

## **SURREY POLICE AND CRIME PANEL**

### **SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 8 FINANCIAL YEAR 2018/19 4<sup>th</sup> February 2019**

#### **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 30<sup>th</sup> November 2018, comparing the expenditure and income incurred by both Surrey Police and the Office of the Surrey Police & Crime Commissioner, with the revenue and capital budgets approved by the Police & Crime Commissioner in January 2018 for the financial year 2018/19.

#### **1) Introduction**

The gross revenue budget for the year is £214.6 million (£212.6 million Surrey Police & £2.0 million OPCC) an increase of £1.6 million compared to previous year's gross revenue budget of £213 million.

At the 30<sup>th</sup> November, the variance of total expenditure and income against budget was an under spend of £1.05 million (PCC £95 thousand underspent, Police Force £954 thousand underspent), with an end of year forecast that this figure will increase to an overspend of £442 thousand (PCC £73 thousand underspend, Police Force £515 thousand overspend).

#### **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 under spent by £1.2 million at the end of November chiefly as a result of police staff vacancies, netted off against some small overspends on supplies & services relating to specialist services such as medical and other expert statements for complex cases. The aggregate underspend on these budgets is expected to increase as we move to the end of the financial year with the year-end forecast predicting that these budgets will be underspent by just over £2 million.

**2.2 PSD:** Is currently underspending its budget by £259 thousand but by the end of the year because of salary increases within the Vetting Section and an increasing amount having to be paid out in legal fees, this Department is expected to have an overspend at the year-end of £300k.

**2.3 Service Quality:** This budget at the end of November is underspent by £235k as a result of police staff vacancies, the situation is likely to continue for the remainder of the year so that the forecast is for a year-end underspend of £327k.

**2.4 Change Programme:** Currently underspent by £698 thousand, this underspend will reduce as the year progresses to a figure of just £14k by the year end, which will represent the reduced costs incurred in achieving the 2018/19 Savings Plan.

**2.5 IT:** Is underspending by £419k, across a range of products including NICHE and Body Worn Video. A review of some IT projects such as Single Niche and Office 365 by the new Head of IT has resulted in their implementation being deferred to next year, which will increase the end of year forecast underspend to £1.15 million.

**2.6 Insurance Services:** The Force's insurance contract for motor vehicles recently came to an end and because of the poor claims record of the police, only one bidder tendering for the new contract the insurance premium has risen by £1 million per year, with a half year cost falling into the current financial year. This increased premium is the main reason why the budget has a year-end forecast overspend of £693k.

**2.7 Central:** This budget currently shows a saving of £3.52 million at the end of September, with a year-end forecast out-turn saving of £1.41 million. This saving has been primarily created as a result of holding income received from Sussex Police in respect of collaboration activities, which will in due course be transferred to individual budgets across the Force reducing the underspend by £1.3 million. In addition a planned revenue to capital transfer has not yet been put into effect and when this happens the underspend on this budget will reduce by a further £1.5 million. The end of year forecast for this budget is an underspend of £115k.

**2.8 Police Payroll:** The number of police officers budgeted at the start of the financial year was 1870. It was known that the actual number of officers actually employed at the 1<sup>st</sup> April 2018 was higher than this number at 1952, but it was expected that over the year the number in post would reduce with the amount being expended on police salaries showing a commensurate reduction. Unfortunately the number of police officers employed by Surrey Police although dropping is now not expected to get down to the budgeted number

of 1870 until the end of December, although the number will drop below this number by around twenty-five posts by the 31<sup>st</sup> March 2019. . Although recruitment of police officers, with the exception of detectives has been stopped, the fact that it has taken longer than expected to bring the numbers down to the budgeted level has given rise to an overspend on the police pay budget of £3.54 million at the end of November and although the rate of overspend will continue to decline over the remaining four months of the year as numbers continue to reduce, the end of year overspend is still forecast to increase to £4.22 million.

