

**NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL**

**5 February 2025**

**REPORT** **BY THE POLICE, FIRE AND CRIME COMMISSIONER (PFCC)**

**AND THE CHIEF FINANCE OFFICER**

**PFCC PROPOSED POLICE PRECEPT 2025/26**

PURPOSE OF THE REPORT

1. To propose the 2025/26 Council Tax Precept for **Northamptonshire Police**.
2. To provide information in respect of the revenue budget, capital programme, reserves and Medium-Term Financial Plan (MTFP) to provide context for the precept proposal.

RECOMMENDATION

1. The Police Fire and Crime Panel is **RECOMMENDED** to endorse:

**The proposal to increase the 2025/26 Police Precept by £14 per annum to £320.04 for Band D Council Tax (from £306.04 in 2024/25). This is an increase of around 27 pence per week.**

1. Note the information presented in this report, including:
   1. The statement of the Section 151, Chief Finance Officer as required by Section 25 of the Local Government Act 2003 regarding the robustness of the budget, the MTFP and the adequacy of financial reserves (Appendix C).
   2. A £14 Band D Precept increase provides a total 2025/26 net budget envelope of **£194.193m**, of which **£84.406m** is from the precept.
   3. The current and future risks, challenges, uncertainties and opportunities taken into account, together with the financial and operational mitigations.
   4. Any changes required after the precept has been set, by government grant alterations in the final settlement or amended council tax base and surplus/deficit figures by the collecting authorities, may be balanced either through efficiency savings or through a transfer to/from reserves.
   5. The current MTFP and the anticipated savings required.
   6. The capital programme and reserves strategy.

EXECUTIVE SUMMARY

1. This report details the 2025/26 precept proposal for Northamptonshire Police.
2. This report and proposal are the culmination of several months’ work by the Office of the Police, Fire and Crime Commissioner (OPFCC), the Joint Finance Team and Police colleagues. It also includes information provided by the two unitary authorities and takes account of public and stakeholder consultation.
3. The PFCC has considered the provisional police grant settlement which sets out government expectations, current and future funding levels, the pre-budget engagement and the outcome of the public survey.
4. The PFCC has received briefings from the Minister and acknowledges the expectation that PFCCs will increase their Band D Precept locally by £14 (4.57% for Northamptonshire) in 2025/26.
5. The PFCC and the s151 Officer are grateful for the updates provided by colleagues in the unitary authorities in respect of the taxbase and council tax collection fund.
6. The proposals are set in a context of the current economic climate.
7. Despite challenges, the budget is balanced for 2025/26 with a funded capital programme and an adequate level of reserves in place. However, achieving this across the medium term will be more challenging. Prudent assumptions of future income streams have been used which identify the need for future efficiencies.
8. The PFCC has conducted, and been informed by, a survey of Northamptonshire residents to gain feedback on both the Public Safety Plan and the precept intentions. The results of the survey are summarised in this report and will be available on the PFCC website in due course.
9. In order to achieve the missions set out in the new ‘Safe and Sound’ Public Safety Plan, the PFCC is working with the Force to ensure the distribution of police officers provides a solid foundation in neighbourhoods. The missions (expanded later in this report) are:
   1. Visible and Accessible Community Services
   2. Professionalism and Standards
   3. Stronger Public Safety Partnerships
10. This will also be in line with policing reform announcements by the government including the Neighbourhood Policing Guarantee.
11. Following local and national investment to increase Police Officers in the county, the budget for 2025/26 and the MTFP are based on maintenance of an establishment of at least 1,500 Police Officers. The budget also allows for continuation of key investments implemented last year, such as the uplift in officer training, call handlers and IT infrastructure. In 2025/26, the Chief Constable has access to a further £1m for investments and innovation that aim to make the force fit to deliver the priorities of the Public Safety Plan including:
    1. **Police Staff Investigators** – x20 additional investigative staff, embedding skilled resources into local response teams, which will address a key improvement area identified by the inspectorate (HMICFRS) and improve quality of service to the public. Dedicated investigative support will be able to progress cases when officers are not at work and at times better suited to victims and will have wide-ranging benefits to the progress of cases, the wellbeing of officers and victims/witnesses.
    2. **Digital Hub Technical Manager** – to oversee the implementation of accredited practices so that digital forensic activities are compliant, efficient and effective in a world where there is increasingly a digital element to almost all crime types.
    3. **Problem Solving and Prevention** – This includes analytical resources, problem-solving co-ordinators and youth engagement crime prevention specialists. The resources will address demand reduction by understanding both the people and places that account for disproportionate levels of victimisation or offending and putting in place targeted interventions to reduce demand and/or risk. This will include identifying physical settings such as schools and care homes linked to high demand and harm.
    4. **Vetting** – An uplift in staffing will seek to improve performance in all areas of vetting in accordance with proper practice, national requirements and related recommendations from the Angiolini enquiry. It is vital that checks are robust and timely, and that steps are taken to repair public confidence in the workforce.
    5. **Occupational Health & Wellbeing** – An increase in resources to provide better wellbeing support for officers/staff, clinical intervention, dedicated support for neurodiversity and IT systems that support this.
12. The PFCC has always endeavoured to ensure that the cost of staffing the OPFCC is no more than 1% of the operational police budget. In 2025/26, running costs of the OPFCC makes up approximately 0.7% of the total operational police budget for the year.
13. The s151 Officer has reviewed the adequacy and level of reserves to ensure that funds are still available to support investment in innovative solutions and ensure the level is adequate to meet one-off short term funding shortfalls if savings and efficiencies are not identified.
14. The PFCC requires both police and fire services to actively seek opportunities to work together to deliver more efficient and effective public services and in 2025/26 it is intended that opportunities bring together further functions will continue to be explored, and that existing shared arrangements are regularly reviewed and optimised. An Enabling Services Board, attended by both Chiefs is in place to monitor joint arrangements and to identify further opportunities for collaboration.
15. The PFCC has been briefed on the current and emerging operational and demand challenges and these have informed discussion on the budget allocation to the Chief Constable for 2025/26 and future years.
16. The PFCC believes that Northamptonshire is not served well by the current grant funding formula; that the county is not fairly funded in comparison to both regional and national peers and that local residents should not pay more for their services than other counties. Every year the formula is not updated, Northamptonshire is detrimentally affected.

PRECEPT PROPOSAL

1. **After careful consideration of the factors outlined in this report, the PFCC proposes a precept increase of £14 a year (27 pence per week) to £320.04 for a Band D property. This will enable Police to maintain the investment in 1,500 police officers, maintain an adequate level of reserves and deliver against the new Public Safety Plan.**
2. The PFCC appreciates the impact on the taxpayer. Whilst this is a pressure on households, the PFCC needs to ensure that policing has the resources it needs to meet the current and future spending challenges, but also reflects the current financial climate and the views of those who took part in the precept survey.
3. The PFCC is grateful to all those who took part in the survey and their willingness to pay more in order to safeguard and develop policing in the county and will continue to push the government for a fairer funding position for Northamptonshire.

PUBLIC SAFETY PLAN – ‘SAFE AND SOUND’

1. A new 5-year strategic plan has been developed by the PFCC to set out priorities for how police and fire services keep our communities safe. This followed significant engagement across the county that the PFCC has called the ‘Big Conversation’ and sets out three missions:
   1. Visible and Accessible Community Services
   2. Professionalism and Standards
   3. Stronger Public Safety Partnerships
2. The PFCC said:

*“The Big Conversation told me very clearly that people just want to feel safer. They want to know that police, fire, and all the public safety partners will be there when they need them.*

*Trust and confidence is such a big issue for the emergency services, and people want to know that their local services will listen to their concerns and take them seriously, and always work to the highest standards.*

*That’s why this strategic plan prioritises visible and accessible local policing, fire and rescue professionals who are fully engaged in their local communities and helping people to protect themselves from risk, improved standards across the board, and partners working together with just one aim, a safe and sound Northamptonshire.”*

1. The 2025/26 budget has been built to support the Plan:
2. **Visible and Accessible Community Services** – this means building on the good work that has been done to focus on neighbourhood policing and community engagement. Greater accessibility means being visible in neighbourhoods so that people feel safe, and communities feel cared for and the PFCC will work with police leaders to ensure provision of a full spectrum of opportunities for meaningful community engagement. Police officers and staff should also be increasingly accessible through video appointments, online reporting and other routes for those whose preference is for technologically enabled contact. Great local policing can improve quality of life and feelings of safety for everyone.

The precept proposal will enable:

* 1. Maintenance of officers numbers and a programme of recruitment that takes positive action to improve diversity and helps the workforce reflect the communities it serves.
  2. Ongoing funding of Police Community Support Officers and recruitment into vacant posts.
  3. Ongoing funding of call handlers and the latest technologies that support the best methods of contact.
  4. A capital Estates programme that provides premises that are fit for purpose and accessible.

1. **Professionalism and Standards** – this means building on the steps that have been taken to improve vetting and supporting officers and staff to challenge each other to be their best and root out unacceptable behaviour. The PFCC will work with police leaders to implement the findings of the recent vetting review, which seeks to raise the bar on integrity and make changes to local and national systems. There will also be a focus on the national race action plan and learning from and responding to important reports such as the Angiolini Inquiry which has turned its attention to police culture and women’s safety.

This is about protecting everyone in the policing family so that people are safe and can thrive at work. The Chief Constable has already taken action to improve police investigations, in response to inspection findings. The PFCC welcomes this and will want to see operational plans that ensure engagement with communities is routinely positive, with staff supported to do the basics really well.

The precept proposal will enable:

* 1. Investment in additional resources to carry out vetting and funding to enable innovative and efficient vetting processes.
  2. Additional investments in the Customer Services Team in the OPFCC to handle complaints and issues from members of the public promptly and carry out investigations independently and efficiently.

1. **Stronger Public Safety Partnerships** – this means resetting the accountability relationship that service leaders have with the PFCC and to provide clearer support and challenge in driving performance improvement. The OPFCC’s role in managing complaints and customer service will be deepened so that there can be even more learning from the community’s experience of police and fire.

The OPFCC will also focus on diligent, financially sound management of our assets and will use transparency and audit to gain assurance that public money is spent wisely.

Whilst I am very clear that they must remain two distinct operationally independent services, I will also challenge the Chief Officers to maximise the scope for collaboration with each other and partnerships with the full range of bodies who can impact public safety. Northamptonshire has been at the leading edge of emergency service collaboration, and I want to explore how we can work even more efficiently together, as well as better serving the vulnerable in areas such a modern slavery or domestic abuse.

I want to see our emergency services involved in great collaborative work at the local level through parishes and local area partnerships. And when it comes to our estate, I want to see high quality, modern facilities for our staff that are accessible to the public, where possible, or which play an active role in the community.

The precept proposal will enable:

* 1. As above, additional investments in the Customer Services Team in the OPFCC to enhance learning from community complaints and feedback.
  2. Continued funding and investment in a programme of internal audit and the Joint Independent Audit Committee.
  3. Continued investment in Enabling Services across Police and Fire. This includes resources in the Commercial Team that focusses on more than just compliant procurement – they also deliver on sustainability, social value and value-for-money.

