**The Police and Crime Commissioner for Surrey**

**Approval of the Council Tax Precept and Revenue and Capital Budgets 2025/26**

**Report by Kelvin Menon, Treasurer to the Police & Crime Commissioner for Surrey**

**Purpose of the Report**

1. The purpose of this report is to request the Police and Crime Commissioner for Surrey (the PCC) to approve the revenue budget, capital programme and precept for the financial year 2025/26 and issue a demand to the billing authorities as a major precepting authority.

**Background**

1. The Local Government Finance Act 1992, as amended by the Localism Act 2011 sets out the requirements for the Commissioner to consider council tax calculations by major precepting authorities.
2. This report sets out the proposed revenue budget and capital programme for 2025/26, together with a review of the current year’s budget position to allow a budget and council tax to be approved in accordance with legislative requirements.
3. In preparing the Revenue and Capital Budgets for 2025/26 the PCC has considered the following issues:

* The financial settlement from Government to the Police for 2025/26;
* The recommendations of the of the Police and Crime Panel in respect of the Precept;
* The key principles underlying the four-year Medium Term Financial Plan 2025/26 – 2028/29 (MTFP).
* The likely revenue and capital outturn for 2024/25;
* The efficiencies to be made in 2025/26;
* The impact of different precept increases.
* The delivery of the Police and Crime Plan;
* The level and adequacy of Reserves;
* The risks associated with the budget for 2025/26 and beyond;
* The view of the Chief Constable on resourcing operational requirements;
* The view of the Chief Financial Officer on the robustness of the budget for 2025/26.

**Where we have come from**

1. In 2018/19, Government funding for policing began to increase after many years of zero growth at best. The Government also raised the referendum limit to enable PCCs to increase the Band D precept above inflation without a referendum. Finally in 2019 the Government announced its objective to recruit an additional 20,000 officers nationally (Project Uplift) over the three years to March 2023 for which additional funding was provided. As a result, the group budget rose by around £100m to £309m in the 10 years to 2024/25.
2. Although growth through Uplift has now finished, forces are expected to maintain numbers or suffer a financial penalty. Surrey has managed to hit these milestones and will need to continue to recruit and train large numbers of officers to replace those that leave or retire. It also cannot reduce officer numbers to achieve efficiencies.
3. In the last couple of years, the Government has also provided additional funding to offset the cost of the pay review body recommendations on police pay. In theory this grant has been given to offset the cost of the pay rise over 2.5% however in reality due to the way the money is distributed this does not cover the entire cost – and there is no guarantee that this additional funding will be put in the baseline going forward.
4. The Force has made significant savings over the last 10 years. Not only were the savings needed for 2024/25 found but additional savings were driven out to contribute to the 2025/26 savings requirement.

**Where are we now**

1. Last year the Chief Constable, Tim de Meyer, set out his vision for the Force and how it was going to be more responsive to public concerns. This was launched as “Our Plan” last year and, through a series of meetings across the county, residents were given the opportunity to hear and talk about it with the Chief Constable and the Commissioner.
2. Our Plan can be summed up as follows:

“Surrey Police fights crime and protects people. We strive to earn the trust and confidence of all our communities. Here for everyone who needs us, we put service before self”.

This statement is reflected in three objectives:

* We prevent crime and solve problems.
* We investigate crime thoroughly.
* We pursue criminals relentlessly.

This has meant a renewed focus on tackling anti-social behaviour, cracking down on shoplifting gangs, drug dealers and burglars in our communities and taking the most dangerous and persistent offenders off our streets.

1. As a result of the increase in the precept last year and a renewed focus on the three objectives above, this plan has now started to bear fruit with successes in a number of areas resulting in Surrey being one of the fastest improving Forces in the country.

1. The Chief Constable, with the support of the PCC, is keen to continue to drive improvements and has made the following commitments for improvement for 2025/26 in exchange for the Precept increase :

* Continue to recruit and retain officers and staff in an increasingly challenging market.
* Improve our charge rate still further to be in the top half of the table nationally. i.e. Move from 34th place to 22nd or higher.
* Maintain and build on our dramatic progress in Year 1
* Continue to build on the charge rate for shoplifting to beat the national average.
* Embed the use of analytics driven next-level crime management through 2025.
* Continue to increase our visibility to residents and respond robustly to public concerns.
* Set the foundations for further improvements in Year 3 with the goal of being in the top half for performance when compared with police forces nationally.

