

Northamptonshire Police, Fire and Crime Panel

A meeting of the Northamptonshire Police, Fire and Crime Panel will be held in the Great Hall, The Guildhall, St Giles Street, Northampton NN1 1DE on Thursday 2 February 2023 at 1.00pm

Agenda

1.	Apologies for Absence and Notification of Substitute Members
2.	Notification of requests from members of the public to address the meeting Any requests to speak on an item on the agenda should be notified to the Chair (c/o the Committee Manager) by 12 noon two working days before the date of the meeting.
3.	Declarations of Interest Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.
4.	Chair's Announcements To receive communications from the Chair.
5.	Minutes (Pages 5 - 16) To confirm the minutes of the Panel meeting held on 1 December 2022.
SCRUTINY OF THE POLICE, FIRE & CRIME COMMISSIONER	
6.	Police, Fire & Crime Commissioner's proposed Police Precept for 2023/24 Guide time: 1.15 – 2.00pm
a)	Police, Fire & Crime Panel statutory responsibilities (Pages 17 - 20)
b)	Proposed Police Precept for 2023/24 (Pages 21 - 82)

7.	Police, Fire & Crime Commissioner's proposed Fire Precept for 2023/24 Guide time: 2.00 – 2.45pm
a)	Police, Fire & Crime Panel statutory responsibilities (Pages 83 - 86)
b)	Proposed Fire Precept for 2023/24 (Pages 87 - 144)
PANEL OPERATION AND DEVELOPMENT	
8.	Police, Fire & Crime Panel Work Programme (Pages 145 - 152) Guide time: 2.45 – 3.00pm
9.	Police, Fire & Crime Panel meeting dates 2023/24 (Pages 153 - 156) Guide time: 3.00 – 3.05pm
10.	Urgent Business The Chair to advise whether they have agreed to any items of urgent business being admitted to the agenda.
11.	Exclusion of Press and Public In respect of the following items the Chair may move the resolution set out below, on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them: The Panel is requested to resolve: “That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A to the Act of the descriptions against each item would be disclosed to them.”

Catherine Whitehead
Proper Officer
25 January 2023

Northamptonshire Police, Fire and Crime Panel Members:

Councillor Gill Mercer (Chair)

Councillor Andre Gonzalez De Savage (Vice-Chair)

Councillor Adam Brown

Councillor Jon-Paul Carr

Councillor Dorothy Maxwell

Councillor Zoe McGhee

Councillor Russell Roberts

Councillor Ken Pritchard

Councillor David Smith

Councillor Winston Strachan

Mrs Anita Shields

Miss Pauline Woodhouse

Information about this Agenda

Apologies for Absence

Apologies for absence and the appointment of substitute Members should be notified to democraticservices@westnorthants.gov.uk prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 3 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare that fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

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Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

If you have any queries about this agenda please contact James Edmunds, Democratic Services, via the following:

Tel: 07500 605276

Email: democraticservices@westnorthants.gov.uk

Or by writing to:

West Northamptonshire Council
One Angel Square
Angel Street
Northampton
NN1 1ED

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Northamptonshire Police, Fire and Crime Panel

Minutes of a meeting of the Northamptonshire Police, Fire and Crime Panel held at Maybin Room, One Angel Square, Angel Street, Northampton NN1 1ED on Thursday 1 December 2022 at 1.00 pm.

Present Councillor Gill Mercer (Chair)
 Councillor Andre Gonzalez De Savage (Vice-Chair)
 Councillor Adam Brown
 Councillor Jon-Paul Carr
 Councillor Dorothy Maxwell
 Councillor David Smith
 Mrs Anita Shields
 Miss Pauline Woodhouse

Substitute Councillor Muna Cali
 Members:

Apologies Councillor Zoe McGhee
 for Councillor Russell Roberts
 Absence: Councillor Ken Pritchard
 Councillor Winston Strachan

Also in Stephen Mold, Northamptonshire Police, Fire and Crime
 Attendance: Commissioner
 Deborah Denton, Joint Head of Communications
 Richard Edmondson, Head of Corporate Communications
 Northamptonshire Police
 Helen King, Chief Finance Officer, Office of the Police, Fire and Crime
 Commissioner
 Stuart McCartney, Governance and Accountability Manager, Office of
 the Police Fire and Crime Commissioner
 Nicci Marzec, Director for Early Intervention, Head of Paid Service and
 Monitoring Officer, Office of the Police, Fire and Crime Commissioner
 Fiona Pearce, Communications Officer, Office of the Police Fire and
 Crime Commissioner
 James Edmunds, Democratic Services Assistant Manager
 Diana Davies, Democratic Services Officer

95. Apologies for Absence and Notification of Substitute Members

Apologies for non-attendance were received from Councillors Strachan, Pritchard and McGhee. Councillor Strachan was substituted by Councillor Cali.

Apologies for non-attendance were also received from substitutes Councillors Lee, Jelley and Irwin.

96. Notification of requests from members of the public to address the meeting

None received.

97. **Declarations of Interest**

None Declared.

98. **Chair's Announcements**

The Chair welcomed all those present to the meeting and reminded the panel:

- Members were advised that whilst a decision had been made at the meeting of 8 September 2022 to hold pre-meetings, it had been considered adding another pre-meeting into an extremely busy calendar would have been onerous. Pre-meetings would be diarised in advance for future Panel meetings
- Councillors Mercer and Shields had attended the annual national conference for Police & Crime Panels in November and the Panel received an overview of the event

99. **Minutes**

RESOLVED that: the minutes of the Police, Fire and Crime Panel meeting held on 8 September 2022 be approved.

Matters arising from the minutes:

- The Chair had written to the new policing minister at the Home Office concerning delays in the completion of external audits and awaited a response
- An opportunity for Panel members to observe the Stop and Search working group would be organised.

100. **Independent Custody Visitors Scheme in Northamptonshire**

The Police, Fire and Crime Commissioner (PFCC) advised that the delivery of the Independent Custody Visitors Scheme (ICVS) in Northamptonshire was a statutory duty for all Police and Crime Commissioners (PCC's). The scheme assisted the PFCC in holding the Chief Constable to account ensuring the mutual protection of detainees and the local police and providing reassurance to the community. The ICVS success was reflected by the attainment of a silver level in the National Quality Assurance Framework and was nationally recognised as a model of good practice. The PFCC extended the invitation to members to attend and view the ICVS process in person.

The Panel considered the report and members made the following points during the course of their discussion:

- The PFCC was asked to clarify how Northamptonshire Police dealt with children who commit crimes
- What is the average tenure of the volunteers?
- It was good to see the detainees were consulted
- Visits had decreased during the report period
- The PFCC was asked to clarify how the Force provide inclusion for the multicultural society of Northamptonshire

- Community Volunteers may be able to assist with providing a translation service
- The Deputy Chair agreed that the county had an excellent source of volunteers and invited the PFCC to contact the West Northamptonshire Council Chairman's office to consider options for celebrating their service.

The PFCC made the following points during the course of the discussion:

- Should children commit crimes they would be dealt with through the agreed Local Authority Partnership arrangements and not be in placed custody. The youngest detainee in custody would be in the age bracket 18-34
- Some of the volunteers were long standing as they tended to cease only when their circumstances changed. Volunteers were recruited in tranches and a successful recruitment process had revealed a number of quality applicants which had resulted in retaining additional volunteers, bringing the service above capacity with 24 volunteers. To assist staff retention they would be implementing staff mentoring schemes
- The reduction in numbers of visiting periods had been the result of a diminished pool of voluntary staff. The recruitment process had remedied that
- Schemes like the ICVS fostered public trust and confidence in the service, as evidenced in the detainees' responses about their experience
- The Force had access to a National Translation Helpline which assisted with a translation service and would aim to provide 'on site' translation through the recruitment process
- The PFCC suggest that the Local Authority and the Force should recognise the knowledge and talent of volunteers and celebrate in a combined event

RESOLVED that:

- a) The Panel notes the overview of the operation of the Independent Custody Visitors Scheme in Northamptonshire.
- b) The Panel records its thanks to the volunteers involved in the Independent Custody Visitors Scheme for their work.

101. **Police, Fire & Crime Plan Delivery Update**

The PFCC presented the report, and highlighted the following points:

- The recently published MICFRS report on vetting, misconduct and misogyny in the police service and raised national concerns. Northamptonshire Police had been addressing the issues highlighted in the report over the past two years and had made progress
- He had invested in additional resources for the vetting unit; 2 additional staff members and a new software system to enhance the data matching process to identify unwarranted and inappropriate behaviours. The internal reporting was an indication of a cultural change within the Force
- The PFCC had 56 days, from publication, in which to respond to the HMICFRS report. The Chief Constable would present a paper to the PFCC at the next accountability board meeting, accepting recommendations, a plan for mitigating risk and delivering change. Chief Constables would be required to implement plans by the end of April 2023 and the PFCC would update the panel on progress at a subsequent meeting

- Northamptonshire Police and Northamptonshire Fire and Rescue Service were carrying out a joint estates review, on all buildings to provide best value in the current economic climate. The review would inform and shape future joint working
- Review of the maintenance provision was also to be undertaken

The Panel considered the Report and members made the following points during the course of their discussion:

- Further information was sought about the new approach on the Joint Workshop building and the implications regarding the change of direction
- What was the estimated return from the disposal of police boxes identified by the Chief Constable, and could the income be used to support other projects?
- On the sale of the buildings, had consideration been given working with the local authorities through One Public Eye Estate to utilise sites for social housing and other projects
- Safer Nights Out (SNO) Van work should be shared with the panel
- The HMICFRS report had reported unacceptable behaviours on a national level, the PFCC had to address this within Northamptonshire
- The importance of reviewing the transformational project for estates was emphasised
- Members considered the two surveys currently being conducted with members of the public and Northamptonshire Police, Northamptonshire Fire & Rescue Service (NFRS) and OPFCC staff and queried, the frequency, trends emerging, support organisations for staff
- Members expressed concern and received reassurance regarding the Accountability Board, November 2022 Major Crime Figures
- The PFCC was questioned whether he was now satisfied that Northamptonshire was getting good value from the East Midlands Special Operations Unit (EMSOU)
- Road safety education was being addressed at an early stage to improve driving skills and invited the PFCC to comment further on road safety
- Road safety was a particular issue near schools. A collaboration of Highways, the school and the police could assess the problem and form a plan of action to address and mitigate the risks
- Members considered whether the Operation REPEAT initiative sponsored by the Cadent Gas, to prevent doorstep crime, could be extended beyond training care workers.

The PFCC made the following points during the course of the discussion:

- The building had been purchased for the joint workshop however inflation had impacted financially on the PFCC and the cost of delivery of the joint workshop projects had unacceptably increased from £6 million to £16 million leading to reassessment of the project delivery. The PFCC remained committed to delivery of joint maintenance
- The sale of the police boxes would not produce significant capital receipts and these were already committed to the capital programme
- Due to the nature of shared buildings sharing utilities the disposal of estates had required dialogued with Local Authorities (LA). Corby, was a dual site, was open and would welcome support from the LA. The new police fire call

centre may bring opportunities to work with LA. He was supportive of improvements through joint working with local authorities on estates in order to provide a better value service to the public

- The SNO van had been commissioned by the PFCC and had now operated for 12 months in partnership with Northampton Guardians, which had now formed a charity for this purpose. They had recently been presented with an award for their work, the group had volunteered 5000 hours over a 12 month period and assisted over 1000 people. This initiative, Operation Kayak, provision of training with Pubs and Clubs in conjunction with Rape Crisis were all examples of action in Northamptonshire that had improved night-time safety
- A second SNO van had been purchased for the North of the County. The OPFCC continued to work with The Guardians in conjunction with the street pastors to ensure safer nights out and reduced the visit to Accident and Emergency
- Procedures had been put in place by Northamptonshire Police to address unacceptable behaviours, robust approach, improved vetting, improve trust. To foster trust and to maximise responses, a decision had been made, to commission, a one off, independent IPSOS survey to be sent out to staff. Responses would be anonymous and would identify key areas for concern. The HMICFRS report for Northamptonshire had identified areas for improvement and the survey would identify targeted areas for improvement. The PFCC commended and thanked the team members for their support to form the survey
- The OPFCC would be launching the Flare App, a tool for members of the public to use to report areas or behaviours that caused them to feel unsafe. Collation of this data would help the Force to develop a picture of trends and target areas of concern
- New Independent Panel Members had been recruited to the Customer Service Team and the Chair, recruited to serve on gross misconduct hearing panels. This responsibility was subject to a wider debate with the Home Office and the determination regarding dismissal could revert to the Chief Constable for a more robust response to tackling inappropriate actions of officers. In Northamptonshire DIP sampling had always been carried out on Police Standards Department files. The OPFCC was leading the way nationally on customer complaints and the Force was now keeping pace
- Questions about EMSOU performance raised at the Police Accountability Board in November 2022 related to specific functions. This was a complex area but the PFCC reassured the Panel that he considered that Northamptonshire was getting value for money and he would continue to scrutinise this. A briefing on EMSOU could be organised for the Panel
- He commended the young people involved in making the new My Pink Trainers road safety film, which was very powerful. He could arrange to show the film to the panel. The PFCC had commissioned a multi-year programme to work with young drivers to improve their road safety awareness. The biggest risk to life in Northamptonshire was on the roads and partners needed to do more collectively to address this
- He commended the work of the officers that had been put into Operation REPEAT. The scheme had been extended for another term. He could consider scope to broaden involvement and the Panel's suggestion to extend the training

- The ONS had identified Northamptonshire as the only area in the country where crime had decreased in the last year. Initiatives to raise awareness and implementation of preventative measures had collectively contributed to this result together with the Force's response to crime
- The Force had run campaigns to raise awareness regarding parking and the requirement for emergency vehicles to have access near schools and offered support should a collaborative approach be required to address the risks in specific areas.

The Director for Early Intervention, Head of Paid Service and Monitoring Officer made the following points during the course of the discussion:

- Two surveys would be undertaken; a survey to assess the general community perceptions of safety and an independent and anonymous IPSOS survey to be sent to all staff with including questions relating to their workplace, working environment, work relationships. Staff would not provide any personal identifiers within the survey. The exercise was not scheduled to be repeated. Throughout the staff survey there were links and references to support groups should staff require additional support through the process.

Councillor Cali left the meeting during this Agenda item.

RESOLVED that:

- a) The Panel notes the report.
- b) The Panel requests the Police, Fire and Crime Commissioner to arrange a briefing for Panel members on the East Midlands Special Operations Unit.
- c) The Panel requests the Police, Fire and Crime Commissioner to present a report to a future Panel meeting on action taken in Northamptonshire to implement the recommendations of the HMICFRS inspection of vetting, misconduct, and misogyny in the police service.

102. **Fire & Rescue Authority Finance Update**

The PFCC presented the report and provided an overview of the forecast financial outturn for the period 1 April 2022 to 31 March 2023, anticipated challenges, the pre-budget settlement engagement, and an update on the 2021/22 Statement of Accounts.

The PFCC highlighted, that the date of the settlement for 2023/24 was not yet known. The plans for the public consultation had therefore mirrored previous years. The financial context for 2023/24 involved significant challenges. A budget briefing session for Panel members could be organised as in previous years with 17th January 2023 as the proposed date.

The Panel considered the report and the PFCC, in response to questions stated that:

- The government had not yet confirmed the Council Tax referendum threshold. The Chief Finance Officer was pursuing this
- The Police and Fire & Rescue elements of the precept only accounted for 18% of the local tax take. However, it was incumbent on the PFCC, when increasing the precept, to provide a full explanation for the reasons for the rise,

particularly in the current financial climate. The FBU strike action and pay review had been taken into account in the calculations but the increase would only meet, in part, the pay offer of 5%

- Continued transformation of services to make efficiencies and the identification of additional income streams would be part of managing the budget environment. Further information could be provided to Panel members at the proposed budget briefing in January
- There was a contingency plan for dealing with strike action. Should notification be received from the FBU the plan would be modified accordingly, to take account of the actual scenario.

The Chief Finance Officer, in response questions stated that:

- Whilst OPFCC had been in dialogue with the Home Office, seeking an increase of £5, and the Home Office being supportive, it was not at their discretion to grant. Therefore it was anticipated the Fire and Rescue precept might be limited to a 2.99% increase. The OPFCC was modelling both scenarios.
- The Moulton Lodge logistics centre was currently let on a short-term basis to the East Midlands Ambulance Service. If further work on estates identified that the building was no longer required a longer term let could be considered.

RESOLVED that:

- a) The Panel notes the report.
- b) The Panel agrees that a briefing session for Panel members on the development of the Police, Fire and Crime Commissioner's proposed precepts for 2023/24 be held on 17 January 2023.

103. **Policing Finance Update**

The PFCC presented the report, which provided a high-level overview of the future financial challenges of Northamptonshire Police and highlighted that the Force was subject to the same economic pressures facing all public bodies, households and businesses across the country.

The Panel considered the report and the PFCC provided additional information in response to points raised by members during the course of discussion as follows:

- Due to the delay in the recruitment to the Police Community Support Officer (PCSO) roles, the PFCC had agreed with the Chief Constable that the underspends in the year that related to vacant PCSO posts, would be ringfenced for neighbourhoods and was transferred to reserves. It was anticipated that the funds would be spent in communities that did not have PCSO's in place
- Post pandemic, there remained a manufacturing and supply issue with obtaining goods from China resulting in severe delays and had increased the costs of maintenance on vehicles, which had contributed to the overspend in Enabling Services
- Key to dealing with financial challenges was good management. The Force had implemented and would continue to explore options for cutting costs and increasing efficiencies

- The utilisation of buildings was continually monitored. Access to the Force through front counters was encouraged however they could be located in a public building that was readily accessible to the community and would continue to look at the options
- The estates review was expected to be completed in 6 months. Northamptonshire's top priority was to obtain the right building for a new control room. It was acknowledged that this may exceed the anticipated time expectation for resolution
- Recruitment had been delayed due to vacancies in Early Intervention and Youth Provision consultation and the restructuring of services. Specialist roles required the right candidates. It made sense in the current financial context to retain funding reserves
- The PFCC purchased two beat buses to support community engagement and had a plan to see a regular programme where they were deployed to rural areas and within communities with low representation. The development of neighbourhood policing and use of PCSO's represented other actions that build connections with local communities. Northamptonshire was building on leading work done by Humberside on this issue
- The PFCC had a plan to ensure the recruitment of PCSO's and the budget would be returned to the Chief Constable's budget when the posts filled

The Chief Finance Officer provided additional information in response to points raised by members during the course of discussion as follows:

- The overspend on the Enabling Services budget lines was indicative of the impact of inflation on costs incurred relating to buildings, transport, fuel and people
- The Ministry of Justice had committed to 2 year funding for Voice, which would be received by the PFCC but, the Ministry had not committed funding beyond 2023/24. The OPFCC was pushing for a resolution on this matter
- The apparent overspend on the Commissioning & Delivery Services budget reflected additional funding received to support work on domestic violence. A total of £433K had been allocated to various charities, of that sum £422K of extra grants totalling had been received from the Ministry of Justice for Voice and other domestic violence and sexual Violence charities. The balance of the grants allocated went to, Refuse, Information and Support Education (RISE), Northampton Domestic Abuse Services (NDAS) and eve Domestic Abuse organisation
- The current position on reserves was in keeping with the reserves strategy which would be updated and presented to the Panel as part of the 2023/24 budget. Reserves would support managing risks, providing some investment to smooth over pressures if required.

The Director for Early Intervention, Head of Paid Service and Monitoring Officer, provided additional information in response to points raised by members during the course of discussion as follows:

- The service delivery had remained consistent for Early Intervention and Youth Provision. The budget position reflected projected staffing levels and contained vacant new posts, resulting in an underspend. It was expected that 2023/24 may show a smaller underspend.

RESOLVED that: the Panel notes the report.

104. **Appointment of Chief Constable**

The PFCC provided a verbal update regarding the appointment of the Chief Constable of Northamptonshire Police, and advised:

- The appointment of a Chief Constable was one of his most important decisions as the as the PFCC
- The Panel was required to review and make a report on the proposed appointment of a Chief Constable by the PFCC as one its statutory functions and the PFCC sought to advise the Panel of his intentions and receive the Panel's input
- The 5-year contract for the incumbent Chief Constable, Mr Nick Adderley, would end in August 2023
- He had considered options to address this situation. As PFCC he strongly believed that Mr Adderley was the right leader for the Force. Mr Adderley had demonstrated effective leadership and had created the best conditions for the force to continue to make progress
- A policing career was structured around a 30 year term. That expectation resulted in complex tax and pension rules which could affect pension benefits and be financially detrimental for an officer to continue to serve
- He had agreed with Mr Adderley that, subject to confirmation by the Panel, he would be offered a new contract to continue as Chief Constable, with a break in service of around a month to permit him to be engaged with an abated pension
- Recruitment to senior officer posts was currently proving significantly challenging leading to roles being filled on a temporary basis
- He firmly believed that Mr Adderley was the right person to remain in post to help continue to deliver the improvements and the plans for policing across Northamptonshire and strengthen links between the Force and the community
- It was a requirement of the police force to have an appointed Chief Constable and the PFCC would seek an external candidate for an interim appointment to cover Mr Adderley's retirement period
- The Panel was requested to hold confirmation hearings for both of these proposed appointments. It was the intention to hold the confirmation hearings act at the earliest convenience, with both hearings being held on the same day.

The Panel considered the verbal update and members made the following points during the course of the discussion:

- The Force was performing well and the incumbent Chief Constable had a good working relationship with the PFCC
- The PFCC's proposed course of action for recruitment should be endorsed
- It was encouraged that the length of contract and remuneration should best support the retention of the Chief Constable

- An elevated remuneration for the 2.5year term may reflect the experience, responsibility and success of the incumbent Chief Constable should the contract be renewed
- It was questioned whether the proposed appointment of Mr Adderley would be for another 5 year contract
- Further information was sought about the financial implications of appointing an interim Chief Constable and why these would be necessary if the Panel was to confirm the proposed appointment of Mr Adderley
- The PFCC was encouraged to ensure that Mr Adderley's retirement period did not coincide with the British Grand Prix, given the size of the associated police operation
- Confirmation was sought that Mr Adderley was agreeable to the PFCC's proposed approach.

In response to members questions the PFCC added:

- He would write to the Panel following the current meeting to provide formal notification of the proposed appointments. The OPFCC would liaise with the Panel to enable confirmation hearings to take place promptly
- The proposed contract for Mr Adderley would be for two years with options to extend further. This was intended to reflect that Mr Adderley's position might change in future and the PFCC could change at the next election
- The remuneration for a Chief Constable could only be reviewed at the point of offering a new contract. Supporting information about the candidates would be provided to the Panel when considering the proposed appointments
- The Force was required to have a Chief Constable in post therefore the PFCC would recruit an interim Chief Constable to cover the break in service by Mr Adderley. Northamptonshire would not be paying for two Chief Constables.
- A constructive conversation had taken place with the Mr Adderley and he was enthusiastic and committed to seeing the projects and initiative that had been put in place in the Force through to conclusion.

In response to Members questions The Director for Early Intervention, Head of Paid Service and Monitoring Officer added:

- The purpose of the update was to set out the PFCC's intentions and to be open about the use of pension abatement. The Panel was not being asked to give a way about the proposed appointments at the current meeting
- There was a precedent use of pension abatement in policing.

The Democratic Services Assistant Manager advised the Panel on the statutory requirement and timescales relating to the confirmation hearing process following the receipt of formal notification of a proposed appointment from the PFCC.

RESOLVED that: the Panel supports the approach to the appointment of a Chief Constable of Northamptonshire Police outlined by the Police, Fire and Crime Commissioner.

105. **Police, Fire & Crime Panel Work Programme**

The Democratic Services Assistant Manager presented the report and highlighted the following points:

- The Panel had agreed to set up working group for the topic of Early Intervention. Due to availability and scheduling issues the first meeting had been delayed and would meet on 15 December 2022
- The Panel were invited to consider their preference of venue for subsequent meetings

The Panel considered the report. The Chair highlighted that pre-meetings needed to be arranged ahead of future Panel meetings as previously agreed by the Panel. Panel members gave further consideration to the merits of this approach and the following points were raised during the course of discussion:

- Pre-meetings would give Panel members the opportunity to identify particular points, issues to highlight at the meeting and give the Panel an opportunity to form structured questions addressing common themes
- Pre-meetings with the PFCC, Chair and Deputy were diarised prior to each Panel meeting
- Views and questions could be co-ordinated, in writing, ahead of each Panel meeting
- Views and questions could be co-ordinated in writing ahead of Panel meetings
- Additional meetings were not an effective use of time
- A balance approach should be taken. Where specific topics needed to be discussed a briefing session could be held
- Views could be sent to the Chair enabling them to channel questions to the OPFCC or collate questions ahead of Panel meetings
- If the Panel was to hold pre-meetings it would be beneficial for meeting agenda papers to be available earlier.

The Panel went on to raise the following points during the course of discussion:

- The Early intervention Working Group may require an extension of time in which to complete the task
- A briefing session with the Chief Fire Officer should be sought now that he had been in post for a sufficient period of time
- With the number of changes being made to both services more frequent briefings, from both the Chief Constable and the Chief Fire Officer, may be appropriate.

RESOLVED that:

- a) The Panel agrees that communication ahead of Panel meetings should be done by email instead of holding pre-meetings.
- b) The Panel requests that a briefing session for Panel members with the Chief Fire Officer on Northamptonshire Fire and Rescue Service's current priorities, challenges and performance be arranged.
- c) The Panel agrees that it should seek to have briefing sessions with the Chief Constable and the Chief Fire Officer more frequently than once a year.

106. **Urgent Business**

There was none.

The meeting closed at 3.58 pm

Chair: _____

Date: _____

NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

2 FEBRUARY 2023

Report Title	Northamptonshire Police, Fire & Crime Panel's statutory responsibilities relating to scrutiny of the Police, Fire & Crime Commissioners' proposed Police Precept 2023/24.
Report Author	James Edmunds, Democratic Services Assistant Manager, West Northamptonshire Council James.edmunds@westnorthants.gov.uk

Contributors/Checkers/Approvers		
West MO (for West and joint papers)	Catherine Whitehead	17/01/2023
West S151 (for West and joint papers)	Martin Henry	17/01/2023

List of Appendices

None

1. Purpose of Report

- 1.1. The report is intended to set out the statutory requirements on the Northamptonshire Police, Fire & Crime Panel regarding scrutiny of the proposed Police Precept for 2023/24 produced by the Police, Fire & Crime Commissioner for Northamptonshire.

2. Executive Summary

- 2.1 The report summarises the Northamptonshire Police, Fire & Crime Panel's statutory responsibilities relating to reviewing and making a report on the proposed Police Precept for 2023/24 produced by the Police, Fire & Crime Commissioner for Northamptonshire. The proposed Police Precept appears on the agenda for the current Panel meeting as the next item of business.

3. Recommendations

- 3.1 It is recommended that the Northamptonshire Police, Fire & Crime Panel reviews the proposed Police Precept for 2023/24 produced by the Police, Fire & Crime Commissioner for Northamptonshire.
- 3.2 Reasons for Recommendation(s) – The recommendation is intended to enable the Panel to carry out its statutory responsibilities relating to scrutiny of the proposed Police Precept effectively at the current meeting.

4. Report Background

- 4.1 A Police & Crime Commissioner is a major precepting authority under the Local Government Finance Act 1992 as amended by the Police Reform & Social Responsibility Act 2011. A Police & Crime Commissioner may not issue a precept under Section 40 of the 1992 Act until it has been subject to scrutiny by the relevant Police (Fire) & Crime Panel according to the process specified in Schedule 5 of the 2011 Act.
- 4.2 Schedule 5 of the 2011 Act, supporting Regulations, and the Rules of Procedure for the Northamptonshire Police, Fire & Crime Panel require:
 - a) The Commissioner to notify the Panel of the Commissioner’s proposed precept by 1st February of the relevant financial year
 - b) The Panel to review the proposed precept
 - c) The Panel to resolve to:
 - i) Support the proposed precept without additional qualification or comment; or
 - ii) Support the proposed precept and make additional recommendations on it; or
 - iii) Veto the proposed precept provided that the Panel makes that decision by the required majority, which is that at least two thirds of the persons who are members of the Panel at the time when the decision is made vote for it.
 - d) The Panel to make a report to the Commissioner on the proposed precept, setting out the results of its review, by 8th February of the relevant financial year. If the Panel votes to veto the proposed precept the report must state that the Panel has done so and set out its reasons for doing so.
- 4.3 If the Panel does not veto the proposed precept the Commissioner must:
 - a) Have regard to the report made by the Panel
 - b) Give the Panel a response to its report and to any recommendations in the report
 - c) Publish the response in a manner determined by the Panel.
- 4.4 The scrutiny process concludes at this point. The Commissioner may then issue the proposed precept as the precept for the next financial year or issue a different precept but only if it would be in accordance with a recommendation made in the Panel’s report.

- 4.5 If the Panel vetoes the proposed precept the Commissioner must not issue it as the precept for the next year. By 15th February of the relevant financial year the Commissioner must:
- a) Have regard to the report by the Panel
 - b) Give the Panel a response to its report setting out the precept that the Commissioner now proposes to issue (referred to as the 'revised precept'). If the Panel vetoed the original proposed precept because it was considered to be too high the revised precept shall be lower; if the Panel vetoed the original proposed precept because it was considered to be too low the revised precept shall be higher.
 - c) Publish the response in a matter determined by the Panel.
- 4.6 The Panel is required to review the revised precept and to make a report on it to the Commissioner (referred to as the 'second report'). The second report may indicate whether the Panel accepts or rejects the revised precept and may make recommendations on it, including recommendations as to the precept that should be issued for the next year. The Panel must complete these actions by 22nd February of the relevant financial year. A reserve meeting of the Panel is scheduled if required for this purpose. The Panel does not have the power to veto the revised precept.
- 4.7 If the Commissioner receives a second report from the Panel, by 1st March of the relevant financial year the Commissioner must:
- a) Have regard to the second report by the Panel
 - b) Give the Panel a response to the second report
 - c) Publish the response.
- 4.8 The scrutiny process concludes at this point. The Commissioner may then issue the revised precept as the precept for the next financial year or issue a different precept but only if in accordance with a recommendation made in the Panel's second report.

