

SURREY POLICE AND CRIME PANEL

SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 9 FINANCIAL YEAR 2015/16

4th February 2016

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 up to Month 9 (December) for the 2015/16 financial year.

This report compares the expenditure and income incurred by both Surrey Police and the Office of the Surrey Police & Crime Commissioner, against the financial plan approved by the Police & Crime Commissioner in January 2015 for the financial year 2015/16, together with other relevant financial information.

1. Introduction

1.1. The revenue out-turn position based on the information available at the end of Month 9 (December) is an under spend of £4.982 million, well within the approved revenue budget, although the year-end forecast is for a reduced under spend of £ 252 thousand. This situation has been partly caused by recruitment of Police Officers falling below target in the earlier part of the financial year, but the large recruitment drive initiated by the Force to remedy the situation and the approval of additional overtime to be worked by existing police officers and the employment of agency staff is expected to increase expenditure in the last three months of the financial year. In addition the Force is investing in improving the equipment carried by officers and a contract has just been signed to provide Surrey Officers with video worn cameras. This step forward in available technology will help officers to be more effective in their interactions with criminals, as offenders often positively modify their behaviours when they know they are being recorded and the video will on occasions provide factual evidence of events that might otherwise have been denied at later stage leading to protracted proceedings that the video evidence makes unnecessary.

Other initiatives taken during the year include a successful targeted burglary campaign. The provision of Tasers and associated equipment in anticipation

of the national review of fire arms capability. The installation of video conferencing facilities in main police buildings and the introduction of a range of forensic IT, including mobile phone examination devices and mobile data terminals for police officers. In addition I have authorised additional payments to be made to the Surrey Local Government Pension Fund to reduce the current scheme deficit which the actuary certified as amounting to £45 million at the last valuation, an amount that we are currently having to pay off in the form of increased employer annual instalments over the next twenty-years. By paying off lump sums when we can afford it, the actuary makes significant reductions in the annual additional payments that we make, therefore in practical terms giving us a recurring revenue saving that we can use to offset the budget reductions that we would otherwise have to make.

1.2. The net capital budget for the year has been set at £12.6m, which includes a £2.6 million carry forward from 2014/15, in addition the total available capital has increased by £1.1million from a combination of additional capital grant income and revenue to capital transfers making a total capital budget of £13.7million. Committed expenditure to date of £5.3m remains well within budget.

2. Individual Significant Revenue Budget Variances

2.1. Detailed at Appendix A is a table that provides the Force and PCC budget, split by function, together with other relevant financial information.

2.2. North Division: Currently underspent by £1.1m the forecast under-spend at the year-end is expected to increase to £1.4m. The saving on this budget is derived from vacant police posts throughout the year and vacant PCSO posts.

2.3. East Division: Underspent by £891k at month 9, the year-end forecast is for an increased under-spend of £1.3 m derived from Police Officer vacancies £1.1m and £0.3m on police staff pay arising from 20 vacancies across the division, including PCSO's, Investigative Officers' and Neighbourhood and CID admin staff.

2.4 West Division: The underspending at month 9 amounts to £1.2m and is expected to remain stable to the year-end. This position again arises from Police Officer vacancies £1.1m and police staff vacancies of over £0.4m.

2.5 Specialist Crime Non Collaborated: The current month 9 underspend is £830k, but by the end of the financial year this underspend figure is expected to halve. Police Officer costs will under-spend by £400k, police staff by £1.3m

and transport by £100k. These costs will be offset by a projected police officer overtime over spend of £400k, an over spend in supplies and services (where digital forensics demand requires greater investment) of £200k and a drive to raise investigative standards, (Operation Sherborne) via agency staff will incur additional costs amounting to £600k.

2.6 Specialist Crime Collaboration: At month 9 overspent by £446k due to Police Officer vacancies, the end of year forecast is for a reduction in the underspend to £348k.

