

NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

REPORT TO THE POLICE, FIRE & CRIME COMMISSIONER FOR NORTHAMPTONSHIRE

8 FEBRUARY 2022

Report Title	Review of the Northamptonshire Police, Fire & Crime Commissioner's proposed Police precept for 2022/23
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1. Purpose of Report

- 1.1 The report is intended to set out the results of the review by the Northamptonshire Police, Fire & Crime Panel of the Northamptonshire Police, Fire & Crime Commissioner's proposed Police precept for 2022/23.

2. Executive Summary

- 2.1 The Police, Fire & Crime Commissioner for Northamptonshire is required to notify the Police, Fire & Crime Panel of the Police precept that he proposes to issue for the next financial year. The Panel must review the proposed precept and make a report on it. The Commissioner must have regard to this report and respond to any specific conclusions or recommendations from the Panel before issuing the final Police precept.

3. Recommendations

- 3.1 It is recommended that the Police, Fire & Crime Commissioner for Northamptonshire:
- a) Has regard to this report by the Northamptonshire Police, Fire & Crime Panel arising from its review of the proposed Police precept for 2022/23 in accordance with the Police Reform & Social Responsibility Act 2011 Schedule 5 Paragraph 5(2)(a).
 - b) Gives the Panel a response to this report in accordance with the Police Reform & Social Responsibility Act 2011 Schedule 5 Paragraph 5(2)(b).
- 3.2 Reasons for Recommendation(s) – The recommendations are required to complete the Panel's review of the proposed Police precept for 2022/23 produced by the Police, Fire & Crime Commissioner, in accordance with the Panel's statutory responsibilities.

4. Report Background

- 4.1 A Police & Crime Commissioner is a major precepting authority under the Local Government Finance Act 1992 as amended by the Police Reform & Social Responsibility Act 2011. A Police & Crime Commissioner may not issue a precept under Section 40 of the 1992 Act until it has been subject to scrutiny by the relevant Police (Fire) & Crime Panel according to the process specified in Schedule 5 of the 2011 Act.
- 4.2 Schedule 5 of the 2011 Act, supporting Regulations, and the Rules of Procedure for the Northamptonshire Police, Fire & Crime Panel require:
- a) The Commissioner to notify the Panel of the Commissioner's proposed precept by 1st February of the relevant financial year
 - b) The Panel to review the proposed precept
 - c) The Panel to resolve to:
 - i) Support the proposed precept without additional qualification or comment; or
 - ii) Support the proposed precept and make additional recommendations on it; or
 - iii) Veto the proposed precept provided that the Panel makes that decision by the required majority, which is that at least two thirds of the persons who are members of the Panel at the time when the decision is made vote for it.
 - d) The Panel to make a report to the Commissioner on the proposed precept, setting out the results of its review, by 8th February of the relevant financial year. If the Panel votes to veto the proposed precept the report must state that the Panel has done so and set out its reasons for doing so.
- 4.3 If the Panel does not veto the proposed precept the Commissioner must:
- a) Have regard to the report made by the Panel
 - b) Give the Panel a response to its report and to any recommendations in the report
 - c) Publish the response in a manner determined by the Panel.
- 4.4 The scrutiny process concludes at this point. The Commissioner may then issue the proposed precept as the precept for the next financial year, or issue a different precept but only if it would be in accordance with a recommendation made in the Panel's report.
- 4.5 If the Panel vetoes the proposed precept the Commissioner is required to produce a revised precept, which must be subject to further scrutiny by the Panel.

5. Review of the proposed Police Precept

- 5.1 The Northamptonshire Police, Fire & Crime Panel met in public on 3rd February 2022 to review the Police, Fire & Crime Commissioner for Northamptonshire's proposed Police precept for 2022/23. The webcast of the meeting is available to view at: [Northamptonshire Police, Fire & Crime Panel - YouTube](#).
- 5.2 The Commissioner presented the proposed precept and budget, which were based on an increase in the precept of £10 per year for Band D Council Tax. The Commissioner noted that the

proposed precept and budget had been developed against the background of significant financial uncertainty. The 2021 Spending Review had provided a three-year funding settlement and the flexibility to increase the Police precept by £10 in each year to 2024/25. At the same time, public bodies faced pressures resulting from increases in the cost of living and the continuing impact of the COVID-19 pandemic. This situation added to the importance of consulting Northamptonshire residents on the proposed precept. In this case, 50.3 per cent of those replying to public consultation indicated that they would be prepared to pay a £10 increase; 42.9 per cent of those replying thought that Northamptonshire Police was doing a good or excellent job. The Commissioner needed to strike the right balance between competing demands when setting the precept. He considered that the proposed precept did this and that it represented the best deal for Northamptonshire. The proposed precept and budget for 2022/23 would support a further increase in the number of police officers in the county to 1,500; provide investment in early intervention; and would include ring-fenced funding for other action to support the delivery of his Police, Fire & Crime Plan priorities. The proposed precept and budget would also provide funding for the capital programme and for reserves to meet unforeseen demand. Medium term savings would still need to be made but the proposed precept would enable the Commissioner to set a balanced budget over three years for the first time. Funding for policing in Northamptonshire had not kept pace with local growth and the Commissioner would continue to press for the police funding formula to be updated, as well as working with his counterparts on the response to other national challenges such as future pension costs. The Commissioner ultimately commended the proposed precept as a robust proposal that would produce a balanced budget over the next three years and that would support his strategic priorities.