PROVISIONAL POLICE GRANT SETTLEMENT 2025/26

1. A breakdown of anticipated grant funding and proposed precept funding compared to the previous year for Northamptonshire is as follows:

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **Funding** | **2025/26 £m** |
| 86.809 | Core Police Grant | 90.042 |
| 4.054 | Officer Maintenance (Uplift) Grant | 3.338 |
| 1.008 | Additional Officer Uplift Grant | 1.633 |
| 6.644 | Legacy Grants | 6.644 |
| 4.079 | Pension Grant | 3.824 |
| - | National Insurance Reimbursement | 2.500 |
| - | Neighbourhood Policing Grant | 0.954 |
| **102.594** | **Total Grant Funding** | **108.936** |
|  |  |  |
| 79.115 | Precept | 84.406 |
| 1.259 | Collection Fund Surplus | 0.851 |
| **80.374** | **Total Precept and Collection Fund** | **85.257** |
|  |  |  |
| **182.968** | **TOTAL FUNDING** | **194.193** |

1. The National Technical Support Team provided a detailed briefing as follows:
2. *The 2025/26 Provisional Settlement was announced on 17 December in a written ministerial statement by the Minister of State for Crime, Policing and Fire, Dame Diana Johnson.*

*The Minister said “I am pleased to announce that, for 2025/26, funding to police forces will total up to £17.4 billion, an increase of up to £986.9 million when compared to the 2024/25 police funding settlement…a real terms increase in force funding of 3.5%, and a cash increase of 6.0%. The additional funding confirmed through this settlement will cover the costs of the police officer pay awards and fund the recruitment and redeployment of more neighbourhood police and PSCOs. … The investments announced today are in addition to the provision of one-off funding of £175.0 million we announced in July to support the costs of the 24/25 pay award.”.*

*Full details of the Settlement can be found on the Home Office gov.uk pages.*

1. *Core Funding*

*Assuming every force takes the full £14 precept, the total amount of extra funding available for forces is £986.9m of which £329.8m (33%) would come from Council Tax – however this is a local decision for each PCC. The bulk of the remaining £657.1m comes from an increase in of £339m core funding, £230m compensation for employer NICs contributions, and £100m to begin recruiting 13,000 new neighbour policing officers.*

1. *National Insurance Contributions Reimbursement*

*There is £230.3m in the settlement for employer NICs but there is no explanation of how that amount has been calculated or distributed. Unlike the Neighbourhood policing grant, it is not done on core grant percentages.*

**In Northamptonshire the £2.5m grant for the NIC increase only covers around 90% of the additional cost.**

1. *Pensions Grant*

*The total pension grant fell to £398.1m. We had expected the one-off payment of £26.8m in 2024/25 to be removed.*

1. *Officer Maintenance Grants*

*Prior to the publication of today’s provisional settlement, it was expected that there would be a continuation of PUP funding for the recruitment of the final officers (towards the 20,000 total). The Ministerial Statement confirms ongoing funding of £270m in 2025/26 as well as a £39.5m increase in the Additional Recruitment Grant (up to £106m in 2025/26).*

*This brings the total Officer Maintenance Funding to £376m – a £48m decrease on the total of £424m in 2024-25 (which was made up from £357.8m PUP and £67.2m Additional Recruitment Grant).*

1. *Funding for Neighbourhood Policing*

*The provisional settlement includes a new Neighbourhood Policing Grant, worth £100m in recognition of the Government’s priority for police visibility and neighbourhood policing.*

*This fund is intended to support the recruitment of additional, and redeployed, neighbourhood police officers, PCSOs and Special Constables in 2025/26 and will form part of a multi-year programme, spanning the length of the Parliament. The funding was allocated on share of Core Grant.*

**The Northamptonshire Neighbourhood Policing Grant allocation in 2025/26 is £0.954m.**

1. *Council Tax*

*In England the Government sets the level of precept increase above which a referendum is required. In November, it was confirmed in the local government finance policy statement 2025 to 2026 that PCCs would be able to increase the 2024-25 band D precept by up to £14 without triggering a referendum. Actual precept increase will remain a decision for individual PCCs.*

*Due to historic differences in council tax, the proportion that £14 represents can vary significantly between force areas. The £14 increase means that Northumbria’s percentage increase is 8.6% followed by the West Midlands at 7.3% and Essex at 6.5%. Conversely, £14 represents a 4.5% increase for North Wales, South Wales and Gwent. The lowest increase amongst English forces would be seen in Surrey at 5.2%.*

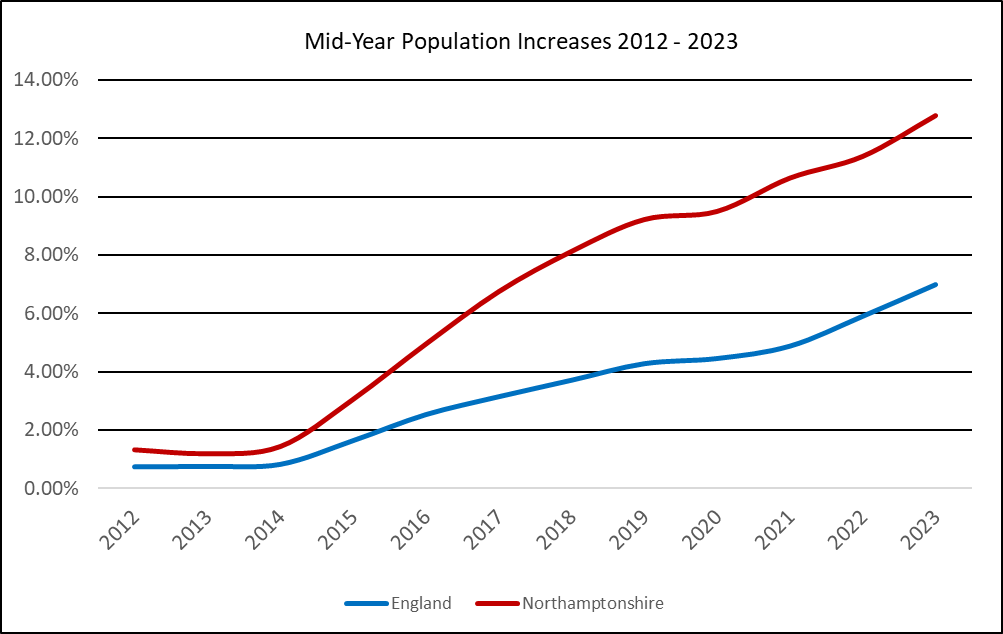
**In Northamptonshire the £14 increase using these national comparators is 5.4%.**

*Assuming every force takes the £14 precept, the weighted average band D police precept in England and Wales would rise to £292.84. The proportion of funding raised through council tax differs significantly between forces. Northumbria’s Council Tax makes up 20% of their total funding, followed by West Midlands at 21.1% and Merseyside at 23.4%. Conversely, Surrey has 55.2% of their funding coming from Council tax, followed by Dyfed Powys at 53% and North Wales at 51%. On average 34.4% of budgets are made up from Council tax, an increase from 34.3% last year.*

**In Northamptonshire approximately 44% of the funding comes from Council tax.**

FUNDING FORMULA AND POPULATION

1. The National Police Funding Formula, which accounts for around 56% of Northamptonshire’s funding, includes population as a key factor in the allocations. However, the formula was “frozen” in 2011/12 and annual increases have been on the basis of inflation and additional officers since that time.
2. Work had been underway by government on a review of the formula some years ago but has stalled. There are currently no indications that it will be revisited any time soon.
3. A significant part of the current formula is based on population. The population in England has grown by 7.0% since mid-2013 but in Northamptonshire it has grown by 12.8%. However, the funding formula population factor in the government settlement has remained static in that time.
4. The graph below demonstrates this population increase for the period 2012 to 2023:



*Source: Mid-Year Population - Office of National Statistics*

1. Furthermore, statistics provided as part of the local government settlement indicate the number of dwellings in Northamptonshire has increased by 1.2% since last year, compared to 0.8% on average for England.
2. Police central funding has not kept pace with this population increase and whilst local council taxbase increases have contributed to total funding, central government grants, have not.
3. This means that 56% of Northamptonshire Police’s funding is allocated on the basis of a funding formula which has not been updated for over 10 years; therefore, does not reflect current demands, does not reflect modern policing and does not reflect the significant growth in the county.
4. Band D Council Tax levels vary significantly for Commissioners across the country and the PFCC strongly believes that the current funding formula does not best serve the residents of Northamptonshire, meaning that local residents are required to fund a higher level of the policing bill than they would in other areas.
5. She will continue to work with national and regional colleagues to lobby to seek a fairer funding settlement on behalf of the residents of Northamptonshire.

COUNCIL TAXBASE AND COUNCIL TAX PRECEPT INCOME

1. The Council Tax and the level of precept is a fundamental part of the local government finance settlement and depends on both the level of the Band D precept and the taxbase – the latter being the number of properties expected to pay council tax.
2. In Policing, the precept and the surplus on the collection fund accounts for around 44% of funding, so any variations can have a significant impact.
3. Both unitary councils have advised the PFCC of their proposed taxbases for 2025/26. A comparison of the 2024/25 and 2025/26 figures reflects an average 2.02% taxbase increase (compared to 0.85% in 2024/25) as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Authority** | **2024/25 (number)** | **2025/26 (number)** | **Increase (number)** | **Increase %** |
| North | 115,847.00 | 117,585.00 | 1,738.00 | 1.50% |
| West | 142,664.60 | 146,150.30 | 3,485.70 | 2.44% |
| **TOTAL** | **258,511.60** | **263,735.30** | **5,223.70** | **2.02%** |

1. This increase is higher than the average of 0.8% used by the Home Office for the policing settlement.
2. The MTFP assumes average but prudent increases in the taxbase and the s151 officers will continue to link in with West Northamptonshire and North Northamptonshire finance colleagues to ensure future forecasts align.
3. Total precept funding is a combination of the tax base and precept increase as follows:

|  |  |  |
| --- | --- | --- |
| **2024/25 £** |  | **2025/26 £** |
|  | Tax base changes |  |
| 459,487 | - North | 531,898 |
| 176,938 | - West | 1,066,764 |
| **636,424** |  | **1,598,661** |
|  | Precept Increase |  |
| 1,506,011 | - North | 1,646,190 |
| 1,854,640 | - West | 2,046,104 |
| **3,360,651** |  | **3,692,294** |
|  |  |  |
| **3,997,075** | **Total Precept Change** | **5,290,955** |

1. The 2025/26 proposed precept increase of £14, together with the increased taxbase will generate an additional £5.291m on the base budget.

COUNCIL TAX COLLECTION FUND

1. Each year the billing authorities estimate how much of the total potential council tax income liability of taxpayers they will collect. They advise precepting authorities of any projected surplus or deficit on the Collection Fund in January of each year.
2. The PFCC is appreciative of the hard work undertaken by the unitary authorities in ensuring high collection rates and in providing the information to enable their inclusion in her budget and precept considerations.
3. In previous years, despite high collection rates within Northamptonshire, COVID-19 impacted on these levels which resulted in deficits in both 2021/22 and 2022/23. Some government support was provided which included grants and enabling the deficit to be spread across three financial years. These measures helped to mitigate the impact and since 2023/24, the collection funds have provided an overall surplus.
4. The unitary authorities have advised of their estimated collection fund positions for 2025/26 and both are reporting a surplus:

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **OPFCC Share of Collection Fund Surplus / (Deficit)** | **2025/26 £m** |
| 0.338 | - North | 0.388 |
| 0.922 | - West | 0.463 |
| **1.259** | **Collection Fund Surplus** | **0.851** |

1. Due to statutory timescales, notification of the final collection fund surplus figures is received after the draft budgets are finalised. If this surplus results in a one-year benefit, it will be transferred to reserves to replenish some of the one-off use of reserves planned as part of the agreed balanced budget. Conversely, a deficit would be offset by in-year savings or a transfer from reserves.
2. The s151 officers will work closely with the unitary authorities throughout the year to monitor and understand any impact on the collection fund position for 2025/26 and future years.

