

Police and Crime Panel – 4th February 2022

Questions from Cllr Kennedy

Surrey Police Group Financial Report

- 1) Delivery of Savings – how can funding capital expenditure through borrowing rather than out of revenue be described as a “saving” for council taxpayers?
- 2) Will this be accepted by the Home Office as meeting its “savings” target?

The funding of Capital by borrowing rather than revenue was one of the suggestions made by CIPFA as part of their review to reduce pressure on the Revenue Budget. This takes the pressure off the revenue budget and matches the costs of providing assets to the years for which those assets are available. The alternative would be to make even greater cuts in the revenue budget and therefore impact services. The Home Office does not have a savings target for individual Forces – however they must balance their budgets

- 3) Operation Uplift: can you please reconcile the figures in the Financial Report (item 5) and at para 11 of the Precept Report (item 7) – suggesting that Surrey Police has recruited an additional 83.4 officers this year and 104 officers last year – with the Home Office’s figures suggesting that Surrey Police has only recruited 114 officers overall (and just 64 in 2021) so far out of a target of 259 – so still 145 (56%) short?

<https://www.gov.uk/government/statistics/police-officer-uplift-quarterly-update-to-december-2021>

Looking at 2021/22 the table in section 7 of the Finance report says that there are 83.4 officers recruited for uplift and precept for 2021/22. Para 11 in the recent report says there are $73+10 = 83$

Looking at Table U2 in the link you sent the total allocation for Surrey for Years 1 and 2 of Uplift is 155. Of that up to the end of December head count was 114 above the baseline. The Force are confident they will reach the target of 155 by the end of March – which is the target date. Not sure where the 64 come from – that looks like the precept recruitment for 2019 on table B1. As for the 259 this is the number that needs to be in place by 31st March 2023 so of course the target has not been reached yet

It’s also worth stating the Government figures look at movement against the baseline not just new recruits. Hence officers leaving/retiring come off the total hence the movement up and down each month

- 4) Given that Home Office figures suggest that Surrey Police has so far only recruited an average of 4 new officers a month since the start of Operation Uplift in September 2019, how confident can we be that Surrey Police can recruit the extra 10 new officers a month needed to reach the target by 31 March 2023?
- 5) Is there any risk that the Operation Uplift funding will have to be returned?

Surrey Police recruitment has been strong over the last two years, and continues to be so, with good responses from our recruitment campaigns. The Force was an early adopter of the new range of entry routes to policing (the Police Entry Qualifications Framework – PEQF) which gives a variety of options to join us (with or without an existing degree), and maximises the opportunities for recruitment:

- Police Constable Degree Apprenticeship (PCDA)
- Degree Holder Entry Programme (DHEP)
- Police Now
- Detective DHEP
- Detective Police Now

The Force has also invested in coaches for both uniformed and detective officers joining.

It is worth stating that the uplift figures only represent the net increase on the baseline. In reality the Force has had to recruit 3 times as many new officers to cover not only the Uplift numbers but also natural wastage through retirement etc. However with the recruitment pipeline in place the Force is confident it will meet the net uplift target by 31st March 2022. It is therefore not anticipated that any funding will need to be returned.

This link states that every Force, including Surrey, met their uplift target for 2020/21.

[Police officer uplift, England and Wales, quarterly update to 31 March 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/police-officer-uplift-england-and-wales-quarterly-update-to-31-march-2021)

- 6) Also can you explain why para 12 of the Precept Report analyses new officer/staff numbers by the previous PCC's commitments, rather than the priorities in the PCC's new plan (which were shared with the Panel's finance sub-group in the briefing)?
- 7) Are these gross or net figures?

The table is actually based around the "Force Commitments" rather than the old plan. In reality new officers join Neighborhood policing Teams initially (unless they are in the Detective stream) rather than any specialist area and so they could be dealing with any or all of the PCC's priorities in their day to day work. The figures in the table show where the new "uplift" officers have been allocated so they are net in that they represent an increase over the baseline

- 8) The figures in para 12 of the Precept Report do not precisely tally with the new officer figures at para 11 and in the 8 months Financial Report. Are these just rounding errors?
 2020/21: the total uplift is 104 at para 11 but 102 at para 12
 2021/22: the total uplift is 83 (83.4) at para 11 but 79.5 at para 12
 2022/23: why is there no analysis of where the 98 (or 145) new officers will be allocated? Surely this is what residents really want to see going forward so that they can see how the additional precept will be spent?