5. Issues and Choices

- 5.1 Reviewing and reporting on the proposed Police Precept is a statutory task for the Panel. Local Government Association guidance for panels on policing and fire governance gives the following advice on good practice in this regard:

A panel's questioning plan in relation to the commissioner's precept should focus on strategy, not numerical details and be used to seek clarification, test evidence and assumptions and explore options best able to deliver the police and crime plan through the proposed precept. Questions panels might ask their commissioner could include whether the precept enables funding to follow priorities; whether value for money is being secured; and whether there is a robust monitoring framework.

Panels have the power of veto over the precept. However, this a longstop, use of which should be very rare and needs to be justified. Panels should also recognise that the veto can only act as a delay; it will not prevent the commissioner from being able to re-present, and enact, a precept that is not materially different from that to which the veto has been applied.

If the veto is used, the panel should be prepared to provide detailed reasoning to back up why.

- 5.2 The Panel should seek to carry out the task of reviewing and reporting on the proposed Police precept in accordance with its overall role of scrutinising and supporting the effective exercise by the Police, Fire & Crime Commissioner of his responsibilities.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 There are no resources or financial implications arising from the proposal.

6.2 Legal

- 6.2.1 There are no legal implications arising from the proposal.

6.3 Risk

- 6.3.1 There are no significant risks arising from the proposed recommendation in this report.

7. Background Papers

Police Reform & Social Responsibility Act 2011

Northamptonshire Police, Fire & Crime Panel Terms of Reference.

Policing and fire governance – Local Government Association guidance for police and crime panels (2019)



NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

2 February 2023

**REPORT BY THE POLICE, FIRE AND CRIME COMMISSIONER (PFCC)
AND THE CHIEF FINANCE OFFICER**

PFCC PROPOSED POLICE PRECEPT 2023/24

Purpose of the Report

1. To propose the 2023/24 Council Tax Precept for Northamptonshire Police.
2. To provide information in respect of the revenue budget, capital programme, reserves and medium-term financial plan (MTFP) to provide context for the precept proposal.

Recommendation

3. The Police Fire and Crime Panel is **RECOMMENDED** to endorse:

The proposal to increase the 2023/24 Police Precept by £15 per annum for a Band D Council Tax to £293.04 (from £278.04 in 2022/23). This equates to an increase of 29 pence per week.

4. Note the information presented in this report, including:
 - a. The statement of the Section 151, Chief Finance Officer as required by Section 25 of the Local Government Act 2003 regarding the robustness of the Budget, the medium-term financial plan and the adequacy of financial reserves (Appendix C).
 - b. A £15 precept increase gives a total 2023/24 net budget requirement of **£168.578m**, including:
 - The intention of the PFCC to set the Band D Council Tax Precept Requirement for Northamptonshire Police for 2023/24 of **£75.118m**.

- The current and future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational mitigations and additional considerations identified.
- That any changes required, either by Government grant alterations notified through the final settlement, amended council tax base and surplus/deficit notifications received from the collecting authorities, after the precept has been set, may be balanced either through efficiency savings or through a transfer to or from reserves.
- The current MTFP and the anticipated savings required.
- The capital programme and reserves strategy.

Executive Summary

5. This report and proposal is the culmination of several months' work by the Office of the Police, Fire and Crime Commissioner (OPFCC), the Joint Finance Team and the Chief Constable. It also includes information provided by the two unitary authorities and takes account of public and stakeholder consultation and key government expectations.
6. Following the announcement of the provisional Police Grant settlement, the PFCC has considered the settlement which sets out government expectations, current and future funding levels, the pre-budget engagement and the outcome of the public consultation together with the Autumn Statement 2022.
7. The PFCC has received briefings from the Minister for Crime, Policing and Fire and acknowledges the expectation that PFCCs will increase their precept locally by £15 (5.39%) in 2023/24 and £10 (3.41%) in 2024/24.
8. The PFCC and the S151 Officer are very appreciative of the updates provided by colleagues in the unitary authorities in respect of the impact on the taxbase and the council tax collection fund receipts for 2023/24 and future years. Furthermore, the PFCC is appreciative of the hard work by unitary staff in achieving a positive level of collection rates.
9. The proposals are set in a context of high inflation levels and the Autumn 2022 statement.
10. Despite these challenges, the budget is balanced for 2023/24 with a funded capital programme and an adequate level of reserves in place.
11. Whilst the 2023/24 budget is balanced, given the national cost of living challenges and inflation at levels significantly higher than previously assumed, balancing the budget across the medium term will be more challenging. Prudent assumptions of future income streams have been used which identify the need for future efficiencies.

12. The PFCC has conducted, and been informed by, a consultation of 1,734 residents of Northamptonshire. The results of the surveys are summarised in this report and will be available on the PFCC website in due course.
13. Following local and national investment to increase Police Officers in Northamptonshire, the budget for 2023/24 and the MTFP include a baselined establishment of 1500 Police Officers, an increase of 330 over the past six years, the most Northamptonshire have ever had.
14. The PFCC has listened to the views of Northamptonshire residents and has worked with the Chief Constable to ensure a significant number of these officers have been allocated to neighbourhoods, supported by the local Beat Buses introduced in 2021//22, further increasing visibility.
15. Furthermore, following the responses from the public to the Police, Fire and Crime Plan and the priorities contained within it, in addition to his commitment to increase and retain Police Officers at 1500, the PFCC has ring fenced funding from within the budget to target the following areas:
 - Prevention that keeps the county safe
 - Effective and efficient response
 - Protect and support those who are vulnerable
 - Effective justice
 - Modern services that are fit for the future
16. Whilst the PFCC and Chief Constable have prioritised maintaining 1500 police officers within the 2023/24 budget and the MTFP, some further investment in the budget has been possible and includes:
 - a. The sum of £0.946m for investments requested by the Chief Constable for the following:
 - To increase resources within the Protecting Vulnerable People Team
 - To increase resources in the Serious Collision Investigation Team
 - To prioritise and promote a healthy culture in the force with supportive clinical supervision and broader wellbeing for police officers and staff.
 - To replace and increase drone capability.
 - Taking forward digital solutions to better engage with and obtain feedback from victims
 - b. In his commissioning and delivery budgets, the PFCC has prioritised the following:
 - To complement the national Safer Streets funding for prevention and addressing Violence Against Women and Girls (VAWG), the Police, Fire and Crime Commissioner invested £80k in 2022/23 to commission Ipsos UK, an independent research organisation, to undertake a community engagement and consultation exercise to get

a broader understanding of what women specifically, but also in the community generally, feel would make them feel safer in Northamptonshire.

- The work also includes an online survey of all staff in Fire, Police and the OPFCC about their views and experiences of aspects such as the workplace culture, and inclusion and diversity at work, to understand all perceptions and experiences amongst staff and help plan and make changes in the future.

The PFCC will consider the outcome of this work and will consider and prioritise funding proposals from within his PFCC initiatives reserve in 2023/24 and future years as this work progresses.

- Continued support to deliver Safer Streets initiatives. The OPFCC have been successful in each round of bidding and to date have successfully secured £3.3m and supported unitary colleagues. The Safer Streets initiatives have included work to reduce Violence against Woman and Girls, acquisitive crime and anti-social behaviour. Of the Safer Streets funds to date, almost £0.5 has been received to deliver VAWG initiatives, which the PFCC has match funded.
- The OPFCC also operates an internal fund known as 'Safer Streets Lite' to complement the Home Office Safer Streets scheme. This supports areas of the county with more modest types of physical security, environmental and surveillance type works. The funding is directed through the Joint Community Safety Partnerships (CSP) Acquisitive Crime Working Group, chaired by the OPFCC and involves various partner agencies. The meetings are supported with statistical analysis and community safety professionals who attend the group to help steer the decision making regarding type of interventions and areas for consideration.

17. The PFCC has always endeavoured to ensure that the cost of staffing the OPFCC is around 1% of the operational police budget. In 2023/24 OPFCC staffing remains at approximately 0.6% of the total operational police budget for the year.
18. The S151 Officer has reviewed the adequacy and level of reserves to ensure that funds are still available to support investment in innovative solutions and ensure the level is adequate to meet one-off short term funding shortfalls if savings and efficiencies are not identified.
19. Additionally, the budget and precept recognise the importance of collaborative working with Fire, therefore enabling services support areas are now embedded across Fire and Policing under the leadership and direction of the Joint Assistant Chief Officer for Enabling Services.
20. The PFCC requires both services to actively seek opportunities to work together to deliver more efficient and effective public services and in 2023/24 it is intended that opportunities bringing together further support services teams will be explored and progressed.

21. The policing budget and precept also takes forward the statutory duty for emergency services to collaborate which means the services should be actively seeking opportunities to work together to deliver more efficient and effective public services. As such, both Police and Fire Budget agreements for 2023/24 will again demonstrate the PFCC commitment to collaboration, including greater integration between police and fire and rescue to reinvest in frontline services. It is the PFCC's expectation that, over time, the following areas will be delivered:
- Shared Services
 - Shared estates strategy
 - Shared prevention approaches
 - Operational interoperability
 - Control rooms
22. The PFCC has been briefed on the current and emerging operational and demand challenges and these have informed discussion on the budget allocation to the Chief Constable for 2023/24 and future years.
23. The PFCC believes that Northamptonshire is not served well by the current grant funding formula; that the county is not fairly funded in comparison to both regional and national peers and that local residents should not pay more for their services than other counties. Every year the formula is not updated and Northamptonshire is detrimentally affected. He has and will continue to make national representation in this regard.

As such, given the current and future financial challenges and uncertainties, this requires the PFCC to propose a precept increase of £15 a year (29 pence per week) to £293.04 for a Band D property.

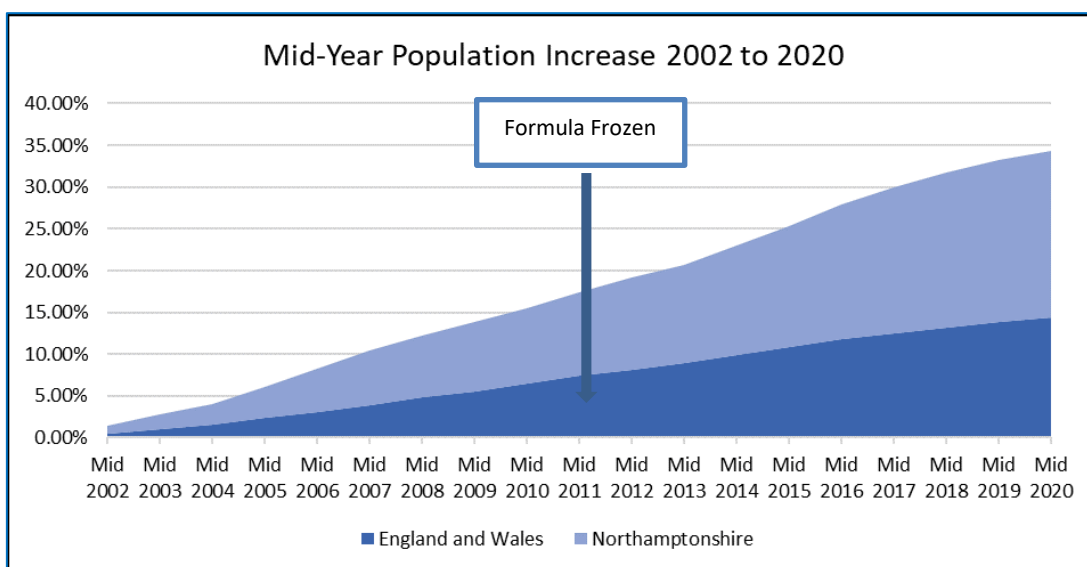
This will enable Police to maintain the investment in 1500 police officers, maintain an adequate level of reserves and safeguard policing services in Northamptonshire.

Funding Formula and Population

24. The National Police Funding Formula, which accounts for around 55% of Northamptonshire's funding, includes population as a key factor in the allocations. However, the formula was "frozen" in 2011/12 and annual increases have been on the basis of inflation and additional officers since that time.
25. Work had been underway on a review of the formula with an initial view of implementation in 2018/19 and in his letter to PFCCs on the 19 December 2017 on the Provisional Police Grant Settlement for 2018/19, the then Policing Minister advised:

“In the context of changing demand and following my engagement with Police leaders, providing funding certainty for 2022/23 is my immediate priority. We will revisit the funding formula at the next spending review.”

26. Whilst the formula has not been reviewed in the current spending review (SR2021) or the Autumn Statement 2022, work on the long-awaited funding formula review is underway.
27. A significant part of the current formula is based on population. In 2002, Northamptonshire’s population growth was 0.5% more than the national average. By mid-2020, the gap between the county and the national average had increased to 5.64%.
28. At the time the formula was frozen, Northamptonshire’s population had increased by 10%, compared to the national average increase of 7.4%, a gap of 2.6%. By 2020, whilst the gap has doubled, the funding formula population factor in the government settlement has remained static.
29. The graph below demonstrates this population increase for the period 2001 to 2020.



Source: Mid-Year Population Office of National statistics

30. Furthermore, the 2021 national census highlighted that in the past ten years:
 - The national population has increased by 6.5%. In Northamptonshire it has increased by 13.5% over the same period.
31. Northamptonshire has outstripped national population changes for some decades, as outlined in the Joint Strategic Needs Assessment (JSNA) Demography Insight Pack 2019, Northamptonshire’s population has increased by 29.9% over the 30 years, compared with 17.7% across England. It also estimates this will increase by a further 14% by 2041.

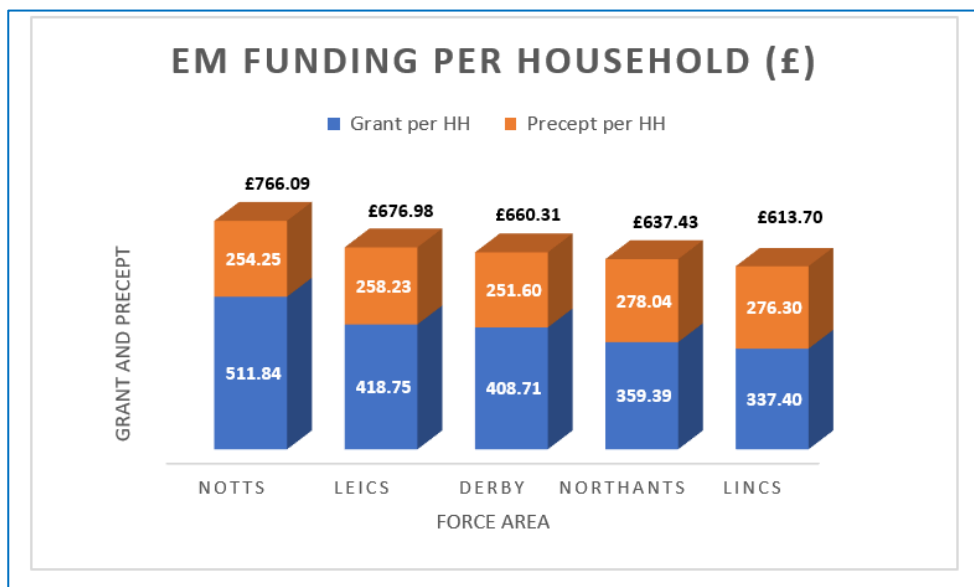
- 32. Police central funding has not kept pace with this population increase and whilst historical local council taxbase increases have contributed to total funding, central government grants, have not.
- 33. This means that 55% of Northamptonshire Police’s funding is allocated on the basis of a funding formula which has not been updated for over 10 years; therefore, does not reflect current demands; does not reflect modern policing and does not reflect the significant growth in the county.
- 34. Her Majesty’s Inspectorate of Policing and Fire and Rescue Services (HMICFRS) advised in 2021 that:

“.....The force’s financial plans are set on realistic and conservative assumptions.”

However, in 2019, the HMICFRS also highlighted:

“it has been subject to decades of underfunding.....”

- 35. Analysis undertaken by the PFCC highlights the inequity of the current funding formula in the East Midlands Region and how taxpayers in the smaller forces of Northamptonshire and Lincolnshire are penalised by the lower government grants per household than their regional peers, as follows:



- 36. For illustrative purposes, the PFCC has calculated that if Northamptonshire received government grant at a similar level to Nottinghamshire, the county would receive an additional £39m per annum. Furthermore, Nottinghamshire have 30% more households but receive 85% more in grant.

37. Band D Council Tax levels vary significantly for Police and Crime Commissioners across the country and the PFCC strongly believes that the current funding formula does not best serve the residents of Northamptonshire, meaning that local residents are required to fund a higher level of the policing bill than they would in other areas.
38. He will continue to engage with the review and lobby to seek a fairer funding settlement on behalf of the residents of Northamptonshire.

Police Grant Settlement – Assessment from the National Technical Support Team

39. On the day of the settlement, the national Technical Support Team (TST) provided a detailed briefing as follows:
 40. *The 2023-24 Provisional Settlement was announced on 14 December 2022 in a written statement by the Crime and Policing Minister, Rt Hon. Chris Philp MP. Full details of the Settlement can be found on the Home Office gov.uk pages.*
 41. *The National Police Chiefs Council (NPCC) released figures from a survey in October, which found that energy inflation is adding £100m a year to deficits. This led to a request for an additional £300m in core police funding to protect the service from inflationary pressures.*
 42. *Furthermore, due to the larger than expected inflation figures, there has been pressure across the public sector to offer larger pay rises than would have otherwise been expected. Many PCCs were expecting a pay award of between 2% and 3%. However, in July 2022 the government announced that police officers will get a pay award of £1,900 at all pay points, worth around 5% when all ranks and pay scales are taken into account.*
 43. *After the announcement, Rt Hon. Priti Patel MP, the then Home Secretary announced additional funding to help cover the increased pressure on budgets of £70m in 2022-23, £140m in 2023-24 and £140m in 2024-25. This did assume that next year's pay award would drop back down to previous assumptions. However, in a letter sent to APCC and NPCC by the Minister of State for Crime, on 12 December regarding precept increases, Rt Hon. Chris Philp MP stated that "PCCs should consider the pressures on their budgets, including the potential for a 2023-24 pay award above 2% next year, for which they should budget appropriately"*
 44. *Despite the country recently emerging from a pandemic, the economic landscape has significantly worsened since the last settlement. In summary, inflation has climbed much higher than was predicted this time last year, with CPI reaching 11.1% by October. There has been pressure on the Government from all sides to increase departmental spending to avoid real terms cuts.*

45. To address increased levels of debt, departmental cuts were considered a necessity. This led the Chancellor of the Exchequer, Rt. Hon Jeremy Hunt MP, to cut many departmental budgets. The difference between the Spending Review 2021 and the Autumn Statement 2022 for Home Office Resource Departmental Expenditure Limit (RDEL) is set out:

RDEL (excl. depreciation)	2021-22	2022-23	2023-24	2024-25	Change
SR21	£14.6bn	£16.2bn	£16.5bn	£16.5bn	£1.9bn
AS22	£14.4bn	£14.6bn	£15.4bn	£15.5bn	£1.1bn

46. Prior to the publication of the provisional settlement, the sector was expecting a continuation of additional Police Uplift Programme (PUP) funding for the recruitment of the final officers (towards the 20,000 total).
47. Assuming every force takes the full £15 precept, the total amount of extra funding available for forces is £523.4m. Of this, £349m would come from council tax, meaning there has been an increase of £174.4m in grant funding over last year.
48. Due to historic differences in council tax, the proportion that £15 represents can vary significantly between force areas. The £15 increase means that Northumbria's percentage increase is 10.9%. Conversely, £15 represents a 5.3% increase for North Wales.
In Northamptonshire the £15 increase is 5.39%.
49. Furthermore, the proportion of funding raised through council tax differs significantly between forces. Northumbria's council tax makes up 19.3% Conversely, Surrey has 55.8% of their funding coming from Council tax. On average, 35% of budgets are made up from Council tax, up from 34% last year.
In Northamptonshire approximately 45% of the funding comes from Council tax.
50. In the days following the Autumn Statement, whilst addressing the Commons Select Committee, the Levelling Up Secretary, Rt. Hon Michael Gove MP announced a review of the council tax system. He and the Chancellor have asked the, Local Government Finance Minister Lee Rowley MP, to review the operation of the council tax system. He is expected to report in the New Year.

51. *Reallocations (top slices) are taken from the grant before it is allocated to PCCs in line with the funding formula. The table shows the difference between reallocations between years.*

Top Slice	2022-23 (£'m)	2023-24 (£'m)	Change
Special Grant	62.4	50.0	-12.4
PFI	71.6	71.6	0.0
Arm's Length Bodies	68.7	74.7	6.0
Police Uplift Programme	12.0	0.0	-12.0
Police Now	7.0	0.0	-7.0
National Operational Policing Units	2.9	0.0	-2.9
Police Technology Programmes	606.5	526.4	-80.1
National policing capabilities	65.0	69.3	4.3
Forensics	25.6	20.6	-5.0
Police & CJS performance	13.0	0.0	-13.0
Crime Reduction Programmes	45.8	0.0	-45.8
Crime Reduction Capabilities	13.5	18.4	4.9
Fraud	23.1	18.1	-5.0
Regional and Organised Crime Units	33.2	39.5	6.3
Rape Review	12.0	0.0	-12.0
Serious Violence	50.1	45.6	-4.5
Drugs / County Lines	30.0	30.0	0.0
Counter Terrorism Programmes	32.5	0.0	-32.5
NPCC programmes	10.6	9.5	-1.1
Capital Reallocations	188.1	104.9	-83.2
Cyber Crime*	-	14.1	14.1
Tackling Exploitation and Abuse*	-	21.3	21.3
Total Reallocations and adjustments	1373.7	1114.0	-259.7

*Figures may not add up correctly, due to rounding - * signifies this is a new category as of this settlement*

52. Currently PCCs have no visibility of these top slices nor can they influence the scale or scope of national reallocations prior in informing the provisional settlement. It is important to highlight that these reallocations do impact at a local level as resources are being allocated to meet nationally determined priorities rather than based on local needs and requirements.
53. As part of the response to the consultation, PCCs have asked again for details of what is covered in the top slices and for visibility and engagement with the Home Office on them.
54. A summary of the final settlement assuming that the maximum precept increase is to be levied, compared to the 2022/23 actual position is as follows:

2022/23 £m		2023/24 £m
81.620	Main Police Grant	81.905
1.288	Officer Uplift Grant	2.600
6.644	Legacy Grants	6.644
89.552		91.149
70.247	Council Tax	75.118
159.799	Total funding before Collection Fund	166.267
(0.707)	Council Tax Surplus (Deficit)	1.039
159.092	Total Funding after Collection Fund	167.306
1.272	Pensions Grant	1.272
160.364	Total	168.578

55. As in 2022/23, a sum of £2.6m additional officer funding has been ring fenced and will only be paid if police officer uplift numbers are maintained.

Police Officer Recruitment and Police Uplift Programme (PUP)

56. In September 2019, the Government launched the national recruitment of 20,000 Police Officers, referred to as the Police Uplift Programme (PUP). This was in addition to the 83 officers already provided by the PFCC in that year along with additional officers recruited in previous years.
57. The PFCC has also listened to the views of Northamptonshire residents and has worked closely with the Chief Constable to increase Police Officers wherever possible and affordable.
58. As such, the PFCC funded 83 additional officers and the force has grown from 1,170 police officers and the force are on target to have 1,500 by March 2023. This is an increase of 330 officers (over 28%) and the most officers the force has ever had.

Council Taxbase and Council Tax Precept Income

59. The Council Tax and the level of precept is a fundamental part of the local government finance settlement.
60. Income generated from the precept depends on both the level of the Band D precept and the taxbase – the latter being the number of properties required to pay Council Tax.
61. In Policing, the precept and the surplus on the collection fund accounts for around 45% of funding, therefore any variations can have a significant impact.
62. The North and West Unitary Councils have advised the PFCC of their proposed taxbases for 2023/24.
63. A comparison of the 2022/23 and 2023/24 figures reflects an average 1.46% taxbase increase (compared to 1.30% in 2022/23) as follows:

Authority	2022/23 (number)	2023/24 (number)	Change	
			(number)	%
North	113,047.00	114,279.00	1,232.00	1.09%
West	139,604.04	142,060.80	2,456.76	1.76%
Taxbase (Band D)	252,651.04	256,339.80	3,688.76	1.46%

64. As in previous years, the taxbase estimated by DLUHC in the CSP provisional settlement at 1.34% is significantly higher than that used by the Home Office of 1.01% for the Policing settlement.
65. Whilst it is interesting to note the variation between the two estimates; the actual taxbase increase notified by the unitary authorities is the figure used and for 2023/24 this is higher than both government department estimates.
66. Moving forwards, the MTFP assumes average but prudent increases in the taxbase and the S151 officers will continue to link in with West Northamptonshire and North Northamptonshire S151 colleagues to ensure future forecasts align.
67. The total precept funding is a combination of the taxbase increase and the precept increase as follows:

2022/23 £	Variation	2023/24 £
	Taxbase Changes	
309,586	- North	342,545
558,547	- West	683,078
868,133		1,025,623
	Precept Increase	
1,130,470	- North	1,714,185
1,396,040	- West	2,130,912
2,526,510		3,845,097
3,394,643	Total Precept Change	4,870,720

68. The 2023/24 proposed precept increase of £15, together with the increased taxbase will generate an additional £4.871m on the base budget.

Council Tax Collection Fund

69. Each year the billing authorities estimate how much of the total potential Council Tax income liability of taxpayers they will collect. They advise precepting authorities of any projected surplus or deficit on the "Collection Fund" in January of each year.
70. The PFCC is very appreciative of the hard work undertaken by the North and West Northamptonshire Unitary Authorities in ensuring high collection rates and in providing the information to enable their inclusion in his budget and precept considerations.
71. In previous years, despite high collection rates within Northamptonshire, COVID-19 impacted on these levels which resulted in deficits in both 2021/22 and 2022/23. Some government support was provided which included grants and enabling the deficit to be spread across three financial years. These measures helped to mitigate the impact.

72. The Unitary Authorities have advised the PFCC of their collection fund positions for 2023/24 for Police which have resulted in surpluses from both authorities.

2022/23 £		2023/24 £
(125,898)	North	334,755
(42,762)	West	703,803
(168,660)	Collection Fund (Deficit)/Surplus	1,038,558

73. Due to statutory timescales, notification of the final collection fund surplus figures is received after the draft budgets are finalised. This surplus results in a one-year benefit, it will be transferred to reserves in order to replenish some of the one-off use of reserves planned as part of the agreed balanced budget.
74. The S151 Officer will work closely with the Unitary Authorities throughout the year to monitor and understand any impact on the collection fund deficit position for 2024/25 and future years.

Public Consultation on the Level of the Precept

75. Each year following the provisional settlement, the PFCC undertakes a precept consultation with residents of Northamptonshire to gather their views which help to inform his precept intentions.
76. The PFCC is very mindful of the impact that inflation and the cost of living is having on the residents of Northamptonshire. As such, for 2023/24, and ahead of his precept consultation in December, the PFCC and officers undertook pre-budget engagement to inform his considerations. Of note are the following:
- i. The PFCC, Chief Fire Officer and Chief Constable attended a meeting with Northamptonshire MPs and briefed them on the current financial position for Police and Fire and outlined the current financial context for both services.
 - ii. The PFCC and the Chief Finance Officer attended local meetings with representative groups to have conversations around the current financial position and hear their thoughts on the levels of precept, budget challenges and services. The PFCC found these conversations and discussions invaluable and the office is now on the circulation list for many of these meetings.

- iii. A meeting with local representatives was held in November, with attendance by the PFCC, Chief Fire Officer, Chief Constable and Chief Finance Officer. Discussions included an update on the financial context, key priorities, efficiencies progressed and examples of the inflation pressures for both organisations.
77. For this year's precept, over the period 14 December 2022 to 17 January 2023, the PFCC undertook as wide a range of consultation as possible to obtain the views of Northamptonshire residents.
 78. The survey was sent out to a wide range of contacts and using many different approaches. Appendix A sets out the consultation on the precept further.
 79. This wide reach is set within the challenges of the limited timescale of the government funding settlement, the current cost of living climate and the fact that it was held over the festive season.
 80. The online survey was targeted specifically in relation to the precept and communicated to as many stakeholders as possible, to enable any resident to share their views on the level of the precept.
 81. Interim reviews were taken on the survey to assess the reach and where appropriate, additional communications were made to key areas of the county to ensure those who wished to contribute to the survey were able to do so.
 82. Furthermore, two in-person budget and precept meetings were held in January with key stakeholders, with one taking place after the provisional settlement when more information was available. The meetings took place as follows:
 - A Councillor Budget and Precept meeting was held on the 11 January 2023. 229 local Councillors and Parish Clerks were invited. 23 Councillors attended and received a briefing on the budget and precept considerations for both Fire and Policing. All councillors attending were also invited to undertake the summarised online survey. The PFCC has considered their comments and is grateful to those who attended the meeting and found their engagement extremely useful.
 - The PFCC held a Police Fire and Crime Panel workshop on the 17 January regarding the 2023 budget and precept considerations for 2023/24, which was attended by eleven representatives. The annual workshops commenced in January 2021 and the PFCC has again found this approach and member input invaluable. The PFCC is grateful to all panel members who attended, and subject to the views of the Panel will continue to offer the budget workshop as an annual event.

83. The PFCC would like to give particular appreciation to the commitment and engagement of the Chair and members of the Police, Fire and Crime Panel, local Councillors MPs, forum members and teams within the unitary authorities as he recognises they have been contacted multiple times during the survey period and asked to disseminate the survey amongst their local residents and contacts.
84. The online survey received 1,734 responses for Police. This is classed as a statistically relevant sample size for the County based on a 95% level of confidence. The PFCC has considered the results of the online survey which were:
- **Around 51.79% of residents were prepared to pay £15 or more if they were able to for Police services.**
 - Around 45.1% were not prepared to pay any more than they do now; and
 - 3.11% said they did not know.
85. Respondents were also given the opportunity to comment on how good a job the Police and the Fire and Rescue Service did. For Police, 1,612 residents replied.
- **Around 39.39% of residents thought Police were doing a good or excellent role.**
 - 30.96% of residents thought they were doing a fair job.
 - Around 23.01% of residents thought they were doing a poor or very poor job.
 - Around 6.64% did not know.
86. The PFCC will consider the narrative comments in the report which will be published on the PFCC website in due course.

