



Income Generation and Charging Policy Surrey

Abstract

This policy details how and why Surrey Police charge external agencies for the use of police services across all areas of the Force.

All queries regarding this policy should be directed to the Finance Service and the appropriate Finance Business Partner in the first instance. Finance Business Partner Contacts.docx (shdc.police.uk)

Policy

1. Introduction

- 1.1 This policy is required to ensure there is a consistent and transparent method for calculating the appropriate fees for the use of police services and/or goods that are provided by Surrey Police to outside agencies so that the 'users' of the service have a clear understanding of how the charges have been calculated.
- 1.2 The objective of this policy is to provide a framework for officers and all staff to use when determining the level and extent of any charges to be applied upon receipt of a request to provide police services. It complies with the National Police Chief's Council (NPCC) Guidelines for Charging for Police Services.

2. Scope

- 2.1 This policy sets out the principles that must be followed in the pursuance of charging and generating income for police services across all areas of the Force. It provides guidance on what can reasonably be termed 'police services', and what costs should be charged for providing such services.
- 2.2 Police services in this policy are defined as the provision of police services over and above core policing at the request of a person or organisation. The payment for the services is the subject of a contractual arrangement with implication for prior agreement on both sides.

2.3 The ability to charge for police services is generally determined by statutory provisions and the guidance covers four main areas:

- The provision of Special Police Services (SPS) at the request of any person under [Section 25 of the Police Act 1996](#) which makes such services subject to payment of charges as determined by the Police and Crime Commissioner (PCC). SPS generally relate to policing an event, e.g. a music concert, or series of events, e.g. football matches. [Section 26 of the Police Act 1996](#) applies similar requirements to the provision of police services overseas.
- [Section 15 of the Police Reform and Social Responsibility Act 2011](#) extends to PCCs the powers of the [Local Authorities \(Goods and Services\) Act 1970](#) to supply goods and services to other bodies or persons. This may include services provided in competition with other providers, e.g. training or vehicle maintenance, where charges will reflect market rates, or services as a by-product of core police activity such as provision of collision reports.
- The provision of police services to other agencies such as the Home Office Immigration Enforcement (HOIE) or H.M Prison and Probation Service (HMPPS).

(For more detailed guidance on the provision of Mutual Aid under [Section 24 of the Police Act 1996](#) to other forces, please refer to the dedicated National Policing Guidelines on Charging for Police Services: Mutual Aid Cost Recovery).

3. Policy Statement

3.1 The Force adheres to the NPCC guidance on charging for police services to ensure that there is a transparent and consistent process adopted throughout the Force when charging external agencies.

Procedure

1. Charging Policy

1.1 The NPCC Guidance on charging for police services is aimed at giving clarity to forces and at the same time provides a basis for consistent charging.

1.2 The Force use these principles to set out the methodology for police services for the following:

a) Policing events which are categorised as:

- Commercial events intended to generate private profit.
- Non-commercial events, i.e., charitable or community events.
- Statutory events, reflecting constitutional rights or processes.

b) The provision of goods and services to 3rd parties.

c) Charging for services to Government Agencies.

d) The provision of mutual aid to other police forces.

1.3 As a general rule, payment must be received in advance. Charges included in the policy are net of VAT. Final costs may be subject to VAT. Please seek advice from the Corporate Finance Team if unsure.

2. Cost Methodology and Recovery

2.1 The normal application of costing policing for **charging purposes should reflect full economic cost recovery**. This is particularly true for commercial purposes, where a special police service is being provided using police resource. There are potentially some circumstances where the other cost bases will lead to alternative cost recovery charging.

3. Types of Recovery Costs Methodology for SPS

3.1 The costs the police service can recover are:

- **Employable Cost:** This represents the basic actual cost of the service providers, with no allowance for an overtime premium or the recovery of overheads.
- **Direct Costs:** This is the cost of an officer including a standard overtime recovery element. To be used for calculating SPS provided for non-commercial events.
- **Resource / Operational Cost:** This represents the cost of the resource employed in the provision of the service. Here, the direct costs and the direct overheads are included. To be used for calculating SPS provided to government agencies and Crown bodies.
- **Full Economic Cost:** This calculation includes all properly attributable costs, including contributions to administrative and general overheads. However, this indirect overhead recovery must relate to relevant overheads. To be used for calculating SPS provided for commercial events.
- **Use of Police Community Support Officers (PCSOs) / police staff and police staff controllers:** At some events core police services will also need to be augmented by members of the wider police family. The guidance allows for the full economic cost recovery for members of these groups using a similar methodology as that for police officers.

3.2 SPS for police officer's rates has been standardised from 2023-24 Financial Year and updated annually on a consistent national basis by NPCC.

