

ORIGINATOR: PCC CHIEF FINANCE OFFICER

DECISION NUMBER: 1 - 2026

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: MEDIUM-TERM FINANCIAL PLAN 2026/27 TO 2029/30

SUMMARY:

1. The medium-term financial plan (MTFP) attached sets out the key financial issues facing the PCC and Constabulary over the period 2026/27 to 2029/30.
2. The MTFP includes information on the provisional policing settlement and recommendations relating to the revenue budget, capital programme and associated financing, together with a financial appraisal of two precept options based on planning assumptions listed within the document.


RECOMMENDATIONS:

It is recommended that:

1. The PCC considers the attached MTFP and approves the recommendations contained in section 8 of the report.
2. When setting the precept level and council tax requirement, consideration is given by the PCC to the medium-term financial implications of options 1 and 2, the assessment of financial risks detailed within the MTFP, and the Chief Constable's commentary on the financial position.

APPROVAL BY: PCC

The recommendations set out above are agreed.

Signature: 

Date: 19 January 2026

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION

1.1 This report covers the spending proposals and key issues relating to the medium-term financial plan (MTFP) for the period 2026/27 to 2029/30. It provides the Police and Crime Commissioner (PCC) with information relating to the revenue budget, council tax options and capital programme, together with associated financing issues for the Constabulary and the Office of the Police and Crime Commissioner.

1.2 It is recommended that the PCC takes account of the overall financial strategy when considering the 2026/27 budget proposals and:

- Approves the planned revenue changes summarised in **Appendix B**;
- Approves the savings plans in **Appendix C**;
- Approves the proposed capital programme for 2026/27 and the draft capital programme over the remainder of the MTFP period set out at **Appendix D**;
- Approves the capital strategy in **Appendix E**;
- Approves the proposed use and transfer of reserve balances in **Appendix F**;
- Approves the Minimum Revenue Provision policy and statement in **Appendix G** noting that no changes to the policy are proposed for 2026/27 and throughout the MTFP period;
- When setting the precept level consideration is given to the medium-term financial implications of options 1 and 2, the assessment of financial risks contained in this report and the Chief Constable's commentary.

1.3 The report also asks the PCC to consider the medium-term financial impact of:

- **Option 1** – increase the policing element of council tax by 3.45% (equivalent to £9.99 for a band D property) in 2026/27 and by £10 per annum in the remaining 3 years of the MTFP period.
- **Option 2** – increase the policing element of council tax by 5.16% (equivalent to £14.94 for a band D property) in 2026/27 and by £10 per annum in the remaining 3 years of the MTFP period.

2. FINANCIAL IMPLICATIONS

2.1 The purpose of the MTFP is to provide the PCC with sufficient information to enable informed decisions to be taken with regard to the revenue and capital plans, associated financial issues, precept level and council tax requirement.

2.2 The two alternative budget options are proposed to the PCC for consideration, the financial consequences of which are contained in **Appendices A(i) and A(ii)** of the MTFP. These are summarised below:

2.3 **Option 1** – Based on the planning assumptions set out in the report, this option would result in the Constabulary incurring a budget deficit of (£1.4m) in 2026/27. Further savings of £8.4m would need to be identified in the period 2027/28 to 2029/30 to achieve a balanced budget over the MTFP period.

2.4 **Option 2** – Based on the planning assumptions set out in the report, this option would result in the Constabulary delivering a balanced budget in 2026/27. Further savings of £7.0m will need to be identified in the period 2027/28 to 2029/30 to achieve a balanced budget over the MTFP period.

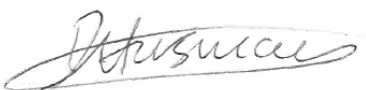
3. **OTHER IMPLICATIONS AND RISKS**

3.1 There are no other implications and risks outside of those presented in this report.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

APPROVAL TO SUBMIT TO THE DECISION-MAKER

<p>Chief Executive</p> <p>I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.</p> <div style="text-align: center;">  </div> <p>Signature: Date: 19 January 2026</p>

Suffolk Police and Crime Commissioner

Medium-Term Financial Plan

2026/27 to 2029/30

CONTENTS

1	Introduction	2
2	Revenue Budget 2026/27	7
3	Capital Programme 2026/27 to 2029/30	13
4	Investment and Treasury Management Strategy 2026/27	16
5	Chief Finance Officers' Commentary	17
6	Chief Constable's Commentary	19
7	Conclusion and Summary of Options	21
8	Recommendations	22
9	Appendices	
	A. Medium Term Financial Plan 2026/27 to 2029/30	
	B. Planned Revenue Changes 2026/27 to 2029/30	
	C. Savings Plan 2026/27 to 2029/30	
	D. Capital Programme 2026/27 to 2029/30	
	E. Capital Strategy	
	F. Reserves Strategy	
	G. Minimum Revenue Provision Statement	
	H. Precept Level and Council Tax Requirement Options	

1. INTRODUCTION

- 1.1 This report covers the spending proposals and funding sources relating to the medium-term financial plan (MTFP) for the period 2026/27 to 2029/30. It provides the Police and Crime Commissioner (PCC) with information relating to the revenue budget, council tax options and capital programme, together with associated financing issues for Suffolk Constabulary and the Office of the Police and Crime Commissioner (OPCC).
- 1.2 The report contains the following appendices that provide more information relating to the proposals.

Table 1: List of appendices

Appendix A - Medium Term Financial Plan 2026/27 to 2029/30

Appendix B - Planned Revenue Changes 2026/27 to 2029/30

Appendix C - Savings Plan 2026/27 to 2029/30

Appendix D - Capital Programme 2026/27 to 2029/30

Appendix E - Capital Strategy

Appendix F - Reserves Strategy

Appendix G - Minimum Revenue Provision Statement

Appendix H - Precept Level and Council Tax Requirement Options

Provisional Settlement 2026/27

- 1.3 The government published the Provisional Police Funding Settlement (England and Wales) 2026/27, known as the 'settlement', on 18 December 2025. It presented the total provisional funding for police forces, split between government grant and precept. Unlike previous years, the settlement did not show a detailed breakdown of funding by grant. Instead, the core grant and specific grants were combined into one figure.
- 1.4 The key headlines from this year's settlement are provided in **Table 2** below:

Table 2: Provisional Settlement 2026/27

-
- **Total Police Funding:** Up to £19.5 billion in 2026/27, an increase of £798 million compared to 2025/26.
 - **Territorial Police Forces:** Funding up to £18.3 billion, a £746 million increase (4.2% cash rise, 2.0% real terms).
-

-
- **Council Tax Threshold:** £15 for a Band D property for Police and Crime Commissioners in England.
 - **Counter-Terrorism Policing:** Funding rises by at least £52 million to £1.2 billion in 2026/27; force-level allocations remain confidential.
 - **Police Reform White Paper:** To be published in early 2026, focusing on modernising policing through technology, innovation, and efficiency.
-

Source: Written Ministerial Statement, Provisional Police Funding Settlement (England and Wales) 2026/27, 18 December 2025.

- 1.5 The National Police Chiefs' Council Finance Committee has prepared a briefing note to supplement the limited information provided in this year's settlement. The key headlines are summarised in **Table 3** below:

Table 3: NPCC Finance Committee Briefing – Summary

-
- The settlement closely follows the Treasury's Spending Review funding envelope.
 - Future increases in the funding envelope are set to decrease: 3.6% in 2027/28 and 2.5% in 2028/29.
 - Only a one-year allocation has been provided, despite a three-year Spending Review, making future planning difficult.
 - The £120 million in-year allocation supporting the 4.2% pay award in 2025/26 is not continued into 2026/27.
 - Future pay awards exceeding budgeted sums are unlikely to be supported by additional Home Office grants.
-

Source: NPCC Finance Coordination Committee, 2026/27 Provisional Police Grant Settlement, 23 December 2025.

- 1.6 Despite the limited information published in this year's settlement, there are a few key financial assumptions that the Constabulary needs to build into this MTFP. These are:

- The Constabulary should expect to cover the full costs of current and future pay awards from within its existing funding envelope.
- In terms of funding, the 2026/27 year is likely the most favourable; subsequent years are expected to be more challenging financially with lower increases in government grant.
- Further Neighbourhood Policing requirements and additional funding remain uncertain.

- 1.7 The government has issued a one-year funding settlement similar to previous years. A key assumption in preparing this year's MTFP is that the 2025/26 specific grants are assumed to remain unchanged for 2026/27 with increases in funding being applied to the core grant. Details are provided in **Table 4** below and in **paragraphs 1.8 to 1.10**.

Table 4: Provisional Police Funding Settlement 2026/27

	2025/26	2026/27	Variance
	£m	£m	£m
Core Grant	9,486.5	9,868.6	382.1
Legacy Council Tax Grants	552.4	552.4	-
National and International Capital City Grant	255.2	255.2	-
Precept Grant	8.5	8.5	-
Pensions Grant	398.1	398.1	-
Officer Maintenance Ringfenced Grant	270.1	270.1	-
Additional Recruitment Top-Up	106.7	106.7	-
Employer National Insurance Contributions	230.3	230.3	-
Neighbourhood Policing Grant	200.0	200.0	-
Total	11,507.8	11,889.9	382.1

- 1.8 Assuming every force takes the full £15 precept, the total amount of extra funding available for forces is £746m of which £363m (49%) would come from Council Tax, however this is a local decision for each PCC.

Government Vision for the Police Service

- 1.9 The government announced the following in the settlement:

‘We will publish a Police Reform White Paper in early 2026 which will set out a vision to bring policing into the modern age with the technology, innovation and structures they need to ensure policing can focus on the crimes that matter to the public and to drive out waste and inefficiency.’

(Source: Provisional Police Funding Settlement (England and Wales) 2026/27)

- 1.10 The white paper will have significant implications for the police service and for the Constabulary that will be worked through following its publication. Any budgetary impact will be managed through in-year reforecasts.

Constabulary Financial Position

Financial Pressures

- 1.11 Pay and non-pay inflationary pressures remain a concern for the Constabulary with budget assumptions for pay and non-pay inflation for 2026/27 higher than forecast in last year’s MTFP.

