

## **Police and Crime Commissioner for Surrey – Decision Making Record**

**Report Title:** 1<sup>st</sup> Quarter 2020/21 Financial Performance and Budget Virements  
**Decision number:** 41/2020  
**Author and Job Role:** Kelvin Menon – Treasurer  
**Protective Marking:** OFFICIAL

### **Executive Summary:**

**The Financial Monitoring report for the 1<sup>st</sup> Quarter of the financial year shows that Surrey Police Group is predicted to be £0.2m under budget by the end of March 2021 based on performance so far. This is based on an approved budget of £250m for the year. Capital is predicted to be In addition the OPCC is predicted to be £1.4m underspent depending on the timing of projects.**

**Financial Regulations state that all budget virements over £0.5m must be approved by the PCC. These are set out in Appendix D of the attached report.**

### **Background**

Although it is still quite early in the financial year indications are that the Surrey Police Group will remain within budget for the 2020/21 financial year. Although there are some areas of concern, in particular police overtime, this has been offset by savings elsewhere in the staffing budget. It has been assumed that most of the additional costs for Covid will be reimbursed by Government, which looks to be the case, and the target for new officers is on track to be met. Although savings of £1.4m have been built in to the budget the £0.5m attributable to ICT may be difficult to achieve – this should become clearer as the year progresses.

Capital is likely to be underspent – indeed expenditure in the 1<sup>st</sup> quarter has been quite modest – but this is more a result of timing rather than projects being cancelled.

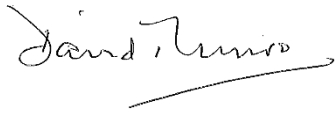
The budget virements requested are set out in Appendix D and mainly relate to the reanalysis of staffing costs within the budget

### **Recommendation:**

#### **Police and Crime Commissioner Approval**

I note the financial performance as at the 30<sup>th</sup> June 2020 and approve the virements set out in Appendix 4 of the attached report.

Signature:



Date: 27<sup>th</sup> August 2020

All decisions must be added to the decision register.

## **Areas of consideration**

### **Consultation**

None

### **Financial implications**

These are set out in the paper

### **Legal**

None

### **Risks**

As it is early in the year there is a risk that the predicted financial outturn could change as the year progresses

### **Equality and diversity**

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None

### **Risks to human rights**

None

# Force: Surrey

## Financial Monitoring at: 30<sup>th</sup> June 2020

### Finance Department

#### 1. Introduction

1.1. This report provides the force budget and capital position for Surrey Police as at 30<sup>th</sup> June 2020.

#### 2. Summary

2.1. The total budget for Surrey is £250.0m 2020/21, against this the forecast outturn position is £249.8m resulting in an underspend totalling £0.2m.

Surrey	2020/21 PCC Budget £m	2019/20 Operational Delivery Budget £m	Total 2020/21 Budget £m	2020/21 Total Forecast £m	Variance £m
Month 3	2.1	247.9	250.0	249.8	(0.2)

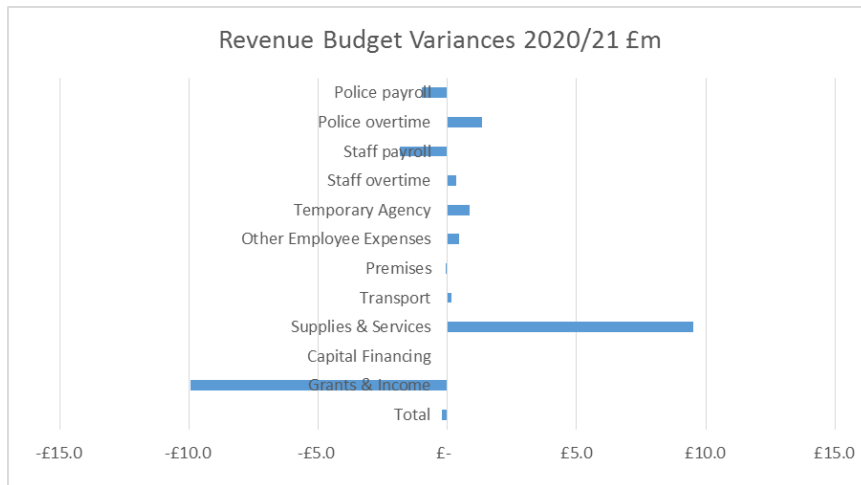
2.2. The Force is forecasting an underspend within the revenue budget of £0.2m for the year. The operational response to the COVID 19 pandemic has resulted in additional unplanned costs which consist of the salary costs of police officers and staff, employee overtime, premises, lost income and supplies & services, the most significant cost is for Personal Protective Equipment (PPE). From a forecasting perspective it has been assumed that all costs for the National Procurement Hub will be reimbursed. The assumption regarding non national procurement spend is that the maximum exposure on COVID 19 expenditure is the equivalent of 1% of the budget, that is £2.5m. The total forecast including the National Procurement Hub expenditure is £6.8m with income expected to be £4.3m.

2.3. The force is mitigating the additional costs with savings across the force, these include savings in training and staff travel where costs have been lower during the first 3 months of the year.

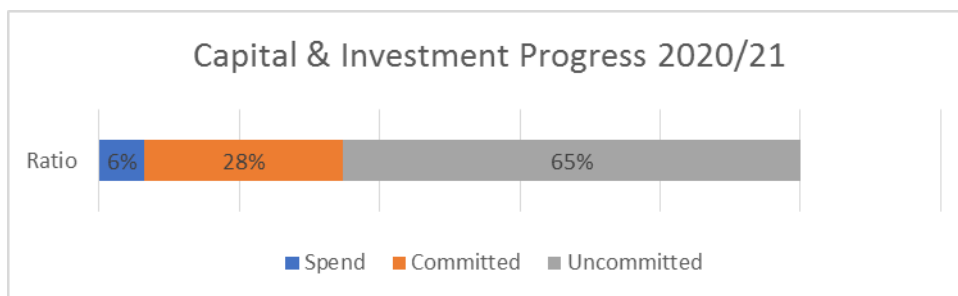
2.4. There are variances within the budget, pay is forecasting an overspend overall with a cost pressure on police overtime which reflects the budgeted risk accepted by the force.

2.5. Police officer numbers are increasing as the recruitment plan delivers and police staff budget is forecast to underspend.

2.6. For Police Officers the financial plan assumed an inflationary increase of 2% which now looks likely to be 2.5%, this additional cost pressure will be reflected in the month 4 forecast, this is estimated to be £0.4m.