I think that table 12 shows what is in place and table 11 shows what is to be delivered. As stated above all these new officers will initially join Neighborhood Policing Teams to gain experience. It should be noted that the additional officers are being provided by Uplift – none are coming from the precept

- 9) For these “Uplift” allocations to make any sense and have any reliability, we need to see how the total number of officers and staff across the entire force are allocated by priorities, not just new officers, and staff. Otherwise there is too much risk that they are calculated against shifting sands. Can we see this overall analysis please, so that we can have confidence in the “Uplift” figures?

Uplift is about the Government providing additional funds to recruit new officers. Data has to be submitted to the Home Office showing the net increase in officers over the baseline and this is available on line. In addition the panel also received updated on a regular basis hence you can be confident in the figures provided. Where Uplift officers are allocated is an operational decision for the Chief Constable but in reality they join the 800 strong Neighborhood Policing Team after initial training.

OPCC Financial Update

- 10) The OPCC Financial Update (item 6) indicates that the Deputy PCC’s forecast full year pay for 2021/22 (including NI and pensions) has increased from £58,391 as reported at the last Panel meeting to £63,000 in this latest report.
- 11) At the last Panel meeting (see draft minutes at para 4 of 85/21 at page 5 of the current agenda), the Chief Executive explained that the earlier £58,391 figure includes backdated pay for work undertaken prior to the Deputy PCC’s formal confirmation of appointment on 8 July, and that this backdating was considered fair and reasonable.
- 12) Please can you explain the reason for this further increase of £4,601?
- 13) In the interests of transparency, can the public and the Panel please be told what discretionary payments have been and are being made from public funds to the Deputy PCC, and why? Please itemise each payment included in the forecast “Pay, NI and Pensions” figure of £63,000 above the Deputy PCC’s statutory post-appointment entitlement by:

Amount of extra payment made/to be made
 Date payment made/to be made
 Date payment authorised and by whom
 Dates and hours worked for this payment
 Rate of pay authorised
 Taxes and pensions included.

I have itemized in the table below all the salary payments for the DPCC.

Month	Gross Pay	NI	Pension	Total
Jul-21	9,971.05	1,070.89	1,645.22	12,687.16
Aug-21	4,462.50	514.12	736.31	5,712.93
Sep-21	4,462.50	514.12	736.31	5,712.93
Oct-21	4,462.50	514.12	736.31	5,712.93
Nov-21	4,462.50	514.12	736.31	5,712.93
Dec-21	4,462.50	514.12	736.31	5,712.93
	32,283.55	3,641.49	5,326.77	41,251.81

The £41,251 is in Appendix A of the PCC finance report

You can see that the annual equivalent is £4,462.50 x 12 = £53,550 as agreed with the panel.

If the same rates are assumed for the rest of the year, then the total will be £58,390 hence the £63,000 projection is too high and will be adjusted for next month. No other payments other than standard pay have been made to the DPCC or none are anticipated.

OPCC Budget

14) What is the proposed OPCC staff headcount compared with the current 13.7?

We are looking to recruit an additional 4 full-time equivalent staff (Head of Communications and Engagement; Criminal Justice Policy Officer; Partnership Policy Officer; Contact & Correspondence Officer). However, with one member of staff expecting to reduce their hours, we would anticipate this equating to around 3.5 additional FTEs. We have not yet fully defined the role of a mental health policy officer.

It should be noted that only £270k of the growth in the OPCC budget is related to these new posts. The remainder is for growth in salaries for existing staff and other costs.

15) Which OPCC roles are currently, and now budgeted to be, paid for by grants?

A proportion of a grants officer is paid out of the grant

16) Which OPCC roles are currently, and now budgeted to be, employees and how many are proposed to be filled by secondees/consultants?

We have no roles that are currently filled by secondees or consultants and have no plans to fill roles in this way.

17) Why are budgeted OPCC office costs not expected to increase in line with the proposed increase in headcount?

18) Wouldn't there be a significant increase in recruitment costs, given the high level of recruitment proposed?

