

Notice of Meeting

Surrey Police and Crime Panel

Date & time
Thursday, 5
February 2015
at 10.30 am

Place
Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact
Victoria White or Andrew Baird
Room 122, County Hall
Tel 020 8213 2583 Or 020 8541 7609

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Victoria White or Andrew Baird on 020 8213 2583 Or 020 8541 7609.

Members

Dorothy Ross-Tomlin (Chairman)	Surrey County Council
Ken Harwood (Vice-Chairman)	Tandridge District Council
John O'Reilly	Elmbridge Borough Council
George Crawford	Epsom & Ewell Borough Council
Richard Billington	Guildford Borough Council
Margaret Cooksey	Mole Valley District Council
Victor Broad	Reigate & Banstead Borough Council
Colin Davis	Spelthorne Borough Council
Charlotte Morley	Surrey Heath Borough Council
Terry Dicks	Runnymede Borough Council
Pat Frost	Waverley Borough Council
Beryl Hunwicks	Woking Borough Council
Bryan Cross	Independent Member
Anne Hoblyn MBE	Independent Member

PART 1
IN PUBLIC

5 SURREY POLICE & CRIME COMMISSIONER'S PRECEPT SETTING PROPOSAL FOR THE FINANCIAL YEAR 2015/16

(Pages 1 - 18)

Papers to follow.

The Police and Crime Panel is required to consider and formally respond to the Police and Crime Commissioner's Proposed Precept for 2015/16.

Note:

In accordance with the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012:

(a) The Commissioner must notify the Panel of his proposed precept by 1 February 2015;

(b) The Panel must review and make a report to the Commissioner on the proposed precept (whether it vetoes the precept or not) by 8 February 2015;

(c) If the Panel vetoes the precept, the Commissioner must have regard to and respond to the Panel's report, and publish his response, including the revised precept, by 15 February 2015;

(d) The Panel, on receipt of a response from the Commissioner notifying it of his revised precept, must review the revised precept and make a second report to the Commissioner by 22 February 2015 (there is no second right of veto);

(e) The Commissioner must have regard to and respond to the Panel's second report and publish his/her response by 1 March 2015.

Reasons for lateness

In accordance with the the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 the Police and Crime Commissioner has until 1 February to notify the PCP of his proposed precept.

Reasons for urgency

In accordance with the Police Reform and Social Responsibility Act (2011), a Police and Crime Commissioner may not issue a precept under section 40 of the Local Government Finance Act 1992 for a financial year until the end of the scrutiny process is reached. The Police and Crime Panel is therefore requested to accept this report as a matter of urgency to ensure that the Police precept for 2015/16 can be set.

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SURREY POLICE AND CRIME PANEL

**Surrey Police & Crime Commissioner's Precept Setting Proposal
for the Financial Year 2015/16
5 February 2015**

1).BACKGROUND

Under Schedule 5 of the Police Reform and Social Responsibility Act 2011, as Police & Crime Commissioner, I have to notify the Police & Crime Panel by 1st February of the precept that I propose to issue under section 40 of the Local Government Finance Act 1992.

The Police & Crime Panel must review the proposed precept and make a report to me on the proposal by the 8th February. The report may agree with my proposals, or include recommendations on a different precept proposal, or the Panel may decide to veto the proposal if at least two thirds of its members vote in favour of making that decision.

If the Panel does not use its veto and I have published my response to the Panel's report, I can then issue the precept notice, which may either be the same as my original proposal or a different proposal made in the Panel report with which I am in agreement. If the Panel veto my proposal, I must advise the Panel of a revised precept by the 15th February. The Panel then has to review the revised precept by the 22nd February and issue a further report to me.

Again, I have to consider the Panel's recommendations and publish a response. If the Panel accepts the revised precept, I can issue it. If the Panel does not accept the revised precept, I can ignore the Panel recommendations and issue the precept, or I can issue a different precept, taking into account the Panel recommendations, provided that if the original precept was vetoed because it was considered to be too high, the revised precept is not higher and vice versa if the original precept was vetoed for being too low.

I cannot issue the actual precept notice before the 1st March unless this Panel has completed its scrutiny process.

