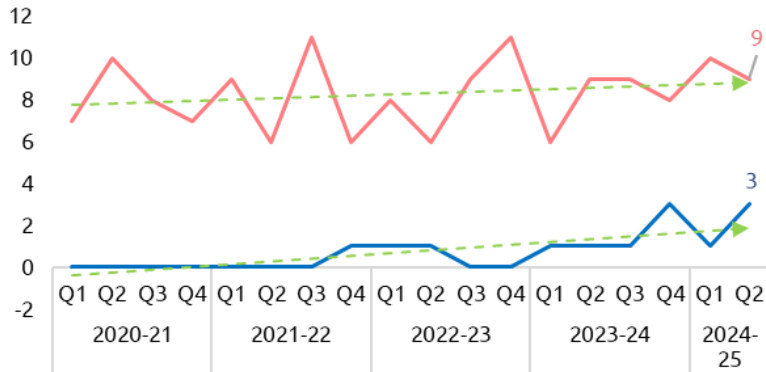
X was determined to find employment alongside their full-time education for a source of income. Recently X managed to be successful with an interview at a local food outlet. X has worked with the owner of the business to fit this around their busy college schedule. X has enjoyed the start to their new job and is striving forward with that feeling of independence.

Priority Two: Combat Serious Crime

Preventing and reducing crimes that cause significant harm to communities and victims

PRIORITY 2. COMBAT SERIOUS CRIME: Reduce the number of repeat victims of child criminal and sexual exploitation

Repeat victims of CSE & CCE



The number of crimes assigned a Child Sexual Exploitation (CSE) local qualifier has increased during Q2 2024-25 when compared to the quarter prior, with three additional crimes recorded for a total of 28. This is due to a rise in taking/making indecent photographs/pseudo-photographs of children.

In addition to weekly 'missing meetings' (see slide 21 for more information) with professionals, the force are in the process of completing and rolling out the Philomena Protocol and Trigger Plan for every child managed by the exploitation unit.

This is to ensure that when they are reported as a missing person, the force can identify risk at the earliest stage and provide a targeted response.

What have the PCC and OPCC Done?

Policy, Projects and Partnerships

The OPCC continue to work with Newport City Council and are currently in the process of completing an evaluation of a pilot known as 'Understanding the Triggers'. This pilot offered a person-centred approach which supported vulnerable children and families at risk of criminality and exploitation (criminal or sexual).

Interviews have concluded with key stakeholders and partners which will contribute toward the findings of the report. During the next quarter, the office has plans to speak with children involved in the initial pilot to give them the opportunity to share their experiences.

There is keen interest in this work from partner agencies and Welsh Government, who will receive the evaluation report to inform their policies in this area.

The OPCC also continue to fund St Giles Trust, during this quarter, team leaders and caseworkers have met with Gwent Police through 'Operation Quartz', providing a linked-up approach to support and disrupt young people who are at risk of serious organised crime.

Another of our commissioned services Fearless provides children and professionals with information around CSE/CCE to identify signs and promote awareness, offering advice on different ways to report.

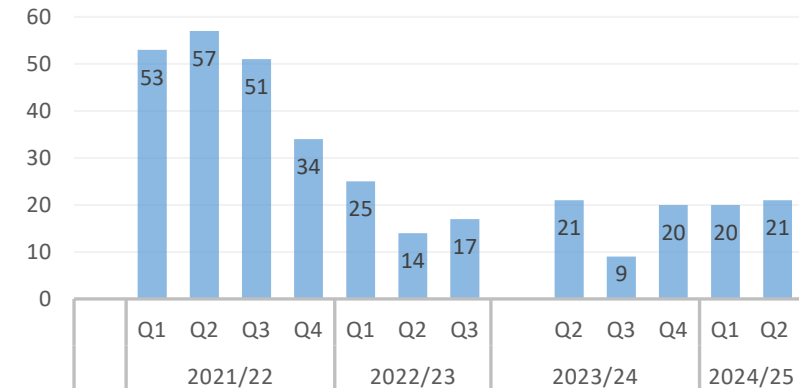
Funding and Commissioned Services

St Giles Trust support children and young people who are at risk of or currently being exploited to Serious Violence and Organised Crime. Tertiary interventions work with children and young people known to be exploited.

During Q2, St Giles managed to rebuild and re-establish relationships with partners and stakeholders locally and as a result, seeing an increase in referrals again in September following a quiet Q1 and summer holidays.

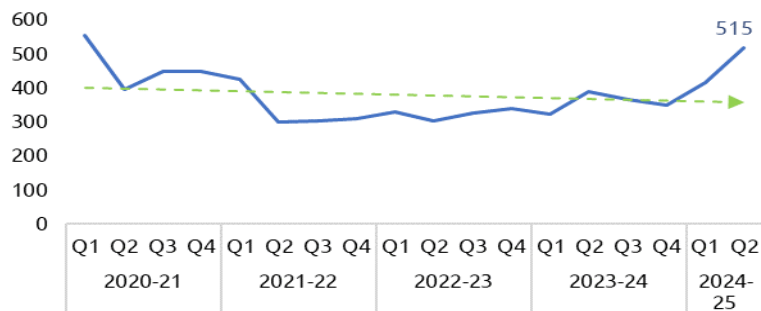
The table below shows the amount of 1:1 tertiary interventions delivered to children and young people. With staffing issues now resolved, consistency in these interventions has been maintained throughout Q2.

St Giles 1:1 Tertiary Interventions



PRIORITY 2. COMBAT SERIOUS CRIME: Increase disruption of serious organised crime, and reinvest assets seized back into communities

Drug Offences



Gwent Police continues to focus on night-time economy related violence, knife related violence, robbery, drug related gang violence, organised crime groups, and high-harm offenders.

What have the PCC and OPCC Done? Policy, Projects and Partnerships

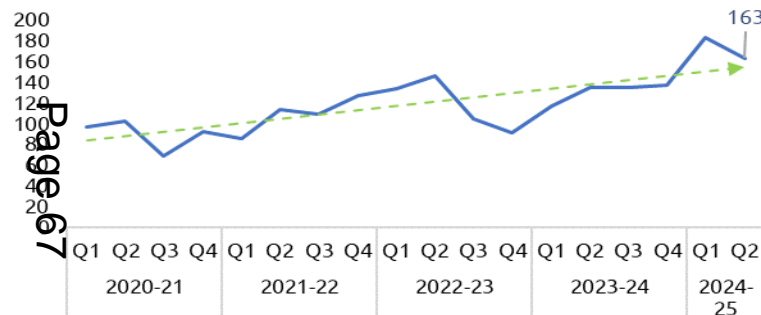
As the 'Lead Convening' authority the OPCC continues to work with partners to develop the Serious Violence Duty in Gwent.

Using the funding secured from the Home Office, work continues to implement schemes to deliver the Serious Violence Duty in the next 2 years.

Utilising the Serious Violence Duty funding, Q2 continued to develop an all-Gwent programme for children and young people using a virtual reality interactive programme. The Virtual Reality programme is aimed at schools across all 5 Local Authorities and the 3 Youth Offending Services in Gwent, using 'Virtual Decisions' around knife crime and gangs. The programme is due to go live soon and will be reported in the next quarter.

Q2 also focused its efforts on continuing to develop intervention and prevention programs to tackle youth violence, knife crime and tackling perpetrators of VAWDASV. Through the respective CSPs, proposal bids for commissioning interventions are being developed.

Most Serious Violence Offences



The number of drug offences has increased in quarter 2 2024-25 by 25% and is the highest seen since quarter 1 2020-21.

Most serious violence offences has seen the first decrease since quarter 4 2022-23 with a reduction of 11%, although this is a positive, violence crime is still 22% higher than the same period in 2023-24.

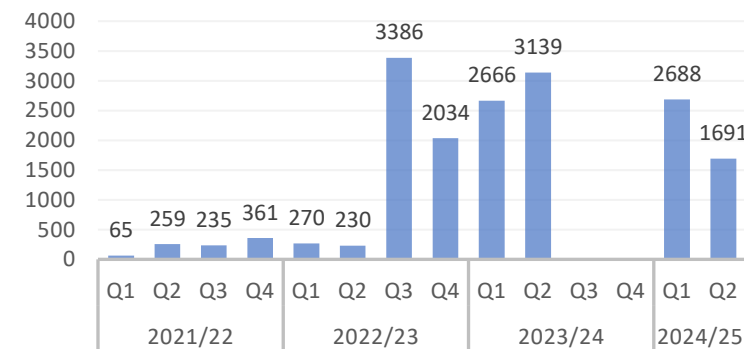
Funding and Commissioned Services

The OPCC provides funding to Fearless to deliver interventions to school children, with a focus on the risks of Serious Organised Crime, county lines and serious violence.

The table below outlines the number of children who participated in school interventions across the 5 local authorities in Q2.

Alongside these school interventions, 146 professionals benefited from workshops conducted by Fearless in Q2. In addition, approximately 2,770 members of the community took part in Knife Crime, County Lines and Serious Violence sessions across a number of events including the Royal Welsh, Coleg Gwent Freshers Fair and the NYCA Family Fun Day in Newport.

NUMER OF CHILDREN ENGAGED IN FEARLESS SCHOOL INTERVENTIONS



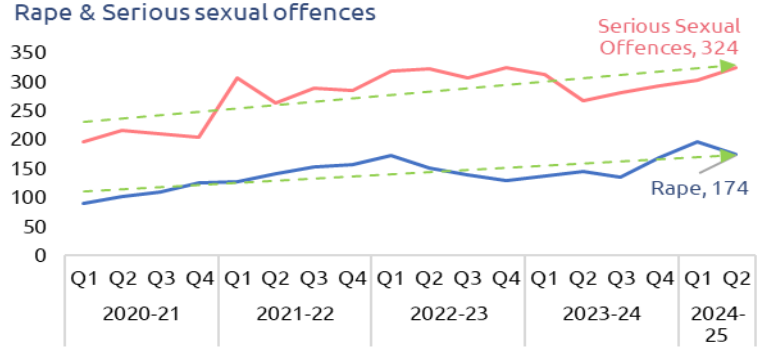
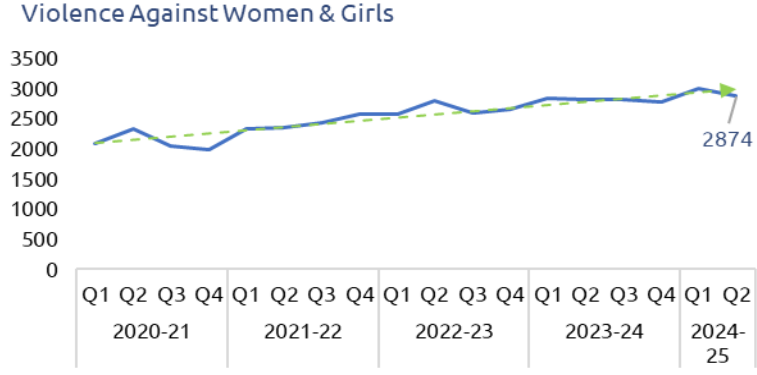
PRIORITY 2. COMBAT SERIOUS CRIME: Improve the overall criminal justice response to violence against women, domestic abuse and sexual violence (VAWDASV)

The volume of recorded Rape offences have remained on an upward trajectory. This rise aligns with the goal of increased reporting stipulated in the government’s Beating Crime Plan and is reflected Nationally. This quarter has saw a slight decline when compared to previous quarter with less cases reported. Nevertheless, when compared to Q2 23/24 the reporting of rape cases have increased by 21%.

All regions in Wales have shown an improvement in ‘investigations which result in a charge’ since the last quarter. Gwent has been higher than the national for the last few quarters.

Our ISVA service has also noted a significant improvement in the Force’s responses to rape and serious sexual offences since Sep Soteria.

Our office has consistently collaborated, supported, and contributed to enhancing partnership understanding of VAWDASV. This quarter we have contributed to the University of South Wales research on Stalking and Young People in Wales. The aim of this work is to explore knowledge, awareness and understanding of stalking among Young People in Wales. Findings will inform the development of framework/guidance and materials for Young People aged 16-24.

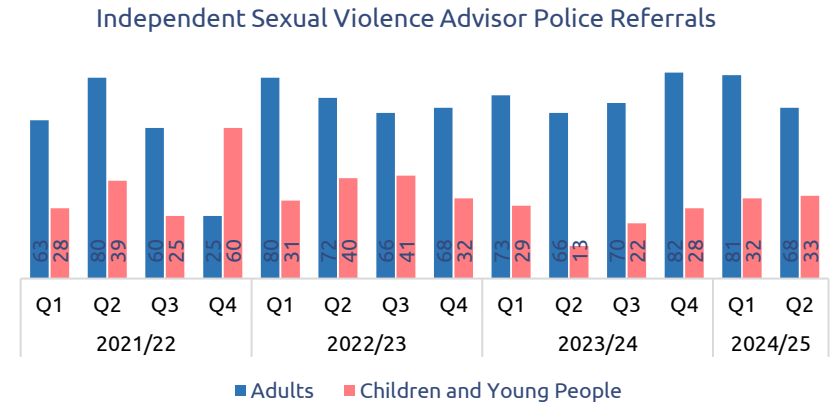


What have the PCC and OPCC Done? Funding and Commissioned Services

OPCC continue to fund and support Tabw , the delivery of the Police-Perpetrated Domestic Abuse service for victims in Gwent and South Wales. During this quarter, with supplementary funding from Welsh Government, our office has continued to work on a model to widened the offer and to work with the police officer/staff perpetrating the abuse to tackle their behaviour.

The office continue to monitor and develop CARA (Cautioning And Relationship Abuse) that aims to reduce low level domestic abuse re-offending and MATAAC (Multi Agency Tasking and Coordination) focused on addressing, investigating, and disrupting high risk perpetrators behaviours.

New Pathways provide a specialist Independent Sexual Violence Advisor (ISVA) service. Adult referrals have saw a slight decline in Q2 in line with the reduction of rapes reported to the police.



PRIORITY 2. COMBAT SERIOUS CRIME: Commission and invest in services that work with perpetrators of serious crime to prevent and reduce re-offending

Q2 Spotlight Service: St Giles Trust

- How much funding goes into the service? **£127,706**
- What proportion of the service is funded by the PCC? **0.5%** however, we fund 100% of the work that takes place in this programme in Gwent)

About the Service

St Giles support children and young people at risk or currently being exploited. They provide tertiary interventions work with children and young people known to be exploited, working across Wales to help people overcome barriers and get the support they need to move forward with their lives.

Case Study

X was referred for bringing weapons into school as well as threatening behaviour involving weapons in their home, X was presented as very young for their age. St Giles identified that X would be vulnerable to exploitation if they were to be targeted by someone. X showed no prior understanding of the risks of knives or exploitation.

St Giles undertook intensive work with X, first spending 2 weeks seeing X regularly and building up a good rapport. St Giles initial focus for their sessions was to ensure X had improved awareness of the serious risk of knives and weapons and X was very inquisitive and engaged in their sessions.

Following the sessions, X was able to relay back the information on consequences and facts to St Giles but also when they checked how much X remembered a few weeks later, showing that it had really sunk in.

St Giles then worked with X to understand grooming and exploitation and again, X engaged very well and is not able to clearly relay and explain 'The Grooming Line' and understands and has improved awareness of this which they did not have prior. X has now been closed, with no more incidents involving weapons.

St Giles are confident that X has a much better understanding and comprehension of the risks of knives, weapons and exploitation/grooming to ensure that X and others can be safe.

Priority Three: Support Victims and Protect the Vulnerable

Providing high-quality support to victims of crime and protecting those who are most vulnerable from harm

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: Improve victim services and ensure the needs of victims are identified and responded to appropriately through connect Gwent and the victim care unit

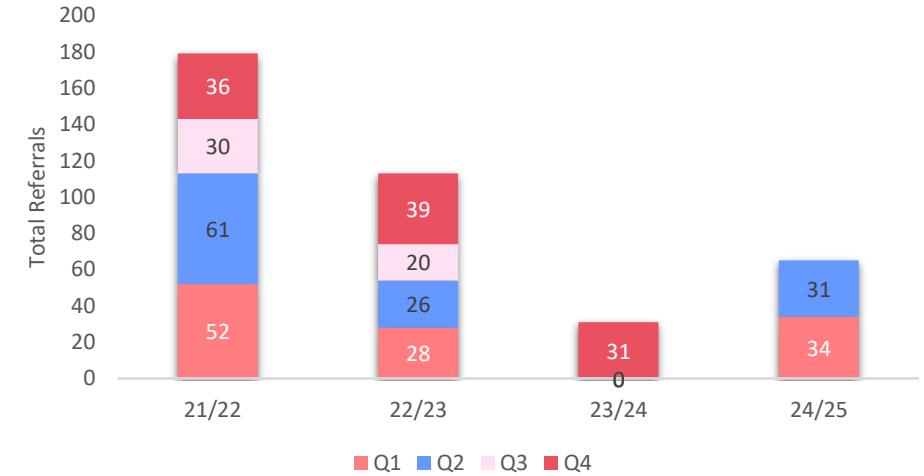
During Q2, the Victim Care Unit (VCU) received 14,704 referrals into the service, relatively consistent with the previous quarter, which saw 15,012 referrals received. 4,963 victims were identified as requiring an enhanced service under the Victims' Code, a decrease from 6,872 reported in the previous quarter.

Victim Satisfaction Survey Data for FYTD 2024-25			
Survey Question	Percentage of Respondents Satisfied	Number of Respondents Satisfied	Total Responses Received
How satisfied are you with the ease of initial contact with the Police?	80%	129	161
How satisfied are you with the response time to your contact? (e.g. how long it took for your call to be answered)	75%	120	160
Overall, how satisfied are you with your experience of the first point of contact with the police?	72%	118	163
If an officer attended, how satisfied are you with the time it took for them to arrive?	86%	74	86
How satisfied are you with the actions taken by the attending officer/s?	78%	69	88
Thinking about your overall experience, how satisfied are you with the treatment you have received from Gwent Police?	65%	106	162

Alterations have been made to the victim satisfaction survey model, following an internal review. A single survey will now be provided to victims with the aim of assessing their satisfaction with the initial response provided by Gwent Police, recognising that the force's first interactions with victims can often be the most impactful. Whilst the value of surveys assessing all stages of the criminal justice journey has been acknowledged, the volume of responses received for these subsequent surveys was unfortunately statistically insignificant.

A total of 163 respondents engaged with the victim satisfaction survey during the current FYTD. Of those who replied to the given question, 86% of respondents were satisfied with officer attendance times, whereas only 65% of respondents were satisfied with the overall treatment they received from Gwent Police. *Data accurate as of 30/09/2024. All questions within the survey are optional, which may result in a disparity between the number of responses received for each question.*

Funding and Commissioned Services Wellbeing Practitioner Referrals



The above graph shows the total numbers of referrals to the Mental Health Wellbeing Practitioner from 2021/22. The service provides support for victims or witnesses of crime who have poor mental health. It aims to provide holistic assessment and appropriate person-centred, effective, short-term interventions in line with current best practice whether due to mental or physical health. It is not a crisis service. During 2023/24 the service was impacted by an extended period of sickness absence with referrals temporarily diverted.

39% (n=12) of the 31 referrals for Q2 remained open at the end of the reporting period and await scoring to ascertain any changes. Of the service users supported during Q2 24/25:

- 16 individuals felt better able to cope with aspects of everyday life.
- 17 individuals felt better informed and empowered to act on information.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: Increase the timeliness of police investigation updates provided to victims

Unfortunately, reporting data were not available for Q2 due to unforeseen circumstances.

It is recognised that compliance with Right 8 (To be given information about the trial, process, and your role as a witness) and Right 9 (To be given the outcome of the case and any appeals) can be affected by victim attrition at the court stage of the process, providing fluctuations in the data.

Victim attrition, with a specific focus on domestic abuse cases, is monitored in several ways across agencies and partners, including at the PCC-chaired Gwent Criminal Justice Strategy Board (CJSB). Domestic abuse attrition data across a range of measures is collated under the Criminal Justice Board for Wales Victim and Witness Taskforce and shared with the Gwent CJSB to enable oversight of Gwent Police and CPS performance for local cases.

A Domestic Abuse Attrition Dashboard has been developed under the Taskforce which will enable better understanding and interrogation of local performance through the various governance arrangements and will also be used to inform the Gwent CJSB. The Dashboard is due to go live at the end of 2024.