### **3). Capital Position**

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

The PCC approved Capital Budget for 2018/19 is £10 million, with £8.4 million being carried forward from last year and £3 million being deferred into 2019/20 making a total Capital Budget of £15.4 million. The significant capital projects are ICT and Fleet replacement schemes, Digital Enablement, Building the Future, Agile Working and the Integrated Communication and Control System (ICCS). Total capital expenditure at the end of November amounts to £5.6m with committed orders not yet paid amounting to a further £2.2 million all of which is well within budgetary allocations.

### **4). Summary**

With eight months of the financial year having elapsed, the end of year forecast is that there will be an overspend of £442k (PCC underspend of £73k Surrey Police overspend of £515k) against the approved budget. The two major reason for this projected overspend, are that firstly the number of police officers currently employed by Surrey Police exceeds the budgeted level despite the Force's attempts to reduce recruitment and secondly the increase in the motor insurance premium has produced an in-year £500k overspend that was not foreseen at the time the budget was set. However, the month 8 end of year forecast has seen a reduction of around £800k in the forecast presented to the Panel at the November meeting, as a result of the deferment of several IT schemes and other measures are being developed to try and reduce the projected overspend further before the end of the financial year.

David Munro  
Police & Crime Commissioner

**EQUALITIES & DIVERSITY IMPLICATIONS:**

None arising.

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FINANCIAL OVERVIEW AS AT NOVEMBER 2018

**INCOME AND EXPENDITURE**  
**PCC REVENUE BUDGET**

	Year to Date			Annual		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
<b>PCC TOTAL</b>	<b>1,262</b>	<b>1,356</b>	<b>(95)</b>	<b>1,965</b>	<b>2,038</b>	<b>(73)</b>

**FORCE REVENUE BUDGET BY FUNCTION**

	Year to Date			Annual		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
North Division	2,533	2,398	135	3,741	3,670	71
East Division	2,597	2,662	(65)	3,948	4,072	(123)
West Division	3,173	3,267	(94)	4,922	5,003	(81)
Specialist Crime Local	5,487	2,479	3,008	6,888	4,013	2,875
Specialist Crime	4,962	7,470	(2,508)	6,965	11,078	(4,113)
Operations Local	(1,763)	(324)	(1,439)	(962)	(472)	(490)
Operations	2,926	2,742	184	4,082	4,137	(55)
Public Protection	1,716	1,889	(173)	3,142	2,851	292
Criminal Justice	4,718	4,958	(240)	7,247	7,473	(226)
Probationers	0	0	0	0	0	0
Contact Management	10,170	10,181	(11)	15,157	15,366	(209)
<b>Sub Total</b>	<b>36,520</b>	<b>37,721</b>	<b>(1,201)</b>	<b>55,131</b>	<b>57,190</b>	<b>(2,060)</b>

Chief Officers	379	565	(186)	579	851	(272)
DCC	724	766	(42)	1,101	1,139	(38)
PSD	1,357	1,616	(259)	2,731	2,431	300
Corporate Comms	798	817	(19)	1,307	1,238	69
Service Quality	1,413	1,648	(235)	2,159	2,486	(327)
Change Programme	421	1,119	(698)	1,824	1,838	(14)
<b>Sub Total</b>	<b>5,092</b>	<b>6,531</b>	<b>(1,439)</b>	<b>9,701</b>	<b>9,984</b>	<b>(283)</b>

IT	9,331	9,749	(419)	13,477	14,625	(1,149)
Finance	674	656	18	1,157	995	162
Estates & Facilities	7,870	7,218	651	10,500	10,353	147
Building the Future Estates	265	284	(20)	386	428	(43)
People Services	5,460	5,106	354	6,739	7,696	(956)
Insurance Services	2,187	1,070	1,117	2,282	1,589	693
Procurement Services	137	142	(5)	204	214	(10)
Transport Service	587	440	147	564	654	(90)
<b>Sub Total</b>	<b>26,510</b>	<b>24,665</b>	<b>1,845</b>	<b>35,309</b>	<b>36,554</b>	<b>(1,245)</b>
Central	1,739	5,438	(3,699)	8,026	8,141	(115)
Police Payroll	70,603	67,062	3,542	104,955	100,736	4,218
<b>FORCE TOTAL</b>	<b>140,464</b>	<b>141,417</b>	<b>(953)</b>	<b>213,121</b>	<b>212,606</b>	<b>515</b>

