

SURREY POLICE AND CRIME PANEL**SURREY POLICE GROUP FINANCIAL REPORT FOR
MONTH 8 FINANCIAL YEAR 2019/20****7 February 2020****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 30th November 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 30th November, the variance of total expenditure and income against budget was an over spend of £312,032k (PCC £601,336k over spend & Police Force £289,304k underspent), with an end of year forecast that the under spend will increase to an underspending of £642,814k by the year-end (PCC £131,87k underspent & Police Force £510,97k underspent).

2). Individual Significant Revenue Budget Variances

A Financial Overview statement is provided at Appendix A to this report, showing the individual financial performances of the various individual management portfolios and a breakdown of the same information by cost type. Members will note that the portfolio structure is different to the functional split of police expenditure given in previous reports, the new structure better reflecting the way in which the Force's financial resources are managed. The reasons for any significant variance from budgets is given below:-

2.1 Local Policing: Is currently over spending by £1.180million and it is forecast that this overspend will increase to £1.302million by the year end. The reasons for the overspend can be attributed to overtime payments to cover police

officer vacancies, over spending on police staff due to work load and an overspend on supplies & services due to additional costs for the digital interview recording project.

2.2 Operations: The month 9 position shows an under spend of £732 thousand, which is expected to increase to £860 thousand by the year-end. Whilst Operations are overspending on police officer overtime, they are underspending on supplies and services and achieving more income from the Camera Partnership than expected which is giving rise to a net underspending position.

2.3 Specialist Crime: Is reporting an under spend of £1.332million at the end of November. By the end of the year it is forecast that the under spend will increase to £1.516million due to police staff vacancies offset to a small extent by overspends in police officer pay.

2.4 EQUIP Project: Under spent currently by £1.763million this figure is expected to reduce to £1.550million by the year end and arises from an under spend in supplies and services of £2.5million and a projected overspend of £0.6million in agency costs for consultants, plus an over spend of £0.2million in staff pay. It should be noted that re-negotiations with KPMG the firm contracted to provide the system integration expertise have yet to be concluded.

2.5 Commercial & Finance Services: Currently showing an under spend of £10.6million this portfolio is forecast to move into an over spend situation of £3.015million by the year-end. The Estates department are forecasting an over spend of £1.1m due to additional costs for remedial works during the year including higher rates for preliminary work on new projects. Transport is forecasting an over spend of £0.3m, due to higher demand. The Building the Future project is overspending on the financing element as the purchase of the new site was 6 months earlier than the budget plan allowed for, with loan repayments and interest costs of £0.6m being incurred, less additional income from the site of £0.2m that has been generated by purchasing early. In addition further delays in the delivery of the national Emergency Services Network and with some flexibility in the overall Surrey Police Group Budget, the decision has been taken to overspend on Commercial & Finance Services to fund (£1.3 million) the replacement of Airwave handsets needed to keep the existing emergency communications system operational until ESN is successfully delivered.

2.6 Police Officer Pay: Is managed centrally and is therefore not delegated to the other budget portfolios which reflect all other costs but not that of police officers.

The Force are currently under spending on police officer pay, as the pace of recruiting the extra police officers being paid for out of last year's precept increase and the extra grant money given by the Government gathers momentum. By the year-end it is forecast that the under spend will have reduced to just £600k, partly because of the impact of employing the extra officers, but also because the police officers 2019/20 pay award was set at 2.5% and only 2% had been allowed for in the budget, as the public sector pay cap was still in operation at the time of setting the budget.

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 £20.668million. Actual spending against this budget at the end of November comes to £4.489 million and this figure is expected to increase to a figure of £20.282 million by the year-end which is within the revised Capital Budget for the year.

4). Summary

With eight months of the financial year having elapsed, the end of year forecast is that there will be an under spend of £642.8 thousand (PCC under spend of £131.8k Surrey Police under spend of £510.9k) 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 to deliver this outcome by the year-end.