What have the PCC and OPCC Done? Policy, Projects and Partnerships

Work continues with Gwent Police and other criminal justice partners in Wales on the requirements to measure compliance with the Victims' Code, as set out in the Victims and Prisoners Act. Following the change in UK government, the Victims' Code and the associated metrics are subject to review and ratification by Ministers with implementation timelines to be agreed. We continue to contribute to the Criminal Justice Wales Victims' Code of Practice (VCOP) Working Group to identify effective ways of working collaboratively and ensure that Gwent's Local Criminal Justice Board (chaired by the PCC) is kept informed of any developments.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: Further improve our work with partners to protect those most vulnerable (1)

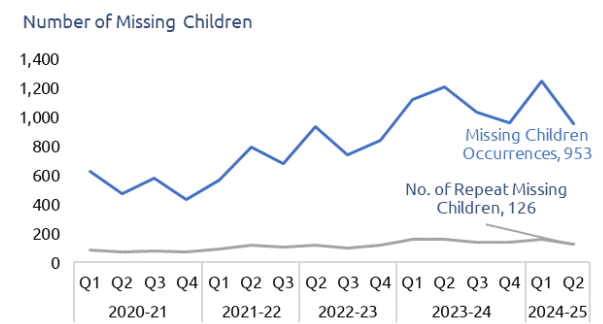
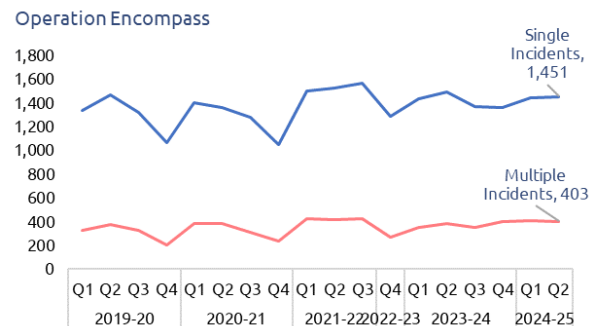
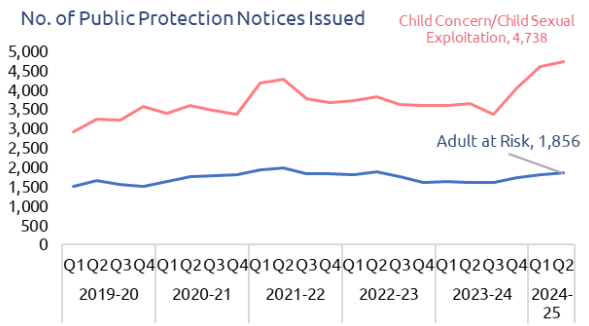
The number of public protection notices for adults at risk rose slightly in Q2 2024-25 by 2%, although this has risen, it continues to remain stable. The number for child concern has become stable showing only a 3% increase compared with the previous quarter. This continues to show an upward trend and is at its highest point seen in the below reporting period.

A weekly missing meeting has been developed for all five local authorities. The meeting is attended by a representative from Gwent Police, each local authority and invitation has been extended to Education.

The purpose of the meeting is to assist Police and partner agencies to develop a robust response to children who go missing. Understanding the circumstances surrounding the missing episode and seeking to reduce the risk of further missing episodes and identified threat, risk and harm is key. The meeting is to ensure there are better outcomes for children who are reported missing.

Any trends and themes identified in these meetings and across Gwent more generally are shared within the Multi Agency Child Exploitation (MACE) meeting. These meetings are centred around putting young people at the heart of serious violence prevention and exploitation. In conjunction with partners, the MACE team offer strategic oversight to safeguard and mitigate risk vulnerable young people, their families, and the wider community.

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What have the PCC and OPCC Done? Policy, Projects and Partnerships

His Majesty's Inspectorate of Constabulary Fire & Rescue Service (HMICFRS) completed a report titled, **Joint Inspection of Child Protection Arrangements: Overview Report 2019-2024**. This report highlighted the positive work of early identification, safeguarding and multi partnership working in Gwent and wider Wales.

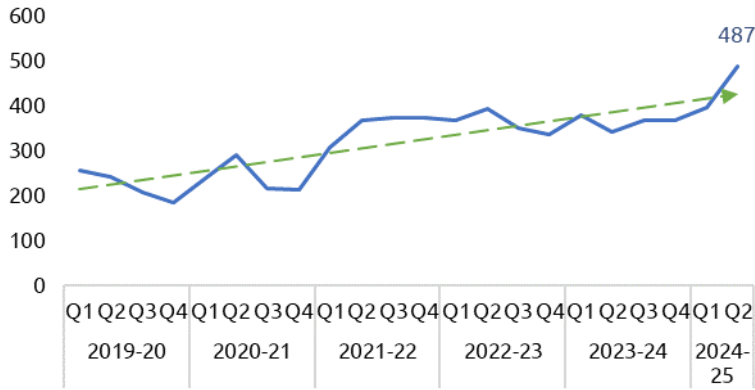
Operation Encompass is a further example of effective partnership working in Gwent. In Newport, statutory and third sector providers, such as St Giles and Barnardo's, work to a shared ethos of safeguarding children and young people. Our office commission diversionary preventative services to children who are at risk of criminal exploitation. These projects focus on serious organised crime, early intervention and provide practical and peer support to children who have been identified as being at risk. Partnership work is ongoing to better our responses to protecting children and young people.

Funding and Commissioned Services

Through the Police Community Fund, the PCC has provided funding to the Senghenydd Youth Drop-In Centre (SYDIC) for a programme of events for children and young people in the Aber Valley, Caerphilly. Participants enjoyed arts and crafts, trips to go quad biking, visits to escape rooms, and a tour of the BBC studios in Cardiff. The sessions aimed to engage with local children and young people and provide positive activities during the summer holidays. This helps to divert them away from involvement in anti-social behaviour while building their skills and confidence and making new friends.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE VULNERABLE: Further improve our work with partners to protect those most vulnerable (2)

Hate Crime Occurrences



The volume of incidents classified as hate crimes rose by 24% in Q2 2024-25 compared with Q1 2024-25 with 93 more offences being recorded. This is the most amount of hate crimes that have been recorded since Q2 2022-23.

This increase in hate crime was driven by, and reflective of, the wider national disorder across the UK during the summer.

Please note: one crime can have multiple hate strands. The overall hate crime trend is based on recorded crimes, whilst the breakdown by hate strand is based on the volume of each individual strand.

In Q2 2024-25:

- Racial hate saw the largest increase when compared to Q1, rising by 46.2% (102 additional offences for a total of 323).
- Disability hate saw the largest reduction, falling by 26.9% (25 fewer offences for a total of 68)

When compared to Q1, the solved rate for hate crime offences has risen by 1.9 percentage points to 14.6%, with 21 additional crimes solved for a total of 71. This represents the highest number of crimes solved within any quarter of the timeframe.

Conversely, a reduction of 0.6 percentage points can be observed when comparing Q2 2024-25 against the same quarter during the previous financial year, albeit with 19 additional crimes solved.

The solved rate for the current FYTD stands at 13.8%. Whilst this represents a reduction of 0.2 percentage points when compared to the previous FYTD, 20 additional crimes have been solved for a total of 121.

The Hate Crime Scrutiny Panel has been re-established. Chaired by Gwent Police’s Strategic Equality and Diversity Manager, and attended by members of the OPCC, this panel scrutinises hate crime data trends and investigations to ensure that the force is delivering a quality service.

What have the PCC and OPCC Done? Policy, Projects and Partnerships

The Commissioner joined Gwent residents in a parade through the streets of Newport to celebrate this year’s Pride in the Port. Thousands of people gathered in Newport city centre for the event which celebrates diversity, inclusion and Gwent’s LGBTQIA+ community.

The Commissioner and OPCC staff also supported Pride events in Abergavenny, Caerphilly and Torfaen.

The events provided opportunities to talk to participants about their experiences of policing, and to raise awareness of how to report hate crime and the types of support available.

PRIORITY 3. SUPPORT VICTIMS AND PROTECT THE MOST VULNERABLE: Commission and invest in specialist services to support victims throughout the criminal justice process

Q2 Spotlight Service: Umbrella Cymru Children's Service

- How much funding goes into the service? **£90k**
- What proportion of the service is funded by the PCC? **100% for delivery of services across Gwent.**

About the Service

Umbrella Cymru offers a range of support to young people under the age of 18 who have experienced, witnessed, or otherwise been affected by crime or antisocial behaviour across Gwent.

Support is also provided to many parents, carers and guardians of young people referred to the service. These adults are offered additional support where it would be difficult or inappropriate to separate the support from that being provided to a young person, or where indirect support for a young person through a parent is more beneficial or appropriate.

The number of referrals received has continued to decrease this year with 85 referrals received between April and September 2024-2025. The decrease in the referral numbers has meant that there could be a focus on support cases ensuring that the waiting list following assessment was substantially reduced.

Referrals to the service during Q2 commonly included hate crime (most notably racism, transphobia, homophobia); 'bullying' (how it was described by the victim, but often involved physical and verbal abuse/threats); and sexual offences including unwanted touching and sexualised behaviour.

Case Study

SU was referred to the service by the Victim Care Unit in March 2024. A report had been made to Gwent Police after SU had been threatened at home following 4 years of persistent bullying and harassment. Initial assessment identified that SU had not been staying at home due to not feeling safe, which was impacting on their wellbeing and education. SU was 15 years old and preparing to sit important exams in school, which contributed to feelings of stress and anxiety.

As SU had multiple adverse childhood experiences, it was important for the support worker to build a trusting, open and consistent relationship with SU, ensuring their practice was trauma informed. Throughout support, SU's feelings were validated, and they were able to have the space to freely express themselves and achieve goals that supported them to improve their overall wellbeing and mental health.

The support worker helped SU to understand and express their views, wishes and feelings in relation to school with specific supporting regarding feeling safe in school, the impact of the bullying, and having a 'safe' person in school that SU could use to report any concerns. While SU continued to receive verbal threats and abuse, SU reported an increased sense of safety and felt more in control of the situation, due to having their voice heard and the safety measures in place.

SU was supported to feel safe at home and a graded approach was taken in relation to them staying home during the night. SU kept a journal of their thoughts and feelings during this time so that SU and the support worker could identify any triggers for their heightened anxiety while in the family home. This enabled SU and the support worker to create a support plan to minimise their anxiety and be able to enjoy their time at home.

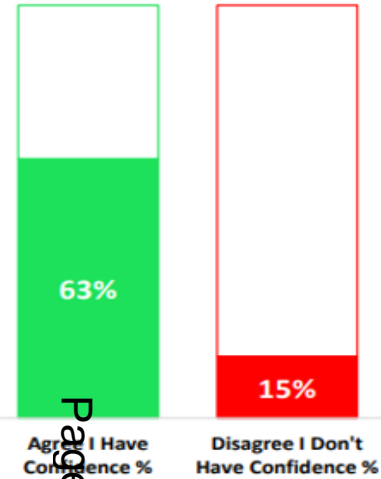
At the end of intervention, SU, their parent, and their Head of Year reported seeing positive changes in them. SU felt an improvement in their overall wellbeing and felt better able to cope with the bullying and harassment they had endured. Whilst the verbal threats have continued, SU reported that the provisions implemented in school meant their perception of safety had been improved.

Priority Four: Increase Community Confidence in Policing

Working with Gwent Police to improve our relationships with our communities and improve public confidence in policing

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: Increase the effectiveness of officer and staff engagement with their communities, and community confidence and trust in Gwent police (1)

Rolling 12 months
Confidence in Gwent Police



In the 12 months to Q2 2024/25, 63% of respondents to Gwent Police's public confidence survey agreed that they had confidence in Gwent Police.

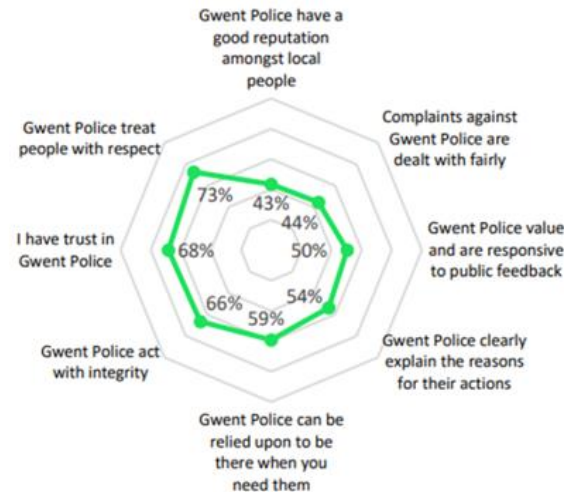
This perception is highest in Torfaen (where 68% agreed), and lowest in Blaenau Gwent, where 57% of respondents agreed with this statement.

Gwent Police has seen a downward trend in overall confidence over the last eight quarters, from 68% in Q3, 2022/23, to 63% in Q2 2024/25.

Across the same period, 35% of survey respondents agreed that they felt informed of what Gwent Police was doing in their local area..

There is also a downward trend in feeling informed over the same period, from 40% in Q3, 2022/23.

Trust



In the 12 months to Q2 2024/25, 68.1% of people agreed that they had trust in Gwent Police.

44.5% of people said they felt that complaints against Gwent Police are dealt with fairly.

What have the PCC and OPCC Done? Policy, Projects and Partnerships

Staff participated in a Criminal Justice Anti-Racism Implementation Plan 'Away Day', to review the key issues for agencies in supporting delivery of the Plan and identify potential improvements to current ways of working. The outcomes of the day will be shared with the Criminal Justice Board for Wales to inform further decision-making on those key issues and any additional matters raised.

The OPCC supported a visit by children and young people from Newport's Kerala community to Police Headquarters for a behind the scenes look at policing. The young people ages 11 -17 were given a tour of the building and shown around the force control room. They were also introduced to officers from the Roads Policing Unit and met some of Gwent's police dogs. The visit provided an opportunity to show that there is a place in policing for everyone, and that they can play their part and help us to make a real difference in our communities.

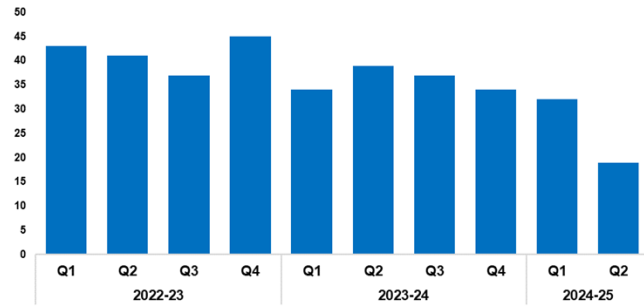
Funding and Commissioned Services

The OPCC has awarded second year funding to Community House, Eton Road (Newport) for their 'Unity in the Community' project. Project activity includes a youth club, street work, single-gender clubs, and tailored youth work support in and outside Community House.

Project beneficiaries are aged between 6 and 25 years and predominantly Roma or Gypsy Eastern European, and many are school excluded and/or vulnerable to child criminal exploitation. The project has already seen positive relationships with policing develop and will continue to develop positive engagement between policing and communities.

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: Increase the effectiveness of officer and staff engagement with residents in their communities, and community confidence and trust in Gwent police (2)

Total Number of Schedule 3 Complaints (Q1 2022-23 - Q2 2024-25)



There has been a reduction of 40.6% in Schedule 3 cases during Q2 2024-25 when compared to the quarter prior, with 13 fewer complaints recorded for a total of 19.

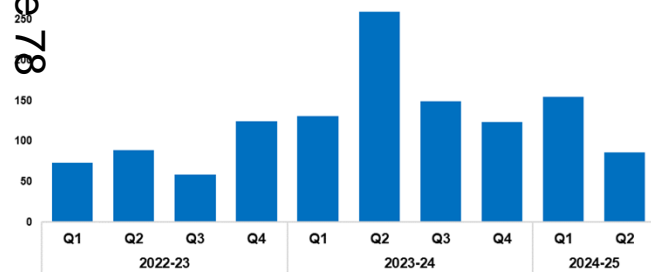
A similar reduction of 44.5% can be observed for Non-Schedule 3 cases, with 69 fewer complaints recorded for a total of 86.

Schedule 3 complaints are dealt with under the Police Reform Act 2022, whereby the complainant can request a review if they are not satisfied. Non-Schedule 3 complaints are dealt with outside the Police Reform Act 2002 (previously a dissatisfaction). At the time that the data was extracted there were 52 live Schedule 3 complaint cases and four live Non-Schedule 3 complaint cases.

Misconduct cases have seen a slight increase of 6.7% during Q2 2024-25 when compared to the quarter prior, with one additional case recorded for a total of 16.

Total Number of Non-Schedule 3 Complaints (Q1 2022-23 - Q2 2024-25)

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What have the PCC and OPCC Done? Policy, Projects and Partnerships

To help to provide assurance on the proportionate and lawful approach to section 60 for stops and searches and promote transparency in its application a proposal was drafted for the OPCC's Legitimacy Scrutiny Panel to conduct a retrospective review when section 60 powers are used in Gwent.

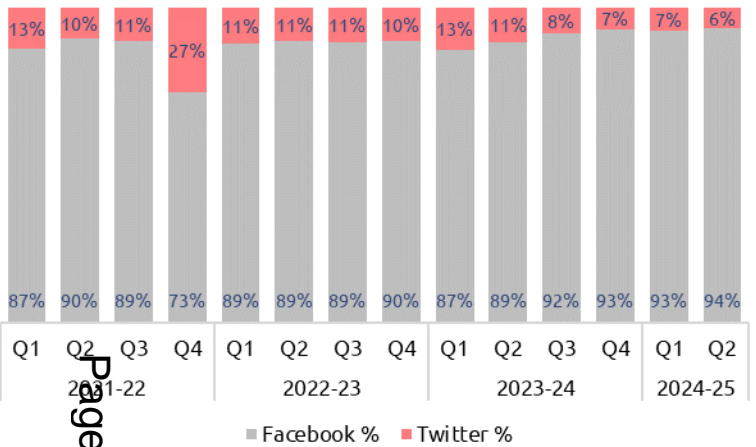
Section 60 of the Criminal Justice and Public Order Act 1994 provides for a power to stop and search in anticipation of, or after, serious violence. It allows 'no suspicion' searches in a defined area, so prior authorisation based on an objectively held reasonable belief is a requirement.

The proposal will be presented to the October Panel session for ratification and implemented immediately via the Terms of Reference, subject to any final amendments in current force policy and/or member feedback.

*Please note these figures can contain multiple allegations.

PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: Improve the accessibility of neighbourhood police teams through a variety of contact that meet the needs of the public

Social Media Engagement



Inbound private messages received via Gwent Police’s social media platforms decreased by 8% during Q2 2024-25 when compared to the quarter prior, with 1,729 more messages received (total=22,885). For inbound private message sources, 94% (19,660 messages) were received via Facebook platforms.

Inbound public messages received via Gwent Police’s social media platforms increased by 16% during Q2 2024-25 when compared to the quarter prior, with 1,987 fewer messages received (total=14,650). In terms of inbound public message sources, 93% (13,592 messages) were received via Facebook platforms.

This digital contact data includes Gwent Police’s English and Welsh Facebook and X accounts.

Of the top 5 categories for Single Online Home engagement, the majority remains crime reports (47% or 2,014 forms), followed by general ‘contact us’ messages (19% or 836 forms).

Top 5 Engagement through Single online home

Year	Quarter	Crime	Contact Us	Complaints	ASB	RTI
2024-25	Q2	2,014	836	260	318	204
	Q1	1,867	739	269	299	205
2023-24	Q3	1,309	557	191	221	102
	Q2	1,356	659	216	250	83
	Q1	1,528	854	204	268	91
	Q4	1,540	804	265	158	111
2022-23	Q3	1,451	664	223	95	107
	Q2	1,549	872	235	163	111
	Q1	1,286	678	233	123	112

What have the PCC and OPCC Done? Policy, Projects and Partnerships

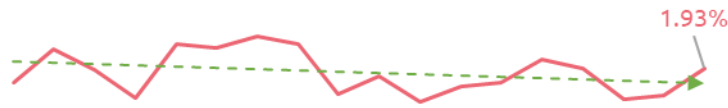
Throughout the summer, the Commissioner visited community events across Gwent to speak to residents about their priorities for policing.

The Commissioner was joined by Gwent Police officers at a range of engagement events in Newport organised by the Ethnic Minority Youth Support Team (EYST), Newport Yemeni Community Association’s festival in Pillgwenlly, and Blaenau Gwent County Council’s family fun day in Ebbw Vale.

Members of OPCC staff also supported community events in Bargoed, Brynmawr, Caerphilly, Pontypool, and Trethomas.

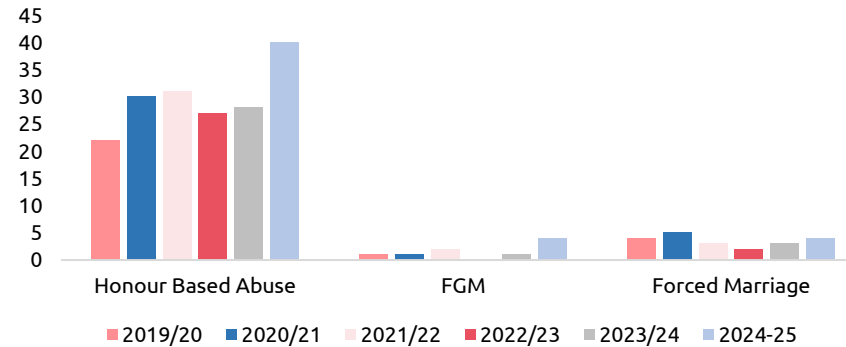
PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: Increase reporting of crime by communities that are less likely to engage with the police

% of identified victims of crime with an Ethnic Heritage



Year	Q1	Q2	Q3	Q4
2020-21				
2021-22				
2022-23				
2023-24				
2024-25				

Number of Honour Based Abuse, FGM & Forced Marriage Incidents



What have the PCC and OPCC Done? Policy, Projects and Partnerships

Along with Welsh Government and partners on the Hate and Community Tensions Board Cymru, the OPCC has contributed to planning for a Victim Support event later in 2024.

The event will launch the findings of a hate crime research project by Victim Support's Wales Hate Support Centre, to understand victim experience and barriers to reporting.

It is hoped that the learning from the project will help the police and other agencies to ensure appropriate and effective levels of service and support, leading to improved public trust and confidence to report any experiences of hate crime.

The number of Honour Based Abuse (HBA) incidents recorded YTD has increased in comparison to previous years. FGM reporting has also exceeded previous levels, while Forced Marriage incidents remain consistent. The increase in HBA reporting may reflect the continued work of the VAWDASV partnership to ensure appropriate engagement with communities that may be more affected by these crimes.

