



Required for:	<i>PCC Public Accountability & Performance Meeting January 2022</i>
Security Classification:	OFFICIAL
Handling information if required:	
Suitable for publication:	Yes
Title:	2022/23 Budget proposals and the impact of precept levels
Version:	V1.0
Purpose:	For information only
ACPO / Strategic Lead:	DCC Nev Kemp
National Decision Model compliance:	N/A
Date created:	12/2/22
Date to be reviewed:	

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What are the Policing Principles?

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| Accountability | <input checked="" type="checkbox"/> | Fairness | <input checked="" type="checkbox"/> | Honesty | <input checked="" type="checkbox"/> |
| Integrity | <input checked="" type="checkbox"/> | Leadership | <input checked="" type="checkbox"/> | Objectivity | <input checked="" type="checkbox"/> |
| Openness | <input checked="" type="checkbox"/> | Respect | <input checked="" type="checkbox"/> | Selflessness | <input checked="" type="checkbox"/> |

1. Introduction

This report sets out the current pressures on Surrey Police's financial position, and an explanation of the Chief Constable's recommended budget for 2022/23.

2. Policing Context

- 2.1. The police service has faced extraordinary challenges and pressures over the past two years as a result of the Covid-19 pandemic; together with the majority of its partners. Surrey Police has worked closely with other forces and a range of local partners in response to the pandemic and, while the types of demand from the pandemic have changed over this period, the police's role in responding to the pandemic is clearly not yet over; two years after the start of the crisis.
- 2.2. The effect of the pandemic has been to significantly change the balance of demand upon the Force. While some changes have been relatively short-lived, others are forecast to continue in the medium to long term. Domestic burglary, for example, reduced during lockdowns, but crimes such as domestic abuse quickly returned to pre-pandemic levels, and changes in behaviour as a result of the pandemic have led to a significant increase in crimes such as online fraud.
- 2.3. In addition to operational demand, the pandemic has necessitated a range of new ways of working over the past two years; changing the Force's use of its operational estate and fleet, necessitating the continued use of Covid-19 PPE, and increasing the amount of remote working wherever possible. The force has responded to these challenges flexibly as measures have eased and tightened, but this has led to a necessary reprioritisation of workload across a variety of departments.
- 2.4. Notwithstanding the particular challenges of the pandemic, the issues Surrey Police and the rest of the service have to overcome in future years will continue to involve increases in demand and complexity across almost every area of our business. Demand continues to increase in areas of digital contact with the public, new communications channels via emerging social media platforms, and analysis of digital data. High profile incidents such as the killing of George Floyd in the US, and the murder of Sarah Everard by a serving MPS officer have had a significant impact on public trust in the police service, which all forces are working hard to rebuild.
- 2.5. As public finances are squeezed as a result of the pandemic – affecting not only the police service but also key partners – Surrey Police is faced with difficult decisions concerning where to focus resources and attention.

3. Financial Context

- 3.1. Surrey Police receives the lowest level of central government funding in the country, per head of population, as shown in Figure 1 below. As a result, funding from precept, paid for by local residents, makes up 55% of Surrey Police's budget.
- 3.2. Since 2010/11, total funding for Surrey Police has failed to keep up with inflation; falling in real terms and only returning to the equivalent of 2010 funding levels in 2021/22, as shown below in Figure 2. The increases in funding in recent years that returned the Force to the level of 2010 are almost entirely due to increases made in the local precept, with a relatively small increase in the last two years from Op Uplift funding (central government funding for an additional 20,000 officers nationwide).
- 3.3. Set against these financial pressures, Surrey Police has made savings year on year, totalling £81.4m since 2010.

