

# NORTHUMBRIA POLICE AND CRIME COMMISSIONER

## Key Decision

### Title and Reference:

**GROUP REVENUE MONITORING QUARTER 3**

**(PCC/630/2025)**

### Summary

The Group Revenue Outturn as at 31 December 2024 (Qtr.3) is set out below.

### Recommendation/Findings:

Note the Group forecast outturn of £373.766mm based on payments processed to date and current projections against a revised 2024/25 budget of £378.104m, which reflects an in-year underspend position of £4.338m.

	Original Budget 2024/25 £000	Revised Budget 2024/25 £000	Forecast Outturn 2024/25 £000	Variance £000
<b>Group Position</b>				
Chief Constable	362,922	362,122	359,119	(3,003)
Office of the Police and Crime Commissioner (OPCC)	1,847	1,907	1,861	(46)
OPCC Supporting Services	1,442	1,442	1,417	(25)
Capital Financing	13,253	12,633	11,369	(1,264)
<b>Group Position Total</b>	<b>379,464</b>	<b>378,104</b>	<b>373,766</b>	<b>(4,338)</b>
<b>Central Financing</b>				
Central Government Grant	(301,319)	(301,319)	(301,319)	-
Council Tax Precept	(76,600)	(76,600)	(76,600)	-
Use of Reserves	(1,545)	(185)	(185)	-
<b>Government Grant and Precept Total</b>	<b>(379,464)</b>	<b>(378,104)</b>	<b>(378,104)</b>	<b>-</b>
<b>Appropriations (To)/From Reserves</b>	<b>-</b>	<b>-</b>	<b>(4,338)</b>	<b>(4,338)</b>

### Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.



Signature

Date 21/1/2025

<b>JOINT BUSINESS MEETING</b>	<b>21 JANUARY 2025</b>
<b>GROUP REVENUE MONITORING Q3</b>	
<b>REPORT OF: KEVIN LAING, JOINT CHIEF FINANCE OFFICER</b>	
<b>AUTHOR: LYNDSEY CURRY, FINANCE LEAD FINANCIAL 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 2024, Quarter Three.

## 2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- I. Note the Group forecast outturn of £373.766m which is based on payments processed to date and current projections, against the revised 2024/25 budget of £378.104m which reflects an in-year underspend position of £4.338m.

	<b>Original Budget 2024/25 £000</b>	<b>Revised Budget 2024/25 £000</b>	<b>Forecast Outturn 2024/25 £000</b>	<b>Variance £000</b>
<b>Group Position</b>				
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## 3. BACKGROUND

- 3.1 The overall Group revenue budget for 2024/25 was agreed at £379.464m, this was subsequently revised at Quarter Two to £378.104m, a net reduction of £1.360m. The budget reductions comprised:
- Adjustment to account for the impact of the higher than budgeted pay award, and the one-off additional grant income provided by the Home Office to fund the additional cost. An overall reduction of £0.740m.
  - A reduction of £0.620m to the Capital Financing budget - an adjustment to the MRP budget for the principal repayment of capital expenditure, reflecting the capital outturn position confirmed for 2023/24.

## 4. KEY OUTCOMES - GROUP QUARTER THREE REVENUE POSITION

## Chief Constable Revenue

- 4.1 Based on the Quarter Three spend, the forecast outturn is an in-year underspend of £3.003m. Within this position there are some budgetary pressures and underspends resulting in the net outturn position.
- 4.2 Workforce budgets remain a key focus around the forecasting and profiling as they form the majority of the overall force budget. The overarching workforce budget position including allowances is projected to be £0.557m under the budgeted position.
- 4.3 The Police Officer and Staff pay awards are forecast to underspend by a total of £0.646m
- **Police Officers** – The forecast at the end of the third quarter is an underspend of £0.538m against budget. The variance reflects profiling adjustments to recruits and leavers against the budget set. The January recruitment intake has been reduced to reflect a lower level of new intakes, equating to an approximate 22 posts. The recruitment profile maintains the +31 uplift posts.
  - **Police Staff** – Police Staff pay is forecast to underspend by £0.106m against budget. The position reflects current workforce plans, forecasts intakes and exits before the end of the year. Recruitment figures were reduced in the November and December onboarding intakes, resulting in a net recruitment reduction of approximately 29 posts by March 2025. This has been partially offset by a small tapering of leavers downward in the same period as changes to the wider economic picture influence turnover.

## 5.0 Police Officer Overtime

- 5.1 The revised Overtime (including Elected Time Off and associated income headings) budget for 2024/25 is £4.109m.

This includes a reduction of £0.161m to account for expenditure (to 31 December 2024) on Acting up for Police Officers and Staff that has been deduced from the relevant overtime budget.