PUBLIC CONSULTATION ON THE LEVEL OF THE PRECEPT

1. Each year, the PFCC undertakes consultation via a survey with residents of Northamptonshire to gather their views which help to inform precept intentions.
2. Having drafted the new Police, Fire and Crime Plan, it was timely to consult on both the Plan and the precept intentions that underpin it as part of the same online survey. This followed considerable consultation with communities as part the of the “big conversation” described earlier in this report.
3. The PFCC undertook the survey over the period 28th November 2024 to 5th January 2025, with the intention of reaching as many people as possible to obtain the views of a demographically representative group of the county’s population.
4. The survey was sent out to a wide range of contacts and using many different approaches as detailed in Appendix A.
5. This wide reach is set within the challenges of the limited timescale of the government funding settlement, the current cost of living climate and the fact that it was held over the festive season.
6. Interim reviews were taken on the survey to assess the reach and where appropriate, additional communications were made to key areas of the county to ensure those who wished to contribute to the survey were able to do so.
7. The PFCC would like to give particular appreciation to the commitment and engagement of the Chair and members of the Police, Fire and Crime Panel, local Councillors, MPs, community leaders and teams within the unitary authorities for their support disseminating the survey amongst local residents and contacts.
8. The online survey received 1,751 responses. This is classed as a statistically relevant sample size for the County based on a 95% level of confidence. The PFCC has considered the results of the online survey which were:
   * + **57.3% of residents were prepared to pay £15 or more if they were able to for Police services.**
     + 36.4% were not prepared to pay any more than they do now; and
     + 6.3% said they did not know.
9. The PFCC will consider the narrative comments in the survey and more detailed analysis which will be published on the PFCC website in due course.
10. Results pertaining to consultation on the Plan will be shared and published in due course when analysis is complete.
11. The OPFCC is holding a Police Fire and Crime Panel workshop on the 27th January 2025 regarding the budget and precept considerations for 2025/26, with all Panel members invited. These annual workshops commenced in 2021 and have been useful to give members a deeper understanding of the detail behind the budget and precept proposals.

BUDGET STRATEGY – APPROACH AND SCRUTINY

1. The PFCC seeks to maximise the allocation provided to the operational police budget and allow sufficient flexibility for the Chief Constable to meet operational challenges and foster innovation. This is balanced with maintaining sufficient resources to fund the capital programme, maintain the Office of the PFCC and provide over £5m in commissioning and delivery activities for the public of Northamptonshire.
2. The policing budget is set as follows:

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **Budget Breakdown** | **2025/26 £m** |
| 144.471 | Force | 152.372 |
| 31.799 | Enabling Services | 33.869 |
| **176.270** | **FORCE BUDGET** (before Investments/Savings) | **186.241** |
|  |  |  |
| 1.314 | OPFCC (Office) | 1.424 |
| 5.353 | Commissioning and Delivery | 5.551 |
| **6.667** | **PFCC BUDGET** | **6.975** |
|  |  |  |
| 4.463 | Capital Financing | 4.629 |
| (5.452) | Transfers to/(from) Reserves | (1.216) |
| 1.823 | Investment | 1.000 |
| (0.803) | Savings Plans | (3.435) |
| **182.968** | **TOTAL BUDGET** | **194.193** |

1. The budget is prepared under the Joint Finance Team using an approach which provides consistency across Fire and Police. This has enabled comparability of assumptions and principles, together with best practice, resilience and a more efficient process applied to budgeting for all services.
2. Following the preparation of the budget strategy and approach in September, briefing sessions took place with all budget holders and the strategy was shared with the Joint Independent Audit Committee (JIAC) for further scrutiny and review.
3. The budget has been prepared on a zero-base where possible, in full consultation with budget holders, aligned to the Police, Fire and Crime Plan and tested against the MTFP. This ensures that efficiencies are taken from this process where possible and that only approved increases, inflation and unavoidable pressures are built in. Detailed workings are prepared, and the format of the budget models are consistent and contain built-in checks and balances to ensure the correct information is fed through.
4. There has been a significant amount of scrutiny and challenge on the budget, and as part of these discussions and negotiations, the PFCC has sought and received assurances on the robustness of budgeting activity.
5. The table below sets out the preparation and scrutiny elements of the budgeting process:
6. At the December Accountability Board, the PFCC commended the work on proposed budgets and approved investments in principle whilst final funding information was awaited. The PFCC subsequently approved the budget subject to agreement on the precept and the sum of £1m for investments requested by the Chief Constable. This included a commitment by the Chief Constable to balance investment with meeting the savings/efficiencies challenge.

2025/26 BUDGET CONSENTED TO THE CHIEF CONSTABLE – THE POLICE BUDGET

1. The net operational police budget allocated to the Chief Constable for 2025/26 is **£183.805m**, an increase of over £6.5m from 2024/25 as follows:

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **Police Budget Breakdown** | **2025/26 £m** |
| 97.537 | Police Officers | 103.576 |
| 32.072 | Police Staff (Operational) | 36.323 |
| 3.973 | PCSOs | 4.169 |
| 1.235 | Other Pension Costs | 1.320 |
| 0.616 | Other Employee Expenses | 0.713 |
| 31.799 | Enabling Services | 33.869 |
| 1.814 | National ICT Charges (inc. PNC) | 2.094 |
| 10.361 | Third Party/Collaborative Arrangements | 8.960 |
| 7.485 | Other Non-Pay (excl. Enabling Services) | 7.538 |
| (10.622) | Income | (12.321) |
| **176.270** | **FORCE BUDGET** (before Investments/Savings) | **186.241** |
|  |  |  |
| 1.823 | New Investments | 1.000 |
| - | Savings Plans | (3.435) |
|  |  |  |
| **178.093** | **TOTAL FORCE BUDGET** | **183.805** |

1. A detailed breakdown is set out in Appendix B. Key Headlines are as follows:
   1. The budget for 2025/26 continues to provide for maintenance of police officer numbers at establishment of 1,501 and 81 PCSOs.
   2. The police officer budget requested by the Chief Constable follows a zero-based review and reflects the planned retirement and recruitment profile.
   3. Other non-pay covers areas such as equipment, uniform, air support and forensic/pathology costs.
   4. Enabling services include the costs of joint shared teams such as HR, Finance, Commercial, Transport and DDaT (ICT), shared with Fire. It also including all associated costs of running buildings, vehicles and IT infrastructure.
2. The budget continues to allow for maintenance of police officer strength of at least 1,500 along with key investments implemented by the Chief Constable last year including:
   1. Maximising resources within the Force Control Room, investing in more staff and ensuring they are fairly paid and that communication channels are optimised.
   2. Sufficient training resources and budgets to ensure all officers are equipped with the skills and accreditation they need.
   3. Software that manages social media accounts in order to better deal with interactions from the public.
   4. A software solution to support complex IT architecture more efficiently.
   5. Resources to improve, sustain and embed performance in pre-charge cases sent to CPS, to progress investigations and charging decisions in a timely way, ensuring the right cases are prioritised and strong files are built to improve the experience for victims and witnesses.

POLICE OFFICER ESTABLISHMENT AND POLICE UPLIFT PROGRAMME (PUP)

1. In September 2019, the previous government launched the national recruitment of 20,000 police officers, referred to as the Police Uplift Programme (PUP). This was in addition to the 83 officers already planned in that year.
2. As a result, the number of police officers increased to around 1,500 by March 2023 and has been maintained at that level.
3. The following graph tracks the number of officers over previous years compared to population in the county. It shows that the uplift programme and precept increases in recent years enabled officer numbers to be increased almost back to 2010 levels. However, at only 1.9 officers per 1,000 population, Northants still has fewer officers compared to the 2.3 national average.

PENSIONS

1. The Government introduced reforms to public service pensions in 2015 which resulted in most public sector workers being moved into new pension schemes.  In December 2018, the Court of Appeal ruled that the ‘transitional protection’ offered to some members gave rise to unlawful discrimination on the basis of age. In July 2019, the Chief Secretary to the Treasury made a written ministerial statement confirming that as ‘transitional protection’ was offered to members of all the main public service pension schemes, the difference in treatment will need to be removed across all those schemes for members with relevant service.
2. As expected, the on-going cost of higher pension benefits resulted in an increase to employer contribution rates following the scheme actuarial valuation last year. The contribution rate increased from 31.8% to 36.2% resulting in an additional budget requirement of around £2.5m. This increase is built into financial planning for all future years.
3. As last year, the provisional settlement includes additional pension grant intended to cover the cost of this increase, but no longer includes the one-off amount provided in 2024/25 to help cover administration and systems costs incurred to implement the pension remedy.

POLICE, FIRE AND CRIME COMMISSIONER – OFFICE BUDGET

1. The PFCC manages two separate budget areas:
   1. The cost of running the office, the OPFCC.
   2. Commissioning and Delivery – funds for important prevention, reducing reoffending and victim support services.
2. The office budget for 2025/26 has an increase of £0.107m, of which £0.080m relates to staff pay inflation and national insurance increases, £0.073m for the Deputy PFCC post (£0.055m + on-costs), offset by miscellaneous budget reductions of £0.046m.

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **Budget Breakdown** | **2025/26 £m** |
| 1.024 | Staff Costs | 1.162 |
| 0.293 | Other Office Costs | 0.262 |
| **1.317** | **Total OPFCC** | **1.424** |

1. The PFCC endeavours to ensure that the cost of staffing the office is less than 1% of the police budget. In 2025/26, the office budget is approximately **0.7%** of the total police budget.
2. The OPFCC provides statutory governance services to NCFRA (Fire) and has a costing methodology in place to ensure NCFRA contributes an appropriate amount. In-keeping with the Home Office Financial Management Code of Practice; where Fire costs can be reasonably estimated, they have been. Otherwise, a pro-rata funding allocation has been used, to ensure integrity and transparency of both fire and policing funds in line with the Treasury’s “Managing Public Money” requirements.