**REVENUE BUDGET BY COST TYPE**

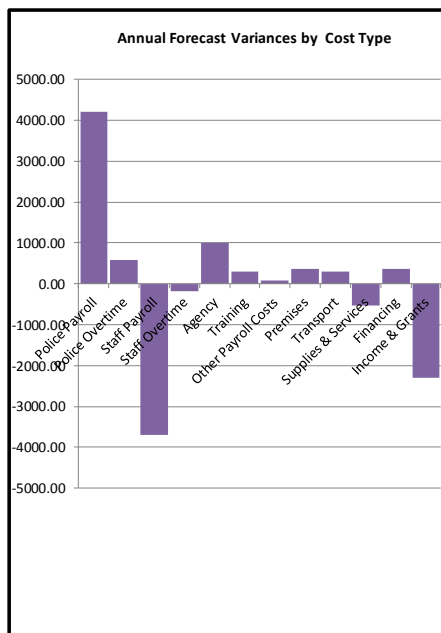
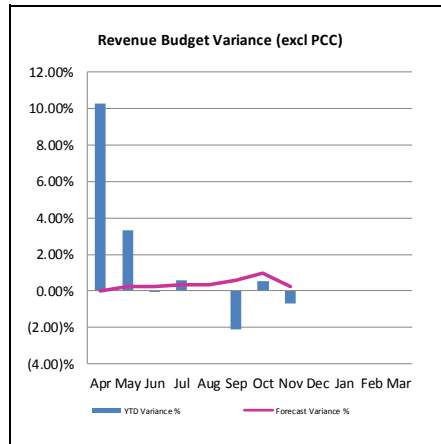
	Year to Date			Annual		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Police Payroll	70,603	67,062	3,542	104,955	100,736	4,218
Police Overtime	2,566	2,495	71	4,621	4,030	591
Staff Payroll	41,030	44,365	(3,336)	62,399	66,097	(3,697)
Staff Overtime	802	1,004	(202)	1,359	1,547	(188)
Agency	665	551	113	1,822	827	996
Training	1,090	942	148	1,724	1,413	310
Other Payroll Costs	2,584	2,382	203	3,699	3,607	92
<b>Sub Total</b>	<b>119,340</b>	<b>118,800</b>	<b>539</b>	<b>180,578</b>	<b>178,257</b>	<b>2,321</b>

Premises	6,661	6,289	372	9,285	8,928	357
Transport	4,095	2,961	1,134	4,626	4,323	304
Supplies & Services	16,810	18,835	(2,026)	28,767	29,297	(530)
Financing	373	994	(621)	1,859	1,491	368
<b>Sub Total</b>	<b>27,938</b>	<b>29,079</b>	<b>(1,141)</b>	<b>44,538</b>	<b>44,039</b>	<b>498</b>

Income & Grants	(6,814)	(6,462)	(352)	(11,995)	(9,690)	(2,305)
<b>Sub Total</b>	<b>(6,814)</b>	<b>(6,462)</b>	<b>(352)</b>	<b>(11,995)</b>	<b>(9,690)</b>	<b>(2,305)</b>