- 2.7. The non-pay costs including income are underspent in total with costs attributable to Op Apollo being offset by the assumed income.
- 2.8. The precept & uplift investment was for an additional 156.5 posts, the current forecast is that Surrey Police will recruit to these posts by March 2021.
- 2.9. The efficiency plan to save £1.4m has been removed from the budget, however there is a risk that savings within ICT will not be achieved.
- 2.10. The capital plan is forecast to underspend by £1.3m. For the 2020/21 financial year a new capital & investment gateway to proceed process has been introduced for existing planned schemes. This step will firm up on the proposals put forward during the budget build and also allow the funding position to be checked prior to giving the go ahead.



Surrey	2020/21 Capital Budget £m	2020/21 Capital actual £m	2020/21 Capital Forecast £m	Variance £m
Month 3	18.0	1.8	16.7	(1.3)

### 3. Recommendations

#### 3.1. The Police and Crime Commissioner is asked to:

- 3.1.1. Note the net revenue budget forecast for the police fund as at 30<sup>th</sup> June 2020.
- 3.1.2. Note the capital budget forecast is as at 30<sup>th</sup> June 2020.

3.1.3. Approve budget virements on Appendix D.

3.1.4. Approve any changes to use of reserves – None to report for month 3.

#### 4. Revenue Budget Position

4.1. The Force's revenue outturn position for 2020/21 is forecast to be underspent as summarised in the table below;

Jun-20	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Payroll	56,324,257	50,720,252	5,604,005	203,549,707	203,409,849	139,858
Premises Related Expenditure	3,989,190	2,522,621		12,980,641	13,036,120	(55,479)
Transport Related Expenditure	1,155,841	1,342,137	(186,296)	5,525,927	5,368,199	157,728
Supplies & Services	8,641,369	8,325,555	315,814	43,201,777	33,700,691	9,501,086
Capital financing and Financial Reporting	(6,351)	641,841	(648,192)	5,648,214	5,654,565	(6,351)
Grants & Income	(10,975,600)	(2,054,418)	(8,921,182)	(21,113,710)	(11,160,865)	(9,952,845)
<b>Total</b>	<b>59,128,707</b>	<b>61,497,988</b>	<b>(2,369,281)</b>	<b>249,792,557</b>	<b>250,008,559</b>	<b>(216,002)</b>

4.2. The 2020/21 revenue budget was approved by the PCC in February 2020 at £250.0m, during the year agreed budget virements have been processed within the operational delivery budget and OPCC budget, with the overall budget remaining at £250.0m as shown in the table below:

Jun-20	Original Budget £	Budget Virements £	Revised Budget £
Operational Delivery Budget	247,859,499	-	247,859,499
Office of the PCC	2,149,063	-	2,149,063
Transfers to/(from) Reserves	-	-	-
<b>Total</b>	<b>250,008,562</b>	<b>-</b>	<b>250,008,562</b>

4.3. Appendix A provides further details of the operational delivery budget showing budget and forecast both by budget holder portfolio and the main categories of expenditure.

4.4. Pay Costs - Total pay is overspent by £0.1m as summarised in the table below.

Jun-20	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Police Officer Pay	34,768,463	30,107,091	4,661,372	119,439,560	120,427,546	(987,986)
Police Officer Overtime	1,282,114	816,599	465,515	4,834,792	3,485,471	1,349,321
Police Staff Pay	17,568,400	18,011,578	(443,178)	70,209,515	72,055,240	(1,845,725)
Police Staff Overtime	422,953	196,816	226,137	1,412,147	1,088,935	323,212
PCSO Pay	-	-	-	287	-	287
PCSO Overtime	-	-	-	2,892	-	2,892
Other Employee Expenses	1,437,379	942,876	494,503	4,352,583	3,771,502	581,081
Temporary or Agency Staff	763,378	156,631	606,747	1,479,089	626,535	852,554
Restructure, Training & Conference Costs	81,570	488,661	(407,091)	1,818,842	1,954,620	(135,778)
<b>Total</b>	<b>56,324,257</b>	<b>50,720,252</b>	<b>5,604,005</b>	<b>203,549,707</b>	<b>203,409,849</b>	<b>139,858</b>

4.5. In Surrey employee numbers are monitored in detail throughout the year within a workforce plan by People Services. The following table illustrates the variances between the average forecast number of employees (employee strength) compared with the budgeted number of employees (employee establishment), expressed as FTE (full time equivalent) roles.

Average FTE's	Forecast of Employees (Strength)	Budgeted No. of Employees (Establishment)	Variance
Police Officers	1980	2040	(61)
Police Staff	1661	1833	(172)
PCSO's	128	118	10
<b>Total</b>	<b>3769</b>	<b>3992</b>	<b>(223)</b>

4.6. Police Payroll - The police officer pay is forecast to be underspent by £1.0m.

4.7. Police Officer pay is a non-delegated cost and is shown on a separate line within the budget by function (Appendix A) with departmental variances reflecting their delegated budgets.

4.8. The pay forecast indicates an average of 1980 FTE officers for the year, compared to the budget of 2040 FTE, noting it will exceed the budget by January 2021.

Officer FTE Forecast

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Average
	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	
Officer Budget (FTE)	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040.28	2040

Officer Forecast (FTE)

Month 1	1,879	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,852
Month 2	1,879	1,910	1,920	1,978	1,963	1,945	2,007	1,994	1,983	2,030	2,020	2,061	1,974
Month 3	1,879	1,910	1,901	1,986	1,966	1,950	2,011	1,996	1,989	2,048	2,038	2,081	1,980

Variance	Month 2			Month 3		
	Volume £'000	Rate £'000	Total £'000	Volume £'000	Rate £'000	Total £'000
Police pay, NI & Pension	(3,886)	3,648	(239)	(3,328)	2,415	(913)
Rent and regional and other allowances	(798)	460	(338)	(259)	184	(75)
Collaboration			(6)			(9)
<b>Total</b>	<b>(4,684)</b>	<b>4,108</b>	<b>(583)</b>	<b>(3,587)</b>	<b>2,599</b>	<b>(988)</b>

4.9. The above calculations shows the force is averaging 61 officers under budget which is resulting in a volume underspend of £3.3m (£54.8k per FTE), with a rate overspend of £2.4m relating to officer rates being higher than budgeted. A vacancy factor of 2% (£2.5m) is assumed for police officers which is part of the rate variance along with the mix of officers.

4.10. Police staff pay is forecast to be underspent by £1.8m. The current projection is for the number of staff working in the force to remain under

establishment until the end of the financial year, when the predicted number of FTE's is 1868. The vacancy rate for 2020/21 has been increased by 1% to 6%.

- 4.11. The month 3 pay forecast shows an average of 1789 FTE staff for the year, compared to the average budget of 1951 FTE.