During the period of national disorder, the EDI team convened bi-weekly Gold groups under Operation Navette. These Gold groups brought together community leaders, independent Advisory Groups representatives, key local authority partners, and senior Gwent Police officers. This allowed the force to better understand and manage community tensions. An extraordinary meeting of the Mosque Leaders group was convened, and visits to each mosque in the Newport area arranged. This resulted in an effective exchange of information between Gwent Police and local communities, allowing the force to assuage the concerns of Muslim communities in particular, who experienced heightened anxiety during this time.

It was subsequently identified that the voices of women and young people were potentially under-represented in the force's community engagement initiatives. In light of this, a women's voices group has been established to bring together women from diverse communities in Gwent. The inaugural group meeting was held in September, and involved a presentation on stop and search and a visit to Force Contact and Control. Whilst still under development, meetings will likely be held quarterly.

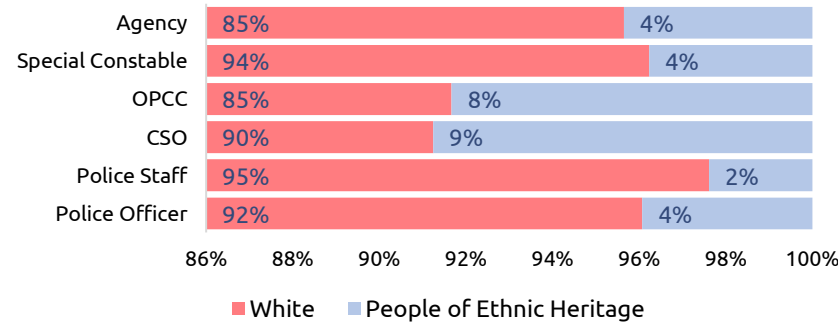
PRIORITY 4. INCREASE COMMUNITY CONFIDENCE IN POLICING: Further increase officer and staff diversity to ensure our police service reflects the communities that we serve

Gender disparity remains evident in the workforce for both officers and staff. For officers, females are underrepresented by approximately 24 percentage points (females account for 51% of the population in Gwent based on 2021 Census). However, females are overrepresented in the staff workstream area (by approximately 36 percentage points).

There is also disparity in ethnic heritage representation within the workforce. In Census 2021, 5.8% of the Gwent population are people of ethnic heritage. Currently 6.67% of police officers are of ethnic heritage, whereas ethnic heritage representation in staff is lower at 2.24%.

The Strategic Equality and Diversity Manager has worked alongside colleagues to support the force's Disability Confident employer scheme reaccreditation to level 3 standard.

Known Force Ethnicity %



What have the PCC and OPCC Done? Policy, Projects and Partnerships

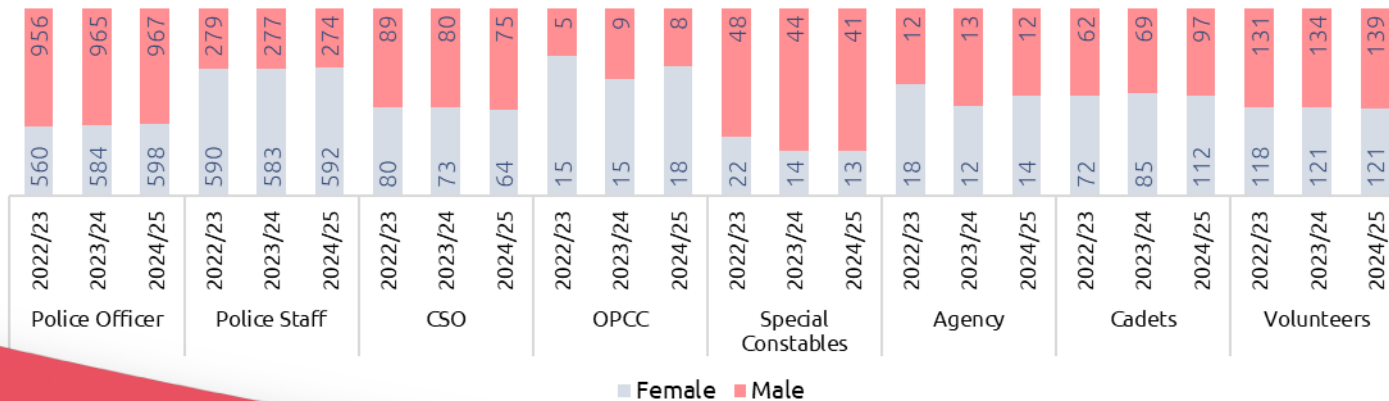
OPCC staff continue to contribute to the Training, Cultural Competency and Workforce Representation Subgroup under the Criminal Justice Wales Race Taskforce. To take forward the culture strand, a Culture Working Group has been established with the OPCC as one of the lead agencies along with HMPPS and North Wales OPCC. An initial proposal has been shared with the Subgroup with an invitation for additional collaborators to support the development of the work.

The OPCC policy lead is also working with Gwent Police colleagues to ensure visibility and alignment of outcomes for both the OPCC and Gwent Police's ambitions for a positive workplace culture for all.

The Commissioner has a statutory obligation to publish the number of staff in their team, including the proportion of staff who are women and (where disclosed) are from an ethnic minority background, or have a disability. The OPCC team currently includes the following staff (FTE excludes PCC and Deputy PCC, secondments and agency staff. Total number of people are 26).

No. of Posts (full time equivalent)	24.97 FTE
No. of staff who are women	18
No. of staff from an ethnic minority background	2
No of staff with a disability	1

Female to Male Ratio of workforce 2022/23 - 2024/25

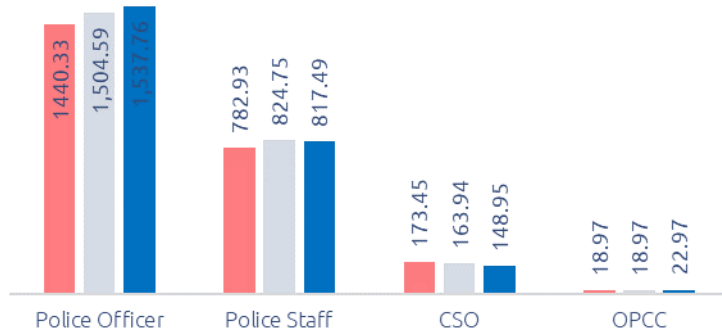


Priority Five: Drive Sustainable Policing

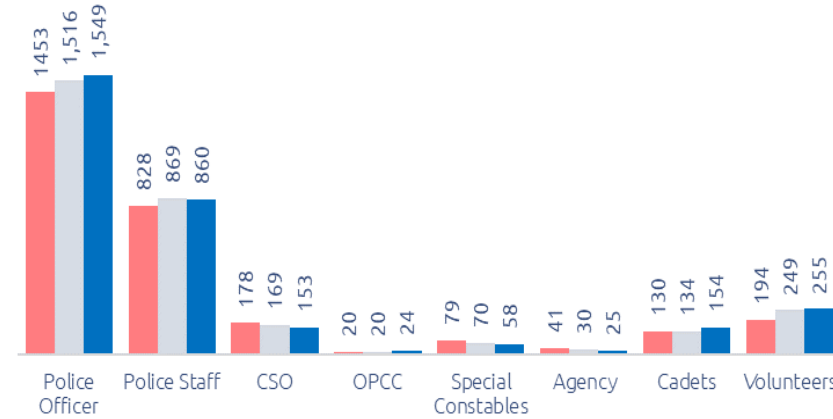
Providing a value for money police service that operates responsibly, with sustainable infrastructures the support current and future demands

PRIORITY 5. DRIVE SUSTAINABLE POLICING: Ensure Gwent police have the right number of officers, staff and volunteers in the right places

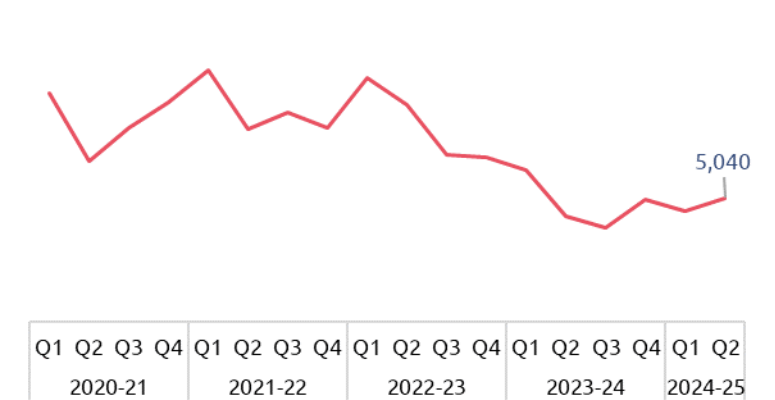
Gwent Police FTE 2021/22 - 2024/25



Gwent Police Headcount 2021/22 - 2024/25



No. of Active Specials Volunteered Hours



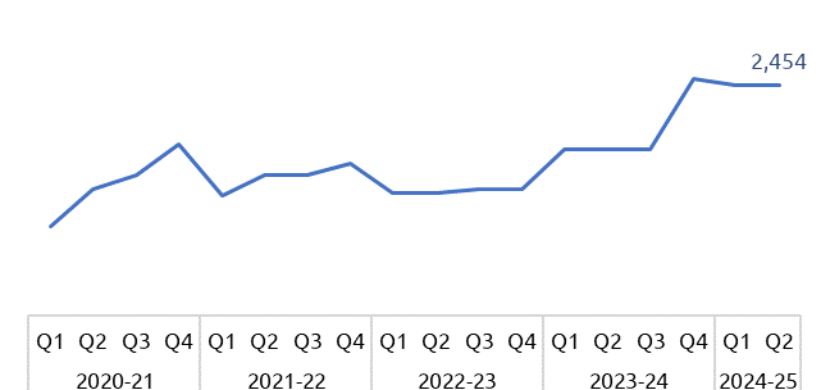
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2010/11 – 1477 (the previous high point)
 2015/16 – 1147
 2019/20 – 1300

Planning is underway to determine how the new Labour Government commitments to increasing neighbourhood numbers by 13,000 will impact on Gwent Police. Targeted increases are likely in officers, staff and specials. More information will be known in 2025.

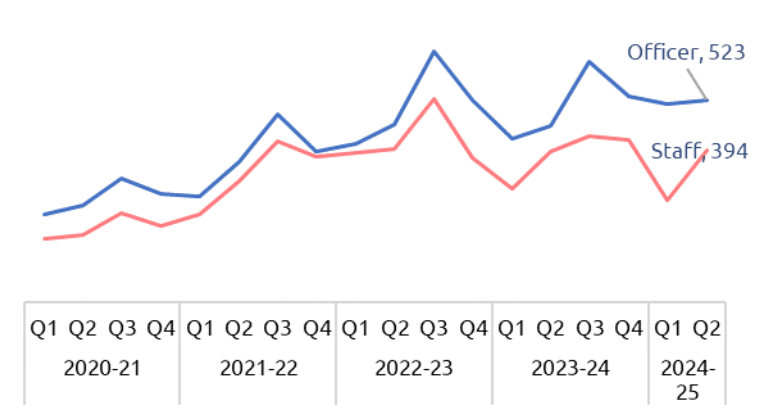
A new Neighbourhood Policing Strategy has been under development by Gwent Police, and is under consultation at the moment.

Heddlu Bach - No. of Primary School pupils engagement



PRIORITY 5. DRIVE SUSTAINABLE POLICING: Enhance health and wellbeing support for officers and staff to ensure our workforce is fit and ready to meet the challenges of policing

Workforce Sickness Occurrences



The above data reflect the number of sickness occurrences for all Gwent Police officers and staff.

Top 5 short term sickness reasons:

1. Vomiting/Diarrhoea
2. Influenza
3. COVID-19 Positive
4. Cold
5. Other Upper Respiratory Infection

Top 5 long term sickness reasons:

1. Stress
2. Anxiety
3. Depression
4. Lower Limb Condition
5. Upper Limb Condition

What have the PCC and OPCC Done?

Holding the Chief Constable to Account

The normal increase in sickness rates in Q2 has been observed, albeit with a less sharp increase for officers than staff. In terms of action against sickness levels, there is no change to the previous update provided in September, which is included below.

There has been significant scrutiny of wellbeing and sickness this year, including sickness absence being scrutinised in April’s Scrutiny Assurance Forum, and the HR annual report being provided to the PCCs Strategy and Performance Board in September. As reported previously, significant activity includes:

- Focus groups with 23 departments and 160 officers and staff to understand the underlying reasons for sickness.
- In support of this and in addition to the Wellbeing Strategy and Plan, the force has now implemented a sickness management framework.
- Introducing a private health care option, which started in January 2024 and has a second application period in October 2024
- Reviewed return to work procedures and improving attendance management and return to work procedures
- Identifying general ‘hindrances’ that cause unnecessary stress across equipment, devices, estate etc
- Improved neurodiversity support has been developed.

Student Officer attrition rates have also been discussed, with the primary drivers of high attrition rates being the expectations vs reality of policing, and the particular challenges of undertaking the student officer degree programme. Work underway has reshaped some of the recruitment and initial training processes, stay interviews to support those considering leaving, and improved exit interviews to capture trends. Absence rates have reduced as a result.

SUBJECT: GWENT POLICE AND CRIME PANEL RECORDED COMPLAINTS AND CONDUCT MATTERS REGISTER

DATE: 13TH DECEMBER 2024

1. PURPOSE OF REPORT

- 1.1** This report provides Members of the Panel with an overview of the complaints process and to advise that no complaints were received by the Panel for the period from November 2023 to November 2024 in relation to the PCC or the deputy PCC.

2. LINKS TO STRATEGY

- 2.1** The Police Reform and Social Responsibility Act 2011 requires the establishment of a Police and Crime Panel within each police force area to support and challenge the local Police and Crime Commissioner. The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2011 provides the legislative background to the handling of complaints by the Panel and the Police and Crime Panels (Application of Local Authority Enactments) Regulations 2012 also provides procedural requirements for the Panel.

3. BACKGROUND

- 3.1** The Gwent Police and Crime Panel (“the Panel”) was established in November 2012 following the first elections for Police and Crime Commissioners. The Panel has statutory responsibilities as to the handling and determination of certain complaints made against the Police and Crime Commissioner (PCC) and Deputy Police and Crime Commissioner (DPCC). The Panel agreed its revised procedure for the handling of complaints on 14th December 2018.

4. COMPLAINTS DATA

- 4.1** During the period November 2023 to November 2024 there was no recorded complaints.
- 4.2** There are three categories of complaints with the corresponding outcomes:
- A Complaint - a general complaint about the PCC or DPCC that is not a Conduct Matter or a Serious Complaint or is a complaint that ceases to be investigated by the Independent Office for Police Complaints (IOPC) or a police force. The Panel is responsible for the informal resolution of these complaints.

- A Conduct Matter - a matter where there is an indication (whether from the circumstances or otherwise) that the PCC and/or DPCC may have committed a criminal offence. Conduct matters can arise without a Complaint being made (for example, press stories). The Gwent Police and Crime Panel must notify the IOPC of Conduct Matters. The IOPC are responsible for considering all Conduct matters.
- A Serious Complaint - a complaint about the conduct of the PCC or DPCC which constitutes or involves or appears to constitute or involve the commission of a criminal offence. The Gwent Police and Crime Panel must notify the IOPC of Serious Complaints. The IOPC are responsible for considering all Serious Complaints.

4.4 The Panel has received 8 email or letter contacts from people wishing to make a complaint about Gwent Police plus several phone calls and these were all advised to contact the Professional Standards Department of Gwent Police.

5. FINANCIAL IMPLICATIONS

5.1 The handling of complaints is funded using the existing resources within the Home Office Grant.

6. EQUALITIES IMPLICATIONS

6.1 Monitoring of complaints by the Panel addresses the statutory duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 as any specific complaints to the Panel around alleged discrimination can be considered as well as the monitoring of complaints from people who fall under the categories protected by the Equality Act 2010.

7. CONSULTATION

7.2 Consultation has been undertaken as listed below and any responses received have been incorporated into the report.

8. RECOMMENDATION

8.3 The Panel are asked to note the information provided in this report.

9. REASON FOR RECOMMENDATIONS

9.1 To monitor and note complaints received by Gwent Police and Crime Panel.

9. STATUTORY POWERS

10.1 Police Reform and Social Responsibility Act 2011.

10.2 The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2011

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Consultees: Robert Tranter, Head of Legal and Monitoring Officer Caerphilly County Borough Council
Lisa Lane, Head of Democratic Services Caerphilly County Borough Council
Sian Curley, Chief Executive Office of the Gwent Police and Crime Commissioner
Gwent Police and Crime Panel Complaints Group

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GWENT POLICE AND CRIME PANEL FORWARD WORK PROGRAMME 2024/25

Meeting Date	Items – Theme
13th Dec 2024	PCC Update
	Panel Questions to PCC (if submitted)
	PCP Recorded Complaints Report
	Operational Context and Requirements for the Finance Strategy
	Treasury Management update
	Performance Qtr 2 (Information item)
Meeting Date	Items – Theme
31st Jan 2025	Panel Questions to PCC (if submitted)
	Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal
	Draft Police and Crime Plan
Meeting Date	Items – Theme
28 th March 2025	PCC Update
	Panel Questions to PCC (if submitted)
	Performance Qtr 3
	Police and Crime Plan
	Date to be confirmed
	We Don't Buy Crime Initiative
	Complaints
	Estates Strategy Update
	Serious Violence

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OFFICE OF POLICE AND CRIME COMMISSIONER

TITLE: OPGC Treasury Management Strategy 2025/26 to 2027/28

DATE: 26th November 2024

TIMING: This decision needs to be taken before the Revenue Budget for 2025/26 is formally approved

PURPOSE: For Consideration

1.	<p><u>RECOMMENDATION</u></p> <p>That the Joint Audit Committee considers and comments on the Treasury Management Strategy for 2025/26. This will enable the Police and Crime Commissioner (Commissioner) to subsequently approve:</p> <ul style="list-style-type: none"> (i) The Treasury Management Strategy for 2025/26 to 2027/28 set out in Appendix A; and (ii) The twelve Treasury Management Practices set out in Appendix B.
2.	<p><u>INTRODUCTION & BACKGROUND</u></p> <p>Treasury Management is the management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This report fulfils four key annual legislative requirements:</p> <ul style="list-style-type: none"> (i) The setting of the Prudential Indicators relating to Capital Expenditure; (ii) The Minimum Revenue Provision Policy; (iii) The Treasury Management Strategy; and (iv) The Investment Strategy in accordance with the Welsh Government’s Guidance on Local Government Investments. <p>The report also seeks approval for twelve Treasury Management Practices.</p>
3.	<p><u>ISSUES FOR CONSIDERATION</u></p> <p>The Commissioner is required to adopt and comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (2011 (as revised)) and the CIPFA Code of Practice on Treasury Management (2011 (as revised)). The Treasury Management Strategy 2025/26 to 2027/28 (Appendix A) and the Treasury Management Practices (Appendix B) are submitted for approval in compliance with the Codes.</p>
4.	<p><u>NEXT STEPS</u></p> <p>The Capital Prudential Indicators demonstrate that the Capital Programme is affordable, prudent and sustainable and it is essential that the Commissioner is satisfied of this situation prior to formally setting the Budget and Council Tax Precept for 2025/26.</p>

5.	<p><u>FINANCIAL CONSIDERATIONS</u></p> <p>This is a financial report required prior to setting the budget and Council Tax Precept for 2025/26.</p>
6.	<p><u>PERSONNEL CONSIDERATIONS</u></p> <p>There are no additional staff requirements stemming from this report.</p>
7.	<p><u>LEGAL IMPLICATIONS</u></p> <p>Approval of the Treasury Management Strategy by the Commissioner is a statutory responsibility.</p>
8.	<p><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></p> <p>This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.</p> <p>Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.</p>
9.	<p><u>RISK</u></p> <p>Treasury Management can never be risk free. In borrowing, the risk is that interest payable might be higher than necessary and in lending there is the risk of default on repayment and the risk that a better rate of return could have been achieved. Adherence to the CIPFA Code of Practice on Treasury Management is best practice in terms of balancing risk and return.</p>
10.	<p><u>PUBLIC INTEREST</u></p> <p>Once approved the Treasury Management Strategy will be published on the Commissioner's website.</p>
11.	<p><u>CONTACT OFFICER</u></p> <p>Darren Garwood-Pask, Chief Finance Officer (Section 151 Officer) to the Commissioner.</p>
12.	<p><u>ANNEXES</u></p> <p>The Appendices to this report provide more details on the proposal.</p>

OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR GWENT**Treasury Management Strategy 2025/26 to 2027/28****1 INTRODUCTION**

- 1.1 Treasury Management is the management of cash flows, banking, money market and capital market transactions; the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks. The treasury management service is an important part of the overall financial management of the Police and Crime Commissioner's (Commissioner) affairs. The Commissioner is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Commissioner's low risk appetite, providing adequate liquidity initially, before considering investment return. The second main function of the treasury management service is the funding of the Commissioner's capital plans. These capital plans provide a guide to the borrowing need of the Commissioner, essentially the longer term cash flow planning to ensure that the Commissioner can meet their capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet the Commissioner's risk or cost objectives.
- 1.2 The Commissioner's treasury activities are strictly regulated by statutory requirements and a professional code of practice, the CIPFA Code of Practice on Treasury Management. Under the Code, the Commissioner is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.
- 1.3 The Prudential Code 2017 introduced a new requirement for local authorities (including Commissioners) to produce a Capital Strategy. It is for local authorities to decide whether to include their treasury management strategy and annual investment strategy as part of a Capital Strategy or to complete separately. Since the first year of operation, the Commissioner has elected to complete a separate four-year Capital Strategy which was completed at the conclusion of the budget setting process in February 2022 and approved before the commencement of the 2022/23 financial year. The Capital Strategy will next be updated for the commencement of the 2025/26 financial year.
- 1.4 The adoption of a Treasury Management Strategy for 2025/26, prior to the start of the financial year, is the first of the three reporting requirements in respect of that year. This will be followed in due course by a mid-year Treasury Management report and an Annual Treasury Management Report before 30th September 2026, providing a selection of actual prudential and treasury indicators.
- 1.5 The Treasury Management Strategy for 2025/26 covers two main areas:

Capital Issues

- (i) The capital plans and the prudential indicators; and
- (ii) The Minimum Revenue Provision (MRP) strategy.