POLICE, FIRE AND CRIME COMMISSIONER – COMMISSIONING AND DELIVERY BUDGETS

1. The OPFCC undertake a wide range of delivery activities, providing in-house services directly to residents of Northamptonshire and commissioning services from partners and other organisations. The budget breakdown compared to last year is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2024/25** | | | **Delivery and Commissioning Budgets** | **2025/26** | | |
| **Budget** | **Grants/ Income** | **Net** |  | **Budget** | **Grants/ Income** | **Net** |
| **£m** | **£m** | **£m** |  | **£m** | **£m** | **£m** |
| 0.100 | (0.100) | 0.000 | Commissioning | 0.100 | (0.100) | 0.000 |
| 3.050 | (1.440) | 1.610 | Victims, Witnesses, Domestic Violence Support | 2.680 | (1.301) | 1.379 |
| 0.099 |  | 0.099 | Communications Team | 0.231 |  | 0.231 |
| 2.426 |  | 2.426 | Early Intervention and Youth | 2.372 |  | 2.372 |
| 0.432 |  | 0.432 | Reducing Reoffending | 0.705 |  | 0.705 |
| 0.089 |  | 0.089 | Delivery and Accountability | 0.050 |  | 0.050 |
| 0.255 |  | 0.255 | Crime Prevention | 0.245 |  | 0.245 |
| 0.192 |  | 0.192 | Customer Services - Complaints | 0.319 |  | 0.319 |
| 0.250 |  | 0.250 | Police, Fire and Crime Plan Delivery Fund | 0.250 |  | 0.250 |
| **6.893** | **(1.540)** | **5.353** | **Total Commissioning and Delivery** | **6.952** | **(1.401)** | **5.551** |

1. This includes a number of crime prevention initiatives, safer streets investment, work on serious violence duty, the sexual abuse referral centre and the following key areas of work:
2. Voice for Victims and Witnesses is an in-house service that ensures victims and witnesses of crime in Northamptonshire are properly supported. Over 30 staff members are in place, including witness care officers, support workers and other specialists. These work to safeguard the vulnerable, resulting in safer victims and communities, and working with partners to ensure offenders are brought to justice. This includes services for local victims and witnesses of crime, anti-social behaviour, hate incidents and fire incidents, and vital services for compliance with the Victims Code of Practice and Witness Charter.
3. Grants from the Ministry of Justice (MoJ) provide around half of what is needed for the service Voice provides. **The core grant for 2025/26 has been cut by 4.2% compared to the previous year, and no increases have been provided for pay award or national insurance pressures.** However, the PFCC is committed to maintaining this service and has ensure base budget and a level of reserves are in place to avoid any cuts to service this year.
4. The Sunflower Centre is a partnership-funded service managed by the OPFCC to provide non-judgemental specialist support to victims of domestic abuse. Funding from the MoJ will be provided to continue funding complex needs specialists and staff to support victims/survivors to access support services, including an out-of-hours provision over weekends.
5. The Early Intervention Family Support Service offers early support for children, young people and their families aiming to prevent the need for longer term and more costly and complex intervention. There are over 40 members of frontline staff including specialists in prevention and education around knife crime and exploitation, delivering 4 strands of work:
   1. Targeted Youth Team.
   2. Domestic Abuse Support Team.
   3. Adverse Childhood Experiences (ACE) Family Support Team.
   4. Youth Violence Intervention Unit / Missing Persons Unit Support Team.
   5. Funds are also provided to the Youth Offending Service for Prevention and Diversion activity.
6. Rehabilitation and Reducing Reoffending staff work closely with policing and probation partners to identify and fund opportunities to reduce reoffending and to alleviate judiciary pressures through Out of Court Resolutions. This includes:
   1. Drugs Treatment and Recovery.
   2. Preventing Intimate Partner Abuse (Project PIPA) Programme.
   3. Funding of programmes to provide support, training and employment opportunities for offenders, aiming to break the cycle of poverty, unemployment and offending.
   4. A support and counselling service for offenders with complex needs, poor mental health and substance misuse problems.
   5. Integrated Offender Management.
7. Grant funding for the Immediate Justice pilot has been ceased from April 2025. However, the PFCC has recognised its success so far and will be continuing to fund the project in 2025/26. The project seeks to increase the speed and visibility of reparative action in response to ASB, primarily through funding additional staff to supervise and facilitate reparative activity. Reparative activity may include:
   1. Litter-picking in public parks and high streets.
   2. Site clean-up after council funded events.
   3. Proactive or reactive cleaning of civic memorials.
   4. Installation of hanging baskets or temporary civic notices.
   5. Gardening of communal flower beds in town centres.
   6. Cleaning of graffiti on bus shelters, tram stops or train stations or public signage.
   7. Basic repairs of damaged public property, or private property with victim/owner consent.
8. The Police, Fire and Crime Plan Delivery Fund is earmarked to support initiatives which are identified to drive forward work on achieving outcomes in the Public Safety Plan. The sum of £0.250m has been ring-fenced along with funding for the grant schemes already in place.
9. The Customer Services and Communications Teams have been bolstered to ensure they are adequately staffed to meet demand, provide the best possible service and to take forward work that delivers against the Public Safety Plan.

MEDIUM TERM FINANCIAL PLAN (MTFP)

1. The MTFP covers a five-year period and is included in more detail at Appendix B. It is reviewed regularly with formal updates every 6 months. The current version, updated to take into account the provisional settlement is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2024/25 £m** |  | **2025/26 £m** | **2026/27 £m** | **2027/28 £m** | **2028/29 £m** | **2029/30 £m** |
| 183.771 | Expenditure | 197.628 | 205.454 | 212.813 | 217.261 | 222.814 |
| (0.803) | Savings Plans | (3.435) | (4.222) | (5.217) | (6.232) | (7.270) |
| **182.968** |  | **194.193** | **201.232** | **207.596** | **211.029** | **215.544** |
|  |  |  |  |  |  |  |
| (182.968) | Funding | (194.193) | (198.749) | (203.764) | (208.891) | (214.131) |
| **-** | **Shortfall** | **-** | **2.484** | **3.832** | **2.138** | **1.413** |

1. The MTFP includes a target for cashable efficiency savings each year, but these will not be sufficient to meet the shortfalls identified. Efficiencies will continue to be sought from sharing buildings, robust and shared procurement practices and sharing of resources/assets where it makes sense to do so. The Chief Constable has already started work to look at a comprehensive savings plan.
2. Despite future shortfalls forecast in the MTFP, in the unlikely event that further efficiencies could not be found, the budget can be balanced in the short term by the use of reserves. However, the use of reserves is not a permanent solution, and the PFCC and Chief Constable will continue to seek efficiencies to ensure the budgets are balanced.
3. The key assumptions used to estimate the financial challenge for the medium term are:
   1. Precept will increase by £14 in 2024/25, and £10 each year thereafter. No information is yet available about referendum limits beyond 2025/26.
   2. Prudent funding assumptions have been made in respect of government funding, taxbase levels, and council tax collection rates. More information on funding in future years has been promised by the government in the coming months, and colleagues will continue to liaise with the local authorities to align assumptions for council taxbase/collection.
   3. In line with previous assumptions, pay increase estimates are assumed at an average of 2% per year. There has not yet been any indication of government funding to support any increases above this level.
   4. Investment requirements can be prioritised and met from within the revenue budget or capital programme. Where appropriate, the PFCC will use reserves to pump prime investment initiatives. Any multi-year investments will be subject to review each year and may require additional savings to embed in the base budget longer term.
   5. Further borrowing beyond the capital programme is not required.
   6. Funding for regional collaborations will remain consistent, allowing for a reasonable level of general inflation.
   7. It is assumed that no additional unfunded priorities or responsibilities will be given to the PFCC and Chief Constable to deliver.

THE FINANCIAL CHALLENGE – FUTURE RISKS, CHALLENGES AND UNCERTAINTIES

1. The impact of a different inflation assumptions to that estimated in the MTFP are as follows:
   1. Every 1% reduction in grant equates to circa £1.09m per annum
   2. Every 1% in Council Tax equates to circa £0.85m per annum
   3. Every £1 in Council Tax equates to £0.26m per annum
   4. Every 1% in Pay equates to circa £1.7m in a full year
   5. Every 1% non-pay inflation equates to £0.38m per annum
2. Prudent forecasts have been included where information which has not yet been finalised. Any variations between the provisional and final settlement, council tax or the collection fund will be balanced with reserves.
3. There are some further financial and operational risks, challenges and mitigations which are as follows:
   1. The unknown timing and impact of the Police Funding Formula review on Core Grant distribution between forces.
   2. There is a national move to consider the charging of costs in line with a Net Revenue Expenditure (NRE) rather than a funding formula methodology. This could be seen as a fairer way of distributing costs and income but until such time as the underlying funding formula disparity is addressed, it could potentially make the disparity even worse. NRE methodology currently disproportionately affects forces such as Northamptonshire who have a lower-than-average grant allocation and it bears no correlation to increasing population or households as can be seen earlier in the report. Any movement of national charging to NRE will result in cost increases to Northamptonshire.
   3. The impact of a different core grant assumption to that estimated in the MTFP for the years after 2025/26. This will be mitigated if multi-year funding indications are provided by the government as promised in recent announcements.
   4. The operational and financial impact of new, emerging and increasing areas of threat and demand, including, but not limited to, child sexual exploitation, adult and child sexual and domestic violence crimes and increasing cybercrime.
   5. The impact of national grants reducing or ceasing for regional activities such as for the Regional Organised Crime Unit (ROCU) would have a significant impact.
   6. The capital programme requirements and the investment required to take any business as usual, innovative or collaborative work forward in advance of the timings of savings. The removal of capital grants continues to have an impact on the revenue costs of the capital programme, which are built into the MTFP. Variations to interest rates can have a material impact on borrowing costs and treasury income.
   7. Strategies for estates, fleet, digital and operational equipment are in place which inform the capital programme and revenue budgets. The Estates Strategy has been reviewed and updated throughout the MTFP and built into longer term financial forecasts.
   8. The impact of partners’ spending decisions which may affect services provided by the Force or PFCC.
   9. Inflation uncertainty both in terms of future pay awards and non-pay costs.

CAPITAL PROGRAMME

1. A Capital Programme has been approved as part of the budget setting process, which identifies the requirements across fleet, estates, ICT and operational equipment.
2. The approved Capital Programme is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **2025/26 £m** | **2026/27 £m** | **2027/28 £m** | **2028/29 £m** | **2029/30 £m** |
| Estates | 15.1 | 7.0 | 1.2 | 10.7 | 12.6 |
| ICT | 5.6 | 3.7 | 3.1 | 4.5 | 5.2 |
| Vehicles & Operational Equipment | 4.5 | 2.1 | 1.6 | 1.9 | 1.9 |
| **TOTAL** | **25.2** | **12.8** | **5.9** | **17.1** | **19.7** |

1. This includes provision for the latest agreed estates masterplan, continuing ambitions for joint vehicle maintenance and specialist training premises with Fire along with ensuring buildings are fit-for-purpose, safe and accessible in line with the missions set out in the Public Safety Plan.
2. Costs are often occurred ahead of any efficiencies or disposals, therefore, the PFCC will continue to push to ensure that any disposals included in the plans are made in a timely and efficient manner to ensure the full benefits can be realised.
3. The PFCC is required to approve a *Treasury Management Strategy* each year, setting out the policy and approach to managing investments, borrowing and cashflow, and that decisions are taken in accordance with good professional practice. This approach is required by the Prudential Code and the Code of Treasury Management published by the Chartered Institute of Public Finance and Accountancy (CIPFA). It ensures that the capital investment plans of local authorities are affordable, prudent and sustainable. The Joint Independent Audit Committee (JIAC) will consider this document at their March meeting prior to it being placed on the OPFCC website.

