

SURREY POLICE AND CRIME PANEL

SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 3 FINANCIAL YEAR 2014/15

09 September 2014

SUMMARY

The purpose of this report is to inform the Police & Crime Panel of the Surrey Police Group (i.e. PCC and Chief Constable finances) financial position up to Month 3 for the 2014/15 financial year.

This report compares the expenditure and income incurred by both Surrey Police and the Office of the Surrey Police & Crime Commissioner, against the financial plan approved by the PCC in January 2014 up to Month 3 for the financial year 2014/15, together with other relevant financial information.

RECOMMENDATIONS

The Police & Crime Panel is invited to note and comment on the Surrey Police Group Financial Report for Month 3 2014/15.

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

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1. Introduction

- 1.1. The revenue out-turn position at the end of Month 3 is an under spend of £1.8m against a predicted three month budget of £53.3m. The revenue budget for the year is £207.2m, a reduction of £406k compared to the 2013/14 revenue budget.
- 1.2. The net capital budget for the year has been set at £10.2m, which includes a £2.2m carry forward from 2013/14. Expenditure to date of £1.7m remains well within budget.

2. Individual Significant Revenue Budget Variances

- 2.1. Detailed at Appendix A is a table that provides the Force and PCC budget, split by function, as per the new Force structure that was implemented on the 1st October 2013, together with other relevant financial information.
- 2.2. East Division: Currently showing an over spend of £244k at month 3, which is caused by CID currently having about 16 PC's above the budgeted establishment. A review of CID proposed an establishment of 65 posts, but the existing budget is only for 45 posts. The over spend is expected to continue throughout the year.
- 2.3. West Division: Currently underspent by £313k as a result of the Safer Neighbourhood teams being under established. The under spend is expected to continue to the year end.
- 2.4. Specialist Crime: has a high level of underspend of £836k, which has largely been caused as a result of the collaborative re-structure that has been undertaken in conjunction with Sussex Police which has resulted in a large number of vacancies in both police officers and police staff. Changes are also taking place in terms of Surrey's manpower contribution to the South East Regional Organised Crime Unit, which will require realignment of budgets to match the new arrangements. The under spending is forecast to continue during the rest of this year.
- 2.5. Operations: Overspent by £118k. Although currently overspent the collaborative re-structure currently being undertaken with Sussex, which has a number of business cases currently being developed, is expected to lead to savings and this unit is expected to be under spent by the year end.
- 2.6. Contact & Deployment: Overspent by £171k, but changes being made as a result of the Contact Review are expected to result in an under spent position by the year-end.
- 2.7. PSD: Overspent by £210k at the end of month 3 as a result of their being over established by 5.3 police officer posts. Police staff pay is underspent as current

vacancy levels are at about 10% of establishment, but expenditure on legal costs is over budget as a result of a number of legal claims being made against the Force. This level of overspend is forecast to continue throughout the year.

- 2.8. Force Improvement: Currently underspent by £847k, this budget is forecast to move into an overspend position as the year progresses to reflect additional police officer spend arising from bringing forward the Neighbourhoods review from October to June. In addition, there will be additional unbudgeted expenditure resulting from the Blue Light Project as more resources are required to move this collaborative project forward. Additional costs have also been incurred in acquiring consultancy services that have worked on the Target Operating Model (TOM) and the Enterprise Resource Planning business case.
- 2.9. ICT: This budget is overspent by £704k, at month 3, with a number of vacancies being filled by external contractors. As the year progresses savings are expected to arise from the appointment of the new joint Surrey/Sussex Chief Information Officer and the year-end forecast is that this budget will be in an under spent position by the year-end.
- 2.10. Human Resources: Under spent by £571k at the end of month 3, by the year-end the budget is expected to be close to balance as spending on probationers and secondees will pick up as the year progresses.
- 2.11. Corporate/Suspense: The under spending of £471k results primarily from staff retiring or leaving and who have been changed against the central corporate budget as they have not yet been allocated to their individual departments.

3. Capital Position

- 3.1. The approved capital programme for 2014/15 is £10.2m.
- 3.2. The most significant capital projects in the programme are: ICAD upgrade (aligning the Surrey & Sussex Command & Control Systems), Niche Developments, Reigate Custody Refurbishment, ICT Infrastructure Renewal, creation of an Electronic Document and Records Management System (EDRMS), Generators for Business Continuity Protection and the Vehicle Replacement Programme.
- 3.3. Capital expenditure up to month 3 is £1.7m, with a further £2.2m being committed in terms of issued orders.
- 3.4. Funding for the 2012/14 capital programme derives from; Home Office Grants £1.4m and Capital Receipts £19.3m (£10.6m above budget).

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