2.7 Operations Collaborated: Currently underspent at month 9 by £1.6m this level of underspend is forecast to reduce to £694k by the year-end as more police officers are recruited,

2.8 Operations Non Collaborated: Underspent by £1.1m at month 9 the main non collaborative departments that form this side of the Operations Command include the Safety Camera Partnership, Protection Group and charges relating to Gatwick reclaimed from Sussex. There are also overtime costs and mutual aid income that relate to Surrey only operations, such as the Epsom Derby and Magna Carta event. The year-end forecast is for a reduced under spend of £0.5m which is net of over-spends on police officer pay, police officer overtime, police staff pay and supplies & services all covered by an excess of income recovered.

2.9 Criminal Justice: Currently underspent by £218k this budget is expected to overspend at the year-end by £625k due to police officer salary over spending in respect of Custody Constables and Inspectors following the death in custody operation.

2.10 Probationers: Underspent by £429k at month 9, this is a new budget heading that has been created to show the cost of probationary police constables who have not yet been allocated out to the Divisions. The costs of probationers was previously shown under the HR heading, which gave a misleading picture of Human Resource costs. As a result of the Force's recruitment drive it is forecast that this budget will be overspent by £568k by the year end.

2.11 Contact & Deployment: Overspent at month 9 by £89k, this overspend is expected to remain stable during the remainder of the year.

2.12 ACPO: At month 9 this budget has an overspend of £870k. The year-end forecast is for the overspend to reduce to £108k. This budget includes the JESIP and Op Heather expenditure both of which are recoverable, the former

from the Home Office the latter from a specific reserve. The underlying over spend is due to the staff office remaining over establishment.

2.13 DCC (Communications & Service Quality): This budget is underspent by £449k at month 9. This underspend will not increase in the remaining months of the year due to increased recruitment into staff vacancies.

2.14 Force Improvement: At month 9 this budget shows an overspend of £563k, by the year-end the forecast is for an over spend of £0.9m. The Force savings plan and cost of implementing change are recorded in this cost centre as well as the central change team. As such the variance represents the savings not yet taken from departments following the outcome of the Policing Together and Support Services reviews.

2.15 Shared Business Services: Currently showing an underspend of £97k at month 9, the underspend is forecast to reduce to £46k by the year-end, chiefly as a result of staff vacancies being offset by expenditure on agency staff.

2.16 ICT: This budget is overspent by £1.1m at month 9, an overspending which is forecast to reduce to £575k by the year-end. Staffing costs are underspent by £100k, but this is offset by agency spending of £0.5m related to contractors and finder's fees paid to recruitment search firms. There is an over spend in Supplies of £0.7m arising from set up costs for the Data Centre.

2.17 Finance and Services Non Collaborated: Currently underspent by £1.6m at month 9, the year-end forecast is for an overspend of £600k. This overspend has arisen as a result of the costs of moving the teams in Camberley (POLIT and DFT) to HQ and from an under recovery of overheads by the Joint Transport Department from the workshop.

2.18 Human Resources: At month 9 this budget is underspent by £475k. The forecast to the year-end is for an underspend of £300k. The underspend has arisen as fewer seconded officers have been charged to HR than was expected when the budget was set. Additionally 4 learner detectives have been moved out to departments which has also created an underspend.

2.19 Corporate: The position at month 9 shows an overspend on this budget of £3.2million and the year-end forecast on this budget is expected to reduce slightly to produce an overspend of £2.9million. The overspend arises mainly as a result of a revenue to capital transfer to fund the purchase of body worn video cameras and invest in the revised policing model that goes live in April, plus an additional payment into the Local Government Pension Scheme to

reduce the additional deficit payments we are required to make on an annual basis.

3. Capital Position

3.1. The total approved capital programme for 2015/16 is £13.7 million and detail of the programme is provided in Appendix B.

3.2. The significant capital projects are IT and Fleet replacement schemes, Digital Audio Interviewing Equipment, ERP upgrade, new desktop project, Air-conditioning, OPR Estate restructure and the CC6 Telephony scheme.

3.3. Capital expenditure up to month 6 is £4.1 million, with a further £1.2 million being committed in terms of issued orders.

3.4. Funding for the 2015/16 capital programme derives from; Home Office Grants £1.2m and Capital Receipts £11.4m and Other Funding (Revenue Contributions/Special Grants) £1.1m.