Treasury Management Issues

- (i) Debt and investment projections;
- (ii) Limits on borrowing activity;
- (iii) The expected movement in interest rates;
- (iv) Borrowing and investment strategies;
- (v) Treasury performance indicators; and
- (vi) Specific limits on treasury activities.

2. CAPITAL PRUDENTIAL INDICATORS 2025/26 to 2027/28

2.1 The Local Government Act 2003 requires the Commissioner to adopt the CIPFA Prudential Code, which was updated in 2021, and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the underlying capital appraisal systems. This document updates currently approved indicators.

2.2 Within this overall prudential framework there is an impact on the Commissioner's treasury management activity, as it will directly impact on borrowing or investment activity.

2.3 Capital Expenditure Plans

2.3.1 The capital expenditure plans are summarised below and this forms the first of the prudential indicators. Currently, there is no grant available from the Government for capital expenditure, so any decisions by the Commissioner will be considered unsupported capital expenditure.

2.3.2 This unsupported capital expenditure needs to have regard to:

- (i) Service objectives (e.g. strategic planning);
- (ii) Stewardship of assets (e.g. asset management planning);
- (iii) Value for money (e.g. option appraisal);
- (iv) Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- (v) Affordability (e.g. implications for the council tax); and
- (vi) Practicality (e.g. the achievability of longer term plans).

2.3.3 The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Commissioner's own resources.

2.3.4 This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants, earmarked reserves (known as committed funds) or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Commissioner's borrowing need.

2.3.5 A key risk to the plans, are that the level of Government support has been estimated and could therefore be subject to change.

2.3.6 The Commissioner is asked to approve the following summary capital expenditure projections which is the first prudential indicator:

First Prudential Indicator - Estimates of Capital Expenditure					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Capital Expenditure	19,751	17,496	22,458	8,885	7,810
Financed by:					
Capital Receipts	0	24	0	0	0
Capital Grants and PIF Grants	178	93	178	0	0
Reserves	0	0	72	0	660
Revenue	7,573	10,379	7,208	7,385	7,150
Net Financing Need for the Year	12,000	7,000	15,000	1,500	0

2.3.7 The above financing need excludes other long-term liabilities, leasing arrangements which already include borrowing instruments. The table above identifies the financial requirements for the delivery of the Commissioner's current Estate Strategy, which includes the continued development of a new Joint Firearms Range in collaboration with South Wales Police and Dyfed Powys Police, and investment in the current estate. During 2025/26, the Capital Programme will be funded from a combination of grant, revenue contributions to capital, and committed funds in addition to borrowing.

2.4 The Commissioner's Borrowing Need (the Capital Financing Requirement)

2.4.1 The second prudential indicator is the Commissioner's Capital Financing Requirement (CFR) which is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Commissioner's underlying borrowing need. Any capital expenditure in the table in paragraph 2.3.6 above which has not immediately been paid for will increase the CFR.

2.4.2 The CFR includes any other long term liabilities (e.g. lease arrangements) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Commissioner's borrowing requirement, these types of scheme include a borrowing facility and so the Commissioner is not required to borrow separately for these schemes.

2.4.3 The Commissioner is asked to approve the CFR projections below:

Second Prudential Indicator - the Capital Financing Requirement (CFR)					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Opening CFR	0	0	8,942	24,053	26,296
Capital Spend	19,751	17,496	22,458	8,885	7,810
Movement In finance lease liability	1,117	1,942	(504)	(532)	(516)
Resources Used	(7,751)	(10,496)	(7,458)	(7,385)	(7,810)
MRP	0	0	615	1,275	1,391
Closing CFR	13,117	8,942	24,053	26,296	27,171

2.4.4 The table above shows the impact of the implementation of IFRS 16 with a net increase in the financial lease liability of £1,942k. This represents the initial recognition of £2,411k as a finance lease liability under IFRS 16 plus a decrease due to the in-year lease payments. The above figures were estimates calculated with information available at the 15th November 2024 and may be subject to change.

2.4.5 In line with the latest MRP guidance, the Commissioner will be required to make a MRP in 2025/26. The Commissioner's policy on this matter is therefore at section 3 below.

3. MINIMUM REVENUE PROVISION POLICY

3.1 The Commissioner is required to recognise an element of outstanding capital borrowing each year through a revenue charge known as the MRP. The MRP is calculated to match the repayment of borrowing over the life of the assets, for which debt has been raised and is charged in the following year after the asset becomes operational. It is also permissible to pay an additional amount known as a Voluntary Revenue Provision (VRP). Under Welsh Government (WG) Regulations the Commissioner has to approve an MRP Statement in advance of each year. The Commissioner is recommended to adopt the following MRP policy for 2025/26:

- (i) For all capital expenditure incurred before 1st April 2008 and all supported capital expenditure incurred since that date or in the future, the MRP policy will be 4% of the CFR. This is consistent with the practice in place prior to the current regulations;
- (ii) For all unsupported borrowing since 1st April 2008 and in the future, the asset life method will be used, i.e., the amount borrowed will be divided by the life of the asset; and
- (iii) MRP related to IFRS16 will be equivalent to the amount of principle paid against the liability in the preceding year.

4. THE USE OF THE COMMISSIONER’S RESOURCES AND INVESTMENT POSITION

4.1 The application of resources (capital receipts, committed funds, etc.) will have an on-going impact on investments. Detailed below are estimates of the year-end balances for each resource and anticipated day to day cash flow balances.

Investment Position - Year end Resources					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Police Fund	5,000	5,500	5,500	5,500	5,500
Earmarked Reserves	8,356	14,596	11,196	10,106	9,667
Provisions	2,206	1,482	1,482	1,482	1,482
Total Core Funds	15,562	21,578	18,178	17,088	16,649
Working Capital	(4,730)	(2,955)	(2,955)	(2,955)	(2,955)
Expected Investments	10,832	18,623	15,223	14,133	13,694

*Working capital balances shown are estimated year end; these may be higher mid-year.

5. AFFORDABILITY PRUDENTIAL INDICATORS

5.1 The previous sections cover the overall capital and control of borrowing prudential indicators. Prudential indicators are also required to assess the affordability of the capital investment plans. The Commissioner is asked to approve the third and fourth prudential indicators, which assess affordability in terms of the impact of the capital investment plans on the Commissioner’s overall finances.

5.2 The third prudential indicator is the ratio of net financing costs (financing income less finance interest expense) to 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.

Third Prudential Indicator - Ratio of Financing Costs to Net Revenue Stream					
	2024/25 Original %	2024/25 Revised %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
Ratio	(0.05%)	(0.91%)	0.11%	0.51%	0.51%

5.3 The estimates of financing costs include current commitments and the proposals in the budget report. The ratio turns positive in 2025/26 as interest and MRP expense will be payable on newly and existing borrowed debt, at this point forecast interest expense will be greater than interest income.

5.4 The fourth prudential indicator identifies the increased revenue costs associated with the approved three year Capital Programme and expresses these in terms of the increase in Band D Council Tax Precept. The assumptions are based on the budget,

but will invariably include some estimates, such as the level of Government support, which is not published over a three year period.

Fourth Prudential Indicator - Incremental Increase in Council Tax Precept			
	2025/26 Estimate £	2026/27 Estimate £	2027/28 Estimate £
Increase	4.20	5.98	6.14

6. BORROWING

6.1 The capital expenditure plans are set out in Section 2.3.6. The treasury management function ensures that the cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the capital expenditure requirements. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury prudential indicators, the current and projected debt positions and the annual investment strategy.

6.2 Current borrowing portfolio position

The current treasury borrowing position at 31st October 2024, with forward projections, are summarised below. The below table shows the actual and forecasted external debt (the treasury management operations), against the future underlying capital borrowing need (the CFR), highlighting any over or under borrowing.

Borrowing Position					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
External Debt					
Debt at 1st April	0	0	7,000	15,000	6,500
New borrowing for Capital Spend	12,000	7,000	15,000	1,500	
Repayment of existing Debt			(7,000)	(10,000)	(6,500)
Other Long Term Liabilities (Finance Lease Liability - IFRS16) at 1st April	1,116	2,411	1,942	1,438	906
Expected Change in OLTL	(267)	(469)	(504)	(532)	(516)
Gross Debt at 31st March	12,849	8,942	16,438	7,406	390
Capital Financing Requirement at 31st March	12,849	8,942	24,053	26,296	27,171
Under/(Over) Borrowing	0	0	7,615	18,890	26,781

6.3 The related impact of the above movements on the revenue budget is shown below:

Impact on Revenue Budgets					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Revenue Budget Heading					
Interest on Borrowing	668	73	339	92	0
Investment Income	(750)	(1,646)	(750)	(424)	(411)
Net Police Fund Borrowing Cost	(82)	(1,573)	(411)	(332)	(411)

7. LIMITS ON BORROWING ACTIVITY

- 7.1 Within the prudential indicators there are a number of key indicators to ensure that the Commissioner operates activities within well-defined limits. For the first of these the Commissioner needs to ensure that gross debt does not, except in the short term, exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The following table is relevant for this indicator.

Limits on Borrowing Activity - Year End Position					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Gross Debt	12,849	8,942	16,438	7,406	390
Investments	(10,832)	(18,623)	(15,223)	(14,133)	(13,694)
Net Borrowing	2,017	(9,681)	1,215	(6,727)	(13,304)
Capital Financing Requirement	12,849	8,942	24,053	26,296	27,171
Gross Debt <= CFR	Yes	Yes	Yes	Yes	Yes

- 7.2 The next key indicator is the operational boundary. This is the limit beyond which external debt is not normally expected to exceed.

Operational Boundary for Debt at 1st April					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Debt	12,000	7,000	15,000	6,500	0
Other Long Term Liabilities	1,116	1,942	1,438	906	390
Net Borrowing	13,116	8,942	16,438	7,406	390

7.3 A further key prudential indicator representing a control on the overall level of borrowing is the Authorised Limit for External Debt. This is calculated on a 5% mark up on the operational boundary. This represents a limit beyond which external debt is prohibited and this limit needs to be set or revised by the Commissioner. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total plans of all Local Authorities and Commissioners, or those of a specific Authority or Commissioner, although no control has yet been exercised. The Commissioner is asked to approve the following Authorised Limit:

Authorised Limit for Debt at 1st April					
	2024/25 Original £000's	2024/25 Revised £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
Debt	12,600	7,350	15,750	6,825	0
Other Long Term Liabilities	1,116	1,942	1,438	906	390
Working Capital Requirement	(5,491)	(2,955)	(2,955)	(2,955)	(2,955)
Authorised Limit	8,225	6,337	14,233	4,776	(2,565)

7.4 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

7.5 The working capital requirement for 2025/26 onwards is a snap-shot based on the 2024/25 actuals but is subject to change as cash flows from debtors and creditors come in/out, respectively, during the financial year. As such, the Commissioner will review the Authorised Limit prior to arranging any borrowing to ensure that the authorised Limit reflects current information and, if necessary, approve any amendments.

8. PROSPECTS FOR INTEREST RATES

8.1 The Commissioner uses Link Asset Services as treasury management advisors and part of their service is to provide a view on the prospects for interest rates and economic growth. The following table gives the Link Asset Services central view on the prospects for interest rates.

Interest Rate Forecasts								
Bank Rate	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Link	4.75%	4.50%	4.25%	4.00%	4.00%	3.75%	3.75%	3.75%
Cap Econ	4.75%	4.50%	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%
5Y PWLB RATE								
Link	5.00%	4.90%	4.80%	4.60%	4.50%	4.50%	4.40%	4.30%
Cap Econ	5.20%	5.10%	4.90%	4.80%	4.60%	4.60%	4.50%	4.50%
10Y PWLB RATE								
Link	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.50%	4.50%
Cap Econ	5.30%	5.20%	5.10%	4.90%	4.80%	4.80%	4.70%	4.60%
25Y PWLB RATE								
Link	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%
Cap Econ	5.60%	5.40%	5.30%	5.20%	5.00%	4.90%	4.90%	4.80%
50Y PWLB RATE								
Link	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%
Cap Econ	5.60%	5.50%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%

8.2 The Monetary Policy Committee (MPC) voted (8:1) to reduce the Bank Rate from 5.00% to 4.75% during the November 2024 meeting. In the accompanying statement, the MPC repeated the previously held position that "...a gradual approach to removing policy restraint remains appropriate." While it noted that there had been continued "...progress in disinflation", because of the Autumn Budget, its revised forecasts added 0.75% to GDP expectations in a year's time and due to a resulting lowering of space capacity, also added 0.5% to its inflation outlook. It also noted that it expected inflation to rise from 1.7% in September to 2.5% by the close of the year, as weaker energy prices fall out of calculations. At the subsequent press conference, Governor Bailey was quick to push back against questions on the US election, simply stating that the MPC "...respond to announced policies..." not to "...speculation..." and "...let's see what happens." Given the forecasts show CPI inflation to be below 2% in three years' time, it tallies with broadly held expectations that rates will fall from here. However, the tone of the decision likely means that the pace will be gradual. Market sentiment regards the future policy path is little changed following the November decision. Participants firmly believe that December will see no change, with the next move pencilled in for the first quarter of 2025, with sentiment now more favouring a move in March. Thereafter, forecasts for cuts remain trimmed compared to where they were at the start of October, with just one move per quarter expected, which would take Bank Rate to 4.25% by next summer.

8.3 The UK Manufacturing Purchasing Managers' Index (PMI) fell to a weaker than expected 50.3 in October from 51.5 in September. This represented a second consecutive fall in the pace of expansion, and the lowest level in six months. Details showed that new orders dropped significantly, reflecting a sharp decline in overseas orders and rising concerns about the Autumn Budget sowed doubts about near-term domestic economic growth prospects. On the price front, input elements increased at a slower pace, while output charges rose significantly. Meanwhile, the UK Services PMI dropped to 51.8 in October from 52.4 in September in its preliminary reading, missing market expectations of an unchanged reading. This marked the slowest expansion in the sector since June. Despite this, it was the sharpest growth in new export sales since March 2023. Combined, the preliminary reading of the UK Composite PMI headline rate fell to 51.7 in October from 52.6 in the previous month, below market expectations of 52.6. Separately, the UK Construction PMI jumped to 57.2 in September from 53.6 in August (it is released on a one-month lag to other sector reports), above market expectations of 53.1. Despite the more unsettled backdrop, construction demand experienced a fresh rebound in the UK, with all three major subsectors – civil engineering, commercial building, and housebuilding – all

improving over the month. Activity was supported by lower interest rates, domestic economic stability, and strong pipelines of infrastructure work.

- 8.4 The UK economy expanded by 0.2% in August after stalling for two consecutive months, matching market expectations. Services output rose by 0.1%, industrial production grew by 0.5% (bouncing back from a downwardly revised 0.7% fall in July), and construction output also picked up by 0.4%. Elsewhere, the UK's trade deficit narrowed to £0.96 billion in August, compared to a downwardly revised £4.71 billion in July.
- 8.4 The UK recorded a 373k rise in jobs in the three months to August, following the 265k increase in the previous period and surpassing market forecasts of a 250k rise. This marked the largest quarterly growth since 1971 and helped pull the unemployment rate down from 4.1% to 4%. Meanwhile, average weekly earnings (including bonuses) increased 3.8% year on year in the three months to August, compared to the upwardly revised 4.1% rise in the previous period.
- 8.5 Chancellor Rachel Reeves presented the Autumn Budget at the close of the month, with the accompanying Office for Budget Responsibility report noting that it would raise growth and inflation in the near-term, but that higher rates would then weigh on growth through the remainder of the current five-year Parliament. The proposals would loosen fiscal policy relative to previous plans but also included one of the largest tax raises in history, to help support day-to-day spending and the rebuilding of public services. This alongside longer-term investment plans would be supported by an additional £142bn of additional borrowing during the current Parliamentary session.
- 8.5 The US economy added a larger than expected 254k jobs in September, significantly higher than an upwardly revised 159k in the previous month and the strongest job growth in six months. Meanwhile, the economy expanded an annualised 2.8% in Q3, slightly below both market forecasts and the level seen in Q2. Finally, inflation fell for a sixth consecutive month to 2.4% in September, from 2.5% in August, but this was above market expectations.
- 8.6 Having fallen to 1.7% in September from 2.2% in August, the Eurozone's inflation rate then bounced to 2.0% according to initial estimates released at the close of the month. This latest reading was above market forecasts as the anticipated decline in energy prices proved less than expected. Meanwhile, the core rate, excluding food and energy prices, remained at 2.7%, modestly ahead of market expectations for a slight fall. GDP in the bloc expanded 0.4% in the three months to September, the strongest growth rate in two years, following a 0.2% increase in Q2. Across the key economies France, Spain and surprisingly Germany all expanded, while Italy's economy stalled. Away from data releases, the European Central Bank cut its three key interest rates by 25 basis points at its mid-month meeting. The dovish tone to the accompanying press conference did see market expectations push towards a 50 basis points move in December. However, these views were reined in on the back of the Q3 growth and latest inflation figures.
- 8.7 Q3 Japanese growth came in much as markets had expected, rising just 0.2% on the quarter, while Q2 figures were revised down from 0.7% to 0.5%. However, of some encouragement was the details showing that consumer spending rose by 0.9% on the quarter, helping to offset falls in both private and public investment, while net exports

provided a 0.3% drag on a jump in imports, which were reflective of consumption strength. Although the figures suggest that the central bank's growth forecast for the current financial year (0.6%) is optimistic, analysts still expect it to hike rates again next month. In China, industrial production weakened in October, confounding forecasts of a tick higher, with underlying figures suggesting the fall back was due entirely to a drop in utilities', which could have been weather-related. On a more positive note, retail sales bounced by more than expected, and with further stimulus to bear, indications are that momentum will be regained in the final quarter of the year. The medium term outlook, however, is less certain, given the prospect of US tariff hikes on Chinese goods from the Trump administration.

9. BORROWING STRATEGY 2025/26 – 2027/28

- 9.1 The uncertainty over future interest rates increases the risks associated with treasury activity. Prospective investment returns have decreased in the latter part of 2024/25 due to the decreasing amount of capital to invest and a reduction in interest rates. As a result, the Commissioner will continue a cautious approach to treasury strategy.
- 9.2 The Chief Finance Officer (Commissioner) (Group Section 151 Officer), under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.
- 9.3 The Commissioner is currently maintaining a neutral-borrowing position. This means that the capital borrowing need (the CFR), has been fully matched with loan debt. During 2024/25 it is predicted there will be debt as the CFR exceeds the internal resources utilised funding the Capital Programme.
- 9.4 External debt will only be sought once the committed funds earmarked for capital expenditure have been utilised. In future years, the under-borrowing position is a direct impact of the MRP charge reducing the CFR and the timing of repayment of loans.

10. INVESTMENT STRATEGY 2025/26 – 2027/28

- 10.1 **Key Objectives** – The Commissioner's primary investment strategy objectives are, firstly, safeguarding the re-payment of the principal and interest of their investments on time and, secondly, ensuring adequate liquidity. The investment return is an important third objective, but not as important as the first two objectives. Following the economic background outlined above, the current investment climate has one overriding risk consideration; that of counterparty security risk. The changes to the CIFPA Treasury Management (TM) Code 2021 has incorporated environmental, social and governance (ESG) factors into Treasury Management Practice 1 as follows:

“The organisation's credit and counterparty policies should set out its policy and practices relating to ESG considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.”

To satisfy the TM Code 2021 recommendation the Police and Crime Commissioner will consider environmental, social and governance (ESG) issues in its treasury management policies when investing. ESG scoring or other real-time ESG criteria will not be included until further clarification is provided by CIPFA .

10.2 **Risk Benchmarking** – A development in the revised 2011 Codes and the Welsh Government Investment Guidance is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements in the revised Code, although the application of these is more subjective in nature.

10.3 These benchmarks are simple guides (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

10.4 **Security** – The Commissioner’s maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- (i) 0.006% historic risk of default when compared to the whole portfolio.

10.5 **Liquidity** – In respect of this area the Commissioner seeks to maintain:

- (i) Liquid short term deposits of at least £2m available with a week’s notice; and
- (ii) Weighted Average Life of investments with banks between 3 and 12 months; and
- (iii) Note that no overdraft facility is held at Lloyds bank.

10.6 **Yield** – Local measures of yield benchmarks are:

- (i) Investments – Internal returns compared to the average Sterling Overnight Index Average (SONIA) rate. The transition to SONIA is due to the phasing out of LIBOR, which took place on the 31st December 2021.

10.7 The security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.006%	0.006%	Not applicable	Not Applicable	Not Applicable

Note: This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment.

10.8 **Investment Counterparty Selection Criteria** – The primary principle governing the Commissioner’s investment criteria is the security of their investments, although the yield or return on the investment is also a key consideration. The Commissioner will also consider ESG factors when considering counterparties. The Commissioner will

not use non-specified investments i.e. investments exceeding 1 year 364 days. The Commissioner will ensure:

- (i) A policy covering types of investment, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified Investment (investments not exceeding 1 year 364 days) sections below; and
- (ii) Sufficient liquidity in investments. For this purpose procedures will be set out for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the prudential indicators covering the maximum principal sums invested.