3.3 SPS for Police Community Support Officers (PCSOs) / police staff and police staff controllers is not standardised to allow forces to accurately reflect their costs profile whilst still reinforcing the tenets of value for money (VFM) principles. The staff SPS rates are revised each year to reflect changes in costs and published at [Services for which we are entitled to charge a fee | Surrey Police](#).

4. Charging for the Policing of Events

- 4.1 [Section 25 of the Police Act 1996](#) applies to the policing of events. The Chief Constable is responsible for agreeing any special services to be provided over and above the level considered necessary to discharge their duties and the PCC for determining the charges to be made.
- 4.2 The Chief Constable will determine the policing need in discussion with the event organiser and in accordance with the circumstances of each event or request. Within the agreed scope of delegation, this will usually lead to agreeing the basis of the associated charges although significant or exceptional events will be subject to consultation with the PCC in accordance with its policy.
- 4.3 The PCC will also agree annually the charges that will be set for goods and services provided under both [Section 25 of the Police Act 1996](#) and [Section 15 of the Police Reform and Social Responsibility Act 2011](#).
- 4.4 A police force has a responsibility to assess the safety requirements in liaison with all partner agencies of an event. It often works with a local Safety Advisory Group but, in some circumstances, this may not be available. The Force will review the nature of the event with the organiser in order to minimise the risk to the assessed safety requirements. The safety of the event is primarily that of the event organiser.
- 4.5 However, safety is only part of the role. There is normally an important secondary element of assessing the direct community effect of the potential impact on crime and disorder and in some cases traffic management, occurring within the community, as a result of the event. There must be an agreement between the event organiser and the police of the need for SPS, which must be requested by the event organiser and accepted by the police as over and above that which the Chief Constable considers necessary to discharge their duties. Police services would then be supplied to: -
- Increase aspects of core policing over that which would normally be required in the locality to address crime and disorder issues arising from the staging of the event.
 - Provide additional policing services to increase the overall level of safety to an adequate level relative to the risk assessment and, therefore, the safety requirement.
- 4.6 Based on an adequate risk assessment, the level of police resource can be determined for each event. This will normally be achieved by direct communication with the event organiser but may also be undertaken through a Safety Advisory Group, if required.
- 4.7 There are a limited number of events for which, although consultation with a Safety Advisory Group is not required, the event includes a range of characteristics that would imply that policing services should be supplied and charged for. The criteria for this are set out later.
- 4.8 Policing an event may involve providing special policing services to an event organiser over and above that which the Chief Constable considers necessary to discharge their duties. Although, predominantly, this involves police officer or police staff time, it can also require other elements of a specialist nature, including vehicles,

consumables, specialist equipment and support functions as part of the service provision.

- 4.9 It should first be recognised that core service is that service which the Chief Constable considers necessary to discharge their duties within, and for, communities. It is, therefore, important to acknowledge that many small-scale local events can be policed with a relatively low input that may represent a public reassurance role within the overall framework of risk assessment. The methodology needs to allow for this and provide some discretion on who should be charged, and under what circumstances.
- 4.10 A principle has been established within mutual aid arrangements, that a de minimis level should be agreed so that a small police input below the threshold is not chargeable. This principle can be extended into policing events.
- 4.11 A second general principle can also be established. Charges for policing services should be made to the event organiser. They should then be able to take these into account when planning an event. Event organisers should consult with their local force early in the planning process.
- 4.12 In all instances where a charge is to be made for the hire of police services it is a requirement of the Force that prior to the provision of the required service, there must be formal agreement signed by both parties. For basic arrangements please refer to Hire of Police Services Agreement - Surrey, more complex events will need a specific contract, tailored to the demands of the events in question, in these cases contact the Finance Service for guidance.

5. Provision of Goods and Service to 3rd Parties

- 5.1 The provision of goods and services will cover services such as the provision of training in particular skills, the provision of appropriate information from police databases and goods which can range from memorabilia to old equipment, etc.

The intellectual property of Surrey Police is another asset that can be licensed to 3rd parties for value. Where this is proposed specific advice should be taken to ensure that the Force is commercially protected, and any reputational risk associated with licensing is considered and understood.

- 5.2 The situation here is conceptually different in that the goods and services are provided and sold in market competitive conditions. As such, pricing policy is largely discretionary to an individual force / PCC. Forces can be in competition with all other suppliers, including companies, non-profit organisations, and other forces.

To prevent competition pricing for intellectual property rights are now provided within the NPCC guidelines and updated annually on a consistent national basis by NPCC.