DEVELOPER CONTRIBUTIONS (S106)

1. An experienced Infrastructure Planning Manager is employed jointly across police and fire as part of the Joint Estates Team. Their role includes working with the unitary authorities to ensure where possible we obtain appropriate funds from developers under Section 106 of the Town and Country Planning Act 1990.
2. As present, we are aware of up to an estimated £0.6m for Police and £0.2m for Fire for various developments, but the timing of when these amounts can be drawn down will depend on a number of factors, including milestone points in building progress.
3. More work is ongoing to maximise these funds, and we await progress on legislative changes that would give police and fire more certainty around these contributions.

RESERVES

1. In considering the budget, the MTFP and level of precept options, it is important to look closely at the size, level and type of reserves held by the PFCC to ensure that they are adequate to cover the purposes for which they are held and to provide some safeguards against the future risks identified within the budget. There is also a need to ensure they are not excessive.
2. The updated Reserves Strategy is attached at Appendix D and will be published on the PFCC’s website for transparency.
3. Two types of reserve are held, as follows:
4. General Reserve – There is a general reserve which is estimated at 31st March 2025 at **£5.3m**. This represents around 2.6% of total funding for 2025/26 and aligns to the guideline level. The reserves strategy ensures that the general reserve will remain within guideline minimum levels over the MTFP. It is prudent to have such a reserve at this level to enable the organisation to withstand unexpected events which may have financial implications.
5. Earmarked Reserves – As at the 31st March 2025 it is estimated that the PFCC will hold **£21.4m** in earmarked reserves. These are detailed in the reserves strategy included at Appendix D.This includes over £3.0m ringfenced to fund initiatives that deliver against the Public Safety Plan.

ROBUSTNESS OF THE BUDGET – STATEMENT OF THE S151 CHIEF FINANCE OFFICER

1. Section 25 of the Local Government Act 2003 places a duty on the s151 Officer to make a report to the authority on:
   1. The robustness of the estimates included within the budget.
   2. The adequacy of the reserves and balances.
2. The PFCC must have regard to this when considering the budget and the report must be shared with the Police, Fire and Crime Panel.
3. In their considerations, the s151 Officer is mindful of other associated statutory safeguards designed to support the authority:
   1. Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the Chief Financial Officer has personal responsibility for such administration.
   2. Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget.
   3. The Prudential Code introduced as part of the Local Government Act 2003 which sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates.
   4. The external auditor’s duty to assess the adequacy of the authority’s proper arrangements to secure economy, efficiency and effectiveness (value for money)
4. To reinforce these obligations, Section 114 of the Local Government Finance Act 1988 requires the s151 Officer to report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.
5. This report has set out the robust budget setting process that has taken place and the work undertaken to ensure the budget is as realistic, deliverable and achievable as possible.
6. The Chief Constable’s Section 151 Officer has worked closely with the Chief Constable’s Executive team, budget holders and the finance team to deliver the draft budget and savings plan, ensuring that effective scrutiny and challenge has taken place throughout. The s151 Officers have also worked closely together throughout the process. The PFCC has undertaken scrutiny and strategic review of the proposals on two occasions and has been updated regularly throughout the budget cycle as appropriate.
7. The estimates and assumptions are based on the best information available at the time of formulating the budget in line with the fundamental accounting concepts and are reasonable and prudent.
8. The Section 25 Statement of the s151 Chief Finance Officer for Northamptonshire Police, Fire and Crime Commissioner is included at Appendix C.

**LIST OF APPENDICES**

Appendix A - Consultation on the Precept

Appendix B - Medium Term Financial Plan

Appendix C - Section 25 Report of the Section 151 Chief Finance Officer

Appendix D - Reserves Strategy

**PERSON TO CONTACT**

Mr V Ashcroft, Chief Finance Officer,

**Office of the Police, Fire and Crime CommissionerAPPENDIX A**

**Survey on the Precept**

**Context**

This year’s precept survey ran in conjunction with questions on the new Public Safety Plan for the county. This was due to the unavoidable timings of both, following the election of the new Police, Fire and Crime Commissioner in May 2024, and also in the context of the findings of the “Big Conversation” consultation, where people told us they preferred to see questions about the council tax funding put in the context of the actions they will fund.

The joint consultation supported residents’ thinking in demonstrating how differing levels of precepts would impact on police and firefighter staff numbers, the level of service they could provide, and the delivery of strategic priorities within the Plan.

The survey went live on 28th November – running until 5th January – and received 1,751 responses. This was a slight decrease on last year (1,997) but still the second highest number of responses the consultation has ever received.

**Communications Activity**

Prior to embarking on the consultation, the survey questions and planned communications activity were benchmarked against consultations by other offices nationally. Others reported facing challenging circumstances when it came to public engagement and dwindling levels of interaction online.

Activity from the Communications Team included:

* News release sent to more than 100 journalists across various different newsrooms both locally and nationally.
* News release shared on external OPFCC, Police and Fire websites.
* Internal message sent on both Police and Fire intranets, and emailed to all OPFCC staff, asking them to encourage people to fill in the survey at community events.
* Message sent to more than 40,000 people on 2nd December on Northamptonshire Talking (Police) account, which was read by 18,855 people, with 578 interactions (rating, sharing, reading).
* Link to survey and request to cascade sent to all 154 unitary councillors in West Northamptonshire and North Northamptonshire, as well as respective Chief Executives.
* News release shared with all Northamptonshire MPs with request to share it with their local constituents.
* Release and survey shared with 272 contacts at parish councils across the county, asking them to replicate the survey along with a specially designed banner on their websites. A number of councils, such as Paulerspury, shared the content in their local newsletter.
* Shared release and survey with contacts at more than 40 schools across the county, requesting they encourage fellow staff and parents to complete the survey.
* News release and link to survey sent to 65 local organisations (including Women’s Institute, Brightwayz and more) and Community Safety forums.
* Shared with businesses through Northampton Town BID, Retail Crime Partnership and West Northamptonshire Council.
* Emailed the consultation to Independent Custody Visitors and members of the Independent Advisory Group.
* Shared news release and survey with contacts at various hotels across the county.
* Shared consultation with rural groups including NFU Mutual, Canal & Rivers Trust and Northants Acre, and asked them to share with their rural networks.
* Second message sent on Northamptonshire Talking from OPFCC account on 3rd January to more than 29,000 – read by 14,292 people, with 480 interactions.

There was also a greater emphasis this year on face-to-face communication from senior leaders, to gain quality with activities including:

* Focus group session with students at the University of Northampton, attended by the Commissioner and Deputy Commissioner.
* A bespoke virtual meeting with Parish Local Representatives (PLRs) and Parish Councils, attended by the Commissioner and Deputy Commissioner.
* A meeting with church and faith leaders hosted by the Deputy Commissioner.
* Beat Bus sessions with PCSOs engaging with members of the public in Kislingbury and other villages in rural South Northamptonshire.
* The Commissioner appearing on BBC Radio Northampton to discuss the consultation and take questions from members of the public on 17th December.
* Physical assets such as posters, leaflets and business cards were produced and distributed by partners, including fire crews handing them out and discussing the consultation with members of the public at events in Corby, Oundle and Thrapston over the Christmas period, as well as PCSOs encouraging visitors to the Beat Bus to complete the survey.

Full communications activities as follows:

|  |  |
| --- | --- |
| **Audience** | **Reach** |
| **Stakeholders**   * Northamptonshire Talking * Parish Councils and Town Councils * Councillors for unitary authorities (West Northamptonshire and North Northamptonshire Councils) * Chief Executives of unitary councils * Police, Fire and Crime Panel members * MPs * Local organisations (such as WI) * Schools * Businesses (including Retail Crime Partnership) * Independent Custody Visitors * Independent Advisory Group members * Road Safety Panel * Rural interest groups (including NFU, Canal & Rivers Trust) * Hotels * Local and hyper local publications * Neighbourhood Watch Management Committee * Community Safety Managers at local authorities * Joint Action Groups * Northamptonshire Association of Local Councils * Police Liaison Representatives * Local Criminal Justice Boards | More than 33,000 emails were read from alerts sent on Northamptonshire Talking.  Emails were sent to all 154 unitary councillors, and 272 contacts at parish councils across the county, asking them to cascade and share the consultation. |
| **Internal**   * News item on Forcenet – The Northamptonshire Police intranet viewed by all officers and staff * All staff email to OPFCC * News item on Northamptonshire Fire and Rescue Service intranet for Firefighters and staff – repeated twice during the survey period * Daily Orders – link to item on Forcenet directing police staff to survey * Chief Officer vlog and blogs for both Northamptonshire Police and Northamptonshire Fire and Rescue Service * Splash screen survey message on every computer across OPFCC, Fire and Police * Repeated messaging during bi-weekly Pacesetter meetings for senior firefighters with requests to cascade | News release was published on respective intranets on 28th November and reminder news release was published on 31st December.  Intranet articles and all staff email sent to more than 3,000 police officers, police staff, firefighters, fire staff, enabling services staff and OPFCC staff.  Physical assets such as posters, business cards and leaflets were available for police staff and firefighters to distribute at public events they were attending.  529 views (police vlog) |
| **Key Internal Stakeholders**   * Northamptonshire Police Chief Officers * Northamptonshire Fire and Rescue Service (NFRS) Senior Leadership Team * Directors in the Office of the Police, Fire and Crime Commissioner (OPFCC) * OPFCC Customer Service team * Police Federation * Unison * Police Superintendents’ Association * Voice | Email request to cascade to their members/contacts/networks. |
| **Media**   * A news release was issued to all local and regional media across Northamptonshire. * News release was sent to hyper local publications. * The survey was trailed in the December edition of the PFCC newsletter. * The Commissioner appeared on BBC Radio Northampton on 17th December to discuss the survey and take questions from members of the public. | The news release was sent to more than 20 newsrooms and other local news sites, and approximately 100 individual reporters.  There was media coverage in Northampton Chronicle & Echo (29th November) and BBC News online (17th December). |
| **Digital and Social**   * Meta (paid £89.11) * TikTok (paid £106.50) * Facebook * Next Door * LinkedIn * Instagram * Northamptonshire Talking * X (formerly known as Twitter) * Google Ads ie. YouTube (paid 19p) | * 10,299 impressions   424 link clicks   * 35,938 impressions   296 link clicks   * 20 posts   24,200 views   * 8 posts   64,850 impressions   * 2 posts   178 impressions   * 7 posts   2,290 impressions   * 2 posts   33,147 emails read   * 29 posts   16,871 impressions   * 230 impressions |

