Agenda Item 6

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference:

2026/27 GROUP REVENUE POSITION QUARTER 1, AS AT 30 JUNE 2026

(PCC/767/2026)

Summary

The Group Revenue Outturn as at 30 June 2026 (Qtr.1) is set out below.

Recommendation/Findings:

Note the Group forecast outturn of £438,518m based on payments processed to date and current projections against the 2026/27 budget of £437.831m, which reflects an in-year overspend position of £0.687m.

GROUP REVENUE BUDGET 2026/27	Approved Budget £000	Forecast Outturn £000	Variance £000
Group Position			
Chief Constable	421,542	422,956	1,414
Police and Crime Commissioner	2,188	2,131	(57)
OPCC Supporting Services	1,444	1,445	1
Capital Financing	12,656	11,986	(670)
Group Position Total	**437,831**	**438,518**	**687**
Central Government Grant	338,963	338,963	-
Council Tax Precept	92,739	92,739	-
Total Financing	**431,702**	**431,702**	**-**
Appropriations (To)/From Reserves	**6,129**	**6,816**	**687**

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

S. E. D

Signature **Date 13/8/2026**

Agenda Item 6

BUSINESS MEETING	13 AUGUST 2026
GROUP REVENUE MONITORING AS AT 30 JUNE 2026	
REPORT OF: GAIL THOMPSON, JOINT CHIEF FINANCE OFFICER	
AUTHOR: SARAH GOODMAN, HEAD OF FINANCE	

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 2026, Quarter one.

2. RECOMMENDATION

2.1 The Police and Crime Commissioner is requested to note the Group forecast outturn of £438.518m which is based on payments processed to date and current projections, against a 2026/27 budget of £437.831m which reflects a forecast overspend position of £0.687m.

GROUP REVENUE BUDGET 2026/27	Approved Budget £000	Forecast Outturn £000	Variance £000
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BACKGROUND

2.2 The overall Group revenue budget for 2026/27 was agreed at £437.831m which provides:

- £421.542m to fund the cost of Policing in the Force area by the Chief Constable.
- £2.188m to meet the costs of the Office of the Police and Crime Commissioner.
- £1.444m to meet the costs of OPPC Supporting Services.
- £12.656m to cover the costs of Capital Financing.

3. KEY OUTCOMES - GROUP QUARTER 1 REVENUE POSITION

Chief Constable Revenue Budget

3.1 Based on the Quarter one spend the forecast outturn on all workforce budget headings is an in-year underspend of £0.280m. Within this position there are some budgetary pressures and underspends resulting in the net outturn position. The position also includes additional grant income of £2.579m from the Home Office to compensate for the higher cost of the pay award in 2026/27.

Agenda Item 6

3.2 The forecast outturn reflects the following:

- **Police Officers** - Police Officer pay forecasts an overspend of £1.789m.
- The position includes the recent announcement for the Police Officer Pay award. The Police Remuneration Review Board (PRRB) recommended a consolidated increase of 3.9% to all police officer ranks and pay points, followed by a recommendation of 3.7% by the Senior Salaries Review Body (SSRB). After careful consideration, the Government has decided to award an increase of 3.5% across all ranks and pay points with effect from 1 September 2026. This is an additional 0.5% increase on the pay award included at the time of budget setting, representing an additional pressure of £0.741m.
- The Home Office have confirmed additional funding of £84m in 2026-27 to fund the cost of the pay award above 2.5%. The Northumbria allocation is £2.579m, which is reflected within the net pay position, offsetting the impact of the increased cost for pay and allowances.
- A pressure of £0.560m relates to police officer pensions, with the majority of this as a result of the May 2026 auto enrolment exercise. The past two auto enrolment exercises have seen historic opt out officer numbers remaining in the pension scheme at 38 and 25 posts in 2020 and 2023, respectively. Current estimates indicate that officers remaining in the scheme equate to around 69.
- The remaining pressure of £0.488m reflects changes to recruitment and exit profiles - including four re-joiners and lower than expected exits in April and May. Recruitment plans have been adjusted in quarter four to rebalance the end of year position and this will continue to be kept under review and refined as needed.
- **Police Staff** – The budget for police staff pay reflects a £0.271m overspend based on the latest workforce plan.
- At the time of writing, the police staff pay award has not yet been formally agreed, however, the grant settlement awarded by the Home Office and the settlement for Police Officer pay indicates a likely increase of 3.5% will be agreed for Police Staff across all scale points. This is 0.5% higher than originally budgeted. The net cost impact of this pay award is £0.286m and is fully offset by the additional grant income confirmed by the Home Office.