1. On 17th December 2024, the Minister of State for Policing and Crime, Dame Diana Johnson, announced the Provisional Police Grant report for 2025/26. In it the Minister said:

*“The provisional funding allocations set out in today’s report reflect this government’s commitment to working with policing and giving it the resources required to bridge the gap between policing and our communities. This is critical for restoring the public sense of safety on our streets.”*

*“Finally, I must use this opportunity to pay tribute to and thank our committed officers and police staff for the remarkable dedication, courage and resilience they show every day to keep this country safe. This investment today is an investment in these brave men and women. We look forward to working with officers and police staff across the country on our shared ambition to make our streets safer.”*

1. The Government announced that funding to PCCs would increase by £986m to £17.4bn. The increase was made up of £341m in core grant (this includes £75m transferred from Uplift), £65m for the Metropolitan and City of London Forces for national policing, £230m for National Insurance, £100m for Neighbourhood Policing, a reduction of £48m for Uplift (£75m has been transferred from Uplift to core grant) and £31m for pensions. It was also assumed that £330m of the additional funding would come from Council Tax if all PCCs increased their precept by the maximum £14 permitted without a referendum.
2. The provisional settlement was confirmed on the 31st January 2025 and the only change was the doubling of the Neighbourhood Policing grant from £100m to £200m.
3. The Chief Constable has made it clear in his meetings with the PCC that he supported the full increase in the precept of £14 in order to maintain the delivery of his operational improvements, as set out in “Our Plan”.

**Overall Financial Picture and Four-Year Plan**

1. The Medium-Term Financial Plan (MTFP) sets out the financial context for the revenue budget, capital programme and precept for the next financial year 2025/26 and estimates for a further three financial years.
2. It brings together all resources including grant, precept, fees and charges, income for special policing and use of reserves and capital.
3. This sets out that the plans are affordable over the four financial years. It also addresses risk. However, as the current Spending Review period ends this year there is a lot of uncertainty around future years.
4. Despite this the Financial Forecast has been prepared on the basis of a number of key assumptions. These are set in more detail in the Appendix C but the main ones are:

* No increase in Government funding except for uplift.
* Council Tax rises set at £14 for 2025/26 and then capped at 1.99%
* Pay inflation at 2.0% for each year in expectation that any increase over this level will be funded by Government.
* General inflation at 2% for each year
* No change in cost base i.e. no increase in headcount to meet changes in demand.

1. The Financial Forecast (Appendix C) shows that there will be an ongoing need for future financial savings on top of those already achieved. Whilst the forecast itself predicts that these could be over £18m over the 4 years from 2025/26 the actual amount will depend on circumstances at the time. For example, if pay was to rise by 1% above the 2% allowed this would add a further £2.4m to costs, which may then have to covered by additional savings. That said there is little doubt that future savings will be required – it is only the quantum that is uncertain.

**Police Financial Settlement 2025/26**

1. The Police financial settlement was announced on the 17th December 2024 and was confirmed on the 31st January 2025.
2. Nationally almost £1bn in additional funding of which roughly about 1/3 was from Council Tax, 1/3 for National Insurance and Neighbourhood, which are new costs, and 1/3 for core costs. Of the £341m given in core grants £75m has been transferred from Uplift and £175m is for the 2024/25 pay rise leaving £91m plus Council Tax to cover any pressures for 2025/26.
3. For Surrey the actual settlement is shown in the table below:

|  |  |  |
| --- | --- | --- |
| **Funding** | **2024/25 - Final**  **£m** | **2025/26 – Final**  **£m** |
| Principal Funding | 82.8 | 85.8 |
| Revenue Support Grant | 35.8 | 37.1 |
| Legacy Council Tax Grants | 9.2 | 9.2 |
| Operation Uplift | 6.0 | 5.7 |
| Pension Grants | 6.5 | 6.1 |
| National Insurance |  | 4.0 |
| Neighbourhood Policing |  | 2.6 |
| **Total** | **140.3** | **150.5** |
| **Increase** |  | **10.2** |

