

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference:

2024/25 GROUP REVENUE MONITORING QUARTER I

(PCC/601/2024)

Summary

The Group Revenue Outturn as at 30 June 2024 (Qtr. I) is as follows:

Recommendation/Findings:

- Note the Group forecast outturn of £378.396m based on payments processed to date and current projections against a 2024/25 budget of £379.464m, which reflects an in-year underspend position of £1.068m.

	Approved Budget 2024/25 £000	Forecast Outturn 2024/25 £000	Variance £000
Group Position			
Chief Constable	362,922	362,474	(448)
Office of the Police and Crime Commissioner (OPCC)	1,847	1,882	35
OPCC Supporting Services	1,442	1,407	(35)
Capital Financing	13,253	12,633	(620)
Group Position Total	379,464	378,396	(1,068)
Central Financing			
Central Government Grant	(301,319)	(301,319)	-
Council Tax Precept	(76,600)	(76,600)	-
Use of Reserves	(1,545)	(1,545)	-
Government Grant and Precept Total	(379,464)	(379,464)	-
Appropriations (To)/From Reserves	-	(1,068)	(1,068)

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.



Signature

Date 3/9/2024

BUSINESS MEETING	08 AUGUST 2024
GROUP REVENUE MONITORING Q1	
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 Group revenue monitoring position for the period ending 30 June 2024, Quarter 1.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- I. Note the Group forecast outturn of £378.396m which is based on payments processed to date and current projections, against a 2024/25 budget of £379.464m which reflects an in-year underspend position of £1.068m.

	Approved Budget 2024/25 £000	Forecast Outturn 2024/25 £000	Variance £000
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3. BACKGROUND

- 3.1 The overall Group revenue budget for 2024/25 was agreed at £379.464m, this being the first monitoring report of the Group position for 2024/25.
- 3.2 Within the approved 2024/25 budget the following was provided for:
- £362.922m to fund the cost of Policing in the Force area by the Chief Constable.
 - £1.847m to meet the costs of the Office of the Police and Crime Commissioner.
 - £1.442m to meet the costs of OPCC Supporting Services.
 - £13.253m to cover the costs of Capital Financing.

4. KEY OUTCOMES- GROUP QUARTER I REVENUE POSITION

Chief Constable Revenue

- 4.1 Based on the Quarter 1 spend the forecast outturn is an in-year underspend of £0.448m. Within this position there are some budgetary pressures and underspends resulting in the net outturn position.
- 4.2 Workforce budgets continue to be a focus around the forecasting and profiling given they form the majority of the overall force budget. The overarching workforce budget position is projected to be £0.346m under the budgeted position.

- **Police Officers** - Police Officer pay expenditure forecasts an underspend of £0.266m against budget. The reprofiling of new recruits and transferees has spiked costs marginally above budget with the latter costing more per head, however the tapering of profiling throughout the year has mitigated the expense to approx. £0.060m on core salaries. The current profile maintains the +31 against Uplift.

The main factor driving the underspend relates to officer pensions. At the time of budget setting, the effective rate was based upon a 96% enrolment rate. The enrolment rate has fallen to 93.2%, with a subsequent 'effective rate' decrease of 0.56% in the employer contribution cost. Forecasts are based on the current uptake of pensions, but this could be subject to fluctuation and will be monitored closely.

- **Police Staff** – Police Staff pay is forecast to underspend by £0.039m against budget. Following approved growth of 19.70 posts, a further £0.430m was added to the Police Staff Budget. The latest workforce plan reflects the additional posts profiled from October 2024 with no significant budget variations to report at this time.

- 4.3 The revised Overtime (including Elected Time Off and associated income headings) budget for 2024/25 is £4.504m. This includes a reduction of £0.075m to account for expenditure (to 30 June 2024) on Acting up for police officers that has been deducted from the relevant overtime budget. Overtime is currently projected to be over the revised budget by a combined total of £0.108m.

Core Police Officer overtime is forecast to overspend by £0.066m. £0.021m of this relates to expenditure on policing of protest activity. There were five protests during April and May. These costs are sitting against the Force Operations of which there is no budget allocation; all spend in this area is funded from the Force Contingency. An application is due to be submitted to cover those costs.

Force Coordination and Operations are forecast to overspend by £0.024m. Pressure continues in relation to Roads Policing resulting from additional working to provide cover in addition to the increased workload resulting from a recent spate of fatal collisions.

Bank Holidays are £0.040m overspent to date. This is due to additional hours over those which were planned worked, though extensions to duty, in particular working into a rest day has caused additional costs whereby Officers are entitled to claim four hours at double time.

- 4.4 Other issues of note are set out below:

- The Tuition Fees budget assumptions included the delivery of four AFO courses to the Metropolitan Police (MET) over the financial year. Due to the MET's current funding provision they have been unable to commit to all four courses. A contract extension has been agreed between Northumbria and the MET which commits to the provision of two AFO courses in 2024 (September and November), as such the forecast outturn has been updated to reflect this current position. The MET have stated they will confirm if they require the remaining two courses before the end of August 2024. This will enable us to plan for alternative use of the firing range, whether that be to utilise it for our own training or to hire the facility to other external agencies. The situation regarding the AFO course provision has also impacted on the projected income for Hire of Facilities as the original budget plan assumed the MET would require storage of their weapons for the full financial year. The combined impact on both headings is a forecast reduction in income of £0.192m if the MET do not confirm their requirement for the full four courses.

- Utilities forecasts have been reduced based on the latest NEPO portfolio pricing projections. Market conditions have been favourable despite continued issues with global conflict. The milder winter has enabled stocks of gas to be accumulated, affording price reductions. There remains volatility in the markets, therefore this area will continue to be closely monitored and adjusted accordingly throughout the year. The overall gas and electricity forecast is an underspend of £0.226m.

OPCC Revenue

- 4.5 The projected year-end budget position inclusive of core OPCC revenue and Supporting Services is currently forecast to be breakeven at year end.
- 4.6 OPCC Core budgets are reflecting a slight overspend of £0.035m (1.8%) due to increases in the Rent, APCC Annual contribution and External Audit fees. These increases were not known at the time of budget setting.
- 4.7 Supporting Services budgets are reflecting an underspend of £0.035m which offsets the pressures highlighted above. The underspend relates to the Regional SARC Contract, where inflationary increases applied are less than estimated.
- 4.5 Capital Financing is reflecting an underspend of £0.620m relating to the Minimum Revenue Provision (MRP) budget allocation. This is due to the underspend on the capital budget in 2023/24 with reprofiling of schemes to 2024/25, reducing the prudential borrowing required for capital financing. The principal repayment of borrowing in 2024/25 is reduced as a result.
- 4.6 In addition to core budgets, there are a range of approved External funding streams within 2024/25 including; VRU, SVD, Safer Streets, CADA, DA, IJ, ASB Hotpot Response and Operation Adder. All funding is on track to the approved spend plans will be fully utilised by 31 March 2025.

Conclusion

- 4.7 The overall group position is forecast underspend of £1.068m; no actions are recommended at this time.

5 CONSIDERATIONS

Report Exemption	Non- exempt
Consultation	Yes - Information prepared by Finance, where variations have been found to the 2024/25 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