



Nottinghamshire Police and Crime Commissioner – Notice of Decision

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DECISION OR INFORMATION:	Decision
DATE RECEIVED:*	16/02/2023
REF:* (to be inserted by the OPCC)	2023.018

TITLE:	BUDGET 2023-24
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EXECUTIVE SUMMARY:

The purpose of this decision is to propose:

- A revenue budget and council tax precept for 2023-24
- A medium term financial plan for 2024-25 to 2027-28
- A capital programme for 2023-24 to 2027-28

The proposals will support delivery of the Police and Crime Plan.

INFORMATION IN SUPPORT OF DECISION: (e.g., report or business case)

The attached report sets out the detail. The Police and Crime Commissioner is asked to:


1. note the Chief Finance Officer's statement on robustness of estimates and adequacy of reserves in Section 7;
2. approve the council tax requirement for 2023-24 as set out in Appendix A;
3. approve the revenue budget for 2023-24 at Appendix B and medium-term financial plan for 2024-25 to 2027-28 as set out in Appendix C; and
4. approve the capital programme and its funding for 2023-24 to 2027-28 as set out in Section 5


FINANCIAL INFORMATION

All relevant financial information is contained in the attached report.

Signature: Chief Finance Officer	REDACTED
Date:	16/02/2023

Is any of the supporting information classified as non-public or confidential information?*	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If yes, please state under which category from the guidance**				
DECISION:				
<p>To:</p> <ol style="list-style-type: none"> 1. approve the council tax requirement for 2023-24 as set out in Appendix A; 2. approve the revenue budget for 2023-24 at Appendix B and medium term financial plan for 2024-25 to 2027-28 as set out in Appendix C; and 3. approve the capital programme and its funding for 2023-24 to 2027-28 set out in Section 5. 				

OFFICER APPROVAL:	
I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.	
Signature: Chief Executive	
Date:	17/02/2023

DECLARATION:	
I confirm that I do not have any disclosable pecuniary interests in this decision, and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:	
The above request has my approval	
Signature: Nottinghamshire Police & Crime Commissioner	
Date:	21.02.23

** See guidance on non-public information

1. Police Grant Settlement

- 1.1 The Provisional Police Grant Report accompanied by a Written Ministerial Statement was laid before Parliament on 31 January 2023 and debated on 8 February 2023. The settlement remains unchanged from that set out at the provisional police funding settlement published on 14 December 2022.
- 1.2 The core grant for Nottinghamshire is now £154.0m, an increase of £0.5m. In addition, a ringfenced allocation of £4.9m is available to Nottinghamshire upon maintaining the uplift officers target headcount number of 2,387, the funding will be released on a bi-annual basis, following the publication of police workforce statistics, and will be based on officer headcount in forces as at 30th September and 31st March. Should forces not meet the necessary requirements to claim the funding available at the mid-year point, this funding will not be available to forces at the end of the year. The pension top up grant allocation, £2m, has been maintained in 2023-24 at the same level as for 2022-23, as have Legacy Council Tax Grants of £9.7m.
- 1.3 The Minister confirmed the precept referendum limit to allow an increase up to an additional £15 per annum for a Band D property, without the need to call for a local referendum. This was previously announced to be £10 but was increased in recognition of policing needs to balance budgets and deliver on key priorities.
- 1.4 The Minister's statement sets out the national priorities for 2023-24 which include:
- continuing to invest in critical priority areas including serious violence and drugs programmes that prevent crime and help keep communities safe;
 - funding to improve the criminal justice system and support victims;
 - and continued investment in Major Law Enforcement programmes to ensure police forces have effective IT capabilities.
- 1.5 Following the cessation of capital grant funding to PCCs in 2022-23 there is no capital grant allocated to PCCs in 2023-24, the £105m budget available will be redistributed as part of wider reallocations.
- 1.6 The Minister's statement refers to the Core Grant Distribution Review (funding formula review), in that they are preparing to publish a first public consultation, which will set out the broad principles of the Review and consult on the purpose, structure and components of a new formula. The Medium-Term Financial Plan (MTFP) therefore includes a prudent estimate of what additional core grant funding could be allocated to Nottinghamshire from 2025.

