

## NORTHUMBRIA POLICE AND CRIME COMMISSIONER

### Key Decision

**Title and Reference: Group Revenue Monitoring Q3**  
**(PCC/492/2023)**

### Summary

The Group Revenue Monitoring as at 31 December 2022 for Quarter 3:

	Approved Budget 2022/23 £'000	Forecast Outturn 2022/23 £'000	Variance £'000
<b>Group Position</b>			
Chief Constable	322,788	322,216	(572)
Officer of Police and Crime Commissioner (OPCC)	1,829	1,765	(64)
OPCC Supporting Services	1,121	1,020	(101)
Capital Financing	13,594	11,573	(2,021)
<b>Group Position Total</b>	<b>339,332</b>	<b>336,574</b>	<b>(2,758)</b>
Central Government Grant	(276,818)	(276,818)	-
Council Tax Precept	(62,514)	(62,514)	-
<b>Government Grant and Precept Total</b>	<b>(339,332)</b>	<b>(339,332)</b>	<b>-</b>
<b>Appropriations (To)/From Reserves</b>	<b>-</b>	<b>(2,758)</b>	<b>(2,758)</b>


### Recommendation/Findings:

Note the Group forecast outturn of £336.574m which is based on payments processed to date and current projections, against a 2022/23 budget of £339.332m which reflects an in-year underspend position of £2.758m.

### Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 19/01/2023

<b>Business Meeting</b>	<b>19 January 2023</b>
<b>Group Revenue Monitoring Q3</b>	
<b>Report of: Kevin Laing, Joint Chief Finance Officer</b>	
<b>Author: Lyndsey Curry, Financial Lead, Finance Performance</b>	

## 1. PURPOSE

- 1.1 The purpose of this report is to provide an update on the Group revenue monitoring position for the period ending 31 December 2022, Quarter 3.

## 2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the Group forecast outturn of £336.574m which is based on payments processed to date and current projections, against a 2022/23 budget of £339.332m which reflects an in-year underspend position of £2.758m.

	<b>Approved Budget 2022/23 £'000</b>	<b>Forecast Outturn 2022/23 £'000</b>	<b>Variance £'000</b>
<b>Group Position</b>			
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## 3. BACKGROUND

- 3.1 The overall Group revenue budget for 2022/23 was agreed at £339.332m, this being the third monitoring report of the Group position for 2022/23.
- 3.2 Within the approved 2022/23 budget the following was provided for:
- £322.788m to fund the cost of Policing in the Force area by the Chief Constable.
  - £1.829m to meet the costs of the Office of the Police and Crime Commissioner.
  - £1.121m to meet the costs of OPCC Supporting Services.
  - £13.594m to cover the costs of capital financing.

## KEY OUTCOMES- GROUP QUARTER 2 REVENUE POSITION

### Chief Constable Revenue

- 3.3 Based on the Quarter 3 spend the forecast outturn is an in-year underspend of £0.572m (0.18%). Within this position there are some budgetary pressures and underspends resulting in the net outturn position.
- 3.4 Workforce budgets continue to be a focus around the forecasting and profiling given they form the majority (86.00%) of the overall force budget. The overarching workforce budget position including allowances and pensions is projected to be £0.930m under the budgeted position.
- **Police Officers** – Police Officer pay is forecast to be overspent by £0.521m. Profiling of intakes have been flexed and recruitment of 90 Officers over the original Uplift target is reflected in the current position.
  - On 22 December 2022 the Home Office confirmed that the previously declined higher overshoot bid of 90 Officers over Uplift would be accepted. An additional £0.020m of income per officer delivered over Uplift will be paid and there will be no penalties if we do not meet the full overshoot; the additional grant of £1.800m (90FTE) will be received in 2023/23 and is included within the forecast position.
  - **Police Staff** – Police Staff pay is forecast to be under budget by £1.229m. The underspend remains as a result of the challenging recruitment market and higher than projected levels of exits.
  - The original Police Staff award of 2.1% from April included a reopener clause should the Police Officer pay award exceed 3%. The agreed £1,900 consolidated award for all Police Officer pay points for all ranks, triggered the reopener clause.
  - The resulting agreement was that all Police Staff Council pay points were increased by a consolidated amount of £1,900 over the period 01 April 2022 to 1 September 2023, effectively superseding the previous award of 2.1%.
  - The resulting impact of the revised pay award was an estimated a net increase in Police Staff pay of £1.855m (including oncosts).
  - The position reflects the in-year impact of the initial implementation of RRP for which a provision was included in the budget. The Force is currently working through appeals, the outcome of which will be known in the future months.
- 3.5 The forecast in relation to ill health retirements has been reduced from the budgeted 8 to 5 retirements. There is currently only one Police Officer being assessed for permanent disablement. This will continue to be reviewed but has resulted in an in-year underspend of £0.411m against budget.
- 3.6 Core Police Officer and Staff overtime positions are currently reflecting an overspend of £1.300m.

