

## 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 Fire &amp; Rescue 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 Fire &amp; Rescue 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 Fire & Rescue precept for 2021/22.

#### 2. Background

- 2.1 The Fire & Rescue Services Act 2004 as amended by the Policing & Crime Act 2017 specifies that a Police, Fire & Crime Commissioner may not issue a Fire & Rescue precept until it has been subject to scrutiny by the relevant Police, Fire & Crime Panel according to the process specified in Schedule 5 of the Police Reform & Social Responsibility Act 2011.
- 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 Fire & Rescue 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 Fire & Rescue 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, emphasising that despite significant challenges he was able to produce a balanced budget for 2021/22. His intention was to set the Fire & Rescue precept at £5 per year, which was an increase of 8.07% for Band D Council Tax. However, this relied on the government permitting additional flexibility regarding the maximum level of increase possible without the need for a local referendum. If this was not given, the Commissioner proposed to increase the precept by 1.99%. This would still permit a balanced budget but would require a greater contribution from reserves. The government had not yet confirmed its position on additional flexibility. In the meantime, the Home Office had agreed to provide an additional £1m funding to support the Fire & Rescue authority's reserves. The Commissioner was grateful for this support and commended the Chief Finance Officer for her work to secure it. Since the Commissioner had taken responsibility for the governance of Northamptonshire Fire & Rescue Service (NFRS) it had been able to recruit new firefighters, order new appliances and improve its performance on response times and appliance availability. The aim of improving joint working between NFRS and Northamptonshire Police was also being delivered. The improved position of NFRS had been recognised by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), whose recent inspection findings were a positive contrast with those from previous years. The effects of the COVID-19 pandemic would have an impact on the resources available to NFRS. The Commissioner ultimately considered that the £5 increase in the precept he now proposed was necessary to maintain some of the gains that NFRS had recently made.

3.3 The Panel sought further information as to when the Commissioner expected to have an answer from the government on the question of additional flexibility and when he needed to set the precept. The Commissioner and Chief Finance Officer advised that a

Home Office minister had written to the Ministry of State for Housing, Communities & Local Government (MHCLG) supporting flexibility specifically for Northamptonshire but the MHCLG was responsible for the final draft settlement. This was expected to be published the next day for parliamentary debate in the following week. The Commissioner needed to advise collecting authorities of his precept by 15<sup>th</sup> February 2021.

- 3.4 Panel members noted that the Chief Finance Officer's statement on the proposed precept and budget gave the view that the current NFRS Capital Programme was neither affordable nor deliverable in full and sought confirmation that action was being taken to address this situation. The Panel was advised that the Chief Fire Officer believed that the Capital Programme could be rationalised to bring financing costs within the necessary envelope and had been tasked by the Commissioner with carrying out a full review of it. The process of refining the Capital Programme would include challenge back to NFRS on essential requirements and different options that could be used to meet them. The overall financial position would be assisted in the medium and longer term by benefits from enabling services coming on-stream and by pursuing similar opportunities to maximise resources. The Commissioner emphasised that the development of enabling services was still in the second year of a three-year programme. The recruitment of joint posts to lead on IT Services, fleet and commercial activity for both NFRS and the force was another example of action that was being taken to manage demands, which would be particularly important if the flexibility to increase the precept by £5 was not secured.
- 3.5 The Panel challenged the Commissioner about the relationship between his plans for 2021/22 and the Fire & Rescue authority Medium Term Financial Plan (MTFP), which showed significant shortfalls in its later years. The Chief Finance Officer advised that it was expected to take some time to bring the MTFP to a balanced position, although it was hoped to be closer to achieving this in a year's time. A Panel member questioned whether the Commissioner was comfortable with the level of risk involved in increasing the precept by 5% and increasing capital expenditure in this context, which could lead to a boom-and-bust situation. It was reiterated to the Panel that the level of investment included in the current Capital Programme would be pared back, although it would be essential to replace some equipment on safety grounds. The Fire & Rescue authority was aware of the risks that it faced and was working to address them. It had highlighted to the Home Office that transferring governance responsibility for NFRS to the Commissioner was the start of a process.
- 3.6 The Panel considered the Commissioner's case for increasing the NFRS establishment, given the current uncertain position. The Panel was advised that the budget included provision for 20 firefighters recruited in 2020/21 to ensure strength remained in line with the establishment. The 12 additional posts to be recruited in 2021 would enable more cost-effective crewing on call outs: overall budget demands would not increase as a result. The Commissioner emphasised that NFRS's position should not be judged purely on the basis of head count, as this did not take account of the combination of whole time and retained firefighters. The provision in the proposed budget linked back to the need for NFRS to achieve a safe minimum level of service. It had not been doing so when inspected by HMICFRS in 2018: since the governance transfer NFRS had remained above the necessary level. One aspect of this was the strategic decision to increase recruitment where this would enable more appliances to be on the run, such as by