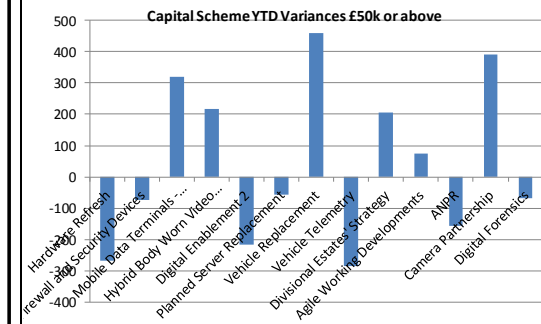
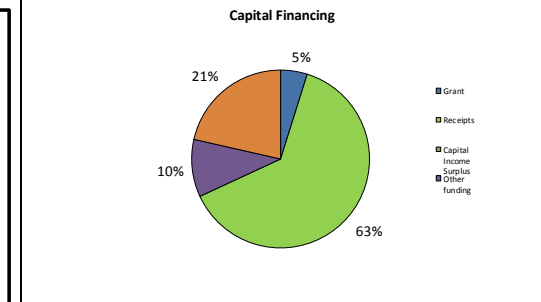
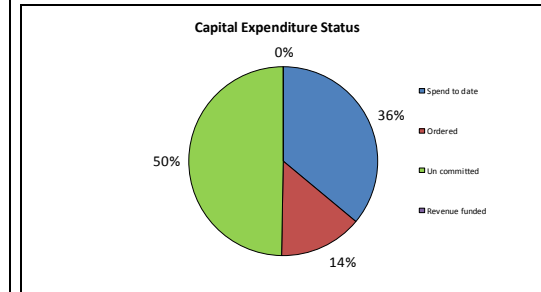
<b>FORCE TOTAL</b>	<b>140,464</b>	<b>141,418</b>	<b>(954)</b>	<b>213,121</b>	<b>212,606</b>	<b>515</b>
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**INCOME AND EXPENDITURE**  
**REVENUE BUDGET VARIANCES**



**CAPITAL EXPENDITURE**  
**PORTFOLIO VARIANCES**

Summary Position	Year to Date			Annual		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
IT Strategy	266	2,085	(1,819)	3,428	3,483	(55)
Fleet Strategy	3,002	2,525	477	3,582	3,549	33
Estates Strategy	1,673	3,874	(2,201)	6,012	5,948	64
Other Specific	615	1,246	(631)	1,481	2,231	(750)
Unallocated	0	0	0	0	207	(207)
<b>Total</b>	<b>5,556</b>	<b>9,730</b>	<b>(4,174)</b>	<b>14,503</b>	<b>15,418</b>	<b>(915)</b>