Staff FTE Forecast

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	
	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	Average
Staff Budget (FTE)	1946.14	1947.14	1952.42	1952.42	1952.42	1952.42	1952.42	1952.42	1952.42	1952.42	1952.42	1952.42	1951

staff Forecast (FTE)

Month 1	1,709	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,701
Month 2	1,709	1,722	1,731	1,723	1,722	1,761	1,768	1,789	1,783	1,802	1,814	1,834	1763
Month 3	1,710	1,722	1,735	1,761	1,761	1,795	1,802	1,822	1,816	1,833	1,845	1,868	1789

Variance	Month 2			Month 3		
	Volume £'000	Rate £'000	Total £'000	Volume £'000	Rate £'000	Total £'000
Staff pay, NI & Pension	(7,025)	5,778	(1,248)	(5,680)	5,768	88
Enhancements	(371)	(1,318)	(1,689)	(316)	(1,618)	(1,934)
Collaboration			227			632
<b>Total</b>	<b>(7,396)</b>	<b>4,459</b>	<b>(2,937)</b>	<b>(5,996)</b>	<b>4,150</b>	<b>(1,846)</b>

- 4.12. The shortfall of 162 staff FTE's results in a £5.7m volume underspend for pay, NI and pension (£37.7k per FTE), that is being offset by a rate overspend of £5.8m. A vacancy factor of 6% (£4.6m) is assumed for police staff which is part of the rate variance along with the mix of pay grades, the above calculation is an average.

- 4.13. Staff enhancements and holiday pay have underspends due to being under establishment. The rate and volume variances are based on all posts having these allowances and therefore is not representative of entitlement.

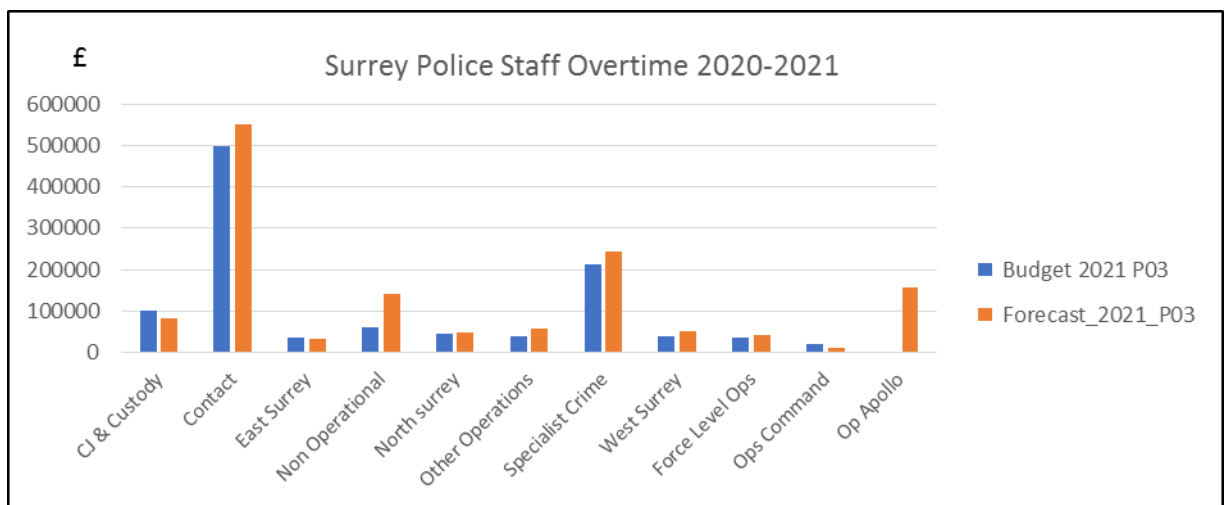
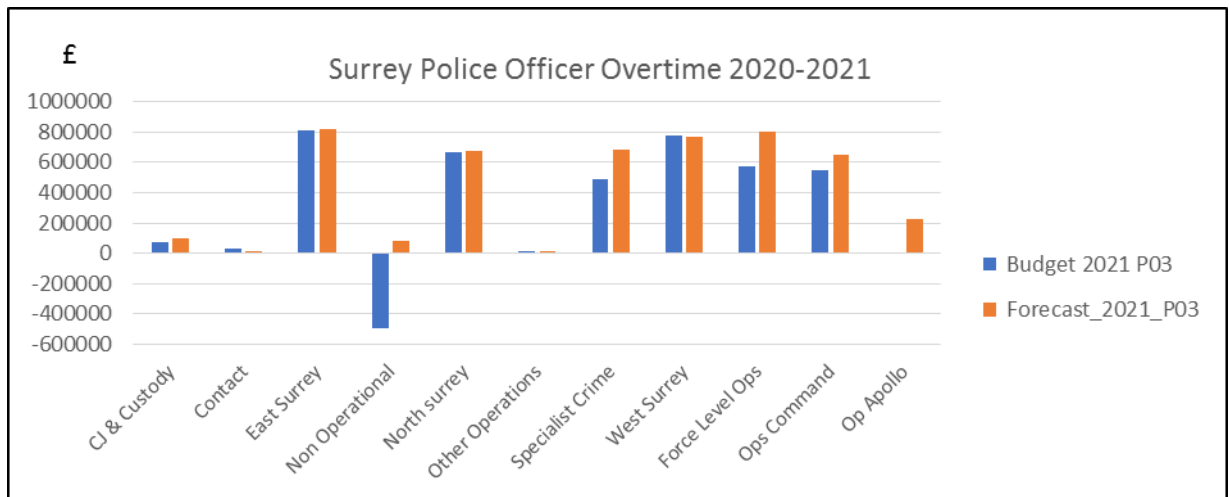
- 4.14. Overtime for both officers and staff by department is shown on Appendix B, with officer overtime forecast to overspend by £1.3m and staff overtime forecast to overspend by £0.3m.

- 4.15. The force police officer overtime working group continues to monitor spend and provide guidance to reduce spend in this area, the tables below shows spend for both officer and staff overtime over the past four years.

Police Overtime	Budget £'000	Actual £'000	Variance £'000	Variance %	Average per FTE
2020-21	3,485	4,835	1,350	39%	2449
2019-20	3,554	4,826	1,272	36%	2,577
2018-19	4,030	4,270	240	6%	2,241
2017-18	4,232	6,688	2,456	58%	3,417
2016-17	3,839	6,568	2,729	71%	3,516

Staff Overtime	Budget £'000	Actual £'000	Variance £'000	Variance %	Average per FTE
2020/21	1,089	1,415	326	10%	803
2019/20	1,129	1,562	433	38%	945
2018/19	1,561	1,454	-107	-7%	882
2017/18	1,641	1,853	212	13%	1,101
2016/17	1,341	1,622	281	21%	

4.16. The charts below show Police Officer and Staff overtime by division/department. Appendix B shows the monthly profile of this spend.



