



Surrey Police Authority & Surrey Police budget briefing sheet

May 2009

1. Accumulating Financial Risks

- Out of 43 county police forces in England & Wales, Surrey receives the 40th lowest level of central funding from the Government. This is despite Surrey contributing more in tax revenue to the Exchequer than any other county.
- This is principally because the Government's funding formula is based on demographics and indigenous crime, and accounts for only 50% of the criminal activity in Surrey.
- This has been a problem for well over a decade. Surrey's police grant per head of population has fallen in real terms over the last ten years. In fact, it has fallen faster than any other force's grant. In 1997/98 Surrey was granted from Government £96 per head of population. This year (in the meantime having taken on tougher challenges of areas previously policed by the Metropolitan Police) that figure is £93 per head - in real terms a reduction of 39%.
- The current national average grant, excluding the Metropolitan Police, is £132 per head. Including the Met, this figure rises to £150 per head.
- We have therefore had to explore every option to maintain front line services whilst trying to keep council tax bills down. We have achieved everything that we can by innovating; by delaying crucial investment; and by running our reserves down to the lowest prudent level. Surrey is the first Authority to reach the tipping point where efficiency measures end and service cuts begin - others will arrive at a similar position in the not too distant future.
- The failings of the funding formula are widely acknowledged. In his recent Review of Policing, the former Chief Inspector of Constabulary Sir Ronnie Flanagan said: "Whilst the funding formula does take account of many of the demands on policing and of the socio-economic context within which a force operates, it is very limited in the way that it reflects protective services work."

2. Cross Border Crime

- Around half of the criminal activity within Surrey is perpetrated by those living outside our borders. For example, out of the 45 major crime investigations which Surrey Police worked on in 2008/9, 21 of them had either a suspect or victim residing outside Surrey (47%).

- Operation Shield - our initiative to identify cross border criminals and bring them to justice - is making a real impact; 355 operations using Automatic Number Plate Recognition produced 340 arrests, 53% of those arrested being from outside Surrey. A similar picture is repeated with burglary and vehicle crime and organised crime. However the threat remains and is likely to increase as the impact of the recession begins to manifest itself in increased levels of acquisitive criminality.

- Surrey Police has a total budget of £217m and less than 1,900 officers. The Metropolitan Police has a budget of £3.5bn and 35,000 front line officers. London criminals are avoiding the better resourced Met and crossing the border into prosperous Surrey to commit crime, and will do so in ever greater numbers as the recession intensifies. We know what needs to be done to stop these criminals on our borders, but the success of this work depends on us having the resources needed to do it.

- This threat has been explicitly acknowledged by Lord West, Home Office Minister in the House of Lords who said, in response to questions from Lord Trefgarne, that the issue was one of "people doing away-days from London in order to redistribute wealth".

- Our estimate of the amount of last year's £209 million budget spent on managing this cross border threat is approximately £40 million. This is currently paid for by local people.

- As well as London criminals coming into Surrey, we must also police risks going the other way. Surrey is a key entry point into London, and is home to some of the capital's critical infrastructure. We are expected to police significant metropolitan risks, and to do so with a rural budget.

3. The Capping Process

- We have been open and honest with the Government, our key local stakeholders and above all, the people of Surrey in setting out why we have asked for an increase in council tax during such challenging economic times. And we have made difficult and painful decisions - including reducing our workforce by 144 officers and staff in this year alone - to minimise what we ask local people to provide.

- Following last year's capping process, we were told by the Government to limit our budget increase for the year to against a notional budget figure that the Secretary of State set for us. This we duly did. However, this resulted in an increase in our share of the council tax bill which the government subsequently deemed to be excessive, based upon a notional, lower precept for the previous year. By the Government's purely hypothetical calculation, our precept increase is 7.07%. Our real precept increase is in fact 4.89%. We were not informed of the change in criteria until three days before our budget was to be published, too late for us to be able to do anything to rectify the situation.

- We made the inevitability of cuts to front line services very clear to Ministers during a meeting with them in April, and in a written submission of appeal that preceded it. The Minister for Local Government made his decision to cap the Authority in the full knowledge that operational policing would suffer as a direct consequence. His department has consistently refused to provide information as to how these decisions are arrived at.

- DCLG officials have admitted to us - in writing – **“It is not government policy to enter into discussion about how it collectively arrives at a decision and I am therefore unable to provide any further information on this subject.”**

- It is the unwillingness of the Government to give our case a fair and transparent hearing that compels us to pursue legal action.

- This process will return £3.24 for the year, or six pence per week, to the average Band D household, at a cost of £1.2m and 50 operational posts

- The Audit Commission states that Surrey Police spends less per Band D property than any other force in the country and ‘represents excellent value for money to the taxpayer’. In light of this evidence, it is difficult to see how the justification of the decision to cap us on grounds of ‘protecting the taxpayer’ can be defended.

4. Operational Impacts

- Front line cuts will be inevitable if the Government’s plan goes ahead. We face difficult decisions in the near future to identify where these cuts will fall.

- To achieve our budget for this year, Surrey Police has had to commit to a reduction in headcount of some 144 support posts in this year.

- Capping will add a further 50 front line posts to this total including 35 police officers. These cuts will be spread across a range of functions including cuts to the number of officers investigating major crime, working in Special Branch, the forensics department, policing the roads as well as safer neighbourhood officers working with young people in schools and officers providing crime prevention advice.

5. The Cost of Crime, and the Benefits of Excellent Policing – Scoping out a new financial future

We have commissioned detailed research from Oxford Economics to look at the costs of crime, the benefits of low crime and some alternative proposals for police funding in Surrey. In the past week, we have submitted this to the Home Office for their consideration.

Some of the report’s key findings include:

- If crime levels in Surrey were at the average of the other local authority areas surrounding London, it would create more than £1m of additional costs per 10,000 people, based on the Home Office’s estimates of the economic cost of crime.

- In Surrey, the cost savings of low crime for the entire population of 1.1m amount to £110m per annum by this calculation.

- This figure equates to approximately £100 per head of population saved each year as a result of the currently low level of crime.

- Surrey contributes more in taxation to the Exchequer than any other county in the UK. Indeed, it is one of the few counties in this country to make a net contribution of any kind. The safety of Surrey is a major contributing factor to its continuing prosperity and its international reputation as an excellent place to do business.

- Surrey residents contribute £12,000 per head, per annum to the Exchequer. The average across the rest of the South East is £6,000 per head. Were Surrey residents to contribute at the same level as their South East neighbours, the Exchequer would lose out on £5.3 billion pounds of tax revenue every year.

At a time where tax revenues are scarce and major public debts must be paid, can this country afford not to give Surrey Police the relatively small increase in resources it needs to help protect the prosperity of a county generating so much revenue?