- 5.3 Some areas of service, such as the provision of certain information, can be, de facto, a national or local monopoly in that only the police service can provide the service. As a general principle, it can be difficult to justify in the service widely varying costs for say, the provision of Road Traffic Information. At the least, it creates an overall problem for the service, in terms of credibility to sections of the business or other

communities. The police service has created a standard set of common service-wide goods and services.

6. Police Act 1996 – Section 92 Grants by Local Authorities

6.1 This provides the ability of a force to receive a grant towards policing costs from a local authority above normal precept arrangements. [Section 92 Police Act 1996.](#)

7. Charging for Service to Government Agencies

7.1 The Force provides a range of services for, and with, other government agencies. These are often part of central government such as the HOIE and HMPPS, but they may also be arms-length agencies with a quasi-commercial status. The cost of providing known services such as HOIE and HMPPS are standardized and updated annually on a consistent national basis by NPCC through Blue Light Commission (BLC).

7.2 The charges to be made by Surrey Police depend on the nature of the service being provided:

- If the service provided is for the mutual benefit of all parties, the charge to be made is cost recovery only.
- If the service provided is a commercial activity, full economic cost must be charged as this becomes income generation.

7.3 It is important to understand the police role in such activities. In most cases, the skills and experience of officers and staff are being used to enhance another Government based service. Where this is outside of the normal policing role, then there should be the aim of covering all recognised costs together with the appropriate contribution to overheads.

8. Mutual Aid

8.1 Mutual aid can be described as the provision of policing assistance from one force to another. It is a formal arrangement and is similar to the provision of SPS. As such, mutual aid is usually provided in response to or in anticipation of a major incident or event.

8.2 Mutual aid activity ranges from small scale, inter-force support, through reacting to a significant or serious incident to, in some cases supporting a force or government department in a large pre-planned event.

8.3 By its very nature, mutual aid is incident based, and therefore likely to be extraordinary to the normal policing arrangements in the area.

8.4 For detailed charging arrangements for mutual aid, a separate guidance document, 'National Policing Guidelines on Charging for Police Services: Mutual Aid Cost Recovery' has been produced.

8.5 The mutual aid rates are updated annually on a consistent national basis by NPCC.

9. Payment in Advance

- 9.1 In normal circumstances, payment to the Surrey PCC for the special policing services to be provided for the event must be paid in full 14 days from the date of signing, the formal agreement.
- 9.2 Payment should be made to the PCC bank account, at least 6 weeks before the date of the event. Please contact your Finance Business Partner in a situation where a deviation is required because of an exceptional circumstance.
- 9.3 Surrey Police may refuse to provide the agreed services if the payment is not received 6 weeks before the due date.
- 9.4 If the payment is not received by the agreed due date, the requestor of the service is deemed to have committed a criminal offence punishable by a £20,000 fine and/or 6 months imprisonment. The PCC reserves the right to charge interest on unpaid invoices.

10. Income Generation

10.1 These activities fall into two categories:

(1) **Market Competitive Goods / Services** where the PCC set charges in relation to market forces by charging a market rate ([Local Government Act 2003](#)).

Examples

- Training, vehicle maintenance
- Transportation of mental health patients at the request of the NHS
- Hire of confined spaces search unit
- Hire of specialist equipment
- Hire of police services - football matches / events
- Mutual Aid to other forces
- The use of Surrey Police Facilities by other agencies and 3rd parties
- Provision of specific road traffic collision reports or medical information to an insurance company

(2) **Non-Competitive Activity** that is essentially a by-product of core police activity. Here there should be consistency on the rate that will be set nationally.

Examples

- Accident Reports
- Detainee Charges

Statutory Charges

- Firearms Certificates
- Shotgun Certificates

10.2 There has to be a proper recognition of the cost of production of either goods or service - linked to the costing model. In market competitive areas Forces or Authorities are free to charge, "What the market will bear", but should at least cover direct costs. Loss leading is only acceptable in the short-term, where there can be demonstrated that true cost recovery will be achieved within a clear period, linked to payback.

10.3 The costing model provides the basis for identifying the underlying cost base of services and therefore gives clarity for forces. This is also true for market non-competitive items where although consistency is key, cost recovery must be able to be demonstrated. In order to minimise issues over differences in charges, a core group of common services has been identified to be charged at a standard rate. This will be reviewed over time.

10.4 Income generation is encouraged within the police service, provided that the spirit of Local Government Acts are upheld including [Section 18 Local Authority Companies](#). Generally, this limits both the activities that can be undertaken and also the capacity to pursue income generation. This guidance allows the service to work within the current legal framework.