4.17. Agency costs



4.17.1. Agency is forecasting an overspend of £0.9m. The majority of this relates to an overspend on agency costs within Local Policing (£0.5m) for 16 investigative officers across 3 divisions, along with Op Apollo costs for returning officers and Op Igil.

4.18. Training & restructuring costs

4.18.1. There is a minimal underspend on training & restructuring costs.

4.19. Other Staff Costs

4.19.1. There is an overspend in Other Staff Costs totalling £0.6m some of which relates to Local PPE for Op Apollo. There is also an overspend for the apprenticeship levy where this is offset by income.

4.20. Non Pay Budgets

4.20.1. Non pay cost budgets are forecast to underspend by £0.4m as shown in the table below. These budgets include costs for premises, transport, supplies & services, financing and income.

Jun-20	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Premises Related Expenditure	3,989,190	2,522,621	1,466,569	12,980,641	13,036,120	(55,479)
Transport Related Expenditure	1,155,841	1,342,137	(186,296)	5,525,927	5,368,199	157,728
Supplies & Services	8,641,369	8,325,555	315,814	43,201,777	33,700,691	9,501,086
Capital financing and Financial Reporting	(6,351)	641,841	(648,192)	5,648,214	5,654,565	(6,351)
Grants & Income	(10,975,600)	(2,054,418)	(8,921,182)	(21,113,710)	(11,160,865)	(9,952,845)
<b>Total</b>	<b>2,804,450</b>	<b>10,777,736</b>	<b>(7,973,287)</b>	<b>46,242,849</b>	<b>46,598,710</b>	<b>(355,861)</b>

4.21. Premises

4.21.1. Premises is forecasting a slight underspend.

4.22. Transport

4.22.1. There is a forecast overspend of £0.2m, relating to an expected increase in insurance premiums.

4.23. Supplies & Services

4.23.1. There is a forecast overspend £9.5m, of this £3.2m relates to Local PPE for Op Apollo and PPE for the National Hub, £0.9m relates to Equip for consultancy costs. There are also overspends within Specialist Crime due to the contribution to SEROCU being higher than budgeted this relates to additional items being agreed by CCs & PCCs across the region for funding new investments as well as higher costs for digital and physical forensics; Local Policing relating to boarding fees for stray animals, underwater search for missing persons and unlocking phones for operation purposes and; Corporate Services relating to Op Symphony.

4.24. Financing

4.24.1. Financing costs are forecast to be within the budget.

4.25. Income

4.25.1. Income budgets relate to government grants, reimbursed services, secondments and mutual aid arrangements with other police Forces. This income is in addition to the main sources of funding from the core policing grant and council tax precept income.

4.25.2. There is an overachievement of income forecast of £9.9m primarily due to Op Apollo (£4.6m), this assumes that the force will be reimbursed for the PPE National Hub. Specialist Crime are forecasting higher than expected income (£1.0m) for Surrey officers posted to regional units. There are also increased cost recovery for Gatwick recharges. Within People Services there is an over recovery for Secondments (0.5m) plus income received from new HQ site tenants and other property rentals.

#### 4.26. Departmental Narrative

This section gives a narrative on the divisions & departments, note the figures relate to delegated budgets only.

- Local Policing is forecasting an overspend of £1.9m within the divisions – mainly in Police Staff and non-pay areas. The Police Staff overspend is due to running over-establishment with PCSO roles. There is a small overspend within Supplies and Services due to the assumption that Divisions will overspend on unexpected demand for costs such as boarding up dangerous animals, stray animals, underwater searches for missing persons and unlocking phones for operation purposes as they have in prior years.
- Operations Command - Ops Protective services have moved to a slight portfolio underspend now that the a forecast for reimbursement of costs above 1% of the overall Force budget and National PPE have been made for op Apollo. The main reason for this underspend is the delay in conducting normal tasks as a result of Covid.
- Specialist Crime's position of a large under-established position continues into 2020/21 for both officers and staff. The latter being somewhat understated due to Surrey officers being posted in Sussex and regional positions, and can be illustrated by referring to the overachieved income balance as these are reclaimed. These pay variances are offset by agency spend, mostly in Public Protection, as well as the significant reliance on outsourcing in digital forensics used to support the low capacity within the team. In addition a notable overspend in overtime is expected, due in part to the reduction in budget following the overtime refresh initiative and is expected to fall short compared to the predicted level of spend. The contribution towards SEROCU is also higher than budgeted to due to additional items agreed by CCs & PCCs across the region for funding new investments.
- Corporate Services is currently forecasting to overspend by £0.4m this partly results £0.1m actual staff costs being higher than budgeted and £0.3m Supplies and Services a forecast overspend on Op Heather.

- ICT are currently forecasting an overspend of £0.5m which is mainly due to staff costs being higher than expected, where additional staff are working on projects.
- People Services – The forecast is for an underspend of £0.6m which relates primarily to an over achievement of income of £0.5m. The majority of the income relates to secondments and relates to recovery of officer and staff pay. Apprentice levy income is also now being received.
- Equip – The Equip programme is forecast to be overspent by £2.28m. The forecast is as provided by the Programme Manager and is based upon a September 20 go-live.
- Commercial and Finance Services – The forecast is for an underspend totalling £1.95m. The majority of this is within Central Corporate with the Precept & Uplift investment funding for Police Staff being held here until posts are filled.

## 5. Precept & Uplift Investment

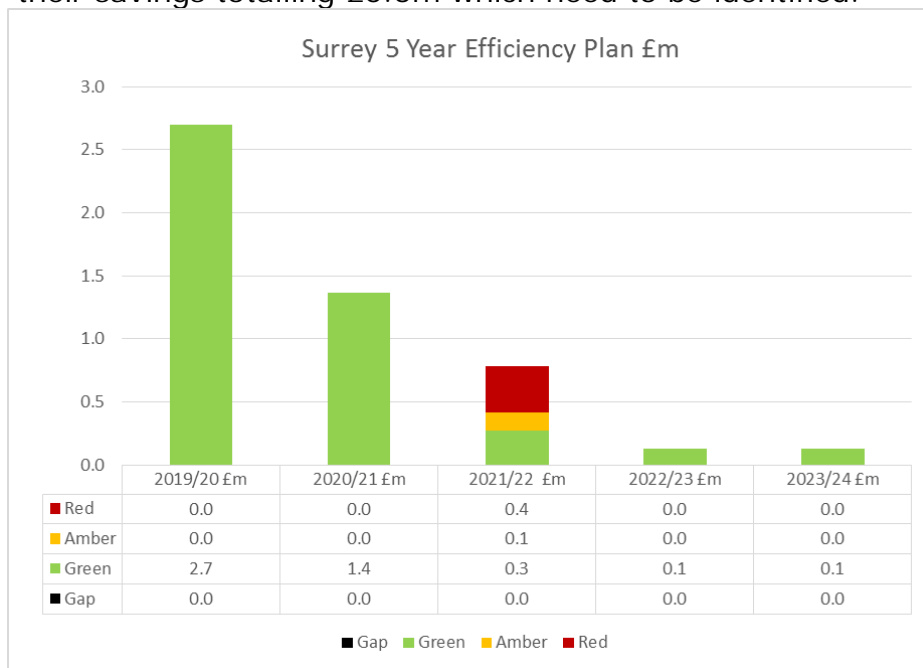
- 5.1. The precept and uplift investment approved for 2020/21 allowed for the increase in police officers and police staff, the following table represents the forecast position against the precept investment.