1. Changes have been as follows:

* £0.3m transferred from Uplift to core funding to baseline this funding
* Pension grant reduced as funding last year included set up costs
* National Insurance grant is to cover increase in costs due to NI increase. This though is about £0.5m short of the actual cost
* The £2.6m for Neighbourhood Policing is ringfenced for this and can only additional costs incurred can be claimed
* Uplift remains ringfenced and subject to maintaining a baseline of officers

**Budget Growth**

1. At the start of the budget process services are asked to submit their unavoidable growth bids for possible inclusion within the budget. These bids go through a rigorous challenge process to ascertain whether they are indeed unavoidable, and as a result a large number are dismissed.
2. The biggest growth relates to the pay with a 2% allowance for 2025/26. National insurance has also been reflected although this is partially funded. The total growth and the resulting budget is set out in the table below:

|  |  |  |
| --- | --- | --- |
| **Category** | **£m** | **£m** |
| **2024/25 Revenue budget** |  | **£309.7** |
| Adjustments: |  |  |
| Pay Inflation | 7.7 |  |
| Price Inflation | 1.3 |  |
| Police officer and staff increments | 1.3 |  |
| National Insurance | 4.5 |  |
| Op Uplift over recruitment | 0.8 |  |
| Capital funding and financing | 3.8 |  |
| IT and change | 0.6 |  |
| Victims and commissioning | 0.8 |  |
| Estates strategy | 0.6 |  |
| Neighbourhood Policing guarantee | 2.6 |  |
| Regional and national operations | 0.5 |  |
| **Total Cost Increases** | **24.5** |  |
| Less: Savings | (3.6) |  |
| **Total growth in budget** |  | **20.9** |
| **2025/26 Revenue Budget Proposed** |  | **£330.6** |

1. The Chief Constable is of the view that he requires a budget of £330.6m to:

* Meet the requirements of the Strategic Policing Requirement.
* Meet the priorities in the PCC’s Police and Crime Plan.
* To maintain and deliver the improvements set out in “Our Plan”
* Keep pace with the increasing demands of the Force.
* To minimise reductions in staffing and operational capabilities

**Efficiency Savings**

1. Surrey Police has a good track record of delivering savings and has delivered £86m since 2010.

As part of the settlement, the Minister set out her expectations that “forces raise their ambition on efficiencies and drive forward improvements to productivity while helping us deliver on our mission to create safer streets”. To this end the Government has launched the “Commercial Efficiencies and Collaboration Programme” which forces will be required to participate in. The Home Office expect the programme to “unlock immediate cost savings and lay the foundations to deliver hundreds of *millions of pounds of efficiency savings by the end of this Parliament”.*

1. The programme will initially target several priority areas. These include:

* Fleet – Require better use of existing frameworks and working with policing to standardise requirements enabling better value and reducing full life costs.
* Energy - working with the sector to ensure policing can harness wider purchasing power across government and wider public sector.
* ICT - ending the variation in prices for software contracts and then moving to smarter purchasing in other areas of technology.

1. There is a legal requirement for the budget to be balanced and the original budget for 2025/26 needed £3.6m of savings to fulfil this. £1.4m of this relates to savings brought forward from 2024/25 and the remainder will be found in restructuring and shift changes. As in last year even once the savings for 2025/26 have been delivered work will continue to identify further savings to apply against the 2026/27 requirement.
2. The achievement of savings is reported on regularly to the PCC as part of her Performance meetings with the Chief Constable.