10.9 The Chief Finance Officer (Chief Constable) will maintain a counterparty list in compliance with the following criteria. This criteria is separate from that which chooses Specified and Non-Specified Investments, as it provides an overall pool of counterparties considered high quality that the Commissioner may use rather than defining what their investments are.

10.10 The rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Commissioner's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Commissioner's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

10.11 Credit rating information is supplied by the Commissioner's treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to a counterparty at the minimum of the Commissioner's criteria will be suspended from use, with all others being reviewed in light of market conditions.

10.12 The Commissioner only uses the following high credit quality counterparties:

- (i) UK banks and banks domiciled in a country other than the UK which has a minimum Sovereign long term rating of AAA, which have at least the following Fitch, Moody's and Standard and Poor's ratings (where rated):
 - Short Term – F1/A1/P1;
 - Long Term – A;
- (ii) Part-nationalised UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part-nationalised or they meet the ratings in Banks above;
- (iii) Building Societies which:
 - Meet the ratings for banks outlined above; or

- Have assets in excess of £1bn;
- (iv) Money Market Funds – AAA;
- (v) UK Government (including gilts and the DMADF (see below));
- (vi) Local Authorities;
- (vii) Property Funds – These funds allow the Commissioner to diversify into asset classes other than cash without the need to own and manage the underlying investments; Property Funds offer enhanced returns over the longer term but are more volatile in the short term. Their value changes with market prices, so will be considered for longer investment periods; and
- (viii) Supranational institutions.

10.13 Due care will be taken to consider the country, group and sector exposure of the Commissioner’s investments. In part, the country selection will be chosen by the credit rating of the Sovereign state. In addition:

- (i) No more than £3m will be placed with any single non-UK country at any time;
- (ii) Limits in place above will apply to Group companies; and
- (iii) Sector limits will be monitored regularly for appropriateness.

10.14 Additional requirements under the Code of Practice now require the Commissioner to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/ outlooks) will be applied to compare the relative security of differing investment counterparties.

10.15 The time and monetary limits for institutions on the Commissioner’s Counterparty List are as follows:

	Fitch (or equivalent)	Money Limit	Time Limit
UK Banks (Groups)	<i>P1/F1/A1</i>	£10m	<365days
Non UK Banks (Groups)	<i>P1/F1/A1</i>	£5m	<365days
Building Societies	<i>P1/F1/A1</i>	£5m	<365days
Money Market Funds	AAA	£5m	<365days
Local Authorities	-	£15m	<2 years
UK DMO	-	None	<365days
Property Fund		£5m	<5 years
Guaranteed Organisations	-	£3m*	<365days

**Guaranteed institutions will need to be restricted to the terms of the guarantee.*

10.16 In the normal course of the Commissioner’s cash flow operations it is expected that only Specified Investments will be utilised.

10.17 **The criteria for choosing counterparties set out above provide a sound approach to investment in ‘normal’ market circumstances. However, under exceptional market conditions the Chief Finance Officer (Commissioner) may, after consulting the Commissioner, temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to ‘normal’ conditions. Similarly the time periods for investments may be restricted.** Examples of these restrictions would be the greater use of the Debt Management Account Deposit Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

10.18 Additionally, the Commissioner reserves the right to continue to hold an investment if the institutions credit rating is down-graded during the investment period if he is satisfied that the risks associated with the institution and investment are able to be managed and/or mitigated appropriately.

10.19 **Banking Arrangements**

The Commissioner’s banker is Lloyds Bank, the contract is due to expire on 31st March 2025. The contract allows three extensions, the second extension has been approved and the next extension is due on the 1st April 2025.

11. SENSITIVITY TO INTEREST RATE MOVEMENTS

11.1 The Commissioner is required to disclose in the accounts the impact of risks on treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

Sensitivity to Interest Rate Movements		
	2025/26 Estimated +1% £000's	2025/26 Estimated -1% £000's
Interest on Borrowing	70	(70)
Investment Income	150	(150)

12. TREASURY MANAGEMENT - LIMITS ON ACTIVITY

12.1 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these is to contain the activity of the treasury function within

certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. The Commissioner approves these limits.

	2025/26	2026/27	2027/28
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	35%	35%	35%
Maturity Structure of fixed interest rate borrowing 2024/25			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	20%	
5 years to 10 years	0%	20%	
10 years and above	20%	90%	
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£m 20	£m 20	£m 20

13. PERFORMANCE INDICATORS

13.1 The Code of Practice on Treasury Management requires the Commissioner to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Performance indicators to be used for the treasury function are:

- (i) Debt – Borrowing - Average rate of borrowing for the year compared to PWLB rates; and
- (ii) Investments – Internal returns compared with the average SONIA rate.

The results of these indicators will be reported in the Treasury Annual Report.

14. TREASURY MANAGEMENT ADVISERS

14.1 The Commissioner uses Link Asset Services as treasury management advisors. The company provides a range of services which include:

- (i) Technical support on treasury matters, capital finance issues and code compliance;
- (ii) Economic and interest rate analysis;
- (iii) Debt services which includes advice on the timing of borrowing;
- (iv) Debt rescheduling advice surrounding the existing portfolio;
- (v) Generic investment advice on interest rates, timing and investment instruments; and
- (vi) Credit ratings/market information service, comprising the three main credit rating agencies.

14.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Commissioner.

15. TREASURY MANAGEMENT TRAINING

15.1 Officer training needs are assessed on appointment, as part of the Personal Development Review (PDR) process and when legislation changes are announced. Officers attend seminars arranged by Link Asset Services and other organisations. Staff within the Office of the Police and Crime Commissioner and Joint Audit Committee members also receive periodic Treasury Management training.

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APPENDIX B

SCHEDULE OF TREASURY MANAGEMENT PRACTICES (TMP's)

TMP 1 - Risk Management

TMP 2 - Performance Measurement

TMP 3 - Decision–Making and Analysis

TMP 4 - Approved Instruments, Methods and Techniques

TMP 5 - Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements

TMP 6 - Reporting Requirements and Management Information Arrangements

TMP 7 - Budgeting, Accounting and Audit Arrangements

TMP 8 - Cash and Cash Flow Management

TMP 9 - Money Laundering

TMP 10 - Training and Qualifications

TMP 11 - Use of External Service Providers

TMP 12 - Corporate Governance

Treasury Management Practice (TMP) 1 RISK MANAGEMENT

1. CREDIT AND COUNTERPARTY RISK MANAGEMENT

1.1 CRITERIA TO BE USED FOR CREATING AND MANAGING APPROVED COUNTERPARTY LISTS/LIMITS

1.1.1 The Welsh Government issued revised Investment Guidance in April 2010, and this forms the structure of the Police and Crime Commissioner for Gwent's (Commissioner) policy below.

1.1.2 The key intention of the Guidance is to maintain the current requirement for Local Authorities and Police and Crime Commissioners to invest prudently and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires the Commissioner to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 edition). **TMP 1(1), covering investment counterparty policy requires approval each year.**

1.1.3 **Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- a) The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- b) The principles to be used to determine the maximum periods for which funds can be committed;
- c) Specified investments the Commissioner will use. These are high security (i.e. high credit rating, although this is defined by the Commissioner, and no guidelines are given) and high liquidity investments in sterling and with a maturity of no more than a year (two years for Local Authorities); and
- d) Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

1.1.4 The investment policy proposed for the Commissioner is:

Strategy Guidelines – The main strategy guidelines are contained in the Treasury Management Strategy.

Specified Investments – These investments are sterling investments of not more than one-year maturity (two years for Local Authorities), or those which could be for a longer period, but where the Commissioner has the right to be repaid within 12 months if they wish. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- a) The UK Government (such as the Debt Management Account Deposit Facility (DMADF), UK Treasury Bills or a Gilt with less than one year to maturity);
- b) Supranational bonds of less than one year's duration;
- c) A Local Authority, parish council or community council;

- d) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. Money Market Funds, have to be rated AAA by Standard and Poor's, Moody's or Fitch rating agencies; and
- e) A body that is considered of a high credit quality (such as a bank or building society. This covers bodies with a minimum short-term rating of P1/F1/A1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Within these bodies and in accordance with the Code, the Commissioner has set additional criteria to set the time and amount of monies which will be invested in these bodies. Non-specified investments will not be utilised.

1.1.5 The Monitoring of Investment Counterparties - The credit rating of counterparties will be monitored regularly. The Commissioner receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services (formerly known as Capita Asset Services) as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The Commissioner retains the right to continue an investment until it matures in the event of a down-grading, providing that the exposure risk can be managed and/or mitigated appropriately. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by treasury management staff and if required new counterparties which meet the criteria will be added to the list.

1.1.6 The Treasury Management Strategy will include suitable criteria for assessing and monitoring the credit risk of investment counterparties which will be used to construct a lending list comprising time, type, sector, country and specific counterparty limits.

1.1.7 Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.

1.1.8 The Commissioner will use credit criteria to determine creditworthy counterparties for the placing of investments.

1.1.9 In the event that more than one rating agency provides a credit rating for a counterparty, then the Lowest Common Denominator (LCD) approach must be applied when determining the rating for a particular counterparty.

1.1.10 Treasury Management Consultants will provide a weekly update of all ratings relevant to the Commissioner and notify the Commissioner of any changes to credit ratings during the week.

1.1.11 The approved counterparty list and type, limit and period of investment are determined by the criteria set out in the Annual Treasury Management Strategy.

1.1.12 The Commissioner should not place an over reliance on credit rating information. Other market information, such as concerns raised in the quality financial press, should also be used to ascertain the credit risk of a particular counterparty.

1.2 APPROVED METHODOLOGY FOR CHANGING LIMITS AND ADDING / REMOVING COUNTERPARTIES

1.2.1 Credit ratings for individual counterparties can change at any time. The Chief Finance Officer (Section 151 Officer) to the Office of the Police and Crime Commissioner (hereafter referred to as the CFO (Commissioner)) is responsible for applying the stated credit rating criteria for selecting approved counterparties; and will add or delete

counterparties as appropriate to / from the approved counterparty list, when there is a change in the credit ratings of individual counterparties, or in banking structures e.g. on mergers or takeovers. This is delegated on a daily basis to staff in the Finance Department.

2. LIQUIDITY RISK MANAGEMENT

2.1 CASH BALANCES, BORROWING AND INVESTMENTS

2.1.1. The Commissioner will ensure adequate cash resources, borrowing arrangements and overdraft facilities, for the achievement of business/service objectives.

2.1.2 The Commissioner will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme, or to finance future debt maturities.

2.1.3 The Commissioner will maintain the following:

a) Liquid short-term deposits of at least £2m available with a week's notice.

2.1.4 The Commissioner will also monitor the weighted average length of deposits so that the weighted average life of deposits is between 3 months with a maximum of 12 months.

3. INTEREST RATE RISK MANAGEMENT

3.1 Minimum/Maximum proportions of variable rate debt/interest

Minimum proportion of interest on borrowing which is subject to variable rate interest.	0 %
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Maximum proportion of interest on borrowing which is subject to variable rate interest	35 %
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3.2 Minimum/Maximum proportions of fixed rate debt/interest

Minimum proportion of interest on borrowing which is subject to fixed rate interest.	65 %
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Maximum proportion of interest on borrowing which is subject to fixed rate interest	100 %
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3.3 Forward Dealing

Consideration will be given to dealing for forward periods dependent upon market conditions. When forward dealing is more than one week forward, the approval of the Head of Finance is required.

4. EXCHANGE RATE RISK MANAGEMENT

4.1 Approved criteria for managing changes in exchange rate levels

a) As a result of the nature of the business, there may from time to time be exposure to exchange rate risk. This will arise from the receipt of income or the incurring of

expenditure in a currency other than sterling. The Commissioner will adopt a full hedging strategy to control and add certainty to the sterling value of these transactions. This will mean that the Commissioner will eliminate all foreign exchange exposures as soon as they are identified; and

- b) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity, unless the Commissioner has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency will be held on deposit to meet this expenditure commitment.

5. INFLATION RISK MANAGEMENT

5.1 INFLATION SENSITIVITY

- 5.1.1 The organisation will keep under review the sensitivity of its treasury assets and liabilities to inflation and minimise risk accordingly in the context of the whole organisation's inflation exposures.

6. REFINANCING RISK MANAGEMENT

6.1 DEBT/OTHER CAPITAL FINANCING MATURITY PROFILING, POLICIES AND PRACTICES

- 6.1.1 The organisation will ensure that its borrowing, private finance and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal financing, if required, which are competitive and as favourable to the Commissioner as can be reasonably achieved, in light of the market conditions prevailing at the time.
- 6.1.2 The Commissioner will actively manage relationships with counterparties in these transactions in such a manner as to secure this objective and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

7. LEGAL AND REGULATORY

7.1 REFERENCES TO RELEVANT STATUTES AND REGULATIONS

- 7.1.1 The treasury management activities of the Commissioner shall comply fully with legal statute and the regulations. These are:
 - a) CIPFA's Treasury Management Code of Practice (2021 Edition);
 - b) CIPFA Treasury Management in the Public Services Guidance Notes 2021;
 - c) CIPFA statement 17.10.18 on borrowing in advance of need and investment in commercial properties;
 - d) CIPFA Standard of Professional Practice on Treasury Management;
 - e) CIPFA Bulletin 04 Treasury and Capital Management Update April 2020;
 - f) Statutory Investment guidance (2018);
 - g) Statutory MRP guidance (2018);
 - h) The Prudential Code for Capital Finance in Local Authorities (2021 Edition);

- i) Local Government Act 2003;
- j) Bank of England Non-Investment Products Code (2011);
- k) Standing Orders relating to Contracts;
- l) Financial Standing Orders, Regulations and Procedures;
- m) The Commissioner's Manual of Corporate Governance and Scheme of Delegation; and
- n) Markets in Financial Instruments Directive (MiFiD II).

7.2 PROCEDURES FOR EVIDENCING THE ORGANISATION'S POWERS / AUTHORITIES TO COUNTERPARTIES

7.2.1 The Commissioner will prepare, adopt and maintain, as the cornerstones for effective treasury management:

- a) A Treasury Management Strategy Statement, stating the overriding principles and objectives of their treasury management activities as an integral part of that Statement; and
- b) Treasury Management Practices, setting out the manner in which the Commissioner will achieve those principles and objectives, prescribing how they will manage and control those activities.

7.3 REQUIRED INFORMATION FROM COUNTERPARTIES CONCERNING THEIR POWERS/AUTHORITIES

7.3.1 Lending shall only be made to counterparties on the authorised list.

7.3.2 The Office of the Police and Crime Commissioner for Gwent will apply the MiFiD II regulations using the elected professional status to allow the Commissioner to execute their investment strategy.

7.4 STATEMENT ON THE ORGANISATION'S POLITICAL RISKS AND MANAGEMENT OF SAME.

7.4.1 The CFO (Commissioner) shall take appropriate action with the Commissioner to respond and manage political risks.

8. OPERATIONAL RISK INCLUDING FRAUD, ERROR AND CORRUPTION

8.1 DETAILS OF SYSTEMS AND PROCEDURES TO BE FOLLOWED, INCLUDING INTERNET SERVICES

8.1.1 Authority:

- a) Loan procedures are defined in the Commissioner's Financial Standing Orders, Regulations and Procedures; and
- b) The Scheme of Delegation sets out the appropriate delegated levels. All loans and investments are negotiated by authorised persons.

8.1.2 Occurrence:

- a) A detailed register of loans and investments is maintained and independently checked to the ledger balance;
- b) Adequate and effective cash flow forecasting records are maintained on the Treasury Management spreadsheet to support the decision to lend or borrow;

- c) A written acknowledgement of the deal is sent promptly in the case of borrowing from or lending to another counterparty; and
- d) All transactions placed through the brokers are confirmed by a broker note showing details of the loan arranged.

8.1.3 Completeness:

- a) The loans register is updated to record all lending and borrowing. This includes the date of the transaction, brokerage fees etc.

8.1.4 Measurement:

- a) The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy;
- b) The Treasury Management spreadsheet automatically calculates periodic interest payments of Public Works Loans Board (PWLB) and other long-term loans. This is used to check the amount paid to these lenders; and
- c) Rates generated are compared with other Local Authorities and against the Treasury Management Strategy Statement.

8.1.5 Timeliness:

- a) The Assistant Accountant responsible for treasury ensures that money borrowed or lent is repaid on time.

8.1.6 Regularity:

- a) All lending is only made to institutions on the Approved List;
- b) All loans raised and repayments made go directly to and from the Commissioner's bank accounts;
- c) Limits on value are set for every category of specified and non-specified investments and institution;
- d) Brokers have a list of named officials authorised to perform loan transactions;
- e) There is adequate insurance cover for employees involved in loans management and accounting;
- f) The control totals on the Treasury Management spreadsheet for borrowing and lending are regularly reconciled with the ledger balance sheet codes under the direction of the Senior Accountant;
- g) There is a separation of duties in the Section between the repayment of a loan and its checking and authorisation;
- h) The bank reconciliation is carried out regularly from the bank statement to the financial ledger; and
- i) The Assistant Accountants have up to date financial code lists.

8.1.7 Security:

- a) The Treasury Management Investment spreadsheet can only be accessed by a password; and
- b) Payments can only be authorised by nominated persons, using the Lloyds Bank On-line Banking System. The list of signatories having previously been agreed with the current provider of our banking services, this is reviewed on a quarterly basis.

8.1.8 Substantiation:

- a) The Treasury Management spreadsheet balances are proved to the balance sheet ledger codes at the end of each month and at the financial year end. Working papers are retained for audit inspection; and
- b) A debt charge/investment income listing is produced every time the debt charges/investment income is recalculated for budget monitoring purposes. A debt charge/investment listing is also produced at the financial year end and this document is retained for audit inspection. The method of accounting for unrealised losses or gains on the valuation of assets within the funds will comply with best CIPFA Accounting Code of Practice, by reflecting the market value of the fund in the balance sheet. This will be agreed with external auditors.

8.2 EMERGENCY AND CONTINGENCY PLANNING ARRANGEMENTS

- 8.2.1 Emergency payments are normally made using the Lloyds Commercial On-line Banking System. Balances can also be obtained from the same system. In the event of failure of the electronic system, alternative arrangements can be made by fax or e-mail.

8.3 INSURANCE COVER DETAILS.

- 8.3.1 The Commissioner has general 'Fidelity' insurance cover of £1m, increased to £3m for specific posts within the Finance Department. This covers the loss of cash by fraud or dishonesty of employees and carries a £10,000 excess level.
- 8.3.2 The Commissioner also has a 'Business Interruption' cover of £3m (with a 36-month indemnity – totalling £9,000,000) as part of their insurance arrangements.

9. PRICE RISK MANAGEMENT

9.1 DETAILS OF APPROVED PROCEDURES AND LIMITS FOR CONTROLLING EXPOSURE TO INVESTMENTS WHOSE CAPITAL VALUE MAY FLUCTUATE (GILTS, CDS, etc.)

- 9.1.1 The Commissioner currently does not invest in instruments where capital value can fluctuate.

TMP 2 PERFORMANCE MEASUREMENT

2.1 METHODOLOGY TO BE APPLIED FOR EVALUATING THE IMPACT OF TREASURY MANAGEMENT DECISIONS

2.1.1 The Commissioner carries out efficiency reviews on a rolling programme basis.

2.2 POLICY CONCERNING METHODS FOR TESTING VALUE FOR MONEY IN TREASURY MANAGEMENT

2.2.1 Frequency and processes for tendering

a) The process for advertising and awarding contracts will be in line with Contract Standing Orders.

2.2.2 Banking services

a) Banking services will be re-tendered in accordance with Contract Standing Orders.

2.2.3 Money-broking services

a) The Commissioner will use money broking services in order to make deposits, or to borrow and will establish charges for all services prior to using them. An approved list of brokers will be established which takes account of both prices and quality of services.

2.2.4 Consultants'/advisers' services

a) The Commissioner currently uses Link Asset Solutions as treasury management consultants. The contract for this service is let in accordance with Contract Standing Orders.

2.2.5 Policy on External Managers

a) The Commissioner's current policy is to manage cash flow surpluses and deficits in-house. This policy will be kept under review.

2.3 METHODS TO BE EMPLOYED FOR MEASURING THE PERFORMANCE OF THE ORGANISATION'S TREASURY MANAGEMENT ACTIVITIES

2.3.1 Performance measured against Annual Treasury Management Strategy Statement targets.

2.3.2 Compliance to CIPFA Code of Treasury Practice.

2.3.3 Expenses contained within approved budget.

2.4 BENCHMARKS AND CALCULATION METHODOLOGY

2.4.1 Debt management

- a) Average rate on all external debt;
- b) Average rate on external debt borrowed in previous financial year;
- c) Average rate on internal borrowing;

- d) Average period to maturity of external debt;
- e) Average period to maturity of new loans in previous year; and
- f) Comparison with UK average for public sector bodies.

2.4.2 Investment.

- a) The performance of in-house investment earnings will be measured against the average SONIA rate.

TMP 3 DECISION-MAKING AND ANALYSIS

3.1 FUNDING, BORROWING, LENDING, AND NEW INSTRUMENTS/TECHNIQUES:

3.1.1 Records to be kept

3.1.2 The Finance Department maintains a treasury management spreadsheet. All loan transactions and investments are recorded using this system.

3.1.2 The following records will be used relative to each loan or investment:

- a) Daily cash projections;
- b) Telephone and email rates;
- c) Dealing slips for all money market transactions – including rate changes;
- d) PWLB loan schedules;
- e) Temporary loan receipts;
- f) Market bond certificates;
- g) Special loan certificates; and
- h) Brokers confirmations for deposits/investments.