3.3 The revised Overtime (including Elected Time Off and associated income headings) budget for 2026/27 is £5.719m. Overtime is currently projected to be over budget by a combined total of £0.644m:

- Core Police Officer overtime is forecast to overspend by £0.410m. £0.300m of the forecast overspend relates to Firearms Policing. Rest day working is required to ensure that seven ARV are on duty at all times. This ensures that we meet the terms and conditions for the ARV grant funding worth £1.865m to the Force and funding twenty-four Police Constables. Communications are forecast to overspend by £0.068m. This forecast overspend relates to the period from April - August where staff shortages have arisen through both sickness, demand and resourcing gaps. Recruitment of ten Officers is expected by the summer whereby the requirement to work significant amounts of rest day overtime is forecast to end.
- The Commonwealth Games takes place every four years. In the last two home games, Northumbria has provided support to the host area Forces to the value of approximately £300k. Based on requirements for prior games the Force increased the income budget and overtime estimate for Mutual Aid. However, the NERICC have now confirmed that Police Scotland intend police the entire event as a tier one and there will be not any mutual aid requests. A net reduction has been made to the Mutual Aid forecast of £0.150m.

- Police Staff overtime is forecast to overspend by £0.062m which relates mainly to Communications. Resource pressures described earlier are impacting on overtime for Police Staff in addition to Police Officers.

3.4 Other issues of note are set out below:

- Pension administration costs of £0.276m are presented as an overspend reflecting slippage in costs which were provided in the 2025/26 financial year.

- Digital Policing are forecasting an overspend position at year end of £0.125m against the approved budget. NICHE is forecasting an underspend of £0.239m against the approved budget. The forecast has been updated following confirmation that we are currently in a 'warranty support period' and our support and maintenance costs associated with the new NICHE system will not commence until 17 February 2027. However, part of this underspend has been offset by the Azure Hosting costs associated with NICHE which are currently averaging around £0.034m per month against the original estimate of £0.012m.

- Tensions in the Middle East and the blockage of the Strait of Hormuz has resulted in approximately 15% increase in the cost of vehicle fuel since the Force budget was set. The situation in the Middle East remains volatile. It is therefore projected that fuel prices will remain high for some time. At this early stage of the year the impact of this across vehicle fuels is forecast to be a pressure of £0.125m against budget.

- At the end of May the Government announced the increase in the Approved rates of car mileage. The rate has increased by 10p per mile and is backdated to 01 April 2026. This is the first increase in rates since 2011 and is expected to result in an additional £0.100m cost against the car mileage budget.

- There have been a number of changes across insurance headings. The force motor vehicle insurance budget was set at £0.570m based on market estimates at that time. However, our brokers have advised us that Police motor risks are seeing rate increases on all policies. Even though Northumbria is considered to be performing well in this area, the premium has increased by £0.044m against the original budget. In addition, the cost to insure the new HQ site at Cobalt has been greater than anticipated. It was estimated to cost £0.024m in 2026/27 however, the actual charge has been confirmed of £0.066m. The insurance provision forecast has also been increased by £0.350m to reflect a historic trend of volume case increases for public liability claims.

Office of the Police and Crime Commissioner (OPCC)

3.5 The OPCC core revenue budget is forecasting an underspend of £0.057m primarily attributable to staff salaries.

OPCC Supporting Services

3.6 **Commissioner's Discretionary Project Fund -** The Project Fund has an approved budget of £0.750m. A spend plan of £0.732m has been approved to date. As at the 30 June 2026, grant payments totalling £0.195m have been issued. The forecast remains breakeven at this stage as the spend plan is developed.

3.7 **Sexual Assault Referral Centre (SARC) -** The Commissioner is responsible for provision of the SARC and has an approved budget allocation of £0.482m in 2026/27. The budget is for premises and other non-pay expenditure such as the provision of medical services, ISO accreditation costs, consumables and maintenance of equipment. The forecast is reflecting a small overspend of £0.001m.

Capital Financing

3.8 The Commissioner has overall responsibility for Capital Financing costs with an approved budget of £12.656m. The forecast outturn at year end is £11.986m reflecting an underspend of £0.670m.

3.9 The position includes underspends of £0.370m on principal repayment of borrowing and £0.300m on borrowing interest. This reflects updated calculations based on the final capital outturn position for 2025/26.

4. CONCLUSION

4.1 The overall group position is a forecast overspend of £0.687m. The position will be carefully monitored over the next quarter and opportunities for budget reductions will be explored.

Government Protective Marking Scheme	Official
Freedom of Information	Non-exempt
Consultation	Yes - Information prepared by Finance, where variations have been found to the 2026/27 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