- 5.3 The Panel questioned the Commissioner about the benefit that Northamptonshire residents would see from the proposed precept and budget. It was emphasised that the major commitments it was intended to support needed to be delivered in practice, particularly in 'left behind' areas. The Commissioner advised that this would not be immediate: Northamptonshire Police currently had over 500 police officers who had been in the role for less than four years and needed time to become fully effective. Performance data already showed that police officers were more visible in the community but that public engagement remained at the same level. This was part of the reason for ring-fencing funding in the budget to support neighbourhood policing. The force was on an improvement journey and was making good progress but was not yet where it needed to be. The Commissioner went on to confirm that funding for neighbourhood policing would be used across the county rather than focussed only on specific areas. However, it was part of his role to hold to account the Chief Constable for the outcomes being achieved by the force. The Commissioner expected that the expanded neighbourhood policing offer in Northamptonshire should produce a benefit for all areas.
- 5.4 The Panel noted that the Commissioner had increased the Police precept by £13 at Band D in 2022/122 compared to £10 proposed for 2022/23 and sought reassurance about the potential impact of setting a lower precept this year. The Commissioner highlighted that all Police & Crime commissioners had to work with the Council Tax referendum limit set by the government, which had been higher in 2021. He was comfortable that a £10 increase represented the best option at this point, whilst the force had also been tasked with delivering a 1 per cent annual efficiency saving. The flexibility given to commissioners to increase the precept by £10 in each of the next

three years would provide a clearer position over the near future. The Panel subsequently questioned whether the Commissioner would need to raise the precept in 2023/24 if the cost of increasing the force's establishment to 1,500 officers would be covered in the latest budget. The Commissioner responded that additional resources would still be needed in 2023/24. The cost of police pay would increase as officers progressed in the role and moved through a broad pay scale. The force would also need to be in a position to meet new demands, such as the significant cost of charging electric vehicles. Panel members noted that increased inflation, operating costs and new government priorities that did not come with funding attached could all contribute to pressures on resources in the near future.

- 5.5 The Panel considered potential risks that could affect the delivery of the 2022/23 budget as proposed. It was noted that possible increases in employer pension contribution rates could produce a pressure of £6.4m per year by 2024/25. It would be a significant concern if the government did not provide funding to cover this demand and it fell on local taxpayers. The Panel was advised that neither the range of potential increases in contribution rates nor the amount that might be covered by the government were yet known. The Office of the Police, Fire & Crime Commissioner was modelling an increase of 10 per cent with the government covering 75 per cent of the cost, which reflected previous experience. It was unlikely that the government would expect public sector organisations to meet the full cost but there was a risk in anticipating the final position. However, this risk had been appropriately identified in the Medium Term Financial Plan and would be dealt with as necessary. The Commissioner also judged that local taxpayers would not support an increase in the precept intended to build up a reserve now to deal with pension cost pressures that might arise in the future.
- 5.6 The Panel sought reassurance that the level of reserves maintained by the Commissioner was adequate. The Panel was advised that general and earmarked reserves had been thoroughly analysed as part of the development of the budget. The general reserve of £5m represented a suitable amount that made provision for issues that could arise, such as the local cost of responding to a major incident or meeting the external audit requirement to show a balanced budget over a three-year period. The Commissioner did not keep a significant sum in earmarked reserves. The Commissioner judged that current reserves were adequate, which was supported by the Joint Independent Audit Committee. The Panel sought further information about the use of the earmarked reserve intended to support specific initiatives arising from the Police, Fire & Crime Plan, given that the Reserves Strategy identified the risk of initiatives not being adequately defined or delivered and producing poor value for money. The Commissioner advised that this risk was identified to reflect the difficulty in some cases of proving that an intervention had produced better outcomes than would have occurred if no action had been taken. Initiatives funded from the reserve were still designed to be as effective as possible.
- 5.7 The Panel questioned the risk to delivering the proposed budget that would arise if budget pressures on partners affected their involvement in collaborative work. The Commissioner advised that he did have concerns on this matter, in light of a recent issue regarding local authority funding for the Sunflower Centre. Northamptonshire was going through an unsettled period following local government reorganisation and other changes such as the creation of the

Children's Trust. It was important that all partners acted in a way that supported the aim of making people safer.

- 5.8 The Panel noted that the public consultation on the proposed precept had generated a better response than the consultation on the Commissioner's Police, Fire & Crime Plan in 2021. However, the Commissioner was challenged about whether he was content with the number of responses received. The Commissioner responded that he was always looking to improve public engagement. The consultation on the proposed precept had used a range of methods and the number of responses received was statistically relevant. The outcome of the Police, Fire & Crime Commissioner election in 2021 also represented a significant judgement on his priorities. As the Commissioner he was ultimately responsible for making a decision on the precept and he was comfortable doing so having considered all of the relevant factors.

6. Outcomes of the Review

- 6.1 At the conclusion of discussion the Panel resolved unanimously:

To support the Northamptonshire Police, Fire & Crime Commissioner's proposed Police precept for 2022/23.

7. Background Papers

Police Reform & Social Responsibility Act 2011

The Police & Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012

Northamptonshire Police, Fire & Crime Panel Rules of Procedure