The Financial Challenge – Future Risks, Challenges and Uncertainties

87. The impact of a different inflation assumptions to that estimated in the MTFP are as follows:
- Every 1% reduction in grant equates to circa £0.9m per annum
 - Every 1% in Council Tax (£2.93) equates to circa £0.8m per annum
 - Every £1 in Council Tax equates to £0.256m per annum
 - Every 1% in Pay equates to circa £1.3m in a full year
 - Every 1% non-pay inflation equates to £0.3m per annum
88. Prudent forecasts have been included where information which has not yet been finalised. Any variations between the provisional and final police settlement, council tax or the collection fund will be balanced with reserves.
89. There are some further financial and operational risks and challenges which are as follows:
- a. The unknown impact of the Police Funding Formula Review on Future Funding Settlements.

- b. There is a national move to consider the charging of costs in line with a Net Revenue Expenditure (NRE) rather than a funding formula methodology. This disproportionately affects forces such as Northamptonshire who have a lower-than-average grant allocation and it bears no correlation to increasing population or households as can be seen earlier in the report. Any movement of national charging to NRE will result in cost increases to Northamptonshire.
- c. The impact of a different core grant assumption to that estimated in the MTFP for the years after 2023/24.
- d. The operational and financial impact of new, emerging and increasing areas of threat and demand, including, but not limited to, child sexual exploitation, adult and child sexual and domestic violence crimes and increasing cybercrime. It is anticipated that the additional officers recruited will assist in the challenge of meeting such demands.
- e. It is anticipated that the impact of national grants reducing or ceasing for regional developments and activities would have a significant impact.
- f. The capital programme requirements and the investment required to take any business as usual, innovative or collaborative work forward in advance of the timings of savings. The reduction in capital grant since 2020/21 and now been removed entirely has had an impact on the revenue costs of the capital programme, however this is now built into the MTFP.
- g. Strategies for: estates, fleet, digital and operational equipment are in place which inform the capital programme and revenue budgets. The Estates Strategy is currently being reviewed to develop a new masterplan and once updated will inform future capital programme and MTFP updates.
- h. The impact of partners' spending decisions which may affect services provided by the Force or PFCC.
- i. Inflation uncertainty:
 - The uncertainty of 2023 pay awards.
 - Future non-pay inflationary challenges.

Mindful of this, the PFCC has set aside a specific inflation contingency for the Chief Constable of 1% (£0.8m). Operational contingencies are also held.

Other Financial Risks and Uncertainties - Pensions

90. The Government introduced reforms to public service pensions in 2015 which resulted in most public sector workers being moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members gave rise to

unlawful discrimination on the basis of age. In July 2019, the Chief Secretary to the Treasury made a written ministerial statement confirming that as 'transitional protection' was offered to members of all the main public service pension schemes, the difference in treatment will need to be removed across all those schemes for members with relevant service.

91. It is expected that the on-going cost of higher pension benefits will arise from two main areas:
 - Costs arising from the above case, and
 - The as yet unknown results of the next actuarial valuations for unfunded schemes such as those for Firefighters and Police which will be built into the scheme valuation process and reflected in the 2026/27 employer and employee contribution rates. For staff in the local government pension scheme this is already included within those rates.
92. These issues could lead to employer contribution rates increasing by 10.0% from 2026/27. At current levels, police officer pensions cost approximately £24m per annum and such an increase to the pension rates could equate to an additional £6.4m per annum.
93. The government has provided additional grant funding for pension increases in the past for both Fire and Police but there is a risk that authorities may need to meet some or all of this increase.
94. Whilst assumptions vary between a 0% and 30% impact, a potential impact of a 10% increase is modelled as a scenario into the MTFP with an assumption that 75% of that cost would be funded by Home Office grant.
95. Whilst this was not addressed in the SR2021 or the Autumn Statement 2022; in January 2022, James Cartlidge MP, Parliamentary Under Secretary for State (Ministry of Justice) stated that cost of remedy for the above when legislation is in place would fall on the Exchequer (source: Hansard). Whilst this indication is welcome, no details are currently available and this would only contribute to part of the additional costs. However, the Home Office are cognisant to this issue and are already in discussions with the Treasury.
96. Based on latest information, the potential pressures have been delayed for a further two years into 2026/27 from those assumed at the time of the 2022/23 budget.
97. The PFCC will continue to make representations and seek updates and assurances from the Home Office as appropriate.

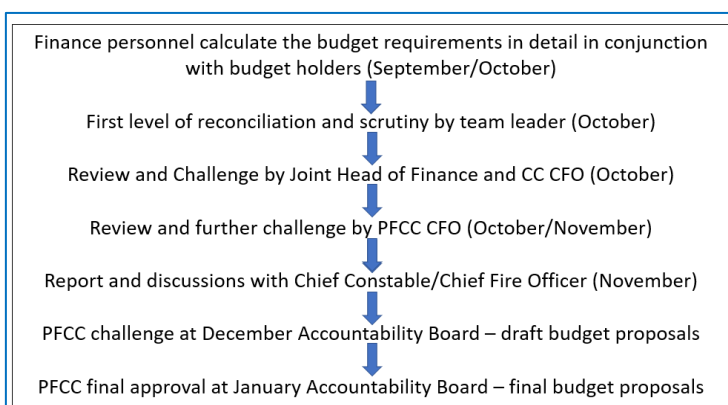
Budget Strategy

98. Since being elected into office, the PFCC has sought to maximise the allocation provided to the police budget from within his funding envelope.
99. This is balanced with maintaining sufficient resources to fund the capital programme, maintain the Office of the PFCC and provide over £5m in commissioning and delivery activities for the public of Northamptonshire.
100. In 2023/24, before investments, the PFCC will allocate over 95% of funding available to the Force, this is an increase of 1.7% on 2022/23 and over 4% since 2016/17.
101. In 2023/24, the police budget will increase by almost £11m on the previous year this is a cash increase of around £53m since 2016/17.

2023/24 – Base Budget preparation, approach and scrutiny

102. The budget is the third budget prepared under the recently established joint finance team and has brought an approach which has provided consistency across both Fire and Police. This has enabled comparability of assumptions and principles, together with best practice, resilience and a more efficient approach applied to budgeting for all services.
103. The budget has been prepared on a zero-base where possible, in full consultation with budget holders, aligned to the Police, Fire and Rescue Plan and tested against the MTFP.
104. The zero-based approach ensures that efficiencies are taken from this process where possible that only approved increases, inflation and unavoidable pressures are built in. Detailed workings are prepared and the format of the budget models are consistent and contain built in checks and balances to ensure the correct information is fed through. This approach also enables resilience within the finance team.
105. Following the preparation of the budget strategy and approach in September, briefing sessions took place with all budget holders and the strategy was shared with the Joint Independent Audit Committee (JIAC) for further scrutiny and review.
106. The table below sets out the preparation and scrutiny elements which culminated in the December Accountability Board where the Chief Constable presented his initial budget proposals which were scrutinised and challenged by the PFCC.
107. The budget has been prepared on a zero-base where possible, in full consultation with budget holders, aligned to the Police, Fire and Crime Plan and FP25 Policing Priorities and tested against the MTFP.

108. The process followed was:



109. At the December Accountability Board the PFCC asked for the budget work to be extended. After further scrutiny and challenge, the PFCC considered the Chief Constable balanced budget proposal at the January 2023 Accountability Board. At this meeting he approved the budget subject to agreement on the precept and the sum of £0.946m for investments requested by the Chief Constable.

110. These elements have resulted in the PFCC setting the following budget for policing:

2022/23 £m	Budget Breakdown	2023/24 £m
125.363	Force	133.344
24.448	Enabling Services	27.245
149.811	Indicative Police Budget	160.589
1.154	OPFCC (Office)	1.288
4.463	Commissioning and Delivery (OPFCC)	5.018
5.617	Budgets Managed By PFCC	6.306
3.849	Capital Financing Costs	2.798
0.438	Transfers to (from) reserves	(1.561)
1.025	Investment	0.946
(0.376)	Savings to be identified	(0.500)
160.364	Total Budget	168.578

Harmonisation and Efficiencies

111. Since 2019, Police and Fire have moved to shared support services, from 2023 Fire will also be on shared finance, HR and Payroll systems and are sharing buildings where it makes sense to do so.

112. The Fire governance transfer did not include funding for support services and the joint enabling services teams have enabled affordable resilient support services to be established providing essential professional skills and capacity. These shared teams are now in place

and efficiencies are already being identified from areas such as robust procurement and economies of scale from sharing buildings and services.

113. As part of the response to the police finance settlement consultation, the PFCC was required to highlight some of the efficiencies realised in Policing, these include (but are not limited to):

- Joint Digital Team - £0.5m of efficiencies identified so far and realised from Police and Fire budgets
- Joint Commercial Team established, moving away from an outsourced arrangement, providing better quality of service, diligence and efficiencies of £0.4m. Establishing commercial frameworks with income of £0.2m generated to date with opportunities to increase further across the life of the MTFP and ensuring full cost recovery from Special Police Services.
- Joint Financial Team, moving away from a shared service has proven to be more efficient with reduced backlogs and fewer errors and £0.6m removed from the 2023-24 budget. With Fire onboarding in 2023-34, it is envisaged that further efficiencies will be realised as joint processes and systems embed further. A further opportunity may arise to reduce external and internal audit costs by auditing shared systems by the same auditors.
- Joint Transport Team have realised the benefits of investment in telematics to maximise optimum utilisation, extend replacement cycles on low-risk low mileage fleet and reducing some purchase costs by 25% from ex-demo fleet and over £0.5m of costs have been avoided by using telematics and robust procurement.
- A Joint Estates Strategy across Police and Fire which will drive efficiencies for both services by sharing buildings where it makes sense to do so.
- Led by the joint estates team, rates reviews of all Fire and Police properties which has resulted in reductions. Furthermore, a joint sustainability strategy is being prepared to develop this area further.
- A shared post leads on ensuring that police and fire requirements are considered and recognised in new developments and S106 considerations.

2023/24 Budget Consented to the Chief Constable – the Police budget

114. There has been a significant amount of scrutiny and challenge on the police budget for 2023/24, and as part of these discussions and negotiations, the PFCC has sought and received assurances on how the assumptions and budgets have been calculated.

115. The police budget for 2023/24 is **£160.589m**, an increase of almost £11m from 2022/23 and is broken down as follows:

2022/23	Budget Breakdown	2023/24
£m		£m
81.792	Police Officers	86.570
27.385	Police Staff	29.997
3.842	PCSOs	3.978
0.958	Other Pension Costs	1.049
0.500	Other Employee Expenses	0.665
1.306	National ICT Charges	1.513
9.303	Third Party Collaborative Arrangements	9.353
7.669	Other non-pay	7.972
(7.392)	Income	(7.753)
125.363		133.344
24.448	Enabling Services	27.245
149.811	Total Budget	160.589

116. Key headlines are as follows:

- a. The budget for 2023/24 takes account of the final tranche of new police officers and achieving and maintaining an establishment of 1500.
- b. The police officer budget requested by the Chief Constable follows a zero-based review and reflects the planned retirement and recruitment profile.
- c. Other non-Pay costs cover equipment, uniforms and forensic and pathology costs.
- d. Enabling services include the costs of joint shared teams with Fire and increased costs for 2023/24 include increased utilities, fuel and insurance costs.
- e. Furthermore, within other non-pay contingencies are set aside within the revenue budget to meet any above inflation increases or operational pressures which cannot be met within budgeted provision.

117. In addition to the investments for 2023/24 highlighted above, the Chief Constable will also continue to embed the investments made in previous years which include (but are not limited to):

- Vetting and professional standards and records management
- Establishment of the roads policing team
- Prioritising investigation of residential burglaries
- Increasing police dog capability
- Increased fleet and ICT capability

- Increasing capacity in firearms licensing
- Investment in demand analysis

2023/24 Budgets Managed by the Police, Fire and Crime Commissioner – Office Budget

118. The PFCC manages two separate budget areas:

- The cost of running his office, the OPFCC, and
- Commissioning and Delivery areas - which directly provide services to Northamptonshire residents and/or with other services.

OPFCC Office

119. The office budget for 2023/24, has an increase of £134k, of which £56k relates to pay inflation for staff and £78k due solely to the increase advised in external audit fees by Public Sector Audit Appointments (PSAA) following the national procurement.

2022/23 £m	Budget Breakdown	2023/24 £m
0.905	Staff Costs	0.961
0.249	Other Office Costs	0.327
1.154	Total OPFCC Office	1.288

120. The PFCC has always endeavoured to ensure that the cost of staffing his office is less than 1% of the police budget. His 2023/24 budget continues with that commitment and OPFCC staffing equates to approximately 0.6% of the total police budget for 2023/24.

121. The OPFCC provides statutory governance services to NCFRA. In keeping with the updated Home Office Financial Management Code of Practice; where Fire costs can be reasonably estimated, they have been. Otherwise, a pro-rata funding allocation has been used, to ensure integrity and transparency of both fire and policing funds in line with the Treasury’s “Managing Public Money” requirements.

2023/24 Police, Fire and Crime Commissioner – Commissioning and Delivery Budgets

122. The OPFCC undertake a wide range of delivery activities, providing services directly to residents of Northamptonshire. Furthermore, the OPFCC commission services from partners and other organisations. This includes Voice for Victims who deliver services directly to victims.

123. Commissioning and Delivery budgets are set out below and the sum of £330k will be drawn down from the PFCC initiatives reserve to meet one-year initiatives.

2022/23			Budget Breakdown	2023/24		
Budget £m	Grants/ Income £m	Net £m		Budget £m	Grants/ Income £m	Net £m
0.125	(0.050)	0.075	Commissioning	0.100	(0.075)	0.025
1.678	(0.949)	0.729	Victims & Witnesses & DV Support	2.233	(1.321)	0.912
0.118		0.118	Joint Communications Team with Fire	0.133		0.133
2.023		2.023	Early Intervention and Youth	2.455		2.455
0.728		0.728	Reducing Reoffending	0.716		0.716
0.114		0.114	Delivery and Accountability	0.086		0.086
0.265		0.265	Crime Prevention	0.260		0.260
0.161		0.161	Customer Services - Complaints	0.181		0.181
0.250		0.250	Police, Fire and Crime Plan Delivery Fund	0.250		0.250
5.462	(0.999)	4.463	Total Commissioning and Delivery	6.414	(1.396)	5.018

124. Additional investment has been built into Youth Work and Early intervention which have increased by 4 practitioners and an administrator to take this key area of work forwards.

125. The PFCC undertook star chambers with all OPFCC budget holders to review all budgets and consider them holistically.

126. As a result, a number of budgets are now combined under crime prevention and one off activities will be supported by drawing down from the PFCC initiatives reserves where appropriate.

127. Within the Police, Fire and Crime Plan Delivery Fund, the PFCC supports initiatives which are in the early stages of planning, or which arise during the year, which have not been included within 2023/24 budgets. After launching his initiative in 2018/19, he has decided to continue to ring fence the sum of £0.250m along with the grant schemes currently in place.

128 The OPFCC Commissioning and Deliver budgets continue to embed the investments made in previous years, which:

- Prioritise work to support victims and the vulnerable.
- Take forward initiatives to reduce domestic violence.
- Work with partners to take forward initiatives to reduce re-offending.
- Prioritise early intervention and engagement work.
- Prioritise targeted youth intervention and engagement work.
- Continue to take forward work on crime prevention.
- Continue to embed the investments made in Automatic Number Plate Recognition (ANPR) and CCTV.
- Continue to take forward work with the Road Safety Alliance.

Medium Term Financial Plan (MTFP)

129. The current MTFP covers a five-year period.
130. The impact of high inflation during 2022/23 has affected the costs in the Medium-Term Financial Plan for which prudent forecasts of future funding are not anticipated to meet those increases.
131. Whilst the MTFP does include 1% efficiency savings per annum over years 2024/25 and 2025/26, these will not be sufficient to meet the shortfalls identified. Efficiencies will continue to be sought from sharing buildings, driving efficiencies from robust and shared procurement practices and sharing of staff and services where it makes sense to do so. The Chief Constable is conscious to this challenge and has already started work to look at these efficiencies.
132. Of particular note is that by 2027/28, the cost of funding the capital programme will equate to just over £7.8m per annum. Some disposals are forecast within the programme and the S151 officer will continue to work closely with the Joint Finance Team to ensure the programme is funded appropriately.
133. Despite future shortfalls forecast in the MTFP, in the unlikely event that further efficiencies could not be found, the budget can be balanced in the short term by the use of reserves. This exceeds the current external audit value for money assessment, which considers the ability of an organisation to balance its budget over a three-year period. However, the use of reserves is not a permanent solution, and the PFCC and Chief Constable will continue to seek efficiencies to ensure the budgets are balanced.
134. The MTFP is attached in more detail at Appendix B and key assumptions that have been included in seeking to outline the financial challenge for the medium term are:
- Precept will increase by £15 in 2023/24, £10 in 2024/25 and thereafter on a 1.99% increase thereafter. (source: Police Provisional settlement assumptions).
 - Prudent funding assumptions have been made in respect of government funding, taxbase levels, and council tax deficits (source: professional assumptions).
 - Prudent Pay increase estimates are assumed at an average of 2% supported by appropriate inflation contingencies (source: National professional assumptions).
 - Investment requirements can be prioritised and met from within the revenue budget or capital programme.
 - Further borrowing beyond the capital programme is not required.

- Funding for regional collaborations will remain consistent.

135. It is assumed that no additional unfunded priorities or responsibilities will be given to the PFCC and Chief Constable to deliver.

136. The MTFP based on key assumptions detailed below, is attached at Appendix B and summarised as follows:

2022/23 £m		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
160,740	Expenditure	169.078	176.980	182.006	185.827	190.696
0	Efficiencies agreed	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
(376)	Efficiencies to be identified	0.000	(1.606)	(3.268)	(3.268)	(3.268)
160,364		168.578	174.874	178.238	182.059	186.928
160,364	Funding	168.578	172.659	176.924	181.320	185.853
0	(Shortfall)	0	(2.215)	(1.314)	(0.739)	(1.075)

137. As set out earlier in the report, the MTFP also models a potential impact of increased pension contributions and if some grant funding was provided.

Capital Programme 2023/24 to 2027/28

138. A Capital Programme has been approved as part of the budget setting process, which has identified significant requirements across fleet, estates, ICT and operational equipment.

139. The approved Capital Programme is as follows:

Programme	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Estates	2.0	2.2	1.7	0.2	0.2
ICT & Digital	7.2	10.6	3.8	2.6	1.6
Vehicles & Operational Equipment	1.5	1.8	1.2	1.5	1.2
Total	10.7	14.6	6.7	4.3	3.0

140. The PFCC is currently reviewing the estates strategy and an updated masterplan is being produced. Once finalised, this will be considered by the Chief Fire Officer and Chief Constable and the Police and Fire capital programmes will be updated.

141. Costs are often occurred ahead of any efficiencies or disposals, therefore, the PFCC will continue to push to ensure that any disposals included in the plans are made in a timely an efficient manner to ensure the full benefits can be realised.

142. The Commissioner is required to approve a 'Treasury Management Strategy' each year, setting out the detail of his policy and approach to managing investments, borrowing and cash management.
143. This is required by the Code of Treasury Management published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Prudential Code to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice.
144. The Treasury Management Strategy will be considered by the PFCC in February 2023 alongside an updated capital strategy. Where possible it will be available on the PFCC website by April 2023 as it is usual practice for the Joint Independent Audit Committee (JIAC) to consider this key document at their March meeting prior to being placed on the OPFCC website.

Use of Reserves

145. In considering the budget, the MTFP and level of precept options, it is important to look closely at the size, level and type of reserves held by the PFCC to ensure that they are adequate to cover the purposes for which they are held and to provide some safeguards against the future risks identified within the budget.
146. There is also a need to ensure they are not excessive. In 2018 the Home Office announced the intention to review reserves and provide greater transparency for the public. In meeting this requirement, the updated reserves strategy is attached at Appendix D, and will be published on the PFCC's website for transparency.
147. Two types of reserve are held. These, together with estimated balances are:

General Reserve

148. There is a general reserve which is estimated at 31/3/23 at **£5m**. This represents around 3% of total funding for 2023/24 and is in keeping with the PFCC's guideline level. On current forecasts the general reserve will remain within guideline levels until 2024/25, when it is on or above minimum levels. It is prudent to have such a reserve at this level to enable the organisation to withstand unexpected events which may have financial implications.

Earmarked Reserves

149. As at the 31/3/2023 it is estimated that the PFCC will hold **£16.563m** in earmarked reserves. These are detailed in the reserves strategy included at Appendix D.

150. As a number of projects will be delivered in the next few years, the PFCC will continue to review the reserves held and determine whether they are still required.

Precept proposal

151. After careful consideration of the factors included within this report, the PFCC is proposing a precept increase of £15 (5.39%) for the 2023/24 financial year in order to continue to increase and invest in police officers, build a sustainable base budget to maintain and safeguard policing services across the force area, together with additional investment into essential and evolving demand areas for policing.

152. The PFCC appreciates the impact on households at this time and recognises that in 2021/22 he was able to set a precept at £13 and not the £15 that was expected by the government.

153. Whilst this is a pressure on households, it is a lower increase than current inflation levels and he needs to ensure that Policing has the resources it needs to meet the current and future spending challenges, but also reflects the current financial climate and the views of those who took part in the precept surveys.

154. The PFCC is grateful to all those who took part in the consultation and their willingness to pay more in order to safeguard and develop policing in the county and he will continue to push the government for a fairer funding position for Northamptonshire.

Robustness of the Budget – Statement of the S151 Chief Finance Officer

155. Section 25 of the Local Government Act 2003, places a duty on the S151 to make a report to the authority on:

- The robustness of the estimates included within the budget
- The adequacy of the reserves and balances

156. The PFCC must have regard to this when considering the budget and the report must be shared with the Police, Fire and Crime Panel.

157. In her considerations, the S151 Officer is mindful of other associated statutory safeguards designed to support the authority:

- Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the Chief Financial Officer has personal responsibility for such administration.
- Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget

- The Prudential Code introduced as part of the Local Government Act 2003 which sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates
- The external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money')

158. To reinforce these obligations, Section 114 of the Local Government Finance Act 1988 requires the S151 Officer to report in consultation with the Monitoring Officer; if there is or is likely to be unlawful expenditure or an unbalanced budget.

159. This report has set out the detailed budget setting process that has taken place and the work undertaken to ensure the budget is as realistic, deliverable and achievable as possible.

160. The Chief Constable's Section 151 Officer has worked closely with the Chief Constable's Executive team, budget holders and the finance team to deliver the draft budget and savings plan, ensuring that effective scrutiny and challenge has taken place throughout. The PFCC's 151 officer has worked closely with the Chief Constable's S151 Officer throughout. The PFCC has undertaken scrutiny and strategic review of the proposals on two occasions and has been updated regularly throughout the budget cycle as appropriate.

161. The estimates and assumptions are based on the best information available at the time of formulating the budget in line with the fundamental accounting concepts and are reasonable and prudent.

162. The Section 25 Statement of the S151 Chief Finance Officer for Northamptonshire Police, Fire and Crime Commissioner is included at Appendix C.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS	The budget and proposed precept provide the resources for the delivery of the Police, Fire and Crime Plan. Additionally, the survey is comprised of a representative sample of Northamptonshire residents.
HUMAN RESOURCES IMPLICATIONS	
ENVIRONMENTAL IMPLICATIONS	None
RISK MANAGEMENT IMPLICATIONS	Risks and mitigations have been highlighted in the report.
LEGAL IMPLICATIONS	The PFCC is required to notify a precept to the billing authorities by the 1 st March each year. In doing so, he must set a realistic revenue budget, informed by the report of the Chief Finance Officer

List of Appendices

- Appendix A - Consultation on the Precept
- Appendix B - Medium Term Financial Plan
- Appendix C - Section 25 Report of the Section 151 Chief Finance Officer
- Appendix D - Reserves Strategy

Background Papers

Police Grant Report – December 2022

Persons to Contact

Mrs H King, Chief Finance Officer,
Office of the Police, Fire and Crime Commissioner

Appendix A

Consultation on the Precept

An online consultation was carried out with the intention of reaching as many people as possible to obtain the views of a demographically representative group of the county's population.

The survey was open between 14 December 2022 -17 January 2023 to meet the local and statutory timescales where the PFCC is aiming to publish his proposed Police and Fire Precept proposals by Wednesday January 25.

The online survey received 1,734 responses (although respondents did not respond to every question) and the full report will be published on the PFCC website by the end of February 2023.

Challenges

To achieve an informed consultation based on the proposed settlements, we have no alternative but to consult over the Christmas period because of the timetable that is determined by the Government's release of the financial settlement, and the deadline for setting our budget. As we always do, we began our consultation as soon as the information on the financial settlement and the Government's proposed council tax levels, was available.

This year, we carried out pre-budget engagement with some representative groups who are generally under-represented in consultation responses and whose views were very important to capture.

The Section 151 Officer and the Police, Fire and Crime Commissioner met with the Women's Forum, the Young Persons' Forum, and the Diverse Communities Forum before the details of our financial settlement were available, to fit in with the rhythm of established Forum meetings. They were able to have a detailed conversation with Forum members to set the context for both Police and Fire budgets and talk through various funding scenarios so that Forum members could form an opinion and be ambassadors for their group.

The Section 151 Officer and/or the Police, Fire and Crime Commissioner carried out pre-budget engagement at the local councillor and representatives meeting in November 2022 where they had a detailed conversation to set the context for both Police and Fire budgets and talk through various funding scenarios. This enabled them to hear directly from members on their thoughts and views and gave early notification that a survey would shortly be released so they could formally reflect their views. At the December meeting, the PFCC took the opportunity to continue the dialogue and promoted the survey links.

We gathered contact information and encouraged individuals and groups to fill in and cascade the survey when it was launched.

We carried out daily monitoring of responses to the survey to ensure that we were capturing a demographically representative sample and moved quickly to target areas or groups that were not engaging.

Until the 1st of January 2023, we used stakeholder engagement, the mainstream media, and organic social media to reach people. This gave us a pool of responses to further analyse and identify areas with fewer responses. These areas and groups were then targeted through paid for advertising on social media and further engagement with stakeholders or representatives of those groups.

We carried out pre-budget engagement with the county's MPs so that they could understand the financial position and advocate for Northamptonshire Police and Northamptonshire Fire and Rescue Service both at Westminster and in their constituencies.

Both West and North Northamptonshire Council also consulted on their council tax at the same time as the Commissioner was consulting on his precept. Both Councils and the OPFCC actively shared and promoted each other's surveys to their contacts.

We are actively engaging with our colleagues in the unitary authorities to see how we can work together to further maximise the opportunity for residents to have their say and increase the numbers who respond still further.

How the consultation was carried out:

Despite these challenges, the survey was able to reach many residents through many different forums and media.

We used four main communications channels to seek public views and encourage people to take part in our consultation:

- Mainstream media
- Partners and stakeholders
- Digital and social
- Paid for social media advertising

Working through our stakeholders – local councillors at all levels, and partners in other groups and sectors – was invaluable in extending the reach of our consultation.