2. Council Tax

- 2.1 Details of the Nottinghamshire council tax base have been received from the City/District councils. These indicate a 1.42% increase in the tax base for 2023-24. There is also an aggregate net surplus on council tax collection funds; the Police and Crime Commissioner's share of this net surplus is estimated to be £0.353m.
- 2.2 The government confirmed its proposals relating to Council Tax referendum principles for 2023-24 on 31 January 2023. In 2023-24 all PCCs will be allowed to increase band D bills by up to

£15 p.a. without triggering a local referendum. The budget is based upon the PCC's increase in the police precept of £14.94 (5.9%) for a Band D property for 2023-24.

2.4 The MTFP is based upon annual council tax increases of £10 per annum per Band D property in 2024-25, reverting to a 3% per annum increase in 2025-26 to 2027-28.

2.5 It has been assumed that the taxbase will increase by 1.5% per annum across the MTFP. This is considered a realistic level of increase.

2.6 The details of the council tax requirement are set out in Appendix A and the impact on Nottinghamshire council taxpayers is summarised in Table A below.

Council Tax Band	2022/23 Council Tax	£14.94 Annual Increase to Band D	Proposed 2023/24 Council Tax	% increase	Pence per week increase
A	£169.50	£9.96	£179.46	5.9%	£0.19
B	£197.75	£11.62	£209.37	5.9%	£0.22
C	£226.00	£13.28	£239.28	5.9%	£0.26
D	£254.25	£14.94	£269.19	5.9%	£0.29
E	£310.75	£18.26	£329.01	5.9%	£0.35
F	£367.25	£21.58	£388.83	5.9%	£0.42
G	£423.75	£24.90	£448.65	5.9%	£0.48
H	£508.50	£29.88	£538.38	5.9%	£0.57

Table A: Council Tax

2.7 The Nottinghamshire Police and Crime Panel met on 7 February 2023 to consider the PCC's proposed council tax increase. The Panel voted at the meeting with the majority in support, (10 for and 2 against), of the proposed £14.94 increase for a Band D property, a 5.9% increase to the policing element of the council tax in 2023-24.

3. Other Income

3.1 The budget includes the use of £1.5m of reserves to balance the 2023-24 budget; and further use of reserves in future years in conjunction with efficiency savings to maintain a balanced position across the MTFP. This shows the need for a favourable outcome for Nottinghamshire in the long-awaited Funding Formula Review. Specific income from grants, partners and fees and charges is also included, detail is set out in Appendix B.

3.2 Core 2023-24 income is set out in Table B below.

2023/24 Core Funding	£m
Core Police Grant	(154.0)
Legacy CT Grant	(9.7)
Pension Grant	(2.0)
Ringfenced PUP	(4.9)
Use of Reserves	(1.5)
Surplus on collection funds	(0.4)
Police Precept	(89.4)
Total	(261.9)

Table B - Funding

4. Revenue Expenditure

4.1 The 2023-24 budget is summarised in the Table C below, and in more detail in Appendix B.

2023/24 Expenditure	GROSS £m	NET £m
OPCC Grants & Commissioning	11.6	
Less OPCC Specific Income	(7.0)	
Core Grants & Commissioning		4.6
PCC Office & Democratic Core		2.6
Total OPCC		7.2
CC Budget Requirement	274.3	
Less Specific Income	(17.8)	
Less allocated Efficiencies/Savings	(4.7)	
Total CC		251.8
Direct Revenue Funding		0.6
Joint Service - Finance		2.2
Total		261.9

Table C – Expenditure (*amounts are rounded and my not sum*)

4.2 The following assumptions are included:

- Pay award for 2023-24 for officers and staff has been budgeted at 2% with a further 1% included for inflation volatility within non-pay.
- Staff vacancy rate has been set at 3.5% for most of the force with only Contact Management and Custody set at a lower percentage due to the nature of their recruitment model.
- General inflation is budgeted at 5% where applicable and specific areas such as gas, electricity, diesel, petrol and Home Office ICT charges budgeted higher to factor in the current pressures that are being faced.
- Police Officer headcount is maintained at 2,378 (2,337 FTE) to the end of March 2024 ensuring Nottinghamshire Police do not dip below the 357 additional officers allocated from the Uplift Programme.