David Munro
Police & Crime Commissioner

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

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Surrey Corporate Report

Nov-19	Year to Date		
	Actual	Budget	Variance
Portfolio			
Local Policing	24,117,593	22,937,075	1,180,519
Operations	2,349,966	3,081,548	(731,582)
Specialist Crime	10,689,912	12,022,289	(1,332,377)
Corporate Services	5,601,781	6,901,482	(1,299,701)
Information & Communication Technology	10,015,445	9,950,908	64,537
People Services	4,378,380	4,063,540	314,840
Equip	614,871	2,378,534	(1,763,663)
Commercial and Finance Services	7,793,057	18,438,696	(10,645,639)
Non Delegated - Police Pay	87,279,957	73,356,196	13,923,761
Operational Policing Total	152,840,964	153,130,268	(289,304)
PCC for Surrey Police	2,010,243	1,408,907	601,336
Total Police Fund	154,851,207	154,539,175	312,032

Full Year		
Forecast	Budget	Variance
36,481,236	35,179,096	1,302,140
3,837,530	4,697,992	(860,462)
18,055,952	19,572,003	(1,516,051)
10,216,691	10,389,071	(172,380)
14,826,825	14,948,283	(121,458)
6,159,082	6,165,762	(6,680)
2,019,165	3,570,017	(1,550,852)
30,673,537	27,658,006	3,015,531
110,229,472	110,830,186	(600,714)
232,499,489	233,010,416	(510,927)
1,986,046	2,117,933	(131,887)
234,485,535	235,128,349	(642,814)

Cost Type			
Police Officer Pay	87,279,957	73,356,196	13,923,761
Police Officer Overtime	2,914,099	2,178,101	735,998
Police Staff Pay	42,705,061	46,209,648	(3,504,587)
Police Staff Overtime	914,106	694,665	219,441
PO Injury, Ill Health & Death Pensions	1,563,113	1,360,736	202,377
Other Employee Expenses	1,644,178	1,377,016	267,162
Temporary or Agency Staff	1,059,790	691,179	368,611
Restructure, Training & Conference Costs	1,104,372	833,021	271,351
Premises Related Expenditure	8,235,683	7,036,209	1,199,474
Transport Related Expenditure	6,549,737	3,406,178	3,143,559
Supplies & Services	18,995,330	22,070,013	(3,074,682)
Capital financing and contributions	4,789,100	1,811,496	2,977,604
Transfers to Revenue and Capital Reserves	(2,540,443)	(1,309,168)	(1,231,275)
Reconciling Man. Accs & Stat. Financial Reporting.	2,518,762		2,518,762
Grants & Income	(22,881,637)	(5,176,115)	(17,705,522)
Grand Total	154,851,207	154,539,175	312,032

110,229,472	110,830,186	(600,714)
4,624,177	3,554,030	1,070,147
67,836,248	70,361,273	(2,525,025)
1,353,616	1,128,547	225,069
2,108,575	2,081,105	27,470
2,541,894	2,058,915	482,979
2,166,222	1,399,437	766,785
1,443,849	1,249,904	193,945
11,404,463	10,305,045	1,099,418
5,722,094	5,146,231	575,863
31,265,960	33,700,482	(2,434,522)
6,371,379	4,057,180	2,314,199
(2,540,443)	-	(2,540,443)
2,518,762		2,518,762
(12,560,730)	(10,743,986)	(1,816,744)
234,485,535	235,128,349	(642,814)