Pressure remains on core areas of the business including Crime relating to the increase on intensive investigations including an increase in the number of homicides this year.

Communications Department dealing with an all-time high of online reporting and ensuring that call times response remains a priority.

Operations Department ensuring that Armed Response Vehicle (ARV) cover is sustained, to ensure that Armed Uplift capabilities and compliance remain in line with national requirements and grant terms.

This forecast outturn also include the costs associated with the additional bank holiday for Queen Elizabeth II funeral and mutual aid deployments in relation to large national events such as the Commonwealth Games.

### 3.7 Other issues of note are set out below:

- Within the current forecast is £4.661m of inflationary pressures. These include pressures on utilities, fuel, office supplies, software, and vehicle recovery contracts. These can currently be managed within the overarching budget position.
- The Force contribution to the NEROCU collaboration will reduce by £0.250m. This is a result of funding streams continuing in relation to Cyber Crime which had been forecast to end, and the phasing of the NEROCU Uplift delivery in 2022/23. Uplift is still due to be delivered in full by year-end, however, this is later than budgeted hence reducing the in-year cost and subsequent contributions from all Forces.
- The external training year-end projections have reduced by a further £0.132m from the position previously reported. The forecasted position is based on moderated plans where intelligence indicates delivery will not be attainable prior to the year-end due to changes in workforce, alternative solutions being identified and course availability (national demand remains high).

### 3.8 The position reported above excludes expenditure which is being met directly from the Operational Reserve with the detail of the approved plan set out below:

Budget Area	Approved Expenditure 2022/23	Actual Payments	Projected Outturn at 31 December 2022
	£000	£000	£000
<b>People Investment</b>	1,283	236	372
<b>Bonus (Tutor Payments)</b>	54	40	54
<b>Process Integration Tool</b>	422	89	89
<b>Cloud and Hosting Assessment</b>	100	-	-
<b>Clinical Lead OHU Contract</b>	115	-	27
	-	-	-
<b>TOTAL</b>	<b>1,974</b>	<b>365</b>	<b>541</b>

The approved spend plan from the Operational Reserve sits outside the overall budget position. £1.974m has been approved for this financial year.

Forecast expenditure against the reserve in 2022/23 is forecast to be £0.541m. The original plan for recruitment of Police Staff posts has been reviewed only essential posts are being progressed. The cloud and hosting assessment is no longer to be progressed, costs relating to the Process Integration tool is now only forecast to cost £0.089m in year one and delays in Optima sourcing a Clinical Lead have resulted in a further underspend. Funds remaining in the reserve will be utilised to support activity in future years.

## OPCC Revenue

### 3.9 The projected year-end budget position inclusive of core OPCC revenue and Supporting Services are currently forecasting an underspend of £0.164m, this includes a £0.100m

underspend against the OPCC Discretionary Fund, with the balance across a number of headings within Office costs.

### **Capital Financing**

- 3.10 The outturn against capital financing now reflects a forecast underspend of £2.021m. The forecast for interest receivable 2022/23 has increased due to higher interest rates following a succession of bank rate rises leading to the rate of 3.5% in December.
- 3.11 Interest repayments have been lower following the continued use of internal borrowing through reserves and the positive impact on the working capital position forecast, reducing the need for short term borrowing.

### **Other Issues**

- 3.12 In addition to core budgets, there are a range of approved funding streams within 2022/23 including VRU, Domestic Abuse Perpetrator, CADA, Safer Streets, Grip and Operation Adder. All funding will be fully spent by 31 March 2023 in-line with the terms and conditions of the Grants.
- 3.13 Operation Safeguard is the national contingency plan to deal with prison overcrowding in UK. On 30 November 2022 Prisons Minister Damian Hinds, announced in Parliament that due to an “acute and sudden increase in the prison population” the Operation Safeguard contingency plan is to be launched for the first time since 2007. Police Forces have been asked to stand up 400 cells nationally for Prisoners, from February. Forces will be reimbursed at a set rate for each cell made available. Resourcing will be provided on overtime, the cost of which will be offset via the cell accommodation recharge. The impact of Operation Safeguard is not reflected in the current revenue outturn position as further information is awaited from HMPPS in relation to their specific requirements from the Force. The position will be updated in future reports once more information becomes available.
- 3.14 The overall group position is a forecast underspend of £2.758m and no actions are recommended at this time.

## **4. CONSIDERATIONS**

<b>Report Exemption</b>	<i>Non-exempt</i>
<b>Consultation</b>	
Information prepared by Finance, where variations have been found to the 2022/23 budget relevant responsible officers have been consulted with to understand the reasoning.	
<b>Resources</b>	
As outlined within the body of the report	
<b>Code of Ethics</b>	
There are no ethical implications.	
<b>Equality</b>	

There are no equality implications.
<b>Legal</b>
There are no legal implications.
<b>Risk</b>
As outlined within the body of the report
<b>Communication</b>
No communication is required.
<b>Evaluation</b>
Evaluation is not required.