- Police Staff establishment remains relatively static throughout the year with a small decrease of 12 FTE which is predominantly due to fixed term contracts ending within the financial year.
- PCSO numbers is maintained at 150 FTEs throughout the whole of 2023-24.
- Investigators relate to both Police Staff Investigators (PSIs) and Graduate Investigators (GIs) and this number fluctuates within the year as we take new cohorts on, and others hopefully convert to becoming Police Officers that ties in with the Officer workforce plan. The main premise of these roles was to help feed the detective route of entry and this is an area in the future that can be tailored back in terms of FTEs as we bolster the detective constables within the force.

4.3 The following cost pressures are included:

- Pay and allowances has seen a £12.6m growth in cost through factoring in the pay award as well as the increments to officers and staff, restructures and pension scheme contribution rate changes. Also new staffing costs for Safer Roads and an increase in overtime which are both offset within income.
- Insurance cost increase of £0.7m caused by policy price changes and an increase in fleet vehicles.
- Premises expenditure has increased by £0.8m due to a full year of the new builds at FHQ and Custody alongside gas and electric usage increase.
- Inflationary rises and volatility account for £5.3m in additional cost.
- £3.1m increase in income driven from grant income, Safer Roads and seconded officers which are all offsetting additional costs.
- Maintenance of the OPCC £4.2m for Grants and Commissioning, including absorbing changes to the Out of Court Disposals framework currently estimated to be a pressure of c£0.3m.

4.4 More detail on the budget changes since 2022-23 are in Appendix D.

4.5 £4.7m of efficiency savings have been identified and included as follows:

- £1.9m of efficiencies from exiting the Multi Force Shared Services which has resulted in in-house teams being re-established which will allow greater autonomy over processes and therefore the ability to drive out efficiencies.
- £1.3m has been identified in ICT budgets, the majority of this has come from challenging current and new contract provision in terms of volume activity, ensuring we are not paying for services/modules we no longer use, modifying the number of user licenses to match our actual demand, and where possible negotiating additional discounts on contracts.

- A reduction in premises costs of £0.3m has been identified due to rationalisation of the estate, and £0.4m of transport savings from exiting the PFI. Other savings and efficiencies of some £0.7m include reduced recruitment campaign costs, reduced uniform and overtime costs, and a reduction in collaborations that are poor value for money.

5. Capital Programme

5.1 The programme is built upon the current priorities within the Force. Ensuring premises and equipment are fit for purpose, appropriately maintained, and replaced at the end of their useful life.

5.2 It is currently estimated that there will be approximately £3.5m slippage from 2022-23 capital programme into 2023-24, these figures will be re-evaluated and confirmed at the end of the financial year.

5.3 The capital programme for 2023-24 to 2027-28 and its funding is summarised in Table D below. This outlines the funding made available, however, business cases will be completed and approved before funding is released.

£'000s					
Capital Expenditure	2023/24	2024/25	2025/26	2026/27	2027/28
Estates & Facilities	2,433	2,116	2,174	2,234	2,296
Information Services	2,082	315	315	112	115
Fleet	2,604	2,758	2,696	2,432	1,591
Operations	197	0	0	0	0
Capital Programme	7,316	5,189	5,185	4,778	4,002
Financed by:					
Capital Receipts	-535	-300	-300	-300	-300
Capital Grants	0	0	0	0	0
Direct Revenue Financing	-600	0	0	0	0
Capital Reserve	-197	0	0	0	0
Loans	-5,984	-4,889	-4,885	-4,478	-3,702
Total Financed by:	-7,316	-5,189	-5,185	-4,778	-4,002

Table D: Capital Programme

5.4 Estates & Facilities - work continues in line with the building condition survey from 2017, a refresh of this survey will take place during 2023-24. Projects to ensure the custody suites remain Home Office compliant, and general improvements to the force estate to make best use of the space available and improve the environmental impact continue to progress.