We emailed all councillors direct and asked them to cascade the survey; we held two question and answer sessions on the budget, led by the PFCC, to which all councillors were invited; North Northamptonshire Council included a link about the survey in the Leader's newsletter, and sent it

to every member of their Consultation Register Residents' Panel; West Northamptonshire Council also circulated the consultation widely

Audience	Reach
<p>Stakeholders</p> <ul style="list-style-type: none"> • Neighbourhood Alert • Parish Councils and Town Councils • Councillors in North Northamptonshire and West Northamptonshire • Police, Fire and Crime Panel members • MPs • Chief Executives and Leaders of Local Authorities • Neighbourhood Watch Management Committee • Community Safety Managers for Northamptonshire North and Northamptonshire West • Diversity Forums of West Northamptonshire Council • Northamptonshire Police Community Engagement team • Independent Advisory Group members • Independent Custody Visitors • Businesses via the Chamber of Commerce, Northampton BID and the Northamptonshire Business Forums • Secondary Schools and colleges • Joint Action Groups • Northamptonshire Association of Local Councils • Various voluntary and third sector organisations • Rural interest groups • The Police Liaison Representatives on every parish and town council • Northamptonshire Fire and Rescue team forwarded to their partnership networks – including cadets • All local criminal justice boards • Northampton Town Football Club 	<p>The survey was sent to more than 25,000 stakeholders, with a request that they further cascade</p> <p>The Commissioner wrote personally to Panel members, MPs, and Leaders of local authorities to ask for their support in sharing and encouraging response to the consultation</p> <p>Where variations in locality responses were identified, an additional request was made of the Chair who promoted and circulated the survey further.</p>
<p>Internal</p>	<p>The survey potentially reached 3,279 employees (2,778 police</p>

<ul style="list-style-type: none"> • News item on Forcenet – The Northamptonshire Police intranet viewed by all officers and staff – repeated twice during survey period • All staff email to OPFCC • News item on Northamptonshire Fire and Rescue Service intranet for Firefighters and staff – repeated twice during the survey period • Daily Orders – link to item on Forcenet directing staff to survey • Chief Officer Vlogs in both Northamptonshire Police and Northamptonshire Fire and Rescue Service – repeated twice during the survey period • Message and link displayed on December payslip and portal for Northamptonshire Police officers and staff and Northamptonshire Fire and Rescue Service Firefighters and staff • Splash screen survey message on every computer across both organisations • Repeated messaging during bi-weekly NFRS Pacesetter meetings for senior firefighters with requests to cascade 	<p>officers, staff, and volunteers, and 501 firefighters and NFRS staff members), with a request that they further cascade</p>
<p>Key Internal Stakeholders</p> <ul style="list-style-type: none"> • Northamptonshire Police Chief Officers • Northamptonshire Fire and Rescue Service (NFRS) Senior Fire Officers • Directors in the Office of the Police, Fire and Crime Commissioner (OPFCC) • OPFCC Customer Service team • Police Federation • Unison • Police Superintendents’ Association • Fire Brigades Union • Voice 	<p>Email request to cascade to their members/contacts</p>
<p>Mainstream media</p> <ul style="list-style-type: none"> • A news release was issued to all local and regional media across Northamptonshire 	<p>The news release went to over 60 newsrooms (print and broadcast including the Northants Telegraph and BBC</p>

<ul style="list-style-type: none">• News release was sent to hyper local publications• The survey was trailed in the December edition of the PFCC newsletter Corby targeted news release to all local outlets covering the area	<p>Radio Northampton), plus individual reporters and other local news sites.</p> <p>Coverage on Northampton Chronicle, Northamptonshire Telegraph and Daventry Express</p>
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Digital and Social	20,331 impressions
<ul style="list-style-type: none"> • Twitter OPFCC account (native) 	267 engagements
<ul style="list-style-type: none"> • Twitter OPFCC account (paid, £66.95) 	29,928 impressions 832 engagements
<ul style="list-style-type: none"> • Twitter NFRS account 	4,214 impressions 55 engagements
<ul style="list-style-type: none"> • Facebook OPFCC account native 	2,280 impressions 115 engagements
<ul style="list-style-type: none"> • Meta adverts including Facebook (paid, £114.07) 	27,394 impressions 4,838 engagements
<ul style="list-style-type: none"> • Google ads including YouTube (paid, £97.44) 	17,960 impressions 54 link clicks 1.9% CTR
<ul style="list-style-type: none"> • OPFCC Website views - 4 different pages / news stories 	
<ul style="list-style-type: none"> • LinkedIn – OPFCC and NFRS 	14,927 views 269 impressions 8 engagements
<ul style="list-style-type: none"> • Neighbourhood Alert Northamptonshire Police 	Sent to 25,172

<ul style="list-style-type: none"> • Neighbourhood Alert for OPFCC 	<p>12,335 read</p> <p>565 visits to survey link</p> <p>Read by 16,326</p> <p>614 visits to survey link</p>
<p>Targeted briefings and Forums</p> <p>November 2022 – Councillor pre-budget engagement by PFCC and S151 Officer</p> <p>January 2022 Councillor Budget and Precept Briefing by PFCC, Assistant Chief Fire Officer, Chief Constable, and S151 Officer</p> <p>Youth Forum</p> <p>Diverse Communities Forum</p> <p>Women’s Forum</p> <p>MP briefing held at Westminster in November</p> <p>Annual Police, Fire and Crime Panel Budget and Precept Workshop</p>	<p>274 Parish Council Clerks contacted to disseminate to all Parish Councils</p> <p>229 were invited</p> <p>33 requested contact details</p> <p>29 attended</p> <p>All members invited</p>

Appendix B

Medium Term Financial Plan 2023/24-2027/28

Medium Term Financial Plan

2022/23 £'000		£15 Precept				
		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
81,792	Police Officers	86,570	88,771	89,877	90,829	92,928
27,385	Police Staff	29,997	31,020	31,499	32,133	32,808
3,842	PCSOs	3,978	4,067	4,128	4,212	4,278
958	Other Pension Costs	1,049	1,066	1,089	1,109	1,130
500	Other Employee Expenses	665	678	693	707	721
1,306	National ICT Charges (inc. PNC)	1,513	1,643	1,776	1,912	2,050
9,303	Third Party/Collaborative Arrangements	9,353	9,540	9,731	9,925	10,124
7,669	Other Non-Pay (excl. Enabling Services)	7,972	8,071	9,223	9,332	9,443
(7,392)	Income	(7,753)	(8,440)	(8,652)	(8,825)	(10,044)
125,363	CHIEF CONSTABLE - OPERATIONAL	133,344	136,416	139,364	141,334	143,438
24,448	ENABLING SERVICES	27,245	28,227	28,173	29,377	31,818
149,811	TOTAL CHIEF CONSTABLE BUDGET	160,589	164,643	167,537	170,711	175,256
1,154	OPFCC (Office)	1,288	1,327	1,353	1,380	1,408
4,463	OPFCC (Commissioning & Delivery)	5,018	5,118	5,190	5,044	5,145
1,247	Capital Financing - MRP	2,102	3,800	5,314	5,235	5,247
330	Capital Financing - Interest	496	832	1,283	1,452	1,617
2,272	Capital Financing - RCCO	200	1,000	1,000	1,000	1,000
100	Specific Transfers to Reserves	1,010	100	100	100	100
(2,167)	Specific Transfers from Reserves	(2,571)	(710)	(658)	-	-
2,505	General Transfer to/from Reserves	-	-	-	-	-
9,904	OTHER (Inc. OPFCC & Capital Financing)	7,543	11,467	13,582	14,211	14,517
1,025	New Investment Proposals	946	870	887	905	923
-	Minimal Savings Target 23/24	(500)	(500)	(500)	(500)	(500)
(376)	Further Savings/Efficiencies Requirement	-	(1,606)	(3,268)	(3,268)	(3,268)
160,364	TOTAL GROUP	168,578	174,874	178,238	182,059	186,928
	Funding					
(81,620)	Main Police Grant	(81,905)	(85,897)	(87,185)	(88,493)	(89,820)
(1,272)	Pension Grant	(1,272)	(1,272)	(1,272)	(1,272)	(1,272)
(1,288)	Officer Uplift Grant	(2,600)	-	-	-	-
(6,644)	Legacy Grants	(6,644)	(6,644)	(6,644)	(6,644)	(6,644)
(70,247)	Precept	(75,118)	(78,846)	(81,823)	(84,911)	(88,117)
707	Collection Fund Deficit/(Surplus)	(1,039)	-	-	-	-
(160,364)	TOTAL FUNDING	(168,578)	(172,659)	(176,924)	(181,320)	(185,853)
0	FUNDING (SURPLUS) / DEFICIT	-	2,215	1,314	739	1,075
-	Pension Costs - ERs increase				6,464	6,539
-	Funding assumed at 75%		-	-	(4,848)	(4,904)
-	FUNDING (SURPLUS) / DEFICIT After Pension ERs Impact	-	2,215	1,314	2,355	2,710
	Precept					
£278.04	Band D Council Tax	£293.04	£303.04	£309.07	£315.22	£321.49
252,651.04	Tax Base	256,339.80	260,184.90	264,738.13	269,371.05	274,085.04
	Assumptions:					
	Home Office Grants	1.76%	1.70%	1.50%	1.50%	1.50%
	Precept (%)	5.39%	3.41%	1.99%	1.99%	1.99%
	Precept (£)	£15.00	£10.00	£6.03	£6.15	£6.27
	Tax Base Change - Increase/(Decrease)	1.46%	1.50%	1.75%	1.75%	1.75%
	Inflation Contingency	1.00%	1.00%	1.00%	1.00%	1.00%
	Pay Awards	2.00%	2.00%	2.00%	2.00%	2.00%

Note: Figures may not sum due to rounding

Section 25 Report of the Section 151 PFCC Chief Finance Officer

“Working closely with the Force S151 Officer and the Joint Head of Finance, I have been assured by how the Joint Finance Team for Fire and Police have further refined and developed the Police budget model from 2023/24. I am grateful for their hard work, scrutiny and challenge throughout this process and am assured by how they have continued to take forward and make improvements to it every year following the governance transfer.

I have been fully briefed on the progress of the budget by the Force S151 Chief Finance Officer prior to and throughout the budget process and development of the capital programme, ensuring I have been party to all key assumptions and decisions. Prudent estimates and assumptions included have been based on professional estimates, peer knowledge and advice and using where appropriate assumptions included in the business case. Where possible, I have aligned these with national Fire, Police, local authority and technical colleagues.

The PFCC’s final precept intention of £15 takes into account public consultation alongside prudent assumptions based on the best information available, the MTFP and the reserves position, and still enables an element to be ring fenced for investment.

At the meetings with the Force in December 2022 and January 2023, I attended, together with the Force S151 Chief Finance Officer to provide assurance to the PFCC and the CC that these factors have been considered. The Chief Constable and his team have been fully involved in the budget discussions and they have discussed revenue and capital requirements for 2023/24 and future years with the PFCC.

At the meetings and since those dates, dialogue, scrutiny and challenge has continued where new factors or information have been highlighted and discussed.

The budget for 2023/24 has been created through a zero-based budget approach and only previously agreed growth, contractual commitments or unavoidable pressures have been built in. It is a structured and consistent process and I have received responses to queries and/or points of clarification. Where I have sought changes, they have been incorporated.

I have worked with the PFCC to agree or require changes to base budget pressures proposed by the Force.

As part of the budget proposals, the PFCC has agreed to investment proposals put forward by the Chief Constable. I will support the PFCC in monitoring these agreed investments to ensure they are delivered in accordance with the timescales and financial envelopes agreed.

In preparing the MTFP, working with the Force S151 Officer, we modelled several best mid and worst-case scenarios across council taxbase assumptions and precept increases ranging from 1.99% to £15

to help inform the PFCC considerations in determining his precept proposal for 2023/24. As the information from the settlement and taxbase became clearer, we continued to review and refine the MTFP.

Whilst Police grant allocations were slightly higher than forecast, they do not reflect the pressures of inflation being experienced throughout 2022/23 and whilst indicative funding information is available for 2024/24, it is insufficient to meet the costs identified and the cost of future inflation adds additional uncertainty.

It is my recommendation that financially, it is essential to take forward the £15 precept flexibility afforded to Northamptonshire for 2023/24. This will be built into the base budget and help provide a resilient position for the medium term.

The MTFP does require efficiencies to be made and assumes 1% efficiencies will be delivered in 2024/25 and 2025/26. However, even after these efficiencies, there are shortfalls in the MTFP. I am assured that the Chief Constable will work to identify efficiencies and efficient ways of working which will address these challenges over the medium term. I will support the PFCC in ensuring the Chief Constable and Force S151 Chief Finance Officer provide regular updates to the Accountability Board.

I have reviewed the detailed calculations in arriving at the budget requirement and Council Tax precept and options and find these to be robust. I also have sought and received authorisations from billing authorities in relation to taxbase and Council Tax surplus/deficits and I am grateful to all partners for their support in doing so.

It has been possible for the PFCC to develop a budget that supports most of the Force operational pressures and demands, balances the views of the public from the consultation and gives the opportunity for further investment to support the delivery of the priorities set out in the Police, Fire and Crime Plan.

There is an operational contingency available to the Chief Constable, and sufficient general reserves available should operational demands require access to these. Earmarked reserves are in place for specific requirements and in his budget the PFCC has identified further priority areas for earmarked reserves, in line with Police Fire and Crime Plan priorities.

The sections in this report on “Future Risks, Challenges and Uncertainties”, “Pensions” and the “MTFP” highlight significant unknown issues moving forwards in the medium term. The continuing impact of COVID-19, the impact of a future funding formula and the future economic climate are currently unknown. Where possible forecasts and estimates are included within the MTFP and all opportunities for government funding are pursued to ensure any financial impact on Policing is minimised.

In coming to my conclusion on the robustness of the budget, I have also reviewed the capital programme and reserves strategy.”

The capital programme is regularly reviewed and all opportunities are taken to rephase the programme, seek external funding and apply for grants. All of these would assist in mitigating costs on the revenue budget.

General reserves are established at £5m which is above the guideline level and as at the 31 March 2025, it is estimated that there will be over £17m of revenue reserves available to support the budget and mitigate challenges if required.

Whilst a balanced budget is available for the next three years, after that time, the landscape is less certain and it is reasonable to assume that the operational and financial challenges will continue and these are reflected as best estimates in the MTFP.

I conclude, therefore, that the budget for 2023/24:

- 1. Has been prepared on a robust basis, and*
- 2. Continues with the intention to recruit and maintain additional police officers in line with the national uplift, increasing to over 1500 by March 2023.*
- 3. Includes investment to help manage demand and increase efficiency and/or capacity.*
- 4. The budget can be balanced for the next three financial years, with a savings plan and work is already underway by the Chief Constable to identify the balance after that time. Furthermore, reserves are adequate to mitigate the impact of the shortfalls in the MTFP over the five-year period if full savings are not forthcoming.*
- 5. The financial landscape after 2023/24 is less certain and the PFCC will continue to push for certainty. The MTFP will be under regular review as savings plans progress.*



NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER RESERVES STRATEGY (REVISED JANUARY 2023)

1. Reserves Strategy

- 1.1. Reserves are a key part of medium-term financial planning – other components include revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. Decisions on these are inter-linked. Consequently, some organisations will need to maintain reserves at higher levels than others.
- 1.2 All publicly funded organisations should have a reserves strategy to demonstrate transparency and accountability, to comply with best practice financial management and to justify the levels of reserves held.
- 1.3 The PFCC maintains reserves to provide a measure of protection against risk. Without this protection, any unforeseen expenditure would have to be met either by increases in Council Tax or immediate savings (potentially through reductions in service levels).
- 1.4 The term "reserves" has a variety of technical and everyday meanings, depending on the context in which it is used. For the purposes of this strategy, it is taken to mean funds set-aside at the PFCC's discretion for general or specific future purposes.
- 1.5 Reserves are required to protect and enhance the financial viability and in particular:
 - To maintain a degree of in-year financial flexibility.
 - To enable the PFCC to deal with unforeseen circumstances and incidents.
 - To set aside monies to fund major developments in future years.
 - To enable the PFCC to invest to transform and achieve improved service effectiveness and efficiency.
 - To set aside sums for known and potential liabilities.
 - To provide an operational contingency at service level.

- 1.6 Reserves should not be held to fund ongoing revenue expenditure as this is unsustainable in the long term; however, they may be important in smoothing a major financial imbalance (revenue or capital) over a longer timescale. CIPFA guidance LAAP 99 published July 2014 states:

“Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term”

- 1.7 The reserves strategy assumes that the Medium-Term Financial Plan [MTFP] is broadly balanced on a sustainable basis across the five year planning period. If the financial impact of the COVID pandemic continues to impact on taxbase and council tax levels over the medium term, then this could impact on those assumptions.
- 1.8 Reserves should reflect the agreed financial strategy and should represent the quantified impact of risks and opportunities over the planning period, weighted for their probability.

2. National Guidance and Compliance with Home Office Guidance on Police Reserves

- 2.1 The 2014, CIPFA guidance included the establishment and maintenance of local authority reserves and balances, setting out the key factors that should be taken into account locally in making an assessment of the appropriate level of reserves and balances to be held.
- 2.2 In the written statement that accompanied the Provisional Police Grant report on 19th December 2017, the then Policing Minister stated

“you may be aware that police reserves currently stand at around £1.6bn, which compares to £1.4bn in 2011. We will be changing guidance to PFCCs to ensure that police officers and the public have access to more detailed information on how PFCCs intend to use this public money.”

This strategy complies with the Ministerial requirement.

- 2.3 On 31 March 2018, the Minister for Policing and the Fire Service published new guidance on the information that each PFCC must publish in terms of Police reserves. One of the key requirements is that the information on each reserve should make clear how much of the funding falls into each of the following three categories:
- Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.

- Funding for specific projects and programmes beyond the current planning period.
- As a general contingency to meet other expenditure needs held in accordance with sound principles of good financial management.

2.4 This information is summarised across the Home Office headings as at 31/3/23, together with the proposed use of the reserves held at that date as follows:

Reserve	Actual Balance as at 31/3/2023	Planned Movements on Projects and Programmes over the next 3 years (23/24-25/26)	Total Revenue and Capital Reserves as at 31 March 2026	Planned movements and Funding for Specific projects and Programmes 2025/26-2027/28	Held as a general Reserve, Contingency or Resource to meet other expenditure or pressures
	£m	£m	£m	£m	£m
General	5.000		5.000		5.000
Earmarked Revenue:					
Insurance	3.710		3.710		3.710
Operational Equipment	0.350	(0.250)	0.100		0.100
Carry Forwards	1.036	(0.455)	0.580		0.580
Victims	0.368	(0.075)	0.293		0.293
Pensions	0.283		0.283		0.283
Smoothing	2.437	(0.285)	2.152		2.152
PFCC Initiatives	4.166	(0.899)	3.267		3.267
Transformation	2.473	(2.461)	0.013		0.013
Safer Roads	0.427	(0.242)	0.185	(0.132)	0.053
Neighbourhood	0.597	0.000	0.597		0.597
Total Earmarked	15.848	(4.667)	11.181	(0.132)	11.049
Collaboration	0.419		0.419		0.419
Total Revenue	16.267	(4.667)	11.600	(0.132)	11.468
Capital:					
Capital Reserve	0		0		0
S106 Developer Contributions	0.296	0.003	0		0
Total Capital	0.296	0.003	0.000	0.000	0.000
Total Reserves	21.563	(4.664)	16.600	(0.132)	16.468

Note: numbers may not sum due to rounding

3. General Reserve

3.1 In order to assess the adequacy of the unallocated general reserve when setting the budget, the PFCC, on the advice of the two Chief Finance Officers, should take account of the strategic, operational and financial risks facing the authority. This assessment of risk should include external risks, as well as internal risks, for example the ability to deliver planned efficiency savings.

- 3.2 Whilst there is no prescribed level of reserves that PFCCs should hold; it is influenced by individual discretion, local circumstances, advice from external auditors, risk management arrangements and risk appetite. CIPFA guidance in LAAP Bulletin 99 (2014) specifically cautions against prescriptive national guidance for a minimum or maximum level of reserves and states:

“The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The chief finance officer may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority”

- 3.3 However, the minimum level of reserves may be set for the authority by the Ministers in England and Wales where an authority does not act prudently, disregards the advice of its chief finance officer or is heading for financial difficulties. LAAP Bulletin 99 (2014) specifies that minimum level of reserves can be imposed on specific circumstances:

“Minimum level of reserves will only be imposed where an authority is not following best financial practice”

- 3.4 CIPFA indicate a minimum general reserve level is typically between 2% and 3% of net budget requirement.
- 3.5 In Policing, average general reserves are around 5% whilst in the Fire sector there are a higher level of both general and earmarked reserves held.
- 3.6 In December 2022, prior to the provisional Local Government Settlement, the Department of Levelling Up, Housing and Communities (DLUHC) issued a policy statement. The statement included specific mention of the level of reserves built up during the pandemic and which applies to Fire and Police as follows:

“The government notes the significant increase in some local authority reserves over the 2 years of the pandemic. We encourage local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures., taking account, of course, of the need to maintain appropriate levels of reserves to support councils’ financial sustainability and future investment. In order to support council members and local electorates to understand the reserves that their local authorities are holding and what they are used for, we will also explore releasing a user-friendly publication of the reserves data currently collected in the Local Authority Revenue Expenditure and Financing Outturn Statistics. We will consult with trusted partners, including the Local Government Association, about doing this”.

- 3.7 The PFCC has considered his reserves strategy and wishes to hold a sufficient but not excessive level of reserves. In determining this position, Annexe 1 outlines how the PFCC complies with the 7 key CIPFA principles which can be used to assess the adequacy of reserves.
- 3.8 Given that the PFCC is required to meet the first 1% of any special grant requirement, and the level and range of earmarked reserves available to the PFCC, it seems prudent that the current policy is to maintain general reserves at a guideline level of 3% of annual net revenue expenditure, with a minimum of 2.5%.
- 3.9 At present, there are no plans to use the general reserve during the period of the MTFP. However, with forecast budget increases, there is a need to ensure the level of general reserves keeps pace to ensure minimum and guideline levels are achieved as follows:

Year	£m	%
2023/24	5.000	3.0%
2024/25	5.000	2.9%
2025/26	5.000	2.8%
2026/27	5.000	2.8%
2027/28	5.000	2.7%

- 3.10 As budgets are increased each year, the levels change each year and forecast general reserve plans are above the minimum level in all years but are only above or on the guideline level until 2024/25.
- 3.11 Therefore, where appropriate and if budget levels are higher than those forecast in the MTFP, the PFCC will endeavor to increase general reserves from 2024/25. Based on current forecasts, an additional £0.5m would increase levels to above 3% throughout the life of the MTFP.

4. Earmarked Reserves

- 4.1 In addition to the general reserve, the PFCC holds a number of reserves which are earmarked for specific purposes.
- 4.2 The predicted position for each earmarked reserve as at 31/3/2023, together with an outline of its specific purpose is attached at Annexe 2.
- 4.3 At the 31/3/2023, it is estimated that the PFCC will hold **£16.563m** in earmarked reserves which are as follows:

Insurance – This reserve holds funds set aside where considered prudent for civil claims (Public and Employer liability) in line with professional advice.

Operational Equipment – this is a reserve to smooth the impact on the revenue budget in respect of the cost of replacing operational equipment, rather than impacting disproportionately on the budget in any one year.

Earmarked Funding – This reserve relates to previous years underspends which are ring fenced and carried forward or funding received which is earmarked for specific purposes in the medium term.

Victims Services – this is to support investment and projects for victims' services in future years. This reserve also holds any balances transferred in from Victims Voice at year end.

Pensions – This reserve is used to smooth the impact of ill-health retirements and to meet the costs of any ill—health or injury retirements in excess of budget provision across years.

Developer Contributions (S106) – this is a capital reserve to collect the drawn down developer contributions awarded to the PFCC in line with S106 planning arrangements. These funds will be released in accordance with the terms of the agreements. The reserve only accounts for funds once they have been drawn down.

Smoothing Reserve – This is a new reserve created to enable the savings generated from the savings programme to be realised and released over future years as needed, smoothing the impact of timing variations on the revenue budget.

PFCC Initiatives – this is to deliver funding towards the specific initiatives of the PFCC arising from the Police, Fire and Crime Plan.

Transformation Reserve – This reserve is intended to support initiatives and transformative activities such as the future systems programme and enabling services initiatives.

Safer Roads – this reserve relates to funds in excess of expenditure for use in line with specific criteria for equipment or road safety initiatives. Following the 2018/19 budget initiatives, a Road Safety Alliance has been set up with partners which will produce priorities and the PFCC's reserve is used to fund specific road safety grants and is used to fund the policing priorities from this.

Neighbourhood – this reserve was established to capture any underspends from the in-year Police Community Support Officers (PCSO) budget. It is intended that the proceeds of this reserve will be used to support neighbourhoods or related initiatives rather than be subsumed into supporting the overall Force budget. The PFCC is in discussion with the Chief Constable on its usage.

Collaboration – this reserve relates to previous years underspends on regional collaboration and funds held for regional asset replacements. Each PCC holds their share of the regional reserves and is set aside to meet future regional costs.

4.4 The forecast balance on the reserves, taking into account a prudent estimate of timings for proposals which are currently being developed is detailed within Annexe 3.

5. Provisions

5.1 The CIPFA Statement of Recommended Practice is prescriptive about when provisions are required (and when they are not permitted). Basically, a provision must be established for any material liabilities of uncertain timings or amount, to be settled by the transfer of economic benefits. In accordance with this statutory guidance, the Force hold an established 'Insurance Provision' which is reviewed as part of the closedown process for each year.

6. Procedures for management and control

6.1 Any drawdown from reserves is subject to the approval of the PFCC, on advice from the PFCC's Chief Finance Officer (OPFCC CFO); or under the delegated authority of the OPFCC CFO.

6.2 The Local Government Act 2003 requires the S151 officer to report annually on the adequacy of the reserves and this is included within the statement on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves.

6.3 The Strategy will be reviewed annually by the OPFCC CFO as part of the Budget and Precept process.

Northamptonshire Compliance with the 7 Key CIPFA Principles to assess the adequacy of reserves

Budget Assumptions (CIPFA Principles)	2023/24 Situation in Northamptonshire
The treatment of inflation and interest rates	<p>Northamptonshire makes full and appropriate provision for pay and price increases, informed by benchmarking with peers.</p> <p>An informed assessment is made in the Treasury Management Strategy of interest rate movements.</p> <p>All income and expenditure in the budget is prepared and published at outturn prices.</p> <p>Additionally, there are operational and inflation contingencies and a Pay Inflation contingency of 1% (£803k) is held to mitigate any volatility in 2023/24.</p>
Estimates of the level and timing of capital receipts	<p>Northamptonshire has recently reviewed its estates strategy as a fundamental part of the capital programme and has made a prudent assumption of future capital receipts across the programme which are being used to fund capital expenditure and minimise the impact of borrowing on the budget.</p>
The treatment of demand led pressures	<p>The Force is required to operate and manage within its annual budget allocation. Overtime budgets are devolved within the Force to enable operational leaders to make decisions and the Chief Constable retains an operational contingency to support additional major incidents.</p> <p>On an exceptional basis, agreement is sought from the PFCC to utilise carry forwards to meet one off demand led pressures and demand led pressures are scrutinised and built into the budget set by the PFCC.</p> <p>Northamptonshire have identified savings in previous years which mean that opportunities for efficiencies are less than in previous years.</p>

	<p>The PFCC is keen to ensure the Force continue to identify efficiencies where it makes sense to do so, and a 1% efficiency target is set as part of the budget and MTFP and detailed within the annual strategic outcomes agreed with the Chief Constable.</p> <p>Depending on funding availability, the PFCC has and will continue to support investment in areas that reduce demand, or which increase efficiency/capacity to deal with demand.</p> <p>General reserves are used as a last resort to manage and fund demand led pressures.</p>
<p>The treatment of Planned Efficiency Savings/Productivity Gains</p>	<p>The Force have met all financial savings and challenges sought in previous years and in addition to realising efficiencies, have set a £0.5m efficiency target as part of the 2023/24 budget.</p> <p>The Force undertake budget challenge meetings and have identified a range of efficiencies to take forward which they will discuss with the Chief Constable and PFCC as they are refined.</p> <p>The Force operates a Change Steering Group which monitors investments, savings and efficiencies and is attended by OPFCC representatives.</p> <p>There are efficiency requirements aligned to the MTFP and any identified savings and efficiencies from service or governance transfers will be monitored and reviewed regularly by the service and are only included as achieved in budgets when confirmed and verified.</p>
<p>The financial risks inherent in any significant new funding partnerships, collaboration, major outsourcing arrangements or major capital developments.</p>	<p>The financial consequences of partnership collaboration working outsourcing arrangements or capital investment are reported to the PFCC as part of the medium-term planning process. Where relevant, any additional costs are incorporated into the annual revenue budget and/or capital programme.</p>

	<p>There is a risk that partners will withdraw funding as their own budgets are squeezed, or that the continued viability of private sector commercial partners will be exposed to risk in the face of an economic recession.</p>
<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.</p>	<p>Northamptonshire have created earmarked reserves and provisions to meet specific expenditure items and have added to these further in this strategy. Their use and balances as at 31/3/2023 are detailed in Annexe 3.</p> <p>Northamptonshire maintains an insurance provision, the adequacy of which is monitored in detail by the legal services insurance advisors, together with our insurance advisors. The access criteria for special grants state that PFCCS may be required to fund up to 1% of their net budget requirement themselves before the Government considers GrantAid. This applies on an annual basis.</p> <p>Northamptonshire’s general reserve provides sufficient scope to cover this eventuality.</p>
<p>The general financial climate to which the Authority is subject</p>	<p>It is anticipated that the financial climate will be challenging and the medium-term financial plan will reflect the “best estimate” of future inflation rates and increases in government grants and contributions.</p> <p>Since March 2017, the PFCC has endeavoured to increase police officers by 330 to 1500 by March 2023. This will be met by the revenue budget and not by the use of reserves. All police officer costs are within the base budget.</p> <p>SR2021, updated by the Autumn Statement 2022 provided three-year indicative funding for which 2024/25 is the third year. The MTFP will be regularly updated to support operational decision making.</p>

**RESERVES OF THE POLICE AND CRIME PFCC
2023/24 to 2027/28**

	Rationale	How and when used	Level	Management and control	Risk if Reserve Not Held	Review
GENERAL RESERVE	<p>To maintain a degree of in-year financial flexibility;</p> <p>To enable the PFCC to deal with unforeseen circumstances and incidents;</p> <p>To set aside sums for known and potential liabilities;</p> <p>To support the operational contingency held at service level if demands on them exceed the contingency levels held.</p>	<p>To meet exceptional spending needs or overspends which are unable to be otherwise financed at the year end.</p> <p>To smooth the profile of funding revenue over a medium term financial period</p> <p>To allow higher spending without raising council tax on a one-off basis</p>	<p>General principle of 3% of net budget requirement, with a minimum level of 2.5%</p>	<p>PFCC, on advice from PFCC CFO</p>	<p>The general reserve is held at a level which reflects risk, uncertainties, and volatility.</p> <p>If no reserve is held there may be insufficient resources available for major catastrophe, which could jeopardise financial status and reputation of the PFCC.</p> <p>The PFCC would have recourse to Home Office discretionary special grant if costs exceed 1% of budget or CLG Bellwin scheme for natural disasters</p>	<p>Annual</p>