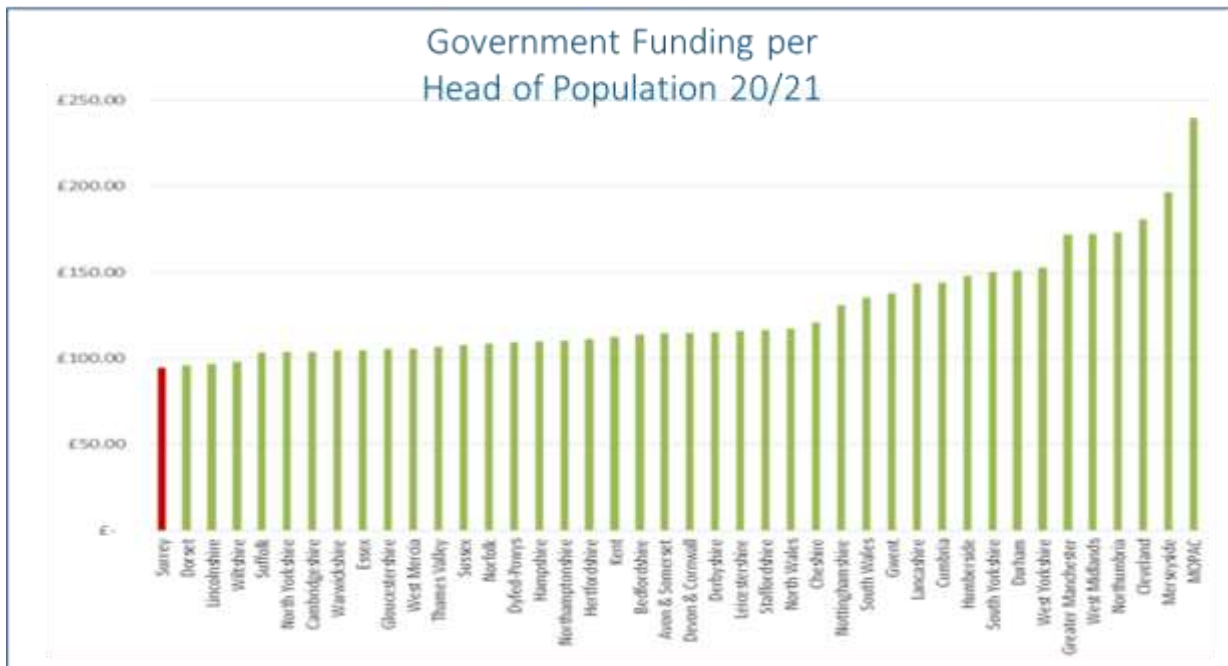


Figure 1: Central government funding of police forces in England & Wales, per head of population