5.5 An investment within IT to replace the existing airwave radios en masse will take place as many are beyond end of life and have been retained longer than planned to tie in with the Home Office Emergency Services Network (ESN) programme which is further delayed.

5.6 Fleet shows the budget requirement for on-going replacement of vehicles as well as provision for replacing written off vehicles.

5.7 Operations reflects the replacement of 4 safety camera partnership vans and cameras.

6. Medium Term Financial Plan (MTFP)

6.1 The MTFP shows that a budget gap is emerging, the summary in Table E below demonstrates this.

	Budget 2023-24 £m	Medium Term Financial Plan - as at February 2023			
		2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Revenue Expenditure	261.3	271.6	279.6	282.9	290.9
Direct Revenue Financing	0.6	0	0	0	0
Total Expenditure	261.9	271.6	279.6	282.9	290.9
Core Funding	260.4	265.7	273.2	279.6	285.3
Use of Reserves	1.5	0.4	0.4	0.5	0.5
Total Funding Available	261.9	266.1	273.6	280.1	285.8
Net Surplus/(Deficit)	0.0	(5.5)	(6.0)	(2.8)	(5.1)
Core Efficiency Requirement (BAU)	£4.7m of efficiencies incl. above	1.5	0.8	0.4	0.3
Stretch Efficiency Target/Use of Reserves	0	4.0	5.2	2.4	4.8
Total Efficiency Requirements	0	5.5	6.0	2.8	5.1
Net Surplus/(Deficit)	0.0	0.0	0.0	0.0	0.0

Table E - MTFP

6.2 The detailed MTFP can be found in Appendix C. The Financial Strategy will provide more detail on the specific savings and efficiencies outlined.

7. Chief Finance Officer's report under section 25 of the Local Government Act 2003

7.1 The purpose of this section of the report is to provide the Commissioner with information on the robustness of the estimates and the adequacy of reserves, so that authoritative advice is available when the budget decision is made.

7.2 The Commissioner is required to decide each year how much should be raised from council tax. This decision is based upon a budget that sets out estimates of spending plans.

7.3 The decision on the level of the council tax is taken before the year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase expenditure above that which is planned must be made by:

- making prudent allowance in the estimates, and in addition;
- ensuring that there are adequate reserves to draw on if the estimates turn out to be insufficient.

7.4 Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer reports to the Police & Crime Commissioner (PCC) as part of the consideration of the budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals. Section 25 also requires the PCC to have regard to the report in making the decision.

Robustness of Estimates

7.5 This report provides details of the revenue budget proposals for 2023-24 together with provisional budgets for 2024-25 to 2027-28. The budget proposals presented herein are based upon delivering the PCC's Police & Crime Plan.

7.6 Detailed estimates for 2023-24 have been prepared on a realistic basis and following a rigorous review by budget holders and Finance Business Partners.

7.7 The Chief Finance Officer to the Police & Crime Commissioner and The Chief Finance Officer to the Chief Constable has worked closely with the Head of Finance (Nottinghamshire Police) to obtain assurance on the accuracy of the estimates provided. There have been regular meetings between the Commissioner, Chief Constable and their professional officers.

