

NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

REPORT TO THE POLICE, FIRE & CRIME COMMISSIONER FOR NORTHAMPTONSHIRE

8 FEBRUARY 2023

Report Title	Review of the Northamptonshire Police, Fire & Crime Commissioner's proposed Fire precept for 2023/24
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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 Fire precept for 2023/24.

2. Executive Summary

- 2.1 The Police, Fire & Crime Commissioner for Northamptonshire is required to notify the Police, Fire & Crime Panel of the Fire 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 Fire precept.

3. Recommendations

- 3.1 It is recommended that the Police, Fire & Crime Commissioner for Northamptonshire:
- Has regard to this report by the Northamptonshire Police, Fire & Crime Panel arising from its review of the proposed Fire precept for 2023/24 in accordance with the Police Reform & Social Responsibility Act 2011 Schedule 5 Paragraph 5(2)(a).
 - 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 Fire precept for 2023/24 produced by the Police, Fire & Crime Commissioner, in accordance with the Panel's statutory responsibilities.

4. Report Background

- 4.1 A fire and rescue authority is a major precepting authority under the Local Government Finance Act 1992. The Northamptonshire Police, Fire & Crime Commissioner is the fire and rescue authority for the county under the Police, Fire & Crime Commissioner for Northamptonshire (Fire and Rescue Authority) Order 2018. A Police, Fire & 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 Police Reform & Social Responsibility Act 2011, as amended by the Policing & Crime Act 2017.
- 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 Fire Precept

- 5.1 The Northamptonshire Police, Fire & Crime Panel met in public on 2nd February 2023 to review the Police, Fire & Crime Commissioner for Northamptonshire's proposed Fire precept for 2023/24. The meeting was webcast live and the recording is available to view at the following link: [West Northamptonshire Council - YouTube](#).

- 5.2 The Commissioner presented the proposed precept and budget, which were based on an increase in the precept of £5 per year for Band D Council Tax. The Commissioner emphasised that the proposed precept and budget had been produced in challenging economic times, whilst specific issues affecting Northamptonshire Fire & Rescue Service (NFRS) added further complexity. He was proud of the work done since 2019 to stabilise and strengthen NFRS's financial position but this was an open-ended process that was also subject to factors outside of his control. Northamptonshire remained the second lowest funded Fire & Rescue authority in England and local taxpayers provided 64 per cent of its funding. A fairer national funding formula would reduce the vulnerability resulting from this situation. The increase in the precept that he now proposed for 2023/24 equated to 10p per week and was significantly less than the rate of inflation but would make a real difference. Around 65 per cent of residents who responded to public consultation had said that they were prepared to pay £5 or more for NFRS and around 65 per cent thought that NFRS was doing a good or excellent job. The proposed 2023/24 budget would be over £7m more than the budget for NFRS originally transferred to the Commissioner, which represented a revenue budget increase of over 30 per cent since 2018/19. The Medium Term Financial Plan (MTFP) still involved the need to make savings but the proposed precept would produce a balanced budget with an appropriate level of reserves and an integrated capital programme. The Commissioner ultimately considered that the proposed precept was a fair and affordable one that would deliver a balanced budget over the next three years. It represented the best deal for residents and for the future of a vital service.
- 5.3 The Panel questioned the Commissioner about whether the proposed precept and budget would enable the recruitment of additional firefighters and the acquisition of new equipment in 2023/24, building on action in the current year. The Commissioner highlighted that new appliances were being brought into operation. Further attention also needed to be given to making the best use of NFRS buildings, which was an area of work that had been held up by the COVID-19 pandemic. NFRS ultimately needed to ensure that it was as fit for purpose as possible. The Chief Fire Officer had been tasked with completing an operational review that had been started by his predecessor. This would look at issues including how NFRS used retained firefighters. The financial environment for Fire & Rescue was very tight, which increased the onus on NFRS to use overall resources to best effect.
- 5.4 The Panel sought reassurance about risks to delivering the proposed budget that could result from prospective industrial action by the Fire Brigades Union (FBU). The Commissioner noted that the form and timing of industrial action by the FBU was still to be confirmed. Intense further discussions about the firefighters pay award were continuing and the FBU did want the national framework to work. Some support from national government could be needed to resolve the current issues. The proposed base budget for 2023/24 was built on a funded 5 per cent pay award. The Commissioner was satisfied that Northamptonshire had been up-front about what it could afford, although he was not saying that firefighters were not worth more. Industrial action would result in increased risk. The Chief Fire Officer was producing an operational contingency plan to manage the situation. The Panel was further advised that the reserves held by the Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) would ideally be larger but did provide a buffer for contingencies. The Home Office was also open to providing some

additional resources to NCFRA to assist with pressures resulting from industrial action, to avoid its financial position degrading again after the recovery achieved since 2019.

- 5.5 The Panel challenged whether NCFRA was maximising different sources of income available to it. The Commissioner was asked to confirm that NCFRA had a good understanding of the resources due to it from Section 106 funding and the Community Infrastructure Levy. The Panel was advised that this was a well-managed area. NFRS had transferred to the Commissioner with a detailed schedule of expected funding. There was now an excellent officer who worked on securing funding from this source for both NFRS and Northamptonshire Police. The Panel subsequently highlighted that the MTFP included a reduction in income for each financial year after 2023/24 and sought reassurance that ways of addressing this were being sought. The Panel was advised that the level of income in 2023/24 had gone up compared to the current year. Higher interest rates also benefited NCFRA. The estimates for the later years of the MTFP were prudent and all possible action would be taken to maximise income.
- 5.6 The Panel sought further clarification of particular areas within the draft budget. The Panel noted that the NCFRA staffing budget for 2023/24 was reduced by £899,000 compared to the current year and questioned the justification for this. It was clarified to the Panel that this represented a technical change. The creation of Enabling Services involved all support services being funded through the police budget. A charge to the NCFRA budget appeared in the budget line for Governance and Support Services. The Panel questioned the basis for the reduction in Top-Up Grant included in the 2023/24 budget compared to the previous year. The Panel was advised that this grant was linked to business rates retention and information about business rates was not yet available from local authorities. The final position on the grant might be more positive than currently shown. Members questioned whether any additional resources received would be put into the smoothing reserve. The Panel was advised in response that NCFRA applied the general principle that one-off windfalls were put into the smoothing reserve not the base budget. It was clarified to the Panel that the Emergency Services Network (ESN) Reserve included in the budget was largely made up of funding from the Home Office. It was anticipated that this would not be sufficient to meet the whole cost of the ESN project and NCFRA would keep pushing for additional resources to reflect this.
- 5.7 Panel members commented during discussion on the imbalance between the cost of a 1 per cent increase in pay inflation and the additional resources generated by a 1 per cent increase in Band D Council Tax. It was highlighted that the late date when the provisional Local Government Finance Settlement was announced added to the challenges involved in producing the draft budget. A member also commented that the budget report highlighted what a limited proportion of the resources for NFRS came from central government funding, which was an issue that should be pursued by the county's elected representatives. The Panel was advised that the Commissioner and Chief Finance Officer took every possible opportunity to encourage discussion of Fire & Rescue funding at national level.

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 Fire precept for 2023/24.

7. Background Papers

Police Reform & Social Responsibility Act 2011

Policing & Crime Act 2017

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

Northamptonshire Police, Fire & Crime Panel Rules of Procedure