# Appendix B

LW105

C3 - Capital Report 2018/19  
Month 8  
November



Surrey & Sussex  
Policing Together

Scheme	Chief Officer	Total 18-19 Budget including Contributions	Actual Spend YTD Apr-18-Nov-18	Full Year Budget YTD Variance	O/S Orders	Actual Spend YTD plus O/S Orders	Full Year Forecast	Forecast to Budget Variance	Total Budget for 2019/20	Total 2 Year Budget inc. Contributions
<b>ICT Infrastructure Renewal / Business Continuity</b>										
Hardware Refresh	CIO	550,000	10,968	(539,032)		10,968	280,968	(269,032)	0	550,000
Laptop Replacement Programme	CIO	0	0	0		0	0	0	0	0
Networks / Cabling	CIO	887,071	20,512	(866,559)	8,035	28,547	887,071	(0)	0	887,071
Network Storage	CIO	100,000	0	(100,000)		0	100,000	0	0	100,000
Access Identity Management	CIO	50,000	0	(50,000)		0	25,000	(25,000)	0	50,000
NetApp Storage Refresh	CIO	0	5,470	5,470		5,470	5,470	5,470	0	0
Infrastructure & Networks	CIO	100,000	48,355	(51,645)		48,355	98,355	(1,645)	0	100,000
Wireless	CIO	215,000	0	(215,000)		0	215,000	0	0	215,000
<b>Sub-Total</b>		<b>1,902,071</b>	<b>85,306</b>	<b>(1,816,765)</b>	<b>8,035</b>	<b>93,341</b>	<b>1,611,865</b>	<b>(290,206)</b>	<b>0</b>	<b>1,902,071</b>
<b>Specific ICT Capital Schemes</b>										
Firewall and Security Devices	CIO	175,000	0	(175,000)		0	100,000	(75,000)	0	175,000
Telephony	CIO	125,000	0	(125,000)		0	250,000	125,000	0	125,000
IL4 Remediation (Collaboration)	CIO	68,000	0	(68,000)		0	68,000	0	0	68,000
Lync Federation and Edge Services	CIO	34,000	0	(34,000)		0	0	(34,000)	0	34,000
Mobile Data Terminals - Refresh	CIO	0	174,433	174,433	149,691	324,124	320,923	320,923	0	0
Hybrid Body Worn Video Infrastructure	CIO	291,000	0	(291,000)		0	507,000	216,000	0	291,000
Digital Enablement 2	CIO	321,000	0	(321,000)		0	105,000	(216,000)	0	321,000
Confidential Environment	CIO	32,000	0	(32,000)		0	32,000	0	0	32,000
Protective Monitoring	CIO	45,000	0	(45,000)		0	0	(45,000)	0	45,000
Planned Server Replacement	CIO	75,000	3,520	(71,480)		3,520	18,520	(56,480)	0	75,000
ARK Infrastructure	CIO	25,000	0	(25,000)		0	25,000	0	0	25,000
APPV & SCCM	CIO	68,000	0	(68,000)		0	68,000	0	0	68,000
Private & Public Cloud	CIO	113,000	0	(113,000)		0	113,000	0	0	113,000
Enterprise Vault	CIO	80,000	0	(80,000)	49,328	49,328	80,000	0	0	80,000
Avtec Climate Monitoring	CIO	10,000	0	(10,000)		0	10,000	0	0	10,000
Exchange Backup (Altavault)	CIO	50,000	3,110	(46,890)	22,749	25,859	50,000	0	0	50,000
DEMS / DAMS	CIO	68,662	0	(68,662)		0	68,662	0	525,338	594,000
<b>Sub-Total</b>		<b>1,580,662</b>	<b>181,063</b>	<b>(1,399,599)</b>	<b>221,768</b>	<b>402,831</b>	<b>1,816,105</b>	<b>235,443</b>	<b>525,338</b>	<b>2,106,000</b>
<b>Fleet Annual Replacement Schemes</b>										
Vehicle Replacement	CFO	2,998,849	2,927,832	(71,017)	1,217,043	4,144,875	3,317,832	318,983	0	2,998,849
Vehicle Telemetry	CFO	550,000	73,832	(476,168)	392	74,224	263,832	(286,168)	0	550,000
<b>Sub-Total</b>		<b>3,548,849</b>	<b>3,001,664</b>	<b>(547,185)</b>	<b>1,217,435</b>	<b>4,219,099</b>	<b>3,581,664</b>	<b>32,815</b>	<b>0</b>	<b>3,548,849</b>
<b>Specific Capital Schemes</b>										
Building the Future	CFO	2,670,000	0	(2,670,000)		0	2,670,000	0	0	2,670,000