7.8 Detailed workforce plans provide for the continuation of the Home Office target for Nottinghamshire's police officer uplift in 2023-24. Appropriate staff numbers and PCSOs are also included. Other estimates are set out below:

COST DRIVER	ESTIMATE
Pay inflation	2%
Vacancy levels for police staff	3.5%
Pensions	18.2% LGPS, 31.0% Police Officers
Non pay inflation	0% to 96% (Gas)
Inflation Volatility	1%
Taxbase growth and collection fund surplus/ deficits	This has been confirmed by billing authorities 1.42%
General Inflation	5%
Police/Home Office IT charges	10%
Insurance	10%

7.9 The budget proposed within this report represents a balanced budget. To achieve this, the force has provided detail on how efficiencies and savings will be delivered. There are some potential risks to the full amount of savings being achieved and this will be monitored monthly, with alternative savings needing to be identified if the initial plans cannot be delivered.

Medium Term Financial Plan

7.10 Provisional service budgets are proposed for 2024-25 to 2027-28. The government has yet to set grant allocations for these years. Estimates have been based on prudent assumptions. There remains the risk that the grant income will be lower than assumed.

7.11 There is some clarity on 2024-25 on the government's future intentions in relation to the limitation of council tax increases.

- 7.12 On current assumptions the budget requires a further plan for more efficiency savings and potentially an increased use of reserves to balance the MTFP. This is based on maintaining the resources available for police officers/PCSOs and maintaining appropriate numbers of police staff.
- 7.13 Nevertheless, financial balance would be achieved across the medium term as a result of increased contributions from Nottinghamshire council taxpayers, use of reserves and further efficiency savings. Plus, the expected implementation of the long-awaited Formula Funding Review.
- 7.14 Alongside increased government funding for the national police officer uplift programme, improved service delivery to the people of Nottinghamshire will be achieved by investment in ICT, vehicles and estates to ensure officers and staff have the right tools for the job to work in the most efficient and effective manner.
- 7.15 Continually improving productivity and efficiency together with achieving additional government funding are key to maintaining sufficient levels of policing into the medium term. Continuing sound financial control will also be key to maintaining financial balance into the medium term.

Reserves

- 7.16 CIPFA's Guidance makes clear that the adequacy of the PCC's reserves should be assessed in the context of its strategic, operational and financial risks.
- 7.17 The currently approved Reserves Strategy sets out the level of general reserves to be maintained at the mid-point of a target range based on the financial risk assessment in respect of residual financial risks. The Reserves Strategy has been reviewed as part of the budget process and is the subject of a separate decision record.
- 7.18 The PCC currently holds a General Reserve of £8.6m, 3.3% of total net budget. It has previously been established that General Reserves will be maintained at a level above the **minimum of 2.0%, £5.2m of the total net budget**. Similarly, the General Reserve should be set at a prudent and not excessive level, as holding high level of reserves can impact on resources available and therefore performance. As such the **maximum** level of General Reserves is recommended to set at **5.0%, £13.1m of the total net budget**.
- 7.19 There are no plans to use this to balance the 2023-24 revenue budget, and it looks unlikely to become necessary to do so during the MTFP, with Earmarked Reserves being utilised in the first instance. The Reserves Strategy provides details of the risk-based assessment that has been undertaken.
- 7.20 In the current circumstances, I am satisfied that the level of reserves is adequate.

