



NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

14 APRIL 2022

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER

POLICE - FINANCIAL UPDATE 2021/22

REPORT BY THE CHIEF FINANCE OFFICER

Purpose and Context

1. This report sets out at a high level, a financial update on the forecast financial outturn for the period 1 April 2021 to 31 March 2022.

Forecast Summary Revenue Outturn as at 31 March 2022

2. The forecast outturn is based on two months of estimated data and, therefore is still subject to change during the year. In line with regular monitoring and accountability board processes, it will be updated and refined to reflect latest information as the year progresses.
3. At this early stage in the year, there is a forecast underspend of £1.634m. This is made up of £1.599m on PFCC managed budgets and £35K for the Force.
4. Given that the majority of the PFCC variation is as a result of one off timing impacts, the PFCC is considering the options available to him at year end . These considerations include, but are not limited to: increasing revenue contributions to capital, thus reducing capital financing costs, or supporting investment or one off budget pressures in future years.

5. The forecast outturn is attached in detail at Appendix A and summarised below as follows:

Budget Heading	Budget £'000	Forecast Outturn £'000	Variance £'000
Budgets Consented to the Chief Constable	142,671	142,636	(35)
Managed by the Police Fire and Crime Commissioner			
- PFCC Staff and Office Costs	1,120	1,044	(76)
- Commissioning and Delivery Services	4,749	3,226	(1,523)
Capital Financing Costs	4,133	4,133	0
Budgeted Transfer to Reserves	(141)	(141)	0
Investment Ring Fenced	1,000	1,000	0
Total Policing Outturn	153,532	151,898	(1,634)

6. Key highlights:

Budgets consented to the Chief Constable are forecast to underspend by £35K. Key points of note include:

- i. Based on latest forecasts, Police pay and oncosts are in line with budget, however, this forms a significant element of the Chief Constable's budget and is impacted when starters and leavers vary from those estimated.
- ii. The underspend in PCSOs reflects current forecast attrition levels.
- iii. Enabling services overspends reflect the additional investment made to support key areas are highlighted in the December 2021 report to the Panel. Contributions from reserves already mitigate this as the PFCC has already agreed to meet a large portion of these one off costs from reserves.
- iv. The Control Room is currently forecast to overspend mainly due to lower than anticipated attrition levels together with higher than estimated overtime costs. The PFCC has asked the Chief Constable for further updates on the control room variances.

Budgets managed by the PFCC are forecast to underspend as follows:

An underspend of £76K for the office:

- v. There is a vacancy in the OPFCC office which is being covered by agency staff supporting the Safer Streets initiative.

An underspend of £1.523m for the Delivery Budgets as follows:

- vi. Reducing reoffending – the majority of the investment in this area is now funded by the Ministry of Justice and budgets have been reduced in 2022/23 accordingly:
- vii. The Early Intervention and Youth team underspends relate to timing of recruitment to vacancies which is later than previously envisaged. As such, one off underspends have been released in these areas.
- viii. Due to the impact of COVID – there is a forecast underspend on the Police and Crime Plan Delivery Fund. It is likely that any underspends in this area will be allocated and ring fenced in reserves to support future initiatives.

Investment proposals – ring fenced £1m

- vix. The PFCC had tasked the Chief Constable to provide investment proposals in areas to support prevention and/or investment in technology that can sustainably reduce demand in the long term. Whilst the January forecast prudently assumes this would be spent in the current year, at the time of writing, it is likely that spending will not take place in 2021/22 and will be included as part of the 2022/23 and future years investment considerations.
7. The Force budget is consented to the Chief Constable to manage and the conditions of this are set out in a formal budget letter from the PFCC to the Chief Constable each year.
 8. 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 and could be taken from the following year's budget allocation.
 9. The PFCC scrutinises the budget monitoring throughout the year and receives regular updates and seeks additional information and further clarifications at the Accountability Board.

Recommendation

10. That the Police, Fire and Crime Panel considers the financial update and forecast outturn.