deploying a whole time driver to a retained station. There was an optimum blend of NFRS staffing that would deliver both necessary service coverage and savings. The strategic use of estates across the force and NFRS could also produce benefits. The Commissioner agreed that it would cause problems if the current Capital Programme was not refined but was confident that the MTFP could be brought to a balanced position. However, the ability to raise the precept by £5 in 2021/22 was crucial to this: if this flexibility was not permitted it could have a significant impact on future service provision. The Commissioner hoped that the support received from the Home Office was an indication of the strength of his case.

- 3.7 The Panel sought further clarification and assurance on different aspects of the proposed budget. The Panel was advised that the Fire & Rescue authority was in a better position with regard to reserves than 12 months before. The additional £1m received from the Home Office would be committed specifically to reserves. General reserves would reach a good, sustainable level, but the authority did not have sufficiently extensive earmarked reserves to assist in mitigating risks and to invest in service change. The business case for a future joint control facility would identify how costs would be apportioned between NFRS and the force, taking account of relevant Home Office guidance. The implications of the legal case regarding age discrimination in public sector pension reform were not yet clear to include provision for this in the MTFP. The MTFP identified this issue as a risk and would be developed as the position on this matter became clearer.
- 3.8 A Panel member questioned whether it was anticipated that NFRS would move towards making the retained crewing model a larger component of the organisation, particularly given that the growth in home working could support the availability of retained personnel in urban areas. The Commissioner advised that NFRS would continue with a hybrid model, which included strategically locating whole time staff to support appliance availability. Retained crewing involved challenges but might also benefit from factors such as an increase in community-mindedness resulting from the pandemic. The Commissioner emphasised that NFRS was going through an improvement process and there was still scope to look at ways of using public resources to produce the most benefit. However, he was pleased with the progress made so far, particularly in the context of the pandemic, and genuinely confident in plans for the future. If he was re-elected in May 2021 his new strategic plans for both NFRS and the force would be evolutionary and not a dramatic change in the direction of travel of either organisation.
- 3.9 The Panel considered its potential conclusions on the Commissioner's proposed precept for 2021/22. Panel members emphasised that the Fire & Rescue authority was in a very tight financial position; arguably too tight given the significant pressures in later years of the current MTFP. NFRS had faced longstanding challenges due to the relatively small size of its budget. Central government needed to make appropriate provision for the resources that this function required as there was only so much that could be done locally using Council Tax and available reserves. Panel members commented that a £5 increase in the precept was a relatively limited request in the overall context. On the other hand, members expressed serious concern at the potential implications for future services of a decision by the government not to permit additional flexibility for the Commissioner to raise the precept by this amount.

## Outcome of the Review

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

- a) **To support the Northamptonshire Police, Fire & Crime Commissioner's proposal to increase the Fire & Rescue precept for 2021/22 by £5.00 (8.07%) at Band D should the government permit the necessary precept flexibility required to do so.**
- b) **To support the Northamptonshire Police, Fire & Crime Commissioner's proposal to increase the Fire & Rescue precept for 2021/22 by £1.23 (1.99%) at Band D if this remains the maximum increase permitted without the need to hold a local referendum.**

Author:	Name: James Edmunds Team: Democratic Services Northamptonshire County Council
Contact details:	Tel: 01604 366053 Email: <a href="mailto:jedmunds@northamptonshire.gov.uk">jedmunds@northamptonshire.gov.uk</a>
Background Papers:	Police Reform & Social Responsibility Act 2011 Policing & Crime Act 2017 The Police & Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 Northamptonshire Police, Fire & Crime Panel Rules of Procedure