

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: Wednesday 27th March 2024

Subject: Annual Review of key financial and risk strategies for adoption from April 2024

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Purpose of the report

The Warwickshire Office of the Police and Crime Commissioner (WOPCC) is required to produce a separate Reserves, Capital and Treasury Management strategy which will all ultimately be approved by the PCC. They are totally separate documents but are presented here as one agenda item because they represent a package of financial strategies for 2024/25, and have a number of interdependencies between them all. They should all also be read in conjunction with the annual budget report which is published on the OPCC website. These strategies form part of the PCC's overall financial strategy.

Recommendation

The Committee are asked to consider the two separate strategies, that have been updated and reviewed for 2024/25 and feedback any comments, prior to them being finalised and formally approved by the PCC.

Background

The issues relating to each of the strategies are outlined in more detail in the Executive summary below. Each strategy is reviewed annually and forms part of the suite of reports that form the basis of the PCC's overall financial strategy.

Executive Summary

Reserves strategy 2024/25

Each year the Office of the Police and Crime Commissioner (WOPCC) reviews the reserve strategy in line with the budget.

In January 2018, guidance was issued to Police and Crime Commissioners (PCCs) by the Minister for Policing & the Fire Service that set out the Government's expectations around the information to be published by PCC's on their financial reserves strategies.

The guidance stipulated that "each PCC should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves

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strategy document. The reserves strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve held for each year. The reserves strategy should cover revenue and capital reserves and provide information for the period of the medium term financial plan. Sufficient information should be provided to enable understanding of the purpose(s) for which each reserve is held and how holding each reserve supports the PCC's medium term financial plan.

The strategy should be set out in a way that is clear and understandable for members of the public, and should include a number of key pieces of information as outlined in the attached document. The document contains information from the recently approved budget report and Medium term financial plan, but it also includes more comprehensive details on the types of reserves to comply fully with the governments requirements and CIPFA guidance.

Capital Strategy 2024/25:

The capital strategies purpose is to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.

The Capital Strategy is a key document for the PCC and Warwickshire Police and forms part of the revenue and capital planning process. It provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It also includes an overview of the governance processes for approval and monitoring of capital expenditure.

The capital strategy links in with the treasury management strategy in terms of funding strategies particularly borrowing for the capital programme. It is therefore suggested that the two documents are read in tandem. The treasury management strategy is a separate agenda item for this meeting.