

SURREY POLICE AND CRIME PANEL

3rd February 2025

SURREY POLICE GROUP FINANCIAL REPORT FOR THE 8 MONTHS ENDED 30th NOVEMBER 2024

SUMMARY

1. This report sets out the financial performance of the Surrey Police Group (i.e. the OPCC and Force combined) as at the 30th of November 2024 with a forecast to the 31st March 2025.
2. At the 30th November 2024 it is estimated that at the year-end group revenue expenditure will be £0.8m under budget and capital expenditure £14.9m under budget. Further details are given in this paper.
3. Any revenue underspend will be used to cover savings required to balance the 2025/26 budget.

RECOMMENDATIONS

4. The Police and Crime Panel is asked to note and comment on the report as appropriate.

BACKGROUND INFORMATION/PAPERS/ANNEXES

5. The attached report – Annexe A – sets out the results in more detail.

CONTACT INFORMATION

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Group Revenue Financial Performance as at the 30th of November 2024

6. The Surrey Police Group, which consists of the Force and the OPCC, has a revenue underspend of £0.9m for the year as shown in the table below:

Surrey	2024/25 Annual Budget £m	2024/25 Outturn Forecast £m	Variance £m
PCC Budget	3.2	3.1	(0.1)
Operational Delivery Budget	306.9	307.2	0.3
Total 2024/25	310.1	310.3	0.2
Funding	(310.1)	(311.1)	(1.0)
Grand Total	(0.0)	(0.8)	(0.8)

The projected underspend is equivalent to 0.25% of the overall budget.

Further detail on the Month 8 revenue budget

7. The table below sets out a breakdown of the estimated year end variance as at Month 8

	Month 8	Month 8 forecast 2024/25		
	Actual £m	Budget £m	Forecast £m	Variance £m
Wages and Salaries	183.8	259.6	261.9	2.3
Premises	9.7	15.2	15.6	0.4
Transport	4.6	5.1	5.3	0.2
Supplies and Services	24.6	42.5	42.4	(0.1)
Capital Financing and Reserves	6.4	9.8	12.4	2.6
Grants and Income	(23.3)	(22.1)	(27.3)	(5.2)
TOTAL	205.8	310.1	310.3	0.2

8. Explanations for the major variances are as follows:

Wages and Salaries

Of the £2.3m projected overspend £2.1m is due to overtime. This is split between £1.5m for officers and £0.6m for staff. Most of the overspend is in local policing,

some relating to Hotspot Policing, which is funded, and contact. A group has been set up to monitor overtime with a view to reducing it in the next financial year.

Capital Financing and Financial Reporting

£0.7m is a transfer put through to the Surrey Camera Partnership for fines collected. A further £0.7m relates to a transfer to the insurance reserve fund on the advice of the loss adjuster to cover claims and finally £1.2m was transferred to capital to fund the purchase of short life assets. None of these were budgeted for.

Grants and Income

£5.2m of additional income has come from several areas although some has been offset by additional costs. £1.1m was received for hot spot policing but this has been offset by an increase in overtime payments to cover this. £0.9m is from mutual aid, NDORS and secondments to CTSFO. A further £1.5m relates to SECOCU and CTPSE. Lastly £0.3m is from the use of custody cells and £1.4m from better interest rates on investment income. £1.2m of this interest has already been used to fund capital expenditure

Revenue Budget Funding

9. £2.1m was received in year from the Home Office to fund the 2024/25 pay increase. This was offset by £1.1m budgeted from the cost of change reserves but is now not required due to the program slippage.

Delivery of Savings for 2024/25

10. Savings of £3.8m were deducted from the 2024/25 budget when it was set. These have now all been delivered. Following on from that work was then undertaken to drive additional tactical savings and another £1.4m was found and will contribute to the savings requirement for 2025/26.

Uplift Maintenance

11. The Force is required to maintain its uplift baseline of 2,253 officers at two monitoring points in the year. If this is not done, then grant is clawed back. At the first monitoring point on 30th September 2024 the target was met, and it is predicted that this will also be the case on 31st March 2025. As a result, it has been assumed that no grant will be withdrawn.

12. In addition, the Force agreed to recruit 22 officers over Uplift, for which additional funding of £48k per officer is provided. Although there are no penalties it is predicted that these officers will also be in place at the end of the year.

Capital Expenditure as at the 30th of November 2024

13. The total budget for the year comprises the approved budget for 24/25 plus slippage from the previous year and adjustments in year. This is shown in the table below:

	Month 8	Month 8 forecast 2024/25		
	Actual £m	Budget £m	Forecast £m	Variance £m
ICT	1.6	3.7	2.4	(1.3)
Cost of change		1.2		(1.2)
Vehicles	4.0	7.8	7.8	0.0
Estates	1.9	25.6	12.6	(13.0)
Specialist Crime	(0.1)	0.3	0.9	0.6
Operations	0.4	1.1	1.1	0.0
TOTAL	7.8	39.7	24.8	(14.9)

14. The Force runs a flexible programme managing schemes over a rolling 2-year period enabling schemes to be brought forward or deferred. Hence most of the variance is likely to be carried forward rather than being an underspend.

The main variances are as follows:

- ICT – Delays with network monitoring tool and ERP upgrade coming in under budget.
- Cost of change – Funding to be allocated to projects.
- Estates - £2.3m on estates upgrades such as CCTV, building works and other smaller projects slipping into the next year. £10.7m is due to slippage in the Surrey redevelopment program but this should be spent next year
- £0.6m due to an overspend on the Serocu building which all SE Forces must contribute to.

15. The Home Office provides no capital funding hence it has to be paid for with revenue contributions, asset sales or PWLB borrowing. Of the £24.8m forecast expenditure £13.2m will come from capital receipts from assets sold, £7.1m from revenue and the remaining £4.5m from borrowing. No borrowing has been taken out during the year so far and if there is further slippage may not be required.

Conclusions

16. Based on the forecast, the Surrey Police Group should finish the year just under budget. The Force has been particularly successful in driving out additional tactical savings and has benefitted from additional unplanned income, albeit a substantial part of this is offset with costs. Some of this has been used to fund capital and change initiatives.
17. Officer numbers continue to be maintained and so a clawback of grant is unlikely. Actual vacancy margin for staff was 10.5% which is slightly ahead of the 10% in the budget and represents about 200 staff.
18. The underspend on capital is mainly due to the rephasing of projects, in particular the redevelopment of MTB rather than savings but this has meant that the program can currently be funded without resorting to external borrowing.

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