

Panel member questions/key lines of enquiry submitted in advance of the Panel meeting on 24 November 2021 and responses provided by the OPCC

Item 5 - SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH SIX FINANCIAL YEAR 2021/22

Councillor Paul Kennedy

1. Why is police officer pay for the first 6 months more than 50% of the budget/forecast, but police staff pay is less? How much of this is bonuses?

Response

The actuals for this year include a payment to balance the pension fund account – this is balanced by a grant received which is in income. As this is a one off payment causes the distortion. The Force has also confirmed that no bonuses have been paid to staff or officers.

Councillor Paul Kennedy

2. Why has agency/temporary spend on ICT been reduced? The SIAP internal audit reports have consistently given limited assurance reports for ICT, and one might have expected a greater need for ICT during lockdown with more remote working.

Response

Biggest reduction is agency staff for ERP project as that is on hold. ICT agency forecast to be £133k over budget due to a number of projects being worked on. New CDIO Antony Croxford appointed this year and he is working through SIAP audit recommendations

Councillor Paul Kennedy

3. Why is there a reduced need for investigative staff, especially with current low solved rates? Is it simply the reduced level of crimes such as burglaries?

Response

This says that “the largest element (of agency costs) of goes on employing investigative staff in Operations”. This is forecast to be £398k.

Councillor Paul Kennedy

4. How is cross-border staff support e.g. Sussex/Met treated in the accounts?

Response

Surrey/Sussex collaborated services are charged based on 45/55. Surrey staff are recharged both to Sussex and the Met for mutual aid operations at standard rates

Councillor Paul Kennedy

5. Premises costs for the first 6 months are almost exactly 50% of the budget. Why do you say these are underspent, especially with higher expected heating costs?

Response

Premises was running an underspend of £0.5m earlier in the year due to reduced utility costs because of lower consumption and deferred maintenance. However, it is predicted that this will be eaten up by increased charges as for the rest of the year.

Councillor Paul Kennedy

6. Transport costs for the first 6 months are significantly less than 50% of budget. Why is this? If there is less usage, and the size of the fleet has been reduced (see Savings), why is a substantial increase still forecast for the full year? Has consideration been given to reducing the forecast for the full year, notwithstanding the higher fuel costs?

Response

Transport costs were below budget due to free fuel for some of the year. However, the increase in fuel costs in the second half of the year is predicted to result in an overspend

Councillor Paul Kennedy

7. Savings: does the £2.6m reduction in funding capital expenditure reflect a reduced transfer to reserves? What does “managing vacancies and pay growth” mean in practice?

Response

Rather than funding £2.6m of the capital program from revenue it will now be funded from Capital receipts and borrowing. “managing vacancies” means delaying recruitment to deliver a saving.

Councillor Paul Kennedy

8. Has not a significant part of the spending review been announced e.g. maximum £10 Band D precept increase?

Response

The Government has announced a lot of big numbers and the £10 but what this means for individual forces has not been released yet. This is expected in the run up to Christmas

Mr Martin Stilwell

9. Section 8 “Capital expenditure....” there is an “Operations” budget of £0.892m but a forecast of £1.378m. A bullet point below the table states that “this overspend is due to additional investment in the Surrey Camera Partnership equipment funded by contributions”. A reply to Action R6/20 on 27th May 2020 (re: 30 June 2020 Panel meeting) explained the funding of the camera partnership and a resulting budget of £0.895m. Why is there now a forecast of a shortfall of £0.486m?

Response

There is no shortfall. The budget needs to be adjusted to reflect the increased income from the SCP.

Panel key lines of enquiry

10. Addressing budget pressures arising from overtime

Response

Overtime costs have been offset against projected underspend in Police Pay. There is an overtime working group that is looking to reduce overtime costs

11. Revenue impact of borrowing for capital investment

Response

No borrowing has been undertaken to date except for the purchase of the Leatherhead site. Any future borrowing will where possible be restricted to longer life estates projects. The cost of borrowing as required will be reflected in the budget and medium term financial forecast.