We don't anticipate a significant increase in office costs. Staff will continue to work in an agile way (i.e. spending a proportion of their working week at home). The cost of recruitment processes is generally low as we can advertise posts for little or no cost using social media.

- 19) What phasing has been assumed for the assumption of new staff, based on the proposed new headcount?
20) Is this realistic?

A full year budget has been included for the new staff so this may lead to an underspend in the year. That said efforts are being made to recruit to these posts as quickly as possible although we must balance this against the demands on existing staff in terms of interviewing, induction etc. Given the current state of the labour market it may take a while to find people with the specific skillset required .

- 21) Please can you provide a %age breakdown of the nature and source of the increased number of contacts for 2021 reported in the graph on page 65?

The OPCC does not have a contact management system and so is unable to provide this level of detail. We do however categorise 'reasons for contact' – e.g. complaint; dissatisfaction; query; information request etc.

- 22) What is the current, and proposed new, level of expenditure/headcount to support the PCC's national mental health lead role on the Association of Police and Crime Commissioners?
23) Why does this need to increase, and why does it need to be funded by Surrey residents?

£45,723 has been included in the budget for this post. Every PCC takes a lead role in an area they are interested in and agrees to accept any costs they may incur to support them in this role. Hence although Surrey residents will be funding assistance for mental health, they will benefit from investment made by other PCCs for their areas of interest. The PCC has a particular interest and experience in mental health and sees it as a very important area which needs to be more joined up between the Police, Health and Social Services.

- 24) Was the prospect of a 17% increase in the OPCC's budgeted expenditure specifically canvassed in the PCC's precept consultation?

The public were asked whether they wished to pay more for their precept rather than their view on any individual element of the budget.

- 25) It is clear from the OPCC Budget Report that the OPCC is already engaging with the public and securing a fair share of the limited number of grants available from Government to support its commissioning work. The PCC and the Deputy PCC have strong professional backgrounds in communications and lobbying and have close personal links with Ministers. Given the personal nature of the PCC's role and responsibilities, is there really a need for additional staff to supplement

strategic communications on the PCC's behalf? Wouldn't this just be duplication, and subject to diminishing returns?

We would disagree with this assertion. We anticipate the work of PCCs (and in turn their offices) to continue to grow this year. The Government's agenda for PCCs is to increase their responsibilities – for example in the governance and oversight of fire (White Paper expected imminently), a greater role in the criminal justice system and potentially more responsibilities for commissioning. At a local level, we will continue to oversee the BTF programme as it progresses. Contact with the office remains on an upwards trajectory. The PCC has recently taken on responsibility for chairing and managing the strategic Criminal Justice Board. In respect of commissioning, the budget allocated to Surrey continues to grow year on year. There continues to be increasing opportunities to 'bid' for funding pots across the year, which is resource intensive. In terms of comms activity, we currently have just one full-time member of staff who is solely dedicated to comms and engagement activity which does not allow the PCC and Deputy PCC to engage as widely and with as many residents and groups as they would wish to. An additional member of comms staff will assist with this.

26) 2021/22 has been an unusually busy and resource-intensive year for the OPCC, putting all its staff under strain, because:

- a) the new PCC and Deputy PCC have understandably been on a steep learning curve, requiring significant additional resource compared with other years, not only from their own available time but also from OPCC staff.
- b) the PCC has had to review a number of major strategic projects inherited from her predecessor, such as the BTF project.
- c) the development of a new police and crime plan has, as reported at the last Panel meeting, involved an enormous amount of work.

With a significantly reduced workload in 2022/23, is there not now scope to reduce the staff resources required by the OPCC to perform its functions, compared with the exceptionally high level of resources required in 2021/22?