Operational Demand

- 1.12 The Constabulary is facing increasing volumes of complex demand, especially in terms of safeguarding and online crime which see continued growth in the volume of offences. The Constabulary continues to prioritise the most harmful crime types such as domestic abuse, serious sexual offences, adult and child abuse and cyber-enabled crime including fraud. These are some of the most complex and demanding investigations the Constabulary has to undertake and require a highly skilled workforce.
- 1.13 To remain as efficient as possible and make best use of increased funding, the Constabulary will continue to invest in and refresh its processes and technologies that keep it fit-for-purpose and able to meet increasing demand and the changing nature of crime.

Financial Planning Process

- 1.14 A joint Suffolk and Norfolk financial planning process was completed ahead of the funding settlement announcement. As in previous years this has applied outcome-based budgeting (OBB) principles and prepared a four-year budget using an OBB modelling tool.
- 1.15 OBB is a method for aligning budgets to demand, performance, outcomes and priorities. This approach analyses the Constabulary's activity spend in terms of budgets, police officer and staff numbers, performance, demand and outcomes. This information is then matched against the priorities and demands of the Constabulary and PCC. This allows projects to be developed to target areas that can be made more efficient or areas requiring further investment.
- 1.16 Heads of Department presented savings and investment proposals, which were modelled against the impact on budgets and outcomes. These outcomes were then reviewed by a joint chief officer panel against the OBB principles and decisions made about balancing growth with savings. An updated view of the Constabulary's change programme was also prepared.
- 1.17 These outputs were presented to the joint chief officer team and further refined after these sessions. The process concluded with agreement on Suffolk-only budgets, the agreement of joint budgets and costs and savings arising from the process to be included in the MTFP. Given the levels of required savings to be found it is important that the change programme is sustained over the medium-term to ensure that savings are achieved in a timely fashion and that annual budgets are balanced.

- 1.18 PCC decisions regarding the annual budget proposals are made in the context of the medium to longer-term forecasts. The MTFP budget proposals are made in the context of a rolling four-year strategic and financial planning cycle, including the current year. The figures contained within the MTFP are based upon current information and stated assumptions.

Precept Consultation

- 1.19 In accordance with the requirements of Section 96(1)(b) of the Police Act 1996, as amended by section 14 of the Police Reform and Social Responsibility Act 2011, the PCC is obliged to obtain the views of the people of Suffolk and ratepayers' representatives.

- 1.20 A public survey on the PCC's proposal for the precept increase will capture the views of Suffolk residents to the question:

'As a council taxpayer in Suffolk do you agree with my proposal to increase the policing element of the council tax for 2026/27 by 5.2% (For example this is equivalent to 22p a week for Band B property and 29p a week for a Band D property)?'

- 1.21 The survey concludes on 29 January 2026, and the results will be presented at the Police and Crime Panel on 30 January 2026.

2. REVENUE BUDGET 2026/27

Home Office Grants 2026/27

- 2.1 The proposals in this report are based on the provisional settlement announced by the Home Office, provisional local tax base figures, planning assumptions regarding future funding levels and on-going commitments and capital expenditure plans.
- 2.2 **Table 5** below provides a comparison between the 2025/26 and 2026/27 funding settlements. Since the core grant and specific grants have been published as a single figure for 2026/27, the 2025/26 split between core and specific grants is assumed to continue into 2026/27 to illustrate how the government grant may be apportioned between various grant funding lines. Assumed figures are shown in italics. Figures for 2024/25 are included for information.

Table 5: Government grant funding 2025/26 and 2026/27

	2024/25	2025/26	2026/27	Variance
	£m	£m	£m	£m
Core Grant	82.4	85.5	88.7	3.2
Legacy Council Tax Grants ¹	6.8	6.8	6.8	-
Pensions Grant ²	4.0	3.7	3.7	-
Officer Maintenance Ringfenced Grant ³	3.8	3.2	3.2	-
Additional Recruitment Top-Up ⁴	1.1	1.2	1.2	-
Employers' National Insurance ⁵	-	2.4	2.4	-
Neighbourhood Policing Guarantee ⁶	-	1.8	1.8	-
Total Resource Funding by Grant	98.1	104.5	107.7	3.2

Notes:

- Legacy Council Tax Grants:** Grants relating to freezing the council tax in 2011/12, 2013/14 and 2014/15, and the Local Council Tax Support funding payable since April 2013.
- Pensions Grant:** A specific pensions' grant to cover an element of the increased employer contributions for the police officer pension schemes.
- Officer Maintenance Ringfenced Grant:** Grant funding to subsidise the cost of officers recruited through the Conservative Government's Police Uplift Programme (PUP).
- Additional Recruitment Top-Up:** An additional recruitment top-up grant to cover officers recruited through the PUP over and above the Constabulary's maintenance headcount total.
- Employers' National Insurance:** A grant to offset increased employer national insurance contributions introduced in the 2024 budget.
- Neighbourhood Policing Guarantee:** A grant to support the government's commitment to recruit 13,000 additional police officers, PCSOs and Special Constables during this parliament.

2.3 The Constabulary received an additional £3.2m in government funding in the settlement. This is an increase of 3.1% and slightly below the average increase for all forces of 3.3%.

Police Funding Formula

2.4 The project to review the police funding formula remains ongoing. The results are not expected to be published until 2026/27 at the earliest.

Ministry of Justice Funding

2.5 Funding from the Ministry of Justice of £1.66m for victims' services for 2026/27 has been included in the MTFP for both grant income and planned expenditure. This is a confirmed amount based on a two-year grant funding offer.

Council Tax Base

2.6 The Council Tax base, which is a key factor in calculating the precept, is based on information received from the borough, district and county councils. The councils have forecast an increase in the tax base of 0.98% for 2026/27 compared to an increase in the tax base of 2.02% in 2025/26.

2.7 The MTFP assumes a 0.98% increase in the tax base in 2026/27 and a 1% annual increase over the remainder of the MTFP planning period.

Budget and Precept Options 2026/27

2.8 **Table 6** summarises the 2026/27 income position under the following precept options:

- **Option 1 (3.5%)** - £9.99 increase in Band D council tax in 2026/27 and
- **Option 2 (5.2%)** - £14.94 increase in Band D council tax in 2026/27

Table 6: Summary of income 2026/27

	Option 1 £9.99	Option 2 £14.94
	£m	£m
Government grant ¹	107.7	107.7
Precept income	83.6	85.0
Other income	12.4	12.4
Total income in 2026/27	203.7	205.1

¹ The government grant was published as a single figure in the 2026/27 provisional settlement and not separately disclosed into core grant and specific grants.

- 2.9 The referendum limit, which provides a ceiling on precept increases above which a PCC needs to hold a local referendum, has been set at £15 for a band D property for 2026/27.

Assumptions in the MTFP Budget Model

- 2.10 The MTFP remains consistent in providing for pay and price increases; growth to meet demand and service pressures; a significant change programme to make the required cost reductions; the use of reserves to support one off costs; invest to save measures; and the continued investment in modernising and improving technology and services.
- 2.11 The MTFP has been prepared using the following financial assumptions:

Table 7: MTFP planning assumptions 2026/27 to 2029/30

	2026/27	2027/28	2028/29	2029/30
Government grant	3.74%	2.00%	1.50%	1.00%
Legacy council tax grant changes	0%	0%	0%	0%
Council tax base change	0.98%	1.0%	1.0%	1.0%
Collection fund surplus	£200k	£0k	£0k	£0k
Pay awards – officers ¹	3.8%	3.2%	3.0%	2.7%
Pay awards – staff ¹	3.8%	3.2%	3.0%	2.7%
Non-pay inflation (average)	5.00%	4.00%	3.50%	3.00%

¹ Pay awards are composite figures as awards are payable from 1 September and payment is split across two financial years.

- 2.12 Officers and staff received a 4.2% pay award in 2025/26. This came into effect from 1 September 2025. Pay inflation has been forecast at 3.5% from September 2026; 3% from September 2027 and 2028; and 2.5% from September 2029. Annual non-pay inflation is forecast between 3% and 5% over the MTFP period.
- 2.13 **Table 8** shows the financial impact to the budget if the planning assumptions are changed:

Table 8: Budget movements due to 1% change in assumptions

	Variation	Variation
Core government grants	1.0%	£855k
Tax base increase	1.0%	£798k

Precept	1.0%	£798k
Pay awards officers (full year impact)	1.0%	£975k
Pay awards staff (full year impact)	1.0%	£531k
Non-pay inflation	1.0%	£363k

2.14 The planning assumptions will be kept under review throughout the MTFP period.

Change and Efficiency Programme and the Financial Planning Process

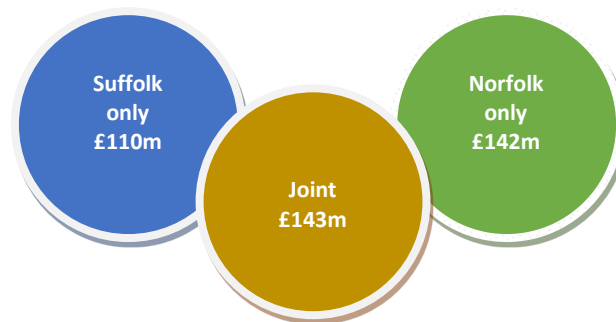
Collaborative Change

2.15 Suffolk and Norfolk Constabularies have been collaborating for over a decade. In the period to 2025/26, a significant number of projects have been implemented and savings from collaboration of £57.6m secured. These are split £26.9m for Suffolk and £30.6m for Norfolk.

2.16 **Box 1** shows that the ‘joint’ services budget is now over a third of the combined budget of both forces and stands at £143m.

Box 1: Suffolk and Norfolk Constabularies’ collaboration 2025/26

Norfolk and Suffolk Collaboration



2.17 As part of the service and financial planning process for 2026/27 to 2029/30, further savings of £4.8m in 2026/27 have been identified from the collaborative departments (Suffolk’s share is £2.0m). Business cases will be prepared to realise these savings.