4. Summary

The Month 9 figures show that Surrey Police remains on target to achieve a year-end out-turn that is within the budgetary target set by the Police & Crime Commissioner in January of this year for both the revenue and capital budgets. As was forecast in the September report to the Panel, the under spendings that arose in the early part of the year are now reducing as increased spending is incurred during the final months of the year, which should produce for Surrey Police a balanced financial result at the 31st March 2016.

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

Lead Officer: Ian Perkin, Treasurer & Chief Finance Officer

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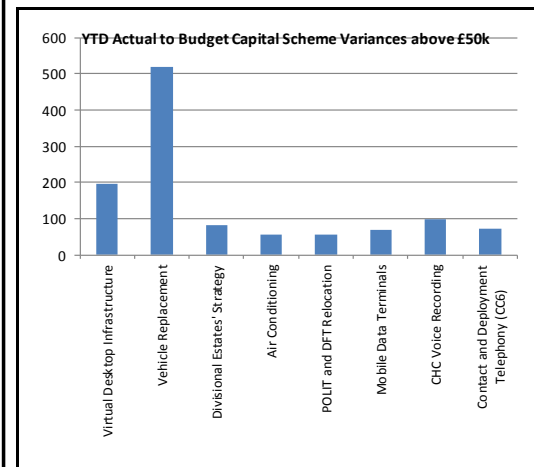
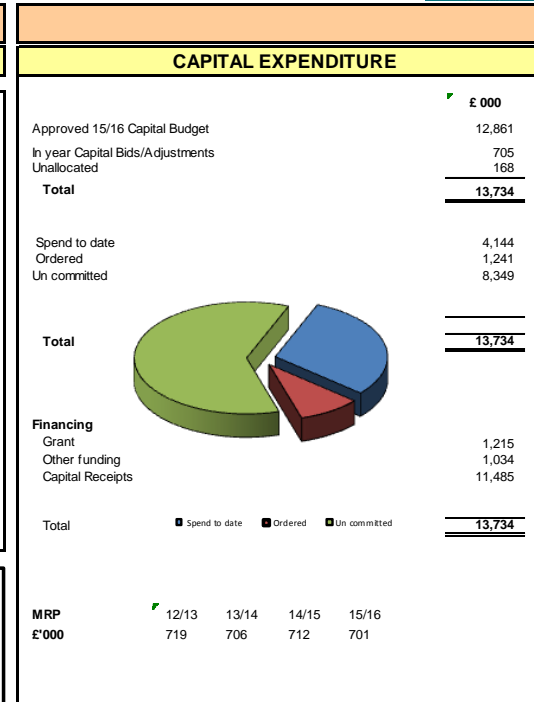
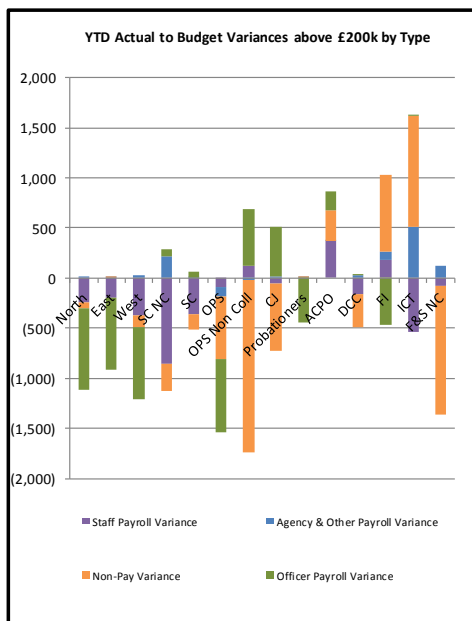
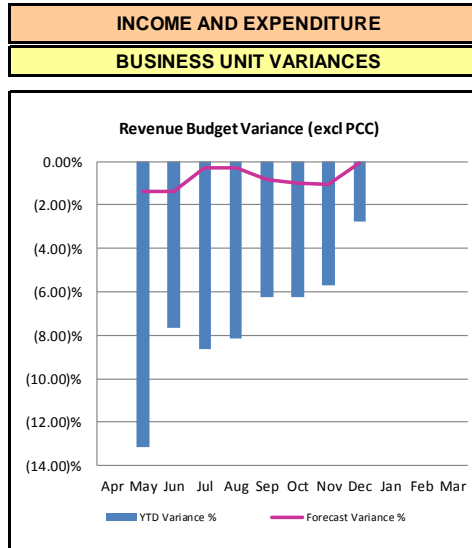
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FINANCIAL OVERVIEW AS AT DECEMBER 2015