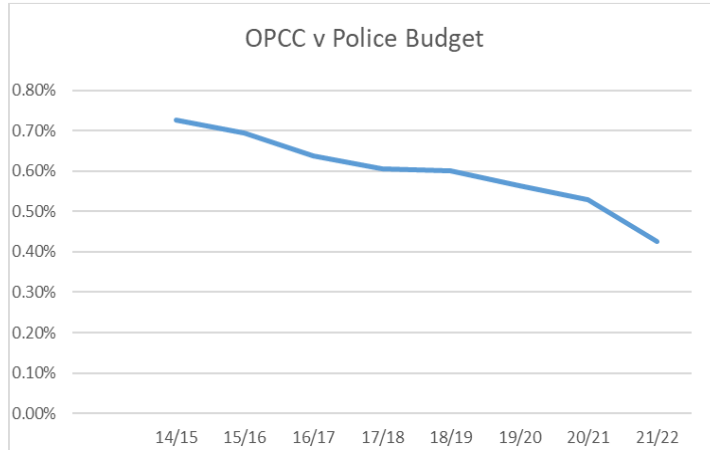
We do not believe that the workload will decrease; rather we are putting resources in place to meet the increase we are already experiencing and expect this to grow further. That said resources will be regularly reviewed and if there is scope to make a reduction then this will be done.

27) Was the Chief Executive of the OPCC asked to consider the operational impact of a reduced or unchanged OPCC budget for 2022/23 (as the Chief Constable was), without the exceptional additional workload of 2021/22, and what was her response?

It is the view of the Chief Executive that the workload for 2022/23 will increase. We have considered the operational impact of an unchanged OPCC budget and are of course conscious of the implications of any increase in staffing. However, to remain as we are will have a significant impact on our ability to support the PCC in the discharge of all her responsibilities and the delivery of her plan. We remain the

smallest PCC's office in the region by a considerable margin and among the smallest in England and Wales.

The chart below, which is included in the papers, clearly shows how the OPCC operational costs have fallen as a proportion of the total budget:



With the increase proposed the proportion will rise to 0.5% which is still less than that it was in 20/21

Precept Report

28) Paras 5 and 49-58 indicate that there will have to be a reduction in Police Staff even with the maximum precept, and that reduction would be even larger with a lower precept. How many Police Staff will be lost in each scenario?

With the maximum £10 precept no additional staffing reductions are required however the vacancy margin will need to be retained at 8%. A more detailed breakdown of the £2.9m is shown below:

Cost type	Surrey 2022/23 £m
Pay related savings	0.6
Vacancy Management	0.3
Recruitment, Training & Materials	0.8
Supplies & Services	1.0
Travel, Subsistence, Accommodation	0.2
Total	2.9

If however a 1.99% increase, equivalent to £5.80, was set then a further £2.1m of savings would be required. This would be achieved through a vacancy freeze which would, by the end of the year, lead to a further 132 vacated posts by April 2023 over and above the current vacancy margin.

- 29) Price inflation is much higher than the 2% assumption. What impact will 5% inflation have on the reduction in Police Staff numbers?
 30) What impact will a 1% higher pay rise than 3% have on the loss of Police Staff?

Inflation is indeed a concern however the Force believe they have made adequate provision – provided the high inflation is relatively temporary. 1% on pay increases costs by £2.1m which is equivalent to 64 staff

- 31) Why are the savings set out at paragraphs 43-44 in 2022/23 budgeted to be so low (£2.9m) compared with previous years, and with the further £13.9m of savings required in the following two years according to the MTFP (para 66)?
 32) Why can't some of these savings be found/brought forward to 2022/23?

The 2022/23 Savings represent the level of savings the Force believes it can deliver in the year and can therefore remove from the budget. Given £81.5m has already been delivered (para 43) the scope for new easy savings is much reduced. Future significant savings can only be made through major transformation of both operational and back office services which will take probably a year to plan and deliver and hence cannot be brought forward. It is worth noting that most of the savings required for 2023/24 onwards still need to be identified

- 33) Is it possible to include reserve movements in previous years, to put the table at paragraph 47 (page 85) in context?
 34) Why is there no assumed use of the OPCC operational reserve in 2022/23, when Appendix A to the OPCC Budget Report (item 8) on page 65 indicates a transfer of £250,000?

The table below shows the movement in reserves over the last few years. 2021/22 onwards are estimated.

	General Reserves	Earmarked Reserves	Total
2016/17	8,700	6,396	15,096
2017/18	6,147	6,907	13,054
2018/19	6,812	10,441	17,253
2020/21	8,327	11,437	19,764
2021/22	8,000	12,500	20,500
2022/23	8,500	8,700	17,200
2023/24	8,600	8,300	16,900

General reserves, based on CIPFA advice, are set at 3% of budget.