APPENDIX B

Medium Term Financial Plan 2025/26 - 2029/30

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | ***MTFP - £14 Precept*** | | | | |
| **2024/25** |  | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| **£'000** |  | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| 97,537 | Police Officers | 103,576 | 107,183 | 109,455 | 111,927 | 113,193 |
| 32,072 | Police Staff | 36,323 | 37,718 | 38,497 | 39,395 | 40,041 |
| 3,973 | PCSOs | 4,169 | 4,270 | 4,337 | 4,405 | 4,454 |
| 1,235 | Other Pension Costs | 1,320 | 1,357 | 1,382 | 1,407 | 1,425 |
| 616 | Other Employee Expenses | 713 | 734 | 749 | 765 | 777 |
| 1,814 | National ICT Charges (inc. PNC) | 2,094 | 2,210 | 2,330 | 2,451 | 2,575 |
| 10,361 | Third Party/Collaborative Arrangements | 8,960 | 9,139 | 9,322 | 9,508 | 9,699 |
| 7,485 | Other Non-Pay (excl. Enabling Services) | 7,538 | 6,979 | 6,898 | 6,550 | 6,220 |
| (10,622) | Income | (12,321) | (12,703) | (14,329) | (15,438) | (15,706) |
| **144,471** | **CHIEF CONSTABLE - OPERATIONAL** | **152,372** | **156,887** | **158,641** | **160,970** | **162,678** |
|  |  |  |  |  |  |  |
| 31,799 | **ENABLING SERVICES** | 33,869 | 34,208 | 36,641 | 38,169 | 39,345 |
|  |  |  |  |  |  |  |
| **176,270** | **TOTAL CHIEF CONSTABLE BUDGET** | **186,241** | **191,095** | **195,282** | **199,139** | **202,023** |
|  |  |  |  |  |  |  |
| 1,314 | OPFCC (Office) | 1,424 | 1,454 | 1,484 | 1,514 | 1,544 |
| 5,353 | OPFCC (Commissioning & Delivery) | 5,551 | 5,246 | 5,346 | 5,446 | 5,546 |
| 2,681 | Capital Financing - MRP | 2,819 | 3,286 | 4,529 | 3,502 | 4,176 |
| 782 | Capital Financing - Interest | 810 | 1,574 | 2,372 | 2,809 | 3,725 |
| 1,000 | Capital Financing - RCCO | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| - | Specific Transfers to Reserves | 100 | 150 | 150 | 200 | 150 |
| (5,452) | Specific Transfers from Reserves | (1,316) | (350) | (350) | (350) | (350) |
|  |  |  |  |  |  |  |
| **5,678** | **OTHER (Inc. OPFCC & Capital Financing)** | **10,388** | **12,360** | **14,531** | **14,121** | **15,791** |
|  |  |  |  |  |  |  |
| 1,823 | New Investment Proposals | 1,000 | 2,000 | 3,000 | 4,000 | 5,000 |
| (803) | Savings Plans | (3,435) | (4,222) | (5,217) | (6,232) | (7,270) |
|  |  |  |  |  |  |  |
| **182,968** | **TOTAL GROUP** | **194,193** | **201,232** | **207,596** | **211,029** | **215,544** |
|  |  |  |  |  |  |  |
|  | **FUNDING** |  |  |  |  |  |
| (86,809) | Core Police Grant | (90,042) | (90,942) | (91,852) | (92,770) | (93,698) |
| (6,644) | Legacy Grants | (6,644) | (6,644) | (6,644) | (6,644) | (6,644) |
| (4,079) | Pension Grant | (3,824) | (3,862) | (3,901) | (3,940) | (3,979) |
| (4,054) | Ringfenced Officer Uplift Grant | (3,338) | (3,338) | (3,338) | (3,338) | (3,338) |
| (1,008) | Additional Officer Uplift Grant | (1,633) | (1,633) | (1,633) | (1,633) | (1,633) |
| - | National Insurance Reimbursement | (2,500) | (2,525) | (2,550) | (2,576) | (2,602) |
|  | Neighbourhood Grant (NEW) | (954) | (954) | (954) | (954) | (954) |
| (79,115) | Precept | (84,406) | (88,349) | (92,391) | (96,535) | (100,782) |
| (1,259) | Collection Fund Deficit/(Surplus) | (851) | (500) | (500) | (500) | (500) |
|  |  |  |  |  |  |  |
| **(182,968)** | **TOTAL FUNDING** | **(194,193)** | **(198,749)** | **(203,764)** | **(208,891)** | **(214,131)** |
|  |  |  |  |  |  |  |
| **-** | **FUNDING (SURPLUS) / DEFICIT** | **-** | **2,484** | **3,832** | **2,138** | **1,413** |
|  | **PRECEPT** |  |  |  |  |  |
| £306.04 | Band D Council Tax | £320.04 | £330.04 | £340.04 | £350.04 | £360.04 |
| 258,512 | Tax Base | 263,735 | 267,691 | 271,707 | 275,782 | 279,919 |
|  |  |  |  |  |  |  |
|  | **ASSUMPTIONS** |  |  |  |  |  |
|  | Core Police Grant | 3.72% | 1.00% | 1.00% | 1.00% | 1.00% |
|  | Precept (%) | 4.57% | 3.12% | 3.03% | 2.94% | 2.86% |
|  | Precept (£) | £14.00 | £10.00 | £10.00 | £10.00 | £10.00 |
|  | Tax Base Change - Increase/(Decrease) | 2.02% | 1.50% | 1.50% | 1.50% | 1.50% |
|  | Pay Awards | 2.00% | 2.00% | 2.00% | 1.00% | 1.00% |

*Note: Figures may not sum due to rounding*

APPENDIX C

Section 25 Report of the PFCC Section 151 Chief Finance Officer

*“I have worked closely with the Force s151 Officer and the Joint Finance Team and have been assured by their robust and diligent approach to the 2025/26 budget setting process. I am grateful for their hard work, scrutiny and challenge throughout, and am impressed by how they continue to take ownership and make improvements every year.*

*I have been fully briefed on the progress of the budget by colleagues prior to and throughout the budget process and development of the capital programme, ensuring I have been party to all key assumptions and decisions. Prudent evidence-based estimates and assumptions included have been based on professional estimates, peer knowledge and benchmarking. Where possible, I have aligned these with national fire, police, local authority and national technical team colleagues.*

*I have reviewed the detailed calculations in arriving at the budget requirement and Council Tax precept and find these to be robust. I also have sought and received authorisations from billing authorities in relation to taxbase and Council Tax surplus/deficits and I am grateful to all partners for their support in doing so.*

*The PFCC’s precept intention of £14 takes into account public consultation alongside prudent assumptions based on the best information available, the MTFP and the reserves position, and still enables an element to be ring-fenced for investment.*

*The Chief Constable and his team have been fully involved in the budget discussions and have discussed revenue and capital requirements for 2025/26 and future years with the PFCC.*

*The budget for 2025/26 has been created through a zero-based budget approach and only previously agreed growth, contractual commitments or unavoidable pressures have been built in. It is a structured and consistent process and I have received informative responses to queries and/or points of clarification. Where I have sought changes, they have been incorporated.*

*As part of the budget proposals, the PFCC has agreed to investment proposals put forward by the Chief Constable. I will support the PFCC in monitoring these agreed investments to ensure they are delivered in accordance with the timescales and financial envelopes agreed.*

*In preparing the MTFP, working with the Force s151 Officer, we modelled scenarios across council taxbase assumptions and precept increases ranging from £5 to £20 to help inform the PFCC considerations in determining her precept proposal for 2025/26. As the information from the settlement and taxbase became clearer, we continued to review and refine the MTFP.*

*Whilst Police grant allocations do include new funding, they still do not reflect the pressures of inflation levels experienced in recent years and do not fully cover the cost of pay awards and national insurance increases. As indicative funding information is not yet available beyond 2025/26, there is a high level of uncertainty around affordability of the current MTFP in the future, albeit the Chancellor has given assurances that such information will be provided in the coming months.*

*It is my recommendation that financially, it is essential to take forward the £14 precept flexibility afforded to Northamptonshire for 2025/26. This will be built into the base budget and help provide the most resilient position possible for the medium term.*

*The MTFP does require efficiencies to be made and assumes some will be delivered in 2025/26 and each year thereafter. However, even after these efficiencies, there are shortfalls in the MTFP. I am assured that the Chief Constable will work to identify savings and ways of working which will address these challenges over the medium term. I will support the PFCC in ensuring the Chief Constable and Force s151 Chief Finance Officer provide regular updates to the Accountability Board.*

*It has been possible for the PFCC to develop a budget that supports most of the Force operational pressures and demands, balances the views of the public from the consultation and gives the opportunity for further investment to support the delivery of the priorities set out in the Police, Fire and Crime Plan (Public Safety Plan).*

*There is an operational contingency available to the Chief Constable, and sufficient general reserves available should operational demands require access to these. Earmarked reserves are in place for specific requirements as described in the Reserves Strategy.*

*The detail within the above report highlights significant unknowns in the medium term. The continuing impact of inflationary pressures, the impact of a future funding formula and the future economic climate are likely to be uncertain for some time. Where possible, forecasts and estimates are included within the MTFP and all opportunities for government funding are pursued to ensure any financial impact on policing is minimised.*

*In coming to my conclusion on the robustness of the budget, I have also reviewed the capital programme and reserves strategy.*

*The capital programme is regularly updated, and all opportunities are taken to rephase the programme, seek external funding and apply for grants. All of these would assist in mitigating costs on the revenue budget.*

*General reserves are established at £5.3m which is above the guideline minimum level and as at the 31 March 2025, it is estimated that there will be almost £21.4m of revenue reserves in total available to support the budget and mitigate challenges if required.*

*Whilst a balanced budget is possible for the next three years, after that time, the landscape is less certain, and it is reasonable to assume that the operational and financial challenges will continue, and these are reflected as best estimates in the MTFP.*

*I conclude, therefore, that the budget for 2024/25:*

1. *Has been prepared on a robust basis.*
2. *Continues with the intention to maintain additional police officers in line with the national uplift, at to over 1,500.*
3. *Includes investment to help manage demand and increase efficiency and/or capacity.*
4. *The budget can be balanced for the next three financial years, with a savings plan and work is already underway by the Chief Constable to identify the balance after that time. Furthermore, reserves are adequate to mitigate the impact of the shortfalls in the MTFP over the five-year period if full savings are not forthcoming.*
5. *The financial landscape after 2025/26 is less certain and the PFCC will continue to push for certainty. The MTFP will be under regular review as savings plans progress.*

**Vaughan Ashcroft**

**Section 151 and Chief Finance Officer**

**Office for the Police, Fire and Crime Commissioner for Northamptonshire**

APPENDIX D

Reserves Strategy



**NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER  
RESERVES STRATEGY (UPDATED JANUARY 2025)**

1. Reserves Strategy
   1. Reserves are a key part of medium-term financial planning with other components including revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. Decisions on these are inter-linked. Consequently, some organisations will need to maintain reserves at higher levels than others.
   2. All publicly funded organisations should have a reserves strategy to demonstrate transparency and accountability, to comply with best practice financial management and to justify the levels of reserves held.
   3. The PFCC maintains reserves to provide a measure of protection against risk. Without this protection, any unforeseen expenditure would have to be met either by increases in Council Tax or immediate savings (potentially through reductions in service levels).
   4. The term "reserves" has a variety of technical and everyday meanings, depending on the context in which it is used. In this strategy, it is taken to mean funds set-aside at the PFCC’s discretion for general or specific future purposes.
   5. Reserves are required to protect and enhance the financial viability and in particular:
      * To maintain a degree of in-year financial flexibility.
      * To enable the PFCC to deal with unforeseen circumstances and incidents.
      * To set aside monies to fund major developments in future years.
      * To enable the PFCC to invest to transform and achieve improved service effectiveness and efficiency.
      * To set aside sums for known and potential liabilities.
      * To provide an operational contingency at service level.
   6. Reserves should not be held to fund ongoing revenue expenditure as this is unsustainable in the long term. However, they may be important in smoothing a major financial imbalance (revenue or capital) over a longer timescale. CIPFA Bulletin 13 – Local Authority Reserves and Balances (Updated) published March 2023 states:

*“Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term.”*

* 1. The reserves strategy assumes that the Medium-Term Financial Plan (MTFP) is broadly balanced on a sustainable basis across the five year planning period. If the financial impact of current economic conditions continues to impact on taxbase and council tax levels over the medium term, then this could impact on those assumptions.
  2. Reserves should reflect the agreed financial strategy and should represent the quantified impact of risks and opportunities over the planning period, weighted for their probability.