2.18 The planned savings programme is set out in **Appendix C**.

Regional Collaboration

- 2.19 The PCCs and Chief Constables for Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk continue to work collaboratively across the eastern region. The costs of the work are shared by the 7 forces.
- 2.20 The Eastern Region Innovation Network was established in April 2022. It provides opportunities for forces to support each other by collaborating across the region and sharing good practice.

Precept Options

- 2.21 **Precept option 1** - increase Band D council tax by £9.99 (3.5%) in 2026/27 and £10 each year thereafter.

Table 9: Funding and expenditure under precept option 1

	Budget 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
	£000	£000	£000	£000
£9.99 (3.5%) precept increase				
Total funding	(179,084)	(184,301)	(189,366)	(194,058)
Net revenue expenditure before changes and savings	181,270	191,277	197,511	203,256
Revenue deficit	2,186	6,976	8,145	9,198
Known changes	7,331	6,305	7,836	5,498
Planned use of reserves	(5,296)	(4,018)	(5,441)	(3,333)
Revenue deficit before savings	4,221	9,263	10,540	11,363
Planned savings	(2,843)	(2,875)	(2,899)	(2,924)
Savings to be identified	(1,378)	(6,388)	(7,641)	(8,439)
Revenue deficit/ (surplus) after savings	-	-	-	-

- 2.22 Based on the planning assumptions set out in this report, option 1 delivers a budget deficit of £1.4m in 2026/27 with total cumulative savings of £8.4m required to achieve a balanced budget over the MTFP period (see [Appendix A\(i\)](#)).
- 2.23 **Precept option 2** - increase Band D council tax by £14.94 (5.2%) in 2026/27 and £10 each year thereafter.

Table 10: Funding and expenditure under precept option 2

	Budget 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
	£000	£000	£000	£000
£14.94 (5.2%) precept increase				
Total funding	(180,463)	(185,693)	(190,772)	(195,478)
Net revenue expenditure before changes and savings	181,270	191,277	197,510	203,256

Revenue deficit	808	5,584	6,738	7,778
Known changes	7,331	6,305	7,836	5,498
Planned use of reserves	(5,296)	(4,018)	(5,441)	(3,333)
Revenue deficit before savings	2,843	7,871	9,133	9,943
Planned savings	(2,843)	(2,875)	(2,899)	(2,924)
Savings to be identified	-	(4,996)	(6,234)	(7,019)
Revenue deficit/ (surplus) after savings	-	-	-	-

2.24 Based on the planning assumptions set out in this report, option 2 delivers a balanced budget in 2026/27 with total cumulative savings of £7.0m required to achieve a balanced budget over the MTFP period (see [Appendix A\(ii\)](#)).

3 CAPITAL PROGRAMME 2026/27 to 2029/30

- 3.1 The capital programme is a key element of strategic and financial planning. The impact of capital spending, particularly the investment in short-term assets, has a significant impact on the revenue budget.
- 3.2 Due to the continuing pace of modernisation and ensuring the Constabulary remains fit-for-purpose, properly equipped and has appropriate accommodation, there is an increased investment requirement on the capital programme over the medium-term. This includes significant investment in the estate and in refreshing the growing ICT and digital capabilities and investing in digital technologies and initiatives to drive more efficient and productive ways of working.
- 3.3 To fund replacement assets over the medium-term and beyond, to maximise the efficiency of the investment, and to protect reserve levels, revenue budget is required to fund short-life assets to increase the sustainable revenue funding of the capital programme. This is detailed in the review of the adequacy of reserves (see [Section 5](#)) and in the capital and reserves strategies (see [Appendices E and F](#)).
- 3.4 [Appendix D](#) provides a detailed analysis of the outline capital programme over the medium-term, with the table below summarising these plans.

Table 10: Summary capital programme 2026/27 to 2029/30

	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000
Suffolk only capital programme				
Estates	3,779	3,699	7,675	3,626
ICT	4,382	461	594	374
Vehicles and equipment	1,533	1,890	1,866	2,015
Sub-total	9,694	6,050	10,135	6,015
Share of joint capital programmes				
ICT schemes and projects	4,823	4,308	5,761	3,778
Total	14,517	10,358	15,896	9,793

- 3.5 The capital programme provided at [Appendix D](#) is arranged in 3 tables:
- **Table A** – Schemes or technical refresh programmes already approved for 2026/27.
 - **Table B** – Schemes requiring a business case or further report to the PCC for approval.

- **Table C** – Schemes requiring further justification and a business case. These are not included in the funding calculation and would require additional funding if approved in-year.

3.6 The capital programme identifies those schemes which are joint projects with Norfolk Constabulary. Where applicable, the figures shown relate to Suffolk's share of the overall cost, which is calculated in proportion to the Constabularies' combined net revenue budget.

Funding the Capital Programme

3.7 The following funding sources have been identified to support the outline capital programme, which will be updated to take account of approved changes to the programme. In addition, funding will move with the asset purchase whenever there is slippage in the programme.

Table 11: Funding sources for capital programme 2026/27 to 2029/30

	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000
Capital receipts	2,965	75	75	75
Revenue contribution	3,100	2,900	2,900	2,900
Capital financing reserve	5,426	3,983	5,521	3,418
Unfunded assets	3,026	3,400	7,400	3,400
Total	14,517	10,358	15,896	9,793

- 3.8 **Table 11** shows the sources of funding for the capital programme. Capital expenditure is funded from capital receipts from the sale of assets, revenue funding and capital reserves. Capital expenditure in excess of available capital resources or revenue contributions will increase the PCC's borrowing requirement, however no external borrowing is forecast for 2026/27 and 2027/28. This position will be kept under review.
- 3.9 PCCs do not receive a capital grant to fund their capital expenditure programmes. Funding for capital expenditure is met from the revenue budget and from capital reserves.

Minimum Revenue Provision

3.10 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 place a duty on the OPCC to make a charge against the PCC's revenue budget each year for capital purchases financed by borrowing (including internal borrowing) or credit arrangement. The annual charge is known as the

minimum revenue provision (MRP). Regulations require the PCC to determine each financial year an amount of MRP, which is considered prudent by reference to a calculated capital financing requirement.

- 3.11 MRP is charged annually against the PCC's revenue budget reflecting the cost of the asset over its life, with the MTFP reflecting the required provision.
- 3.12 The MRP policy and statement has been reviewed and updated and is provided at **Appendix G**. No changes to the current MRP policy are proposed for 2026/27 and throughout the MTFP period.

4 INVESTMENT AND TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2026/27

Investment and Treasury Management Strategy

- 4.1 Government regulations require the PCC to approve the investment and borrowing strategies and borrowing limits for 2026/27 prior to the start of the financial year. These are incorporated within an over-arching investment and treasury management strategy, which is published alongside the MTFP. A copy can be accessed on the PCC's website at www.suffolk-pcc.gov.uk.
- 4.2 The Investment and Treasury Management Strategy, which includes Prudential Code and treasury management indicators, follows guidance from The Chartered Institute of Public Finance and Accountancy (CIPFA). Revised editions of the Prudential Code and the Treasury Management Code of Practice were issued in December 2021. The main emphasis of the changes to the Prudential Code related to the restriction on borrowing funds for financial return. Changes to the strategy have been made where applicable and have not had a material impact on the current strategy.

Compliance with the Prudential Code

- 4.3 PCCs have flexibility over capital investment in fixed assets that are central to the delivery of appropriate standards of public services. Levels of borrowing can be determined locally, provided that capital investment plans are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with sound professional practice and in a manner that supports prudence, affordability and sustainability. The Prudential Code is a statutory code. Its compliance helps to ensure prudent financial management.
- 4.4 To demonstrate that these objectives have been fulfilled, the Prudential Code sets indicators that are determined by the PCC. They are designed to ensure that the PCC stays within the constraints of prudent investment and borrowing. They are not designed to be comparative performance indicators. Details of the proposed indicators for 2026/27 are provided in the strategy. Progress against the indicators will be monitored and reported during the financial year. The indicators can be changed during the year with the PCC's approval.

5 CHIEF FINANCE OFFICERS' COMMENTARY

- 5.1 Under Section 25 of Part II of the Local Government Act 2003, there is a specific requirement for the PCC CFO and the Chief Constable CFO to report on the robustness of the budget estimates, issues of financial risk, and the adequacy of reserves before the statutory budget decisions are taken.

Robustness of Budget Data

- 5.2 In regard to the robustness of budget information, confidence in this data is the subject of regular review and it has reconfirmed that the processes followed remain sound.
- 5.3 The integrated financial planning model provides the high-level financial data that is used to generate the annual revenue and capital budgets, all of which are reconciled to control totals.
- 5.4 The comprehensive service and financial planning process has given a significant review of the various savings proposals and programmes. This process has involved Chief Officers, Heads of Department, Finance, Strategic Business and Operational Services and other enabling departments from both Suffolk and Norfolk Constabularies, resulting in greater financial clarity and consistency in financial plans.
- 5.5 Both the PCC CFO and Chief Constable CFO are satisfied that the assumptions and financial data underpinning the MTFP are robust, have been reviewed, and challenged and can be relied upon when considering the financial proposals contained in the report and related appendices.

Managing Financial Risk

- 5.6 The Constabulary is undertaking a significant number of projects in collaboration with Norfolk Constabulary, other forces and public sector partners, all of which have degrees of risk. Successful delivery of these projects is important as they are a key element of the savings plans shown in [Appendix C](#).
- 5.7 Risk registers are in place for all the major projects and robust project management principles are applied to minimise the risk of not delivering the changes on time or within budget. Any delays in securing planned capital receipts will be managed by re-phasing capital investments.
- 5.8 The main areas of financial pressure for 2026/27 are pay awards and non-pay corporate cost pressures. Detailed monthly financial reports will be prepared in 2026/27 presenting year-to-date financial performance and year-end projections.

These will continue to be considered in detail by the PCC, Chief Constable and their CFOs at the public meetings of the Accountability and Performance Panel, and any remedial action agreed and taken as required.

- 5.9 Monitoring and oversight of the implementation of the savings plans, together with consideration and approval of future business cases for service redesign and savings will be undertaken through existing governance arrangements.