The OPCC use of reserves has been applied against the Cost of Change reserve for the moment.

- 35) The precept consultation last year received 4,464 responses and 2,602 comments, nearly double this year's response. Could more, and better informed, responses have been secured if the consultation had lasted longer and included more detail about the PCC's budget proposals, as last year?

The timing and duration of the survey is always difficult given the need to analyse information received from Government and then have sufficient time to analyse survey results to inform the PCC's proposal to the panel. We promoted this year's survey in the same way we did in previous years. Looking at the levels of responses in previous years – we have seen fluctuations. Whilst last year we received 4,464, in the previous year (2020) the total was 3,112 which is similar in volume to this consultation. The lower response this year may be due to the recent and extensive consultation carried out by the PCC and Deputy PCC in the autumn to inform the Plan. The timing was also such that it was during high covid concerns with the new variant which may have had an impact. We welcome anything that the panel can suggest, such as actions their Councils have taken to promote their Council Tax surveys, to increase response rates. We would also like to thank the panel for helping to circulate the survey.

- 36) What information is available about the respondents' links with Surrey Police and the OPCC, and what proportion were contacted through Force and OPCC contacts or their social media?

We did not ask whether respondents had a link with Surrey Police or the OPCC. However, we did ask where they had heard about the survey. 13.9% said they had heard about it through Surrey Police Twitter, Facebook or website and 13.35% through the OPCC Facebook, twitter or website. As per the answer above we would be keen to make the survey more widely known so any suggestions would be welcome

- 37) The total number of responses this year (2,645) is coincidentally similar to the number of Surrey Police officers and staff. They were not of course the only respondents, but a smaller number of responses make it more likely that Force and OPCC contacts will constitute a larger proportion than last year. Given that Force and OPCC contacts are more likely to be supportive of additional resources than the general public, and that there were no specific budget proposals to consider, how confident can we be that the views expressed are genuinely representative of wider public support for an increased precept?

The survey was open to any individual resident in Surrey. We did not ask for a respondent's employment or indeed whether they pay Council Tax since this is not relevant. No doubt some respondents who live in Surrey will work for the Police but it is worth noting that a significant proportion of Surrey Police and OPCC staff live outside Surrey as they simply cannot afford the cost of housing in the county.

The survey did ask where respondents had heard about it. Around 48% said they had heard about it either through Neighbourhood Watch or the 'In The Know' community messaging system which residents sign up to for updates. This would not suggest that the majority of respondents were Force or OPCC contacts. The survey is as representative as we can make it in that it was available to all residents to complete and was widely advertised given the financial and time restraints we

were operating under. Any suggestions to improve the response rate would be useful.

- 38) The Surrey Police precept has increased by nearly 30% over the last 5 years. How can a further 3.5% increase be justified to council tax payers?
 39) Is there any prospect that such increases will ever stop?

The report sets out in some detail the justification for the increase being requested this year. Future increases will depend on a number of factors such as the demands on the Force from the public and how crime changes, inflation and economic factors, Government Policy in respect of grant funding, the need to use of precept to fund Police, level of efficiencies achieved etc. Decisions on future increases will be made at the appropriate time balancing all these and other competing factors.

As has been shared with the panel due to Government Policy in the last 10 years Government funding as a proportion of total spend has fallen to be replaced by funding from Council Taxpayers. This has led to Surrey receiving the lowest level of funding per Band D taxpayer for policing in England.

Performance Meetings

- 40) Given the delay to the BTF programme, which is a large part of Surrey Police's response to the climate emergency, is there any realistic prospect that Surrey Police can achieve its target to become carbon-neutral by 2030?

BTF only forms part of the Force's climate action plan and it is intended that any existing buildings reused at MTB will be upgraded to take account of the carbon commitment. Surrey Police and the OPCC are still committed to the aim of being Carbon-neutral by 2030. The force is currently employing a new Head of Environment and they will be able to carry out a better assessment.

- 41) What is the likely timing of the next PEEL review?