2).PRECEPT PROPOSAL

For the Financial year 2015/16 in line with the requirements of the relevant legislation, I am proposing to set a precept of £215.89 (for a Band D property) an increase of 1.99% on the 2014/15 precept of £211.68.

In proposing to set the precept at this level, I have acted in the knowledge that the Government require under the provisions of the Localism Act, that a referendum must be held if a proposed Council Tax Precept increase exceeds the principles endorsed by Parliament. The Council Tax Principles set for 2015/16 require a referendum to be held if the proposed increase in precept is 2% or higher than the previous year's Council Tax, so I have set my proposed precept increase at the maximum level allowed without breaching the principles that would trigger a referendum.

My recommendation, that the precept level is set at 1.99%, automatically means that I am

not entitled to receive the 1% Council Tax Freeze Grant from the Government, which is paid to PCCs who do not increase the Band D Tax rate from the previous year. If I had recommended accepting this grant, then a permanent and recurring reduction of over £1million per annum to the income base would have been the result, equivalent to the cost of employing approximately 23 fewer police constables on a permanent basis.

In coming to my recommendation that the precept be increased by 1.99%, I have carried out wide consultation with the Surrey public on my precept proposals and could not find any significant support for a policy of freezing the precept, when this would inevitably result in front line policing capacity in the County having to be reduced. Indeed as members of the Panel will already be aware, in my consultations I also suggested that a step change in Surrey policing could be achieved if the Surrey public were in favour of voting for a 24% (99p weekly increase on Band D property) increase in the precept and I have been greatly encouraged to find that according to the latest YouGov survey I commissioned, 31% of those sampled indicated they would be prepared to vote for such an increase, while 69% were in favour of a referendum being held to determine the level of precept that they should pay, irrespective of the voting intention they expressed.

In the light of these consultations and mindful of the expense that holding a referendum would incur I have judged that currently it is not the right time to hold a referendum on this issue, However, I believe that starting from a base of over 30% support, I can, by providing further explanation to the Surrey public over the year ahead, about the challenges that modern police forces face, persuade the majority, that 99p a week extra Council Tax on a Band D property is something that is worth paying to get the policing service that I believe we all want.

At present PCC's and Chief Constables are struggling to cope with new and changing demands in a policing environment that has never been more complex than it is today, tactically, technologically and culturally. To provide the first-class police service, that people tell me they want, investment needs to be made, yet our officers and staff are being worked into the ground as Government funding reductions reduce their numbers just when they increasingly face complex issues like online child abuse, domestic violence and human trafficking with minimal training. I've personally lobbied Ministers to do the right thing and merge police forces, which would release the £2bn currently spent on 41 different HQs, Chief Officers and PCCs, but the Government won't do it. The Government promised that they would review the police funding formula that is used to distribute grant to individual PCC's, in the lifetime of this Parliament, but despite my sharing with them independent commissioned research from Oxford Economics to show how Surrey is unfairly losing out on as much as £6million funding per year, again nothing has been done.

I shall therefore continue to encourage the Surrey public to think about paying a bit more each week for the their policing, so that by this time next year I will have hopefully persuaded more people of the need to provide the extra funding that would enable the Chief Constable to recruit and train up to 400 extra officers, so that her Force can hunt down paedophiles, crack down on fraudsters who target the elderly and vulnerable in our society, respond more quickly to emergency calls for help and tackle violent extremists, so that we can all feel properly protected.

The table below shows the Funding Sources that will be available to me in 2015/16 should you approve the Council Precept Tax increase that I am recommending:-

Summary of Funding Sources for 2015/16;

Grants	2014/15 £m	2015/16 £m	Difference £m
Home Office Police Grant	67.8	64.8	-3.0
Top Slice	-1.2	-2.3	-1.1
Formula Funding	30.2	29.4	-0.8
Council tax freeze compensation	2.5	2.5	0.0
Total core government grants	99.3	94.4	-4.9
Other Specific Grants			
Localising council tax support	6.8	6.8	0.0
Total Funding from Government	106.1	101.2	-4.9
Local Funding			
Precept	99.8	103.9	4.1
Collection Fund Surplus/Deficit	1.3	1.8	0.5
Specific Reserve	1.0	1.0	0.0
General Reserves	-1.3	-2.2	-0.9
Total Budget Funding	206.9	205.7	-1.2

The tax base figures and collection fund positions have been confirmed by the Borough and District Councils and both have had a positive effect on the funding position. The tax base has increased by 2% and the Surrey Police share of the collection fund position amounts to £1.8 million.