1. National Guidance and Compliance with Home Office Guidance on Police Reserves
   1. The CIPFA Bulletin includes guidance on the establishment and maintenance of local authority reserves and balances, setting out the key factors that should be taken into account locally in making an assessment of the appropriate level of reserves and balances to be held.
   2. There is information that each PFCC must publish in terms of police reserves. One of the key requirements is that the information on each reserve should make clear how much of the funding falls into each of the following three categories:
      * Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.
      * Funding for specific projects and programmes beyond the current planning period.
      * As a general contingency to meet other expenditure needs held in accordance with sound principles of good financial management.
   3. This information is summarised across the Home Office headings as at 31st March 2025, together with the proposed use of the reserves held at that date as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reserve** | **Forecast Balance as at 31/3/2025** | **Funding for planned expenditure on projects and programmes over the MTFP (24/25-28/29)** | **Total Forecast Revenue and Capital Reserves as at 31/3/2030** | **Funding for specific projects and programmes beyond the current planning period** | **As a general contingency to meet other expenditure needs** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** |
| **General Fund** | **5.300** | **0.200** | **5.500** | **0.000** | **5.500** |
|  |  |  |  |  |  |
| **Earmarked Revenue:** |  |  |  |  |  |
| Insurance | **2.006** |  | **2.006** |  | **2.006** |
| Operational Equipment | **0.547** | (0.270) | **0.277** |  | **0.277** |
| Carry Forwards | **0.393** | (0.393) | **0.000** |  | **0.000** |
| Pensions | **0.215** |  | **0.094** |  | **0.094** |
| Smoothing | **3.492** | (1.095) | **2.397** |  | **2.397** |
| PFCC Initiatives | **3.912** | (1.921) | **1.991** | (1.991) | **0.000** |
| Transformation | **3.333** | (1.917) | **1.416** | (1.416) | **0.000** |
| Safer Roads | **0.664** | (0.330) | **0.334** | (0.334) | **0.000** |
| Neighbourhood | **0.998** | 0.276 | **1.274** | (1.274) | **0.000** |
| **Total Earmarked** | **15.560** | **(5.650)** | **9.789** | **(5.015)** | **4.774** |
|  |  |  |  |  |  |
| Collaboration | 0.472 |  | **0.472** | (0.472) | **0.000** |
| **Total Revenue** | **16.032** | **(5.650)** | **10.261** | **(5.487)** | **4.774** |
|  |  |  |  |  |  |
| **Capital:** |  |  |  |  |  |
| Capital Reserve | 0.077 |  | **0.000** | 0.000 | **0.000** |
| S106 Developer Contributions | 0.000 | 0.000 | **0.000** |  | **0.000** |
| **Total Capital** | **0.077** | **0.000** | **0.000** | **0.000** | **0.000** |
|  |  |  |  |  |  |
| **Total Reserves** | **21.409** | **(5.450)** | **15.761** | **(5.487)** | **10.274** |

*Note: numbers may not sum due to rounding*

1. General Reserve
   1. In order to assess the adequacy of the unallocated general reserve when setting the budget, the PFCC, on the advice of the two Chief Finance Officers, should take account of the strategic, operational and financial risks facing the authority. This assessment of risk should include external risks, as well as internal risks, for example the ability to deliver planned efficiency savings.
   2. Whilst there is no prescribed level of reserves that PFCCs should hold; it is influenced by individual discretion, local circumstances, advice from external auditors, risk management arrangements and risk appetite. CIPFA guidance specifically cautions against prescriptive national guidance for a minimum or maximum level of reserves and states:

*“The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The chief finance officer may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority.”*

* 1. However, the minimum level of reserves may be set for the authority by the Ministers in England and Wales where an authority does not act prudently, disregards the advice of its chief finance officer or is heading for financial difficulties.
  2. CIPFA indicate a minimum general reserve level is typically between 2% and 3% of net budget requirement.
  3. The PFCC has considered the reserves strategy and wishes to hold a sufficient but not excessive level of reserves. In determining this position, Annexe 1 outlines how the PFCC complies with the 7 key CIPFA principles which can be used to assess the adequacy of reserves.
  4. Given that the PFCC is required to meet the first 1% of any special grant requirement, and the level and range of earmarked reserves available to the PFCC, it seems prudent that the current policy is to maintain general reserves at a guideline level of around 3% of annual net revenue expenditure, with a minimum of 2.5%.
  5. At present, there are no plans to use the general reserve during the period of the MTFP. However, with forecast budget increases, there is a need to ensure the level of general reserves keeps pace to ensure minimum and guideline levels are achieved as follows:

|  |  |  |
| --- | --- | --- |
| **Year** | **£m** | **%** |
| 2025/26 | **5.300** | 2.6% |
| 2026/27 | **5.300** | 2.6% |
| 2027/28 | **5.350** | 2.5% |
| 2028/29 | **5.400** | 2.5% |
| 2029/30 | **5.500** | 2.6% |

* 1. Where appropriate and if budget levels are higher than those forecast in the MTFP, the PFCC will endeavour to increase general reserves for additional resilience.

1. Earmarked Reserves
   1. In addition to the general reserve, the PFCC holds a number of reserves which are earmarked for specific purposes.
   2. The predicted position for each earmarked reserve as at 31st March 2025, together with an outline of its specific purpose is attached at Annexe 2.
   3. At the 31st March 2025, it is estimated that the PFCC will hold £16.109m in earmarked reserves which are as follows and detailed in Annexe 3:
      * **Insurance** – To set aside funds if considered prudent for civil claims (Public and Employer liability) in line with professional advice.
      * **Operational Equipment** – To smooth the impact on the revenue budget in respect of the cost of replacing operational equipment, rather than impacting disproportionately on the budget in any one year.
      * **Carry Forwards** – To hold previous years underspends which are ring-fenced and carried forward for specific purposes in the medium term.
      * **Pensions** – To smooth the impact of ill-health retirements and to meet the costs of any unexpected pension-related pressures in excess of budget provision where the timing of such pressures are uncertain.
      * **Smoothing** – To enable the savings generated to be earmarked and released over future years as needed, smoothing the impact of funding fluctuations and timing of savings programmes on the revenue budget.
      * **PFCC Initiatives** – To deliver funding towards the specific initiatives of the PFCC arising to deliver against the Public Safety Plan.
      * **Transformation** – To support initiatives and transformative activities such as investments in technology and other innovation.
      * **Safer Roads** – To use in line with specific criteria for equipment or road safety initiatives. A Road Safety Alliance is in place with partners to produce priorities and the PFCC’s reserve is held for this.
      * **Neighbourhood** – To capture any underspends from the in-year Police Officer and Police Community Support Officers (PCSO) budgets. It is intended that the PCSO proceeds of this reserve will be specifically used to support neighbourhoods, and that Police Officer funds are used to maintain officer strength where needed.
      * **Developer Contributions (S106)** – To collect the drawn down developer contributions awarded to the PFCC in line with S106 planning arrangements. These funds will be released in accordance with the terms of the agreements, usually to fund capital expenditure. The reserve only accounts for funds once they have been drawn down and will apply funds against qualifying expenditure in line with the Treasury Management Strategy.
      * **Capital** – To hold capital financing underspends or disposal proceeds. These are to be used to fund the capital programme and minimise borrowing in line with the Treasury Management Strategy.
      * **Collaboration** – To hold previous years underspends on regional collaboration to fund regional asset replacements. Each P(F)CC holds their share of the regional reserves, set aside to meet future regional costs.
   4. The forecast balance on the reserves, taking into account a prudent estimate of timings for proposals which are currently being developed is detailed within Annexe 3.
2. Provisions
   1. The CIPFA Statement of Recommended Practice is prescriptive about when provisions are required (and when they are not permitted). A provision must be established for any material liabilities of uncertain timings or amount, to be settled by the transfer of economic benefits. In accordance with this statutory guidance, the Force hold an established ‘Insurance Provision’ which is reviewed as part of the closedown process for each year.
3. Procedures for management and control
   1. Any drawdown from reserves is subject to the approval of the PFCC, on advice from their Chief Finance Officer (s151 officer) or under their delegated authority.
   2. The Local Government Act 2003 requires the s151 officer to report annually on the adequacy of the reserves and this is included within the statement on the robustness of the budgeting estimates.
   3. The Strategy will be reviewed annually by the s151 Officer as part of the Budget and Precept process.

**Annexe 1**

**Northamptonshire OPFCC - Compliance with the 7 Key CIPFA Principles to assess the adequacy of reserves**

|  |  |
| --- | --- |
| **Budget Assumptions**  **(CIPFA Principles)** | **2025/26 Situation in Northamptonshire** |
| **The treatment of inflation and interest rates** | Northamptonshire makes full and appropriate provision for pay and price increases, informed by benchmarking with peers.  An informed assessment is made in the Treasury Management Strategy of interest rate movements.  All income and expenditure in the budget is prepared and published at outturn prices.  Additionally, there are operational and inflation contingencies to mitigate any volatility during the year. |
| **Estimates of the level and timing of capital receipts** | Northamptonshire has recently reviewed its estates strategy as a fundamental part of the capital programme and has made a prudent assumption of future capital receipts across the programme which are being used to fund capital expenditure and minimise the impact of borrowing on the budget. |
| **The treatment of demand led pressures** | The Force is required to operate and manage within its annual budget allocation. Overtime budgets are devolved within the Force to enable operational leaders to make decisions and the Chief Constable retains an operational contingency to support additional major incidents.  On an exceptional basis, agreement is sought from the PFCC to utilise carry forwards to meet one off demand led pressures and demand led pressures are scrutinised and built into the budget set by the PFCC.  Northamptonshire have identified savings in previous years which mean that opportunities for efficiencies are less than in previous years.  The PFCC is keen to ensure the Force continue to identify efficiencies where it makes sense to do so, and an efficiency target is set as part of the budget and MTFP and detailed within the annual strategic outcomes agreed with the Chief Constable.  Depending on funding availability, the PFCC has and will continue to support investment in areas that reduce demand, or which increase efficiency/capacity to deal with demand.  General reserves are only used as a last resort to manage and fund demand led pressures. |
| **The treatment of Planned Efficiency Savings/Productivity Gains** | The Force has a plan to meet financial savings and challenges and has a good track record of achieving required efficiencies.  The Force undertakes budget challenge meetings and reports on savings that are earmarked to offset pressures in the MTFP.  The Force operates a Strategic Planning Board which monitors investments, savings and efficiencies and is attended by OPFCC representatives.  There are efficiency requirements aligned to the MTFP and any identified savings and efficiencies will be monitored and reviewed regularly and are only included as achieved in budgets when confirmed and verified. |
| **The financial risks inherent in any significant new funding partnerships, collaboration, major outsourcing arrangements or major capital developments.** | The financial consequences of partnership collaboration working outsourcing arrangements or capital investment are reported to the PFCC as part of the medium-term planning process. Where relevant, any additional costs are incorporated into the annual revenue budget and/or capital programme.  There is a risk that partners will withdraw funding as their own budgets are squeezed, or that the continued viability of private sector commercial partners will be exposed to risk in the face of an economic recession. |
| **The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.** | Northamptonshire OPFCC have created earmarked reserves and provisions to meet specific expenditure items and have added to these further in this strategy. Their use and balances are detailed in Annexe 3.  Northamptonshire maintains an insurance provision, the adequacy of which is monitored in detail by the legal services insurance advisors, together with our insurance advisors. The access criteria for special grants state that PFCCS may be required to fund up to 1% of their net budget requirement themselves before the Government considers grant aid. This applies on an annual basis.  Northamptonshire’s general reserve provides sufficient scope to cover this eventuality. |
| **The general financial climate to which the Authority is subject** | It is anticipated that the financial climate will continue to be challenging and the medium-term financial plan reflects the “best estimate” of future inflation rates and increases in government grants and contributions.  The Commercial team keep the authority updated on matters/risks affecting large contracts and supply chain.  The MTFP will be regularly reviewed and updated to support operational decision making. |

