

## NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL

### REPORT TO THE NORTHAMPTONSHIRE POLICE, FIRE & CRIME COMMISSIONER

8<sup>TH</sup> FEBRUARY 2021

<b>Subject:</b>	<b>Review of the Northamptonshire Police, Fire &amp; Crime Commissioner's Proposed Police Precept for 2021/22</b>
<b>Recommendations:</b>	<b>That the Northamptonshire Police, Fire &amp; Crime Commissioner:</b> <b>a) Has regard to this report by the Northamptonshire Police, Fire &amp; Crime Panel arising from its review of the proposed Police precept for 2021/22 in accordance with the Police Reform &amp; Social Responsibility Act 2011 Schedule 5 Paragraph 5(2)(a).</b> <b>b) Gives the Panel a response to this report in accordance with the Police Reform &amp; Social Responsibility Act 2011 Schedule 5 Paragraph 5(2)(b).</b>

#### 1. Purpose of Report

- 1.1 The report is intended to set out the results of the review by the Northamptonshire Police, Fire & Crime Panel of the Northamptonshire Police, Fire & Crime Commissioner's proposed Police precept for 2021/22.

#### 2. Background

- 2.1 The Police Reform & Social Responsibility Act 2011 specifies that a Police (Fire) & Crime Commissioner may not issue a Police precept under Section 40 of the Local Government Finance Act 1992 until it has been subject to scrutiny by the relevant Police (Fire) & Crime Panel according to the process specified in Schedule 5 of the 2011 Act.
- 2.2 Schedule 5 of the 2011 Act, supporting Regulations, and the Rules of Procedure for the Northamptonshire Police, Fire & Crime Panel require:
- a) The Commissioner to notify the Panel of the Commissioner's proposed precept by 1<sup>st</sup> February of the relevant financial year.
  - b) The Panel to review the proposed precept.
  - c) The Panel to resolve to:
    - i) Support the proposed precept without additional qualification or comment; or
    - ii) Support the proposed precept and make additional recommendations on it; or
    - iii) Veto the proposed precept provided that the Panel makes that decision by the required majority, which is that at least two thirds of the persons who are members of the Panel at the time when the decision is made vote for it.

- d) The Panel to make a report to the Commissioner on the proposed precept, setting out the results of its review, by 8<sup>th</sup> February of the relevant financial year. If the Panel votes to veto the proposed precept the report must state that the Panel has done so and set out its reasons for doing so.

2.3 If the Panel does not veto the proposed precept the Commissioner must:

- a) Have regard to the report made by the Panel
- b) Give the Panel a response to its report and to any recommendations in the report.
- c) Publish the response in a manner determined by the Panel.

2.4 The scrutiny process concludes at this point. The Commissioner may then issue the proposed precept as the precept for the next financial year, or issue a different precept but only if it would be in accordance with a recommendation made in the Panel's report.

2.5 If the Panel vetoes the proposed precept the Commissioner is required to produce a revised precept, which is subject to further scrutiny by the Panel.

### **3. Review of the Proposed Police Precept**

3.1 The Northamptonshire Police, Fire & Crime Panel met in public on 3<sup>rd</sup> February 2021 to review the Commissioner's proposed Police precept for 2021/22. A recording of the meeting is available to view at: <https://www.youtube.com/watch?v=spJrceV5i2Q>.

3.2 The Commissioner presented the proposed precept and budget, which were based on an increase in the precept of £13 per year for Band D Council Tax. The Commissioner emphasised that investment in frontline policing had been a key priority throughout his term and the proposed budget would continue to deliver this and build on recent improvements to Northamptonshire Police. He considered that the proposed budget would also provide value for money and would reflect the views of local residents, given that 71% of consultees had said that they would be prepared to pay more for policing. The proposed budget would provide for the cost of an additional 140 officers recruited in the past two years and 76 officers in 2021/22, which would be new officers not just replacements for previous departures. The force was now forecast to reach a complement of just over 1,500 officers by March 2023, which would be its highest ever number. However, this was set against the demand resulting from further projected growth in the local population. The budget sought to address this by ring-fencing £1m to support dedicated neighbourhood policing teams and initiatives to address anti-social behaviour and street level drug dealing. As Commissioner he sought to maximise available resources and would continue to make a case to the government that the current policing funding formula was unfair to Northamptonshire. The proposed budget had been developed against the background of challenges resulting from population growth in Northamptonshire, the level of central government funding and the effects of the COVID-19 pandemic. However, he commended it as a considered approach that would still deliver on the commitment to frontline policing in the county.

3.3 Panel members noted that the Commissioner had commented robustly about the unfair impact of the police funding formula on Northamptonshire and that he was continuing to press the government for change in this regard. The Panel sought reassurance about the basis for the Commissioner's case and questioned whether he was making progress in gaining support for it within the government. The length of time it took to conduct a

spending review and the need for policing to be included in the Fair Funding Review process were also emphasised. The Commissioner acknowledged that it was very challenging to achieve a change in government policy. The government was receptive to his case and had advised that there would be a funding review, but there were no guarantees about the outcome of this for Northamptonshire. In the meantime, the Chief Finance Officer had worked very effectively to secure additional resources where possible. The Panel and Northamptonshire MPs had also been very supportive of the Commissioner's continuing efforts on this matter. The Commissioner went on to emphasise that his case about the impact of the current funding formula was based on how it affected Northamptonshire relative to comparable areas. The comparison with Nottinghamshire was illustrative: it had 28% more residents than Northamptonshire but received 83% more grant funding for policing, which would equate to an additional £35m for Northamptonshire if it was funded at the same level. Nottinghamshire generated 33% of its policing funding from the precept compared to 44% in Northamptonshire. Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services evaluated forces on a standard basis and had stated in 2019 that Northamptonshire Police had been subject to long term underfunding.