Expected increase at March 2021	Investment provided	Forecast At 31/3/21
Employee Group	FTE	FTE
Police Officers – Uplift growth	78	78
Police Staff – Uplift growth	0	0
Police Officers – Precept growth	26	26
Police Staff – Precept growth	52.5	52.5
<b>Total</b>	<b>156.5</b>	<b>156.5</b>

## 6. Savings Performance

- 6.1. All planned 2020-21 savings were taken at the beginning of the financial year, irrespective of their RAG status. Budget holders unable to make any of these savings are required to detail the reasons in an exception report for consideration and approval. The Strategic Change Board reviews the savings profile over the medium term on an ongoing basis, a summary of the 5 year savings schedule is shown in the table below.

6.2. Whilst the savings have been incorporated into the budget setting process and removed at the beginning of the year there is a risk that ICT will not achieve their savings totalling £0.5m which need to be identified.



## 7. Financial Provisions and Reserves Transfers

7.1. A summary of movement between provisions and reserves are shown below.

	Balance at 31 March 2020 £'000	Transfers In 2019-20 £'000	Transfers Out 2019-20 £'000	Balance at 31 March 2020 £'000
<b>Provisions:</b>				
Restructuring Provision	(109)	0	0	(109)
Legal Claims Provision	(998)	0	0	(998)
<b>Total Provisions</b>	<b>(1,107)</b>	<b>0</b>	<b>0</b>	<b>(1,107)</b>

	Balance at 31 March 2019 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2020 £'000
<b>General Fund</b>				
General Fund	(7,049)	(215)	0	(7,264)
Chief Constable Reserve	(1,071)	0	0	(1,071)
<b>Earmarked Reserves:</b>				
OPCC Operational Reserve	(1,000)	0	0	(1,000)
PCC Estate Strategy Reserve	(2,800)	0	0	(2,800)
Cost of Change Reserve	(1,564)	0	0	(1,564)
Ill Health/Injury Reserve	(1,638)	0	251	(1,387)
Covid19 Reserve	(1,000)	0	0	(1,000)
Insurance Reserve	(3,379)	(29)	199	(3,209)
<b>Total Reserves</b>	<b>(19,501)</b>	<b>(244)</b>	<b>450</b>	<b>(19,295)</b>

## 8. Treasury Management

- 8.1. At the end of May £18.6m was held for investment by Surrey County Council under the SLA.
- 8.2. Surrey County Council are currently borrowing internally for investment purposes and therefore calculating their interest rate payable as the higher of; the London Inter-Bank BID rate, the Bank of England Rate or the average rate achieved by Surrey County Council.
- 8.3. In March 2019, the PCC entered into an external loan with PWLB for £15.6m in order to purchase land for Building the Future.
- 8.4. All cash balances are lent overnight allowing the flexibility to draw on resources.

## 9. POCA Reserve and Allocations

- 9.1. The Asset Seizure Reserve is used to earmark money received back from the government as part of the Asset Recovery Incentivisation Scheme (ARIS) whereby the force receives a share of amounts recovered under the Proceeds of Crime Act 2002 (POCA). The level of this reserve is currently maintained as a contingency to cover one year of salary costs for the Asset Seizure team within the Economic Crime Unit. At the end of May the reserve balance was £0.7m.
- 9.2. In-year POCA receipts cover the cost of the Asset Seizure team. Income is received quarterly, quarter 4 is still outstanding for 2019-20.

## 10. Capital & Investments

- 10.1. The overall capital & investment position is summarised below and detailed at Appendix D.

Capital Summary	2020/21 Total Budget £	Actual Spend YTD £	Forecast £	Forecast Variance £
ICT	5,353,930	101,768	5,356,385	2,455
Commercial and Finance Services	6,573,730	481,133	5,473,978	(1,099,752)
Specialist Crime	326,336	109,535	450,799	124,463
Operations	623,893	57,730	57,730	(566,163)
Corporate Services (Surrey)	2,996,470	65,712	2,996,470	0
Local Policing	2,170,000	338,278	2,353,278	183,278
<b>Total</b>	<b>18,044,359</b>	<b>1,154,157</b>	<b>16,688,640</b>	<b>(1,355,719)</b>

10.2. The capital budget for 2020/21 was approved by the PCC in February 2020 totalling £10.5m with an additional £7.5m capital slippage from 2019/2020 resulting in a total capital programme totalling £18.0m. The force runs a flexible programme managing schemes over a rolling 2 year period enabling schemes to be bought forward or deferred. During the year agreed budget virements have been processed (including capital carried forward from 2019/20) as set out in the table below, as at month 3 no budget has been slipped into 2021/22.

Capital Summary	2019-20 Slippage Request £	2020/21 Budget Allocated £	Budget Virements	2020/21 Total Budget £
IT Strategy	3,650,846	4,084,000	-1,055,916	6,678,930
Enterprise Resource Planning	0	0	0	0
Fleet Strategy	117,280	3,761,000	0	3,878,280
Specialist Crime	326,336	0	0	326,336
Operations Command	473,893	150,000	0	623,893
Contact	845,000	0	0	845,000
Local Policing	0	0	0	0
SE Region Estates Strategy	0	0	0	0
Estates Strategy	2,151,004	2,485,000	0	4,636,004
Unallocated Budget	0	0	1,055,916	1,055,916
<b>Total</b>	<b>7,564,359</b>	<b>10,480,000</b>	<b>0</b>	<b>18,044,359</b>

10.3. The significant capital projects are ICT and Fleet replacement schemes, Building the Future and the Estate Strategy.