**Council Tax 2025/26**

1. The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered excessive Council Tax and to propose limits. From 2013 onwards, any PCC that wishes to raise the council tax above the limits set by the Secretary of State will have to hold a referendum.
2. As part of the autumn statement the referendum limit was set by the Government at £14 giving a Band D Council Tax as set out below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Band D Council Tax** | **Change £** | **Change %** |
| 2025/26 | £337.57 | £14.00 | 4.3% |

1. In accordance with legislation the PCC proposal to increase the Council Tax precept by £14 was considered by the Police and Crime Panel on 3rd February 2025. The full report can be found on their website. The panel rejected the increase on the Chair’s casting vote – however this was not enough to veto the increase. The rejection was mainly because the panel was concerned that Surrey residents were being asked to provide funding which should be provided by Government and they were worried about the impact of an increase on some residents.
2. The increase in percentage terms is above the current rate of inflation but below the increase agreed by Surrey County Council and most other Police areas.
3. Billing Authorities have advised that the Council tax base for 2025/26 has increased to 526,600 Band D equivalent due to housebuilding and overall the collection funds are £2.6m in surplus.
4. The increase in the Band D precept of £13 coupled with the tax base increase will raise an additional will raise an additional £8.8m in 2025/26 which is reflected in the budget.
5. For illustrative purposes the impact on the Force of having a lower precept was considered. For each £1 that the precept was reduced by the Force would need to find £0.5m of savings. As 80% of the Force’s costs relate to wages and Police Officer numbers are protected due to Uplift this saving could only come by reducing Police Staff numbers. £0.5m is equivalent to 15 staff. This would increase the level of staff vacancies on top of the current vacancy margin. The Chief Constable was of the view that these reductions in key areas would put at risk the delivery of the improvements he wishes to deliver under his vision “Our Plan”.

**Surrey PCC Public Consultation on the Police Precept 2025/26**

1. As in previous years an online consultation with residents was commenced on 6th January 2025 to enable the PCC to gauge resident’s views on any increase.
2. The survey asked whether residents would be happy to pay an increase of £14 or not. 59% of residents that responded were in agreement with a £14 increase.

**Revenue Budget for 2024/25**

Performance for the year so far, up to Period 8, against the Revenue Budget 2024/25

1. Throughout the year, the PCC closely monitors the delivery of expenditure against budget in public Performance meetings. Regular updates have also been provided to the Police and Crime panel. Any revisions to those budgets in line with the Financial Regulations are noted as key decisions, if required, on the PCC’s website.
2. The revenue forecast as of 30th November 2024 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Surrey** | **Annual Budget**  **2024/25 £m** | **Forecast**  **Outturn**  **2024/25 £m** | **Variance £m** |
| PCC Budget | 3.2 | 3.1 | (0.1) |
| Operational Delivery Budget | 306.9 | 307.2 | 0.3 |
| **Total 2022/23 Budget** | **310.1** | **310.3** | **0.2** |
| Funding | (310.1) | (311.1) | (1.0) |
| **Grand Total** | **(0.0)** | **(0.8)** | **(0.8)** |

A more detailed report can be found on the Police and Crime Panel agenda for 3rd February 2025.

1. As at month 8 the Surrey Police Group is predicting an underspend of £0.8m which equates to 0.25% of the overall budget. The underspend in the main is due to the early achievement of savings which will be applied against the savings required in 2025/26.

Proposed Revenue Budget for 2025/26

1. A summary of the 2025/26 net revenue budget is below:



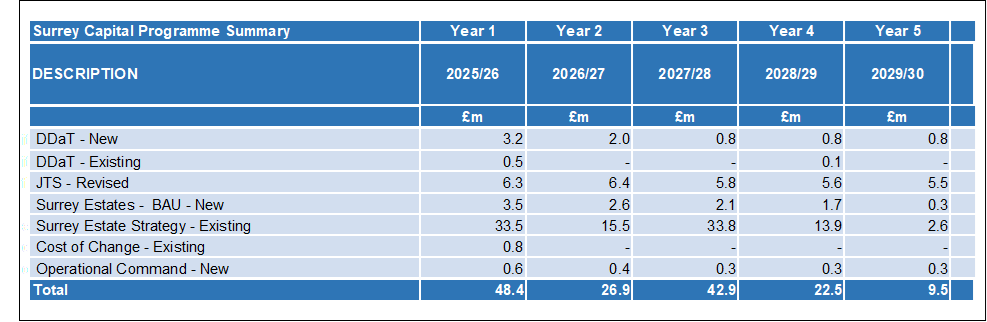
1. The total group budget is under the control of the Police and Crime Commissioner. However, almost 99% of it is delegated by the PCC to the Chief Constable to fund all day-to-day operational policing activities. The PCC retains a small part of the budget for the running costs of the Office of the Police and Crime Commissioner including Governance as well as providing and commissioning services in areas such as custody visitors, community safety, victim support and crime prevention. A breakdown of the OPCC budget is shown below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25**  **£m** | **2025/26**  **£m** | **Change**  **£m** |
| OPCC Net Operational Costs | 1.669 | 1.749 | 0.080 |
| OPCC Net Commissioned Services | 1.726 | 2.226 | 0.500 |
| Funded from Reserves | (0.250) | (0.250) |  |
| **Net OPCC Budget** | **£3.145** | **£3.725** | **0.580** |
| **%age of Group Budget** | **1.0%** | **1.1%** |  |
| **Operational costs as %age of net Budget** | **0.5%** | **0.5%** |  |