INCOME AND EXPENDITURE						
	YEAR TO DATE			YEAR		
	ACT	BUD	VAR	BUD	F/C	VAR
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
PCC TOTAL	813	1,597	(784)	2,129	1,976	(153)
BUSINESS UNIT VARIANCES						
	YEAR TO DATE			YEAR		
	ACT	BUD	VAR	BUD	F/C	VAR
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
North Division	16,138	17,245	(1,107)	23,065	21,665	(1,400)
East Division	18,724	19,614	(891)	26,385	25,102	(1,283)
West Division	20,552	21,735	(1,183)	29,067	27,899	(1,167)
Specialist Crime Non Collab	15,100	15,930	(830)	21,942	21,509	(433)
Specialist Crime	5,768	6,214	(446)	8,567	8,219	(348)
Operations	10,017	11,552	(1,535)	15,439	14,745	(694)
Operations Non Collab	(451)	601	(1,052)	794	346	(448)
Criminal Justice	7,890	8,108	(218)	10,824	11,449	625
Probationers	1,909	2,338	(429)	3,130	3,698	568
Contact Management	11,041	10,952	89	14,606	14,713	106
Sub Total	106,687	114,289	(7,601)	153,819	149,345	(4,474)
ACPO	1,876	1,006	870	1,350	1,458	108
DCC	2,825	3,274	(449)	4,339	3,888	(451)
PSD	1,815	1,895	(80)	2,529	2,542	12
Diversity	154	163	(9)	218	200	(18)
Strategic Planning	103	120	(16)	160	144	(16)
Force Improvement	1,587	1,024	563	1,432	2,372	940
Sub Total	8,360	7,482	878	10,028	10,604	575
SBS	1,111	1,208	(97)	1,562	1,516	(46)
ICT	9,352	8,254	1,098	10,658	11,233	575
F & S Non Collab	8,466	9,716	(1,250)	12,272	12,888	616
F & S	650	539	111	718	731	12
Fed	139	153	(14)	196	197	1
HR	6,650	7,125	(475)	8,924	8,670	(254)
Sub Total	26,367	26,994	(627)	34,330	35,235	905
Corporate	7,182	4,031	3,151	5,374	8,270	2,895
BUSINESS UNIT TOTAL	148,597	152,795	(4,198)	203,552	203,453	(99)

COST TYPE VARIANCES						
	YEAR TO DATE			YEAR		
	ACT	BUD	VAR	BUD	F/C	VAR
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Police Payroll	72,616	75,389	(2,773)	100,929	97,903	(3,025)
Police Overtime	3,524	2,715	809	3,819	5,181	1,362
Staff Payroll	48,436	50,005	(1,569)	66,735	63,855	(2,880)
Staff Overtime	934	1,028	(94)	1,347	1,397	50
Agency	1,182	349	833	512	1,911	1,399
Training	925	876	49	1,166	1,111	(55)
Other Payroll Costs	2,834	2,482	352	3,165	4,781	1,616
Sub Total	130,451	132,844	(2,394)	177,673	176,141	(1,533)
Premises	6,290	6,009	281	7,972	8,081	110
Transport	2,418	4,532	(2,114)	5,613	5,258	(356)
Supplies & Services	17,582	18,091	(509)	24,478	27,569	3,091
Financing	1,656	512	1,143	683	1,656	973
Sub Total	27,945	29,144	(1,199)	38,746	42,564	3,818
Income	(6,496)	(5,141)	(1,355)	(7,411)	(9,527)	(2,116)
Grants	(2,490)	(2,455)	(35)	(3,328)	(3,748)	(421)
Sub Total	(8,986)	(7,596)	(1,390)	(10,738)	(13,275)	(2,537)
FORCE TOTAL	149,410	154,392	(4,982)	205,681	205,429	(252)