Adequacy of Reserves

- 5.10 Projected levels of reserves are shown in the reserves' strategy provided at **Appendix F**. The current strategy remains unchanged from 2025/26 and is to maintain the general reserve close to 3.0% of the net revenue budget. This continues to be considered a prudent and adequate amount.
- 5.11 Earmarked reserves are held for a specific purpose with funds set aside for their future use. The strategy remains unchanged from 2025/26 and is to keep earmarked reserves at an appropriate level to meet future payments as and when they fall due thereby ensuring taxpayers' money is used as efficiently as possible. The strategy is to continue to contribute to the capital financing reserve and to keep this at an appropriate level throughout the MTFP period to fund future capital purchases.
- 5.12 CIPFA guidance on reserves includes the statement that:
- 'A well-managed authority, for example, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed.'
- (CIPFA, LAAP Bulletin 99, July 2014)
- 5.13 Having considered the levels of reserves included in the MTFP and taking account of the approach to managing financial risk set out above, both the PCC CFO and Chief Constable CFO consider that there will be adequate general and earmarked reserves to continue the smooth running of the PCC and Constabulary's finances over the MTFP period.

6 CHIEF CONSTABLE'S COMMENTARY

- 6.1 The 2026/27 financial year is the third year of my five-year delivery plan. It focuses on four key pillars for delivery of **people, fairness, safety and justice**. Alongside this sits our Suffolk values. As a Constabulary we are **courageous, professional, community** and **compassionate**. Securing sufficient funding through the medium-term financial planning process is key to the plan's delivery.
- 6.2 The provisional 2026/27 settlement shows an increase in government funding of £3.2m or 3.1% over 2025/26. This is set against a pay award of 4.2% for which there is no additional funding support in 2026/27. This needs to be found from the existing funding envelope. PCCs have been given the freedom to increase their band D precept by the threshold amount of £15 in 2026/27.
- 6.3 Suffolk is continuing to grow and develop, and we must keep pace to ensure the Constabulary is equipped to deal with new emerging challenges and that it continues to meet the needs of all our communities. The settlement does not provide any government funding for investment in new technology or innovation to deliver improvements in productivity and efficiency.
- 6.4 With Norfolk Constabulary's Chief Constable, Paul Sanford, we launched a joint transformation programme in 2024/25 that prioritises investments that deliver cashable savings through transformational change. This work will continue in 2026/27 focussing on building capability and delivering change through technology and the application of robotics and artificial intelligence and will deliver cash savings of £400k across both forces. This is a year earlier than planned and demonstrates the Constabularies drive to mitigate funding decreases wherever they can.
- 6.5 The Constabulary is committed to delivering the planned savings of £2.8m in 2026/27, and to identify and deliver savings to deliver a balanced annual budget throughout the MTFP period.
- 6.6 The MTFP considers, amongst other issues, the financial implications of two alternative options. These are to increase the precept by £9.99 for 2026/27 and £10 throughout the remainder of the MTFP period under option 1 or increase the precept by £14.94 for 2026/27 and £10 throughout the remainder of the MTFP period under option 2.
- 6.7 Based on the planning assumptions set out in this report, option 1 results in the Constabulary incurring a budget deficit of £1.4m in 2026/27, whilst option 2 results in the Constabulary delivering a balanced budget in 2026/27.

- 6.8 Option 2 would result in the Constabulary delivering a balanced budget and allow it to invest an additional £1.4m in technology and communications. This investment in technology will, in time, help us to free up police officer time, and this will allow us to improve visibility in our town centres and our rural communities. It will also allow the Constabulary to develop a real-time, two-way messaging service for victims of crime to contact investigating officers.
- 6.9 This investment will ensure Suffolk Constabulary continues to deliver a high-quality policing service and in catching criminals, supporting victims and in keeping the public safe.
- 6.10 Monitoring delivery of improvements in performance from the additional policing resources provided through the increased budget will be at each of the publicly held Accountability and Performance Panel meetings, chaired by the PCC.

7 CONCLUSION AND SUMMARY OF OPTIONS

- 7.1 The MTFP has been prepared following notification of the 2026/27 provisional settlement from the Home Office on 18 December 2025 and in conjunction with a wide range of assumptions summarised in section two of this report.
- 7.2 The two alternative budget options are proposed to the PCC for consideration, the financial consequences of which are contained in **Appendices A(i), A(ii), and H**, and are summarised below.
- 7.3 **Option 1** – Based on the planning assumptions set out in this report, this option would result in the Constabulary incurring a budget deficit of £1.4m in 2026/27. Further savings of £8.4m would need to be identified in the period 2027/28 to 2029/30 to achieve a balanced budget over the MTFP period.
- 7.4 **Option 2** – Based on the planning assumptions set out in this report, this option would result in the Constabulary delivering a balanced budget in 2026/27. Further savings of £7.0m will need to be identified in the period 2027/28 to 2029/30 to achieve a balanced budget over the MTFP period.

8 RECOMMENDATIONS

8.1 It is recommended that the PCC:

- (i) Takes account of the overall financial strategy, when considering the 2026/27 budget proposals in **Appendix A**.
- (ii) Approves the planned revenue changes summarised in **Appendix B**.
- (iii) Approves the savings plans in **Appendix C**.
- (iv) Approves the proposed capital programme for 2026/27 and the draft capital programme over the medium term as set out at **Appendix D**.
- (v) Approves the capital strategy in **Appendix E**.
- (vi) Approves the proposed use and transfer of reserve balances in **Appendix F**.
- (vii) Approves the MRP policy and statement in **Appendix G** noting that no changes to the MRP policy are proposed for 2026/27 and throughout the MTFP period.
- (viii) When setting the precept level consideration is given to the medium-term financial implications of options 1 and 2, the assessment of financial risks contained in this report and the Chief Constable's commentary.

Appendix A(i) – Medium Term Financial Plan 2026/27 to 2029/30

Option 1: 3.45% (£9.99) council tax increase

	2026/27	2027/28	2028/29	2029/30	Note
	£000	£000	£000	£000	
REVENUE FUNDING					
Core Grant	(88,701)	(90,475)	(91,832)	(92,751)	
Legacy Council Tax Grants	(6,786)	(6,786)	(6,786)	(6,786)	
Precept Income	(83,598)	(87,041)	(90,748)	(94,522)	1
TOTAL FUNDING	(179,084)	(184,301)	(189,366)	(194,058)	
BASE REVENUE BUDGET INCLUDING INFLATION					
Constabulary Revenue Budget before savings	198,324	205,475	211,797	217,615	2
PCC Corporate Budget	1,229	1,258	1,285	1,309	
PCC Commissioning Budget	2,734	2,637	2,675	2,714	
Revenue Funding of Capital, Minimum Revenue Provision and Interest	3,642	3,642	3,642	3,642	
Total Revenue Income including Specific Grants	(24,659)	(21,735)	(21,888)	(22,024)	
NET REVENUE BUDGET BEFORE KNOWN CHANGES AND SAVINGS	181,270	191,277	197,511	203,256	
REVENUE DEFICIT BEFORE KNOWN CHANGES	2,186	6,976	8,145	9,198	
Known/ Expected Changes	7,331	6,305	7,836	5,498	3
Planned Use of Reserves	(5,296)	(4,018)	(5,441)	(3,333)	3
REVENUE DEFICIT BEFORE SAVINGS	4,221	9,263	10,540	11,363	
Change Programme Savings	(2,843)	(2,875)	(2,899)	(2,924)	4
Total Cumulative Impact of Savings	(2,843)	(2,875)	(2,899)	(2,924)	
DEFICIT AFTER SAVINGS	1,378	6,388	7,641	8,439	
SAVINGS TO BE IDENTIFIED	(1,378)	(6,388)	(7,641)	(8,439)	
REVENUE DEFICIT/ (SURPLUS)	-	-	-	-	

Notes:

1. 3.45% (£9.99) precept increase in 2026/27 and £10 increase in following years; 0.98% increase in Council Tax base in 2026/27 and 1% in following years; 2. Excludes capital; 3. See appendix B (ii); 4. See appendix C.

Appendix A(ii) – Medium Term Financial Plan 2026/27 to 2029/30

Option 2: 5.16% (£14.94) council tax increase

	2026/27	2027/28	2028/29	2029/30	Note
	£000	£000	£000	£000	
REVENUE FUNDING					
Core Grant	(88,701)	(90,475)	(91,832)	(92,751)	
Legacy Council Tax Grants	(6,786)	(6,786)	(6,786)	(6,786)	
Precept Income	(84,976)	(88,433)	(92,154)	(95,942)	1
TOTAL FUNDING	(180,463)	(185,693)	(190,772)	(195,478)	
BASE REVENUE BUDGET INCLUDING INFLATION					
Constabulary Revenue Budget before savings	198,324	205,475	211,797	217,615	2
PCC Corporate Budget	1,229	1,258	1,285	1,309	
PCC Commissioning Budget	2,734	2,637	2,675	2,714	
Revenue Funding of Capital, Minimum Revenue Provision and Interest	3,642	3,642	3,642	3,642	
Total Revenue Income including Specific Grants	(24,659)	(21,735)	(21,888)	(22,024)	
NET REVENUE BUDGET BEFORE KNOWN CHANGES AND SAVINGS	181,270	191,277	197,510	203,256	
REVENUE DEFICIT BEFORE KNOWN CHANGES	808	5,584	6,738	7,778	
Known/ Expected Changes	7,331	6,305	7,836	5,498	3
Planned Use of Reserves	(5,296)	(4,018)	(5,441)	(3,333)	3
REVENUE DEFICIT BEFORE SAVINGS	2,843	7,871	9,133	9,943	
Change Programme Savings	(2,843)	(2,875)	(2,899)	(2,924)	4
Total Cumulative Impact of Savings	(2,843)	(2,875)	(2,899)	(2,924)	
REVENUE DEFICIT AFTER SAVINGS	-	4,996	6,234	7,019	
SAVINGS TO BE IDENTIFIED	-	(4,996)	(6,234)	(7,019)	
REVENUE DEFICIT/ (SURPLUS)	-	-	-	-	

Notes:

1. 5.2% (£14.94) precept increase in 2026/27 and £10 increase in following years; 0.98% increase in Council Tax base in 2026/27 and 1% in following years; 2. Excludes capital; 3. See appendix B (ii); 4. See appendix C.