Panel members will notice that in addition to the £3 million reduction in the Home Office Police Grant that I receive, an additional £2.3 million has been removed to pay for the National Police Innovation Fund, the Independent Police Complaints Commission, Her Majesty’s Inspector of Constabulary, the College of Policing, the Capital City Grant, the Police Knowledge Fund, the Police Special Grant and Major Government Programmes. I have also lost £800 thousand of funding as a result of the reduction that has been made to the amount I receive from the Local Government Funding Formula.

To give members a sense of scale regarding the funding reductions that have been placed on Surrey Police since the commencement of the Current Spending Review (CSR) in 2010, if CPI inflation alone had been added to the various income sources each year, there would have been an additional £28 million to spend on policing in Surrey, equivalent to the cost of employing nearly 600 additional police constables.

3). THE 2015/16 REVENUE BUDGET

Although the Panel is not formally required to approve the budget or make recommendations on the allocation of the resources contained within it, I believe that it is important that the Panel is provided with the background information it requires to help it make an informed decision on my precept proposal.

Proposed Revenue Budget 2015/16

Proposed Surrey Police Revenue Budget 2015-16 (including the OPCC)

Surrey Police	£m
Base Budget	204.7
Inflation	2.7

Additional unavoidable costs	1.2
Investments	1.8
Savings plans	-6.9
Proposed Police Revenue Budget 2015-16	203.5
PCC Budget (Net of Victim Support Grant)	2.2
Total Budget	205.7

The table above is a summary of the changes that have been made to the budget from that approved last year.

In formulating the budget, inflation of 1% has been allowed for pay increases and 2% for non-pay, although allocation of inflation to individual budgets will be applied at varying rates dependent on contractual commitments and knowledge of inflationary cost movements in particular areas of activity. There is a particular risk that the provision for pay inflation may not be adequate, as in the current economic climate nationally agreed pay increases may be greater than 1%.

The additional unavoidable costs are predominantly, increased insurance premium costs, increased contribution to regional policing and increases in the charges made by the Home Office in respect of national police IT systems.

The Savings Plans required to balance the budget against the expected funding that will be available in 2015/16 are detailed in the table below;

Saving Category	£mill
Savings achieved ahead of schedule	0.5
Support Services	1.5
Corporate Services	0.1
Specialist Crime	1.2
Operations	0.7
Local Policing	1.6
Contact & Deployment	0.7
Other Savings	0.6
Total	6.9

The Support Services savings are from on-going projects and £1.3million from collaboration. The Corporate Services figure is a target saving from an area of business not closely reviewed before. Specialist Crime savings arise mainly from a budget review and a change in the way Intelligence and Tasking is managed, having been shown to be consistently expensive in the HMIC Value for Money Profiles. The Operations savings will come from further collaboration with Sussex Police in the area of vehicle recovery, operational dogs and dog school, emergency and operational planning along with search planning. Local Policing savings will be generated from a move to more cross skilled officers with Response and Neighbourhood Officers carrying an investigative workload, while still maintaining the Force's strong Neighbourhood Policing ethos. Contract & Deployment savings derive from changes in supervision and the other savings are non-staff savings and predicted contract saves achieved by the Joint Procurement Service.

To achieve this not inconsiderable savings programme it will be necessary to incur a range of additional costs to facilitate the achievement of the full programme;

Additional Cost	£mill
Innovations bids match funding	0.5
Policing in Your Neighbourhood	0.6
Support Services	0.6
Specialist Crime & Operations	0.1
Total	1.8

The allocation of budgets is detailed by functional unit at appendix A and by cost type at appendix B. The changes in the revenue budget from 2013/14 are shown at appendix C.