Appendix B

GLW105											
C3 - Capital Report 2015/16 Month 9 December											
											
Code	Scheme	Total 15-16 Budget	Actual Spend YTD Apr-15-Dec-15	O/S Orders	Actual Spend YTD plus O/S Orders	Bal of Year Forecast Jan-16-Mar-16	Full Year Forecast	Forecast to Budget Variance	Estimated Scheme Slippage into 2016/17	% Spend	RAG
ICT Infrastructure Renewal / Business Continuity											
6021	Hardware Refresh	306,357	170,100	40	170,140	78,131	248,231	(58,126)	0	70.27	
6022	Laptop Replacement Programme	0	11,272	0	11,272	0	11,272	11,272	0		
6024	Networks / Cabling	75,000	0	3,796	3,796	3,796	3,796	(71,204)	(71,204)	0.00	
6025	IP Phones	0	2,308	8,300	10,608	8,300	10,608	10,608	0		
6026	IT Peripherals - Printers	0	28,597	3,719	32,316	3,719	32,316	32,316	0		
6027	HOMA	666,800	666,480	300	666,780	300	666,780	(20)	0	99.95	
6055	ICT Improvements	0	3,000	930	3,930	930	3,930	3,930	0		
6086	Web Proxy Renewal	57,000	0	0	0	0	0	(57,000)	(57,000)	0.00	
6087	DMZ Link	50,000	0	0	0	0	0	(50,000)	(50,000)	0.00	
6088	Wi Fi Upgrades	50,000	0	0	0	50,000	50,000	0	0	0.00	
Sub-Total		1,205,157	881,757	17,085	898,842	145,176	1,026,933	(178,224)	(178,204)	73.17	
Specific ICT Capital Schemes											
6414	Information Architecture	207,500	49,697	0	49,697	157,803	207,500	0	0	23.95	
6415	Virtual Desktop Infrastructure	223,302	15,150	197,562	212,712	208,152	223,302	0	0	6.78	
6416	Apex application Migration	0	4,636	0	4,636	0	4,636	4,636	0		
6417	Checkpoint Firewall	140,346	42,657	0	42,657	97,689	140,346	0	0	30.39	
6425	Windows 2003 Refresh (Collaboration)	451,000	0	11,859	11,859	451,000	451,000	0	0	0.00	
6426	Public Services Network Upgrade (Collaboration)	181,000	0	0	0	181,000	181,000	0	0	0.00	
6427	Gazetteer	0	0	0	0	0	0	0	0		
6428	IL4 Refresh (Collaboration)	68,000	0	0	0	68,000	68,000	0	0	0.00	
6429	ICCS (Collaboration)	45,000	0	0	0	0	0	(45,000)	(45,000)	0.00	
6431	Shared Data Warehouse (Collaboration)	225,000	0	0	0	0	0	(225,000)	(225,000)	0.00	
6435	Monitoring of Applications (Joint Scheme)	181,000	0	0	0	0	0	(181,000)	(181,000)	0.00	
6436	New Desktop Project (Joint Scheme)	723,000	2,713	0	2,713	720,287	723,000	0	0	0.38	
Sub-Total		2,445,148	114,853	209,421	324,274	1,883,931	1,998,784	(446,364)	(451,000)		
Fleet Annual Replacement Schemes											
6201	Vehicle Replacement	2,193,042	1,852,787	519,364	2,372,151	519,364	2,372,151	179,109	0	84.48	
Sub-Total		2,193,042	1,852,787	519,364	2,372,151	519,364	2,372,151	179,109	0		
Specific Capital Schemes											
6390	Divisional Estates' Strategy	628,434	141,193	81,331	222,524	419,241	560,434	(68,000)	(68,000)	22.47	
6405	Police National Database	27,668	0	0	0	27,668	27,668	0	0	0.00	
6410	Reigate Custody Refurbishment	0	0	0	0	0	0	0	0		
