

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference:

GROUP REVENUE OUTTURN QUARTER 3, AS AT 31 DECEMBER 2023

(PCC/550/2024)

Summary

The Group Revenue Outturn as at 31 December 2023 (Qtr.3) is as follows:

Recommendation/Findings:

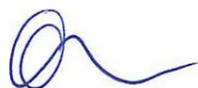
- Note the Group forecast outturn of £347.537m based on payments processed to date and current projections against a 2023/24 budget of £348.830m, which reflects an in-year underspend position of £1.293m.

| Quarter 3 Revenue Position | Revised Budget 2023/24 £'000 | Forecast Outturn 2023/24 £'000 | Variance £'000 |
|---|---------------------------------|-----------------------------------|-------------------|
| Group Position | | | |
| Chief Constable | 333,645 | 332,907 | (738) |
| Officer of Police and Crime Commissioner (OPCC) | 1,823 | 1,823 | - |
| OPCC Supporting Services | 1,231 | 1,231 | - |
| Capital Financing | 12,131 | 11,576 | (555) |
| Group Position Total | 348,830 | 347,537 | (1,293) |
| Central Government Grant | (277,738) | (277,738) | - |
| Council Tax Precept | (69,790) | (69,790) | - |
| Government Grant and Precept Total | (347,528) | (347,528) | - |
| Appropriations (To)/From Reserves | 1,302 | 9 | (1,293) |

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 25/1/2024

| | |
|--|------------------------|
| Business Meeting | 25 January 2024 |
| Group Revenue Q3 2023/24 | |
| Report of: Kevin Laing, Joint Chief Finance Officer | |
| AUTHOR: Lyndsey Curry, Finance Lead Financial Performance | |

1. PURPOSE

1.1 The purpose of this report is to provide an update on the revised Group revenue budget and monitoring position for the period ending 31 December 2023, Quarter three.

2. RECOMMENDATION

2.1 The Police and Crime Commissioner is requested to:

- a. Note the Group forecast outturn of £347.537m which is based on payments processed to date and current projections, against a revised 2023/24 budget of £348.830m which reflects an in-year underspend position of £1.293m

| Quarter 3 Revenue Position | Revised Budget 2023/24 £'000 | Forecast Outturn 2023/24 £'000 | Variance £'000 |
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3. BACKGROUND

3.1 The original Group revenue budget for 2023/24 was agreed at £355.584m. The budget was revised as of the end of quarter two to £348.830m.

3.2 Within the revised 2023/24 budget the following was provided for:

- £333.645m to fund the cost of Policing in the Force area by the Chief Constable.
- £1.823m to meet the costs of the Office of the Police and Crime Commissioner.
- £1.231m to meet the costs of OPCC Supporting Services.
- £12.131m to cover the costs of capital financing.

4. KEY OUTCOMES

Chief Constable Revenue

- 4.1 Based on the Quarter 3 spend the forecast outturn is an in-year underspend of £0.738m.
- 4.2 Workforce budgets remains a focus around the forecasting and profiling given they form much of the overall force budget. The overarching net workforce budget position is a projected overspend of £0.620m at year end. The forecast includes the following:
- **Police Officers**
 - The front loading of 37 Police Officer posts to ensure that the delivery of Uplift and Home Office checkpoints can be achieved.
 - The profile ensures that the revised baseline confirmed by the Home Office is maintained at plus 78.
 - **Police Staff**
 - Police Staff rephasing to both joiners and leavers across the year to incorporate a slight downtrend in staff turnover.
 - The impact of Digital Policing requirements for specialist digital resources required for both ongoing capital and revenue projects.
- 4.3 There has been a reduction in the forecast number of ill health leavers, which has been reduced to five leavers from the budgeted ten, following consultation with the Business Lead.
- 4.4 Police Officer and Staff overtime positions (including Elected Time Off) are currently reflecting an underspend of £0.241m. This position includes the anticipated impact of the Sunderland Newcastle derby, Champions Leagues games and an increase in requests for mutual aid from other Forces to support their operation activity. This has resulted in an overall positive position.
- 4.5 Other key areas to note are set out below:
- Utilities continue to be subject to increasing spend pressure; Electricity continues to overspend. The continued conflict in the Middle East affects commodity pricing with further price increases predicted from 1 January 2024 onwards. This will likely increase until April 2024 when forecasters are predicting that prices are expected to decrease. Gas consumption has increased since the November outturn and will continue into the New Year with the anticipated drop in temperatures over the early months of 2024.
 - The forecast in relation to External Training has been reduced by £0.256m. This reflects the updated plans following a reconciliation exercise with all Business Leads. Changes to requirements have been captured where delivery will not be attainable due to course availability and where courses are no longer required or being delivered through alternative solutions. No significant risks have been identified because of these changes. This will continue to be monitored and reflected accordingly within plans for 2024/25.
 - A credit of £0.242m has been received from Airwave following the outcome of the Competition and Market Authority (CMA) investigation into Motorola's charges for mobile radio network services for the period August to December 2023.
- 4.6 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 2023/24 | Actual Payments | Projected Outturn at 31st December 2023 |
|--------------------------|------------------------------|-----------------|---|
| | £000 | £000 | £000 |
| People Investment | 187 | 147 | 172 |
| Process Integration Tool | 89 | 89 | 89 |
| TOTAL | 275 | 235 | 261 |

Additional expenditure was approved at the beginning of 2022/23 for several fixed term posts and expenditure relating to a Process Integration Tool, funded from the Operational Reserve over a two-budget year period. In year two expenditure is expected to be approximately £0.261m.

OPCC Revenue

- 4.7 The projected year-end budget position inclusive of core OPCC revenue and Supporting Services is currently forecast to be breakeven at the end of the financial year.
- 4.8 Capital Financing - additional investment interest of £0.355m is forecast due to above-budget interest rates achieved for the year, following successive increases in the bank rate during 2023 by the Bank of England. There is a forecast reduction in interest payments against budget of £0.200m due to a lowered requirement in the level of short-term loans to cover cashflow requirements. This is a result of increased cash and reserve balances and the use of internal borrowing to avoid the current higher borrowing interest rates.
- 4.9 In addition to core budgets, there are a range of approved funding streams within 2023/24 including VRU, Grip, Safer Streets, ASB Pilot, VSiPP, Immediate Justice, DA Hub and Spoke, and Operation Adder. All funding will be fully spent by 31 March 2024.
- 4.10 The overall group position is forecast underspend of £1.293m and no actions are recommended at this time.

5. CONSIDERATIONS

| | |
|-------------------------------|---|
| Freedom of Information | Non-exempt |
| Consultation | Yes - Information prepared by Finance, where variations have been found to the 2023/24 budget relevant responsible officers have been consulted with to understand the reasoning. |
| Resource | Yes - As outlined within the body of the report |
| Equality | No |
| Legal | No |
| Risk | Yes - As outlined within the body of the report |
| Communication | No |
| Evaluation | No |