3.2 Processes to be pursued

- a) Cash flow analysis;
- b) Maturity Analysis;
- c) Security Analysis;
- d) Liquidity Analysis (Weighted Average Life);
- e) Yield Analysis;
- f) Ledger reconciliations;
- g) Review of borrowing requirement;
- h) Monitoring of projected loan charges, interest and expenses costs;
- i) Collation of monthly performance information; and
- j) Monitoring against Prudential Limits.

3.3 Issues to be addressed

3.3.1 In respect of every decision made the organisation will:

- a) Above all be clear about the nature and extent of the risks to which the organisation may become exposed;
- b) Be certain about the legality of the decision reached and the nature of the transaction and that all authorities to proceed have been obtained;
- c) Be content that the documentation is adequate both, to deliver the organisation's objectives and protect the organisation's interests, in order to deliver good housekeeping;
- d) Ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies and that limits have not been exceeded; and
- e) Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.

3.3.2 In respect of borrowing and other funding decisions, the organisation will:

- a) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;

- b) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- c) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- d) Consider the on-going revenue liabilities created and the implications for future plans and budgets.

3.3.3 In respect of investment decisions, the organisation will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions; and
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1. APPROVED ACTIVITIES OF THE TREASURY MANAGEMENT OPERATION

- 4.1.1 Borrowing.
- 4.1.2 Lending.
- 4.1.3 Debt repayment and rescheduling.
- 4.1.4 Consideration, approval and use of new financial instruments and treasury management techniques.
- 4.1.5 Managing the underlying risk associated with the capital financing and surplus funds activities.
- 4.1.6 Managing cash flow.
- 4.1.7 Banking activities.
- 4.1.8 Leasing.
- 4.1.9 Managing the underlying exchange rate risk associated with business activities.

4.2. APPROVED INSTRUMENTS FOR INVESTMENTS

- 4.2.1 All investments will comply with the Annual Treasury Management Strategy and the guidance issued by the Welsh Government on Investment Strategy issued under Section 15(1) (a) of the Local Government Act 2003. The instruments available for investment and the limitations on their use will be listed in the appendix to the Annual Treasury Management Strategy.

4.3. APPROVED METHODS AND SOURCES OF RAISING CAPITAL FINANCE

- 4.3.1 Finance will only be raised in accordance with the Prudential Code. The Commissioner has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	●	●
European Investment Bank	●	●
Market (long-term or temporary)	●	●
Market (Lender Option Borrower Option)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

4.3.2 Other Methods of Financing

- a) Government and EU Capital Grants;
- b) Lottery monies;
- c) Private Finance Initiative/Public Private Partnerships;
- d) Operating leases; and
- e) Joint arrangements.

4.3.3 All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The CFO (Commissioner) has delegated powers in accordance with Standing Orders, Financial Regulations, the Scheme of Delegated Powers and the Treasury Management Strategy, to take the most appropriate form of borrowing from the approved sources.

TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

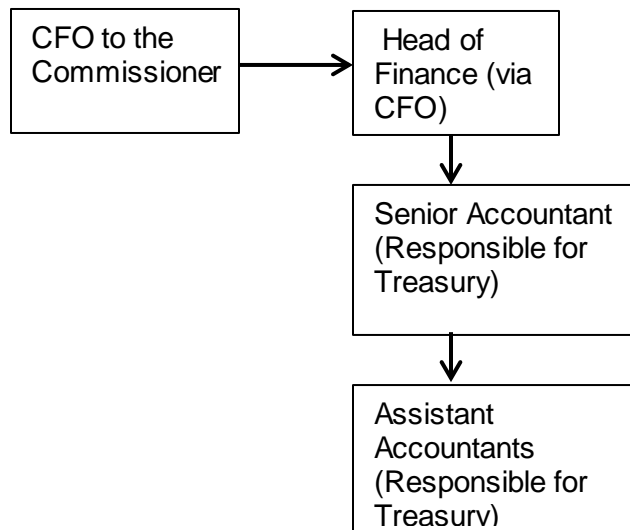
INDEX OF SCHEDULES

- 5.1 Limits to responsibilities/discretion**
- 5.2 Treasury management organisation chart**
- 5.3 Statement of duties/responsibilities of each treasury post**
- 5.4 Absence cover arrangements**
- 5.5 Dealing Limits**
- 5.6 List of approved brokers**
- 5.7 Policy on brokers' services**
- 5.8 Policy on taping of conversations**
- 5.9 Direct dealing practices**
- 5.10 Settlement transmission procedures**
- 5.11 Documentation requirements**

5.1 LIMITS TO RESPONSIBILITIES/DISCRETION

- 5.1.1 The CFO (Commissioner) will be responsible for recommending amendments to the organisation's adopted clauses, Treasury Management policy statement and treasury management practices.
- 5.1.2 The CFO (Commissioner) will approve the segregation of responsibilities.
- 5.1.3 The CFO (Commissioner) will receive and review external audit reports concerning treasury management and put recommendations to the Joint Audit Committee and/or Commissioner.

5.2 TREASURY MANAGEMENT ORGANISATION CHART



5.3 STATEMENT OF DUTIES/RESPONSIBILITIES OF EACH TREASURY POST

5.3.1 CFO (Commissioner)

a) The CFO (Commissioner) will:

- i. Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance;
- ii. Submit treasury management policy reports as required;
- iii. Submit budgets and budget variations in accordance with Financial Regulations and Procedures;
- iv. Receive and review management information reports;
- v. Review the performance of the treasury management function and promote best value reviews;
- vi. Ensure the adequacy of treasury management resources and skills; and the effective division of responsibilities within the treasury management function;
- vii. Ensure the adequacy of internal audit, and liaising with external audit; and
- viii. Recommend on appointment of external service providers in accordance with standing orders.

- b) The CFO (Commissioner) has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources and to make the most appropriate form of investments in approved instruments; and
- c) Power to borrow and invest may be delegated to members of the Finance Department. The Assistant Accountant (or staff authorised by the Senior Accountant to act as temporary cover for leave/sickness) must conduct all dealing transactions;

5.3.2 Assistant Accountant – Treasury Management

- a) Execution of transactions;
- b) Adherence to agreed policies and practices on a day-to-day basis;
- c) Maintaining relationships with third parties and external service providers;
- d) Monitoring performance on a day-to-day basis;
- e) Submitting management information reports to the Accountant responsible for Treasury; and
- f) Identifying and recommending opportunities for improved practices.

5.3.3 Senior Accountant responsible for Treasury

- a) The Senior Accountant will manage the day to day operation of the treasury function;
- b) The Senior Accountant will ensure that the Treasury Management Strategy and TMP's are adhered to and if not, will bring the matter to the attention of the Head of Finance as soon as possible;
- c) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Senior Accountant to be satisfied that the proposed transaction does not breach any statute, external regulation or the Financial Regulations and Procedures; and
- d) It is also the responsibility of the Senior Accountant to ensure that the Commissioner complies with the requirements of The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

5.3.4 Internal Audit

- a) Reviewing compliance with approved policy and procedures;
- b) Reviewing division of duties and operational practice;
- c) Assessing value for money from treasury activities; and
- d) Undertaking probity audit of treasury function.

5.4 ABSENCE COVER ARRANGEMENTS

- 5.4.1 In the absence of the Assistant Accountant his/her treasury management duties are carried out by the Senior Accountant or a member of staff in the Finance Department nominated by the Senior Accountant.

5.5 DEALING LIMITS

- 5.5.1 Dealing limits are set out in the Annual Treasury Management Strategy.

5.6 LIST OF APPROVED BROKERS

- 5.6.1 A list of approved brokers is maintained within the Finance Department and a record of all transactions recorded against them.

5.7 POLICY ON BROKERS' SERVICES

- 5.7.1 It is the Commissioner's policy to allocate business to the brokers offering the best rate on the day.

5.8 POLICY ON TAPING OF CONVERSATIONS

- 5.8.1 It is not Commissioner's policy to tape brokers' conversations.

5.9 DIRECT DEALING PRACTICES

- 5.9.1 Direct dealing contacts are established with the Commissioner's own bank and several other banks and building societies via the use of Business Reserve Accounts. Direct dealing can bring additional benefits e.g. may take smaller amounts for deposits and may lend direct, as well saving on broking fees.

5.10 SETTLEMENT TRANSMISSION PROCEDURES

- 5.10.1 The Assistant Accountant will produce documentation to support the transaction set up within the Lloyds On-Line system. An approved signatory will authorise the payment within Lloyds Commercial On-Line.

5.11 DOCUMENTATION REQUIREMENTS

For each deal undertaken, a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), and broker.

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT

- 6.1.1 The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Commissioner for approval before the commencement of each financial year.
- 6.1.2 The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions, in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the organisation may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
- 6.1.3 The Treasury Management Strategy is concerned with the following elements:-
- a) The current Treasury portfolio position;
 - b) The prospects for interest rates;
 - c) The limits placed by this organisation on treasury activities;
 - d) The expected borrowing strategy;
 - e) The expected temporary investment strategy;
 - f) The policy concerning retention of the set aside capital receipts;
 - g) The expectations for debt rescheduling;
 - h) Borrowing requirements; and
 - i) Any extraordinary treasury issue.
- 6.1.4 The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable) and highlight sensitivities to different scenarios.

6.2 ANNUAL INVESTMENT STRATEGY

- 6.2.1 One of the consequences of the introduction under the Local Government Act 2003 of the Prudential Code for Capital Finance in Local Authorities, was the withdrawal of the approved investment regulations. In place of the regulations, guidance on investment practice was formally issued by the Welsh Government, requiring all local authorities (including Commissioners) to formulate an annual investment strategy to be adopted by the Commissioner prior to the start of the financial year.
- 6.2.2 The Annual Investment Strategy will cover the following:
- a) Investment Principles;
 - b) Specified and Non-Specified Investments;
 - c) Permitted Investments;
 - d) Liquidity;
 - e) Security of Capital;
 - f) Investment Limits; and
 - g) External Fund Managers.

6.3 POLICY ON INTEREST RATE EXPOSURE

- 6.3.1 The Commissioner approves before the beginning of each financial year the following treasury limits:

- a) The amount of the overall borrowing limit which may be outstanding by way of short-term borrowing; and
- b) The maximum proportion of interest on borrowing which is subject to variable rate interest.

6.3.2 The CFO (Commissioner) is responsible for incorporating these limits into the Annual Treasury Management Strategy and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the CFO (Commissioner) shall submit the changes for approval to the Commissioner.

6.4 ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY

6.4.1 An annual report will be presented to the Commissioner at the earliest practicable meeting after the end of the financial year, but in any case, by the 30th September. This report will include the following:

- a) A comprehensive picture for the financial year of all treasury policies, plans, activities and results;
- b) Transactions executed and their revenue (current) effects;
- c) Report on risk implications of decisions taken and transactions executed;
- d) Monitoring of compliance with approved policy, practices and statutory / regulatory requirements;
- e) Monitoring of compliance with powers delegated to officers;
- f) Degree of compliance with the original strategy and explanation of deviations;
- g) Explanation of future impact of decisions taken on the organisation;
- h) Measurements of performance; and
- i) Report on compliance with CIPFA Code recommendations.

6.5 MANAGEMENT INFORMATION REPORTS

6.5.1 Management information reports will be prepared every month by the Assistant Accountant and will be presented to the CFO (Commissioner).

6.5.2 These reports will contain the following information:

- a) A summary of transactions executed and their revenue (current) effects;
- b) Measurements of performance including effects on borrowing charges/investment income; and
- c) Degree of compliance with original strategy and explanation of variances.

6.6 PERIODIC MONITORING COMMITTEE REPORTS

6.6.1 The Commissioner will receive and consider as a minimum:

- a) An annual treasury strategy before the commencement of the new financial year;
- b) An annual investment strategy before the commencement of the new financial year;
- c) An annual treasury management activity report before the 30th September, after the year-end to which it relates; and
- d) A mid-year monitoring report.

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 STATUTORY/REGULATORY REQUIREMENTS

- 7.1.1 The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

7.2 ACCOUNTING PRACTICES AND STANDARDS

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to the Police Service in Great Britain. The Commissioner adopts in full the principles set out in CIPFA's 'Code of Best Practice and Guide for Treasury Management in the Public Services' (the 'CIPFA Code and Guide'), together with those of its specific recommendations that are relevant to this organisation's treasury management activities.

7.3 LIST OF INFORMATION REQUIREMENTS OF EXTERNAL AUDITORS.

- 7.3.1 The following information is required by the external auditor:

- a) Reconciliation of loans interest and premiums paid to financial ledger by loan type;
- b) Maturity analysis of loans outstanding;
- c) Calculation of loans interest and debt management expenses;
- d) Annual Treasury Report;
- e) Calculation of Revenue Interest;
- f) Analysis of any Deferred Charges;
- g) Principal and interest charges from Treasury Management records; and
- h) Interest accruals calculation from Treasury Management records.

7.4 MONTHLY BUDGET MONITORING REPORT

- 7.4.1 This report will consider year to date and forecast outturn against budget with variances examined, in terms of interest and expense rates derived from the treasury management records.

7.5 BUDGET SETTING EXERCISE

- 7.5.1 A budget for interest paid and received, expenses and minimum revenue provision is prepared, as part of a budget setting exercise.

TMP 8 CASH AND CASH FLOW MANAGEMENT

8.1 ARRANGEMENTS FOR PREPARING/SUBMITTING CASH FLOW STATEMENTS

8.1.1 The Assistant Accountant responsible for day to day treasury management activities maintains a rolling annual cash flow budget, which is revised daily.

8.2 LISTING OF SOURCES OF INFORMATION

8.2.1 In drawing up cash flow projections the following sources of information are used:

- a) Payroll for salaries, national insurance, superannuation and income tax information;
- b) Treasury Management spreadsheet for interest and loans principal payments;
- c) Precept income;
- d) Grant income;
- e) Pensions lump sums;
- f) Police pension account surplus/deficit payments;
- g) Income forecasts;
- h) Creditor payment schedules; and
- i) Capital expenditure programme.

8.3 BANK STATEMENT PROCEDURES

8.3.1 Bank Statements are reconciled against payment and income records on the General Ledger. Finance staff check all items going through the financial ledger to the Bank Statement and investigate discrepancies. Presented cheque information is also uploaded and recorded against cheques drawn, general ledger and bank statements.

8.4 PAYMENT SCHEDULING AND AGREED TERMS OF TRADE WITH CREDITORS

8.4.1 The policy is to pay creditors within 30 days of the invoice date and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within 14 days.

8.5 ARRANGEMENTS FOR MONITORING DEBTORS / CREDITORS LEVELS

8.5.1 The Purchase to Pay section provides the Assistant Accountant with monthly statistics of invoices paid and the percentage paid within 30 days.

8.6 PROCEDURES FOR BANKING OF FUNDS

8.6.1 All money received by officers on behalf of the Commissioner will, without unreasonable delay, be paid to the Cashier or deposited in the Commissioner's bank accounts. Details are included in the Financial Regulations and Financial Procedures.

8.7 PRACTICES CONCERNING PREPAYMENTS TO OBTAIN BENEFITS

8.7.1 All prepayments must be authorised by the CFO (Commissioner).

TMP 9 MONEY LAUNDERING

9.1 STATUTORY REQUIREMENTS

9.1.1 The Commissioner is not directly required to implement the requirements of the Money Laundering Regulations 2007, but the implications of the Terrorism Act 2000; the Anti-Terrorism, Crime and Security Act 2001; and The Proceeds of Crime Act 2002 place an onus of responsibility on individuals associated with treasury processes to consider its implications. It follows that officers involved in treasury management activities must be alert to the possibility that the Commissioner may become the subject of an attempt to involve them in a transaction involving the laundering of money and aware of their reporting responsibility in those circumstances.

9.2 PROCEDURES FOR ESTABLISHING IDENTITY / AUTHENTICITY OF LENDERS

9.2.1 The Commissioner does not accept loans from individuals. All material loans are obtained through brokers, from other local authorities or from authorised institutions. Receipts will normally be paid by BACS or cheques and the relevant bank will be required to comply with money laundering regulations for their customer. Any cash deposits must without delay be reported to the CFO (Commissioner) as the nominated Money Laundering Reporting Officer (MLRO).

9.3 METHODOLOGIES FOR IDENTIFYING SOURCES OF DEPOSITS

9.3.1 In the course of its Treasury activities, the Commissioner will only lend money to or invest with those counterparties that are on their approved lending list.

9.4 REPORTING PROCEDURES

9.4.1 Any person in the organisation having reasonable grounds for suspecting money laundering must report their suspicions without delay to the CFO (Commissioner), as nominated MLRO.

9.4.2 On receipt of a disclosure the MLRO should consider, in the light of all information, whether it gives rise to such knowledge or suspicion.

9.4.3 If the MLRO determines that the information or matter should be disclosed, they should do so to the National Crime Agency.

9.5 TRAINING

9.5.1 Relevant employees must be made aware of their responsibilities relating to money laundering and receive appropriate training in recognising and dealing with transactions which may be related to money laundering.

TMP 10 TRAINING AND QUALIFICATIONS

- 10.1** Details of staff and relevant member training needs will be identified as part of the Personal Development Reviews.
- 10.2** Training and training updates will be provided as appropriate on the Treasury Management system.
- 10.3** Treasury Management seminars will be attended as appropriate.
- 10.4** The CFO (Commissioner) and CFO (Chief Constable), are committed to professional responsibilities, through both personal compliance and by ensuring that relevant staff are appropriately trained.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

11.1 DETAILS OF CONTRACTS WITH SERVICE PROVIDERS, INCLUDING BANKERS, BROKERS, CONSULTANTS, ADVISERS

11.1.1 Banking services

- a) Name of supplier of service is the Lloyds Bank. The branch address is 1 Gwent Square, Town Centre, Cwmbran, NP44 1XN;
- b) Contract commenced in December 2014 and is due to expire on 31st March 2024 (three 1 year extensions are available); and
- c) Cost of service is dependent on transaction volumes through the account.

11.1.2 Treasury Management Advisors

Link Asset Services (formerly known as Capita Asset Services),
6th Floor,
65 Gresham Street,
London,
EC2V 7NQ.

This contract will be renewed on an annual basis, as the value falls below the current tender threshold.

11.1.3 Money-broking services

- a) Martin Brokers (UK) plc;
- b) Link ATS;
- c) Tullett Prebon;
- d) Tradition UK Limited;
- e) ICAP; and
- f) BCG Partners.

11.2 PROCEDURES AND FREQUENCY FOR TENDERING SERVICES

See TMP2.

TMP 12 CORPORATE GOVERNANCE

12.1 LIST OF DOCUMENTS TO BE MADE AVAILABLE FOR PUBLIC INSPECTION

- a) Statement of Accounts (Commissioner Group and Chief Constable);
- b) Annual Budget;
- c) 3 Year Capital Plan;
- d) Treasury Management Strategy;
- e) Mid-Year Monitoring Report(s);
- f) Annual Treasury Management Report;
- g) Annual Investment Strategy; and
- h) Relevant Decisions of the Commissioner.

<u>OFFICE OF THE POLICE & CRIME COMMISSIONER</u>	
TITLE:	Treasury Management Update Report
DATE:	26th November 2024
TIMING:	Routine
PURPOSE:	For monitoring
1.	<u>RECOMMENDATION</u>
1.1	To consider the Treasury Management Activity for the period 1 st April 2024 to 30 th September 2024.
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	Treasury Management Activity is reported twice yearly to Joint Audit Committee (JAC) members. This is the first Treasury Management Activity report for 2024/25.
2.2	Treasury Management Activity includes investment and borrowing transactions.
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	<u>INVESTMENTS</u>
3.1.1	<p>Appendix 1 summarises fixed investments on deposit with counterparties as at 30th September 2024. The listing shows that the Police and Crime Commissioner's (PCC's) current fixed investment portfolio totals £29m. On maturity these deposits will earn an average rate of return of 5.06%, which will amount to £0.738m of earned interest income on maturity in addition to the interest received to date.</p> <p>Appendix 2 summarises money market investments (MMF) and the amount invested in the Lloyds Instant Access account as at 30th September 2024. The listing shows a current MMF portfolio of £3.5m, invested in a triple-A rated funds. The current yield is 5.00%, which will provide an estimated annual interest return of £0.175m if the current investment level is maintained and rates remain stable. An amount of £2m is invested in a Lloyds Bank Instant Access Bonus Account at a current yield of 4.88% which is not much lower than the current MMF investments available but provides more flexibility in terms of accessing funds.</p>

3.1.2 The current investment portfolio composition is shown in Table 1 below:

Table 1

<u>Counterparty</u>	<u>Deposit £'m</u>	<u>Portfolio %</u>
UK Debt Management Office	0.00	0.00
Banks & Building Societies – Call Account	2.00	5.80
Banks & Building Societies – Fixed	9.00	26.10
Local Authorities - Fixed	20.00	58.00
Money Market Funds	3.50	10.10
	34.50	100.0

3.1.3 As per the 2023/24 Treasury Management Strategy all investment deposits are with counterparties that have at least an 'F1/P1/A1' short term credit rating (Fitch, Moody's and Standard and Poor's). All money market funds are triple-A rated.

3.1.4 No single fixed term deposit exceeds a time limit of 364 days. As at the 30th September 2024 there were no deposits for 364 days.

The average maturity of fixed term investments as at the 30th September 2024 was 92 days. One investment was held between 6-9 months and the remaining investments held during the first six months of the year had a maturity of between 3 to 6 months. Due to the need to fund the monthly expenditure, investments cannot be made longer than 9 months presently.