Overtime is currently projected to be over the revised budget by a combined total of £1.415m. Key points are outlined below.

Core Police Officer overtime is forecast to overspend by £1.692m.

- 5.2 This figure includes £1.109m (Excluding bank holidays) of Officer overtime relating to Operation Navette(1-3)/Plutus. Expenditure up to 12 August 2024 has been included as part of the Home Office return. Costs other than a small element of investigation costs incurred after this date will not be considered for reimbursement. The Home Office are expected to confirm the level of reimbursement by the end of February.
- 5.3 Area Commands are forecast to overspend cumulatively by £0.105m, having had their budgets reduced by £0.124m to account for expenditure on Acting Up.
- 5.4 Operation Easton (house explosion in Newcastle) occurred during the last quarter. The operation involved extensive disaster victim identification work and mutual aid support from other Forces. The overtime cost of the operation is approximately £0.150m and has been funded by utilising the Force contingency.
- 5.5 Force Coordination and Operations are forecast to overspend by £0.128m. Roads Policing are forecast to overspend by £0.080m at year end. Pressures relating to resourcing/backfill and enquires relating to fatal road collisions continues and is unlikely to be alleviated before year end.

- 5.6 Spend on Force Protests continues, taking the spend on protests so far this year up to £0.073m. One of the main drivers for these protests is the issues in the Middle East and the munitions factory on Scotswood Road.
- 5.7 Resourcing issues in Custody are resulting in overtime requirement to sure there is adequate cover. Criminal Justice and Custody overtime at the end of December is forecast to overspend at year end by £0.068m however, if the issues continue over the remainder of the year this could be significantly higher.
- 5.8 Other issues of note are set out below:
- Bedlington Custody Suite reopened in early July. Within the budget for the Custody Medical provision was an additional £0.227m to cover the cost of the medical service at the additional suite for the remainder of the finance year. Mitre, the company responsible for the service have encountered delays in starting the additional provision, as a result the additional charge for this year is lower than that which is budgeted. Procurement have now confirmed that the additional cost will be £0.096m, a reduction of £0.131m, resulting in a forecast underspend against this heading.
  - Fuel prices have been 15% lower than originally budgeted as fuel costs nationally have hit their lowest level since 2021, any variance in consumption has been offset by price reductions resulting in an overall forecast underspend of £0.151m.

## **6. OPCC Revenue**

- 6.1 The projected year-end budget position of core OPCC revenue and Supporting Services is currently forecast to be an in-year underspend of £0.071m. This is in line with the position reported at Quarter 2.
- 6.2 OPCC core budgets remain a forecast underspend of £0.046m (2.42%) due to underspends within the salary budgets as a result of vacant posts and a Secondment; this underspend is offset by increases in the Rent, APCC Annual contribution and External Audit fees.
- 6.3 Supporting Services budgets are reflecting an underspend of £0.025m; this is made up of an underspend on the Regional SARC Contract, where inflationary increases applied are less than estimated, offset by pressures against the misconduct panel hearing expenses budget which are greater this year than expected.
- 6.4 Capital Financing is reflecting an underspend of £1.264m against the revised budget. This underspend has increased by £0.750m from the position reported at Quarter 2 but remains across borrowing and investment interest budgets.
- 6.5 Borrowing interest - the underspend is forecast at £0.804m, a further reduction against the Q2 position of £0.500m. The 2024/25 interest budget was set based on the expectation of capital expenditure totalling £50.000 million across 2023/24 and 2024/25. Based on the actual outturn position for 2023/24 and Q3 capital forecast for 2024/25, that spend is approximately £35.000m, a reduction of £15.000m. The underspend is therefore substantially attributable to planned borrowing which has not been required during the year. In addition, higher reserve balances and the underspend against the revenue budget have delivered a greater capacity for internal borrowing during the year which has further reduced the overall borrowing requirement.
- 6.6 Investment interest - forecast investment interest is higher than budget by £0.460m, a further increase of £0.250m against the Q2 position. The Bank of England have reduced Bank Rate to 4.75% during 2024/25. The investment interest budget was set based on the Link Group (Treasury Management advisers) forecast as at January 2024 which profiled rates to fall lower, to 3.75% by March 2025. The higher bank rate experienced and greater average investment balances held during the year, have delivered the significant additional investment income.

- 6.7 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.
- 6.8 The overall group position is forecast underspend of £4.338m; no actions are recommended at this time.

## 7. CONSIDERATIONS

<b>Report Exemption</b>	<b>Non-exempt</b>
<b>Consultation</b>	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.
<b>Resource</b>	Yes - As outlined within the body of the report
<b>Equality</b>	No
<b>Legal</b>	No
<b>Risk</b>	Yes - As outlined within the body of the report
<b>Communication</b>	No
<b>Evaluation</b>	No