Appendix B(i) – Planned Revenue Changes 2026/27 to 2029/30

Option 1: 3.5% (£9.99) council tax increase

	Proposed 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000	Forecast 2029/30 £000
STATUTORY CHANGES				
Variation in Bank Holiday Numbers	390	130	130	(130)
Pension Auto-enrolment	200	200	200	200
LPGS employers' pension contributions	(1,263)	(1,304)	(1,343)	(1,379)
Firearms Licensing Income	-	(46)	116	108
TOTAL STATUTORY CHANGES	(673)	(1,020)	(897)	(1,201)
SERVICE DEVELOPMENTS				
Home Office System Charges	58	61	64	67
ERSOU	45	46	48	49
NPAS	152	152	152	152
Challenge Panel Process Review – Cost Pressures	1,535	1,675	1,675	1,675
Corporate Cost Pressures	927	1,143	1,143	1,143
Apprenticeship levy co-investment	-	154	100	134
Interest income	(250)	-	-	-
PCC Delivery of Police and Crime Plan	110	110	-	-
TOTAL SERVICE DEVELOPMENTS	2,577	3,342	3,182	3,220
CAPITAL FINANCING				
Minimum Revenue Provision	-	-	29	61
Capital Programme Funding - Reserve	5,426	3,983	5,521	3,418
TOTAL CAPITAL FINANCING	5,426	3,983	5,550	3,479
TOTAL CHANGES BEFORE RESERVES	7,330	6,305	7,836	5,498
CONTRIBUTION TO RESERVES				
General Reserve	240	75	80	85
USE OF RESERVES				
Capital Funding	(5,426)	(3,983)	(5,521)	(3,418)
PCC Crime and Disorder Reduction Reserve	(110)	(110)	-	-
NET RESERVE MOVEMENTS	(5,296)	(4,018)	(5,441)	(3,333)
TOTAL	2,034	2,287	2,394	2,165

Appendix B(ii) – Planned Revenue Changes 2026/27 to 2029/30

Option 2: 5.2% (£14.94) council tax increase

	Proposed 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000	Forecast 2029/30 £000
STATUTORY CHANGES				
Variation in Bank Holiday Numbers	390	130	130	(130)
Pension Auto-enrolment	200	200	200	200
LPGS employers' pension contributions	(1,263)	(1,304)	(1,343)	(1,379)
Firearms Licensing Income	-	(46)	116	108
TOTAL STATUTORY CHANGES	(673)	(1,020)	(897)	(1,201)
SERVICE DEVELOPMENTS				
Home Office System Charges	58	61	64	67
ERSOU	45	46	48	49
NPAS	152	152	152	152
Challenge Panel Process Review – Cost Pressures	1,535	1,675	1,675	1,675
Corporate Cost Pressures	927	1,143	1,143	1,143
Apprenticeship levy co-investment	-	154	100	134
Interest income	(250)	-	-	-
PCC Delivery of Police and Crime Plan	110	110	-	-
TOTAL SERVICE DEVELOPMENTS	2,577	3,342	3,182	3,220
CAPITAL FINANCING				
Minimum Revenue Provision	-	-	29	61
Capital Programme Funding - Reserve	5,426	3,983	5,521	3,418
TOTAL CAPITAL FINANCING	5,426	3,983	5,550	3,479
TOTAL CHANGES BEFORE RESERVES	7,330	6,305	7,836	5,498
CONTRIBUTION TO RESERVES				
General Reserve	240	75	80	85
USE OF RESERVES				
Capital Funding	(5,426)	(3,983)	(5,521)	(3,418)
PCC Crime and Disorder Reduction Reserve	(110)	(110)	-	-
NET RESERVE MOVEMENTS	(5,296)	(4,018)	(5,441)	(3,333)
TOTAL	2,034	2,287	2,394	2,165

Appendix C - Savings Plan 2026/27 to 2029/30

	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000	Forecast 2029/30 £000
Change and Efficiency Savings:				
As per challenge panels:				
Pay	930	962	986	1,011
Non-pay	1,739	1,739	1,739	1,739
Transformational change programmes	174	174	174	174
Total Change and Efficiency Savings	2,843	2,875	2,899	2,924
Permanent savings against 2025/26 base	2,843	2,875	2,899	2,924

Areas for savings 2026/27

Distribution of savings by Chief Officer portfolio	£000
ACC Operations – Local Policing and Investigations	615
ACO Joint Portfolio – Corporate Shared Services	918
DCC Joint Portfolio – People Directorate, Professional Standards, Communications, SBOS	494
ACC Joint Portfolio – Specialist Operations	627
ACC Joint Portfolio – Specialist Crime and Capabilities	15
Transformational change programmes	174
Total	2,843

Appendix D – Capital Programme 2026/27 to 2029/30

PROJECT	2026/27 Total Requirement			2027/28	2028/29	2029/30	4-Year Total
	Table A	Table B	Table C				
Carbon Reduction Management	110,000	-	-	110,000	110,000	110,000	440,000
Planned Estate Major Maintenance Works	270,000	-	-	100,000	100,000	100,000	570,000
Electric Vehicle Charging Infrastructure	-	150,000	-	150,000	150,000	150,000	600,000
PHQ Site	100,000	-	-	50,000	50,000	-	200,000
PHQ Modernisation	-	-	-	3,000,000	3,000,000	3,000,000	9,000,000
Landmark House - Refurbishment	2,126,000	-	-	-	-	-	2,126,000
Operational Accommodation	200,000	-	-	-	-	-	200,000
PSU Training Accommodation	-	750,000	-	-	-	-	750,000
PHQ Modernisation – Training Accommodation	-	-	-	250,000	-	-	250,000
Estates Strategy	60,000	-	-	25,000	4,250,000	250,000	4,585,000
SALTO Renewals	13,000	-	-	14,000	15,000	16,000	58,000
Total Estates - Suffolk Only	2,879,000	900,000	-	3,699,000	7,675,000	3,626,000	18,779,000
ICT Replacements - Desktop and Laptops	384,400	-	-	336,968	470,000	250,000	1,441,368
ICT Replacements - Communications	74,000	-	-	74,000	74,000	74,000	296,000
ANPR Vehicle Kit Refresh	50,000	-	-	50,000	50,000	50,000	200,000
Landmark House – ICT Infrastructure	3,874,000	-	-	-	-	-	3,874,000
Total ICT - Suffolk Only	4,382,400	-	-	460,968	594,000	374,000	5,811,368
Equipment and Vehicle Replacements							
Vehicle Replacements	1,493,000	-	-	1,890,000	1,866,500	2,015,000	7,264,500
Commercial Vehicle Unit Marked Vehicle	40,000	-	-	-	-	-	40,000
Total Equipment and Vehicle Replacements - Suffolk Only	1,533,000	-	-	1,890,000	1,866,500	2,015,000	7,304,500
Total Suffolk Only	8,794,400	900,000	-	6,049,968	10,135,500	6,015,000	31,894,868
Suffolk Share of Replacement Schemes	1,551,498	-	-	1,122,508	2,425,686	1,767,610	6,867,302

Suffolk Capital Programme	10,345,898	900,000	-	7,172,476	12,561,186	7,782,610	38,762,170
Suffolk Share of Joint Projects	552,794	2,718,238	146,060	3,185,104	3,335,169	2,010,701	11,802,006
Total Suffolk Capital Programme	10,898,692	3,618,238	146,060	10,357,580	15,896,355	9,793,311	50,564,176

Appendix D continued – Joint Capital Programme 2026/27 to 2029/30

PROJECT	2026/27 Total Requirement			2027/28	2028/29	2029/30	4-Year Total
	Table A	Table B	Table C				
Joint ICT Replacements - Servers	1,542,992	-	-	867,000	3,206,000	965,000	6,580,992
ICT Replacements - Network	794,547	-	-	556,456	1,393,789	1,419,448	4,164,240
Microwave Refresh	33,600	-	-	34,000	26,500	26,000	120,100
ANPR Cameras	142,500	-	-	100,000	255,000	230,000	727,500
Video Conferencing	25,000	-	-	25,000	25,000	25,000	100,000
Mobile Device Replacement Programme	130,000	-	-	100,000	500,000	500,000	1,230,000
Body Worn Video Replacement Programme	898,023	-	-	898,023	170,000	898,023	2,864,069
ICT Replacement Schemes	3,566,662	-	-	2,580,479	5,576,289	4,063,471	15,786,901
Joint Projects Subject to Business Case:							
Incident Management Software Upgrade	294,283	-	-	-	-	-	294,283
Digital Public Contact (User Journey/ My Police Portal)	965,413	-	-	-	-	-	965,413
Data Management and Exploitation Programme	-	200,000	-	-	-	-	200,000
Digital Public Contact (CRM)	-	691,534	-	586,739	59,000	-	1,337,273
Digital Investigations	-	820,604	-	189,500	-	-	1,010,104
Replacement Resource Management System	-	663,697	-	920,213	891,628	224,449	2,699,987
Artemis Replacement	-	50,000	-	-	-	-	50,000
TSU Review and ICT On-boarding	-	260,000	-	23,000	-	-	283,000
QAS Upgrade	-	30,000	-	-	-	-	30,000
Police Investigation Centres (PIC) Wi-Fi Coverage	-	-	35,000	-	-	-	-
Automating Custody Log Updates	-	-	150,000	-	-	-	-
Custody - Telemedicine	-	-	150,000	-	-	-	-
PIC Video Platform Expansion	-	51,018	-	-	-	-	51,018
Total Projects Subject to Business Case	1,259,696	2,766,853	335,000	1,719,452	950,628	224,449	6,921,078

Digital Forensics

Digital Forensics Review Platform	-	200,000	-	-	-	-	200,000
Joint Digital Forensics - Data Centre	-	200,000	-	300,000	350,000	400,000	1,250,000
Total Digital Forensics	-	400,000	-	300,000	350,000	400,000	1,450,000