4). THE 2015/16 CAPITAL BUDGET

The Capital Budget can be funded from government grants, capital receipts, and revenue contributions to capital and borrowing. Because capital schemes are managed over a longer period than one year, my proposed capital budget for 2015/16 is set out within the context of appendix D, showing the four year capital plan, which governs the overall management of the capital programme and influences the construction of each year's capital budget.

The 2015/16 column in Appendix D outlines the proposed capital budget for next year. New approvals amount to £7.192million, while schemes brought forward from the previous year amount to £2.5million. After deducting estimated slippage on the programme of £2.4 million, the total capital budget for 2015/16 amounts to £7,292 million, the financing of which is shown at the bottom of the table. Due to the significant level of planned capital receipts the panel will note that there is no requirement to enter into borrowing to support capital investment in the foreseeable future.

Because the capital programme is not managed on a one year basis, this allows for a degree of flexibility and allows me to consider the changing demands that are placed upon Surrey Police Force and allows me to be flexible in my approach to the management of capital and approve changes to the budget where I think that priorities justify such a course of action.

RESERVES

My general reserves strategy is to maintain a balance that as a minimum does not fall below 3% of the budget. The level of general reserve at 1st April 2014 amounted to 5.3% of the Revenue Budget and will have increased during the year as steps were taken to put in place elements of the savings programme that are needed to produce a balanced budget for 2015/16. I have agreed that some of this additional money can be set aside to create a Training Reserve (£1 million) to help develop the programme of producing cross skilled officers and staff as part of the planned savings that will derive from Neighbourhood Policing and I have also agreed that an Estate Improvement Reserve (£0.5 million) can be established to allow the Chief Constable to maintain the estate and avoid a problem of back log maintenance arising as revenue budgets are reduced. I am also going to use £2 million of the reserves to reduce the pension deficit of over £40 million which we currently have on the Balance Sheet for the Local Government Pension Scheme. For each million that is paid off this deficit the Force derives an on-going revenue benefit of £95,000 per year in reduced employer pension costs, which can be used to contribute towards future years savings plans. The balance of reserves remaining after these movements will be more than sufficient to continue to meet my 3 % policy.

MEDIUM TERM FINANCIAL PLAN

The financial plan is reviewed regularly, with the latest version (appendix E) identifying a future budget gap of £14.3 million for the period up to 2018/19. While this year's budget will be balanced if the Panel agrees my precept proposal this is not true of the following year 2016/17, when based on current assumptions Surrey Police will have to find savings of £7.7 million to eliminate the projected deficit. In reality the figures of £14.3 million and £7.7 million, may well prove to be optimistic forecasts, when you consider the assumptions that I have listed below and which have been used to build the current Medium Term Financial Plan.

- The central grant continues to be reduced each year. 5% in 2015/16 and then by 2% in each of the next three years. This may be an optimistic assumption, as recent messages from Government suggest that this figure may increase to perhaps 4% or higher post General Election.
- Inflation for pay is 1% until 2016 then increases to 2%. Non-pay inflation stays at 2% per year. Again this could be an optimistic estimate as national pay awards look as if they might come out with higher awards in 2015/16.
- The Localisation of council tax support grant of £6.7m is maintained by Government and not reduced in future years.
- The employer national insurance contribution increase in 2016/17 of £4.4million, resulting from the introduction of the single tier state pension, is not funded by Government. The Chancellor of the Exchequer having stated that on principle the Government do not fund the cost of tax changes.
- The Council Tax Precept can be increased by 1.99% per annum each year, subject to approval by the Police & Crime Panel and the Government not reducing the Council Tax lock below 2%.
- The general reserves are maintained as a minimum at 3% of the budget.

SECTION 25 LOCAL GOVERNMENT ACT 2003

Under section 25 of the Local Government Act 2003, my Chief Finance Officer is required to report on the robustness of the estimates made for the purpose of the budget and precept calculations. I can report that my Chief Finance Officer has given me an assurance that the estimates used are robust as they are based on the methodology used successfully in previous years when budgets have not been exceeded.

In addition, under section 25 of the Local Government Act 2003, the Chief Finance Officer has to report on the adequacy of the financial reserves, taking account of such factors as the track record in budget and financial management and the adequate arrangement of insurance provisions to meet unplanned expenditure. I can report that my Chief Finance Officer has assured me that the balance held in reserves can be considered to be adequate given the longer term financial uncertainties that Surrey Police faces.