10.4. The annual forecast spend is £16.7m, resulting in a reported underspend of £1.3m.

10.5. Capital expenditure is financed from grants received from the Home Office & other contributions, capital receipts from the sale of assets, and revenue funding. If necessary borrowing can also be used to fund capital expenditure as shown in the table below.

Source of Funding	Financing Budget £m	Financing Forecast £m	Forecast %
Home Office Capital Grant	0.2	0.2	1%
Other Grants and Income	0.0	0.0	0%
Capital Receipts	4.5	4.5	27%
Revenue Funding	4.2	4.2	25%
Borrowing	9.1	7.8	47%
Total	18.0	16.7	100%

## 11. Risks

11.1. The following risks and issues to the Operational Delivery Budget have been identified.

Risk	Mitigation/Update	Owner
COVID19	Op Apollo Gold Group has been set up in light of the COVID19 Pandemic. The Pandemic is having an impact on operational resources as well as financial resources which are being regularly monitored to understand the level of spend and how this will be funded. The current assumption is that maximum exposure on COVID 19 expenditure is the equivalent of 1% of the budget that is £2.5m.	Gold Commander, Op Apollo
Overtime	The Force has increased the overtime budget for officers and staff by £0.6m with no funding to back this therefore creating a financial risk. Overtime spend is reported through the overtime working group and the force monthly financial report.	DCC Strategic Planning Board
ICT Savings	ICT have a savings target for 2020/21 totalling £0.5m, this has been removed from the budget however the actual savings have yet to be identified.	CIO – Joe Langford

## 12. Decisions Required

12.1. Financial regulations require the PCC to approve revenue budget transfers greater than £0.5m and the Chief Constable's Chief Finance Officer to approve transfer between £0.1m and £0.5m. The transfers requiring approval are shown on Appendix D.

12.2. Financial Regulations require the PCC to approve all changes to the capital budget, these changes are shown on Appendix D – there are none for month 3.



## Appendix A

### Surrey Corporate

Jun-20	Year to Date		
	Actual	Budget	Variance
<b>Portfolio</b>			
Local Policing	9,316,340	8,975,361	340,979
Operations	4,715,007	1,462,407	3,252,600
Specialist Crime	3,901,341	5,029,633	(1,128,292)
Corporate Services Sussex	344,103	300,090	44,013
Corporate Services Surrey	1,713,918	1,626,311	87,607
Information & Communication Technology	4,956,487	3,830,607	1,125,880
People Services	1,522,724	1,738,332	(215,608)
Equip	600,028	278,665	321,363
Commercial and Finance Services	(3,948,711)	7,612,197	(11,560,908)
<i>Non-Delegated</i>	34,768,463	30,107,091	4,661,372
<b>Operational Policing Total</b>	<b>57,889,700</b>	<b>60,960,694</b>	<b>(3,070,994)</b>
PCC for Surrey Police	1,239,007	537,294	701,713
<b>Total Police Fund</b>	<b>59,128,707</b>	<b>61,497,988</b>	<b>(2,369,281)</b>
Funding	(68,354,961)	(58,782,090)	(9,572,871)
<b>Grand Total</b>	<b>(9,226,254)</b>	<b>2,715,898</b>	<b>(11,942,152)</b>

Full Year		
Forecast	Budget	Variance
38,808,727	36,928,539	1,880,188
5,533,842	5,660,107	(126,265)
19,208,079	20,929,704	(1,721,625)
1,409,903	1,201,171	208,732
6,859,715	6,526,941	332,774
15,802,361	15,328,316	474,045
6,372,486	6,974,795	(602,309)
3,395,171	1,114,673	2,280,498
30,814,299	32,767,704	(1,953,405)
119,439,560	120,427,546	(987,986)
<b>247,644,143</b>	<b>247,859,496</b>	<b>(215,353)</b>
2,148,413	2,149,063	(650)
<b>249,792,557</b>	<b>250,008,559</b>	<b>(216,002)</b>
(250,008,562)	(250,008,562)	-
<b>(216,005)</b>	<b>(3)</b>	<b>(216,002)</b>

Cost Type			
Police Officer Pay	34,768,463	30,107,091	4,661,372
Police Officer Overtime	1,282,114	816,599	465,515
Police Staff Pay	17,568,400	18,011,578	(443,178)
Police Staff Overtime	422,953	196,816	226,137
PCSO Pay			-
PCSO Overtime			-
PO Injury, Ill Health & Death Pensions	701,234	530,679	170,555
Other Employee Expenses	736,145	412,197	323,948
Temporary or Agency Staff	763,378	156,631	606,747
Restructure, Training & Conference Costs	81,570	488,661	(407,091)
Premises Related Expenditure	3,989,190	2,522,621	1,466,569
Transport Related Expenditure	1,155,841	1,342,137	(186,296)
Supplies & Services	7,433,010	7,426,512	6,498
Third Party Payments	1,208,359	899,043	309,316
Capital financing and contributions		1,132,779	(1,132,779)
Transfers to Revenue and Capital Reserves	41,070	(490,938)	532,008
Reconciling Man. Accs & Stat. Financial Reporting.	(47,421)		(47,421)
Grants & Income	(10,975,600)	(2,054,418)	(8,921,182)
<b>Grand Total</b>	<b>59,128,707</b>	<b>61,497,988</b>	<b>(2,369,281)</b>
Funding	(68,354,961)	(58,782,090)	(9,572,871)
<b>Grand Total</b>	<b>(9,226,254)</b>	<b>2,715,898</b>	<b>(11,942,152)</b>

119,439,560	120,427,546	(987,986)
4,834,792	3,485,471	1,349,321
70,209,515	72,055,240	(1,845,725)
1,412,147	1,088,935	323,212
287		287
2,892		2,892
2,122,722	2,122,727	(5)
2,229,861	1,648,775	581,086
1,479,089	626,535	852,554
1,818,842	1,954,620	(135,778)
12,980,641	13,036,120	(55,479)
5,525,927	5,368,199	157,728
39,267,893	30,104,507	9,163,386
3,933,883	3,596,184	337,699
5,654,565	5,654,565	-
41,070	-	41,070
(47,421)		(47,421)
(21,113,710)	(11,160,865)	(9,952,845)
<b>249,792,557</b>	<b>250,008,559</b>	<b>(216,002)</b>
(250,008,562)	(250,008,562)	-
<b>(216,005)</b>	<b>(3)</b>	<b>(216,002)</b>