Appendix B

Capital Budget Position at 30 November 2019

Scheme	Chief Officer	Total 19-20 Budget (incl. Conts)	Actual Spend YTD Apr-19-Nov-19	Full Year Forecast	Forecast to Budget Variance	Total Budget for 2020/21	Total 2 Year Budget
IT Renewal & Upgrades							
End User Devices							
Hardware Refresh Desktop & Laptops	CIO	810,000	16,069	810,000	0	621,000	1,431,000
Windows 10	CIO	986,000	6,345	986,000	0	0	986,000
Agile hardware (Estates)	CIO	300,000	0	300,000	0	300,000	600,000
Infrastructure							
Telephony	CIO	78,000	5,759	77,995	(5)	72,000	150,000
Office 365 Planning & Pre-implementation	CIO	0	0	0	0	371,000	371,000
Infrastructure & Networks	CIO	450,000	49,540	450,000	0	945,000	1,395,000
Datacentre Improvements	CIO	30,000	0	30,000	0	0	30,000
Planned Server Replacement	CIO	461,480	14,991	461,250	(230)	0	461,480
IL4 Remediation (Joint)	CIO	0	0	0	0	0	0
Firewall & Security Devices	CIO	1,000	1,121	1,121	121	0	1,000
IDAM	CIO	360,000		360,000	0		360,000
Airwave Upgrade	CIO	225,000		225,000	0		225,000
Process							
Network Monitoring Tool	CIO	200,000	0	200,475	475		200,000
Digital							
DEMS / DAMS	CIO	659,000	74,377	658,660	(340)	0	659,000
Body Worn Video Infrastructure	CIO	184,000	0	183,600	(400)	0	184,000
Mobile data Terminals - Refresh	CIO	108,000	96,468	108,000	0	0	108,000
Joint Intranet	CIO	55,000		55,000	0		55,000
IT Developments (unallocated)	CIO	155,241	0	155,241	0	(63,987)	91,254
Sub-Total		5,062,721	264,669	5,062,342	(379)	2,245,013	7,307,734
Fleet Annual Replacement Schemes							
Vehicle Replacement	CFO	2,296,800	1,701,899	2,558,381	261,581	0	2,296,800
Fleet Equipment	CFO	479,000	0	479,000	0	0	479,000
Vehicle Telemetry	CFO	632,565	398,152	782,485	149,920	0	632,565
Operations Command Equipment	CFO	390,000	0	195,000	(195,000)	0	390,000
Sub-Total		3,798,365	2,100,051	4,014,866	216,501	0	3,798,365
Specific Capital Schemes - Estates Strategy							
Building the Future	CFO	3,000,000	15,329	2,015,329	(984,671)	5,530,231	8,530,231
Divisional Estates' Strategy	CFO	145,150	147,814	147,814	2,664	0	145,150
Air Conditioning	CFO	200,000	0	200,000	0	0	200,000
Former Section House Scheme	CFO	300,000	94,839	350,534	50,534	0	300,000
Estates' Strategy - Environmental	CFO	121,520	4,318	121,520	(1)	0	121,520
Agile Working Developments	CFO	1,801,968	98,198	1,818,724	16,756	0	1,801,968
Electric Vehicle Infrastructure	CFO	5,993	0	5,993	0	0	5,993
Niche Evidential Property	CFO	206,338	136,795	206,843	505	0	206,338
Sub-Total		5,780,969	497,293	4,866,757	(914,212)	5,530,231	11,311,200
Specific Capital Schemes - Operations							
ANPR	ACC Op	206,379	125,985	206,379	(0)	0	206,379
Taser Replacement and Uplift	ACC Op	400,761	0	400,761	0	0	400,761
Drone Replacement	ACC Op	8,851	(4,916)	35,084	26,233	0	8,851
Camera Partnership	ACC Op	503,500	31,974	894,974	391,474	0	503,500
Sub-Total		1,119,491	153,043	1,537,198	417,707	0	1,119,491
Specific Capital Schemes - Local Policing							
ICCS	ACC Op	40,950	0	40,950	0	0	40,950
ESN- Hardware & Infrastructure	ACC Op	500,000	0	500,000	0	0	500,000
ESN-Devices	ACC Op	155,000	0	155,000	0	345,000	500,000
Queue Buster 101	ACC LP	24,855	27,147	27,147	2,292	0	24,855
Storm-Surrey Contact Centre	ACC LP	2,500,000	215,482	2,492,419	(7,581)	0	2,500,000
Sub-Total		3,220,805	242,629	3,215,516	(5,289)	345,000	3,565,805
Specific Capital Schemes - Specialist Crime							
HTCU & POLIT Infrastructure Remediation	ACC SC	20,000	72,761	19,279	(721)	0	20,000
Digital Forensics	ACC SC	337,020	0	337,020	0	0	337,020
Specialist Crime Capabilities Programme	ACC SC	75,203	4,916	75,203	0	0	75,203
SEROCC Western Hub	ACC SC	1,154,215	1,154,215	1,154,215	0	0	1,154,215
POLIT Workstations	ACC SC	100,000	0	0	(100,000)	0	100,000
Sub-Total		1,686,438	1,231,892	1,585,717	(100,721)	0	1,686,438
Total Schemes		20,668,789	4,489,578	20,282,397	(386,392)	8,120,244	28,789,033
Unallocated - Budget Only	CFO	0		0	0	287,085	287,085
Overall Total		20,668,789	4,489,578	20,282,397	(386,392)	8,407,329	29,076,118