RECOMMENDATION

That the Police & Crime Panel agrees the proposed Surrey Police Council Tax Precept of £215.89p for a Band D Property for the financial year 2015/16.

Kevin Hurley

Surrey Police & Crime Commissioner

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APPENDIX A
REVENUE BUDGET 2015/16

	2014 /15 £m	2015/16 £m	Variation £m %	
Office Of Police & Crime Commissioner	2.2	2.2	0.0	0.0
	2014 /15 £m	2015/16 £m	Variation £m %	
Police Force				
North Division	21.5	21.2	(0.3)	(1%)
East Division	23.8	23.6	(0.3)	(1%)
West Division	28.3	28.1	(0.2)	(1%)
Specialist Crime	49.2	48.8	(0.4)	(1%)
Operations	16.7	16.2	(0.4)	(3%)
Contact & Deployment	14.6	14.3	(0.3)	(2%)
sub total	154.1	152.1	(1.9)	-1%
ACPO	1.4	1.5	0.0	1%
Comms & Service Quality	4.5	4.4	(0.1)	(2%)
PSD	2.4	2.4	0.0	1%
Diversity	0.2	0.2	0.0	1%
Strategic Planning	0.2	0.2	0.0	1%
Force Improvement	4.5	4.6	0.2	4%
sub total	13.1	13.3	0.1	1%
Shared Business Services	1.6	1.3	(0.3)	(17%)
ICT	10.7	10.4	(0.3)	(2%)
Finance & Services	11.4	11.6	0.2	2%
Human Resources	10.5	10.5	(0.1)	(0%)
Corporate	3.3	4.2	0.9	29%
sub total	37.5	38.1	0.6	2%
Sub-Total Force	204.7	203.5	(1.2)	(1%)
GROSS BUDGET	206.9	205.7	(1.2)	(1%)
Grants				
Home Office Police Grant	(66.6)	(62.5)	4.1	(6%)
Formula Funding	(30.3)	(29.4)	0.9	(3%)
Council Tax Freeze Grant (2011/12)	(2.5)	(2.5)	0.0	0%
Localising Council Tax Support	(6.8)	(6.8)	0.0	0%
Total Grants	(106.1)	(101.1)	4.9	(5%)
Use of Reserves	(1.0)	(0.7)	0.3	(32%)
NET PRECEPT REQUIREMENT	99.8	103.9	4.1	4%

APPENDIX B

REVENUE BUDGET 2015/16

	2014 /15	2015/16	Variation	
	£m	£m	£m	%
EMPLOYEE COSTS				
Police Officer Sals/Pension/NI/Allowances	104.0	106.1	2.0	2%
Police Staff Sals/Pension/NI/Allowances	70.0	67.7	(2.4)	(3%)
Training & Other Employment Cost	5.2	5.4	0.2	4%
Sub - Total	179.3	179.2	(0.1)	(0%)
PREMISES RELATED COSTS	7.5	7.7	0.1	2%
TRANSPORT & TRAVEL COSTS	5.9	6.0	0.1	2%
SUPPLIES & SERVICES	33.6	32.4	(1.2)	(4%)
INCOME	(19.4)	(19.5)	(0.1)	1%
GROSS BUDGET	206.9	205.7	(1.2)	(1%)
Grants				
Home Office Police Grant	(66.6)	(62.5)	4.1	(6%)
Formula Funding	(30.3)	(29.4)	0.9	(3%)
Council Tax Freeze Grant (2011/12)	(2.5)	(2.5)	0.0	0%
Localising Council Tax Support	(6.8)	(6.8)	0.0	0%
Total Grants	(106.1)	(101.1)	4.9	(5%)
Use of Reserves	(1.0)	(0.7)	0.3	(32%)
NET PRECEPT REQUIREMENT	99.8	103.9	4.1	4%