Digital Portfolio:

Mobile Workflow	-	130,000	-	230,000	230,000	190,000	780,000
Digital Asset Management System Developments	-	50,000	-	50,000	50,000	50,000	200,000
Microsoft 365 Developments	-	50,000	-	50,000	50,000	50,000	200,000
Fingerprint Scanner Replacement	-	60,000	-	60,000	-	-	120,000
Open Container Initiative Container Management Tool	-	20,000	-	-	-	-	20,000
Large Language Modelling	-	50,000	-	-	-	-	50,000
MS Project Online Expansion	-	50,000	-	-	-	-	50,000
Digital Interview Recording Equipment	-	175,000	-	175,000	150,000	-	500,000
Total Digital Portfolio	-	585,000	-	565,000	480,000	290,000	1,920,000

Efficiency Initiatives (Revenue Projects):

Transformation Programme	-	1,250,000	-	640,000	640,000	640,000	3,170,000
Total Efficiency Initiatives	-	1,250,000	-	640,000	640,000	640,000	3,170,000

Regional Projects:

Emergency Services Network Resourcing	-	967,510	-	3,595,584	2,907,918	2,753,931	10,224,943
Total Regional Projects	-	967,510	-	3,595,584	2,907,918	2,753,931	10,224,943

Enterprise Resource Planning (ERP) Projects:

ERP Upgrade/ Replacement	-	11,000	-	250,000	250,000	250,000	761,000
Duty Management System Upgrade	-	35,000	-	10,000	35,000	10,000	90,000
E-Recruitment	-	10,000	-	10,000	10,000	10,000	40,000
E-Personal Development Review	-	9,000	-	9,000	9,000	9,000	36,000
Identity and Access Management Software	-	10,000	-	10,000	10,000	10,000	40,000
Total ERP Related Projects:	-	75,000	-	289,000	314,000	289,000	967,000

Other Projects:

Learning Management System	-	10,000	-	-	-	-	10,000
Virtual Reality Training Equipment	-	30,000	-	-	-	-	30,000
Breath Testing Kit Replacement Programme	-	37,128	-	96,195	-	-	133,323
Firearms Vehicles and Equipment	-	97,000	-	-	-	-	97,000
TASER Replacement	-	-	-	-	1,900,000	-	1,900,000
G26 Carbine Replacement	-	-	-	89,135	89,135	-	178,270
Vehicle Diagnostic Equipment	-	16,000	-	5,000	5,000	5,000	31,000
Total Other Projects	-	190,128	-	190,330	1,994,135	5,000	2,379,593
Total Joint Capital Programme	4,826,358	6,234,491	335,000	9,879,845	13,212,970	8,665,851	42,819,514
Joint Capital Projects - Norfolk	2,722,066	3,516,253	188,940	5,572,232	7,452,115	4,887,540	24,150,206
Joint Capital Projects - Suffolk	2,104,292	2,718,238	146,060	4,307,612	5,760,855	3,778,311	18,669,308

Appendix E - Capital Strategy

Introduction

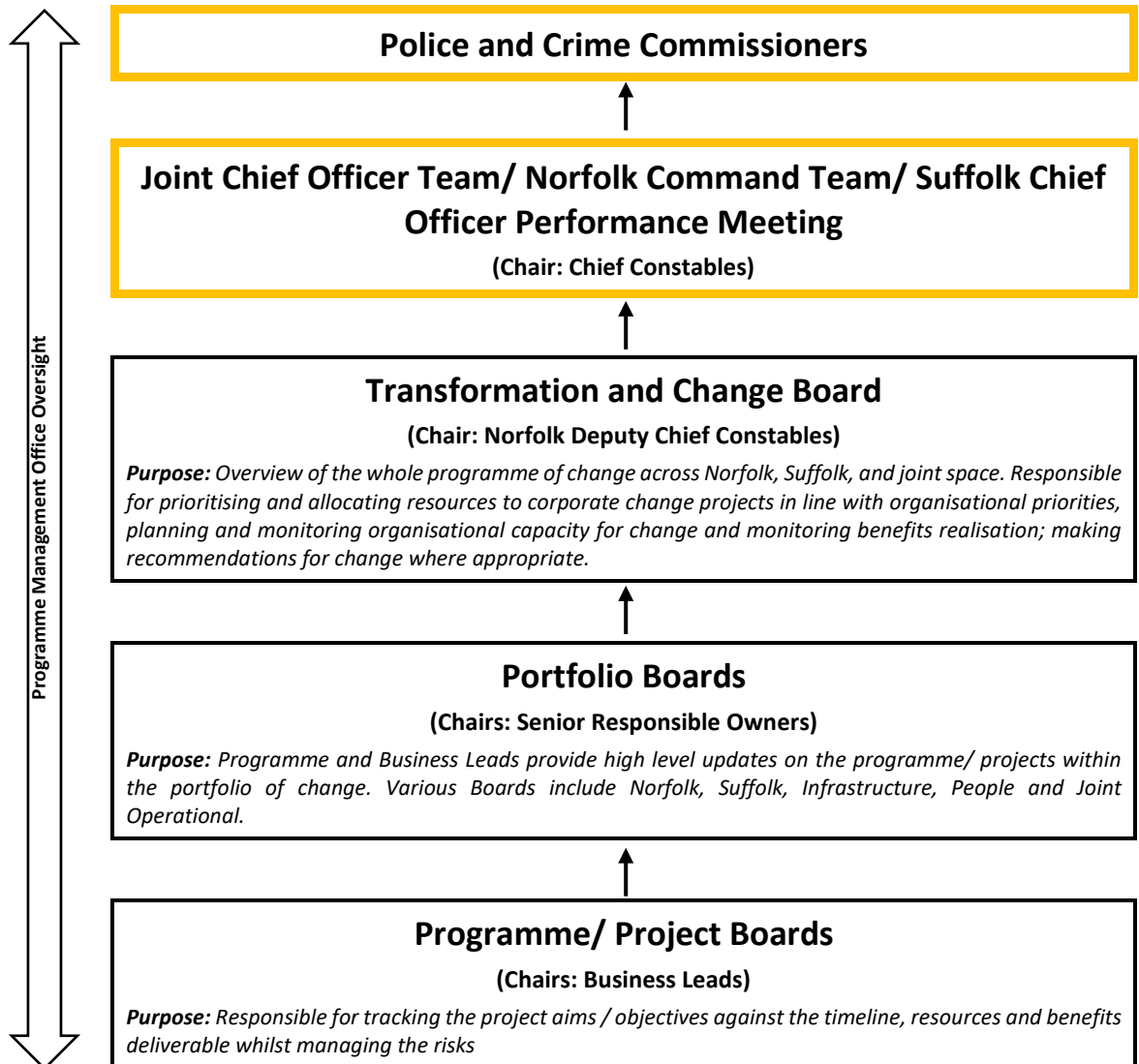
- E.1 The CIPFA Prudential Code requires publication of a capital strategy that demonstrates that capital expenditure and investment decisions are taken in line with desired outcomes and take account of good stewardship, value for money, prudence, sustainability and affordability.
- E.2 The capital strategy is a key document for the PCC for Suffolk and the Chief Constable of Suffolk Constabulary. Throughout this appendix the term 'Suffolk' is used to refer to the activities of both the PCC and the Constabulary.
- E.3 The capital strategy sets out the long-term context in which capital expenditure and investment decisions are made in Suffolk and gives consideration to both risk and reward and the impact on the achievement of priority outcomes.

Objectives

- E.4 The key objectives of the capital strategy are to:
- Provide a framework that requires new capital expenditure to be robustly evaluated, ensuring that capital investment delivers value for money and is made in accordance with the PCC's police and crime plan and the Chief Constable's delivery plan.
 - Set out how Suffolk identifies, prioritises, delivers and manages capital programmes and projects. This includes outlining the governance framework from initiation to post project review.
 - Ensure that the full-life cost of capital expenditure is evaluated, including borrowing, maintenance and disposal costs.
 - Ensure that all capital expenditure and related borrowing cash flows are affordable, prudent and sustainable.
 - Identify the resources available for capital investment over the planning period and any restrictions on borrowing or funding.

Governance

E.5 There is a robust joint governance model that sits over the Suffolk only, Norfolk only and collaborated departments. This is shown below.



E.6 Projects are run on PRINCE2 project management methods and are governed by project boards. These individual projects report into portfolio boards each with a senior responsible owner.

E.7 Sitting above this is the Transformation and Change Board chaired by the Deputy Chief Constables (DCC) but with a smaller membership comprising of DCCs, Assistant Chief Officers (ACO) of Suffolk and Norfolk, Head of Finance, Head of

Strategic Business Operational Services, Director of ICT, and Director of People. This group monitors delivery of the change programme; acts as a gateway to review and approve all new projects; and ensures appropriate resources are agreed in line with priorities and targets set within the MTFP.

- E.8 Reports as appropriate are then taken to the Joint Chief Officer Team meeting that consists of all Chief Officers from Suffolk and Norfolk, as well as the Head of Strategic Business Operational Services and Head of the Programme Management Office.

Strategies and Plans

- E.9 The PCC publishes a Police and Crime Plan. To support delivery of this plan a number of interrelated strategies and plans are in place. These are the MTFP that includes the medium-term capital programme, the capital strategy, and the investment and treasury management strategy.
- E.10 The operation of all these strategies and plans is underpinned by the Scheme of Governance and Consent which includes the Financial Regulations and Contract Standing Orders.
- E.11 In addition, there are three key strategies that support the capital strategy.
1. **Estate strategy** – this sets out the PCC's vision for the Suffolk estate. The strategy is designed to ensure delivery of a fit-for-purpose estates portfolio that is responsive to current and future needs, supports meeting strategic objectives, and efficient and effective service delivery.
 2. **Joint transport strategy for Suffolk and Norfolk** – vehicle replacement and procurement forms part of this strategy that contributes to force performance by ensuring fleet acquisition and replacement with an optimum use of all resources. The strategy promotes continuous modernisation and service improvements ensuring local and national strategies are considered to drive forward a cost effective and efficient service.
 3. **Joint information, communications and technology strategy for Suffolk and Norfolk** – this aims to modernise the delivery of police services across both counties, as well as emphasising availability, security and resilience of information assets and systems. It seeks to enable modern working practices and technologies to help shape future service provision from a modern and efficient technology base.