The new HMICFRS PEEL inspection regime is one of continuous assessment, and inspectors have been attending Force meetings and speaking to key staff over the course of the last year. The continuous assessment process ends with a phase of more concentrated HMICFRS activity, with a team of inspectors undertaking observations, interviews and "reality testing" over the course of four weeks (two weeks in person and two weeks virtually). That four-week period is running from 17th January to 11th February, and the inspection report is expected to be published by HMICFRS around May/June (although HMICFRS timelines can slip).

- 42) Has there been any discussion of approaches to antisocial behavior, as this remains a significant concern in my area?

Yes, and these remain ongoing as the PCC monitors data relating to ASB, recognising that it is a concern for very many people. The Panel received a

comprehensive report on the work of the OPCC around ASB (and latest performance data) at its last meeting.

Key decisions

43) The JAC meeting on 20 October highlighted that there was very little to show for nearly £9 million spent on the EQUIP project. What lessons have been learnt, and are there any implications for the budget?

This sum has been spent over several years and therefore there are no implications for the budget. The final set of ERP software, Documentation and Licenced assets transferred to us at the end of the Equip project were capitalised as an intangible asset of £1.9m in December 2020 and although some of those are still being used and/or have potential for use, an impairment of 50% was put through during 2020/21 to reflect technical obsolescence due to the passing of time.

A lesson's learnt report has been prepared and shared with the Joint Audit Committee. One important lesson is that processes should be changed to fit in with available standard systems rather trying to design a system to meet existing processes. All of the lessons learned have been built into the programme management approach and delivery of the current ERP programme.

44) What were the 3 recommendations in the IA report on local procurement?

45) How local is local?

Local procurement means procurement that is managed locally within divisions rather than through central procurement. It does not mean geographically local. The recommendations were:

- *Quarterly checking of a sample of contracts under £50k, which are not on the central register, to ensure all documentation is in place*
- *Provide the Chief Finance Officer meeting with a report on expiring/expired contracts*
- *Reiterate in routine orders that Purchase orders are raised for all commitments*

PCC Questions

46)Q What were the total costs (including the costs of the preliminary search and recent review) of the abandoned project to move Surrey Police's HQ to Leatherhead, and how will they be accounted for?

The total spent on the project so far are £1.58m. £435k was spent on the review

47)Can any value be retrieved from the costs of the Leatherhead HQ project for the benefit of Surrey Police, for example through reuse of any Leatherhead specifications for the new HQ at Mount Browne;

A substantial amount of the consultant work thus far on the Leatherhead HQ project can and will be able to be reused for example the completed work around:

- *Operational and functional needs of the various commands*
- *Specialist needs*
- *The workplace strategy incl staff / workplace ratios and agile workplace needs*
- *Environmental Strategy*
- *Interiors strategy*
- *Mechanical and electrical strategy*

48)Can any value be retrieved from the costs of the Leatherhead HQ project for the benefit of the Leatherhead community, for example through sharing of environmental surveys and workplace travel plans?

There has been a lot of work with Transform Leatherhead that should be of benefit to MVDC and will in time help local communities. As the Mount Browne project progresses we are especially keen to link with our consultants and contractors when procured to see how they, working with us, can benefit Surrey as a whole by way of apprenticeships and training etc

49)What was the outcome of the review of Surrey Police's CCTV strategy, which was announced in the PCC's helpful response to my question of 15 September 2021, and how much capital and revenue expenditure is included in the proposed Surrey Police budget for CCTV monitoring and infrastructure, broken down for each borough and district?

The Force Finance team are looking in to whether this information is available. If it is it will be provided to a future meeting

The PCC received a report on the CCTV strategy at her performance meeting with the Chief Constable today (31st January). We can make this discussion available to members.

Recommendations tracker

50) Please thank the Strategic Planning team for the very useful report on staff allocation to boroughs and districts (pages 131-133). I had no idea we had so many in my district! Can this exercise be repeated say annually, and if so what is likely to be the most useful time of the year to undertake it?

We will raise this with colleagues in strategic planning and determine the best timescales.

Additional Question

51) The 'Corporate' line in the revenue summary in Appendix B (page 95) has increased from £10.4m to £13.8m - a 33% increase (£3.4m). Can you explain what is happening here please?

£2m of the increase represents the proposed "Change" program which is being funded from reserves. Most of the remainder relates to Capital Financing in the form of borrowing costs and MRP

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