

SURREY POLICE AND CRIME PANEL

SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 7 FINANCIAL YEAR 2014/15

12 December 2014

SUMMARY

The purpose of this report is to inform the Police & Crime Panel of the Surrey Police Group (i.e. Finances of both the PCC and Chief Constable) financial position up to Month 7 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 Police & Crime Commissioner in January 2014 up to Month 7 (October) 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 7 (October) 2014/15.

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

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1. Introduction

- 1.1. The forecast year end revenue out-turn position based on the information available at the end of Month 7 (October) is an under spend of £462,000.
- 1.2. The net capital budget for the year has been set at £10.1m, which includes a £2.2m carry forward from 2013/14. Expenditure to date of £2.7m remains well within budget.

2. Individual Significant Revenue Budget Variances

- 2.1. Detailed in Appendix A is a table that provides the Force and PCC budget, split by function, together with other relevant financial information.
- 2.2. **North Division:** Forecasting an under-spend of £0.6m derived from police officer and police staff vacancies, with a £0.1m over-spend on officer overtime to help compensate. The variance has improved as funding agreed for 4 sergeants has been transferred coupled with a reduction in the forecast for police officers.
- 2.3. **East Division:** the year-end forecast is for an under spend of £0.2m with the under spends occurring in employees that total £0.1m. There is also an under spend on transport costs of £0.1m.
- 2.4. **West Division:** Forecasting a large under spend of £1.4m predominantly from employees with £0.8m under spending on police officers which, on the face of it, suggests police officer numbers need reviewing between the divisions, this work is underway currently. There is also a £0.7m under spend within police staff resulting from holding posts vacant that need to be cut from next year's establishment to comply with planned budgetary reductions needed to meet the 2015/16 funding reductions.
- 2.5. **Specialist Crime:** Forecast under spend of £0.6m the most significant element being an under spend against the police staff budget of, £1.3m, due to the high level of vacancies within the command. These are tempered by overspends in police officers' salary £0.3m, staff overtime £0.2m, officer overtime £0.2m and the use of agency staff £0.1m.
- 2.6. **Operations:** This report has not combined the Surrey and Sussex budgets as per the recent collaboration agreement and only represents the Surrey part of the command. Operations are forecast to be over spent by £0.2m. The over spend is occurring in officer overtime, Roads Policing Unit and the under achievement of the income budget within dog training and firearms training. There is an offsetting under spend within officer salaries as constables are below budget. Transport is

forecast to over spend due to the additional mileage being incurred by individuals travelling between the two Forces in this collaborative unit.

- 2.7. **Contact & Deployment:** An under spend for the year of £0.1m is forecast, the majority from police staff £0.5m as a result of vacancies. Staff overtime is being used to fill the resource gap and is over budget by £0.3m. The Blue Light Project is incorporated in these figures and is evident as an over spend in supplies and a corresponding under spend in grants.
- 2.8. **ACPO:** This forecast over spend of £0.5m includes costs in relation to Op Heather which has the authority to be funded from general reserves and is forecast to cost £0.4m this year. However, noting the Force position it may not be necessary to call on this facility. The forecast includes the cost of the temporary ACC over budget and some JESIP costs which will be fully recovered.
- 2.9. **Professional Standards Department:** Year-end forecast of a £0.4m over spend arising primarily from there being 5.3 officers above the budget. There is also pressure within legal expenses budget, £0.2m over spend, due to the number of claims being handled. This position is likely to deteriorate before it improves as temporary arrangements are made to cover for the resignation of the Force Solicitor.
- 2.10. **Force Improvement:** An under-spend of £0.7m is predicted which is in line with the additional savings reported in the Strategic Change Board monthly report. The budget for the team is on target with all the variances arising from the status of the many change initiatives.
- 2.11. **Shared Business Service Centre:** A small underspend of £0.1m is forecast from staff vacancies, lower recruitment expenditure and lower fees from CMG Logica, the payroll provider.
- 2.12. **Finance and Services:** An over spend of £0.2m expected arising from the additional costs of insurance premiums for motor and public liability.
- 2.13. **Human Resources:** A net forecast of £0.3m is projected for the year end deriving from savings in employee budgets of £0.1m. In addition, the department is under spending within transport and supplies.
- 2.14. **Corporate:** This budget is forecast to overspend by £2.3 million by the year end, as the forecast savings on other budgets will be used to fund a series of measures that will financially benefit Surrey Police as the impact of next year's savings plan become apparent. Pay across the whole range of budgets is forecast to underspend by £2.9 million by the year end, primarily as a result of officers and staff leaving and not being replaced in order to minimise any redundancies that would otherwise have to be made in 2015/2016 to make good the government imposed funding

reductions. This policy has created a one off underspend in the current year and plans are currently being drawn up to utilise this funding to, among other things, create a provision to help meet next year's redundancy costs and to make a payment into the Surrey Local Government Pension Scheme to reduce the current pension scheme deficit which will have the impact of reducing employer pension costs over the foreseeable future.

3. Capital Position

- 3.1. The approved capital programme for 2014/15 is £10.2m and detail of the programme is provided in Appendix C.
- 3.2. The most significant capital projects in the programme are: ICAD upgrade (aligning the Surrey & Sussex Command & Control Systems), 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 7 is £2.7m, with a further £2.2 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.

4. Summary

The Month 7 figures show that Surrey Police remain on target to achieve a year-end out-turn that is within the budgetary target set by the Police & Crime Commissioner in January of this year for both the revenue and capital budgets.