In addition, no single or multiple deposits with a single counterparty exceeded the money limit of £10m for UK Banks and £15m for Local Authorities. The most invested with one single counterparty is £10m with Cornwall Council and £10m with Conwy County Borough Council.

There is no money limit for investments with the UK Debt Management Office (DMO), however no funds are currently invested with the DMO due to the low interest rate. The Bank of England Interest rate as at the 30th September 2024 was 5%, which is just below the average rate of return of 5.06% on the current investment portfolio. It is anticipated that interest rates will decrease to 4.50% by December 2024. There is currently no capacity to enter into any new investments to secure a higher interest rate before the interest rate decreases.

3.1.5 Appendix 3 details fixed term investment deposits made and repaid during the period 1st April 2024 to 30th September 2024. Investment interest earned on matured deposits during this period totalled £0.622m on a cash basis. The average rate of return on these deposits was 5.644% which is an improvement on the 2023/24 equivalent figure of 1.213%.

Table 2 below details the movement in money market funds during the period 1st April 2024 to 30th September 2024. Funds earned an average daily rate of return of 5.15% over this period.

Table 2

Counterparty	Ave Daily Rate %	Fund b/fwd £'000	Transfers In £'000	Transfers Out £'000	Fund c/fwd £'000	Interest Rec £'000
Blackrock	5.16	0	8,000	(8,000)	0	58.36
BNP Paribas	5.18	5,000	2,500	(7,500)	0	127.52
Goldman Sachs	5.11	0	12,000	(12,000)	0	7.91
HSBC	5.13	0	21,500	(21,500)	0	28.96
Invesco	5.15	1,000	23,000	(20,500)	3,500	111.47
Morgan Stanley	5.15	2,000	22,500	(24,500)	0	70.67
Totals	30.88	8,000	89,500	(94,000)	3,500	404.89

Average daily rate of return % **5.15**

Table 3 below shows the activity in the Lloyds Instant Access Account.

Table 3

Instant Access Scheme	Ave rate %	Fund B/fwd	Transfer In £'000	Transfer Out £'000	Fund C/fwd	Interest Rec £'000
Bonus Account	5.05	2,000	0	0	2,000	55.88

During the period, the MMF and Instant Access funds have proved a useful alternative to fixed term investments. The liquid nature of these funds, with the ability to invest and redeem as and when required, has helped manage unplanned cash surpluses and provided additional flexibility around the timing of settling financial commitments.

3.2

BORROWING

3.2.1

The borrowing position and portfolio as at 30th September 2024 is shown in Table 4 below:

Table 4

<u>Lender</u>	<u>Amount Borrowed</u> <u>£'m</u>	<u>Annual Interest Rate</u> <u>%</u>
Public Works Loan Board (PWLB)	0.00	0.00
	0.00	0.00

3.2.2

No new borrowing has been taken out during the period 1st April 2024 to 30th September 2024. If no borrowing is taken out during 2024/25 this will result in a saving of £1.1m in the revenue budget. Further work will be carried out over

	the next couple of months to assess whether short term borrowing is required for the remaining periods of 2024/25.
4.	<u>NEXT STEPS</u>
4.1	That Members note the Treasury Management Activity.
5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	These are detailed in the report.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no staffing/personnel implications arising from this report.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	There are no legal implications arising from this report.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Single Equality Plan and has been assessed not to discriminate against any particular group.
8.2	Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.
9.	<u>RISK</u>
9.1	Treasury Management can never be risk free. In borrowing, the risk is that interest payable might be higher than necessary and in lending there is the risk of default on repayment and the risk that a better rate of return could have been achieved. Adherence to the CIPFA Code of Practice on Treasury Management is best practice in terms of balancing risk and return.
10.	<u>PUBLIC INTEREST</u>
10.1	This is a public document.
11.	<u>CONTACT OFFICER</u>
11.1	Har Ping Boey – Interim Head Of Finance.
12.	<u>APPENDICES</u>
12.1	Appendix 1 – Current Fixed Term Investment List. Appendix 2 – Current Money Market Investment List. Appendix 3 – Analysis of Fixed Term Investments Made and Repaid.

Police and Crime Commissioner for Gwent

Fixed Investments as at 30th September 2024

Borrower	Principal (£)	Interest Rate %	Interest at Maturity (£)	Start Date	Maturity Date	Days
CORNWALL COUNCIL	5,000,000	5.10	143,917.81	08/04/24	31/10/24	206
LLOYDS BANK CORPORATE MARKETS	4,000,000	5.20	104,854.79	03/07/24	03/01/25	184
CONWY COUNTY BOROUGH COUNCIL	5,000,000	5.08	137,090.41	18/07/24	31/01/25	197
CONWY COUNTY BOROUGH COUNCIL	5,000,000	5.00	97,260.27	31/07/24	20/12/24	142
CORNWALL COUNCIL	5,000,000	4.75	150,308.22	11/09/24	30/04/25	231
SMBC BANK INTERNATIONAL PLC	5,000,000	5.20	104,712.33	05/07/24	29/11/24	147
Total Investments	29,000,000	5.06 Average	738,143.83			92 Average

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Police and Crime Commissioner for Gwent

Money Market Investments as at 30th September 2024

Borrower	Closing Balance (£)	Average Yield (%)	Est Annual Interest (£)
Invesco Sterling	3,500,000	5.00	175,000.00
Total Investments	3,500,000	5.00	175,000.00

Instant Access Account Investments as at 30th September 2024

Borrower	Closing Balance (£)	Average Yield (%)	Est Annual Interest (£)
Lloyds Treasury Monthly Bonus Call Account	2,000,000	4.88	97,600.00
Total Investments	2,000,000	4.88	97,600.00

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Police and Crime Commissioner for Gwent

Analysis of Fixed Investments Made and Repaid

Date	Borrower	Rate %	Terms	Loans Made £	Loans Repaid £	Interest Rate Received %	Int Received £	Maturity date
	Balance b/f			14,000,000				
April 2024								
Loans made								
08-04-24	BLACKPOOL BOROUGH COUNCIL	5.400	Fixed	5,000,000				30-09-24
08-04-24	CORNWALL COUNCIL	5.100	Fixed	5,000,000				31-10-24
Loans repaid								
25-04-24	DERBYSHIRE COUNTY COUNCIL				4,000,000	5.450	145,731.51	
03-04-24	LLOYDS BANK CORPORATE MARKETS				3,000,000	6.320	142,849.32	
May 2024								
Loans made								
Loans repaid								
June 2024								
Loans made								
Loans repaid								
July 2024								
Loans made								
03-07-24	LLOYDS BANK CORPORATE MARKETS	5.200	Fixed	4,000,000				03-01-25
18-07-24	CONWY COUNTY BOROUGH COUNCIL	5.080	Fixed	5,000,000				31-01-25
31-07-24	CONWY COUNTY BOROUGH COUNCIL	5.000	Fixed	5,000,000				20-12-24
05-07-24	SMBC BANK INTERNATIONAL PLC	5.200	Fixed	5,000,000				29-11-24
Loans repaid								
31-07-24	CONWY COUNTY BOROUGH COUNCIL				4,000,000	5.50000	109,698.63	

Date	Borrower	Rate %	Terms	Loans Made £	Loans Repaid £	Interest Rate Received %	Int Received £	Maturity date
August 2024								
Loans made								
Loans repaid 30-08-24	KENT PCC				3,000,000	5.55000	93,969.86	
September 2024								
Loans made 11-09-24	CORNWALL COUNCIL	4.750	Fixed	5,000,000				30-04-25
Loans repaid 30-09-24	BLACKPOOL BOROUGH COUNCIL				5,000,000	5.40000	129,452.05	
				48,000,000	19,000,000		621,701.37	
	Balance C/F				29,000,000			
	Average rate of interest received April to Oct	5.104				5.644		

Explanation of Credit Ratings

- F1 (Fitch) Indicates the strongest capacity for timely repayment of financial commitments; may have an added '+' to denote an exceptionally strong credit feature.
A1 (S&P) The obligator's capacity to meet its financial commitment on the obligation is strong. With this category, certain obligations are designated with a plus '+' sign. This indicates that the obligator's capacity to meet its financial commitment is extremely strong.
P1 (Moody's) Issuers (or supporting institutions) rated Prime - 1 have a superior ability to pay short term debt obligations.

OFFICE OF POLICE AND CRIME COMMISSIONER

TITLE: Police and Crime Commissioner for Gwent Reserves and Committed Funds Strategy

DATE: 26th November 2024

TIMING: Annually - Commencement of the Annual Budget Setting Process

PURPOSE: For information

1.	<p><u>RECOMMENDATION</u></p> <p>To provide Members of the Joint Audit Committee (JAC) with the Police and Crime Commissioner’s (Commissioner) Reserves and Committed Funds Strategy 2024/25, for their consideration. This will enable Members to discharge their responsibilities in relation to the budget setting process and the annual financial statements. This strategy will also be considered by the Police and Crime Panel (PCP) in due course as part of their deliberations regarding the Commissioner’s Council Tax Precept proposal for 2025/26.</p>
2.	<p><u>INTRODUCTION</u></p>
2.1	<p>The current Medium Term Financial Projections (MTFP) (Appendix 1) currently forecasts on-going financial challenges until at least 2029/30 and potentially beyond. The basis for these projections is taken from a number of Governmental and non-Governmental sources such as:</p> <ul style="list-style-type: none"> a) 2021 3-year Comprehensive Spending Review (CSR); b) The Chancellor’s Autumn Statement 2024; c) Final Police Funding Settlement 2024/25; d) Liaison with Home Office (HO) and Ministry of Justice (MoJ) officials; e) Bank of England (BoE) economic forecasts; f) Institute of Fiscal Studies (IFS) analysis; g) Office of Budget Responsibility (OBR) forecasts; h) Police Staff Council and Police Negotiating Board; i) Internal intelligence and local strategies; and j) Data sharing with peers from the Police and Crime Commissioner Treasurers’ Society (PACCTS), the Welsh Police Finance and Resources Group (WPFRG) and the National Police Chief’s Council’s (NPCC) Finance Coordination Committee.
2.2	<p>The future financial challenge to 2029/30 is exacerbated by the HO’s review of the Police Funding Formula. By way of background, once the overall size of the policing budget is determined by the HO (via the CSR), then the amount of funding provided to respective Police and Crime Commissioners will be determined by the Police Funding Formula. It has been well publicised that the current formula is out-dated, overly complex, opaque and in need of review. Following a ‘false start’ to the review process during the latter half of 2015, the review was brought back on track with a hope to produce its findings by February/March 2017, with implementation for the 2018/19 financial year. However, the significant implications of the Brexit negotiations; the result of</p>

<p>2.3</p> <p>2.4</p> <p>2.5</p> <p>2.6</p> <p>2.7</p>	<p>the ‘snap’ General Election in June 2017 (and subsequent one in December 2019); the significant increase in the threat of terrorism; and the impact of Covid-19, meant the implementation was further delayed.</p> <p>However, the review commenced in November 2021. The Association of Police and Crime Commissioners (APCC) and National Police Chief’s Council (NPCC) have selected representatives for both the Senior Sector Group (SSG) and Technical Reference Group (TRG). The Gwent Commissioner’s Chief Finance Officer represents Welsh interests on the TRG. The Home Office team has an open-door approach to engagement and are keen to hear from the Policing Sector.</p> <p>The Review concluded its initial ‘Technical Phase’ (which will deliver academically-based proposals for a new Police Funding Formula), at the start of 2024/25. However, at the time of writing, following the change of Government, it is uncertain as to when, if it all, the recommendations from TRG will be taken forward at Ministerial level.</p> <p>The Autumn Budget was silent on The Police Funding Formula, therefore, the next potential opportunity of the one year Spending Review (SR - expected January 2025) may shed some light on the next steps. Therefore, the proposed Reserves and Committed Funds Strategy provides for no transitional impact of a change to Gwent’s current Core Government Grant Funding allocation.</p> <p>Historically, although the revision and setting of the Commissioner’s Reserves and Committed Funds Strategy has formed an integral part of the budget setting process, it has not necessarily been separately formally reported. In September 2014 however, in order to provide the PCP with a greater insight into the Commissioner’s overall financial position, the 2014/15 Reserves and Committed Funds Strategy was formally reported to them. The benefits of this approach, linked with the impact of continuing financial austerity, has prompted the continuation of separate formal reporting moving forward.</p> <p>This approach is also supported in that over recent years, with the heightened scrutiny of police funding; the guidance issued to Commissioners by the Minister for Policing & the Fire Service, setting out the Government’s expectations around the information to be published by Police and Crime Commissioners on their financial reserves strategies; the planning for future budget setting and funding rounds; and the proposed transition arrangements for the implementation of a new funding formula, reserves and committed funds held by Commissioners have come under the spotlight from Central Government and the wider public. Therefore, an endorsed and publicly available Reserves and Committed Funds Strategy provides context to the Commissioner’s overall financial position</p>
<p>3.</p> <p>3.1</p>	<p><u>BACKGROUND</u></p> <p>The Local Government Finance Act 1992, Sections 31A, 32, 42A and 43 require ‘Billing’ and ‘Precepting’ Authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. In this context, the Commissioner is a Precepting Authority.</p>

3.2	<p>There are also a range of safeguards in place that help prevent the Commissioner over-committing financially. These include:</p> <ol style="list-style-type: none"> a) The balanced budget requirement, as stipulated in Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992, as amended; b) The Chief Finance Officer's (CFO) duty to report on the robustness of estimates and adequacy of reserves (under Section 25 of the Local Government Act 2003) when the Commissioner is considering the budget requirement; c) The legislative requirement for the Commissioner to make arrangements for the proper administration of the financial affairs and that the CFO has responsibility for the administration of those affairs (Section 151 of the Local Government Act 1972); and d) The requirements of the Prudential Code and the Treasury Management in Public Services Code of Practice; and the Chartered Institute of Public Finance Accountants' (CIPFA's) Financial Management Code (FM Code), published in October 2019 has been updated and compliance is presented through the Annual Governance Statement.
3.3	<p>The above requirements are reinforced by Section 114 of the Local Government Finance Act 1988, as amended by Schedule 16 Part 3 of the Police Reform and Social Responsibility Act 2011, which requires the CFO in England and Wales to report to the Commissioner, PCP and External Auditor if there is or likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Commissioner will not have the resources to meet the expenditure in a particular financial year.</p>
3.4	<p>As confirmed above, within the existing statutory and regulatory framework, it is the responsibility of the CFO to advise the Commissioner about the level of reserves and committed funds that they should hold and to ensure that there are ¹clear protocols for their establishment and use. Reserves and committed funds should not be held without a clear purpose. By way of example, the Prudential Code requires CFOs to have full regard to affordability when making recommendations about the Commissioner's future Capital Programme. Such consideration includes assessing all the resources available to/estimated for the Commissioner, such as the level of long-term revenue commitments and also the level of reserves and committed funds.</p>
3.5	<p>It is evident therefore (and supported by the CIPFA and the Local Authority Accounting Panel) that Commissioners should make their own judgements (on the advice of their CFO) on the level of reserves and committed funds; after taking into account all the relevant local circumstances. It is recognised that such circumstances vary. For example, a Commissioner operating in a well-managed environment, with a prudent approach to budgeting, should be able to operate with a level of General Reserve appropriate to the risks (both internal and external) to which it is exposed. In this scenario, in assessing the</p>

¹ The Commissioner follows best practice in that for each reserve/committed fund, a clear protocol exists setting out:

- The reason for/purpose of the reserve/committed fund;
- How and when the reserve/committed fund can be used;
- Procedures for the reserve/committed fund's management and control; and
- A process and timescale for review of the reserve/committed fund to ensure continuing relevance and adequacy.

appropriate level of reserves and committed funds, the Commissioner will ensure that the reserves and committed funds are not only adequate but are also necessary. There is a broad range therefore, within which Commissioners might reasonably operate depending on their particular circumstances.

3.6 As a final point by way of background, whilst it is primarily the responsibility of the Commissioner and their CFO to maintain a sound financial position, external auditors will confirm that there are no material uncertainties about going concern. Even, where as part of their wider role, auditors have to report on the Commissioner's financial position, it is not their responsibility to prescribe the optimum or minimum level of reserves for individual Commissioners or Commissioners in general. Section 26 of the Local Government Act 2003 however, gives Ministers in England and Wales a general power to set a minimum level of reserves for Commissioners. Nonetheless, the Government has undertaken to apply this only to individual Commissioners in the circumstances where they do not act prudently; disregard the advice of their CFO; and are heading for serious financial difficulty. This accords with CIPFA's view that a generally applicable minimum level is inappropriate, as a minimum level of reserve will only be imposed where a Commissioner is not following best financial practice.

4. ISSUES FOR CONSIDERATION

4.1 As an integral part of the annual budget setting process, the Commissioner (via the CFO and the Finance Department) considers the establishment and maintenance of reserves and committed funds. The Commissioner's reserves and committed funds are held for three main purposes:

- a) As 'working capital' to help cushion the impact of uneven cash flows, thereby avoiding unnecessary temporary borrowing (e.g. the timing of Government Grant or Council Tax Precept receipts may not coincide with large payment runs, such as the monthly payroll coinciding with large contractual commitments) – This forms part of the General Reserve, which is revenue in nature;
- b) As a contingency to mitigate the impact of unexpected events or emergencies (e.g. a complex/high profile murder case) – this too forms part of the General Reserve; and
- c) As a means of ring-fencing or building up funds, often referred to as Earmarked Reserves or Committed Funds (referred to hereon as Committed Funds), to meet known or predicted requirements – these are accounted for separately from the General Reserve and can be either revenue or capital in nature.

4.2 The following table identifies the broad categories of Committed Funds held by the Commissioner:

Category of Committed Funds	Rationale for Holding
Committed Funds set aside for major schemes, such as capital developments, or to fund major reorganisations such as those determined by the Service Improvement Board.	Where expenditure is planned in future accounting periods, it is prudent to set aside resources in advance. For example, to fund the future Capital Programme spend to avoid borrowing costs, or to pump-

	prime organisational change programmes.
Other Committed funds to support the medium-term budget E.g. Forecast Accelerated Efficiency Savings.	These are reserves and committed funds, which are either planned to be generated in the future and as such, may not yet have been committed to fund expenditure as of yet; or are existing reserves, which by their nature of being no longer required, are available for recycling either fully or in part to fund other committed areas of expenditure.
Committed Funds to meet and manage forecast budgetary risks.	With £54.914m of efficiency savings delivered to the end of the 2023/24 financial year; £0.698m planned for delivery during 2024/25; and a gross forecast deficit of £9.994m by 2029/30, it is prudent to underwrite a degree of the budgetary imbalance remaining of £8.614m after taking into account future efficiency savings.
Committed Funds set aside in previous reporting periods for potential liabilities arising out of tribunal or ombudsman decisions.	These funds are established to meet potential and contingent obligations arising from 'live cases' which did not meet the definition of a provision ² . These are reviewed regularly on a case-by-case basis on whether they are still required (and therefore remain 'committed') or can be released back into the wider reserves and committed funds position.
Committed Funds for unspent revenue grants and sums held on behalf of third parties.	Where revenue grants have no conditions attached or the conditions are met and the expenditure has yet to take place, these sums are permissible to be held as committed funds. The same applies for sums held on behalf of third parties.
Committed funds retained for Workstream/Department use (including utilisation of 'Proceeds of Crime Act' (POCA) monies).	The Commissioner's Reserves and Committed Funds protocol permits Workstreams/Departments to carry forward commitments at the year-end (in the form of a committed fund), on the basis that the

² A provision exists when the Commissioner is faced with a present obligation (legal or constructive) which has arisen as a result of a past event. Furthermore, the payment is probable ('more likely than not') and the amount can be estimated reliably. Provisions are therefore provided for and accounted via the Comprehensive Income and Expenditure Statement (CIES) in the year in question, i.e., not set aside as a Committed Earmarked Fund for utilisation in future years.

expenditure will take place in the following financial year(s) – these are subject to extensive scrutiny at each year-end and also during the following budget setting round.

4.3 Appendix 2 provides a detailed projection of the Commissioner’s reserves and committed funds up until 31st March 2030. The Appendix also categorises reserves and committed funds to meet the Home Office Guidance (issued January 2018) which determines that Commissioners’ Reserves and Committed Funds should be categorised between:

- a) A general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management;
- b) Funding for planned expenditure on projects and programmes over the period of the current MTFP; and
- c) Funding for specific projects and programmes beyond the current planning period of the MTFP.

4.4 The following table summarises the detail in Appendix 2 into the analysis above.

Home Office Category	31 st March 2025	31 st March 2026	31 st March 2027	31 st March 2028	31 st March 2029	31 st March 2030
	£'000	£'000	£'000	£'000	£'000	£'000
General Contingency	5,500	5,500	5,500	5,500	5,500	5,500
Utilised Over current MTFP	0	0	0	1,811	3,657	5,803
Utilised Beyond Current MTFP	14,596	11,195	10,106	9,667	9,816	9,668
Total	20,096	16,695	15,606	16,978	18,973	20,971

4.5 Paragraph 4.1 above, articulates the categories of ‘usable reserves and committed funds’ held by the Commissioner, i.e. those reserves and committed funds that are ‘cash-backed’. On the technical accounting side however, the Commissioner also holds ‘unusable reserves’. These reserves are not cash-backed and arise out of the interaction of legislation and proper accounting practice, either to:

- a) Store revaluation gains (e.g. on property revaluations); or
- b) As adjustment accounts to reconcile accounting requirements driven by reporting standards, to statutory requirements (e.g. the Pension Reserve).