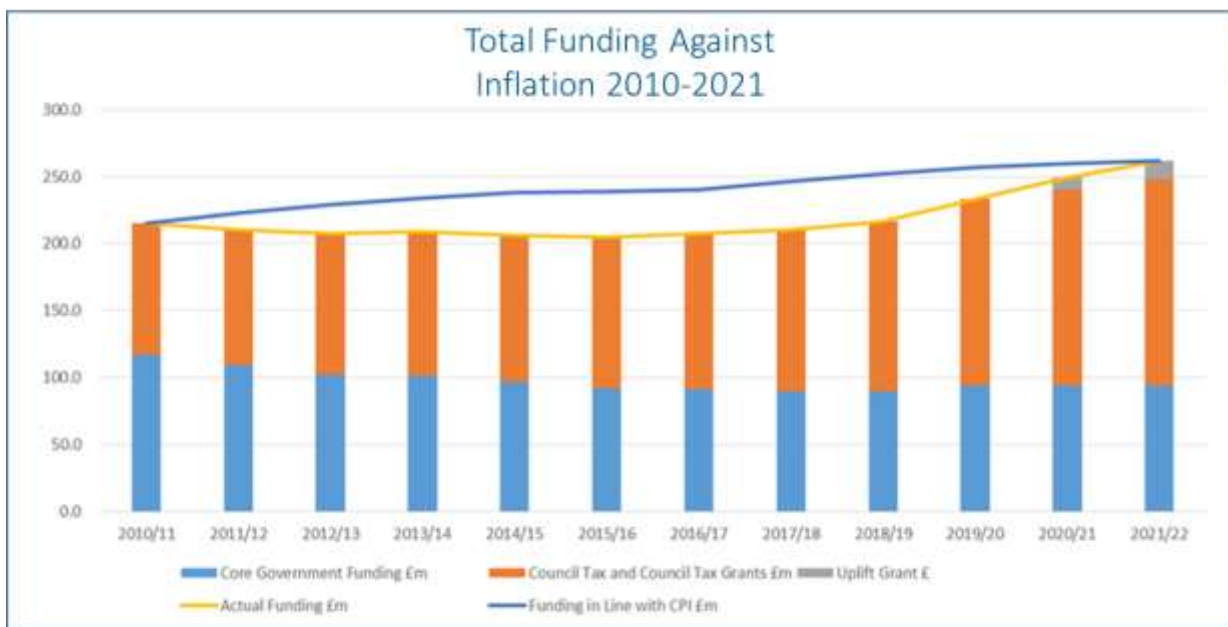


Figure 2: Surrey Police total funding, set against inflation, 2010 - 2021

4. Our Commitments

4.1. Despite the combined pressures of increasing volume and complexity of demand, and a challenging financial position, Surrey Police continues to focus on making Surrey a county that is safe and feels safe, in line with 'Our commitments'; setting out the Force's strategy as commitments to our communities, our force and our people. The Force will continue to use this framework to focus activity and address the Police and Crime Commissioner's priorities over the next four years:

- Our Communities
 - Prevent crime
 - Protect our communities
 - Pursue offenders
- Our Force
 - Prevention
 - Partnership
 - Potential
- Our People
 - Professional
 - Proud
 - Inclusive

4.2. Over the last three years, with the additional investment from local precept and central government funding, Surrey Police has invested heavily in its preventative policing approach. The Force has invested in additional local officers in prevention and investigation teams, as well as increasing the number of staff in the Contact Centre; opening up new ways for the public to contact the Force via social media if they wish. The Force has also invested heavily in specialist teams focussing on those crimes that cause the most harm – child abuse, domestic abuse and sexual offences – bolstering investigations, support for victims, and critical functions such as the analysis of mobile phones, which play a crucial role in so many investigations today.

4.3. The Force has a number of programmes underway designed to ensure that it is responding to changes in the needs of our communities, and preparing for the challenges ahead. The Force's approach to investigations is subject of major change under the Investigation Improvement Programme; restructuring local investigation teams, and investing in additional investigation teams. Some of these changes are complete, while others mid-implementation, at the same time as the Force is replacing its command and control system to provide a better service to the public, and provide better information to officers and staff.

4.4. At the same time as investing in the most important parts of its service for the public, Surrey Police has made significant efficiencies in support functions year on year. The Force continues to innovate and review its service delivery in the face of the growing demand and real terms reduction in funding. A range of tactical savings were planned for 2021/22, totalling £6.4m; all of which are on course to be achieved.

5. Future Savings Plans

5.1. To meet the savings targets of £16.8m required to close the funding gap over the next four years, Surrey Police will need to implement a programme of transformational change; meaning a thorough redesign and restructuring of entire departments to maximise efficiencies and realise significant savings. However, the Force's ability to plan savings over the long-term has been limited by uncertainty around long-term funding, as a result of annual funding allocations for a number of years. Central government has only committed to a three-year settlement starting with the financial year

2022/23 and, as a result, Surrey Police has been unable to plan savings programmes further than a year at a time, and savings plans in recent years have been largely short-term and tactical.