Capital Budget Setting

- E.12 The capital programme is developed through the Constabulary's service and financial planning process. As part of this process there is a capital challenge panel held with the Director of ICT, Head of Estates and Head of Transport and Uniform Services to review their individual programmes and ensure these are consistent with the PCC's police and crime plan and Chief Constable's strategic plan. The panel consists of the ACOs from Suffolk and Norfolk, Head of Finance and the Head of Strategic Business Operational Services.
- E.13 Heads of all other departments put forward smaller capital bids in their submission documents, and these are also assessed by a challenge panel consisting of the same membership as above.
- E.14 Following the panel processes there is a further review and prioritisation meeting of the DCCs and ACOs before a draft capital programme, along with the relevant agreed funding, is presented to the Chief Constables.

Identification and Prioritisation

- E.15 The identification process is initiated through the capital challenge panel as a result of which bids are made by department heads and a draft capital programme is produced.
- E.16 The capital project proposals are prioritised with reference to a business case and considered against the following factors in order of priority:
- **Mandatory** – unavoidable projects i.e., mandated or contractually obliged.
 - **Strategic alignment** – alignment to the Police and Crime Plan.
 - **Interdependencies** – with other projects and or strategies and plans.
 - **Risk** – of not doing the project and whether this is within tolerable levels.
 - **Cashable savings** – the return on investment measured against the initial outlay.
 - **Deferability/ complexity** – the level of resource commitment, internally and externally and time critical deadlines.
 - **Non-cashable benefits** – other benefits such as service improvements and efficiency/ productivity benefits; and
 - **Mitigation** – future cost avoidance.
- E.17 This draft programme is then challenged and prioritised by the panel members before a final programme is put before the Chief Constable and the PCC for final approval.

Evaluation

- E.18 To evaluate the successful outcomes of the capital projects a post-project review is conducted. The scope of the review is proportionate to the project and benefits set out in the initial business case and project initiation documentation.
- E.19 The review is a check on performance against the original proposal. It focusses on outcomes achieved, the extent to which benefits are being realised and actual costs against forecasts. This enables lessons learned to inform improvements in the overall process.

Collaboration and Cost Sharing

- E.20 The estate's capital programme is a Suffolk-funded programme and is in line with the estate strategy. Vehicle purchases are also funded separately by each Constabulary, although the strategy for investment is in line with the joint transport strategy for Suffolk and Norfolk. ICT-related spend on refreshing desktops and monitors in Suffolk premises is also Suffolk-funded expenditure.
- E.21 Other capital expenditure, including the replacement of ICT infrastructure, the purchase of short-life assets such as body worn video, mobile devices, and equipment for the Digital Forensic Unit is funded jointly with Norfolk as a proportion of each Constabulary's net revenue budget.

Implementation and Monitoring

- E.22 Following approval of the capital programme a project manager is identified for each key project. The project manager is responsible for managing implementation and delivering against the project's objectives. The project manager will produce the project plan for approval. Progress against the plan is through monthly highlight reporting to individual project and portfolio boards and to the Strategic and Monitoring Performance meeting. Overall monitoring of specific programme risks is also undertaken.
- E.23 Detailed implementation work is assigned to key individuals and overseen by the project boards as per the governance model set out in [E.5](#) above.
- E.24 The capital programme is monitored monthly, using expenditure and commitment information to forecast the outturn of the programme. This view is then incorporated into the monthly revenue and capital monitoring reports for the Chief Constable and the PCC. These reports give information about under or over-spends against the revenue and capital budgets and consider the revenue implications of capital spending.

Capital Funding

- E.25 All capital expenditure has to be funded through the Police Fund, either through income received in the year or through the use of reserves. For the purposes of this strategy, the term 'funding' relates to the use of current income or reserves to fund capital expenditure. The term 'financing' relates to how the asset is to be paid for, e.g., internal borrowing (cash balances) or external borrowing (debt).
- E.26 The capital programme needs to be fully funded over the life of the MTFP. More information on this is set out below and in the reserves' strategy. The MTFP process ensures that a balance of different funding sources is used to ensure an adequate and sustainable level of reserves remain at the end of the planning period. This is a strong financial indicator of the affordability and sustainability of the capital programme.
- E.27 Capital can be *funded* from a number of different sources, including:

Capital Receipts

- Capital receipts are generated from the sale of capital assets. Proceeds from the sale of assets are either used to fund capital expenditure in the year of receipt or transferred to the Capital Financing and Efficiency Investment Reserve to fund future years' capital expenditure.
- This method of funding has been used in previous years, as the PCC has disposed of non-operational or surplus property, such as police houses or police stations. As the PCC's estate has been downsized and modernised, the opportunity to fund capital expenditure using capital receipts will be diminished beyond the medium term.

Capital Grant

- Direct funding from government capital grants has been a source of funding in previous years. Non-specific government capital grants have been withdrawn from 2022/23.
- Where relevant and appropriate the PCC will bid to secure specific grant opportunities, either from central government or through collaboration with public sector or other partner organisations.

Reserves

- Income surpluses that have been set aside from previous years and transferred to reserves can be used to fund capital expenditure. The Capital Financing and Efficiency Investment Reserve is used to ringfence funding for future capital expenditure.

- As reserves are consumed to fund capital expenditure and pump prime efficiency initiatives, the level of reserves available to fund future capital expenditure needs to be replenished through the accumulation of future income surpluses.
- Not all PCC reserves are cash-backed. Therefore, even though reserves are used to fund capital expenditure, there may still be a need to finance the expenditure using external borrowing.

Direct Revenue Funding

- In the budget delegated to the Chief Constable there is an element of the current revenue budget that funds capital expenditure, any amount funded in this way will be charged directly to the Police Fund.
- To maintain the level of investment required in short-life assets, over the life of the MTFP direct revenue funding is being used to compensate for the reduction in other funding sources.

Minimum Revenue Provision

- Accumulated capital expenditure not funded using methods outlined above is called the Capital Financing Requirement (CFR). This balance is funded using minimum revenue provision (MRP). There are a number of MRP options available to fund this balance. The method adopted by the PCC is the asset life method, where the associated asset is funded using either equal instalments or on an annuity basis as follows:
 - MRP is charged against the Police Fund annually and effectively reduces the CFR.
 - The PCC has adopted a position where only long-life assets are funded using MRP. As other funding sources dry up, it is possible that short-life assets may be funded using this method. However, in the longer-term funding short life assets in this way is not sustainable and there will be a greater need to fund from direct revenue as outlined above.
 - MRP is also the funding method for assets financed via private finance initiatives (PFI) or finance leases. MRP is calculated as equivalent to the principal repayment of the PFI or lease liability in the year.

Capital Financing and Borrowing

E.28 Capital expenditure can be *financed* in the following ways:

- **Capital grants received or capital receipts from asset sales.** These generate cash balances, and these are directly used to finance capital

expenditure. Where in-year revenue funding of capital takes place, financing is made from in-year income sources.

- **Internal borrowing.** Where cash or investment balances have increased over a period of time as reserves have accumulated, these balances can be used to finance the acquisition of assets. This decision is often made as the investment returns received are normally lower than the interest that would be payable if the capital expenditure is financed using external borrowing.
- **External borrowing.** This method is used to finance capital expenditure where the above options are unavailable. External borrowing can be obtained from a number of sources:
 - **PFI** – Private finance is secured to finance the schemes which form part of a Public/Private Partnership. Suffolk have used this method to finance six Police Investigation Centres across Suffolk and Norfolk. Nationally, new PFI arrangements have significantly reduced in number, and the Government have now withdrawn support for future schemes.
 - **Leases** – Some assets have been secured using leasing arrangements. With the advent of Prudential borrowing, leases are less popular as they are an expensive financing route. Following the introduction of the leasing Standard IFRS 16 in 2024/25, property lease liabilities have been brought onto the balance sheet and form part of the CFR and attract MRP.
 - **Prudential borrowing** – with the introduction of the Prudential Code, local government bodies have been able to secure external borrowing on favourable terms, providing their borrowing is prudent, affordable and sustainable. Unfunded long-life assets are therefore primarily financed using this method.
- Historically external borrowing has principally been sourced from the Public Works Loans Board (PWLB), where finance is available on fixed or variable rates over varying terms and repayable on a maturity or an annuity basis.
- The PCC is not expected to require any additional borrowings throughout the medium-term to finance capital expenditure.

Appendix F – Reserves Strategy

Introduction

- F.1 It is important to consider the PCC's reserves at the same time as the budget to ensure that resources are available to fund spending at a level commensurate with the needs of the PCC and the Constabulary. Forecasting cash flows and balances over the MTFP period ensures efficient and effective financial management and avoids unnecessary finance charges. Reserves are held for either general purposes, such as working capital, to cover exceptional unforeseen circumstances or earmarked for specific purposes. The PCC complies with the definition of reserves contained in CIPFA's Accounting Code of Practice.
- F.2 The strategy requires an annual review of reserves to be undertaken and reported to the PCC. This reflects guidance on reserves issued by CIPFA. The most recent guidance requires an annual review of reserves to be considered by the PCC as part of good practice in the management of financial reserves and balances.
- F.3 The minimum prudent level of reserves is a matter of judgement rather than prescription. Neither CIPFA nor statute sets a minimum level of reserves. In determining the level and type of reserves, the PCC has to take into account relevant local circumstances and the advice of the Chief Constable and PCC CFO in making a reasoned judgement on the appropriate level of reserves.
- F.4 In order to assess the adequacy of reserves when setting the budget, the PCC, on the advice of the PCC CFO, should take account of the strategic, operational and financial risks facing the organisation. This assessment of risk should include external risks, as well as internal risks, for example the ability to deliver planned efficiency savings.
- F.5 The ultimate use of reserves will be dependent upon both the timing and level of costs and saving over the MTFP period.
- F.6 This strategy should be read in conjunction with the MTFP.