11. Responsibility for the Recovery of Charges

11.1 It shall be the responsibility of the budget holder to ensure that charges are recovered in an efficient and timely manner by the specialist staff under their command. See Section 7 of the current scheme of delegated budget holder management. Please refer to Matrix for assessing abatement of charges-PDF Matrix and the Cost Recovery Process.

12. Cost Recovery

12.1 Step One - Full Cost Recovery

- When an approach is made to Surrey Police for the hire of police services as stated in Section 25 of the Police Act 1996 a charge must be made to the event organiser.
- Whilst it is the Chief Constable's responsibility to determine the level of policing required for each event on the basis of a risk assessment, negotiations should take place on the resources required for the policing of the event taking into account requirements inside and outside the event.
- The event organiser / promoter must be made fully aware of the costs and responsibilities of accepting this policy and that payment must be made in advance.

- A formal meeting must take place and these discussions should include the charges that are applicable, this should include details of any VAT which should be charged to ensure the total cost of providing the service is transparent and understood. For advice on the VAT implication, please contact the Corporate Finance Team.
- In order to apply this policy consistently across the Force the approach that must be adopted is that all personnel deployed to the event site must be charged using the appropriate rate depending on the nature of the event / service as indicated in section 3.1 of this policy.

The costs breakdown will include:

- Cost of officer / staff time using applicable cost recovery rates.
- Plus, a charge for the service/goods being provided (where applicable).
- Plus, an administration charge of:
 - 5% (to a minimum of £10) on value of transaction between £0 - £1,000
 - £50 standard charge for transaction value of £1,001 and over to cover for the preparation, issuance, and processing of any invoice and payment.

12.2 Step Two - Abatement of Full Cost Recovery

- In certain circumstances abatement can be applied to the full cost recovery. In order to apply this consistently, the Force has implemented an events matrix owned by Operations Department to ensure a consistent approach is adopted to cost all events across the Force area at the full rate and then apply the abatement to the recommended level. Refer to [Matrix for assessing abatement of charges-PDF](#)
- The minimum deployment is 4 hours with the exception of football matches which have a minimum deployment of 6 hours.
- Abatement Matrix which must be used to assist the decision-making process which provides a number of questions and scores using the criteria listed: for any queries on the level of abatement to apply contact the

Planning Team in Operations Department. Refer to [Matrix for assessing abatement of charges-PDF](#).

- The type of events that could attract abatement include charitable or community events. Where the event is statutory there is no financial gain to the organiser, and which reflect constitutional rights or a cause of national or defined public interest.
- It is a requirement of the procedure that in all instances where a charge is to be made for the hire of police services that Hire of Police Services Agreement Finance Sign Off - Surrey.docx is completed by both parties.

12.3 Step Three - Formal Agreement

- Prior to the provision of the service there must be formal agreement in place signed by both parties. This should be supported by full details of the services to be provided including the organiser responsibility for making payment in advance. The following accompanying documents need to be completed as part of the formal agreement:

Hire of Police Services Agreement - Surrey

Hire of Police Services Agreement Finance Sign Off - Surrey

Indemnity Clause in Agreement for Police Services - Surrey

- The signature on behalf of Surrey Police must be of the rank of Inspector above or equivalent for police staff.
- Hire of Police Services Agreement (external) and Indemnity Clause in Agreement for Police Services must accompany Hire of Police Services Agreement Finance Sign Off as part of the request for sign-off by the Finance Business Partner or anyone signing on behalf of the Finance Team.

12.4 Step Four - Payment in Advance

- Under normal circumstances, payment must be made in full 14 days from the date of signing the formal agreement to the PCC bank account and at the latest, 6 weeks before the date of the event.
- If payment is not received prior to the event, it is recommended that the event should not take place.
- It is the responsibility of the promoter / event organisers to ensure that payment reaches the PCC bank account in advance of the event.

12.5 Step Five - Hire of Police Service Agreement

- When the Hire Agreement has been signed by both parties it must be sent to the Business Finance Partner in the Finance Service for future reference.

12.6 Step Six - Finance Procedure

- The Business area will need to complete a standard template to raise an Accounts Receivable Invoice Request. The Finance Service will be able to help with the relevant budget and ledger codes if required.

12.7 Step Seven – Invoice

- The Business Area will need to raise an invoice request and send to Finance Operations who will raise the invoice and send it direct to the event organiser / promoter or 3rd party.

12.8 Step Eight

- Finance Business Partners or Assistant Accountants will be responsible for ensuring that when the payment has been received into the PCC bank account that the Event Planning Team are informed. Likewise, the Event Planning Team should be informed if the payment is not received according to the terms of the agreement so that the customer can be notified.
- Finance Operations are responsible for chasing all debts to the PCC.