## Appendix B Overtime by Division/Department

Surrey Police Officer Overtime		2020/21													Budget	Var
Department	£k	Actual Apr	Actual May	Actual Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Full Year	Full Year	
West Surrey	12.9	121.1	142.2	24.7	29.6	89.9	41.8	35.7	31.3	127.4	79.6	27.7	763.9	775.0	-11.1	
East Surrey	7.0	117.8	114.4	35.5	41.4	77.0	56.6	48.9	43.3	130.9	71.7	76.1	820.6	810.0	10.6	
North Surrey	9.7	93.4	93.0	36.2	22.0	64.8	36.2	27.1	48.4	123.6	69.6	49.5	673.5	670.0	3.5	
Specialist Crime	4.5	67.7	67.4	59.4	59.4	60.7	59.4	59.4	59.4	62.1	60.7	65.3	685.4	489.1	196.3	
Operations Local - Surrey	1.6	19.0	74.9	23.9	26.7	23.9	23.9	23.9	29.5	26.7	23.9	30.1	328.0	71.3	256.7	
Operations Command Joint	13.3	74.6	35.8	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	237.7	649.4	545.3	104.1	
Criminal Justice	0.4	12.1	14.9	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	102.1	75.0	27.1	
Contact	0.0	4.6	7.1	0.0	0.0	1.0	0.0	0.0	0.0	0.0	2.0	3.0	17.7	30.0	-12.3	
Professional standards	0.2	1.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.2	33.3	16.0	17.3	
Force Level Operations	1.0	1.8	1.7	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	290.8	474.5	500.0	-25.5	
Chief Officers	-0.1	1.8	0.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	10.0	10.0	0.0	
OP Apollo	5.0	115.2	37.5	20.0	15.4	24.5	10.9	0.0	0.0	0.0	0.0	0.0	228.5	0.0	228.5	
Commercial and Finance Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-551.7	551.7	
Change Delivery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.5	-0.4	
Specials	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.9	1.0	0.9	
IT	0.0	-0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3	
Cost of Change	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	-0.3	
People Services	0.4	3.7	2.6	4.2	4.2	4.6	4.2	4.2	4.2	5.3	4.2	4.2	46.0	44.0	2.0	
<b>Total</b>	<b>55.6</b>	<b>633.7</b>	<b>593.0</b>	<b>271.7</b>	<b>266.5</b>	<b>414.2</b>	<b>300.8</b>	<b>267.0</b>	<b>283.9</b>	<b>543.8</b>	<b>379.5</b>	<b>825.2</b>	<b>4834.9</b>	<b>3485.5</b>	<b>1349.4</b>	

Surrey Police Staff Overtime		2020/21													Budget	Var
Department	£k	Actual Apr	Actual May	Actual Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Full Year	Full Year	
West Surrey	0.0	5.7	10.1	4.0	4.0	3.6	2.5	3.4	4.5	3.5	3.9	6.2	51.3	40.0	11.3	
East Surrey	0.0	2.4	2.1	3.7	2.9	3.7	2.8	1.5	2.6	3.0	2.6	4.0	31.3	35.0	-3.7	
North Surrey	0.2	6.4	6.5	3.6	2.2	4.0	4.5	3.4	2.4	3.5	5.2	6.8	48.7	45.0	3.7	
Specialist Crime	1.8	26.1	22.4	21.2	21.2	21.2	21.2	21.2	21.2	21.2	21.2	24.2	244.2	211.9	32.3	
Operations Local - Surrey	0.0	1.6	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	20.5	16.0	4.5	
Operations Command Joint	0.1	1.3	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	-10.3	10.1	20.4	-10.3	
Criminal Justice	0.0	12.7	13.9	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	81.3	100.0	-18.7	
Contact	2.8	85.2	73.2	42.5	42.5	42.5	42.5	42.5	42.5	42.5	42.5	51.8	552.9	500.0	52.9	
Professional standards	0.1	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	2.0	16.0	-14.0	
Force Level Operations	0.0	0.0	0.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	12.8	20.0	20.0	0.0	
Central Corporate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-37.6	37.6	
Service Quality	0.5	5.2	5.5	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	54.3	38.0	16.3	
Chief Officers	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Commercial and Finance Services	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.9	-0.1	
Joint Transport	0.1	6.9	4.9	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	25.4	1.8	23.6	
Estates	2.0	6.0	4.2	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.9	44.5	35.0	9.5	
OP Apollo	1.6	54.5	28.0	19.1	14.1	24.4	14.1	0.0	0.0	0.0	0.0	0.0	155.6	0.0	155.6	
CDD	0.7	1.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	3.0	
Specials	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.8	1.0	1.8	
IT	1.0	6.3	6.2	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	1.1	32.7	21.8	10.9	
Cost of Change	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.7	2.7	0.0	
People Services	0.4	3.8	2.5	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	30.7	21.0	9.7	
<b>Total</b>	<b>11.2</b>	<b>225.6</b>	<b>186.1</b>	<b>120.5</b>	<b>113.3</b>	<b>125.8</b>	<b>114.0</b>	<b>98.4</b>	<b>99.7</b>	<b>100.1</b>	<b>100.5</b>	<b>119.6</b>	<b>1415.0</b>	<b>1088.9</b>	<b>326.1</b>	