APPENDIX C

Budget 2015/16 - Summary Causal Track

	£
2014/15 Budget	206.9
Price Inflation	2.7
Commitments	
Insurance premiums	0.4
Regional Policing Services	0.3
HO IT Charging	0.1
Other cost increases	0.4
Improvements	
Project Resources & Implementation Costs	1.4
Emergency Services Collaboration	0.2
Mobile Data Capability	0.1
HO Innovation match funding	0.1
Savings	
Support & Corporate Services	(1.6)
Specialist Crime	(1.2)
Operations	(0.7)
Policing delivery model review	(2.2)
Non employee cost efficiencies	(1.2)
2015/2016 Budget	205.7

Appendix D

4 Year Capital Programme 2015/2016

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	DESCRIPTION		Portfolio Lead	2015/2016	2016/2017	2017/2018	2018/2019
IT Renewal & Upgrades	IT Server / Infrastructure	New	CIO	200	1,543	1,340	800
	IT Desktop / Laptop / VDI	New	CIO	150	200	200	200
	Network and Cabling	New	CIO	75			
	IT Microsoft Licence	New	CIO	800	800	800	800
	Web Proxy Renewal	New	CIO	57			
	DMZ Link	New	CIO	50			
	Wi-Fi Ugrades	New	CIO	50			
	IL4 Refresh (Joint Scheme)	New	CIO	68			
	ICCS Upgrade (Joint Scheme)	New	CIO	45			
	Windows 2003 Refresh (Joint Scheme)	New	CIO	338			
	Public Services Network Upgrade (Joint Scheme)	New	CIO	158			
Gazetteer	New	CIO	50				
Fleet	Vehicle Fleet Replacement Programme	New	DCC	2,235	2,196	2,221	2,323
Estate Strategy	Estate Strategy	C/F	DCC	200			
	Air Conditioning	New	DCC	450			
Other Specific Schemes	Mobile Data (New Phase)	New	ACC - LP	241			
	Shared Data Warehouse (Joint Scheme)	New	CIO	225			
	Enterprise Resource Planning (ERP) (Joint Scheme)	New	ACO	1,800	900		
	Other Schemes	Cont			1,500	1,500	1,500
TOTAL:				7,192	7,139	6,061	5,623
Capital Schemes Brought Forward				2,500	2,400	2,400	2,100
Total Proposed Programme				9,692	9,539	8,461	7,723
Estimated Scheme Slippage				-2,400	-2,400	-2,100	-1,900
Amount of Capital to be Financed				7,292	7,139	6,361	5,823
FINANCING				2015/2016	2016/2017	2017/2018	2018/2019
Capital Grant				1,500	1,500	1,500	1,500
Capital receipts - House / Land Sales				4,640	985	880	1,225
Capital receipts - Police Building sales				9,619	10,617	7,363	3,382
Other Capital Funding				-	-	-	-
Borrowing				-	-	-	-
Carry Forward				- 8,467	- 5,963	- 3,382	- 284
TOTAL:				7,292	7,139	6,361	5,823