4.6 The remainder of this report will focus on the Commissioner’s usable and therefore cash-backed reserves and committed funds.

4.7	<p>Whilst Appendix 2 provides a detailed projection of the Commissioner's reserves and committed funds up until 31st March 2030, it must be noted that the Commissioner is currently developing their Police and Crime and Plan which in turn will drive a revised Estate Strategy from April 2025. At the time of writing therefore, indicative and budgeted costs for the delivery of ongoing and approved works, at various degrees of refinement, have been accounted for in the MTFP and the Reserves and Committed Funds Strategy.</p>
4.8	<p>In a similar vein, Gwent Police continue to set and refine the revenue and capital investments requirement into continuing their Programme Fusion³ with South Wales Police, which delivers the National and Force's Digital Strategies; and the ICT Strategy delivered through the Shared Resources Services (SRS) collaboration with Local Authorities across Gwent. As the Estate Strategy and Digital/ICT Strategies' costings are further refined during forthcoming months, the funding of both will be updated in the MTFP and Reserves and Committed Funds Strategy presented to the January 2025 PCP.</p>
4.9	<p>On the basis of the above caveats, the following paragraphs provide the purpose/reason for each individual reserve and committed fund identified on Appendix 2 and also details of its planned utilisation.</p>
4.10	<p><u>Statutory Revenue Reserves</u></p> <p>a) <u>General Reserve - (Line A1)</u></p> <p>i. Purpose – This is held as working capital to help cushion the impact of uneven cash flows and also as a contingency to mitigate the impact of unexpected events or emergencies. At the end of the financial year, the General Reserve will amount to £5.500m which represents 3.18% of 2024/25 Net Revenue Expenditure (NRE) (this % figure has remained relatively static since 2015/16) and in the view of the CFO represents an appropriate level in terms of the overall risk-profile.</p> <p>ii. Planned Utilisation – By its very nature, this reserve is held for unfunded and unexpected events or emergencies. Therefore, as a statutory contingency reserve there is currently no call upon this reserve.</p>
4.11	<p><u>Revenue Committed Earmarked Funds – Utilised Within the Current MTFP</u></p> <p>a) <u>Capital Grant - (Line B1a)</u></p> <p>i. Purpose – This line simply represents the movement of the Capital Grant received from the Home Office, from the Capital Grant line A1 within the Capital Reserves and Committed Funds section of Appendix 2, into the Revenue Reserves and Committed Funds section. It should be noted that this balance is sporadic in nature, as the Home Office</p>

³ Programme Fusion is a collaborative venture between South Wales and Gwent Police, helping both forces cut crime, reduce costs, and provide an effective, efficient police service, by ensuring officers and staff are using the latest technology, giving them the information they need, when they need it.

ceased recurrent Capital Grant to Police and Crime Commissioners from the 2022/23 financial year. This line therefore reflects 'one-off' items of Capital Grant for specific programmes or projects of work.

- ii. Planned Utilisation – This committed fund will be used to fund the requirements of the specific programmes or projects which attracted the funding.

b) Capital Receipts - (Line B1b)

- i. Purpose – This line simply represents the movement of Capital Receipts received from the sale of estate premises from the Capital Receipts line A2 within the Capital Reserves and Committed Funds section of Appendix 2, into the Revenue Reserves and Committed Funds section.
- ii. Planned Utilisation – This committed has and will be used to fund the requirements of the overall Capital Programme.

c) Revenue Contribution to Capital Programme – (Line B1c)

- i. Purpose – Members may recall from previous MTFP presentations, that the Commissioner's Capital Programme is funded by 5 means:
 - Use of reserves and committed funds;
 - Capital Grant (from the Home Office);
 - Capital receipts (from the sale of capital assets);
 - Revenue Contribution to Capital; and
 - Borrowing.

The above list is constructed in order of historic financial contribution, i.e. the use of reserves and committed funds was by far the most significant contributor to the Capital Programme in previous years. By way of emphasis, the second largest historic contributor (capital grant) has now ceased in entirety from a recurrent perspective. Furthermore, turning to the next source on the list, the availability of capital receipts is variable in terms of value and timing. Therefore, with reserves and committed funds being finite in nature, coupled with significant reductions in capital grant and the unreliability of capital receipts, a greater emphasis is placed upon the establishment of a recurring Revenue Contribution to Capital, in order to provide surety to the delivery of the Commissioner's Capital Programme. To this end, the recurrent Revenue Contribution to Capital was increased significantly from £2.645m to £6.145m during the 2022/23 budget setting round, and furthermore to £7.150m in the 2024/25 budget setting round. The further non-recurrent increase showing for 2024/25, relates to the utilisation of the non-recurrent forecast surplus for the financial year. The non-recurrent increase above £7.150m showing for 2025/26 and 2026/27, relates to the desire to borrow 'rounded' amounts of External Finance during these years. Therefore, the small additional sums to balance to the funding requirement for the totality of Capital Expenditure for a given financial year, is provided by a non-recurrent addition to Revenue Contribution to Capital.

- ii. Planned Utilisation – This committed fund will be used to fund the requirements of the overall Capital Programme.

d) External Borrowing – (Line B1d)

- i. Purpose – This line simply represents the levels of external borrowing required to deliver the Commissioner’s Capital Programme beyond 2025/26 and is explained in greater depth within the Commissioner’s 2025/26 Treasury Management Strategy.
- ii. Planned Utilisation – This committed fund will be used to fund the requirements of the overall Capital Programme.

e) ESN/Reserve Recycling – (Line B1e)

- i. Purpose – This line represents two distinct sources of funding. Firstly, it captures Reserves and Committed Funds which are deemed suitable for ‘recycling’, in order to fund the Capital Programme (See paragraph 4.11 h) below). Secondly, it captures appropriate movements from the Airwave Committed Fund (Line C3 of the Revenue Reserves and Committed Funds section), to match the spend in relation to its successor technology. The Emergency Services Mobile Communications Programme’s (ESMCP) Emergency Service Network (ESN) will succeed Airwave, providing the next generation communication system for the three Emergency Services (Police, Fire & Rescue and Ambulance) and other public safety users. The Airwave Committed Fund must remain to fund both continuing Airwave commitments (such as device refreshes until full transition to ESN has been achieved) and to also fund the transition costs to ESN itself.
- ii. Planned Utilisation – This ‘recycled’ element of this committed fund will be primarily utilised during 2025/26 to fund the requirements of the overall Capital Programme. In relation to the ESN element, paragraph 4.12 c) below provides the proposed utilisation.

f) Capital and Long-Term Funding B/fwd - (Line B1fi)

- i. Purpose – This line simply represents future years’ unallocated funding from the recurrent element of Revenue Contribution to Capital, due to the uncertainty of Capital Programme Expenditure from 2027/28 onwards, whilst a number of capital related strategies are evolving . e.g. the Estate Strategy as previously referenced.
- iii. Planned Utilisation – This committed fund will be used to fund the requirements of the overall future Capital Programme as it becomes clearer.

g) Estate Works - Replacement Headquarters (HQ) - (Line B1gi)

- ii. Purpose – The previous HQ, at nearly 50 years old presented itself as uneconomical to maintain/renovate and also expensive to run when compared to more modern buildings. This committed fund has therefore been created to provide for the full costs associated with transitioning to a new HQ.
- iii. Planned Utilisation – This committed fund was fully utilised by the end of the 2021/22 financial year in line with the budget for the new HQ.

The remaining costs that fall within the 2024/25 financial year will be treated the same as those schemes explained in paragraph 4.11 h) below.

h) Estate Works - Minor Works and Planned Maintenance through to ESN - (Lines B1fii to B1I)

i. Purpose – Members will note that no actual committed funds have been created to fund the remaining aspects of the Commissioner’s Capital Programme in relation to:

- Estate Works – Minor Works and Planned Maintenance;
- Estate Works – Police Hubs and Spokes;
- Estate Works – Other;
- Collaborative JFU Range;
- Fleet Replacement;
- ICT Investment;
- Other Projects/Schemes;
- Long Term Projects; and
- ESN.

ii. Planned Utilisation – Members will further note that only the expenditure is shown for each year, which mirrors the above capital requirements between 2024/25 and 2029/30. Lines B1a (Capital Grant), B1b (Capital Receipts), B1c (Revenue Contribution to Capital Programme), B1d (External Borrowing) and B1e (ESN/Reserve Recycling) will be used in their entirety to fund these requirements. Historically, with insufficient further reserves and committed funds available in totality to fund these requirements, the position highlighted that a degree of ‘internal borrowing’ was required to fund the overall current Capital Programme. In essence, the Commissioner would internally borrow from certain reserves and committed funds (such as the Future Budgetary Imbalances or Airwave Committed Funds) to fund the Capital Programme and thereby, in the short term, avoid external borrowing. However, in order to create the underlying true and transparent position of the Commissioner’s reserves and committed funds, the external borrowing requirement to 2029/30 continues to be factored into this Strategy.

i) Forecast Accelerated Efficiency Savings - (Line B2)

i. Purpose – As well as the depletion of reserves and committed funds, the Commissioner’s Reserves and Committed Funds Strategy also identifies potential sources of reserve and committed fund creation. In this instance, the primary source is from the in-year surplus generated from the acceleration of efficiency schemes in a particular financial year. Estimates are made on previous experience balanced against the potential for accelerated efficiencies in the future. These forecast reserves remain uncommitted initially, but will become committed as the amount crystallises and is matched against future liabilities.

ii. Planned Utilisation – The future estimates of this reserve (as it builds up) are assumed (due to their uncertainty) to contribute to the overall reserve and committed fund’s position and fund the requirements to deliver the future Capital Programme. Members will note that this

reserve was fully depleted during the 2021/22 financial year to contribute to the overall Capital Programme. No in-year addition is shown for 2024/25, which is not to say that there isn't a surplus being generated during 2024/25, rather, the surplus being generated is not by virtue of accelerated efficiency savings, but being generated by the additional investment income due to rises in interest rates and savings in capital charges (interest payments) due to the deferment of external borrowing. The 2024/25 forecast revenue surplus (£2.809m) is therefore utilised as a non-recurrent addition into the Revenue Contribution to Capital Programme (Line B1c).

4.12 Revenue Committed Earmarked Funds – Utilised Beyond the Current MTFP

a) Future Budgetary Imbalances - (Line C1)

- i. Purpose – This committed fund was established in 2015/16 to mitigate future financial deficits from 2016/17 and beyond, in order to achieve a balanced budget. The backdrop for its creation was that up to the 2015 Autumn Statement, policing was facing the potential of 7% cuts in Central Government Grant per annum. The 2015 Autumn Statement however (and Settlements since), reduced the anticipated policing budget cuts.
- ii. Planned Utilisation – The current MTFP highlights a financial recurrent deficit prior to efficiencies of £9.994m by 2029/30. After taking into account known efficiency schemes and opportunities (some of which will be very challenging to deliver from a practical perspective and also a public expectation viewpoint), a deficit of £8.614m remains. The deficit is highly volatile due to the uncertainty of Government Grant prior to the receipt of the Provisional Settlement (December 2024), which itself will be announced prior to the findings of the one year SR (January 2025). Plugging the recurrent gaps non-recurrently on an annual basis up to 2029/30 (and accounting for the non-recurrent surpluses), would require not only the entirety of this committed fund, but a further £25.164m of additional funding. However, one would not necessarily require this committed fund to be sufficient to cover the future unmet deficit, as the deficit needs to be addressed through recurrent efficiency schemes, as opposed to a non-recurrent 'sticking plaster'. The committed fund may therefore be fully utilised moving forward, in order to manage the timing differences of balancing the budget on an annual basis (a statutory requirement) against the implementation of additional efficiency schemes.

b) Commissioning Strategy and Force Initiatives - (Line C2)

- i. Purpose – This committed fund is primarily designed to pump-prime both the delivery of the Commissioner's Strategic Commissioning Intentions, and also specific Office of the Police and Crime Commissioner (OPCC) and Gwent Police initiatives, to deliver the Commissioner's Police and Crime Plan.
- ii. Planned Utilisation – This committed fund will be destined to support the delivery of a more targeted approach to deliver certain aspects of the Commissioner's new Police and Crime Plan, such as supporting the Commissioner's Police Community Fund or developing

diversion/crime prevention initiatives. Once the priorities and the work programme of the Police and Crime Plan have become embedded, the opportunities for co-commissioning (with both the OPCC and Gwent Police) will become clearer and subsequently, so too will the utilisation of this committed fund. It may also provide the funding of initiatives to drive out efficiency and productivity improvements across both organisations.

c) Airwave - (Line C3)

- i. Purpose – Due to the length of the lifecycle and the complexity of the funding model for the initial Airwave replacement programme it was necessary, at its inception, to create a committed fund (in this instance, as with the Commissioner’s previous Private Finance Initiative committed fund, also referred to as a ‘sinking fund’). This ensures that the affordability of the scheme is safeguarded for its entire duration and the variable impact of its financial cycle is minimised.
- ii. Planned Utilisation – the Airwave system is being phased out and as highlighted above will be replaced by the ESMCP ESN. Based on current estimates of the cost of transition and dual running implications of this programme, coupled with the revenue contribution into the committed fund from base budgets, it is estimated that although this committed fund will not be fully utilised at the current date of transition sometime during 2032/33, further delays in the delivery of ESN may necessitate further dual running costs, which would ultimately deplete this reserve in its entirety.

d) Other Financial Liabilities – Tribunal and Ombudsman Liabilities through to PCSO Increase - (Lines C4a to C4h)

- i. Purpose – The rationale for these committed funds has been previously articulated in the table in paragraph 4.2 above.
- ii. Planned Utilisation – Again, as mentioned previously, these committed funds receive extensive scrutiny at the year-end and also during each budget setting cycle. Therefore, although these committed funds still show a balance of £2.718m in 2029/30, this does not mean that the committed funds are not required up to this point in time, rather the plans for their utilisation are not finalised to identify the timing of the individual committed fund’s utilisation.

4.13 Capital Reserves and Committed Funds

a) Capital Grant - (Line A1)

- i. Purpose – This is the committed fund referred in paragraph 4.11 a) above.
- ii. Planned Utilisation – As per paragraph 4.11 a) above.

b) Capital Receipts - (Line A2)

- i. Purpose – This is the committed fund referred in paragraph 4.11 b) above.
- ii. Planned Utilisation – As per paragraph 4.11 b) above.

<p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p>	<p><u>NEXT STEPS</u></p> <p>In discharging their scrutiny duty, this reporting of the Commissioner’s Reserves and Committed Funds Strategy will hopefully assist Members in understanding the overall financial landscape.</p> <p>With the unknowns remaining on the SR and also the impact of the Funding Formula Review, this strategy will be instrumental in stakeholder engagement and any mitigation strategies.</p> <p>Furthermore, at the 2025 January meeting of the PCP, the Commissioner will present the Budget Requirement and Council Tax Precept Proposal for 2025/26. The extent of the Commissioner’s reserves and committed funds position will be a key component in discussing the proposal. In advance of the January meeting, in summarising the detailed explanations in Section 4 above, the following key messages emerge:</p> <p>a) Following the audit of the 2022/23 Statement of Accounts, Audit Wales were satisfied that the levels of the Commissioner’s reserves and committed funds position presents no material uncertainties about going concern. The audit of the 2023/24 Statement of Accounts is ongoing at the time of writing, but Audit Wales have made no representations on this matter to date;</p> <p>b) By the end of the 2029/30 financial year, it is forecast that the Commissioner will have reserves and committed funds totalling £20.971m (bottom right-hand corner of Appendix 2) – this assumes however, that the current outstanding future recurrent budgetary imbalance in 2025/26 (in entirety) and 2026/27 (partly), as highlighted in the MTFP, will be underwritten from reserves and committed funds (Line C1 in the Committed Earmarked Funds Beyond the MTFP Section) if funds are available. As already stipulated, recurrent budgetary imbalances must be found from recurrent efficiencies – reserves and committed funds should only be utilised to manage annual timing differences.</p> <p>c) Taking into account the CFO’s judgement (based on relevant local circumstance), that a General Reserve of £5.500m should be held – this leaves a committed funds balance of £15.471m. £5.803m of this lies within the section of committed funds that are required within the current MTFP. This figure represents the cumulative unused balance of Revenue Contribution to Capital, which is currently forecast to accrue into the future until the Commissioner’s Estate Strategy (which is currently paused and under review) provides the future significant Estate capital needs of policing over the medium to long term. When the new Estate Strategy is finalised, and the subsequent medium-term Capital Programme known, this accrued element of Revenue Contribution to Capital will be fully utilised. The balance of funds, (£9.668m) equates to those committed</p>
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	<p>funds that are required beyond the current MTFP; relating to the Commissioning Strategy and Force Initiatives pump-priming; Airwave/ESN replacements; and Workstream specific committed funds;</p> <p>d) The committed funds set aside to fund the current Capital Programme will be exhausted during 2024/25, whereby, the Commissioner faces the need to borrow moving forward with the associated impact upon revenue budgets within the MTFP;</p> <p>e) The forecast reserves and committed position does not take into account the following events which would increase this figure:</p> <ul style="list-style-type: none"> i. Additional sales of capital assets than those already identified; ii. Additional sums from further acceleration of the delivery of efficiency schemes; and iii. Underspending in the Capital Programme or slippage which defers spend to future financial years. <p>f) Similarly, the forecast reserves and committed funds position does not take into account the following events which would further reduce this figure:</p> <ul style="list-style-type: none"> i. The impact on reserves from the SR or any transitioning arrangements to a new Funding Formula allocation; ii. Further significant investment to deliver the new Estate Strategy and Programme Fusion; iii. Pump-priming for future areas of service improvement; and iv. Overspending in the Capital Programme or acceleration which brings forward spend.
<p>6. 6.1</p>	<p><u>FINANCIAL CONSIDERATIONS</u></p> <p>This is a financial report.</p>
<p>7. 7.1</p>	<p><u>PERSONNEL CONSIDERATIONS</u></p> <p>The generation and utilisation of the Commissioner’s reserves and committed funds have significant impact on the personnel of both the OPCC and also Gwent Police. Therefore, the individual movements of funds both in and out of the overall reserves and committed funds’ portfolio are subject to specific reporting and governance requirements, to ensure personnel considerations are documented.</p>
<p>8. 8.1</p>	<p><u>LEGAL IMPLICATIONS</u></p> <p>The legal background and framework within which the Commissioner manages the reserves portfolio have been identified throughout this report.</p>
<p>9. 9.1</p>	<p><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></p> <p>This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.</p>

9.2	Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.
10.	<u>RISK</u>
10.1	The management of the Commissioner's Reserves and Committed Funds Strategy holds significant inherent risks, as by their very nature, reserves and committed funds reflect the risk profile of local circumstances. However, as previously articulated, the Reserves and Committed Funds Strategy is formally scrutinised once a year and is also subject to regular review during monthly management reporting and also during periodic revisions to the MTFP.
11.	<u>PUBLIC INTEREST</u>
11.1	This is a public document.
12.	<u>CONTACT OFFICER</u>
12.1	Darren Garwood-Pask, Chief Finance Officer.
13.	<u>ANNEXES</u>
13.1	Appendix 1 – Medium Term Financial Projections 2025/26 to 2029/30. Appendix 2 – Reserves and Committed Funds Position at 26 th November 2024.

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**Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2025/26 to 2029/30**

At 26th November 2024

	(a)	(b)	(c)	(d)	(e)	(f)
	2024/25 Actual £'000s	2025/26 Forecast £'000s	2026/27 Forecast £'000s	2027/28 Forecast £'000s	2028/29 Forecast £'000s	2029/30 Forecast £'000s
1 Effect of increases to authorised Establishment, Pay Awards and Increments		7,665	4,573	4,734	4,900	5,071
2 Non-Staff Inflation		1,226	986	1,032	1,092	1,152
3 Apprenticeship Levy Scheme		-	-	-	-	-
4 In Service Pressures / Developments		37	2,094	2,800	2,702	2,800
5 Budget savings identified		(397)	-	-	-	-
6 Finance costs		(800)	-	-	-	-
7 Unavoidable Cost Increases		7,731	7,653	8,566	8,694	9,023
8 Gross Budget Movement		7,731	7,653	8,566	8,694	9,023
9 Recurring Base Budget Brought Forward		174,908	182,638	190,291	198,857	207,551
10 Projected Budgetary Requirement	174,908	182,638	190,291	198,857	207,551	216,574
11 % Increase on Previous Years Base Budget	6.02%	4.42%	4.19%	4.50%	4.37%	4.35%
12 Funding						
13 Central Government Funding						
14 Police Grant	(67,672)	(67,672)	(67,672)	(67,672)	(67,672)	(67,672)
15 Revenue Support Grant	(25,983)	(25,983)	(25,983)	(25,983)	(25,983)	(25,983)
16 National Non-Domestic Rates	(213)	(213)	(213)	(213)	(213)	(213)
17 Total Central Government Funding	(93,868)	(93,868)	(93,868)	(93,868)	(93,868)	(93,868)
18 Council Tax	(79,160)	(84,957)	(91,178)	(97,856)	(105,022)	(112,713)
19 Total Funding	(173,027)	(178,824)	(185,046)	(191,723)	(198,890)	(206,581)
20 Projected Recurring Deficit / (Surplus) Before Efficiencies	1,880	3,814	5,245	7,133	8,662	9,994
21 Efficiencies						
22 Future Year Staying Ahead Scheme Savings	(698)	(360)	(740)	(1,060)	(1,380)	(1,380)
23 Reserve Utilisation	(1,182)	-	-	-	-	-
24 Projected Recurring Deficit/ (Surplus) After Efficiencies & Reserve Utilisation	0	3,454	4,505	6,073	7,282	8,614

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