

SURREY POLICE AND CRIME PANEL

SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 10 FINANCIAL YEAR 2014/15

21 April 2015

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 10 (January) 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 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 10 (January) 2014/15.

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

Lead Officer: Ian Perkin, Treasurer & Chief Finance Officer

Telephone Number: 01483 638724

E-mail: Perkin11584@surrey.pnn.police.uk

1. Introduction

- 1.1.** The forecast year end revenue out-turn position based on the information available at the end of Month 10 (January) is an under spend of £0.8 million, well within the approved revenue budget.
- 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 £3.9m 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, together with other relevant financial information. Appendix B shows a further breakdown of the individual function totals.
- 2.2.** **North Division:** Is underspent by £1.2m as a result of police officer and staff salary underspends, with a £0.1m overspend on officer overtime. The variance has widened as there is increased underspend in Response and Local Policing Teams. North has been given an additional police overtime budget (£0.1m) which contributes to the stabilising of the overtime budget forecast.
- 2.3** **East Division:** The year-end forecast is for an under spend of £0.3m with underspends occurring in officers and staff salaries. Officer and staff overtime is marginally overspent by £0.1m but this is offset by an under spend in Transport of £0.1m.
- 2.4** **West Division:** Is forecasting a large underspend of £1.7m, predominantly from staff savings and a £1.0m underspend on police officers. This suggests police officer numbers need reviewing between the divisions and this work is currently underway. An overspend in officer overtime (£0.2m) offsets some of the police officer savings.
- 2.5** **Specialist Crime:** Forecast to underspend by £0.4m; the most significant underspend is from police staff, £1.2m, due to the strategic aim of retaining a high level of vacancies within the command. These are tempered by overspends in staff overtime £0.2m, officer overtime £0.2m, the use of agency staff £0.1m and training £0.1m.
- 2.6** **Operations:** This report only relates to the Surrey part of the command as the finances of Surrey & Sussex have not yet been combined as per the Surrey & Sussex PCC agreement. On the Surrey position for Operations there is no significant variation and the forecast is for a year

end overspend of £0.2m. The overspend continues to occur in officer overtime, the Roads Policing Unit, and the under achievement of the income budget within dog training and firearms training. There is an underspend within officer salaries as constables are below budget. Transport is forecast to overspend marginally and due to the additional mileage being incurred by individuals travelling between the two forces in this unit.

- 2.7 Contact & Deployment:** There is an overspend forecast for the year of £0.1m. Police staff have an underspend of £0.3m as a result of vacancies and staff overtime being used to fill the resource gap and is consequently over budget by £0.1m. The Bluelight project is incorporated in these figures with expenditure being matched by grant funding.
- 2.8 ACPO:** The forecast is for an overspend of £0.5m at the year end. This includes costs of £0.4 million in relation to Operation Heather, which was forecast to have been funded out of the General Reserve, but with the Force underspending at a high level the call on reserves may not be needed. The forecast includes the cost of the temporary ACC and some national JESIP (Joint Emergency Services Interoperability Programme) costs which will be fully recovered.
- 2.9 Professional Standards Department:** Is projecting a year end forecast of £0.5m over budget with a significant overspend in police officers of £0.2m as the department is 5.3 officers over establishment. There is also pressure within the legal expenses budget 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 recent departure of the force Solicitor. A review to develop the best option for cost effectively accessing legal advice is to be undertaken.
- 2.10 Force Improvement:** A year end underspend of £1.1m is predicted due to over achievement of cost savings and the cost of implementing those savings being lower than planned. The re-investment of pro-active cost savings to be used with Public Protection growth is no longer forecast (now in Specialist Crime) and this has been set off by the raising of redundancy provision (£1.2m).
- 2.11 Finance and Services:** An overspend of £0.35m is anticipated arising mainly from an underspend in staff pay of £0.1m, while an element is also due to revising the estate forecast to reflect the recent permitted overspend on building maintenance for several project works.
- 2.12 Corporate:** This budget is forecast to overspend by £2.932 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 significantly by the year end, primarily because of the deliberate policy being followed by Surrey Police to freeze recruitment for specific posts and thereby save on the redundancy costs that would otherwise have been paid in 2015/16 in redundancy costs as the Force reduced numbers to prepare for the planned savings needed as a consequence of Government funding reductions. This is the main cause of the £0.8 million projected year end forecast underspend for the Group as a whole and has also allowed the Commissioner to make a payment into the Surrey Local Government Pension Scheme to reduce the current pension scheme deficit of approximately £45 million, which will have the impact of reducing employer pension costs over twenty years and beyond.

3. Capital Position

- 3.1.** The approved capital programme for 2014/15 is £10.1 million and detail of the programme is provided in Annex 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 10 is £3.9 million, with a further £1.5 million being committed in terms of issued orders.
- 3.4.** Funding for the 2012/14 capital programme derives from; Home Office Grants £1.5m and Capital Receipts £19.3m.

4. Summary

The Month 10 figures show that Surrey Police remains 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 budget.