- 3.4 The Panel questioned the Commissioner about the rationale for proposing only a £13 increase in the precept rather than £15, particularly if the government had indicated an expectation that commissioners should increase their precepts by the higher amount. It was suggested that the Commissioner's proposed approach could risk working against his case that Northamptonshire was under-funded. The Commissioner advised that he had deliberated at length before deciding the proposed precept: it had been the most difficult budget decision he had taken during his term in office. The government did see the precept as a local decision that should take account of local conditions. Reflecting this, the Commissioner considered that it was not the right time to ask Northamptonshire taxpayers for more than he now proposed. In setting the precept he had to take account of residents' ability to pay, particularly in the context of the impact of the pandemic and the financial implications of local government reorganisation. His approach had also been informed by public consultation: 71% of consultees had said they would be prepared to pay more for policing; 57% had supported a £13 increase in the precept but a majority had opposed a £15 increase. He considered that the proposed increase would demonstrate to residents that there was continued investment in policing whilst also reinforcing to the force that resources needed to be managed effectively. Ultimately, the Commissioner was comfortable that proposing an increase of £13 struck the right balance at this time.
- 3.5 The Panel questioned the Commissioner on his level of confidence that the requirement for the Chief Constable to achieve an ongoing annual efficiency saving of 1% was deliverable, given pressures on resources. The Commissioner emphasised that the force was on an improvement journey under the current Chief Constable and was making good progress. As part of this the Commissioner wanted the force to have an in-built culture of seeking efficiencies and being more robust about identifying resources within existing budgets to meet new frontline demands. This approach should be part of the force's continuing evolution as an organisation and would enable the Commissioner to show to Northamptonshire residents that the resources provided for policing were being used as well as possible. The Commissioner was satisfied that the 1% target could be achieved and that it was the right time to set it. The Commissioner was further questioned about the force's ability to identify its own innovative solutions to the

challenges it faced. In response the Commissioner commended the leadership and tenacity of the Chief Constable and his senior management team. Their approach reflected the principle that effective performance required both a good strategy and a good culture and meant that the force was now getting the basics right. This was demonstrated by improved performance in areas such as burglary, although this needed to be enhanced further. The force's activity also joined up with wider work to support community safety such as that done by the targeted Youth Service. The Commissioner highlighted that the force was attracting an increasing proportion of new recruits from outside of the county, which indicated that it was seen as a progressive organisation.

- 3.6 The Panel considered matters relating to the use of reserves as part of the proposed budget. The Panel was advised that the level of reserves available to the Commissioner was in a much healthier position than at the start of his term of office, with a sensible level of general reserves and earmarked reserves for specific purposes. This position had assisted in planning the proposed budget and the final decision. Panel members sought further information about the use of the Additionality Reserve held by the Commissioner and potential risks associated with it. The Panel was advised that the Additionality Reserve had been created in 2018/19 at the point when officer numbers were being increased but there was not certainty about the timing of related funding. The Reserve was used to smooth the impact of recruitment and staffing levels on the revenue budget; it could also be used to mitigate other one-off costs such as those connected with the withdrawal from Multi-Force Shared Services. The Reserve would now enable the force to recruit additional officers as part of the national uplift to the original planned timescale, despite a recent change to the phasing of government funding as a result of the pandemic.
- 3.7 The Panel sought further clarification and assurance on different aspects of the proposed budget. The Panel was advised that the provision for staff pay awards in the proposed budget delegated to the force reflected the outcome of the 2020 Spending Review with regard to public sector pay, although starting salaries for Northamptonshire Police officers had been raised during the Commissioner's term of office. The provision for pensions in the delegated budget reflected that fewer officers had been joining the police pension scheme in recent years under the latest regulations. However, the force still paid approximately £18m per year in pension contributions, which represented a significant component in the budget.
- 3.8 The Panel considered its potential conclusions on the Commissioner's proposed precept for 2021/22. Panel members emphasised that the Commissioner's decision should take account of the pressures on Northamptonshire residents resulting from the pandemic as well as those associated with the establishment of the new local authorities. However, it was welcomed that the proposed precept would still provide for an increased number of frontline officers. This should support the force in continuing effective activity to address issues such as county lines crime, alongside its commendable contribution to the response to the pandemic. Panel members considered that residents would support proposed investment in neighbourhood policing: the creation of dedicated named neighbourhood teams should help to address the particular issue of people not knowing who to contact about local issues. Drug dealing was a significant contributor to wider problems and so activity to address street dealing could also be productive. The Commissioner was encouraged to ensure that the force and Northamptonshire Fire & Rescue Service continued to pursue opportunities to improve service delivery and

make best use of premises and similar resources. Overall, Panel members considered that the Commissioner had set out a clear case for the proposed precept.

### **Outcome of the Review**

3.9 At the conclusion of discussion the Panel ultimately resolved unanimously:

**To support the Northamptonshire Police, Fire & Crime Commissioner's proposed Police precept for 2021/22.**

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Background Papers:	Police Reform & Social Responsibility Act 2011 The Police & Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 Northamptonshire Police, Fire & Crime Panel Panel Arrangements and Rules of Procedure