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - INSURANCE	To cover the potential and contingent liabilities of uninsured risks as assessed annually by our insurers based on claims outstanding.	<p>Balance will increase or reduce annually dependent on the PFCC's outstanding claims record.</p> <p>Currently excess limit is £150k per claim. Higher excess levels are being reviewed which may require higher reserve levels.</p> <p>Increased in 2017/18 following advice from external audit and is reviewed and scrutinised by the Joint Finance team and regularly by our legal and claims handling experts. Annual actuarial assessment determines the level of the reserve.</p>	Will vary according to annual risk assessment	PFCC, on advice from PFCC CFO	<p>The reserve is held to cover potential uninsured risks.</p> <p>If no reserve is held the PFCC is potentially open to significant excess and claims payments in year beyond available revenue budgets.</p> <p>Assessment by insurers needs to be realistic not unduly pessimistic.</p>	Annual
EARMARKED - OPERATIONAL EQUIPMENT	To smooth the impact of operational equipment purchases on the revenue budget	To access the funds a costed request has to be provided.	Will vary according to usage and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve is held to smooth the impact of operational equipment replacement rather than have significant variations in the budget.</p> <p>If no reserve is held,, the risk is that equipment would have to be replaced from the current year's budget or capital programme.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk if Reserve Not Held	Review
EARMARKED FUNDING – CARRY FORWARDS	To fund specific expenditure requested by the force from previous year underspends or earmarked funding received.	Business cases provided as part of the outturn report or specific funding conditions.	Will vary according to financial outturn.	PFCC, on advice from PFCC CFO	Establishing a reserve enables an incentive and an opportunity to utilise year end underspends in a manner which will provide additionality and benefit for the service in future years, rather than finding resources from in-year or reserves.	Annual
EARMARKED FUNDING - VICTIMS SERVICES	To fund specific programmes or schemes to support victims' services	To access the funds business cases, have to be provided.	Will vary according to outturn and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve was established by historic underspends from Victims and Sunflower. The Sunflower elements were utilised to fund shortfalls in partner contributions in 2021/22 and 2022/23.</p> <p>The reserve is an opportunity to fund one off additionality or investment and if funds were not provided, the risk is that projects or planned expenditure would need to be found from current year's budget.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - PENSIONS	<p>To meet the costs of any ill—health or injury retirements which are unbudgeted and fall directly on the PFCC.</p> <p>Also, to cover any significant overspend on the employer contributions to the Pension Account</p>	<p>Annually as required.</p> <p>Transfers out depend on the amount resulted from successful claims during the year.</p> <p>Historically there has been budget provided within the Force revenue budget for approximately 6 claims in a year. Any unused budget within a year would represent transfers in.</p> <p>The consideration of utilising this reserve towards the reduction on actuarial is currently in progress</p>	Will vary according to annual risk assessment	PFCC, on advice from PFCC CFO	<p>The reserve is held to collect any underspend from ill health pensions in the budget and provides an opportunity to smooth the impact of a financial pressure or overspend in subsequent years.</p> <p>The reserve enables a flat and realistic annual budget to be set for ill health pensions rather than being subject to annual variances.</p> <p>If no reserve is held, significant ill health or injury awards beyond normal budgeted profile could create pressure on the revenue budget or general reserves.</p>	Annual
EARMARKED - CAPITAL - DEVELOPER CONTRIBUTIONS S106	To meet the additional cost of operational requirements	To access the funds a costed request has to be provided which is consistent with the conditions of the developer contribution.	Will vary according to usage and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve is held for funds allocated to the PFCC from developers towards the cost of infrastructure developments for Policing.</p> <p>If funds were not provided, the risk is that the additional costs would have to be replaced from the current year's capital programme.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - SMOOTHING RESERVE	<p>To smooth the impact of fluctuations in the funding receipts from the collection fund if provided after the budget has been set.</p> <p>To collect efficiency savings realised to smooth the impact on future years budgets.</p>	Balance will increase or reduce annually dependent on budget levels and the savings programme.	Will vary according to usage and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve is held to receive any efficiencies and funding in excess of the budget set and to utilise to ensure any variations are smoothed where appropriate. Also use to smooth budget fluctuations.</p> <p>If funds were not maintained the PFCC and the Force could be required to balance the budget or funding shortfalls by in year savings.</p> <p>There can be significant variations each year in the revenue budget whilst the timing of efficiency savings occur– this smoothing reserve will assist in mitigating that.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - PFCC INITIATIVES	<p>To deliver funding to for specific initiatives of the PFCC arising from the Police, Fire and Crime Plan</p> <p>To provide funding to deliver radical solutions to deliver the Police, Fire and Crime Plan</p>	As required – typically informed by approved business cases for bids on the Fund.	Will vary according to outturn and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve is held and was established from a PFCC reserve and has been increased by in year underspends to support initiatives identified by the PFCC to support the Police, Fire and Crime Plan.</p> <p>It is used to pump prime initiatives or one-off requirements, and from 2023/24 supports the budgeted Police, Fire and Crime Plan Initiatives within the revenue budget and local grant initiatives.</p> <p>If the reserve was not held initiatives would be funded either from the revenue budget or from other earmarked policing reserves.</p>	Annual
EARMARKED - TRANSFORMATION PROGRAMME	To fund transformative activities and opportunities and meet initial and upfront costs of enabling services projects.	To access the funds a costed request has to be provided.	Will vary according to outturn and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve was established to fund the transformative activities of bringing in house support services and developing shared systems for Police and to bring Fire onstream in future years.</p> <p>If funds were not provided, the risk is that equipment or services and resources required to bring in the systems and activities would have to be replaced from the current year's budget or other reserves.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - SAFER ROADS	<p>For surpluses of fines and speed awareness course income over expenditure that is reinvested in replacement equipment and road safety initiatives.</p> <p>The reserve is influenced by the work of the Road Safety Alliance formed in 2018/19</p>	As required – typically informed by approved business cases for bids on the Fund.	Will vary according to outturn and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve is held to provide an opportunity for supporting local road safety related grants and to fund initiatives in the county identified locally and by the Road Safety Alliance.</p> <p>If reserve was not held then safety initiatives would have to be funded from the revenue budget, other reserves or not implemented.</p> <p>This reserve can only be used in accordance with the legislation for its use of road safety related activities.</p>	Annual
EARMARKED - NEIGHBOURHOOD	For underspends in the Police Community Support Officers (PCSO) budget to be held to be used towards prioritising those resources and used in neighbourhoods or other associated requirements.	As required – typically informed by approved business cases for bids on the Fund.	Will vary according to outturn and annual risk assessment.	PFCC, on advice from PFCC CFO	<p>The reserve is held to provide an opportunity for underspends to be ring fenced and retained on funding neighbourhood resources and activities.</p> <p>If the reserve was not held there is a potential that any underspends could be subsumed in wider police force overspends.</p> <p>The reserve also provides an opportunity to overrecruit PCSOs or to use on other neighbourhood associated activities or requirements.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk if Reserve Not Held	Review
EARMARKED REGIONAL - COLLABORATION	Transfers in relate to underspend on regional collaboration. Transfers out represent contribution towards regional decisions	Upon requirement on decision made to contribute towards projects in relation to regional collaborations. Decisions made on East Midlands PFCC and CC Boards	Will vary according to usage and annual risk assessment.	PFCC, on advice from PFCC CFO	If funds were not maintained, there would be a risk of regional projects not being supported.	Annual

Summary of Revenue and Capital Reserves 2022/23 to 2027/28

	Actual Balance at 31 March 2022 £m	Forecast Balance at 31 March 2023 £m	Forecast Balance at 31 March 2024 £m	Forecast Balance at 31 March 2025 £m	Forecast Balance at 31 March 2026 £m	Forecast Balance at 31 March 2027 £m	Forecast Balance at 31 March 2028 £m
<u>Held to meet budgetary risks</u>							
Insurance	3.710	3.710	3.710	3.710	3.710	3.710	3.710
Operational Equipment	0.400	0.350	0.100	0.100	0.100	0.100	0.100
	4.110	4.060	3.810	3.810	3.810	3.810	3.810
<u>Held to support the medium term budget</u>							
Earmarked - Carry Forwards	2.643	1.036	0.580	0.580	0.580	0.580	0.580
Victims	0.368	0.368	0.293	0.293	0.293	0.293	0.293
Pensions	0.360	0.283	0.283	0.283	0.283	0.283	0.283
Smoothing	0	2.437	2.960	2.560	2.152	2.152	2.152
	3.371	4.124	4.117	3.716	3.309	3.309	3.309
<u>Held to facilitate change programmes</u>							
PFCC Initiatives Reserve	4.156	4.166	3.797	3.517	3.267	3.267	3.267
Transformation Reserve	1.368	2.473	0.042	0.013	0.013	0.013	0.013
Safer Roads Reserve	0.533	0.427	0.317	0.251	0.185	0.119	0.053
Neighbourhood Reserve	0.000	0.597	0.597	0.597	0.597	0.597	0.597
	6.057	7.663	4.753	4.378	4.062	3.996	3.930
<u>Capital Reserves</u>							
S106 Developer Contributions	0.406	0.296	0.186	0.076	0	0	0
Capital Reserves	0.077	0	0	0	0	0	0
	0.483	0.296	0.186	0.076	0.000	0.000	0.000
Total PFCC Earmarked Reserves	14.021	16.144	12.866	11.981	11.181	11.115	11.049
<u>Collaboration Reserves - Held locally</u>	0.419	0.419	0.419	0.419	0.419	0.419	0.419
Total Earmarked Reserves	14.440	16.563	13.285	12.400	11.600	11.534	11.468
General Fund	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Total Reserves	19.440	21.563	18.285	17.400	16.600	16.534	16.468

Note: numbers may not sum due to rounding

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NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

2 FEBRUARY 2023

Report Title	Northamptonshire Police, Fire & Crime Panel's statutory responsibilities relating to scrutiny of the Police, Fire & Crime Commissioners' proposed Fire Precept 2023/24.
Report Author	James Edmunds, Democratic Services Assistant Manager, West Northamptonshire Council James.edmunds@westnorthants.gov.uk

Contributors/Checkers/Approvers		
West MO (for West and joint papers)	Catherine Whitehead	17/01/2023
West S151 (for West and joint papers)	Martin Henry	17/01/2023

List of Appendices

None

1. Purpose of Report

- 1.1. The report is intended to set out the statutory requirements on the Northamptonshire Police, Fire & Crime Panel regarding scrutiny of the proposed Fire Precept for 2023/24 produced by the Police, Fire & Crime Commissioner for Northamptonshire.

2. Executive Summary

- 2.1 The report summarises the Northamptonshire Police, Fire & Crime Panel's statutory responsibilities relating to reviewing and making a report on the proposed Fire Precept for 2023/24 produced by the Police, Fire & Crime Commissioner for Northamptonshire. The proposed Fire Precept appears on the agenda for the current Panel meeting as the next item of business.

3. Recommendations

- 3.1 It is recommended that the Northamptonshire Police, Fire & Crime Panel reviews the proposed Fire Precept for 2023/24 produced by the Police, Fire & Crime Commissioner for Northamptonshire.
- 3.2 Reasons for Recommendation(s) – The recommendation is intended to enable the Panel to carry out its statutory responsibilities relating to scrutiny of the proposed Fire Precept effectively at the current meeting.

4. Report Background

- 4.1 A fire and rescue authority is a major precepting authority under the Local Government Finance Act 1992. The Northamptonshire Police, Fire & Crime Commissioner is the fire and rescue authority for the county under the Police, Fire & Crime Commissioner for Northamptonshire (Fire and Rescue Authority) Order 2018. A Police, Fire & Crime Commissioner may not issue a precept under Section 40 of the 1992 Act until it has been subject to scrutiny by the relevant Police, Fire & Crime Panel according to the process specified in Schedule 5 of the Police Reform & Social Responsibility Act 2011, as amended by the Policing & Crime Act 2017.
- 4.2 Schedule 5 of the 2011 Act, supporting Regulations, and the Rules of Procedure for the Northamptonshire Police, Fire & Crime Panel require:
 - a) The Commissioner to notify the Panel of the Commissioner’s proposed precept by 1st February of the relevant financial year
 - b) The Panel to review the proposed precept
 - c) The Panel to resolve to:
 - i) Support the proposed precept without additional qualification or comment; or
 - ii) Support the proposed precept and make additional recommendations on it; or
 - iii) Veto the proposed precept provided that the Panel makes that decision by the required majority, which is that at least two thirds of the persons who are members of the Panel at the time when the decision is made vote for it.
 - d) The Panel to make a report to the Commissioner on the proposed precept, setting out the results of its review, by 8th February of the relevant financial year. If the Panel votes to veto the proposed precept the report must state that the Panel has done so and set out its reasons for doing so.
- 4.3 If the Panel does not veto the proposed precept the Commissioner must:
 - a) Have regard to the report made by the Panel
 - b) Give the Panel a response to its report and to any recommendations in the report
 - c) Publish the response in a manner determined by the Panel.
- 4.4 The scrutiny process concludes at this point. The Commissioner may then issue the proposed precept as the precept for the next financial year or issue a different precept but only if it would be in accordance with a recommendation made in the Panel’s report.

- 4.5 If the Panel vetoes the proposed precept the Commissioner must not issue it as the precept for the next year. By 15th February of the relevant financial year the Commissioner must:
- a) Have regard to the report by the Panel
 - b) Give the Panel a response to its report setting out the precept that the Commissioner now proposes to issue (referred to as the 'revised precept'). If the Panel vetoed the original proposed precept because it was considered to be too high the revised precept shall be lower; if the Panel vetoed the original proposed precept because it was considered to be too low the revised precept shall be higher.
 - c) Publish the response in a matter determined by the Panel.
- 4.6 The Panel is required to review the revised precept and to make a report on it to the Commissioner (referred to as the 'second report'). The second report may indicate whether the Panel accepts or rejects the revised precept and may make recommendations on it, including recommendations as to the precept that should be issued for the next year. The Panel must complete these actions by 22nd February of the relevant financial year. A reserve meeting of the Panel is scheduled if required for this purpose. The Panel does not have the power to veto the revised precept.
- 4.7 If the Commissioner receives a second report from the Panel, by 1st March of the relevant financial year the Commissioner must:
- a) Have regard to the second report by the Panel
 - b) Give the Panel a response to the second report
 - c) Publish the response.
- 4.8 The scrutiny process concludes at this point. The Commissioner may then issue the revised precept as the precept for the next financial year or issue a different precept but only if in accordance with a recommendation made in the Panel's second report.

5. Issues and Choices

- 5.1 Reviewing and reporting on the proposed Fire Precept is a statutory task for the Panel. The Panel should seek to carry it out in accordance with its overall role of scrutinising and supporting the effective exercise by the Police, Fire & Crime Commissioner of his responsibilities.
- 5.2 Local Government Association guidance for panels on policing and fire governance gives advice on good practice in relation to scrutiny of a proposed Police Precept that is also applicable to scrutiny of the proposed Fire Precept:

A panel's questioning plan in relation to the commissioner's precept should focus on strategy, not numerical details and be used to seek clarification, test evidence and assumptions and explore options best able to deliver [the fire and rescue plan] through the proposed precept. Questions panels might ask their commissioner could include whether the precept enables funding to follow priorities; whether value for money is being secured; and whether there is a robust monitoring framework.

Panels have the power of veto over the precept. However, this a longstop, use of which should be very rare and needs to be justified. Panels should also recognise that the veto can only act as a delay; it will not prevent the commissioner from being able to re-present, and enact, a precept that is not materially different from that to which the veto has been applied.

If the veto is used, the panel should be prepared to provide detailed reasoning to back up why.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 There are no resources or financial implications arising from the proposal.

6.2 Legal

6.2.1 There are no legal implications arising from the proposal.

6.3 Risk

6.3.1 There are no significant risks arising from the proposed recommendation in this report.

7. Background Papers

Police Reform & Social Responsibility Act 2011

Northamptonshire Police, Fire & Crime Panel Terms of Reference.

Policing and fire governance – Local Government Association guidance for police and crime panels (2019)



NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

2 February 2023

REPORT BY THE POLICE, FIRE AND CRIME COMMISSIONER (PFCC) AND THE CHIEF FINANCE OFFICER

PFCC PROPOSED FIRE PRECEPT 2023/24

Purpose of the Report

1. To propose the 2023/24 Council Tax Precept for Northamptonshire Commissioner Fire and Rescue Authority (NCFRA).
2. To provide information in respect of the revenue budget, capital programme, reserves and medium-term financial plan (MTFP) to provide context for the precept proposal.

Recommendation

3. The Police, Fire and Crime Panel is **RECOMMENDED** to endorse:

The proposal to increase the 2023/24 Fire Precept by £5 per annum for a Band D Council Tax to £73.20 (from £68.20 in 2022/23). This equates to an increase of 10 pence per week.

4. Note the information presented in this report, including:
 - a. The statement of the Section 151, Chief Finance Officer as required by Section 25 of the Local Government Act 2003 regarding the robustness of the Budget, the medium-term financial plan (MTFP) and the adequacy of financial reserves (Appendix C).
 - b. A £5 precept increase gives a total 2023/24 net budget requirement of **£29.558m**, including:

- The intention of the PFCC to set the Council Tax Precept Requirement for Northamptonshire Commissioner, Fire and Rescue Authority for 2023/24 of **£18.764m**.
- The current and future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational mitigations and additional considerations identified.
- That any changes required, either by Government grant alterations notified through the final settlement, amended council tax base and surplus/deficit notifications received from the collecting authorities, after the precept has been set, may be balanced by efficiency savings or through a transfer to or from reserves.
- That when received, any variations from business rates notified by the unitary authorities will be balanced by the smoothing reserve.
- The current MTFP and the anticipated savings required.
- The capital programme and reserves strategy.

Executive Summary

5. This report details the fifth precept proposal for the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) which was established on the 1 January 2019.
6. The report and proposal, is the culmination of several months' work by the Office of the Police, Fire and Crime Commissioner (OPFCC), the Joint Finance Team and Fire colleagues. It also includes information provided by the two unitary authorities and takes account of public and stakeholder consultation and key government expectations.
7. Following the announcement of the provisional settlement, the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) has considered the local government provisional settlement which set out government expectations, current and future funding levels, the pre- budget engagement and the outcome of the public consultation together with the Autumn Statement 2022.
8. The PFCC and the S151 Officer are very appreciative of the updates provided by colleagues in the unitary authorities in respect of the impact on the taxbase and the council tax collection fund receipts for 2023/24 and future years. Furthermore, the PFCC is appreciative of the hard work by unitary staff in achieving a positive level of collection rates.
9. The proposals are set in a context of high inflation levels and the Autumn 2022 statement. Furthermore, the budget recognises the uncertainty that agreement on the national 2022 pay award for firefighters has not yet been reached.

10. Despite these challenges, the budget is balanced for 2023/24 with a funded capital programme and currently an adequate levels of reserves in place.
11. The budget includes the investments made in the service since the governance transfer of increased firefighters and investment in essential fire equipment and appliances, together with additional investments which include:
 - Transferring Fire onto joint shared support and finance systems with the Police and realising the vision set out in the governance transfer business case;
 - Four additional Home Safety Officers; and
 - A Deputy Chief Fire Officer.
12. Whilst the 2023/24 budget is balanced, given the national cost of living challenges and inflation at levels significantly higher than previously assumed, balancing the budget across the medium term will be more challenging. Prudent assumptions of future income streams have been used which identify the need for future efficiencies.
13. The previous Chief Fire Officer reviewed the findings of the Grenfell inquiry and investment requirements and priorities will continue to be considered as part of the capital programme and essential investment requirements.
14. The S151 officer has reviewed the adequacy and level of reserves following the work undertaken since the governance transfer and has concluded that at the current time, reserves are currently at an adequate level to manage risk. If future inflation levels and/or costs are higher than forecast and reserves are required then there will be a need to rebuild them moving forwards.
15. To enable future transformation it is prudent to set aside funding in reserves to facilitate this. Therefore, in 2023/24, the sum of £750k in reserves is ring fenced to support the Chief Fire Officer in this work.
16. Given the legacy requirements, the capital programme investment requirements are significant. With the current cost of borrowing, a further £300k to support the capital programme has been set aside in capital reserves which will support funding the investment in the shorter life assets in the capital programme and minimise the impact of capital financing costs on the revenue budget.
17. In considering the Fire budget and proposed precept for 2023/24, the PFCC considered the national context and NCFRA's lower precept, core spending power and reserves position relative to other Fire and Rescue Authorities.

18. Furthermore, the PFCC has conducted, and been informed by, a consultation of 1,734 residents of Northamptonshire, of whom 1,578 responded on Fire. The results of the surveys are summarised in this report and will be available on the PFCC website in due course.
19. Additionally, the budget and precept recognise the importance of collaborative working with Police and the OPFCC, therefore enabling services support areas are now embedded across Fire and Policing under the leadership and direction of the Joint Assistant Chief Officer for Enabling Services.
20. The PFCC requires both services to actively seek opportunities to work together to deliver more efficient and effective public services and in 2023/24 it is intended that opportunities bring together further support services teams will be explored and progressed.
21. The fire budget and precept also takes forward the statutory duty for emergency services to collaborate which means the services should be actively seeking opportunities to work together to deliver more efficient and effective public services. As such, both Fire and Police Budget agreements for 2023/24 will again demonstrate the PFCC commitment to collaboration, including greater integration between police and fire and rescue to enable reinvestment in frontline services. It is the PFCC's expectation that, over time, the following areas will be delivered:
 - Shared Services
 - Shared estates strategy
 - Shared prevention approaches
 - Operational interoperability
 - Control rooms
22. With only a one year settlement and minimal indication of future funding for Fire and Rescue Authorities, the MTFP has been prepared on prudent funding assumptions and shows that even with a £5 precept increase there are financial challenges ahead in future years. The Chief Fire Officer will continue to work with the PFCC on plans to meet these shortfalls.
23. After careful consideration of the factors included within this report, the PFCC is very much aware of the financial impact on households in the current time. However, he is extremely grateful for the support Northamptonshire residents have demonstrated for these proposals.

As such, given the current and future financial challenges and uncertainties, this requires the PFCC to propose a Fire precept increase of £5 (10 pence per week) for a Band D property.

This will enable Fire to have a sustainable base budget, maintain an adequate level of reserves and will go some way to maintain and safeguard Fire and Rescue Services in Northamptonshire.

National Context

24. Fire governance transferred to the Northamptonshire PFCC on the 1 January 2019. The PFCC is currently one of four in the country and until 31 March 2023 remains the only governance transfer from a county council. In April 2023 it is anticipated that Cumbria will become a PFCC governed Fire Authority and the second County Council transfer.
25. The Fire Governance Business Case was predicated on a three year financial stability plan to establish a sustainable revenue budget, develop an affordable capital programme and build reserves to an adequate and resilient level. Whilst COVID-19 impacted adversely on the financial environment facing the new Authority, these plans have been achieved.
26. The significant uncertainty facing Fire and Rescue Authorities (FRAs) is the national 2022 firefighter pay award. The final national employers offer of 5% was rejected and members are currently being balloted regarding potential strike action. At the time of writing the report the outcome is unknown. Whilst the funding settlement provided, and this budget assumes a funded employers 5% offer, the outcome remains uncertain.
27. The £5 precept flexibility included in the 2023/24 provisional settlement reflects the intense lobbying by Northamptonshire MPs, the PFCC and other Fire Authorities to secure permanent base funding.
28. Although the higher than anticipated settlement is welcome for 2023/24, the costs are also higher than previously anticipated. Therefore, as evidenced in the MTFP, there is still a need for some efficiencies over the medium term.

Provisional Local Government Finance Settlement

29. The provisional Local Government Finance Settlement was announced by the re-appointed Secretary of State for Levelling Up, Housing and Communities, Michael Gove MP in a written ministerial statement on 19 December 2022. The announcement set out provisional allocations for 2023/24.
30. The provisional settlement publication marked the start of a four-week consultation which closed on 16 January 2022. At the time of writing, the date of the final settlement is unknown.
31. In early December, civil servants from the Department of Levelling Up Housing and Communities (DLUHC) shared a “policy statement” which contained some indications of the provisional local government funding settlement, but not enough information was included to provide us with a provisional settlement figure.

32. The national Technical Team undertook an analysis of the day's main announcements and updated them to reflect the £5 precept flexibility which was not reflected in the provisional settlement figures. The following headlines were available for Fire:
- *Confirmation that Core Spending Power increases by an average of 9.47% (£140m) for standalone Fire Authorities if full council tax flexibility is taken.*
 - *Precept – £5 for Fire and Rescue Authorities in 2023/24 with an indication of 2.99% in 2024/25 in line with local authorities.*
 - *Core spending power includes an estimated taxbase for each authority and was calculated prior to the announcement of the £5 for Band D equivalents.*
 - *Services grant was reduced to £13.5m (from £23.5m in 2022/23) for standalone FRAs. The 2022/23 settlement advised this was a one off grant, therefore, albeit reduced, the continuation of some of this grant is welcome.*
 - *The Fire pensions grant is not included in the Provisional settlement – allocations are expected to be unchanged from previous years at £1.186m.*
 - *It is expected that separate protection grant will be available in 2023/24 as with previous years. However, the allocations to FRAs have not yet been advised. In 2022/23 NCFRA received £116k.*
33. The draft council tax referendum principles 2023/24 were issued alongside the settlement and provided a £5 one-off precept flexibility for all standalone Fire authorities. This includes Northamptonshire.
34. Northamptonshire have responded to the provisional settlement consultation, welcoming the settlement, supporting local flexibility and requesting consideration of a capital grant, longer term financial settlements, consideration of the population demographic profile affecting FRAs and recognition of future inflation in future settlements.
35. A summary of the provisional settlement for Fire in the table demonstrates that funding (before Collection Fund) has increased £2.042m (7.8%) from 2022/23.
36. Following the draft budgets, Collection Fund allocations have now been received from the Billing Authorities. Whilst only one year, surpluses have been forecast by both authorities and have further increased total funding to £2.466m (9.5%).
37. The 2023/24 budget will be over £7m more than the budget transferred as part of the governance arrangements. This equates to a revenue budget increase of over 30% since

2018/19. Whilst future savings are still required, the NCFRA revenue budget and the service are on a much more resilient footing.

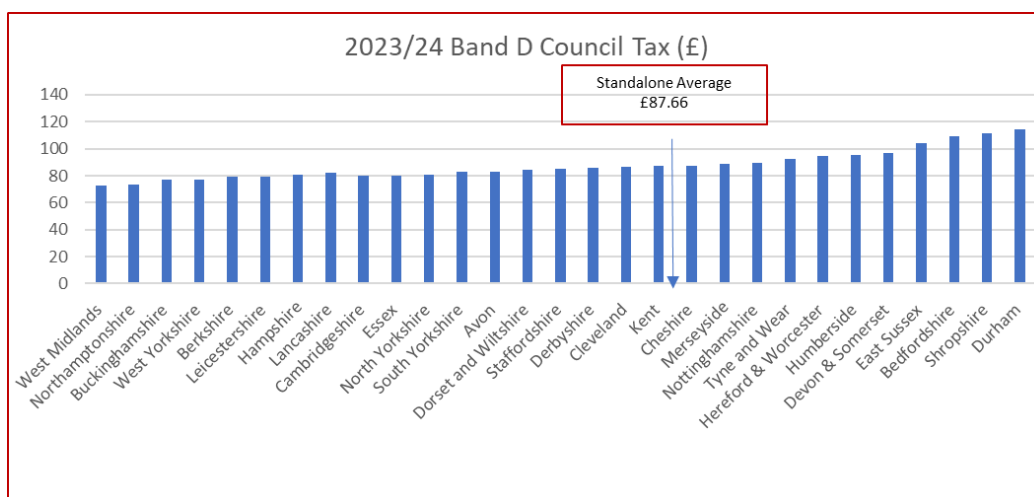
2022/23 £m		2023/24 £m
2.347	Revenue Support Grant	2.587
2.814	Top Up Grant	2.563
0.372	Special Grant	0.210
0.444	S31 Grant	0.954
2.867	Business Rates	3.039
8.844		9.353
17.231	Council Tax	18.764
26.075	Total Funding before Collection Fund	28.117
(0.169)	Council Tax Surplus (Deficit)	0.255
25.906	Total Funding after Collection Fund	28.372
1.186	Pensions Grant	1.186
27.092	Total	29.558

NB: Estimated Business Rates – At the time of writing, statutory deadlines are not yet due.

38. A review of other Fire and Rescue Authorities has highlighted the following:

Comparative Council Tax Levels

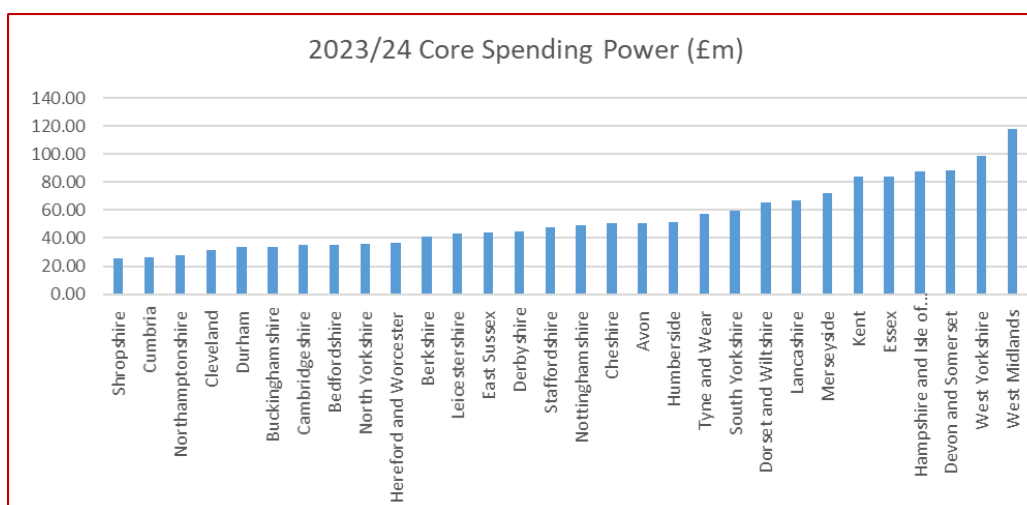
39. If all FRAs take up the precept flexibility, Band D Council Tax levels for Fire and Rescue Authorities will range between £73.04 in the West Midlands and £114.69 in Durham, with an average of £87.66 per standalone Band D property (as compared to £82.66 in 2022/23).



40. At £73.20 Northamptonshire will still be the second lowest Fire preceptor in 2023/24 and will be 17% below the average precept in England and Wales. This is a small improvement on the 2022/23 position where Northamptonshire was 21% below the average precept.

Comparative Core Spending Power

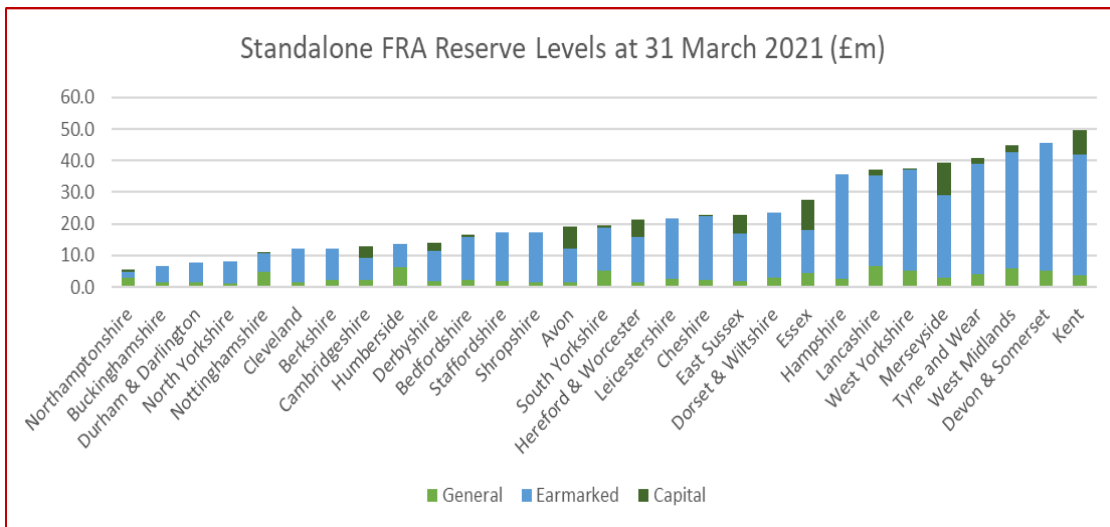
41. Core Spending Power (CSP) is set out in the provisional settlement and includes central settlements as well as business rates and assumed council tax receipts at DLUHC estimated levels.
42. Historically Northamptonshire have had the second lowest core spending power nationally. However, based on the CSP tables for 2023/24 (prior to a £5 increase), Cumbria when they transfer will now have the second lowest CSP although their Band D precept is envisaged to be above average.