1. The 'OPCC Net Operational Costs” includes salary and associated costs of the PCC, Chief Executive, Chief Finance Officer, and any other staff employed to support the duties of the PCC as well as office-running costs, subscriptions, communications etc. It also includes other statutory local policing body costs such as internal and external audit, banking, and treasury management etc. The rise in costs is due to increased audit fees and pay increases in line with the Force.
2. The “OPCC Net Commissioned Services” consists of grants for services for victims, community safety, crime prevention etc and the staff to commission them. Due to reductions in funding from Government and increasing demand from Victims, driven in part by delays with the judicial process, the budget for these services was increased by £0.5m. Further details can be found on the OPCC website.

**Capital & Investment Programme 2025/26**

1. Capital and investment expenditure of £48.4m is budgeted for in 2025/26 to be financed by a combination of borrowing, capital receipts and revenue transfers as there is no direct Government Capital funding. The capital budget for 2025/26 and an estimate for the 4 years beyond that is shown in the table below:



1. The Capital is to be used as follows:

* Hardware refresh, including servers and cloud storage.
* Mechanical and electrical replacement program
* Provision of new vehicles. Number of vehicles have reduced but costs have risen.
* New access road at Mount Browne (MTB), Eastern hub and MTB redevelopment

1. The lack of Government grants makes the funding of Capital a challenge for all Forces. It is anticipated that the 2025/26 capital program will be funded from an £8.3m contribution form revenue, reserves, capital receipts and borrowing. If external borrowing is needed this can only be done by the PCC and then only for long life assets such as buildings. Any borrowing must also comply with the Prudential framework and be affordable.

**Reserves 2025/26**

Background Information on Reserves

1. Revenue and Capital Reserves are an important resource for day to day as well as medium term financial planning despite being one-off in nature. The Chartered Institute of Public Finance and Accountancy consider that PCCs should establish reserves including the level of those reserves based on the advice of their chief finance officers and should make their own judgements considering all the relevant local circumstances.
2. The requirement for financial reserves is acknowledged in statute. Sections

31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when preparing budgets. The Chief Finance Officer is required as part of the budget setting process to provide a statement on the adequacy of reserves.

1. The Home Office Financial Management Code of Practice also sets out the

following requirements:

* PCCs to establish a policy on reserves including how they may be used.
* Full details of how the reserves and provisions policy will operate locally.
* Ensure that the annual budget includes a realistic amount of operational contingency that is available to the Chief Constable for operational priorities without the need for additional approval; and
* Provision for budgets to be carried forward from one financial year to the next.

1. The establishment and maintenance of resource backed reserves are held for four main purposes:

* As a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
* Provide funds to cushion the impact of unexpected events or emergencies -this also forms part of general reserves.
* Provide funds for the purposes of managing risk e.g. insurance reserve; and
* As a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the reserves.

1. The Chief Finance Officer (CFO) has a fiduciary duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Within the existing statutory and regulatory framework, it is the responsibility of the CFO to advise about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
2. In assessing the appropriate level of reserves, they need to be not only adequate but are also necessary. This will involve an assessment of the financial risks faced by the organisation and the level of mitigation that can be put in place to reduce them.