APPENDIX A – Council Tax Requirement

A. Budget & Council Tax Requirement		£	£		
Total Budget			286,695,453.57		
Less: Specific Grants & General Income			24,788,519.24		
Budget Requirement			261,906,934.33		
Less: Use of Reserves			1,500,000.00		
Police Grant		153,993,145.00			
PUP Ringfenced Grant		4,909,421.00			
Pension Top Up Grant		2,028,216.00			
Council Tax Support Grant		9,726,194.00	170,656,976.00		
PCC for Nottinghamshire Precept			89,749,958.33		
Less: City/District Councils Collection Fund Surplus			353,202.99		
Council Tax Requirement			89,396,755.34		
B. PCC Council Tax by Property Band		Proportion of Band D	Council Tax £		
Band A		6/9	179.46		
Band B		7/9	209.37		
Band C		8/9	239.28		
Band D		9/9	269.19		
Band E		11/9	329.01		
Band F		13/9	388.83		
Band G		15/9	448.65		
Band H		18/9	538.38		
C. Precept on Councils		No.of Band D Properties	Council Tax Requirement £	Collection Fund Surplus/(Deficit) £	Total £
Ashfield		34,428.30	9,267,754.08	44,415.00	9,312,169.08
Bassetlaw		37,260.45	10,030,140.54	330,883.00	10,361,023.54
Broxtowe		34,861.86	9,384,464.09	(56,839.00)	9,327,625.09
Gedling		38,503.71	10,364,813.69	115,875.00	10,480,688.69
Mansfield		30,778.70	8,285,318.25	56,478.98	8,341,797.23
Newark & Sherwood		41,790.96	11,249,708.52	(130,850.00)	11,118,858.52
Nottingham City		68,403.00	18,413,403.57	192,593.00	18,605,996.57
Rushcliffe		46,068.40	12,401,152.60	(199,352.99)	12,201,799.61
Total		332,095.38	89,396,755.34	353,202.99	89,749,958.33

APPENDIX B – Budget 2023-24

	BUDGET 2023/24	BUDGET 2022/23
Core Funding	£m	£m
Police Grant	(154.0)	(153.5)
PUP Ringfenced Grant	(4.9)	0.0 (<i>£2.4m added in year</i>)
Pension Top Up Grant	(2.0)	0.0 (<i>included in the CC Income</i>)
Council Tax Support Grant	(9.7)	(9.7)
Council Tax Precept	(89.4)	(83.3)
Council Tax Surplus/Deficit	(0.4)	(0.9)
Use of reserves	(1.5)	(0.4)
Total Core Funding	(261.9)	(247.7)
Chief Constables Budget		
<u>Income:</u>		
General Income	(0.8)	
Income - Events	(0.2)	
Income - Grants	(1.9)	
Income Collaboration	(0.4)	
Income Fees & Charges	(6.8)	
Income Inter Force	(5.1)	
Local Gvt. Income	(2.6)	
	(17.8)	(16.9)
<u>Expenditure:</u>		
Police Officer Pay & Allowances	128.6	
PCSO Pay & Allowances	6.0	
Investigators Pay & Allowances	3.9	
Regional Budgets	14.2	
Archives & Exhibits	2.1	
Corporate Development	1.7	
Information Management	1.6	
Information Services	20.2	
Crime Command Team	0.4	
Criminal Justice	4.2	
Intelligence	4.7	
Operational Support	7.5	
Public Protection	2.9	
Serious & Organised Crime	3.9	
Violence Reduction Unit	0.6	
Collabn - Major Crime	1.1	
Command	0.6	
Corporate Communication	0.8	
Estates & Facilities	12.4	
Fleet	4.0	
People Services	6.1	
Professional Standards Directorate	1.2	
Staff Associations	0.1	
City Division	2.9	
Contact Management	14.0	
County Division	3.0	
Custody	4.6	
Projects - Grant Funded	0.5	
Projects - Internal	0.6	
Seconded	0.1	
Special Accounting	15.2	
	269.6	251.6
Total Chief Constables Budget	251.8	234.7
OPCC Budget		
<u>Income:</u>		
Local Gvt. Income	(0.7)	
Income - Grants	(6.2)	
	(7.0)	
<u>Expenditure:</u>		
OPCC & Democratic Core	2.6	
Grants & Commissioning	11.6	
	14.2	
Total OPCC Budget	7.2	6.9
Joint Services Budget		
Finance	2.2	1.7
Budget	261.3	243.3
Efficiencies/Savings Required/Use of Reserves	0.0	0.0
Direct Revenue Financing	0.6	4.4
Overall Budget	261.9	247.7