APPENDIX E

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COST BASE	2014/15	Subsequent SR			
		2015/16	2016/17	2017/18	2018/19
Base budget	207.7	206.9	205.7	205.4	205.8
Prior year adjustment	0.0	0.0	0.0	0.0	0.0
Inflation	2.2	2.7	3.5	4.1	4.1
Commitments (including MRP)	3.9	1.2	3.9	0.1	0.1
Improvements	-	1.8	-	-	-
Strategic Change Programmes:					
Savings Achieved Ahead of Schedule		(0.5)			
Support Services	(2.8)	(1.5)	(1.1)	0.0	0.0
Corporate Services	(0.1)	(0.1)	(0.2)	0.0	0.0
Specialist Crime	0.0	(1.2)	(2.9)	0.0	0.0
Operations	0.0	(0.7)	(0.8)	0.0	0.0
Local Policing	(3.5)	(1.5)	(1.9)	(0.0)	0.0
Business Enablement	0.0	0.0	0.0	0.0	0.0
Contact & Deployment	(0.1)	(0.7)	(0.1)	(0.1)	(0.0)
National Regional Partnership	0.0	0.0	0.0	0.0	0.0
Other Savings Initiatives	(0.4)	(0.6)	0.0	0.0	0.0
Saving Estimates		0.0	6.3	0.0	0.0
Total of Strategic Change Programme Savings:	(6.9)	(6.9)	(0.7)	(0.0)	(0.0)
(Gap)/Surplus	0.0	0.0	(7.0)	(3.7)	(3.6)
Sub total	(0.8)	(1.2)	(0.3)	0.4	0.6
Total gross budget	206.9	205.7	205.4	205.8	206.4
Cost increase % base	-0.4%	-0.6%	-0.2%	0.2%	0.3%
FUNDING					
Government Grant	99.3	94.4	92.5	90.6	88.8
General Reserves	(1.3)	(2.3)	-	-	-
Staff Pension Increase Reserve	1.0	1.1	-	-	-
Surplus/(deficit) on Council Tax Collection Fund	1.3	1.8			
Council Tax Support Funding	6.8	6.8	6.6	6.5	6.4
Base precept	97.4	99.8	103.9	106.3	108.7
Precept increase	2.4	4.1	2.4	2.4	2.5
Total gross budget	206.9	205.7	205.4	205.8	206.4
Band D £	211.68	215.89	220.18	224.55	229.02
Band D Net precept increase %	1.99%	1.99%	1.99%	1.99%	1.99%
Precept Funding increase %	2.4%	4.1%	2.3%	2.3%	2.3%
Precept as % of budget	49%	51%	52%	53%	54%
Grant as % of budget	51%	49%	48%	47%	46%

4 Year Future Savings Target £22.0m

Planned Savings £7.6m

Saving Estimates £6.3m

2014/15 Budget £6.9m

Budget Gap £14.3m

SURREY POLICE AND CRIME PANEL

Office of the Police & Crime Commissioner's Budget for 2015/16

5 February 2015

1). Purpose of the report

To inform the Police & Crime Panel of the budget that I intend to set, to fund the operation of the Police & Crime Commissioner's (OPCC) office for the financial year 2015/16.

These budget proposals form only a very small part of the total Surrey Police budget and some PCC's do not highlight in detail their own budget, leaving these costs buried in the totality of the police revenue budget, but one again I am presenting the budget for my Office to the Panel in complete and considerable detail, as I wish to be totally transparent about the costs that I anticipate directly incurring in the discharge of my functions as PCC during the forthcoming financial year.

2). Explanation of overall budget increase

My office budget that I presented to Panel members last year came to a total of £2,455,485. This budget has been increased during the year by additions for increased Pension and National Insurance costs (£44,728), Victim Support Grants (£869,490) and the transfer of resources from the Police Force to pay for a new Communications Officer (£38,009). These changes increased the budget total to £3,407,712. Members will note that despite all the additional responsibilities that have been placed on PCC's by the Government, I have by careful management of my resources set a budget for next year of £3,357,712, which represents a cash saving of 1.5% on the previous year's budget.

The main changes from the budget I presented to the Panel last year are as follows:-

a). An increase in the budget for the Assistant Police & Crime Commissioner (Increase of £11,851) – As previously reported to the Panel I increased the number of hours being worked by the Assistant Police & Crime Commissioner (Victims) during the year and this increase in the budget reflects the full year cost of that arrangement.

b). Saving on the PCC Staff Budget (Saving of £45,643) – With the return of the Chief Executive to work, following a period of maternity leave I have taken the opportunity to review the current staffing establishment of my office. The result of making changes to the hours worked by several members of my staff has resulted in a reduction of whole time equivalents from 13.7 posts last year to 12.89 posts, which generates this saving.

c). Saving on PCC roles (Saving £13,750) – Following the recent resignation of my Communications Manager, who will be moving to the Mayor's Office for Policing And Crime at the end of February, a review of my Communications and Consultation budgets has taken place, which resulted in savings of £37,290 being identified. I am using some of that saving to increase budgets, which I believe need additional resources, such as the Community Safety Fund Grant Budget (£13,550) and the budget that funds the work that Shiraz Mirza undertakes for me in performing the duties of an Assistant Police and Crime Commissioner (£8,340).

d). Inflationary increase – To allow for the impact of inflation on my budget I have increased all pay budgets by 2.2% in line with the recent national pay offer for police staff and where appropriate I have increased non-pay budgets by 2%.

