

To: Joint Audit Committee

Date: 10th September 2013

By: Alison Bolton, Chief Executive

Title: Waiver of Contract Standing Orders – Oxford Economics

Purpose of Report/Issue:

The Committee is advised that the PCC has made a decision in July 2013 to waive Contract Standing Orders to appoint Oxford Economics to undertake a significant piece of analysis to inform Surrey's input to the Government's review of police funding arrangements. This waiver must be reported to the Committee.

Background

In 2009, Oxford Economics undertook a study on behalf of Surrey Police Authority to assess the effectiveness of the police funding formula in allocating resources across police forces. That research determined that the current formula does not take into account a number of factors that have implications for police resourcing such as the total volume of commuting, total traffic flows, road accidents and the total population within 10 miles of the county boundary. The research has since help inform Surrey's interaction with Government and policy makers on the subject of police funding.

The Policing Minister, Damian Green, has announced that the Government intends to review the current Police Allocation Formula and Kevin Hurley has made a commitment to the Minister to participate in this review to ensure that Surrey's views are properly reflected in any resulting changes. The present formula sees Surrey receive a considerably lower proportion of their total policing budget funded by Government grant than in other areas, with local people contributing a significantly higher proportion through the council tax precept.

To inform Surrey's input to the review, the Office of the PCC asked Oxford Economics to scope out a project to refresh and further develop its 2009 analysis.

Details of the Contract with Oxford Economics

Oxford Economics began work in July 2013 and has structured their work into two distinct parts. Firstly, they have undertaken an updated analysis of the current police funding formula, using socio-economic indicators for local areas across England and Wales and considered potential modifications. This part of the work will draw conclusions that do not pertain to any individual force and as such, could not be perceived as an attempt by Surrey to increase its overall share of police funding. The second part of the study focuses on the

specific implications of the analysis on Surrey. At the time of writing, the final report is still being finalised.

Value of the Contract

The PCC has asked the Treasurer to explore whether other PCCs would be interested in participating in the project and whether costs can be shared. Oxford Economics has structured the project on the basis that other PCCs can come together as a consortium. The total cost of the work to be undertaken by Oxford Economics is £33,520, although this figure may change dependent on the involvement of other PCCs and any additional work required. The research will be funded through use of reserves.

Why an exception is being sought

The PCC agreed to waive Contract Standing Order procedures on the basis that Oxford Economics are updating and refreshing previous analysis they have already undertaken in Surrey. They therefore bring considerable experience of local and regional socio-economic analysis and in particular of the Surrey context, that could not be provided by other research companies. Oxford Economics provide independent forecasting and analysis to economists and policymakers in government and business and bring both professional and technical expertise.

Recommendation

That the waiver of Contract Standing Orders be noted.

Risk – None arising.

Equalities / Human Rights Implications – no specific implications are raised by this report.

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