Review of Reserves

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Reserves and Balances (LAAP Bulletin No. 99 July 2014) and the requirements of the Code suggest twice yearly reviews of reserves. By doing this, the visibility of reserves is increased and consideration of their use is placed at the forefront of the decision-making process.
2. In accordance with good practice, reserves are reviewed for adequacy at the time that the statements of accounts are prepared (April/May) and again when the budget and MTFS are prepared (November/December).

Surrey Reserves

1. All reserves are under the ownership and control of the PCC and the PCC must retain adequate reserves so that unexpected budget pressures can be met without having a detrimental impact on normal day to day operational activities. The PCC’s policy on reserves is based on an understanding of the organisation’s needs and risks. Part of this process is to give a clear explanation of the existing and proposed use of reserves.
2. The PCC plans to maintain the general reserve at the 3% of net budget requirement in line with the Reserves Strategy. Specific reserves are only employed for expected risks or to build up funds for a major project or expense.
3. A breakdown of the reserves held by the PCC on behalf of the Surrey Police Group is set out in the following table.

|  |  |  |
| --- | --- | --- |
| *Estimated figures assuming all savings achieved and no additional spend* | **31st March 2025**  **£m** | **31st March**  **2026**  **£m** |
| **General Reserves** | **10.8** | **10.8** |
| **Earmarked Reserves** |  |  |
| OPCC Operational - *For use by the PCC* | 1.2 | 1.2 |
| CC Operational – *For use by the CC* | 6.0 | 2.7 |
| Cost of Change – *to improve efficiency and productivity* | 7.0 | 4.3 |
| Estates strategy – *to support the new HQ* | 1.1 | 1.1 |
| CC Op Pheasant – *historic case reviews* | 0.5 | 0.5 |
| Delegated Budgetary – *to cover unbudgeted costs* | 6.1 | 8.3 |
| Insurance – *to cover excess on claims* | 2.4 | 2.4 |
| Police Pension – *Ill health strain costs* | 0.2 | 0.2 |
| ICT reserves – *for major projects* | 0.7 | 0.0 |
| Capital receipts – *Asset sales* | 1.7 | 1.7 |
| **Total Earmarked Reserves** | **26.9** | **22.4** |
| **Total Reserves** | **37.7** | **33.2** |
| **%age General Reserves to 2025/26 Budget** | **3.2** | **3.2** |
| **%age Total Reserves to 2025/26 Budget** | **11.4** | **10.1** |

**Adequacy of Reserves and Robustness of Budget Estimates**

1. The Local Government Act 2003 requires the Chief Finance Officer (CFO) to undertake an assessment of the robustness of the annual budget and the adequacy of reserves. That assessment and a statement is to be included in the key decision annual budget and precept report 2025/26.
2. The CFO has applied the same principles used to undertake the assessment of the 2025/26 budget to the following three years of the MTFS. In assessing the robustness of the budgets and forecasts, the CFO has considered the following issues:

* The general financial standing of the PCC.
* The underlying budget assumptions, including an assessment of the major estimates including pay and price increases.
* The future budget pressures identified including changes to pension scheme contributions.
* A risk assessment of expenditure and income estimates including adequacy of budget monitoring and financial reporting arrangements
* The impact of the police grant settlement and of subsequent anticipated

future settlements including any change to the grant allocation method.

* The precept and planned increases.
* The adequacy of the budget monitoring and financial reporting arrangements.
* The adequacy of the PCC’s governance arrangements and internal control