43. The provisional CSP tables do not include the £5 precept flexibility for authorities. Furthermore, CSP includes estimated, rather than the actual taxbases for authorities and does not include collection fund surplus or deficits nor pension grant.

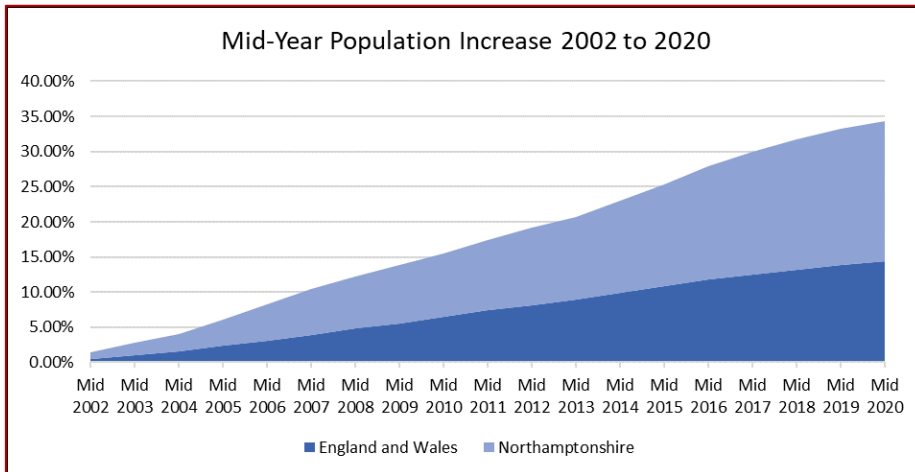
Comparative Level of Reserves

44. The Home Office analysis of the reserve levels for Fire and Rescue Authorities as at 31/3/21 (based on the audited accounts for 2020/21) is set out below and highlights that total revenue and capital reserves ranged from £5.4m in Northamptonshire to £49.8m in Kent.
45. Whilst Northamptonshire remains the lowest nationally, the gap between Northamptonshire and the second lowest authority has reduced since March 2020. Northamptonshire increased its reserves further during 2021/22, and built them to a currently sufficient level in line with the three year plan as set out at the time of the governance transfer.
46. The analysis further highlighted that resource reserves as a % of CSP ranged from 21% in Northamptonshire to 78% in Tyne and Wear as follows:



Funding Formula and Population

47. Fire funding for revenue support and service grants is provided to the Home Office from DLUHC and is allocated via a national formula as part of the local authority funding settlements.
48. The current formula was updated in 2013/14 and is based on population and subject to a series of adjustments to allocate funding by both risk of incidents and the costs associated with providing fire service cover. Fire revenue support and services grants are allocated under this formula which accounts for just under 10% of total Fire funding in Northamptonshire .
49. A Fair Funding review has been discussed by the Ministry, Housing, Communities and Local Government (MHCLG) and more recently DLUHC for some years, however, in the DLUHC Policy statement issued prior to the provisional local settlement, the government advised that *“The review of Relative Needs and Resources (Fair Funding Review) and a reset of Business Rates growth would not be implemented in 2023/24 or 2024/25.”*
50. The 2021 national census highlighted that in the past ten years:
 - The national population has increased by 6.5%. In Northamptonshire it has increased by 13.5% over the same period. Furthermore,
 - Since 2011 the population aged 65+ has increased by 20.1% nationally. In Northamptonshire it has increased by 30.3% over the same period.
51. The chart demonstrates how Northamptonshire’s population has increased at a faster rate of 10% since 2002 when compared to the national rate of 2.4%



- 52. Northamptonshire has outstripped national population changes for some decades, as outlined in the Joint Strategic Needs Assessment (JSNA) Demography Insight Pack 2019, Northamptonshire’s population has increased by 29.9% over the 30 years, compared with 17.7% across England. It also estimates this will increase by a further 14% by 2041.
- 53. This means that around 10% of Northamptonshire Fire’s funding is allocated on the basis of a funding formula which has not been updated for many years and therefore, does not reflect current demands or risk and does not reflect the significant growth in the county. The National Fire Chiefs Council in their response to the 2022/23 Settlement advised:

“One of the most significant demands on the public sector is an aging population; for FRAs this is highlighted by the stark differences in fire-related deaths for different ages.”

“The Government’s intent for more people in care to be able to live in their own homes and live as independently as possible. This admirable intent will require more home safety visits and increases the number of dwellings occupied by people who are less likely to be able to put out a fire and increases the risk for FRAs. Further prevention and protection work will be required, and this must be recognised in future funding.”

- 54. Therefore, with a higher increase in population in Northamptonshire compared to national levels, and in particular the aging population, the current formula does not reflect these challenges faced in the county. The PFCC and the Chief Fire Officer will continue to seek a fairer national settlement for Northamptonshire Fire & Rescue.

Council Taxbase and Council Tax Precept Income

- 55. The Council Tax and the level of precept is a fundamental part of the local government finance settlement.

56. Income generated from precept depends on both the level of the Band D precept and the taxbase – the latter being the number of properties required to pay council Tax.
57. In Fire, the precept and the surplus on the collection fund accounts for around 64% of funding, therefore any variations can have a significant impact.
58. Both unitary councils have advised the PFCC of their proposed taxbases for 2023/24.
59. A comparison of the 2022/23 and 2023/24 figures reflects an average 1.46% taxbase increase (compared to 1.30% in 2022/23) as follows:

Authority	2022/23 (number)	2023/24 (number)	Change	2023/24
			(number)	%
North	113,047.00	114,279.00	1,232.00	1.09%
West	139,604.04	142,060.80	2,456.76	1.76%
Taxbase (Band D)	252,651.04	256,339.80	3,688.76	1.46%

60. As in previous years, the taxbase estimated by DLUHC in the CSP provisional settlement at 1.34% is significantly higher than that used by the Home Office of 1.01% for the Policing settlement.
61. Whilst it is interesting to note the variation between the two estimates; the actual taxbase increase notified by the unitary authorities is the figure used and for 2023/24 the local estimates are higher than both government department estimates.
62. Moving forwards, the MTFP assumes average but prudent increases in the taxbase and the S151 officers will continue to link in with West Northamptonshire and North Northamptonshire S151 colleagues to ensure future forecasts align.
63. The total precept funding is a combination of the taxbase increase and the precept increase as follows:

2022/23 £	Variation	2023/24 £
	Taxbase Changes	
72,996	- North	84,022
131,697	- West	167,551
204,693		251,573
	Precept Increase	
565,235	- North	571,395
698,020	- West	710,304
1,263,255		1,281,699
1,467,948	Total Precept Change	1,533,272

64. The 2023/24 proposed precept increase of £5, together with the increased taxbase will generate an additional £1.533m on the base budget.

Council Tax Collection Fund

65. Each year the billing authorities estimate how much of the total potential Council Tax income liability of taxpayers they will collect. They advise precepting authorities of any projected surplus or deficit on the “Collection Fund” in January of each year.
66. The PFCC is very appreciative of the hard work undertaken by the North and West Northamptonshire unitary authorities in ensuring high collection rates and in providing the information to enable their inclusion in his budget and precept considerations.
67. In previous years, despite high collection rates within Northamptonshire, COVID-19 impacted on these levels which resulted in deficits in both 2021/22 and 2022/23. Some government support was provided which included grants and enabling the deficit to be spread across three financial years. These measures helped to mitigate the impact.
68. The unitary authorities have advised the PFCC of their collection fund positions for 2023/24 for Fire which have resulted in surpluses from both authorities.

2022/23		2023/24
£		£
(125,898)	North	82,297.00
(42,762)	West	173,040.79
(168,660)	Collection Fund (Deficit)/Surplus	255,337.79

69. Due to statutory timescales, notification of the final collection fund surplus figures is received after the draft budgets are finalised. As this surplus results in a one-year benefit, it will be transferred to reserves to replenish some of the one-off use of reserves planned as part of the agreed balanced budget.
70. The S151 Officer will work closely with the Unitary authorities throughout the year to monitor and understand any impact on the collection fund deficit position for 2024/25 and future years.

Public Consultation on the Level of the Precept

71. Each year following the provisional settlement, the PFCC undertakes a precept consultation with residents of Northamptonshire to gather their views which help to inform his precept intentions.

72. The PFCC is very mindful of the impact that inflation and the cost of living is having on the residents of Northamptonshire. As such, for 2023/24, and ahead of his precept consultation in December, the PFCC and officers undertook pre-budget engagement to inform his considerations. Of note are the following:
- i. The PFCC, Chief Fire Officer and Chief Constable attended a meeting with Northamptonshire MPs and briefed them on the current financial position for Police and Fire and outlined the current financial context for both services.
 - ii. The PFCC and the Chief Finance Officer attended local meetings with representative groups to have conversations around the current financial position and hear their thoughts on the levels of precept, budget challenges and services. The PFCC found these conversations and discussions invaluable and the office will now attend many of these meetings regularly.
 - iii. A meeting with local representatives was held in November, with attendance by the PFCC, Chief Fire Officer, Chief Constable and Chief Finance Officer. Discussions included an update on the financial context, key priorities, efficiencies progressed and examples of the inflation pressures for both organisations.
73. For this year's precept, over the period 14 December 2022 to 17 January 2023, the PFCC undertook as wide a range of consultation as possible to obtain the views of Northamptonshire residents.
74. The survey was sent out to a wide range of contacts and using many different approaches. Appendix A sets out the consultation on the precept further.
75. This wide reach is set within the challenges of the limited timescale of the government funding settlement, the current cost of living climate and the fact that it was held over the festive season.
76. The online survey was targeted specifically in relation to the precept and communicated to as many stakeholders as possible to enable any resident to share their views on the level of the precept.
77. Interim reviews were taken on the survey to assess the reach and where appropriate, additional communications were made to key areas of the county to ensure those who wished to contribute to the survey were able to do so.

78. Furthermore, two in-person budget and precept meetings were held in January with key stakeholders, with one taking place after the provisional settlement when more information was available. The meetings took place as follows:
- A Councillor Budget and Precept meeting was held on the 11 January 2023, 229 local Councillors and Parish Clerks were invited. 23 Councillors attended and received a briefing on the budget and precept considerations for both Fire and Policing. All councillors attending were also invited to undertake the summarised online survey. The PFCC has considered their comments and is grateful to those who attended the meeting and found their engagement extremely useful.
 - The PFCC held a Police, Fire and Crime Panel workshop on the 17 January 2023 regarding the budget and precept considerations for 2023/24, which was attended by eleven representatives. The annual workshops commenced in January 2021 and the PFCC has again found this approach and member input invaluable. The PFCC is grateful to all panel members who attended, and subject to the views of the Panel will continue to offer the budget workshop as an annual event.
79. The PFCC would like to give particular appreciation to the commitment and engagement of the Chair and members of the Police, Fire and Crime Panel, local councillors, MPs, forum members and teams within the unitary authorities as he recognises they have been contacted multiple times during the survey period and asked to disseminate the survey amongst their local residents and contacts.
80. The online survey received 1,734 responses and 1,578 responded for Fire. This is classed as a statistically relevant sample size for the County based on a 95% level of confidence.
81. The PFCC has considered the results of the online survey which were:
- **Around 64.8% of residents were prepared to pay £5 or more if they were able to for Fire services;**
 - Around 31.6% were not prepared to pay any more than they do now;
 - 3.6% said they did not know.
82. Respondents were also given the opportunity to comment on how good a job the Police and the Fire and Rescue Service did. For Fire, 1,563 residents replied.
- **Around 65.3% of residents thought Fire were doing a good or excellent role.**
 - 13.3% of residents thought they were doing a fair job.
 - Around 2% of residents thought they were doing a poor or very poor or a very poor job.
 - Around 19.4% did not know.

83. The PFCC will consider the narrative comments in the report which will be published on the PFCC website in due course.

The Financial Challenge – Future Risks, Challenges and Uncertainties

84. The impact of a different inflation assumptions to that estimated in the MTFP are as follows:

- Every 1% in Band D Council Tax equates to (a 73 pence increase) circa £188k per annum
- Every £1 in Band D Council Tax equates to £256k per annum
- Every 1% in Pay equates to circa £200k in a full year
- Every 1% non-pay inflation equates to £90k per annum

85. Prudent forecasts have been included where information has not yet been finalised. Any variations between the provisional and final local government settlements, business rates, council tax or the collection fund will be balanced with reserves.

86. Each year since the governance transfer, a better understanding has been developed in respect of the operational and budgetary pressures facing NCFRA. A lot of these pressures required investment to ensure resources, premises and equipment are at an appropriate level.

87. These challenges, where known, have now been built into the revenue budget and capital programmes to enable Fire to have a base budget which reflects their business requirements and takes account of current and future demands and opportunities.

88. Pressures have been significant and the budget includes the following risks, together with some mitigations:

- Inflation uncertainty:
- The uncertainty of the Firefighters pay award for 2022.
- The uncertainty of 2023 pay awards.
- Future non-pay inflationary challenges.

Mindful of this, the PFCC has set aside an inflation contingency for the Chief Fire Officer of 1% (£140k) and holds a further £120k to meet other inflationary pressures.

- In 2023/24 Fire will be moving on to the Joint Finance, Payroll and HR systems and the first year costs of these arrangements reflect the costs of moving from existing to new systems. The budget includes one off support from reserves to mitigate these one off costs.
- Strategies for: estates, fleet, digital and operational equipment are in place which inform the capital programme and revenue budgets. The Estates Strategy is currently being reviewed to develop a new masterplan and once updated will inform future capital programme and MTFP updates.

- Condition surveys for the Fire estate have informed the production of maintenance and repair programmes for all Fire sites and these works are now underway.
- Ensuring all relevant factors are considered when making decisions and supporting procurement processes to ensure that they are informed and evidenced based.
- Existing Joint Support services with Police and managed by a Joint Assistant Chief officer have continued to be embedded within the service to ensure that the Authority has the right range and resilience of skills and expertise to build capacity and support transformative as well as business as usual activities.

89. Any potential for industrial action requires contingency arrangements which have previously been managed within year or from reserves. That position remains and any alternative options are being costed and funding will be set aside from within the General reserve.

Other Financial Risks and Uncertainties - Pensions

90. The Government introduced reforms to public service pensions in 2015 which resulted in most public sector workers being moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members gave rise to unlawful discrimination on the basis of age. In July 2019, the Chief Secretary to the Treasury made a written ministerial statement confirming that, as 'transitional protection' was offered to members of all the main public service pension schemes, the difference in treatment will need to be removed across all those schemes for members with relevant service.

91. It is expected that the on-going cost of higher pension benefits will arise from two main areas:

- Costs arising from the above case, and;
- The as yet unknown results of the next actuarial valuations for unfunded schemes such as those for Firefighters and Police which will be built into the scheme valuation process and reflected in the 2026/27 employer and employee contribution rates. For staff in the local government pension scheme this is already included within those rates.

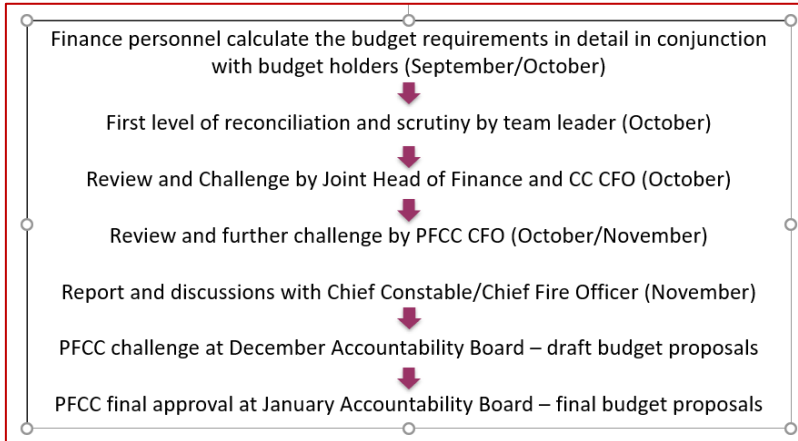
These issues could lead to employer contribution rates increasing by 10.0% from 2026/27. At current levels, firefighters pensions cost approximately £3.6m per annum and such an increase to the pension rates could equate to an additional £1m per annum.

92. The government has provided additional grant funding for pension increases in the past for both Fire and Police but there is a risk that authorities may need to meet some or all of this increase. Therefore, it is highlighted as a potential risk and modelled in both the Police and Fire MTFPs.

93. Whilst assumptions vary between a 0% and 30% impact, a potential impact of a 10% increase is modelled as a scenario into the MTFP with an assumption that 75% of that cost would be funded by Home Office grant.
94. Whilst this was not addressed in the SR2021 or the Autumn Statement 2022; in January 2022, James Cartlidge MP, Parliamentary Under Secretary for State (Ministry of Justice) stated that cost of remedy for the above when legislation is in place would fall on the Exchequer (source: Hansard). Whilst this indication is welcome, no details are currently available and this would only contribute to part of the additional costs. However, the Home Office are cognisant to this issue and are already in discussions with the Treasury.
95. Based on latest information, the potential pressures have been delayed for a further two years into 2026/27 from those assumed at the time of the 2022/23 budget.
96. The PFCC will continue to make representation and seek updates and assurances from the Home Office as appropriate.

2023/24 – Base Budget preparation, approach and scrutiny

97. The budget is the third budget prepared under the recently established joint finance team and has brought an approach which has provided consistency across Fire and Police. This has enabled comparability of assumptions and principles, together with best practice, resilience and a more efficient approach applied to budgeting for all services.
98. The budget has been prepared on a zero-base where possible, in full consultation with budget holders, aligned to the Police, Fire and Crime Plan and tested against the MTFP.
99. The zero-based approach ensures that efficiencies are taken from this process where possible that only approved increases, inflation and unavoidable pressures are built in. Detailed workings are prepared and the format of the budget models are consistent and contain checks and balances to ensure the correct information is fed through. This approach also enables resilience within the finance team.
100. Following the preparation of the budget strategy and approach in September, briefing sessions took place with all budget holders and the strategy was shared with the Joint Independent Audit Committee (JIAC) for further scrutiny and review.
101. The table sets out the preparation and scrutiny elements which culminated in the December Accountability Board where the Chief Fire Officer presented his initial budget proposals which were scrutinised and challenged by the PFCC.



102. These elements have resulted in the PFCC setting the following budget for NCFRA as follows:

2022/23	Budget Heading	2023/24
£'000		£'000
15,309	Fire Fighters	17,052
3,799	Staff	2,900
858	Other Employee Expenses & contingencies	1,077
5,158	Other costs	5,490
(714)	Income	(1,016)
2,796	Governance/Support services	3,484
27,206	OPERATIONAL BUDGET	28,987
570	Capital Financing Costs	444
120	Inflation contingency managed by PFCC	120
30	Transfer to Reserves	525
(484)	Transfer from Reserves	(518)
236	OTHER (Budgets managed by the OPFCC)	571
(350)	Efficiencies already identified	0
27,092	TOTAL	29,558

103. A detailed breakdown is set out in Appendix B. Key Headlines are as follows:

- The firefighter budget reflects the planned retirement and recruitment profile.
- Increasing the operational firefighters' overtime and bank costs to reflect the current rank and operational delivery model in place. The Chief Fire Officer will review these arrangements during 2023/24.
- A Deputy Chief Fire officer Post has been included within the establishment.
- Staff posts include roles such as Home Safety Advisers, Prevention, Protection, Control and some support staff. Four additional Home Safety Officers are built into the budget.
- The reduction in staffing budget reflects the move of support services to enabling services

- Other employee costs includes the additional 1% pay contingency, staff training, occupational health
- Other non-pay budgets are based on a zero-based budget review which reflect inflationary increases and include estates, ICT, fleet, equipment and clothing.
- Interest income has been increased to reflect current interest rates.
- Governance and support reflect the final part years costs of support services provided by West Northamptonshire which are being transferred in house during 2023/24.
- Joint support service arrangements for the Assistant Chief Officer, HR, finance, estates, fleet and digital arrangements and are now delivered by Police-employed staff and includes shared services costs between Fire and Police of £2.64m. Some of this relates to staffing transferred from Fire to Police under TUPE and some have been the result of previous LGSS charge reductions.
- The OPFCC charge for governance and strategic support has reduced from £209k to £200k and the Fire element of the Joint Communications Team with the PFCC has reduced from £170k to £168k.
- Reserves transfers reflect agreed one off drawdowns and contributions to capital, operational equipment and smoothing reserves.

Harmonisation and Efficiencies

104. Both Fire and Police Budget agreements for 2023/24 will continue to demonstrate the PFCC commitment to collaboration, particularly highlighted in greater integration between police and fire and rescue to enable reinvestment in frontline services. A Joint Estates Strategy across Police and Fire, will drive efficiencies for both services by sharing buildings where it makes sense to do so.
105. The shared support teams are already identifying efficiencies from areas such as robust procurement and economies of scale. With Fire onboarding in 2023/34 onto shared Finance, HR and payroll systems, it is envisaged that further efficiencies will be realised as joint processes and systems embed further.
106. A further opportunity will arise to reduce external and internal audit costs by auditing shared systems by the same auditors.
107. Led by the estates team, rates reviews of all Fire and police properties has resulted in reductions. Furthermore, a joint sustainability strategy is being prepared to develop this area further.

108. A shared post leads on ensuring that police and fire requirements are considered and recognised in new developments and S106 considerations.

Medium Term Financial Plan (MTFP)

109. The current MTFP covers a five-year period.

110. A lot of the challenges associated with the revenue budget and capital programme have now been identified and addressed which is less subject to reactive and historic challenges. However, the impact of high inflation during 2022/23 has affected the costs in the Medium Term Financial Plan for which prudent forecasts of future funding are not anticipated to meet those increases.

111. Whilst the MTFP does include 1% efficiency savings per annum over years 2024/25 and 2025/26, these will not be sufficient to meet the shortfalls identified. Efficiencies will continue to be sought from sharing buildings, driving efficiencies from robust and shared procurement practices and sharing of staff and services where it makes sense to do so. The Chief Fire Officer will also consider this as part of his operational review.

112. Of particular note is that by 2027/28, the cost of funding the capital programme, will equate to just over £900k per annum. These costs have been reduced from previous estimates by prudent use of grants and reserves and revenue contributions to minimise borrowing costs. Some disposals are forecast within the programme and the S151 officer will continue to work closely with the Joint Finance Team to ensure the programme is funded appropriately.

113. Despite future shortfalls forecast in the MTFP, in the unlikely event that further efficiencies could not be found, the budget can be balanced in the short term by the use of reserves. This exceeds the current external audit value for money assessment which considers the ability of an organisation to balance its budget over a three-year period. However, the use of reserves is not a permanent solution, and the PFCC and Chief Fire Officer will continue to seek efficiencies to ensure the budgets are balanced.

114. The MTFP based on key assumptions detailed below, is attached at Appendix B and summarised as follows:

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£m		£m	£m	£m	£m	£m
27.442	Expenditure	29.558	31.261	32.383	33.425	34.524
-	Efficiencies to be identified	-	(0.293)	(0.603)	(0.603)	(0.603)
27.442		29.558	30.968	31.780	32.822	33.921
27.092	Funding	29.558	30.241	31.069	31.927	32.816
0 (Shortfall)		0	(0.727)	(0.711)	(0.895)	(1.105)

115. It is assumed that no additional unfunded priorities or responsibilities will be given to the PFCC and Chief Fire Officer.

116. Key assumptions that have been included in seeking to outline the financial challenge for the medium term are:

- Precept will increase by £5 in 2023/24; an increase of 2.99% in 2024/25 and thereafter a 1.99% increase. (source: National professional assumptions and DLUHC guidance).
- Prudent funding assumptions have been made in respect of government funding, business rates, taxbase levels, and council tax deficits (source: professional assumptions).
- Prudent Pay increase estimates are assumed at an average of 2%, supported by appropriate inflation contingencies (source: National professional assumptions).
- Investment requirements can be prioritised and met from within the revenue budget or capital programme.
- Further borrowing beyond the capital programme is not required.

117. As set out earlier in the report, the MTFP also models a potential impact of increased pension contributions and if some grant funding were provided.

Capital programme

118. The capital programme is now an integral part of Fire’s operational and financial plans and organisational awareness and governance arrangements are continuing to develop to ensure that appropriate scrutiny and challenge of investment proposals takes place and that the affordability and deliverability of them is fully considered.

119. The approved capital programme is as follows:

Programme	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Estates	0.7	0.3	0.2	0.2	0.2
Fleet and Equipment	1.1	0.2	0.6	0.4	0.4
ICT	0.8	1.0	1.3	0.4	0.4
Total	2.6	1.5	2.1	1.0	1.0

120. Estates costs in 2023/24 include essential condition survey refurbishments and ensuring appropriate welfare facilities in Fire buildings. The PFCC is currently reviewing the Estates strategy and an updated masterplan is being produced. Once finalised, this will be considered by the Chief Fire Officer and Chief Constable and Police and Fire capital programmes updated.

121. Since the governance transfer, good progress has been made on the legacy capital programme requirements and has seen us replace fire tenders, purchase a new aerial appliance and replace some essential operational equipment and ICT systems. This work continues.

122. Mindful of the costs of the programme on the revenue budget, the PFCC secured £0.5m grant from the Home Office to support the capital programme costs. The S151 Officer will continue to seek all available funding and advise the PFCC as to the most effective way to fund capital expenditure and minimise cost on the revenue budget moving forwards. This includes considering the appropriate use of earmarked reserves and unapplied grants.
123. Costs are often occurred ahead of any efficiencies or disposals, therefore, the PFCC will continue to push to ensure that any disposals included in the plans are made in a timely an efficient manner to ensure the full benefits can be realised.
124. The Commissioner is required to approve a “Treasury Management Strategy” each year, setting out the detail of his policy and approach to managing investments, borrowing and cash management.
125. This is required by the Code of Treasury Management published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Prudential Code to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice.
126. The Treasury Management Strategy will be considered by the PFCC in February 2023 alongside an updated capital strategy. Where possible it will be available on the OPFCC website by April 2023 as it is usual practice for the Joint Independent Audit Committee (JIAC) to consider this key document at their March meeting prior to being placed on the website.

Use of Reserves

127. In considering the budget, the MTFP and level of precept options, it is important to look closely at the size, level and type of reserves to ensure that they are adequate to cover the purposes for which they are held and to provide some safeguards against the future risks identified within the budget. Whilst ensuring that reserves are adequate, there is also a need to ensure they are not excessive.
128. NCFRA transferred on the 1 January 2019 with no reserves and set in place a three year financial stability plan to build reserves and made good progress in doing so. By 2022/23 they had exceeded the minimum level of general reserves as set out in the financial plans forecast at the time of the governance transfer.
129. General reserves are above the minimum level and are stabilised at a level of £2m or 5% (whichever is the higher). This level reflects both the current uncertain environment, the historic volatility of the Fire revenue budget and the minimal levels of earmarked reserves held to meet other purposes. As a result, general reserves are not excessive but are currently adequate and the authority is better placed to meet any challenges.

130. It is the intention of the PFCC to establish earmarked reserves where the opportunity arises, such as in year underspends. Such opportunities will be used to augment the funding smoothing reserve, meet potential risks or support transformative or innovative activities.
131. The reserves strategy attached at Appendix D sets out the types and planned use of reserves across the MTFP. Of note is the use of S106, capital receipts and transformation reserves, which, alongside revenue contributions will be applied against capital expenditure to minimise and mitigate future borrowing costs where possible.

General reserve

132. Following the additional allocation from the Home Office, the S151 Officer has advised that it would be prudent to maintain general reserves at a sustainable level of £2.0m or 5% (whichever is the higher). As of 31 March 2023, the balance on the general reserve is forecast to be £1.85m which equates to over 6% of the current revenue budget.
133. Additionally, it is prudent to have in place earmarked reserves to better smooth the impact of replacement of essential operational equipment, to mitigate year on year funding variations and take forward transformation priorities.

Earmarked reserves

134. NCFRA plan to hold a number of earmarked reserves which are set out in detail within the reserves strategy.
135. As at 31 March 2023, the balance on the earmarked capital reserves amount to £1.4m and revenue reserves at £1.3m.
136. Whilst reserve levels are better than forecast, they would need to meet any forecast overspend on the 2022/23 budget. Furthermore, there is uncertainty over the cost of the pay awards for 2022 and 2023, and the cost of any potential industrial action which would be funded from reserves if requested national funding is not forthcoming. Therefore, over time, reserves will continue to be built within the reserves strategy.
137. NCFRA has made good progress in establishing reserves and, following the contribution from the Home Office, it is the view of the S151 officer that whilst general reserves are now at an adequate level, it is prudent to increase earmarked reserves where appropriate. This will assist in smoothing potential funding impacts and to support the funding of equipment and transformation activities.
138. Furthermore, as general reserves have been stabilised and resilience has now been improved, it is essential that they are used in exceptional circumstances and if used, are rebuilt to the sustainable level in a timely manner.

Robustness of the Budget – Statement of the S151 Chief Finance Officer

139. Section 25 of the Local Government Act 2003, places a duty on the S151 to make a report to the authority on:
- The robustness of the estimates included within the budget
 - The adequacy of the reserves and balances
140. The PFCC must have regard to this when considering the budget and the report must be shared with the Police, Fire and Crime Panel.
141. In her considerations, the S151 Officer is mindful of other associated statutory safeguards designed to support the authority:
- Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the Chief Financial Officer has personal responsibility for such administration.
 - Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget
 - The Prudential Code introduced as part of the Local Government Act 2003 which sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates
 - The external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money')
142. To reinforce these obligations, section 114 of the Local Government Finance Act 1988 requires the S151 Officer to report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.
143. This report has set out the detailed budget setting process that has taken place and the work undertaken to ensure the budget is as realistic, deliverable and achievable as possible.
144. The Fire Joint Head of Finance has worked closely with the Fire Executive team, budget holders and the finance team to deliver the draft budget and savings plan, ensuring that effective scrutiny and challenge has taken place throughout. The S151 officer has worked closely with the Joint Head of Finance and Chief Fire Officer throughout. The PFCC has undertaken scrutiny and strategic review of the proposals on two occasions and has been updated regularly throughout the budget cycle as appropriate.