Divisional Estates' Strategy	CFO	389,420	517,767	128,347	26,949	544,716	596,117	206,697	0	389,420
Air Conditioning	CFO	6,730	23,472	16,742		23,472	23,472	16,742	0	6,730
Former Section House Scheme	CFO	382,720	18,742	(363,978)	3,530	22,273	382,720	0	0	382,720
Estates' Strategy - Environmental	CFO	170,000	5,773	(164,227)	162,619	168,393	170,000	0	0	170,000
Estates' Strategy - Guildford and Staines Custody	CFO	471,908	435,247	(36,661)	5,020	440,267	488,629	16,721	0	471,908
Agile Working Developments	CFO	1,555,642	671,625	(884,017)	77,600	749,226	1,380,115	(175,527)	0	1,555,642
Electric Vehicle Infrastructure	CFO	95,000	0	(95,000)	89,007	89,007	95,000	0	0	95,000
Niche Evidential Property	CFO	206,338	0	(206,338)		0	206,338	0	0	206,338
<b>Sub-Total</b>		<b>5,947,758</b>	<b>1,672,627</b>	<b>(4,275,131)</b>	<b>364,726</b>	<b>2,037,352</b>	<b>6,012,392</b>	<b>64,634</b>	<b>0</b>	<b>5,947,758</b>
<b>Specific Capital Schemes - Operations</b>										
ANPR	ACC Op	324,000	168,599	(155,401)	83,032	251,631	168,599	(155,401)	0	324,000
Taser Replacement and Uplift	ACC Op	316,761	0	(316,761)		0	(172,825)	(489,586)	0	316,761
Drone Replacement	ACC Op	29,000	0	(29,000)		0	31,149	2,149	0	29,000
Camera Partnership	ACC Op	500,000	0	(500,000)		0	390,000	(110,000)	0	500,000
<b>Sub-Total</b>		<b>1,169,761</b>	<b>168,599</b>	<b>(1,001,162)</b>	<b>83,032</b>	<b>251,631</b>	<b>416,923</b>	<b>(752,838)</b>	<b>0</b>	<b>1,169,761</b>
<b>Specific Capital Schemes - Local Policing</b>										
ICCS	ACC Op	161,000	126,923	(34,078)	74,817	201,739	189,986	28,986	0	161,000
Digital Interview Recording Phase 1&2	ACC LP	50,000	0	(50,000)	40,628	40,628	50,000	0	0	50,000
ESN- Hardware & Infrastructure	ACC Op	0	0	0		0	0	0	500,000	500,000
ESN-Devices	ACC Op	0	0	0		0	40,000	40,000	500,000	500,000
CC6 Soft Vacate	ACC LP	81,000	0	(81,000)		0	81,000	0	0	81,000
Queue Buster 101	ACC LP	60,000	0	(60,000)		0	60,000	0	0	60,000
ICAD - New Modules	ACC LP	95,000	0	(95,000)		0	95,000	0	0	95,000
<b>Sub-Total</b>		<b>447,000</b>	<b>126,923</b>	<b>(320,078)</b>	<b>115,445</b>	<b>242,367</b>	<b>515,986</b>	<b>68,986</b>	<b>1,000,000</b>	<b>1,447,000</b>
<b>Specific Capital Schemes - Specialist Crime</b>										
HTCU & POLIT Infrastructure Remediation	ACC SC	63,204	317,894	254,690	185,907	503,801	63,204	0	20,000	83,204
Digital Forensics	ACC SC	322,000	0	(322,000)		0	254,000	(68,000)	200,000	522,000
Specialist Crime Capabilities Programme	ACC SC	166,000	2,013	(163,987)		2,013	167,276	1,276	0	166,000
FISH Replacement	ACC SC	64,000	0	(64,000)		0	64,000	0	0	64,000
<b>Sub-Total</b>		<b>615,204</b>	<b>319,907</b>	<b>(295,297)</b>	<b>185,907</b>	<b>505,814</b>	<b>548,480</b>	<b>(66,724)</b>	<b>220,000</b>	<b>835,204</b>
<b>Total Schemes</b>		<b>15,211,305</b>	<b>5,556,089</b>	<b>(9,655,216)</b>	<b>2,196,347</b>	<b>7,752,436</b>	<b>14,503,415</b>	<b>(707,890)</b>	<b>1,745,338</b>	<b>16,956,643</b>
Unallocated - Budget Only	CFO	207,239		(207,239)		0	0	(207,239)	1,847,300	2,054,539
<b>Overall Total</b>		<b>15,418,544</b>	<b>5,556,089</b>	<b>(9,862,455)</b>	<b>2,196,347</b>	<b>7,752,436</b>	<b>14,503,415</b>	<b>(915,129)</b>	<b>3,592,638</b>	<b>19,011,182</b>