12. Potential impact on Force effectiveness and efficiency of delayed capital investments

Response

There is a balance to be struck between investment and available resources. Projects are prioritised to ensure that firstly operations are maintained and secondly to improve efficiency.

13. Where efficiencies might fall and their likely impact on Force and its capabilities

Response

Given that the largest cost for the Force is for people any efficiencies required will mean a reduction in Police Staff. This could impact many areas of the Force as staff fulfil many diverse functions such as contact, forensics, custody etc as well as more back office type rolls thereby freeing up officer to do more front-line work. Given officer numbers are ringfenced it is likely that some roles currently undertaken by staff may have to be done by officers. The force is in the process of looking to see what impact the projected savings could have on staff posts. The precept, if increased to £10, will go some way to addressing the estimated £6m gap. However 1% on wages is equivalent to £2.50 on the precept so whatever the final settlement is for pay will have a big bearing on the level of savings required.

Item 6 - OFFICE OF THE POLICE AND CRIME COMMISSIONER FINANCIAL UPDATE FOR MONTH SIX FINANCIAL YEAR 2021/22 AND ESTIMATE FOR YEAR END OUTTURN

Councillor Paul Kennedy

1. I see the £150k transfer from reserves (which I assume is described in decision log 31) seems to be included in the full year budget but was not budgeted for the first six months

of the year. Was it included in the original full year budget (and if so for what?), or has the budget simply been altered? Without the transfer from reserves, would it be right to say there would be a deficit of £143,817?

Response

No, it was not included in the original full year budget as the decision to incur these costs was taken after the budget was set. The transfer from reserves is there to fund these costs and so I have built it in to the full year budget now. If the OPCC incurred these costs without transferring the funding, then there would be an overspend as you describe – hence the transfer.

Councillor Paul Kennedy

2. The Deputy PCC costs to date and forecast are much higher than one might expect on a pro rata basis, given a reported appointment date on 8 July. Has the pay been backdated, and if so, from when and on what legal authority?

Response

The Deputy PCC pay was backdated, to cover hours worked, after the PCC decision to overrule the panel, to cover hours worked on a part time basis from May onwards.

Councillor Paul Kennedy

3. The Victim Services forecast is the precisely the same as forecast. I imagine a lot of this is funds coming and going out. How much uncertainty is there about these figures, particularly the net impact? Do we receive an annual report on how this has been spent?

Response

The OPCC team budget to spend all the resources available by the end of the year. Most of the net position is funded from historic precept and therefore should be ongoing. The reason for the big difference between the budget and the actual is firstly we do not know what actual grant funding will be until after the budget is set and secondly the OPCC was successful, in applying for and being awarded additional grants during the year. In addition to the original £1.390m in the budget the OPCC has had £605k IDVA/ISVA funding, £225k uplift in DA and SV funding, £17k Critical Support fund and £503k for Domestic Abuse Perpetrator program. An update is being provided at the November meeting on some of the services the OPCC commissions

Panel key lines of enquiry

4. Additional £1.3m spend on Victims Services

Response

Mainly through increased grants awarded during the year.

Item 10 - PCC FORWARD PLAN AND KEY DECISIONS

Councillor Paul Kennedy

1. Thank you for including the extra column. Are JAC meetings open to the public? Is there an annual report to the Panel on its work? Over the last few months there have been limited assurance reports on ICT and risk management. What action is being taken in response?

Response

JAC meetings are open to the public. There is no annual report at the moment although the "new" Chairman intends to do one once he has been in office for a year. The force has been tasked with addressing the recommendations made by Internal Audit and progress on these are reported to Jac at their meetings.

Councillor Paul Kennedy

2. I cannot find the reported decision numbers 39 (Transit Site) and 40 (Western Hub) on the OPCC website. 41 is actually 39 and 42 is actually 40. I assume the transit site and Western hub come out of the Surrey Police budget rather than the OPCC budget?

Response

The website has now been updated. The transit site funding is coming out of the OPCC Operational reserves and the Serocu western hub is from a SEROCU reserve.

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