6424	Reigate Parking Improvements	0	0	0	0	0	0	0	0		
6430	Air Conditioning	450,000	0	55,000	55,000	130,000	130,000	(320,000)	(320,000)	0.00	
6437	POLIT and DFT Relocation	640,000	22,947	56,110	79,057	617,053	640,000	0	0	3.59	July
6438	Former Section House Scheme	176,000	0	0	0	150,000	150,000	(26,000)	(26,000)	0.00	July
Sub-Total		1,922,102	164,140	192,441	356,581	1,343,962	1,508,102	(414,000)	(414,000)		
Specific Capital Schemes - Operations											
6321	ANPR Countywide - Fixed Sites	3,274	4,205	3,920	8,125	3,920	8,125	4,851	0	128.44	
6440	Elmbridge ANPR Grant	20,000	0	0	0	20,000	20,000	0	0	0.00	Oct
6442	ANPR	207,000	0	0	0	0	207,000	0	0	0.00	Dec
Sub-Total		230,274	4,205	3,920	8,125	23,920	235,125	4,851	0		
Specific Capital Schemes - Local Policing											
6364	Mobile Data Terminals	1,158,500	160,478	69,483	229,961	798,022	958,500	(200,000)	0	13.85	
6371	Enabling Neighbourhood Policing Bases	0	0	0	0	0	0	0	0		
6378	Digital Audio Interviewing (Joint Scheme) - Phase 1	590,647	478,533	11,554	490,087	92,114	570,647	(20,000)	0	81.02	
6397	E-Business TO BE CLOSED (Refer to scheme 6434)	0	(661)	0	(661)	0	(661)	(661)	0		
6411	ICAD Upgrade	82,114	46,443	0	46,443	35,671	82,114	0	0	56.56	
6412	CHC Voice Recording	98,000	0	98,982	98,982	98,982	98,982	982	0	0.00	
6420	Property Centralisation - Chertsey	6,473	6,473	0	6,473	0	6,473	0	0		
6423	Contact and Deployment Telephony (CC6)	555,312	426,056	70,618	496,674	129,256	555,312	0	0	76.72	
6434	Public Facing Digital Services	238,000	0	23,136	23,136	38,000	38,000	(200,000)	0	0.00	
6441	Body Worn Video	615,000	0	0	0	615,000	615,000	0	0	0.00	Dec
Sub-Total		3,344,046	1,117,322	273,773	1,391,095	1,807,045	2,924,367	(419,679)	0		
Specific Capital Schemes - Specialist Crime											
6419	Apollo Infrastructure	25,000	4,380	0	4,380	0	4,380	(20,620)	(22,810)	17.52	
6421	Cyber Crime	0	0	0	0	0	0	0	0		
6422	iBASE	0	0	0	0	0	0	0	0		
6433	CAID (Joint Scheme)	52,000	0	0	0	52,000	52,000	0	0	0.00	
6439	Intelligence and Tasking Review	50,000	4,836	24,576	29,412	45,164	50,000	0	0	9.67	July
6443	HTCU & POLIT Infrastructure Remediation	300,000	0	0	0	300,000	300,000	0	0	0.00	Aug
Sub-Total		427,000	9,216	24,576	33,792	397,164	406,380	(20,620)	(22,810)		
Specific Capital Schemes											
6432	ERP Enterprise Resource Planning (Collaboration)	1,800,000	0	0	0	0	0	(1,800,000)	(1,800,000)	0.00	
Sub-Total		1,800,000	0	0	0	0	0	(1,800,000)	(1,800,000)		
Total Schemes		13,566,769	4,144,280	1,240,580	5,384,860	6,120,562	10,471,842	(3,094,927)	(2,866,014)		
6301	Unallocated - Budget Only	167,623	0	0	0	167,623	167,623	0	0		
Overall Total		13,734,392	4,144,280	1,240,580	5,384,860	6,288,185	10,639,465	(3,094,927)	(2,866,014)		