



NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

14 MARCH 2024

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER

POLICE - FINANCIAL UPDATE AS AT PERIOD 9 2023/24 (DECEMBER 2023)

REPORT BY THE CHIEF FINANCE OFFICER

Purpose and Context

1. This report sets out at a high level the forecast financial outturn for the period 1 April 2023 to 31 March 2024.

Forecast Summary Revenue Outturn as at 31 March 2024

2. At forecast outturn at period 9 shows a total projected net underspend of £662k, which is subject to fluctuations should assumptions change in the final quarter.
3. This is made up of a projected Force underspend of £571k and a £118k underspend in the budgets managed by the PFCC, offset by transfers from reserves and funding.
4. The majority of the Policing budget is comprised of the Force budget which the PFCC consents to the Chief Constable annually. The conditions of this allocation are set out in a formal strategic outcomes letter from the PFCC to the Chief Constable each year. This letter sets out a number of requirements and expectations, including that the Chief Constable will manage the resources within his delegated budget and that any overspends would be discussed with the PFCC at an early stage.
5. The forecast is attached in detail as an Appendix and is summarised below:

Budget Heading	Budget	Outturn	Variance
	£'000	£'000	£'000
Budgets Consented to the Chief Constable	160,684	160,113	(571)
Force Investments and Savings	446	446	0
	161,130	160,559	(571)
<u>Managed by the Police, Fire and Crime Commissioner</u>			
- PFCC Staff and Office Costs	1,276	1,311	35
- Commissioning and Delivery Services	6,678	6,440	(238)
- Victims and Witnesses Grants and Other Income	(2,074)	(1,989)	85
	5,880	5,762	(118)
Capital Financing Costs	2,798	2,798	0
Budgeted Transfers to/(from) Reserves	(1,561)	(1,511)	50
Funding		(23)	(23)
Total Policing Forecast	168,247	167,585	(662)

Chief Constable Budgets

6. Pressures on the Chief Constable's budget have mainly arisen from inflation and the impact of the re-opened staff pay award negotiations. However, tight financial management and appropriate contingency levels have enabled these pressures to be contained where possible or one-off savings identified.
7. Key highlights are as follows:
 - a. There is forecast to be a small underspend on the Police Pay budget. Expenditure on officers is subject to variations in recruitment and attrition levels throughout the year, along with any changes to the number of officers seconded to regional units. Thus, it is subject to change and forecasts updated each period to reflect the most up-to-date position.
 - b. Additional one-off uplift funding is due to be provided to forces whose police officer recruitment is above the recruitment profile – this includes Northamptonshire. Although this is not yet built into the forecast, it is expected to equate to circa £1.2m. It is planned that any underspends in police pay will be earmarked in reserves specifically to fund officer strength in the future.

- c. As in previous years, given the timing of PCSO intakes, the PFCC has agreed with the Chief Constable that any PCSO underspends in the year will be transferred to reserves in order that funding can be ring-fenced for neighbourhoods. As highlighted within the appendix, it is currently anticipated that £399k will be transferred to reserves. This transfer to reserves has already been accounted for in the forecast.
 - d. Additional recruitment is underway in the Force Control Room following approval of additional budget in 2024/25. The small overspend is the result of job evaluation of call handler roles that ensures their pay fairly reflects their responsibilities, improving morale and staff retention.
- 8. The most significant variance in the Chief Constable's budget envelope relates to an underspend as a result of additional national funding provided for police cell availability. This is one off funding and whilst it is possible that this will reoccur, it is expected to be on a smaller scale.
 - 9. On behalf of Northamptonshire and Nottinghamshire, the Joint Commercial and Property Team maintain and service commercial frameworks which have been established to provide value-for-money procurement for public sector organisations to use and which also generates some income for Northamptonshire.
 - 10. It is predicted that almost £2m will have been generated in income from these frameworks by 31st March 2024. This includes around £1m retained in the county to help support the budget in providing essential police and fire services for local Northamptonshire residents.
 - 11. Recent frameworks established are the new Estates and Facilities Frameworks set up to cover pre-planned and reactive property maintenance. These frameworks are open to policing and non-policing organisations across the local areas of Northamptonshire, Bedfordshire, Lincolnshire and Nottinghamshire. Whilst they meet our own procurement needs, they support local businesses, and it is anticipated that additional framework income for Northamptonshire will also be generated.

PFCC Office and Delivery Budgets

- 12. The PFCC budgets are currently envisaged to underspend by £118k during the year, mainly due to staff vacancies in Early Intervention and Youth.

13. Key headlines are:
- a. Pressures in the PFCC Staffing and Complaints budgets mainly relate to the higher than anticipated pay award. Underspends in the office non-pay budgets such as travel, subsistence and printing have offset most of these costs.
 - b. The Police, Fire and Crime Plan Delivery Fund includes the work the PFCC commissioned on community engagement and consultation, with a particular focus on women's views to get a broader understanding of what would make them feel safer in Northamptonshire.
 - c. The OPFCC delivery budgets are underspent in the area of Early Intervention and Youth Provision due to staff vacancies which are taking longer to fill than originally anticipated.
 - d. Victims and Witnesses income due from MOJ is slightly lower than budget as the grant allocation was not confirmed until after the budget was set.
 - e. An underspend is expected in Reducing Reoffending as costs in Integrated Offender Management are lower than originally envisaged.
14. The PFCC scrutinises the budget monitoring regularly throughout the year and receives regular detailed updates on Force performance at the Accountability Board.
15. The PFCC also receives an annual update on the internal control framework which forms the head of internal audit's annual audit opinion and is set out within the annual governance statement in the annual statement of accounts.
16. The PFCC takes all opportunities to secure additional funding for Northamptonshire. Since his term in office, the PFCC has managed to secure over £18m for additional funding for Policing.

Financial Outlook

17. Work has already started on putting in place the approved 2024/25 budget investments made possible by the funding settlement and precept increase.
18. The Medium Term Financial Plan is under constant review and will be updated if more information is received around future funding, or if there is reason to update forecast

assumptions. In this regard, a close eye is kept on economic updates and regular benchmarking takes place with the regional and national picture.

Recommendation

19. That the Police, Fire and Crime Panel considers the report.