145. The estimates and assumptions are based on the best information available at the time of formulating the budget in line with the fundamental accounting concepts and are reasonable and prudent.
146. The Section 25 Statement of the S151 Chief Finance Officer for Northamptonshire Fire and Rescue Authority is included at Appendix C.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

The budget and proposed precept provide the resources for the delivery of Fire and the priorities set out in the Police, Fire and Crime Plan.

HUMAN RESOURCES IMPLICATIONS

Additionally, the survey is comprised of a representative sample of Northamptonshire residents.

ENVIRONMENTAL IMPLICATIONS

Environmental implications are considered as part of Fire delivery.

RISK MANAGEMENT IMPLICATIONS

Risks and mitigations have been highlighted in the report.

LEGAL IMPLICATIONS

The PFCC is required to notify a precept to the billing authorities by the 1st March each year. In doing so, he must set a realistic revenue budget, informed by the report of the Chief Finance Officer

List of Appendices

Appendix A - Consultation on the Precept

Appendix B - Budget and MTFP

Appendix C - Section 25 Statement of the Chief Finance officer

Appendix D - Reserves strategy - NCFRA

Persons to Contact

Mrs H King,

Chief Finance Officer, Northamptonshire Police, Fire and Crime Commissioner and

Northamptonshire Commissioner Fire and Rescue Authority

Office of the Police, Fire and Crime Commissioner

Appendix A

Consultation on the Precept

An online consultation was carried out with the intention of reaching as many people as possible to obtain the views of a demographically representative group of the county's population.

The survey was open between 14 December 2022 -17 January 2023 to meet the local and statutory timescales where the PFCC is aiming to publish his proposed Police and Fire Precept proposals by Wednesday January 25.

The online survey received 1,734 responses (although respondents did not respond to every question) and the full report will be published on the PFCC website by the end of February 2023.

Challenges

To achieve an informed consultation based on the proposed settlements, we have no alternative but to consult over the Christmas period because of the timetable that is determined by the Government's release of the financial settlement, and the deadline for setting our budget. As we always do, we began our consultation as soon as the information on the financial settlement and the Government's proposed council tax levels, was available.

This year, we carried out pre-budget engagement with some representative groups who are generally under-represented in consultation responses and whose views were very important to capture.

The Section 151 Officer and the Police, Fire and Crime Commissioner met with the Women's Forum, the Young Persons' Forum, and the Diverse Communities Forum before the details of our financial settlement were available, to fit in with the rhythm of established Forum meetings. They were able to have a detailed conversation with Forum members to set the context for both Police and Fire budgets and talk through various funding scenarios so that Forum members could form an opinion and be ambassadors for their group.

The Section 151 Officer and the Police, Fire and Crime Commissioner carried out pre-budget engagement at the local councillor and representatives meeting in November 2022 where they had a detailed conversation to set the context for both Police and Fire budgets and talk through various funding scenarios. This enabled them to hear directly from members on their thoughts and views and gave early notification that a survey would shortly be released so they could formally reflect their views. At the December meeting, the PFCC took the opportunity to continue the dialogue and promoted the survey links.

We gathered contact information and encouraged individuals and groups to fill in and cascade the survey when it was launched.

We carried out daily monitoring of responses to the survey to ensure that we were capturing a demographically representative sample and moved quickly to target areas or groups that were not engaging.

Until January 1, we used stakeholder engagement, the mainstream media, and organic social media to reach people. This gave us a pool of responses to further analyse and identify areas with fewer responses. These areas and groups were then targeted through paid for advertising on social media and further engagement with stakeholders or representatives of those groups.

We carried out pre-budget engagement with the county's MPs so that they could understand the financial position and advocate for Northamptonshire Police and Northamptonshire Fire and Rescue Service both at Westminster and in their constituencies.

Both West and North Northamptonshire Council also consulted on their council tax at the same time as the Commissioner is consulting on his precept. Both Councils and the OPFCC actively shared and promoted each other's surveys to their contacts.

We are actively engaging with our colleagues in the unitary authorities to see how we can work together to further maximise the opportunity for residents to have their say and increase the numbers who respond still further.

How the consultation was carried out:

Despite these challenges, the survey was able to reach many residents through many different forums and media.

We used four main communications channels to seek public views and encourage people to take part in our consultation:

- Mainstream media
- Partners and stakeholders
- Digital and social
- Paid for social media advertising

Working through our stakeholders – local councillors at all levels, and partners in other groups and sectors – was invaluable in extending the reach of our consultation.

We emailed all councillors direct and asked them to cascade the survey; we held two question and answer sessions on the budget, led by the PFCC, to which all councillors were invited; North

Northamptonshire Council included a link about the survey in the Leader's newsletter, and sent it to every member of their Consultation Register Residents' Panel; West Northamptonshire Council.

Audience	Reach
<p>Stakeholders</p> <ul style="list-style-type: none"> • Neighbourhood Alert • Parish Councils and Town Councils • Councillors in North Northamptonshire and West Northamptonshire • Police, Fire and Crime Panel members • MPs • Chief Executives and Leaders of Local Authorities • Neighbourhood Watch Management Committee • Community Safety Managers for Northamptonshire North and Northamptonshire West • Diversity Forums of West Northamptonshire Council • Northamptonshire Police Community Engagement team • Independent Advisory Group members • Independent Custody Visitors • Businesses via the Chamber of Commerce, Northampton BID and the Northamptonshire Business Forums • Secondary Schools and colleges • Joint Action Groups • Northamptonshire Association of Local Councils • Various voluntary and third sector organisations • Rural interest groups • The Police Liaison Representatives on every parish and town council • Northamptonshire Fire and Rescue team forwarded to their partnership networks – including cadets • All local criminal justice boards • Northampton Town Football Club 	<p>The survey was sent to more than 25,000 stakeholders, with a request that they further cascade</p> <p>The Commissioner wrote personally to Panel members, MPs, and Leaders of local authorities to ask for their support in sharing and encouraging response to the consultation</p> <p>Where variations in locality responses were identified, an additional request was made of the Chair who promoted and circulated the survey further.</p>
<p>Internal</p>	<p>The survey potentially reached 3,279 employees (2,778 police</p>

<ul style="list-style-type: none"> • News item on Forcenet – The Northamptonshire Police intranet viewed by all officers and staff – repeated twice during survey period • All staff email to OPFCC • News item on Northamptonshire Fire and Rescue Service intranet for Firefighters and staff – repeated twice during the survey period • Daily Orders – link to item on Forcenet directing staff to survey • Chief Officer Vlogs in both Northamptonshire Police and Northamptonshire Fire and Rescue Service – repeated twice during the survey period • Message and link displayed on December payslip and portal for Northamptonshire Police officers and staff and Northamptonshire Fire and Rescue Service Firefighters and staff • Splash screen survey message on every computer across both organisations • Repeated messaging during bi-weekly NFRS Pacesetter meetings for senior firefighters with requests to cascade 	<p>officers, staff, and volunteers, and 501 firefighters and NFRS staff members), with a request that they further cascade</p>
<p>Key Internal Stakeholders</p> <ul style="list-style-type: none"> • Northamptonshire Police Chief Officers • Northamptonshire Fire and Rescue Service (NFRS) Senior Fire Officers • Directors in the Office of the Police, Fire and Crime Commissioner (OPFCC) • OPFCC Customer Service team • Police Federation • Unison • Police Superintendents’ Association • Fire Brigades Union • Voice 	<p>Email request to cascade to their members/contacts</p>
<p>Mainstream media</p> <ul style="list-style-type: none"> • A news release was issued to all local and regional media across Northamptonshire 	<p>The news release went to over 60 newsrooms (print and broadcast including the Northants Telegraph and BBC</p>

<ul style="list-style-type: none"> • News release was sent to hyper local publications • The survey was trailed in the December edition of the PFCC newsletter Corby targeted news release to all local outlets covering the area 	<p>Radio Northampton), plus individual reporters and other local news sites.</p> <p>Coverage on Northampton Chronicle, Northamptonshire Telegraph and Daventry Express</p>
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Digital and Social	20,331 impressions
<ul style="list-style-type: none"> • Twitter OPFCC account (native) 	267 engagements
<ul style="list-style-type: none"> • Twitter OPFCC account (paid, £66.95) 	29,928 impressions 832 engagements
<ul style="list-style-type: none"> • Twitter NFRS account 	4,214 impressions 55 engagements
<ul style="list-style-type: none"> • Facebook OPFCC account native 	2,280 impressions 115 engagements
<ul style="list-style-type: none"> • Meta adverts including Facebook (paid, £114.07) 	27,394 impressions 4,838 engagements
<ul style="list-style-type: none"> • Google ads including YouTube (paid, £97.44) 	17,960 impressions 54 link clicks 1.9% CTR
<ul style="list-style-type: none"> • OPFCC Website views - 4 different pages / news stories 	
<ul style="list-style-type: none"> • LinkedIn – OPFCC and NFRS 	14,927 views 269 impressions 8 engagements
<ul style="list-style-type: none"> • Neighbourhood Alert Northamptonshire Police 	Sent to 25,172

<ul style="list-style-type: none"> • Neighbourhood Alert for OPFCC 	<p>12,335 read</p> <p>565 visits to survey link</p> <p>Read by 16,326</p> <p>614 visits to survey link</p>
<p>Targeted briefings and Forums</p> <p>November 2022 – Councillor pre-budget engagement by PFCC and S151 Officer</p> <p>January 2022 Councillor Budget and Precept Briefing by PFCC, Assistant Chief Fire Officer, Chief Constable, and S151 Officer</p> <p>Youth Forum</p> <p>Diverse Communities Forum</p> <p>Women’s Forum</p> <p>MP briefing held at Westminster in November</p> <p>Annual Police, Fire and Crime Panel Budget and Precept Workshop</p>	<p>274 Parish Council Clerks contacted to disseminate to all Parish Councils</p> <p>229 were invited</p> <p>33 requested contact details</p> <p>29 attended</p> <p>All members invited</p>

Appendix B

NCFRA 2023/24 Budget and Medium Term Financial Plan (MTFP)

2022/23 £'000		£5 Precept				
		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
15,309	Fire Fighters	17,052	18,015	18,504	19,020	19,520
3,799	Staff	2,900	2,981	3,093	3,208	3,328
91	Other Pension Costs	94	98	101	104	107
767	Other Employee Expenses & contingencies	983	1,015	1,026	1,038	1,049
1,664	Estates	1,559	1,398	1,427	1,526	1,680
1,516	ICT	1,699	1,816	1,971	2,009	2,027
515	Vehicles	536	547	558	598	791
766	Equipment and Clothing	899	917	936	954	974
697	Other Non-Pay	797	893	903	912	922
(714)	Income	(1,016)	(971)	(926)	(879)	(898)
2,796	Governance/Support services	3,484	3,544	3,673	3,804	3,879
27,206	OPERATIONAL BUDGET	28,987	30,253	31,266	32,294	33,379
178	Capital Financing - MRP	384	484	496	501	506
92	Capital Financing - Interest	60	86	93	98	103
300	Capital Financing - RCCO	-	300	300	300	300
120	Inflation contingency	120	124	128	132	136
30	Transfer to Reserves	525	100	100	100	100
(484)	Transfer from Reserves	(518)	(86)	-	-	-
236	OTHER (Budgets managed by the OPFCC)	571	1,008	1,117	1,131	1,145
-	New Investment Proposals	-	-	-	-	-
-	Efficiencies to be identified	-	(293)	(603)	(603)	(603)
(350)	Efficiencies already identified	-	-	-	-	-
27,092	TOTAL	29,558	30,968	31,780	32,822	33,921
Funding						
(2,814)	Top Up Grant	(2,563)	(2,563)	(2,563)	(2,563)	(2,563)
(1,186)	Pension Grant	(1,186)	(1,186)	(1,186)	(1,186)	(1,186)
(2,347)	Revenue Support Grant	(2,587)	(2,613)	(2,639)	(2,665)	(2,692)
(2,587)	Business Rates	(3,039)	(3,100)	(3,162)	(3,225)	(3,290)
(280)	Local Business Rates	-	-	-	-	-
(444)	S31 Grant - Compensation	(954)	(954)	(954)	(954)	(954)
(372)	Services Grant	(210)	(210)	(210)	(210)	(210)
(17,231)	Precept	(18,764)	(19,615)	(20,355)	(21,124)	(21,921)
169	Collection Fund (Surplus)/ Deficit	(255)	-	-	-	-
(27,092)	TOTAL FUNDING	(29,558)	(30,241)	(31,069)	(31,927)	(32,816)
-	FUNDING (SURPLUS) / DEFICIT	(0)	727	711	895	1,105
Impact of Potential Future Increase In Employers Pension Contributions						
-	ERs Pension increase cost	-	-	-	355	366
-	ERs Pension increase funded at 75%	-	-	-	(266)	(275)
-	FUNDING (SURPLUS) / DEFICIT excl. Pension ERs Funding	(0)	727	711	984	1,196
Precept						
£68.20	Band D Council Tax	£73.20	£75.39	£76.89	£78.42	£79.98
252,651.04	Total	256,339.80	260,184.90	264,738.14	269,371.05	274,085.05
Assumptions:						
0.00%	Other Grants	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	Revenue Support Grant	5.00%	1.00%	1.00%	1.00%	1.00%
0.00%	Business Rates	10.10%	2.00%	2.00%	2.00%	2.00%
7.91%	Precept (%)	7.33%	2.99%	1.99%	1.99%	1.99%
£5.00	Precept (£)	£5.00	£2.19	£1.50	£1.53	£1.56
1.30%	Tax Base Change - Increase/(Decrease)	1.46%	1.50%	1.75%	1.75%	1.75%
2.00%	Pay Awards	2.00%	2.00%	2.00%	2.00%	2.00%
0.00%	Inflation Contingency	1.00%	1.00%	1.00%	1.00%	1.00%

Note: Totals may not sum due to roundings

Section 25 Statement of the S151 Chief Finance Officer for Northamptonshire Fire and Rescue Authority:

“Working closely with the Joint Finance Team for Fire and Police I have been supportive of how they have further refined and developed the Fire budget model from 2023/24. I am grateful for their hard work, scrutiny and challenge throughout this process and I am assured by how they have continued to take forward and make improvements to it every year following the governance transfer.

The Chief Fire Officer and his Executive team have been fully involved in the budget discussions and have worked hard to propose a balanced budget for 2023/24 to the PFCC. I am grateful to him and his team for their engagement and commitment in this process.

I have been fully briefed on the progress of the budget by the Joint Head of Finance prior to and throughout the budget process and development of the capital programme, ensuring I have been party to all key assumptions and decisions. Prudent estimates and assumptions included have been based on professional estimates, peer knowledge and advice and using where appropriate assumptions included in the business case. Where possible, I have aligned these with national Fire, Police, local authority and technical colleagues.

At both meetings of the Accountability Board with the PFCC, the Joint Head of Finance and the Fire Chief Officer team on the 13 December 2022 and the 10 January 2023, I attended as the S151 Officer to provide assurance that these factors have been considered. At those meetings and since that date, dialogue, scrutiny and challenge has continued where new factors or information have been highlighted and discussed. That engagement continues throughout the year.

Since the date of the governance transfer, I have worked closely with the PFCC and Joint Head of Finance in setting out the financial challenges for Northamptonshire and requesting funding support. I am grateful too for the support, scrutiny and engagement of the Home Office and Ministers in considering these requests, together with the invaluable contributions from MPs, Councillors and Panel members in this process.

It is my recommendation that financially it is essential to take forward the £5 precept flexibility afforded to Northamptonshire for 2023/24. This will be built into the base budget and help provide a resilient position for the medium term. Whilst Northamptonshire Fire will still be funded relatively lower than its national peers, its revenue budget for 2023/24 will be around £7m (30% higher) than that transferred at the time of the governance change, and is supported by a currently adequate level of reserves and a funded capital programme.

However, the new Chief Fire Officer intends to review his operational requirements and it is possible that essential and transformative investment will be required. These will be built into plans and

strategies as the work progresses. Furthermore, there are still efficiency savings needed to ensure the budget is balanced and any investment requirements will need to be considered within the overall Fire funding envelope moving forwards. The volatility experienced in the first four years on the Fire revenue and capital budgets is reducing each year as plans and strategies are developed by the service. It is essential that significant operational changes and investment proposals are fully costed and considered prior to implementation to consider affordability and the wider impact of any decisions and I will continue to work with the Chief Fire Officer and Joint Head of Finance to ensure this is undertaken.

Although the capital programme is approved and funded, with some transformation included, given the legacy investments within it, it is still a significant value, especially with regard to short life assets. Therefore there is an impact of both deliverability and financial cost on the revenue budget. Whilst the costs are included within the MTFP, any changes in specifications or slippage in timescales can have an impact and could affect the deliverability of other priorities within the programme.

Consequently, it is essential that disposals and activities are undertaken in a timely manner to enable benefits and savings to be realised. I am assured by the arrangements put in place that the programme is regularly reviewed. Under the oversight of the Assistant Joint Chief Officer for Enabling Services, proposed expenditure is taken forward on the basis of evidence based business cases and that delivery timescales are realistic, in full recognition of other competing priorities. The capital programme is based on approved investments and best professional assumptions of realistic delivery timescales. When the Estates Masterplan is completed, the capital programme will be updated and the cost implications considered as part of the MTFP.

It is essential that the Chief Fire Officer and the Joint Head of Finance continue to work closely to ensure all pressures and challenges are identified at an early stage so they can be included within operational and financial plans. I will continue to support the Chief Fire Officer and the Joint Head of Finance in doing so.

The Internal Control Framework continues to improve; however, it is essential that compliance with procedures, policies and regulations further develop and embed across all the service. The first four years of Internal Audits identified a number of areas where policies and procedures are in place which have been developed and work is underway to embed them.

Some progress has been made and the Joint Head of Finance and I will continue to work with the Chief Fire Officer and Monitoring Officer to take these recommendations forward and ensure robust internal controls and assurances are in place, supported by an Internal Audit Plan. This should contribute to Fire achieving Best Value by following procurement and purchasing policies and procedures and effective asset management arrangements, which meet operational requirements and stand up to external scrutiny.

Given the need to ensure and build stability and resilience, some zero based operational pressures have been built into the budget model, however any growth or changes will need to be

accommodated from within the cash limited budget set for the year. The Chief Fire Officer has proposed a balanced budget which includes some agreed efficiencies, and I am assured by the commitment to the joint services work which will continue to assist in identifying future savings;

I have reviewed the detailed calculations in arriving at the budget requirement and Council Tax precept and options and find these to be robust. I also have sought and received information from both Unitary authorities in relation to taxbase and Council Tax deficits and I am grateful to all partners for their support in doing so.

I have highlighted some uncertainties within this report and the PFCC is aware of these and their potential impact and as such has ring fenced two contingencies within the revenue budget to mitigate risk. The PFCC currently has adequate levels of general and earmarked reserves (in particular the funding reserve) to mitigate any in year or medium term risks and unforeseen financial pressures.

The reserves position is much better than anticipated and general reserves are currently at an adequate and sustainable level. Whilst earmarked reserves are currently sufficient, there are plans in place to use most of them, and potential uncertainty and risks are highlighted within this report. Therefore, it is prudent to take opportunities to rebuild them and ensure there are optimum levels available to smooth unforeseen funding gaps, meet budget challenges, or to invest or meet one off pressures.

The MTFP does require efficiencies to be made to ensure the budget can be balanced across the medium term. I am assured that the Chief Fire Officer and Joint Head of Finance will work closely to identify efficiencies and effective ways of working which will address these challenges over the medium term. I will support the PFCC in ensuring the Chief Fire Officer and Joint Head of Finance provide regular updates to the Accountability Board.

The sections in this report on “Future Risks, Challenges and Uncertainties”, “Pensions” and the “MTFP” highlight significant unknown issues moving forwards in the medium term. Where possible, prudent levels of forecasts and estimates are included within the MTFP and all opportunities for government funding, in particular in relation to any potential pension impact, will be pursued to ensure any financial impact on NCFRA is minimised.

The precept flexibility if taken will enable a balanced budget to be achieved for 2023/24 which would not be possible at a 2.99% increase. The landscape after 2023/24 is less certain and it is reasonable to assume that the operational and financial challenges will continue and these are reflected as best estimates in the MTFP.

I conclude, therefore, that the budget for 2023/24:

1. *Has been prepared on a robust basis, and*
2. *In 2023/24, the budget is balanced with agreed efficiencies which have been identified by the Chief Fire Officer and built into the budget, and*
3. *General reserves are currently adequate and sufficient to meet essential risks and challenges. However, there are financial uncertainties in relation to potential industrial action and inflation which may require the use of some of these. If so, general and earmarked reserves will continue to be built where it is appropriate and prudent to do so.*
4. *The Fire revenue budget and reserves are now more resilient and it is important that the budget is managed within the funding envelope each year and earmarked reserves are used where appropriate to support unforeseen issues or additional investment, not to balance the annual budget.*
5. *The future financial landscape is uncertain and whilst the MTFP is balanced for three years, it does require the identified efficiencies to be taken forward. The MTFP will continue to be kept under regular review as the efficiency savings plan progresses.”*

Helen King

Section 1 51 and Chief Finance Officer

Northamptonshire Commissioner Fire and Rescue Authority



Appendix D

NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY RESERVES STRATEGY – UPDATED JANUARY 2023

1. Reserves strategy

- 1.1. Reserves are a key part of medium-term financial planning – other components include revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. Decisions on these are inter-linked. Consequently, some organisations will need to maintain reserves at higher levels than others.
- 1.2 All publicly funded organisations should have a reserves strategy to demonstrate transparency and accountability, to comply with best practice financial management and to justify the levels of reserves held.
- 1.3 The PFCC maintains reserves to provide a measure of protection against risk. Without this protection, any unforeseen expenditure would have to be met either by increases in Council Tax or immediate savings (potentially through reductions in service levels).
- 1.4 The term "reserves" has a variety of technical and everyday meanings, depending on the context in which it is used. For the purposes of this strategy, it is taken to mean funds set-aside at the PFCC's discretion for general or specific future purposes.
- 1.5 Reserves are required to protect and enhance the financial viability and in particular:
 - To maintain a degree of in-year financial flexibility.
 - To enable the PFCC to deal with unforeseen circumstances and incidents.
 - To set aside monies to fund major developments in future years.
 - To enable the PFCC to invest to transform and achieve improved service effectiveness and efficiency.
 - To set aside sums for known and potential liabilities.
 - To provide an operational contingency at service level.

- 1.6 Reserves should not be held to fund ongoing revenue expenditure as this is unsustainable in the long term; however, they may be important in smoothing a major financial imbalance (revenue or capital) over a longer timescale. CIPFA guidance LAAP 99 published July 2014 states:

“Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term”

- 1.7 The Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) was established on the 1 January 2019 with no transfer of reserves agreed as part of the business case. As such, a three year financial stability period was set to establish a more stable budget position, supported by a sufficient level of reserves.
- 1.8 Tight financial planning, together with assistance from the Home Office has enabled a sufficient reserves position to be sufficient currently. However, work during the 2023/24 budget and Medium-Term Financial Plan has identified that the financial risks from inflation and other pressures are forecast to be higher than funding available to the service. Despite annual efficiency targets, funding deficits are identified in future years.
- 1.9 The reserves strategy assumes that the Medium Term Financial Plan [MTFP] will be broadly balanced across the five year planning period as they will not be used to maintain ongoing revenue expenditure.
- 1.10 However, this is recognised as a risk as when taking into account the projected shortfalls on the MTFP where savings will need to be achieved to facilitate balancing the Plan.
- 1.11 If savings cannot bridge the full gap, based on current estimates, as a worst case scenario, revenue reserves can balance the gap over the five year MTFP but this would use almost all available reserves and would impact funding available for investment.
- 1.12 Due to the lack of investment by Northamptonshire County Council over many years , NCFRA have a significant Capital programme requirement. This is continually reviewed to ensure it is both operationally deliverable and affordable. The PFCC made successful representation to the Home Office and obtained £0.5m funding to support historic capital programme investment
- 1.13 Reserves should reflect the agreed financial strategy and should represent the quantified impact of risks and opportunities over the planning period, weighted for their probability.

2. National Guidance and Compliance with Home Office Guidance

2.1 The 2014, CIPFA guidance included the establishment and maintenance of local authority reserves and balances, setting out the key factors that should be taken into account locally in making an assessment of the appropriate level of reserves and balances to be held. This is applicable to Police and Fire corporation soles.

2.2 On 31 March 2018, the Minister for Policing and the Fire Service published new guidance on the information that each PFCC must publish in terms of Police Reserves. This guidance has been adopted for NCFRA to ensure consistency across PFCC governed Fire and Police services in Northamptonshire. The NCFRA reserves strategy is published annually on the PFCC website.

2.3 One of the key requirements is that the information on each reserve should make clear how much of the funding falls into each of the following three categories:

- Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.
- Funding for specific projects and programmes beyond the current planning period.
- As a general contingency to meet other expenditure needs held in accordance with sound principles of good financial management.

2.4 This information is summarised across the Home Office headings as at 31/3/2023, together with the proposed use of the reserves held at that date as follows:

Reserve	Actual Balance as at 31/3/2023 £m	Planned Movements on Projects and Programmes over the next 3 years (23/24-25/26) £m	Total Revenue and Capital Reserves as at 31 March 2026 £m	Planned movements and Funding for Specific projects and Programmes 2025/26-2027/28 £m	Held as a general Reserve, Contingency or Resource to meet other expenditure or pressures £m
General	1.850	0.150	2.000	0.000	2.000
Earmarked Revenue:					
Insurance	0.250		0.250	0.000	0.250
Operational Equipment	0.060		0.060	0.000	0.060
Carry Forwards	0.045	(0.045)	0.000	0.000	0.000
Smoothing	0.265	(0.065)	0.200	0.200	0.400
Transformation	0.682	0.068	0.750		0.750
Total Earmarked	1.302	(0.042)	1.260	0.200	1.460
Total Revenue	3.152	0.108	3.260	0.200	3.460
Capital:					
Capital Receipts	0.186	1.464	1.650	(0.265)	1.385
Capital and ESN Reserve	0.355	0.275	0.630	(0.575)	0.055
S106 Developer Contributions	0.068	0.003	0.071	0.150	0.221
Capital Grants Unapplied	0.823	(0.405)	0.418	0.000	0.418
Total Capital	1.432	1.337	2.769	(0.690)	2.079
Total Reserves	4.584	1.445	6.029	(0.490)	5.539

- 2.5 Once the Chief Fire Officer has completed his consideration of the operational requirements of the service, plans will be put in place to drawdown from the transformation reserve, which was set aside of this purpose.
- 2.6 Given the sufficient but low level of revenue reserves held by NCFRA, the above table reflects the strategy intention to maintain Fire revenue reserves at a relatively stable level. However, it is acknowledged that this will be reduced once the Chief Fire Officer's plans take shape.
- 2.7 Capital reserves will be used to ensure that the capital programme is funded in the most appropriate and prudent manner.

3. General reserve

- 3.1 In order to assess the adequacy of the unallocated general reserve when setting the budget, the PFCC, on the advice of the chief finance officer, should take account of the strategic, operational and financial risks facing the authority. This assessment of risk should include external risks, as well as internal risks, for example the ability to deliver planned efficiency savings.
- 3.2 Whilst there is no prescribed level of reserves that PFCCs should hold; it is influenced by individual discretion, local circumstances, advice from external auditors, risk management arrangements and risk appetite. CIPFA guidance in LAAP Bulletin 99 (2014) specifically cautions against prescriptive national guidance for a minimum or maximum level of reserves and states:

“The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The chief finance officer may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority”

- 3.3 However, the minimum level of reserves may be set for the authority by the Ministers in England and Wales where an authority does not act prudently, disregards the advice of its chief finance officer or is heading for financial difficulties. LAAP Bulletin 99 (2014) specifies that minimum level of reserves can be imposed on specific circumstances:

“Minimum level of reserves will only be imposed where an authority is not following best financial practice”

- 3.4 CIPFA indicate a general reserve level is typically between 2% and 3% of net budget requirement.

3.5 In Policing, average general reserves are around 5%. However, in Fire, there are even higher levels of general and earmarked reserves held. Recent Home Office publications still reflect that despite progress in building reserves, NCFRA still have the lowest level of reserves per core spending power across all Fire and Rescue Authorities in England and Wales.

3.6 In December 2022, prior to the provisional Local Government Settlement, the Department of Levelling Up, Housing and Communities (DLUHC) issued a policy statement. The statement included specific mention of the level of reserves built up during the pandemic and which applies to Fire and Police as follows:

“The government notes the significant increase in some local authority reserves over the 2 years of the pandemic. We encourage local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures., taking account, of course, of the need to maintain appropriate levels of reserves to support councils’ financial sustainability and future investment. In order to support council members and local electorates to understand the reserves that their local authorities are holding and what they are used for, we will also explore releasing a user-friendly publication of the reserves data currently collected in the Local Authority Revenue Expenditure and Financing Outturn Statistics. We will consult with trusted partners, including the Local Government Association, about doing this”.

3.7 The PFCC has considered his reserves strategy and wishes to hold a sufficient but not excessive level of reserves. In determining this position, Appendix A outlines how NCFRA complies with the 7 key CIPFA principles which can be used to assess the adequacy of reserves.

3.8 NCFRA have also considered the following factors:

- NCFRA are required to meet the first 1% of any special grant requirement.
- NCFRA was established without the transfer of any reserves.
- As a corporation sole of only four years standing, NCFRA are still embedding internal controls.
- Revenue and capital requirements for the service are still experiencing some volatility.
- Local funding accounts for some 75% of NCFRA’s funding streams, which can be affected by local taxpayers and business’ ability to pay and can subject to volatility.
- The Firefighter Pay Award for 2022 has not yet been agreed and the Fire Brigades Union are currently balloting members on industrial action. It is essential that the reserves provide for potential industrial action.

3.9 Given the above, it remains prudent to hold reserves at a reasonable level to provide a realistic and comfortable buffer to meet any eventualities, and to mitigate against any unplanned in-year changes being required. It is, therefore, imperative that the General

Reserve is held at a sufficient level to mitigate such financial risks alongside any earmarked reserves.

