

## **SURREY POLICE AND CRIME PANEL**

### **SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 6 FINANCIAL YEAR 2019/20 27<sup>th</sup> November 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> September 2019, 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 2019 for the financial year 2019/20.

#### **1) Introduction**

The gross revenue budget for the year is £235.1 million (£233 million Surrey Police & £2.1 million OPCC) an increase of £20.5 million compared to the previous year's gross revenue budget of £214.6 million.

At the 30<sup>th</sup> September, the variance of total expenditure and income against budget was an over spend of £3.23 million (PCC £0.701 million & Police Force £2.529 million), with an end of year forecast that the over spend will be eliminated and an under spend of £135 thousand will be achieved (PCC £74 thousand underspend, Police Force £61 thousand underspend).

#### **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 over spent by just £36 thousand. By the end of the financial year it is expected this will become an underspend of £906 thousand primarily because of savings in staff pay in Operations resulting from difficulties in fully recruiting to the full police staff establishment.

**2.2 Professional Service Department (PSD):** Is currently underspending its budget by £26 thousand, but by the end of the year because of increasing amounts having to be paid out in legal fees, in connection with some high profile cases and from the issuing of Domestic Violence Protection Orders (DVPOs), this budget is expected to overspend at the year-end by £498k.

**2.3 Service Quality:** Overspending the budget by just £39 thousand at the end of September, this is expected to turn into an under spend of £248 thousand by the year end, because of vacancies being maintained within the Information Management team pending a restructuring exercise that is due to be implemented.

**2.4 IT:** Currently overspent by £698 thousand at the end of September, it is expected primarily because of staff vacancies that this budget will be under spent at the year-end by £329 thousand.

**2.5 Estates & Facilities:** This budget shows an over spend of £2.454 million at the end of September because the business rates payable on Surrey Police properties are paid early in the year. By the year end the over spend is expected to reduce to £302 thousand.

**2.6 Building the Future:** Currently showing an under spend of £19 thousand this is expected to increase to £341 thousand by year-end due to delays in making appointments to the team that will deliver this project.

**2.7 Insurance Services:** The Force is experiencing problems with the insurance markets appetite to provide insurance cover to police forces because of the nature of the business and the poor claims record that police forces have. The September overspend of £495 will reduce as the year progresses and negotiations take place with insurers, but it is anticipated that an over spend of £284 thousand will remain at the year-end.

**2.8 Central:** At the end of September this budget shows an over spend of £1.868 million. It is expected that the over spend will reduce to £1.329 by the year end, but will not be eliminated primarily because of the unbudgeted interest costs of £867 thousand, associated with the earlier than planned purchase of the new Leatherhead site for the Building the Future project, which have been charged against this budget.

**2.9 Police Payroll:** Police pay is underspent because of the increase in budget that followed the above inflation precept increase that was approved in February of this year. The Force continues to increase the number of police officers that are recruited in order to permanently increase the Surrey Police Officer Establishment and in the meantime is using the underspend generated by the time lag that arises while recruitment and training takes place, to temporarily increase the number of PCSOs and Investigative Officers, whose costs are not charged to the Police Payroll Budget. The underspend on this budget at the end of September was £716 thousand, which is expected to reduce to £365 thousand by the year end as more Police Officers are added to the establishment.

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

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

The PCC approved a Capital Budget for 2019/20 of £22.768 million. Budget virements have been recently approved by the PCC and the revised Capital Budget for 2019/20 now amounts to £20.309 million. Actual spending against this budget at the end of September comes to £3.661 million and is expected to increase to a figure of £20.249 million by the year-end which is within the revised Capital Budget for the year.

#### **4). Summary**

With six months of the financial year having elapsed, the end of year forecast is that there will be an under spend of £135 thousand (PCC under spend of £74k Surrey Police under spend of £61k) against the approved budget. This indicates that the Surrey Police Group is currently achieving a satisfactory financial performance, but with a number of sizeable variations in particular budget areas it is important that careful management of the finances of the Group is maintained.

David Munro  
Police & Crime Commissioner

#### **EQUALITIES & DIVERSITY IMPLICATIONS:**

None arising.

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