

SURREY POLICE AND CRIME PANEL

SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 12 FINANCIAL YEAR 2016/17

13th July 2017

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 as at the 31st March 2017.

This report compares the expenditure and income incurred by both Surrey Police and the Office of the Surrey Police & Crime Commissioner during the financial year 2016/17 compared with the revenue and capital budgets approved by the Police & Crime Commissioner in January 2016 for the financial year 2016/17.

1) Introduction

The revenue out-turn position for the financial year 2016/17 was an underspend of £226 thousand against the approved budget of £212.6 million, a substantial achievement given a savings target of £10 million was built into the revenue budget at the beginning of the year. The Office of the Police & Crime Commissioner (OPCC) contributed £124 thousand of the underspend and the Force £102 thousand. The detailed OPCC 2016/17 financial report is reported in a separate paper.

2). Individual Significant Revenue Budget Variances

A Financial Overview statement is provided at Appendix A to this report, which shows individual business unit financial variances. The reasons for any significant variances are given below:-

2.1 North, East & West Division, Specialist Crime, Operations, Public Protection & Criminal Justice, Probationers and Contact Management: These budgets are collectively underspent by just over £5.9 million, primarily because the number of police officers actually employed failed to match the 1944 budgeted for at the start of the year. The average number of Officers being in post during the year amounted to 1878, an average shortfall of 66 posts. The underspend was further increased

because although recruitment stayed healthy, there were a large number of leavers who had earned more than the probationers that replaced them.

2.2 Change Programme: Overspent by £2.4 million primarily as a result of the £10 million saving programme, set at the beginning of the year, not being fully achieved by the year end. Savings in the year amounted to £8.1 million and those savings that were not delivered by the 31st March will be delivered in the current financial year.

2.3 IT: Overspent by £859 thousand during the year due to an overspend in supplies expenditure arising from the one-off set up costs associated with the creation of the Data Centre. The difficulties in recruiting appropriate experienced IT staff also caused overspends as expenditure was incurred with recruitment firms and there were also agency staff employed on short term contracts.

2.3 Estates & Facilities: Had an overspending of £1.6 million against budget at the year end. An overspending of £1.3 million arose as a result of the Force having to top up the self-insurance reserve following an actuarial review, plus some additional premises costs related to additional estates configuration costs, which were originally budgeted for within the capital budget.

3). Capital Position

A detailed Capital Report can be found at Appendix B to this report.

The PCC approved capital budget for 2016/17 was £12 million (part of a two year budget of £16.7 million). Expenditure for the year amounted to £7 million, the unapplied amount being carried forward to the 2017/18 capital programme.

4). Summary

Despite having to deal with some difficult financial challenges during 2017/18, particularly in having to try and achieve a savings target of £10 million, the Surrey Police Group financial position at the year end still shows a small surplus of £226 thousand pounds which has been transferred to the General Reserve.

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

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