- 3.10 The Chief Finance Officer advises that it would be prudent to maintain a sustainable and resilient level of general reserves at £2.0m or 5% (whichever is the higher).

The general reserve also holds the financial risk of any potential industrial action requirements and would be the reserve used in such eventualities.

- 3.11 It is prudent to have in place separate earmarked reserves to mitigate year on year funding variations and take forward transformation priorities.

- 3.12 General reserves are currently stabilised and in each year of the MTFP, the planned level of reserves are above 5% in each year as follows:

Year	£m	%
2023/24	1.850	6.3%
2024/25	1.850	6.1%
2025/26	1.950	6.3%
2026/27	2.000	6.3%
2027/28	2.000	6.1%

- 3.13 These levels will be reviewed on a regular basis and opportunities to set aside earmarked reserves to support targeted expenditure and investment, taken where appropriate.

- 3.14 NCFRA do not currently have a cost of potential industrial action reserve. At the time of the strategy, the costs of the potential industrial action are still being calculated. When finalised, if national funding is not available, an amount will be ring-fenced from in the general reserve to meet such costs and the reserve rebuilt over the medium term.

4. Earmarked reserves

- 4.1 In addition to the general reserve, the PFCC holds several reserves which are earmarked for specific purposes.

- 4.2 The forecast position for each earmarked reserve as at 31/3/2023, together with an outline of its specific purpose is attached at Appendix B.

- 4.3 At the 31/3/2023, it is estimated that the PFCC will hold £2.734m in Earmarked reserves which are as follows:

Insurance £0.250m – this reserve needs to be established to hold funds set aside where considered prudent for Civil Claims (Public and Employer liability) in line with professional advice. This advice has identified a reserve requirement of £0.250m and is reviewed regularly.

Operational Equipment £0.060m – given the age and condition of equipment transferred as part of the governance transfer, an annual operational equipment reserve contribution was established to smooth the impact and mitigate the costs of essential operational equipment replacement.

Carry Forwards £0.045m – this relates to underspends from the 2021/22 financial year for which funding has been set aside to meet one off expenditure in 2022/23 and 2023/24.

Smoothing Reserve £0.265m - the impact of the COVID pandemic on future council tax and business rates receipts has highlighted the importance of a reserve to mitigate such eventualities. As the budget is set and precept proposed before all funding information is available, any variations to the budgeted figures are managed through this reserve. It is also used to meet one off requirements during the year.

Transformation Reserve £0.682m – This reserve has been set aside to support one off operational priorities and requirements identified by the Chief Fire Officer after his operational review.

Capital Reserves and Unapplied Capital Grants £1.432m – these relate to S106 Developer contributions which will be used in accordance with the conditions of the award, capital receipts, an ESN/Capital Reserve and Capital Grants, all of which will be applied to the capital programme in the most appropriate manner to minimise the cost of borrowing on the revenue budget.

4.4 The actual balance and forecast balance on the reserves, taking into account a prudent estimate of timings for proposals which are currently being developed is detailed within Appendix C.

5. Provisions

5.1 The CIPFA Statement of Recommended Practice is prescriptive about when provisions are required (and when they are not permitted). Basically, a provision must be established for any material liabilities of uncertain timings or amount, to be settled by the transfer of economic benefits.

5.2 Northamptonshire establish provisions as appropriate and review as part of the closedown process each year. There are currently no material provisions established.

6. Procedures for management and control

- 6.1 Any drawdown from reserves is subject to the approval of the PFCC, on advice from the PFCC's Chief Finance Officer (OPFCC CFO); or under the delegated authority of the OPFCC CFO.
- 6.2 The Local Government Act 2003 requires the S151 officer to report annually on the adequacy of the reserves and this is undertaken within the statement on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves. This statement is included within the proposed precept intentions for 2023/24.
- 6.3 The Strategy will be reviewed at least annually by the OPFCC CFO as part of the budget and precept process and where there are material changes, the Reserve Strategy will also be updated following the closure of accounts.

Northamptonshire Compliance with the 7 Key CIPFA Principles to assess the adequacy of reserves

Budget Assumptions (CIPFA Principles)	2023/24 Situation in Northamptonshire
The treatment of inflation and interest rates	<p>NCFRA makes full and appropriate provision for pay and price increases, informed by benchmarking with peers. It is recognised that any 1% variation on pay inflation equates to circa £200K in a full year.</p> <p>There are also pay and inflation contingencies held in the Fire budgets to mitigate such eventualities.</p> <p>An informed assessment is made in the Treasury Management Strategy of interest rate movements.</p> <p>All income and expenditure in the budget is prepared and published at outturn prices.</p>
Estimates of the level and timing of capital receipts	<p>NCFRA has reviewed its estates strategy as a fundamental part of the capital programme and has made assumptions of future capital receipts.</p> <p>The capital programme considerations require significant investment and until this has been concluded, only essential capital investment has been approved. The achievement of capital receipts in line with the proposed timings is essential to ensuring that prioritised capital investments can be progressed.</p>
The treatment of demand led pressures	<p>NCFRA is required to operate and manage within its annual budget allocation.</p> <p>All budgets except firefighters are devolved and managed by trained budget holders.</p> <p>On an exceptional basis, agreement of the PFCC is given to utilise carry forwards to meet one off demand led pressures.</p>

	<p>Demand led pressures are scrutinised and built into the budget on zero based budget principles. An agreed budget for Fire is set by the PFCC.</p> <p>The PFCC is keen to ensure that NCFRA continue to identify efficiencies where it makes sense to do so, and a 1% efficiency target is set as part of the budget and MTFP and detailed within the annual strategic outcomes agreed with the Chief Fire Officer.</p> <p>Depending on funding availability, the PFCC has and will continue to support investment in areas that reduce demand, or which increase efficiency/capacity to deal with demand.</p> <p>General reserves are used as a last resort to manage and fund demand led pressures.</p>
<p>The treatment of Planned Efficiency Savings/Productivity Gains</p>	<p>NCFRA met all financial savings and challenges required by NCC in previous years.</p> <p>In the years post transfer, NCFRA has underspent each year and used the opportunity to increase reserves as a result. The 2022/23 financial year is more challenging, but it is forecast the budget will be balanced with a minimal use of reserves.</p> <p>There is a savings plan aligned to the MTFP and any identified savings and efficiencies from service or governance transfers will be monitored and reviewed regularly by the service and are only included as achieved in budgets when confirmed and verified.</p>
<p>The financial risks inherent in any significant new funding partnerships, collaboration, major outsourcing arrangements or major capital developments.</p>	<p>The financial consequences of partnership collaboration working, outsourcing arrangements or capital investment will be reported to the PFCC as part of the medium term planning process. Where relevant, any additional costs are incorporated into the annual revenue budget and/or capital programme.</p> <p>There is a risk that partners will withdraw funding as their own budgets are squeezed, or that the continued viability of private sector commercial partners will be exposed to risk in the face of an economic recession.</p>

<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.</p>	<p>NCFRA have built up appropriate reserves from a zero base to build a stable range earmarked reserves and provisions to meet specific expenditure items. Their use and balances are detailed in the attached appendix.</p> <p>NCFRA maintain an insurance provision, the adequacy of which is reviewed and monitored in detail by the legal services insurance advisors.</p> <p>NCFRA continue to build a General reserve to cover any major unforeseen circumstances, supported by earmarked reserves where appropriate to meet targeted investment in a planned manner which does not disproportionately impact on the revenue budget each year.</p> <p>Given the COVID pandemic, the PFCC has established a funding reserve to mitigate the impact of reduced council and business rate receipts on the revenue budget.</p>
<p>The general financial climate to which the Authority is subject</p>	<p>It is anticipated that the financial climate will be challenging, and the medium-term financial plan will reflect the “best estimate” of future inflation rates and increases in government grants and contributions.</p>

RESERVES OF THE NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY

2023/24 to 2027/28

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
GENERAL RESERVE	<p>To maintain a degree of in-year financial flexibility;</p> <p>To enable NCFRA to deal with unforeseen circumstances and incidents;</p> <p>To manage and meet financial risks of any industrial action requirements,</p> <p>To set aside sums for known and potential liabilities;</p> <p>To provide an operational contingency at service level.</p>	<p>To meet exceptional spending needs or overspends which are unable to be otherwise financed at the year end.</p> <p>To smooth the profile of revenue over a medium term financial period</p> <p>To allow higher spending without raising council tax on a one-off basis</p>	<p>To maintain a sustainable level of £2.0m of 5% (whichever is the higher)</p>	<p>PFCC, on advice from PFCC CFO</p>	<p>The general reserve is held at a level which reflects risk, uncertainties and volatility.</p> <p>If no reserve is held there may be insufficient resources available for major catastrophe, which could jeopardise financial status and reputation of NCFRA.</p> <p>The PFCC would have recourse to discretionary special grant if costs exceed 1% of budget or CLG Bellwin scheme for natural disasters</p>	<p>Annual</p>

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - INSURANCE	To cover the potential and contingent liabilities of uninsured risks as assessed annually by our insurers based on claims outstanding.	Balance will increase or reduce annually dependent on the NCFRA outstanding claims record. Established in 2018/19 following advice from legal service advisors. Level of reserve reviewed annually with the legal services advisers.	Will vary according to annual risk assessment	PFCC, on advice from PFCC CFO	The reserve is held to cover potential uninsured risks. If no reserve is held the NCFRA is potentially open to significant excess and claims payments in year beyond available revenue budgets which would fall on the general reserve. Assessment by insurers needs to be realistic not unduly pessimistic.	Annual
EARMARKED – OPERATIONAL EQUIPMENT	To smooth the impact on the revenue budget of lower value, high volume essential operational equipment in conjunction with the operational equipment budget already included within the overall revenue budget.	Balance will increase or reduce annually dependent on the workforce planning requirements.	Will vary according to annual risk assessment	PFCC, on advice from PFCC CFO	The reserve is held to smooth the impact of operational equipment replacements rather than have significant variations in the budget. If no reserve is held NCFRA are required to meet the timing and phasing of replacing all essential equipment from the annual revenue budget.	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED – CARRY FORWARDS	For an underspend in one financial year to be set aside and ring fenced to meet any one off unbudgeted costs or new initiatives in a future year.	Balance will increase or reduce annually dependent on the workforce planning requirements.	Will vary according to year end outturn and usage.	PFCC, on advice from PFCC CFO	Establishing a reserve enables an incentive and opportunity to utilise year end underspends in a manner which will provide additionality or benefit for the service in future years, rather than finding resources from in-year or reserves.	Annual
EARMARKED – SMOOTHING	To smooth the impact of fluctuations in the funding receipts from council tax and business rates as Business Rate levels are determined after the budget has been set. Also to smooth the impact of budget fluctuations.	Balance will increase or decrease annually, dependent on council tax and business rate receipts.	Will vary according to annual risk assessment.	PFCC, on advice from PFCC CFO	The reserve is held to receive any funding received in excess of the budget set and to utilise to ensure any variations are smoothed where appropriate. Also used to smooth budget fluctuations. If no reserve is held, NCFRA are required to balance the budget through savings, contingencies and reserves. This reserve enables short term fluctuations to be managed more smoothly.	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED TRANSFORMATION RESERVE	To build and maintain a reserve sufficient to support invest to save initiatives and provide initial funding to set up transformational activities.	To undertake initiatives and transformation without needing to use the annual operational budget.	Will vary according to activities.	PFCC, on advice from PFCC CFO	<p>The reserve is held to support the cost of transformation and investment without utilising the general reserve.</p> <p>If no reserve is held, PFCC could find it difficult to invest in transformational activities or savings would have to be made from operational budgets before any initiatives could be undertaken.</p>	Annual
EARMARKED - CAPITAL RECEIPTS	From sales of equipment above the capital de-minimis level and used to support the capital programme funding requirements.	Used to support funding the capital programme to minimise the cost of external borrowing on NCFRA and the taxpayer.	Will vary according to activities.	PFCC, on advice from PFCC CFO	<p>The reserve is held when equipment over a certain value is sold.</p> <p>This enables funds to be used in the most appropriate manner to meet capital expenditure and minimise the cost of borrowing.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED – ESN AND CAPITAL RESERVE	To meet the costs of ESN and other capital requirements to support the funding of the capital programme.	Used to support funding the capital programme to minimise the cost of external borrowing on NCFRA and the taxpayer.	Will vary according to activities.	PFCC, on advice from PFCC CFO	<p>The reserve is held from specific ESN funding or revenue underspends in previous years set aside to meet the revenue costs of capital expenditure.</p> <p>This enables funds to be used in the most appropriate manner to meet capital expenditure and minimise the cost of borrowing.</p>	Annual
EARMARKED – CAPITAL S106 RESERVE	To meet the additional infrastructure and other requirements of new developments.	To implement new infrastructure required as a result of developments without needing to use the annual operational budget.	Will vary according to activities.	PFCC, on advice from PFCC CFO	<p>The reserve is held for funds allocated to NCFRA from developers towards the cost of NCFRA infrastructure developments.</p> <p>This enables funds to be used in the most appropriate manner to meet capital expenditure and minimise the cost of borrowing.</p>	Annual

	Rationale	How and when used	Level	Management and control	Risk If Reserve Not Held	Review
EARMARKED - CAPITAL GRANTS UNAPPLIED	Unapplied grants brought forward from the Governance Transfer with Northamptonshire County Council and additional one off grant received from the Home Office.	Used to support funding in accordance with the grant requirements to minimise the cost of external borrowing on NCFRA and the taxpayer if purchased from capital.	Will vary according to activities.	PFCC, on advice from PFCC CFO	The reserve is held for grants awarded for a specific capital purpose. This enables funds to be used in the most appropriate manner to meet capital expenditure and minimise the cost of borrowing.	Annual

Summary of Reserves 2022/23 to 2027/2028

	Actual Balance at 31 March 2022 £m	Forecast Balance at 31 March 2023 £m	Forecast Balance at 31 March 2024 £m	Forecast Balance at 31 March 2025 £m	Forecast Balance at 31 March 2026 £m	Forecast Balance at 31 March 2027 £m	Forecast Balance at 31 March 2028 £m
<u>Held to meet budgetary risks</u>							
Insurance	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Operational Equipment	0.030	0.060	0.060	0.060	0.060	0.060	0.060
	0.280	0.310	0.310	0.310	0.310	0.310	0.310
<u>Held to support the medium term budget</u>							
Carry Forwards	0.151	0.045	0.000	0.000	0.000	0.000	0.000
Smoothing Reserve	0.924	0.265	0.236	0.150	0.200	0.300	0.400
	1.075	0.310	0.236	0.150	0.200	0.300	0.400
<u>Held to facilitate change programmes</u>							
Transformation Reserve	0.682	0.682	0.750	0.750	0.750	0.750	0.750
	0.682	0.682	0.750	0.750	0.750	0.750	0.750
<u>Committed to future capital programmes</u>							
Capital Receipts	0.000	0.186	2.904	1.931	1.650	1.511	1.385
Capital and ESN Reserve	0.355	0.355	0.055	0.355	0.630	0.349	0.055
S106 Developer Contributions	0.273	0.068	0.161	0.121	0.071	0.271	0.221
Capital Grants Unapplied	1.045	0.823	0.543	0.418	0.418	0.418	0.418
	1.673	1.432	3.663	2.825	2.769	2.549	2.079
Total Earmarked Reserves	3.710	2.734	4.959	4.035	4.029	3.909	3.539
General Fund	2.000	1.850	1.850	1.950	2.000	2.000	2.000
Total Reserves	5.710	4.584	6.809	5.985	6.029	5.909	5.539

NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

2 FEBRUARY 2023

Report Title	Northamptonshire Police, Fire & Crime Panel Work Programme 2022/23
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Contributors/Checkers/Approvers		
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List of Appendices

Appendix A – Outline Work Programme 2022/23

1. Purpose of Report

- 1.1. The report is intended to enable the Northamptonshire Police, Fire & Crime Panel to review progress with the development and delivery of its 2022/23 work programme.

2. Executive Summary

- 2.1. The report invites the Panel to review the latest version of its outline work programme for 2022/23 and to endorse this subject to any changes that the Panel considers to be necessary.

3. Recommendations

- 3.1 It is recommended that the Northamptonshire Police, Fire & Crime Panel endorses its outline work programme for 2022/23, subject to any changes that the Panel considers to be necessary.

4. Reasons for Recommendations

- 4.1 The recommendation is intended to support the effective operation of the Panel during 2022/23 and the delivery of its statutory responsibilities.

5. Report Background

- 5.1 The Police Reform & Social Responsibility Act 2011, the Policing & Crime Act 2017 and supporting legislation give various specific responsibilities to the Northamptonshire Police, Fire & Crime Panel (“the Panel”). These are principally as follows:
- Scrutinising and reporting on the Police, Fire & Crime Commissioner (PFCC)’s proposed Police and Fire & Rescue precepts
 - Scrutinising and reporting on the PFCC’s Police & Crime Plan and Fire & Rescue Plan
 - Scrutinising and reporting on the PFCC’s Annual Report on the delivery of Police & Crime Plan objectives and on the annual Fire & Rescue Statement reporting compliance with the Fire & Rescue National Framework
 - Scrutinising and reporting on proposed appointments by the PFCC to certain positions (: Deputy PFCC; Chief Executive; Chief Finance Officer; Chief Constable of Northamptonshire Police; and Chief Fire Officer of Northamptonshire Fire & Rescue Service)
 - Dealing with complaints from members of the public about the conduct of the PFCC.
- 5.2 In addition, the legislation referred to in paragraph 5.1 above gives the Panel the general responsibility to review and scrutinise decisions made, or other action taken, by the PFCC in connection with the discharge of his functions and to make reports or recommendations to the PFCC with respect to these matters. The Panel is required to carry out its role with a view to supporting the PFCC in effectively exercising his functions.
- 5.3 It is standard practice for the Panel to set an annual work programme to provide a framework within which it carries out its functions and the practical tasks these involve. The work programme is made up of a combination of statutory and discretionary scrutiny work; matters relating to the operation of the Panel; and any supporting activities such as briefings or training. The work programme covers a rolling 12-month period. The work programme is considered at the first Panel meeting in the municipal year. It is then kept under regular review by the Panel and modified or updated as necessary, with a view to ensuring that it is focussed on the aim of using available capacity to best effect.

6. Issues and Choices

- 6.1 The Panel considered its outline work programme at its meeting on 19th July 2022 and identified items of business that it wished to consider during the year ahead alongside its mandatory tasks. The resulting outline work programme is included with this report (at Appendix A).
- 6.2 The work programme should not be seen as fixed and it is open to the Panel to review and modify it at any time as the municipal year progresses. The work programme can be informed by input from a range of sources, including suggestions from individual Panel members and from the PFCC. The Panel should consider suggested business from all sources on its merits, with a view to maintaining a work programme that reflects the Panel’s remit, has the support of Panel members, is realistically deliverable within available resources and has the potential to produce the most worthwhile outcomes.

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 There are no specific resources or financial implications associated with this report. The normal operation of the Panel is supported by grant funding that the Panel's host authority can claim from the Home Office for the purpose of maintaining a panel for the Northamptonshire Police area.

7.2 Legal

7.2.1 There are no legal implications arising from the proposal.

7.3 Risk

7.3.1 The Panel should ensure that its work programme enables it to carry out its statutory role and functions effectively. Factors that might represent a risk to this could include setting a work programme that did not reflect the Panel's statutory functions; that was unfocussed or included too much business to be realistically deliverable; or that was fixed at the start of the year and did not allow the flexibility to respond to issues that might subsequently arise. These risks should be mitigated by the Panel reviewing its work programme and any associated matters at each of its normal meetings during the municipal year. This will enable the Panel to consider any changes to existing arrangements that may seem necessary, with a view to ensuring that the work programme and the specific activities contained within it remain deliverable within the Panel's overall capacity and the resources available to support it.

8. Background Papers

Police Reform & Social Responsibility Act 2011

Policing & Crime Act 2017

Northamptonshire Police, Fire & Crime Panel Rules of Procedure

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Northamptonshire Police, Fire & Crime Panel – Outline Work Programme 2022/23

MEETING DATE	STATUTORY BUSINESS	DISCRETIONARY BUSINESS	BUSINESS RELATING TO PANEL OPERATION	OTHER BUSINESS
2 February 2023	<ul style="list-style-type: none"> - PFCC’s proposed Police precept and budget for 2023/24 - PFCC’s proposed Fire & Rescue precept and budget for 2023/24 		<ul style="list-style-type: none"> - Work programme - 2023/24 meeting dates 	
16 February 2023 (Reserve meeting)	<ul style="list-style-type: none"> - PFCC’s revised Police precept and budget for 2023/24 [if required] and/or - PFCC’s revised Fire & Rescue precept and budget for 2023/24 [if required] 			
20 April 2023		<ul style="list-style-type: none"> - PFCC’s Delivery updates - PFCC’s Finance updates - Draft report of the Early Intervention scrutiny review 	<ul style="list-style-type: none"> - Work programme - Complaints monitoring report 	
15 June 2023 [TBC]	<ul style="list-style-type: none"> - PFCC’s Annual Report on Policing for 2022/23 - PFCC’s Fire & Rescue Statement for 2022/23 		<ul style="list-style-type: none"> - Appointment of Panel Chair and Deputy Chair - Work programme - Appointment of Complaints Sub Committee members 	

7 September 2023 [TBC]		<ul style="list-style-type: none"> - PFCC's Delivery update - PFCC's Finance updates - Joint Independent Audit Committee Annual Report 	<ul style="list-style-type: none"> - Work programme - Complaints monitoring report 	
30 November 2023 [TBC]		<ul style="list-style-type: none"> - PFCC's Delivery update - PFCC's Finance updates 	<ul style="list-style-type: none"> - Work programme 	

NOTE: Dates for meetings in 2023/24 are subject to confirmation by the Panel at its meeting on 2nd February 2023.

Additional topics not yet scheduled

The Panel agreed at its meeting on 8th September 2022 to request the Police, Fire & Crime Commissioner to present an update on his Estates Strategy to a future Panel meeting.

The Panel agreed at its meeting on 8th September 2022 to request the Police, Fire & Crime Commissioner to provide sight of action plans developed to address areas for improvement in service delivery by Northamptonshire Fire & Rescue Service as identified in the HMICFRS 2021/22 inspection.

The Panel agreed at its meeting on 1st December 2022 to request the Police, Fire & Crime Commissioner to present a report to a future Panel meeting on action taken in Northamptonshire to implement the recommendations of the HMICFRS inspection of vetting, misconduct, and misogyny in the police service. The majority of the recommendations in the HMICFRS report directed at chief constables must be implemented by 30th April 2023.

Task-and-finish work

The Panel has agreed to carry out a piece of focussed task-and-finish work on early intervention activity in Northamptonshire as part of its work programme for 2022/23. The Panel agreed the terms of reference for this work and set up a working group to carry it out at the Panel meeting on 8th September 2022. The working group has been tasked with presenting its final draft report to the Panel meeting on 20th April 2023.

Briefings / Training (open to all Panel members)

1. Briefing sessions with the Chief Constable and with the Chief Fire Officer on their organisations' operating environment, priorities and challenges.

The Panel had briefing sessions with both the Chief Constable and the previous Chief Fire Officer on 27th May 2022 and with the Chief Constable on 1st December 2022. The Panel agreed at its meeting on 1st December 2022 that a further briefing session with the current Chief Fire Officer be arranged. The Panel also agreed that it should seek to have briefing sessions with both chiefs more frequently than once a year.

2. A briefing session on the development of the Police, Fire & Crime Commissioner's proposed precepts for 2023/24. This briefing session took place on 17th January 2023.
3. A briefing session on road safety strategy in Northamptonshire and supporting activities.
4. A briefing session on learning from complaints about Northamptonshire Police.
5. A briefing session on the East Midlands Special Operations Unit.

Further Information

(A) Statutory Business

PFCC's Annual Report and Fire & Rescue Statement – The Police, Fire & Crime Commissioner (PFCC) is required to produce an Annual Report on the exercise of the PFCC's police and crime functions during the previous financial year and the progress made in meeting objectives set out in the PFCC's Police & Crime Plan. The PFCC is also required to publish an annual statement of assurance of compliance with the priorities set out in the Fire & Rescue National Framework for England. The Panel must review and report on both the Annual Report and Fire & Rescue Statement as soon as practicable after they are received.

PFCC's proposed Police and Fire & Rescue precepts – The PFCC's proposed precepts must be reviewed and reported on by the Panel before they can be issued. The Panel has the power to veto a proposed precept, in which case the PFCC is required to produce a revised proposal that must also be reviewed by the Panel at the reserve meeting included in the outline work programme (if the Panel does not veto either of the proposed precepts the reserve meeting will not be held). The steps involved in this process must take place by specific deadlines set in legislation.

(B) Discretionary Business

PFCC's Delivery Update – This is a regular report setting out actions by the PFCC supporting progress towards the delivery of the strategic outcomes set out in his Police, Fire & Crime Plan. The Delivery Update also includes contextual information about Northamptonshire Police and Northamptonshire Fire & Rescue Service performance.

PFCC's Finance Updates – These are two regular reports setting out the latest in-year position for the budgets for policing and the Office of the PFCC and for the budget for the Northamptonshire Commissioner Fire & Rescue Authority.

Joint Independent Audit Committee Annual Report – The Joint Independent Audit Committee (JIAC) is responsible for providing independent assurance of the corporate governance, risk management and financial control arrangements operated by the PFCC and the Chief Constable. The JIAC's Annual Report is customarily presented by its Chair to the Panel, to reflect the complementary roles of the two bodies.

(C) Business relating to Panel operation

Complaints monitoring report – The Panel has adopted specific arrangements to carry out its responsibilities for dealing with complaints and conduct matters relating to the PFCC. These include the provision by the host authority Monitoring Officer of a half-yearly monitoring report about all matters dealt with in the preceding period. In this way the Panel is able to monitor the operation of the arrangements it has made to deliver this aspect of its statutory responsibilities.

NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

2 FEBRUARY 2023

Report Title	Northamptonshire Police, Fire & Crime Panel meeting dates for 2023/24
Report Author	James Edmunds, Democratic Services Assistant Manager, West Northamptonshire Council James.edmunds@westnorthants.gov.uk

Contributors/Checkers/Approvers		
West MO (for West and joint papers)	Catherine Whitehead	17/01/2023
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None

1. Purpose of Report

- 1.1. The report is intended to enable the Northamptonshire Police, Fire & Crime Panel to agree its meeting dates for the 2023/24 civic year.

2. Executive Summary

- 2.1. The report invites the Panel to consider a proposed schedule of meeting dates for 2023/24 and to agree this subject to any changes that the Panel considers to be necessary.

3. Recommendations

- 3.1 It is recommended that the Northamptonshire Police, Fire & Crime Panel agrees the following meeting dates for 2023/24:
- 15th June 2023
 - 7th September 2023
 - 30th November 2023
 - 6th February 2024

- 20th February 2024 (Reserve)
- 18th April 2024

All meetings to start at 1.00pm. All meetings to take place at local authority venues in Northampton.

- 3.2 Reasons for Recommendation(s) – The recommendations are intended to support the effective operation of the Panel during 2023/24 and the delivery of its statutory responsibilities.

4. Report Background

4.1 The Police Reform & Social Responsibility Act 2011, the Policing & Crime Act 2017 and supporting legislation give various specific responsibilities to the Northamptonshire Police, Fire & Crime Panel (“the Panel”). These are principally as follows:

- Scrutinising and reporting on the Police, Fire & Crime Commissioner (PFCC)’s proposed Police and Fire & Rescue precepts
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- Dealing with complaints from members of the public about the conduct of the PFCC.

4.2 In addition, the legislation referred to in paragraph 4.1 above gives the Panel the general responsibility to review and scrutinise decisions made, or other action taken, by the PFCC in connection with the discharge of his functions and to make reports or recommendations to the PFCC with respect to these matters. The Panel is required to carry out its role with a view to supporting the PFCC in effectively exercising his functions.

4.3 It is good practice for the Panel to agree an annual schedule of meetings before the start of the relevant civic year. This assists with the planning and delivery of the tasks that the Panel is required or chooses to undertake and therefore supports the Panel in carrying out its formal responsibilities as effectively as possible.

5. Issues and Choices

5.1 The Panel Secretariat has taken account of various factors in drawing up the proposed meeting dates and associated arrangements set out in paragraph 3.1 above, as follows:

- The proposed scheduling of Panel meetings through the civic year, the day of the week used and the start time for meetings reflects previous practice both before and after local government reorganisation in Northamptonshire.
- The proposed meeting dates seek to take account of local authority meetings in Northamptonshire and other relevant events and avoid clashes as far as possible.

- The dates for the meetings in February 2023 reflect the statutory requirements on the Panel concerning scrutiny of the Police, Fire & Crime Commissioner’s proposed policing and Fire & Rescue precepts: the Panel must scrutinise and make a report on the proposed precepts by 8th February and, if necessary following a veto of the proposed precepts, scrutinise and make a report on revised precepts by 22nd February.
- The Panel agreed in 2021/22 that local authority venues in Northampton should be the normal location for its meetings. The Panel considered that this was most conducive to supporting its stated priorities relating to meetings, which were a location that offers the ability to webcast and that is central in Northamptonshire and accessible to participants.

5.2 It is open to the Panel to consider amending the proposed schedule should it identify the need to do so at this point. The Panel will also be able to maintain an overview of its meeting schedule as it moves through 2023/24 and to respond to any issues that arise that may require it to consider amending planned meeting dates.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 There are no specific resources or financial implications associated with this report. The normal operation of the Panel is supported by grant funding that the Panel’s host authority can claim from the Home Office for the purpose of maintaining a panel for the Northamptonshire Police area.

6.2 Legal

6.2.1 There are no legal implications arising from the proposal.

6.3 Risk

6.3.1 The Panel should ensure that it agrees meeting dates for 2023/24 that can be delivered within available resources and that will enable it to carry out its role. It is proposed that the prospective meeting dates set out in this report do not involve any specific risks in this regard, as they represent a realistic schedule of meetings for 2023/24 that builds on previous practice and that reflects priorities that the Panel has identified.

7. Background Papers

Police Reform & Social Responsibility Act 2011

Policing & Crime Act 2017

Northamptonshire Police, Fire & Crime Panel Rules of Procedure

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