**Annexe 2**

**RESERVES OF THE NORTHAMPTONSHIRE PFCC**

**2025/26 to 2029/30**

|  | **Rationale** | **How and when used** | **Level** | **Risk If Reserve Not Held** | **Management and control** | **Review** |
| --- | --- | --- | --- | --- | --- | --- |
| **GENERAL RESERVE** | To maintain a degree of in-year financial flexibility.  To enable the PFCC to deal with unforeseen circumstances and incidents.  To set aside sums for known and potential liabilities.  To support the operational contingency held at service level if demands on them exceed the contingency levels held. | To meet exceptional spending needs or overspends which are unable to be otherwise financed at the year end.  To smooth the profile of funding revenue over a medium term financial period  To allow higher spending without raising council tax on a one-off basis | Maintained at least 2.5% of net budget requirement. | The general reserve is held at a level which reflects risk, uncertainties, and volatility.  If no reserve is held there may be insufficient resources available for major catastrophe, which could jeopardise financial status and reputation of the PFCC.  The PFCC would have recourse to Home Office discretionary special grant if costs exceed 1% of budget or Bellwin scheme for natural disasters. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - INSURANCE** | To cover the potential and contingent liabilities of uninsured risks as assessed annually by our insurers based on claims outstanding. | The balance will increase or reduce annually dependent on the PFCC’s outstanding claims record.  Reviewed/scrutinised by the Joint Finance team and by legal and claims handling experts; the annual actuarial assessment determines the level of the reserve. | Variable according to annual risk assessment | The reserve is held to cover potential uninsured risks.  If no reserve is held the PFCC is potentially open to significant excess and claims payments in year beyond available revenue budgets.  Assessment by insurers needs to be realistic not unduly pessimistic. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - OPERATIONAL EQUIPMENT** | To smooth the impact of operational equipment purchases on the revenue budget | To access the funds a costed request has to be provided. | Variable according to usage and annual risk assessment. | The reserve is held to smooth the impact of operational equipment replacement rather than have significant variations in the budget.  If no reserve is held, the risk is that equipment would have to be replaced from the current year’s budget or capital programme. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - CARRY FORWARDS** | To fund specific expenditure requested by the force from previous year underspends or earmarked funding received. | Business cases provided as part of the outturn report or specific funding conditions. | Variable according to financial outturn. | Establishing a reserve enables an incentive and an opportunity to utilise year end underspends in a manner which will provide additionality and benefit for the service in future years, rather than finding resources from in-year or reserves. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - PENSIONS** | To meet the costs of any ill-health or injury retirements which are unbudgeted and fall directly on the PFCC.  To cover any significant overspend on the employer contributions to the Pension Account.  To cover costs in excess of budget relating to the administration of pension remedy, following changes to regulations. | Annually as required.  Transfers out depend on the amount resulted from successful claims during the year.  Historically there has been budget provided within the Force revenue budget for approximately 6 claims in a year. Any unused budget within a year would represent transfers in. | Variable according to annual risk assessment | The reserve is held to collect any underspend from ill health pensions in the budget and provides an opportunity to smooth the impact of a financial pressure or overspend in subsequent years.  The reserve enables a flat and realistic annual budget to be set for ill-health pensions rather than being subject to annual variances.  If no reserve is held, significant pension costs beyond normal budgeted profile could create pressure on the revenue budget or general reserves. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - SMOOTHING** | The reserve is held to receive any efficiencies and funding in excess of the budget set and to utilise to ensure any future variations are smoothed where appropriate.  This includes the impact of fluctuations in funding receipts from the collection fund if provided after the budget has been set. | The balance will increase or reduce annually dependent on budget levels and the savings programme. | Variable according to usage and annual risk assessment. | If funds were not maintained the PFCC and the Force could be required to balance the budget or funding shortfalls by in-year savings.  There can be significant variations each year in the revenue budget whilst the timing of efficiency savings occur – this smoothing reserve will assist in mitigating that. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - PFCC INITIATIVES** | The reserve is held and was established from a PFCC reserve and has been supplemented by in-year underspends.  To deliver funding to for specific initiatives of the PFCC arising from the Public Safety Plan.  To provide funding to deliver innovative solutions and pump prime new projects.  To fund invest-to-save projects that support the Public Safety Plan. | As required – typically informed by approved business cases for bids on the Fund. | Variable according to outturn and annual risk assessment. | If the reserve was not held initiatives would be funded either from the revenue budget or from other earmarked policing reserves.  If alternative funds were not available, then there could be missed opportunities for initiatives that cannot be progressed. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - TRANSFORMATION** | To fund transformative activities and opportunities and meet initial and upfront costs of approved projects. | To access the funds a costed request or business case has to be provided. | Variable according to outturn and annual risk assessment. | If funds were not provided, the risk is that equipment or services and resources required to implement transformative projects would have to be replaced from the current year’s budget or other reserves.  If no funds were available, it may be that innovative activity is hindered. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - SAFER ROADS** | The reserve is held to provide an opportunity for supporting local road safety related grants and to fund initiatives in the county identified locally and by the Road Safety Alliance.  Surpluses of fines and speed awareness course income is reinvested in replacement equipment and road safety initiatives.  The reserve is influenced by the work of the Road Safety Alliance. | As required – typically informed by approved business cases for bids on the Fund. | Variable according to outturn and annual risk assessment. | If reserve was not held then safety initiatives would have to be funded from the revenue budget, other reserves or not implemented.  This reserve can only be used in accordance with the legislation for its use of road safety related activities. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - NEIGHBOURHOOD** | For underspends in the Police Community Support Officers (PCSO) budget to be held to be used towards prioritising those resources and used in neighbourhoods or other associated requirements.  The reserve also provides an opportunity to overrecruit PCSOs or to use on other neighbourhood associated activities or requirements.  For underspends in Police Officer Pay to be earmarked to support officer strength in the future. | As required – typically informed by approved business cases for bids on the Fund. | Variable according to outturn and annual risk assessment. | If funds were not earmarked, it is possible that officer or PCSO numbers would need to be reduced. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - COLLABORATION** | Transfers in relate to underspend on regional collaboration. Transfers out represent contribution towards regional decisions including capital funding. | Upon requirement on decision made to contribute towards projects in relation to regional collaborations.  Decisions made on East Midlands PFCC and CC Boards | Variable according to usage and annual risk assessment. | If funds were not maintained, there would be a risk of regional projects not being supported. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - CAPITAL** | To hold capital financing underspends or disposal proceeds. These are to be used to fund the capital programme and minimise borrowing. | Released to fund capital projects where deemed the most cost efficient way to do so, in line with the Treasury Management Strategy. | Variable according to outturn, usage and annual risk assessment. | If unavailable, the cost of financing capital expenditure could adversely impact revenue budgets into the future.  Capital projects may be deemed unaffordable. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - DEVELOPER CONTRIBUTIONS (S106)** | The reserve is held for funds allocated to the PFCC from developers towards the cost of infrastructure developments for Policing.  To meet the additional cost of operational requirements | To access the funds a costed request has to be provided which is consistent with the conditions of the developer contribution. | Variable according to usage. | If funds were not provided, the risk is that the additional costs would have to be factored into the capital programme. | PFCC, on advice from PFCC CFO | Annual |

**Annexe 3**

**Summary of Revenue and Capital Reserves 2024/25 to 2029/30**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Earmarked Reserves - Updated Jan 2025** | **Forecast Balance at  31 March 2025** | **Forecast Balance at  31 March 2026** | **Forecast Balance at  31 March 2027** | **Forecast Balance at  31 March 2028** | **Forecast Balance at  31 March 2029** | **Forecast Balance at  31 March 2030** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| **Held to meet budgetary risks** |  |  |  |  |  |  |
| Insurance | 2.006 | 2.006 | 2.006 | 2.006 | 2.006 | 2.006 |
| Operational Equipment | 0.547 | 0.347 | 0.277 | 0.277 | 0.277 | 0.277 |
|  | **2.553** | **2.353** | **2.283** | **2.283** | **2.283** | **2.283** |
| **Held to support the medium term budget** |  |  |  |  |  |  |
| Earmarked - Carry Forwards | 0.393 | 0.200 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 0.215 | 0.215 | 0.094 | 0.094 | 0.094 | 0.094 |
| Smoothing | 3.492 | 3.582 | 2.397 | 2.397 | 2.397 | 2.397 |
|  | **4.100** | **3.997** | **2.491** | **2.491** | **2.491** | **2.491** |
| **Held to facilitate change programmes** |  |  |  |  |  |  |
| PFCC Initiatives Reserve | 3.912 | 3.396 | 2.741 | 2.491 | 2.241 | 1.991 |
| Transformation Reserve | 3.333 | 1.154 | 1.416 | 1.416 | 1.416 | 1.416 |
| Safer Roads Reserve | 0.664 | 0.598 | 0.532 | 0.466 | 0.400 | 0.334 |
| Neighbourhood Reserve | 0.998 | 1.574 | 1.274 | 1.274 | 1.274 | 1.274 |
| S106 Developer Contributions | 0.000 | 0.042 | 0.000 | 0.000 | 0.000 | 0.000 |
|  | **8.907** | **6.764** | **5.963** | **5.647** | **5.331** | **5.015** |
| **Capital Reserves** |  |  |  |  |  |  |
| Capital Reserves | 0.077 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
|  | **0.077** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
|  |  |  |  |  |  |  |
| **Total PFCC Earmarked Reserves** | **15.637** | **13.114** | **10.737** | **10.421** | **10.105** | **9.789** |
|  |  |  |  |  |  |  |
| Collaboration Reserves - Held locally | 0.472 | 0.472 | 0.472 | 0.472 | 0.472 | 0.472 |
|  |  |  |  |  |  |  |
| **Total Earmarked Reserves** | **16.109** | **13.586** | **11.209** | **10.893** | **10.577** | **10.261** |
|  |  |  |  |  |  |  |
| General Fund | 5.300 | 5.300 | 5.300 | 5.350 | 5.400 | 5.500 |
|  |  |  |  |  |  |  |
| **Total Reserves** | **21.409** | **18.886** | **16.509** | **16.243** | **15.977** | **15.761** |

*Note: numbers may not sum due to rounding*