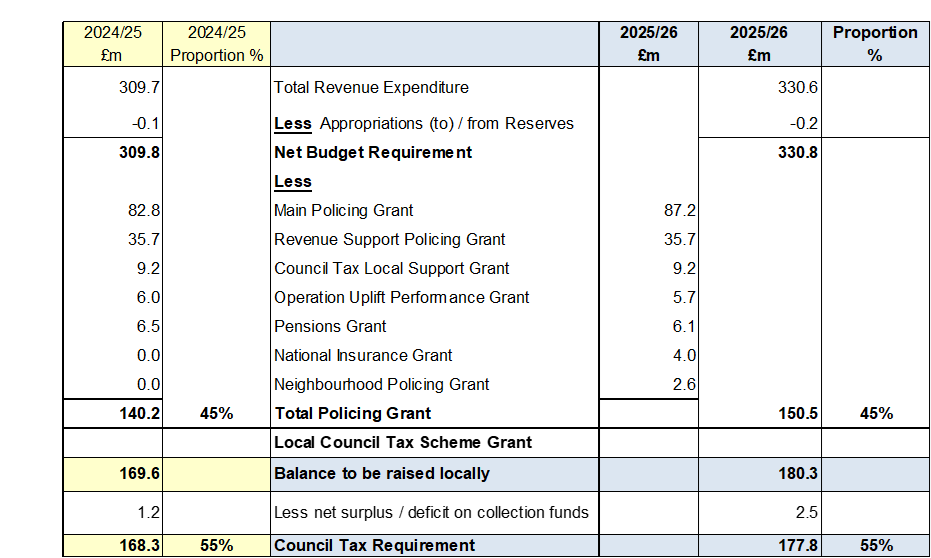
system including the risk management system.

* The adequacy of general reserves to cover any potential financial risks faced by the PCC.

1. On 31 March 2025, the Police and Crime Commissioner’s General Reserve, including the PCC and CC delegated reserves, is estimated at £17.2m falling to £14.8m a year later. This is above the minimum of 3% of revenue expenditure which is in accordance with the approved reserves policy.
2. £3.6m of savings are required for 25/26 with £1.4m already been identified in the previous year and steps being taken to find the remainder. Looking forward the level of savings required increases, and so reserves may be needed to enable plans to be put in place to realise these. There are also sufficient reserves to cover any short-term shortfall. That said the Force has a good track record of delivering savings and are working hard to identify savings in future years to mitigate this risk.
3. After taking account of known and anticipated issues the Chief Financial Officer considers that the revenue and capital estimates are robust and that the level of reserves is adequate to cover the financial risks faced by the PCC Group for 2025/26. However, this is conditional on management continuing to work to find sustainable savings. Work has already started to identify changes to service provision that can save money, and these will need to be taken forward without delay. This will take time for business cases to be worked up and, in some cases, requires investment to save money. Senior leaders will need to prioritise leadership time to ensure that the savings are delivered and the future budgets balanced. If during the year it looks as though savings targets will be missed, both the PCC’s Chief Finance Officer and Chief Constable’s Executive Director of Commercial and Finance will need to consider what mitigating actions can be taken.

**Council Tax Requirement**

1. The Localism Act requires the Commissioner to set a Council Tax Requirement. The calculation of the Council Tax Requirement, based on the proposed revenue budget and contribution from reserves is set out below:



1. The notified Council Tax base figure is 520,600 this represents an increase of 6,353 (1.2%) over the previous year.
2. The billing authorities are forecasting a cumulative surplus of the collection fund of £2.6m due to new development and better than anticipated collections during the year.

**Consultation with the Police and Crime Panel**

1. The Police and Crime Panel considered the PCC precept proposals on the 3rd February 2025. This meeting took place after two earlier finance subcommittee briefings. On the Chairman’s casting vote the panel rejected the proposed precept increase of £14 but did not veto it. The main reasons for not endorsing the recommendation was a concern that the burden on Surrey taxpayers was increasing and the increase was above inflation.

**Risk Management**

1. Associated risks have been considered and recorded as appropriate and are set out in Appendix A.

**Legal**

1. The PCC has the legal responsibility duty to set the precept, revenue, and capital budget for the year.

**Equality and diversity**

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1. Any implications arising from this budget in respect of Equality and Diversity have been considered by the Chief Constable as part of the budget setting process.

**Kelvin Menon**

**Chief Finance Officer, Office of the PCC**

Contact: Kelvin Menon, Chief Finance Officer

**Email: kelvin.menon@surrey.police.uk**

**Appendices:**

**Appendix A** FINANCIAL RISK ANALYSIS

**Appendix B** TAX BASE AND PRECEPT SCHEDULE 2025/26

**Appendix C** MEDIUM TERM FINANCIAL STRATEGY A