APPENDIX C – Medium Term Financial Plan 2024-2028

Medium Term Financial Plan - as at February 2023						
	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	Assumptions
Revenue Expenditure						
Pay	208.3	215.2	220.5	226.0	231.2	2% in 23-24. then 2.5%
Non-pay	79.4	81.5	83.3	85.2	87.0	Blended*, 5.5%, 2.7% then 2.2% p.a.
Income	(24.8)	(25.4)	(25.9)	(26.4)	(27.0)	2% p.a.
Use of Asset Reserve	(1.6)	0.3	1.7	(1.9)	(0.3)	Planned use to smooth replacement cost
Total Net Revenue Expenditure (NRE)	261.3	271.6	279.6	282.9	290.9	
Funding Analysis						
Core Police Grant	154.0	159.8	161.0	161.0	161.0	24-25 PUP Grant added to core. Assumed flat
PUP Grant	4.9	0.0	0.0	0.0	0.0	cash amounts
Council Tax Legacy	9.7	9.7	9.7	9.7	9.7	Fixed amount
Funding Formula Review	0.0	0.0	2.0	4.0	5.0	Gains phased - floors and ceilings
Pension Top-up Grant	2.0	2.0	2.0	2.0	2.0	Fixed amount
Precept	89.4	94.1	98.4	102.8	107.5	£15, £10, then 3% increase
Collection fund surplus/(deficit)	0.3	0.0	0.0	0.0	0.0	
Core Funding Available	260.4	265.7	273.2	279.6	285.3	
Balance Sheet Funding						
Use of Reserves	1.5	0.4	0.4	0.5	0.5	Planned use to fund general expenditure
Total Funding Available	261.9	266.1	273.6	280.1	285.8	
DRF	0.6	0.0	0.0	0.0	0.0	Funding of capital expenditure
Net Surplus/(Deficit)	0.0	(5.5)	(6.0)	(2.8)	(5.1)	
Core Efficiency Requirement (BAU)	£4.7m of efficiencies have been removed from NRE above	1.5	0.8	0.4	0.3	This is the level of efficiencies/reductions expected each year as part of normal business
Stretch Efficiency Target/Use of Reserves		4.0	5.2	2.4	4.8	Additional efficiencies/use of reserves required to balance the budget
Total Efficiency Requirements - Balanced Budget	0.0	5.5	6.0	2.8	5.1	Total cumulative efficiencies required of £19.4m
Cumulative Deficit	0.0	0.0	0.0	0.0	0.0	

APPENDIX D - Variance analysis between 2022-23 and 2023-24 budgets

Pay, allowances and overtime costs

- Total movement of £12.5m comprising of:
 - Pay award of 2% for all officers and staff
 - Annual increments for employees
 - Full year impact of having more services inhouse
 - Additional cost of bank holiday in 2023 for the King's Coronation

Comms and computing costs

- Total movement of £2.9m comprising of:
 - Increase in contract prices for essential services
 - Impact of inflation from Home Office IT charges

Operational costs

- Total movement of £0.9m comprising of:
 - Increases in Custody medical contract and pathology costs
 - Counter terrorism cost impact for 2nd year of a 3-year grant agreement (this is offset within income)

Partnership costs

- Total movement of £0.6m comprising of:
 - Increases in costs for contracts that are held by partners that we contribute towards, such as, NFRS Welfare Van and FCIN
 - Increase in cost to NPAS for provision of borderless air support

Premises costs

- Total movement of £2.7m comprising of:
 - Gas and electricity costs rising rapidly creating a big financial impact year on year
 - Biomass and heating oil prices rises
 - Greater annual servicing costs predominantly down to a full year of the new joint headquarters and Custody suite

Supplies and services costs

- Total movement of £1.6m comprising of:
 - Inflation volatility contingency being included to help with the current economic instability

Transport cost

- Total movement of (£0.2m) comprising of:
 - Increase in fuel costs for diesel and petrol
 - Decrease in costs for vehicle maintenance and accident repair following on from further savings being able to be identified since moving away from the PFI.

Income

- Total movement of (£3.0m) comprising of:
 - Greater income to come from NLED grant
 - Increase in seconded officer income
 - Higher income expected from vehicle recovery services, abnormal loads and safety camera
 - Full year impact of Safer Roads