## Appendix C Capital Budget Position at 30<sup>th</sup> June 2020

Projects by Portfolio - Surrey	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Jun-20</b>						
<b>ICT</b>						
P61003 - IL4 Remediation		7,800	(7,800)	31,000	31,000	-
P61002 - Datacentre Improvements		11,100	(11,100)	44,000	44,000	-
P61001 - Agile Hardware	4,666	141,300	(136,634)	565,000	565,000	(0)
P61033 - IT Capital Allocation		(123,600)	123,600	(494,000)	(494,000)	-
P61002 - Windows 10		64,500	(64,500)	258,000	258,000	-
P61001 - Hardware Refresh	10,238	155,400	(145,162)	621,000	621,000	-
P61035 - Azure Migration		202,500	(202,500)	810,000	810,000	-
P61036 - Apps Rationalisation		33,900	(33,900)	135,000	135,000	-
P61037 - MMD Device		92,700	(92,700)	371,000	371,000	-
P61014 - IDAM	36,347	8,700	27,647	35,000	35,000	-
P61024 - Private / Public Cloud	189		189	189		189
P61013 - Firewall and Security Devices		14,400	(14,400)	58,000	58,000	-
P61007 - Office 365 Planning & Pre-implementation		92,400	(92,400)	369,000	369,000	-
P61006 - Wireless	2,266		2,266	2,266		2,266
P61005 - Infrastructure & Networks	10,790	236,400	(225,610)	945,000	945,000	-
P61004 - Telephony	3,053	37,500	(34,447)	150,000	150,000	-
P61011 - Planned Server Replacement	4,941	35,100	(30,159)	140,930	140,930	-
P61016 - Network Monitoring Tool		98,400	(98,400)	394,000	394,000	-
P61017 - DEMS / DAMS	2,014	166,500	(164,486)	666,000	666,000	-
P61018 - Body Worn Video Hybrid		7,500	(7,500)	30,000	30,000	-
P61019 - Mobile Data Terminals - Refresh	27,264	56,400	(29,136)	225,000	225,000	-
<b>ICT Total</b>	<b>101,768</b>	<b>1,338,900</b>	<b>(1,237,132)</b>	<b>5,356,385</b>	<b>5,353,930</b>	<b>2,455</b>
<b>Equip</b>						
<b>Commercial and Finance Services</b>						
P66001 - Vehicle Replacement	303,436	514,200	(210,765)	2,057,342	2,057,342	-
P66002 - Vehicle Telemetry	58,936	167,100	(108,164)	667,938	667,938	-
P66004 - Fleet Equipment		153,300	(153,300)	613,000	613,000	-
P66005 - Automatic Number Plate Recognition		135,000	(135,000)	540,000	540,000	-
P69001 - Unallocated Budget			-		1,055,916	(1,055,916)
P63004 - Former Section House Scheme	27,339	75,300	(47,961)	300,666	300,666	-
P63006 - Estates' Strategy - Custody Compliance		171,300	(171,300)	685,000	685,000	-
P63005 - Estates' Strategy - Environmental		29,400	(29,400)	117,203	117,203	-
P63009 - Agile Working Developments	84,114	121,500	(37,386)	485,521	485,521	-
P63011 - Niche Evidential Property	7,308		7,308	7,308		7,308
P63012 - Niche Evidential Property		12,900	(12,900)		51,144	(51,144)
<b>Commercial and Finance Services Total</b>	<b>481,133</b>	<b>1,380,000</b>	<b>(898,867)</b>	<b>5,473,978</b>	<b>6,573,730</b>	<b>(1,099,752)</b>
<b>Specialist Crime</b>						
P64002 - DFT Transformation	35,000		35,000	226,336		226,336
P64001 - Digital Forensics Transformation			-	124,463	226,336	(101,873)
P64001 - POLIT Workstations	74,535		74,535	100,000	100,000	0
<b>Specialist Crime Total</b>	<b>109,535</b>		<b>109,535</b>	<b>450,799</b>	<b>326,336</b>	<b>124,463</b>
<b>Operations</b>						
P60003 - SCP Investments	14,181	33,000	(18,819)	14,181	132,572	(118,391)
P80001 - ANPR	22,940	49,800	(26,860)	22,940	198,883	(175,943)
P80002 - Taser Uplift	2,699	58,800	(56,101)	2,699	235,127	(232,428)
P80003 - Operations Command Equipment	17,910		17,910	17,910		17,910
P80004 - Drone Replacement		14,400	(14,400)		57,311	(57,311)
<b>Operations Total</b>	<b>57,730</b>	<b>156,000</b>	<b>(98,270)</b>	<b>57,730</b>	<b>623,893</b>	<b>(566,163)</b>
<b>Police Transformation Fund</b>						
<b>Corporate Services (Sussex)</b>						
<b>Corporate Services (Surrey)</b>						
P63003 - Air Conditioning		50,100	(50,100)	200,000	200,000	-
P63002 - Divisional Estates' Strategy	26,949	20,400	6,549	81,799	81,799	-
P63001 - Building the Future	38,763	678,600	(639,837)	2,714,671	2,714,671	-
<b>Corporate Services (Surrey) Total</b>	<b>65,712</b>	<b>749,100</b>	<b>(683,388)</b>	<b>2,996,470</b>	<b>2,996,470</b>	<b>-</b>
<b>Local Policing</b>						
P62003 - Contact and Deployment Telephony (CC6)			-			-
P62005 - ESN-Devices		331,200	(331,200)	1,325,000	1,325,000	-
P62007 - Queue Buster 101	25,361		25,361	25,361		25,361
P62009 - Storm	312,917	211,200	101,717	1,002,917	845,000	157,917
<b>Local Policing Total</b>	<b>338,278</b>	<b>542,400</b>	<b>(204,122)</b>	<b>2,353,278</b>	<b>2,170,000</b>	<b>183,278</b>
<b>Neighbourhood Policing</b>						
<b>Projects Total</b>	<b>1,154,157</b>	<b>4,166,400</b>	<b>(3,012,243)</b>	<b>16,688,640</b>	<b>18,044,359</b>	<b>(1,355,719)</b>

## Appendix D

### Revenue Virements

Between £0.1m and £0.5m

Month	Amount £k	Perm/ Temp	From	To	Description	Virement Number
M3	232	Perm	Corporate Services Surrey	Commercial and Finance Services	Forcewide Overtime - Clear Out Current Budget(JH)	202
M3	300	Perm	People Services	Commercial and Finance Services	Transfer of Apprentice Levy Income budgets to L&PD(HE)	200

Greater than £0.5m

Month	Amount	Perm/ Temp	From	To	Description	Virement Number
M3	2,559	Perm	Local Policing	Commercial and Finance Services	Forcewide Overtime - Clear Out Current Budget(JH)	202
M3	3,082	Perm	Commercial and Finance Services	Local Policing	Forcewide Overtime Refresh 1 - Add in Revised Budget(JH)	201
M3	1,173	Perm	Commercial and Finance Services	Operations Protective Services	Forcewide Overtime Refresh 1 - Add in Revised Budget(JH)	201
M3	774	Perm	Commercial and Finance Services	People Services	Op Uplift Funding for L&PD (JH)	215
M3	834	Perm	Operations Protective Services	Commercial and Finance Services	Forcewide Overtime - Clear Out Current Budget(JH)	202
M3	794	Perm	Specialist Crime	Commercial and Finance Services	Forcewide Overtime - Clear Out Current Budget(JH)	202
M3	701	Perm	Commercial and Finance Services	Specialist Crime	Forcewide Overtime Refresh 1 - Add in Revised Budget(JH)	201

### Capital Virements

No virements to report in Month 3

## **Appendix E**

### Abbreviations

PCC - Police and Crime Commissioner

DCC – Deputy Chief Constable

ICT – Information Communication Technology

PSD – Professional Standard Department

ACPO – Chief Officers

ERP – Enterprise Resource Planning

FTE – Full-time equivalent

DFT – Digital Forensic Team

POLIT – Paedophile Online Investigation Team

ICCS – Integrated Communications and Control System

ANPR – Automatic Number Plate Recognition

APT - Area Policing Team

SERIP – South East Regional Integrated Policing Programme

SOIT - Sexual Offences Investigation Team

RIPA – Regulation of Investigatory Powers Act

PNC/PND – Police National Computer/Police National Database