The detailed breakdown of my Office budget is shown in Appendix A to this report and Panel members will note that I have made several minor

adjustments across the range of my budgets, which reflect the experience that I have obtained in running my Office over the last twelve months and which will allow me to more appropriately manage the use of resources in the twelve months ahead.

5). Conclusion

I hope that, having set out my Office budget in considerable detail, members of the Panel will agree, that having achieved a saving of £50,000 (1.5% of the total budget) I have put together a budget that represents good value for money for the Surrey public and a budget that with careful management will be sufficient for me to fulfil my expanding duties as Police & Crime Commissioner to the best of my ability in 2015/16.

Kevin Hurley Police & Crime Commissioner

5 February 2015

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Summary of Costs	2014/15	2015/16	Difference
Police & Crime Commissioner			
Salary	70700	70000	-700
Employers National Insurance	7510	7580	70
Employers Pension Contribution	12514	12514	0
Conference fees	2530	2580	50
Mobile phone/Blackberry	300	310	10
Travel & Subsistence	7310	7450	140
Training	1500	1530	30
	102364	101964	-400
Deputy Police & Crime Commissioner (1 FTE)			
Salary	55550	56800	1250
Employers National Insurance	5420	5420	0
Employers Pension Contribution	9832	10050	218
Conference fees	2530	2580	50
Mobile phone/Blackberry	300	310	10
Travel & Subsistence	5580	5600	20
Training Costs	1500	1530	30
	80712	82290	1578
Assistant Police & Crime Commissioners (0.6 FTE)			
Allowance	16650	25590	8940
Employers National Insurance	1034	2050	1016
Employers Pension Contribution	2800	4530	1730
Conference fees	1000	1000	0
Mobile phone/Blackberry	200	205	5
Travel & Subsistence	2630	2630	0
Training	3000	3060	60
	27214	39065	11851
Staff Budget (12.84 FTE)			
Salary	622509	572795	-49714
Employers National Insurance	46080	45825	-255
Employers Pension Contribution	98113	101385	3272
Conference Fees	6600	7700	1100
Mobile phone/Blackberry	1630	1655	25
Travel & Subsistence	14250	14149	-101
Training Costs	6570	6600	30
	795752	750109	-45643
PCC Roles			
Communication	60590	51000	-9590
Consultation	58300	30600	-27700
Community Safety Fund Grant	677370	690920	13550
Independent Custody Visitor Scheme	10170	10370	200
Consultancy	52400	60740	8340
ACPO Recruitment	15300	15600	300
Hire of Rooms & Halls	6630	6760	130
Legal Fees	51000	52020	1020
	931760	918010	-13750
Victim Support & Restorative Justice			
Victims Capability & Capacity Grant C/F From 13/14	392180	0	-392180
Victims Specialist Support Services Grant & RJ	395200	821020	425820
Victim Support Services Contract	0	407980	407980
MoJ Victims Support (Competed Fund)	450110	0	-450110
	1237490	1229000	-8490
Memberships			
Association of Police & Crime Commissioners	25000	25500	500
Other Memberships/Subscriptions	7500	7800	300
	32500	33300	800
Office Running Costs			
Rent	27540	28090	550
Rates	4700	4800	100
Gas	1050	1070	20
Electricity	1130	1150	20
Water & Sewage	200	204	4
Property Maintenance	4290	4370	80
Premises Cleaning & Materials	1730	1760	30
Advertising	7000	7100	100
Adaptations & Redecoration	3060	3120	60
Furniture, Equipment & Repair	3550	3620	70
Photocopying	4130	4210	80
Postage	1500	1530	30
Printing	3060	3080	20
Stationery	2000	2040	40
Books, Maps & Reading Materials	1020	1040	20
Recruitment costs	12240	12480	240
Catering	2020	2060	40
Computer Equipment, Software & Consumables	5190	5450	260
	85410	87174	1764
Audit/Independent Member Costs			
Internal Audit	50000	51000	1000
External Audit	55000	56100	1100
Audit Committee Members Costs	5510	5600	90
Independent Member Costs	4000	4100	100
	114510	116800	2290
	3407712	3357712	-50000

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