

## SURREY POLICE AND CRIME PANEL

Surrey Police Financial Report Month 6 – 2013/14

29 November 2013

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### Summary:

I am pleased to be able to give the panel this mid-year report on the financial position of Surrey Police, which will be the last financial report based on the old Surrey Police centralised structure, which has now been replaced by a return to a management structure based on geographic areas. Future budget reports will be reanalysed on the basis of the new structure, but for this report the figures shown in Appendix A still reflect the old functional arrangements.

The amount of revenue budget that I would have expected to have been spent in total by the end of September amounts to £104.3 million and I am pleased to report that the Force has spent approximately £250 thousand less than this, so overall the Force is containing costs within the budget that I set at the beginning of the financial year.

However, although this is a very good result for Surrey Police, there are inevitably some ups and downs that net out to the £250 thousand surplus. The main reasons for this are that total payroll expenditure has been overspent by £622k, non-pay spending has underspent the budget by £248k, and there has been an increase of £625k in grant and departmental income, accounting for why the net budgetary position nets out as a surplus of £250k.

In looking at the pay in more detail I can inform you that basic Police Officer pay is over spent by £130k due to the Force operating with more temporary Sergeants and Inspectors than budgeted for and having had more constables in post than was planned, because the number of officers transferring to the Metropolitan Police was lower than expected. However, police officer pay expenditure is expected to get back to the agreed budget rate of spending by quarter three as a result of the number of leavers from the Force returning to expected levels. On the overtime front the budget is overspent by £312k.

The overspend on Police Officer pay is partly offset by an under spending on the police staff pay budget, an underspend which is expected to increase as the year progresses due to the implementation of plans to reduce the number of certain posts within Neighbourhood Policing, the reductions being part of the Force's long term strategic change programme plans.

Premises expenditure is the other problem area and the Estates function is reviewing all expenditure in this area to ensure that spending is returned to the budgeted level, although it should be noted that underspends on the other non-pay budgets more than compensate for this overspend of £415k.

Looking at the capital position I can report that against a budget of £17,367k, expenditure of £7,050k has been incurred to the end of September including £4,317k on the new Salfords Custody Suite. We have also spent £570k to date on the Niche system that will replace our ageing Criminal Information System, which goes live later this month and a further £1,339k will be spent on this system before the end of the financial year. Overall we will not spend all of our capital budget by the end of the financial year and will be carrying over the underspend that I believe we will achieve at the year end to fund capital schemes next year.

Overall the financial position of Surrey Police in the current financial year looks reasonably sound, with adequate reserves having been put aside, the capital programme under control and the revenue budget under spent at the half year position, with a forecast of a balanced budget at the year end. I hope that the Police & Crime Panel on reviewing my report will feel reassured that the financial plan that I outlined to you in February of this year remains very firmly on track.

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