- 5.2. With the confirmation of a three-year funding settlement from central government, Surrey Police is now in a position to plan long-term transformational change programmes to realise significant savings. The Force has begun a thorough scoping of savings opportunities using Value For Money comparison data, and is working with the Chartered Institute of Public Finance & Accountancy (CIPFA) to identify areas for savings. Such programmes take time to scope, plan and implement, however, and these change programmes will not realise savings in 2022/23; they may, in fact, incur additional costs in the short-term to enable greater savings in the long-term.
- 5.3. Surrey Police has therefore undertaken simultaneous analysis of short-term opportunities for savings, that are achievable in 2022/23, to meet the immediate savings target. A variety of options have been identified, and the Force is confident of delivering a balanced budget in 2022/23.
- 5.4. In addition to the savings options identified, Surrey Police has considered the use of reserves. The Force recognises, however, that the current levels of reserves are already at 3% of budget, which is considered to be the minimum prudent level required. Uncertainty as a result of the Covid-19 pandemic makes prudent use of reserves more important than ever at this time, and so their use to meet this budget gap would be inappropriate.

6. Precept Impact on Savings Requirements

- 6.1. At the same time as making significant savings, the Force must continue to recruit additional officers in 2022/23 and maintain those increased officer numbers in subsequent years, to ensure receipt of central government funding for 'Op Uplift'; Surrey's share of the 20,000 additional officers funded over three years by central government.
- 6.2. The requirement to increase and then maintain officer numbers means that any options for savings are limited to non-employee costs and police staff costs. Given that 78% of Surrey Police's revenue budget is spent on employee costs (officers and staff), and many assets such as estates have already been sold or reduced in previous years, options for further savings will generally fall to reduction in police staff costs.
- 6.3. To minimise the savings required in 2022/23, and ensure that a balanced budget is achievable with the least possible impact on service to the public, the Chief Constable has therefore recommended to the Police and Crime Commissioner a budget including an increase in precept by £10 per Band D property. Having identified all available short-term savings options for 2022/23, and having considered but discounted the use of reserves to close the budget gap, the Force has extremely limited options for further savings in 2022/23. If the full precept increase is not realised, the Force would have to implement a recruitment freeze to meet the additional savings gap created as a result. Such a measure is highly undesirable, but would be required to meet any additional savings required within the time available.
- 6.4. A recruitment freeze will have the greatest impact on those teams and departments with the highest turnover of staff. The teams with the highest staff turnover in the last year are shown below in Figure 3. It is anticipated that these teams will continue to see similar or higher turnover in the next year.

Team	Turnover	Turnover %age	Annual costs
Digital Forensics	12/34	35.3%	£439,536
Contact Centre & Force Control Room	68/270	25.2%	£2,025,244
Corporate Communications	5/28	17.9%	£183,140
Victim & Witness Care Unit	7/40	17.5%	£256,396
PCSOs	23/136	16.9%	£685,009
Investigating Officers	17/102	16.7%	£622,676
Total	132/610	21.6%	£4,212,001

Figure 3: Surrey Police units with the highest turnover of staff in 2021

6.5. The table above shows total annual costs (including pension, NI etc.) for the numbers of staff lost in the year. However, assuming an even distribution for loss of staff throughout the year (i.e. the same number of staff leave the Force each month), then actual savings will be half of the full-year costs: £2.1m total.

6.6. The table below (Figure 4) gives a summary of the role of each team, and the impact of a recruitment freeze on critical functions:

Team	Priority Area	Impact
Digital Forensics	Violence against women and girls	The Digital Forensics Team is a highly specialist unit providing analysis of computers, phones, tablets etc. for investigations and court evidence. Very few investigations now do not involve analysis of digital evidence, and it is especially important for RASSO offences, where digital evidence is often crucial. Reduced capacity will delay analysis; leaving vulnerable victims without their phones as a means of support; affecting victim care, and increasing cases lost due to withdrawal of victim support.
Contact Centre & Force Control Room	Relationships with communities	The Contact Centre and Force Control Room are critical to Surrey Police's engagement with the public and provision of emergency response, with increasing demand and public expectation. Recent investment of ten additional staff for digital demand is dwarfed by leaver rate. Teams already impacted by Covid-19 room space restrictions, and increased total demand. Training for new staff takes 12-18 months.
Corporate Communications	Relationships with communities	Reductions will limit capacity for community engagement and campaigns; critical to confidence in police. Work would be prioritised to reactive media enquiries, & limited campaigns by threat, harm & risk. Development of new channels and innovation would be severely curtailed.
Victim & Witness Care Unit	Protecting people from harm	VWCU provides critical support to victims, and plays a key role in maintaining support for court cases. Unit already managing increased volume & complexity of demand as court delays impact on victims.
PCSOs	Communities feeling safe	PCSOs play a pivotal role in engaging with the public, and are well known to local communities. Any loss will significantly harm engagement and backfilling with officers will impact on total visibility.
Investigating Officers	Protecting people from harm	Investigating officers are deployed across a variety of teams, to release officers for visible duties. Loss of IOs will immediately impact on visibility & response capacity of uniformed officers, limiting service to the public from Neighbourhood Policing Team.

Figure 4: The roles and impact of those units with the highest turnover

6.7. As can be seen, the six departments with the highest turnover of staff, that would be impacted most by a recruitment freeze, all deliver critical public-facing services. A reduction in provision of digital forensics would have a significant impact on some of our most traumatised victims, by depriving them of access to their mobile phones just when they are at their most vulnerable, while the VWCU provides crucial support for victims as they negotiate the often confusing and stressful criminal justice process. A reduction in staff within the Contact Centre and Force Control Room would have an immediate and direct impact on the public's ability to contact us, while a reduction in resources for the Corporate Communications team would limit how we are able to engage with the public. Finally, any reduction in numbers of PCSOs and Investigating Officers would have an immediate impact on frontline visibility of police in our neighbourhoods.

6.8. Every 1% increase in precept equates to £1.4m funding, and any precept less than the full increase of £10 per Band D property would necessitate some reduction in service as a result of a recruitment

freeze. Example additional savings gaps for a reduced precept are shown below, with the resulting reduction in staff.

Precept Increase	Revenue raised	Increased savings gap	Indicative staff reductions
£/Band D	£m	£m	Numbers
£0.00	0	(5.1)	-340
£5.00	2.5	(2.6)	-174
£10.00	5.1	0	0

Figure 5: Impact of precept levels on additional savings gaps and equivalent staff reductions

7. Conclusion

- 7.1. Surrey Police's funding position is such that the Force receives the lowest funding from central government, per head of population, in the England and Wales, and has returned to the real-terms funding levels of 2010 only in the last year, after a decade of funding below inflation.
- 7.2. Surrey Police must make substantial savings over the next four years to close its budget gap, necessitating transformational change, with significant programmes of restructuring and reorganisation to maximise efficiencies. Such change, however, will take time to plan and implement, meaning that savings required in 2022/23 must come from short-term tactical initiatives.
- 7.3. Surrey Police has identified available short-term savings for 2022/23, to meet the budget gap, but a balanced budget remains dependent upon the realisation of a precept increase of £10 per Band D property, as recommended to the Police and Crime Commissioner by the Chief Constable.
- 7.4. Any increase in precept less than £10 per Band D would necessitate further savings which, in the time available and having exhausted other savings options, would require a widespread recruitment freeze. Such a recruitment freeze would have the greatest impact on those teams with the highest turnover of staff, which are also those teams that provide critical public facing services, such as Contact Centre, PCSOs, and the Victim and Witness Care Unit.

8. Recommendation

- 8.1. The Chief Constable's recommendation is for a Gross Budget to be set for Surrey Police for 2022/23 of £278.6m. With savings plans, change to the tax base and Government Grant taken into account, this would require a precept increase of £10 for a Band D property in Surrey.