Assessment of Adequacy

- F.7 The **General Reserve** is held to enable the PCC to manage unplanned or unforeseen events. In forming a view on the level of the General Reserve, account is taken of the level of financial control within the organisation and comparisons with similar bodies. Also taken into account is the risk of unforeseen expenditure occurring, risk of failure to deliver the savings programme and sensitivity analysis of changes in assumptions included in the plan.

- F.8 Within the MTFP appropriate estimates are made on a number of key items including provision of pay and price rises, as well as a forecast of interest rate movements. In addition, prudent assumptions are made for the forecast capital programme and for future capital receipts included in the plan. These estimates and assumptions are taking into account the general financial climate to which the Constabulary and OPCC are subject.
- F.9 The Constabulary has managed its demand-led pressures within its budget envelope year-on-year, and where appropriate has used earmarked reserves to meet additional significant demand pressures.
- F.10 Since 2010 the Constabulary has a proven history of delivering efficiency savings year-on-year that will total £45.6m by the end of 2025/26.
- F.11 MTFP detailed savings plans are in place for 2026/27. These are outlined in [Appendix C](#). The Chief Constable and PCC are committed to continuing to deliver efficiency and productivity gains in each year of the plan.
- F.12 The General Reserve will be increased to £5.6m (approximately 3% of the Constabulary's forecast net revenue budget) during the life of the MTFP. This will be increased in four stages aligned to forecast increases in the net revenue budget. This is shown in [Appendix F1](#).

Earmarked Reserves

- F.13 These are reserves that are held for a specific purpose, whereby funds are set aside for future use when that specific purpose arises.
- F.14 The level of reserves and predicted movement for these reserves is set out in [Appendix F1](#). All reserve levels are reviewed annually.
- F.15 The purpose and strategy for each reserve is set out below:
- The **Budget Reserve** is held as a contingency for any demand-led pressures and any insurance liabilities which may arise in excess of insurance budgets and provisions. Surpluses over the life of the MTFP are added to the Budget Reserve to maintain and manage these risks effectively and transfers are then made between the Budget Reserve and the Capital Financing and Efficiency Investment Reserve when appropriate to fund future capital expenditure. Surpluses may arise from underspends in year, or income generated in excess of that budgeted. Interest income is forecast at prudent levels within the MTFP so that undue reliance is not placed on income streams which are not guaranteed. Interest earned in excess of forecast

levels will contribute towards any in year surpluses and added to the Budget Reserve as described above.

- The **Change Reserve** is used to fund the cost of change and/ or to pump prime invest-to-save activities.
- The **Capital Financing and Efficiency Investment Reserve** is used to fund the short-life and medium-life asset element of the capital programme when the amount required for investing/ refreshing in modernising technologies exceeds budget available for this purpose. The capital programme is shown in **Appendix D** of the MTFP.
- The **Specified Purpose Fund** relates to funds allocated for specific purposes including partnership funding. Whilst there are no specific amounts planned to be utilised from this reserve over the medium-term, it is expected that the reserve will fluctuate by modest values over the course of the MTFP when updates are received from specific projects.
- The **Regional Partnership Reserve** relates to funds allocated for regional activity including the Eastern Region Special Operations Unit. Whilst there are no specific amounts planned to be utilised from this reserve over the medium-term, it is expected that the reserve will fluctuate by modest values over the course of the MTFP when updates are received from partnership projects.
- The **Crime and Disorder Reduction Reserve** is made up from underspends against the PCC's Commissioning budget which have been earmarked to fund future commissioning initiatives. .
- The **PCC reserve** is made up from previous underspends against the budget for the Office of the Police and Crime Commissioner. This reserve is a contingency reserve and is held to manage risks of uncertain occurrence, timing or scale. The amount held is reviewed on an annual basis and, when appropriate, transfers will be made to the Crime and Disorder Reduction Reserve to be used to fund future commissioning initiatives.
- The **Safety Camera Reserve** is made up from previous underspends against the approved safety camera annual budget. The use is reviewed and agreed at the Driver Offender Re-training Governance Board. It is expected that amounts within the reserve will fluctuate over the course of the MTFP when updates are received from the Driver Offender Re-training Governance Board.

Compliance with Home Office Guidance on Reserves

- F.16 On 31 March 2018 the Minister for Policing and the Fire Service published new guidance on the information that each PCC must publish in terms of 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.
- F.17 This information is provided in **Appendix F2** which analyses the forecast balance on 31 March 2025 over the above headings.

Conclusion

- F.18 The current policy, as demonstrated in the MTFP, is to maintain general reserve balances close to an operational guideline level of 3.0% of the net revenue budget. This is an acceptable and appropriate position to be in as the prolonged period of fiscal tightening continues.
- F.19 The earmarked reserves have been described, and the strategy is to keep these for specific purposes, and at an appropriate level that ensures taxpayer's money is being used as efficiently as possible. Contributions are made to the Capital Financing and Efficiency Investment Reserve to keep this at an appropriate level through the plan to avoid the requirement to borrow to fund short-life assets.
- F.20 Having considered the levels of reserves included in the MTFP, and acknowledging the Chief Constable's commitment to work with the PCC to maintain a balanced budget over the period of the MTFP without further reliance on reserves other than those planned, and taking account of the approach to managing financial risk described in the report, it is considered that there will be adequate general and earmarked reserves to continue the smooth running of the PCC and Constabulary's finances over the medium-term financial planning period.

APPENDIX F1 – Forecast Movement in General and Earmarked Reserves 2026/27 to 2029/30

	General	Budget	Change	Capital Financing and Efficiency Investment Reserve	Specified Purposes Fund	Regional Partnership reserve	Crime and Disorder Reduction Reserve	PCC Reserve	Total	Safety Camera Reserve
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
31/03/2025 Actual	4,885	16,518	1,397	7,817	291	116	574	944	32,542	522
Proposed Changes 2025/26:										
Use of Reserves	-	-	-	(2,320)	-	-	(193)	-	(2,513)	-
Reallocation of Reserves	-	-	-	-	-	-	100	(100)	-	-
Contribution to Reserves	280	3,684	-	-	-	-	-	-	3,964	-
31/03/2026 Forecast	5,165	20,202	1,397	5,497	291	116	481	844	33,993	947
Proposed Changes 2026/27:										
Use of Reserves	-	-	-	(5,426)	-	-	(110)	-	(5,536)	-
Reallocation of Reserves	-	(15,421)	-	15,421	-	-	100	(100)	-	-
Contribution to Reserves	240	-	-	-	-	-	-	-	240	-
31/03/2027 Forecast	5,405	4,781	1,397	15,492	291	116	471	744	28,697	947
Proposed Changes 2027/28:										
Use of Reserves	-	-	-	(3,983)	-	-	(110)	-	(4,093)	-
Contribution to Reserves	75	-	-	-	-	-	-	-	75	-
31/03/2028 Forecast	5,480	4,781	1,397	11,509	291	116	361	744	24,679	947

APPENDIX F1 CONTINUED – Forecast Movement in General and Earmarked Reserves 2026/27 to 2029/30

	General	Budget	Change	Capital Financing and Efficiency Investment Reserve	Specified Purposes Fund	Regional Partnership reserve	Crime and Disorder Reduction Reserve	PCC Reserve	Total	Safety Camera Reserve
Proposed Changes 2028/29:										
Use of Reserves	-	-	-	(5,521)	-	-	-	-	(5,521)	-
Contribution to Reserves	80	-	-	-	-	-	-	-	80	-
31/03/2029 Forecast	5,560	4,781	1,397	5,988	291	116	361	744	19,238	947
Proposed Changes 2029/30:										
Use of Reserves	-	-	-	(3,418)	-	-	-	-	(3,418)	-
Contribution to Reserves	85	-	-	-	-	-	-	-	85	-
31/03/2030 Forecast	5,645	4,781	1,397	2,569	291	116	361	744	15,904	947

APPENDIX F2 – Forecast Reserves at 31 March 2026 Analysed by Home Office Categories

	Forecast Balance at 31 March 2026 £m	Funding for projects and programmes over period of current MTFP £m	New contributions during life of MTFP	Funding for projects and programmes beyond 2029/30 £m	General Contingency £m
General Reserve	5.165	-	(0.480)	-	5.645
Earmarked Reserves:					
Budget Reserve	20.202	15.421	-	4.781	-
Change Reserve	1.397	-	-	-	1.397
Capital Financing Reserve	5.497	18.348	(15.421)	2.569	-
Specified Purposes Fund	0.291	-	-	0.291	-
Regional Partnership Reserve	0.116	-	-	0.116	-
Crime and Disorder Reduction Reserve	0.481	0.220	(0.100)	0.361	-
PCC Reserve	0.844	0.100	-	-	0.744
Total Earmarked Reserves	28.829	34.089	(15.521)	8.119	2.141
Safety Camera Reserve	0.947	-	-	0.947	-
Total Reserves	34.941	34.089	(16.001)	9.066	7.786

Appendix G

Minimum Revenue Provision Policy and Statement 2026/27

Introduction

- G.1. The PCC is required to make a charge against the revenue budget each year in respect of capital expenditure financed by borrowing (including internal borrowing) or credit arrangement. The annual charge is set aside for the eventual repayment of the loan and is known as the Minimum Revenue Provision (MRP). This is separate from any annual interest charges that are incurred on borrowing.
- G.2. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 amend the way in which MRP can be calculated so that each authority must consider what is 'prudent'. The regulations are backed up by statutory guidance which gives advice on what might be considered prudent.

Options for Making Prudent Provision

- G.3. Four options are included in the guidance, which are those likely to be most relevant for the majority of local government bodies. Although other approaches are not ruled out, local government bodies must demonstrate that they are fully consistent with the statutory duty to make prudent revenue provision.

Option 1 – Regulatory Method

- G.4. Authorities may continue to use the formulae put in place by the previous regulations.

Option 2 – Capital Financing Requirement Method

- G.5. Under this option, MRP is equal to 4% of the non-housing capital financing requirement at the end of the preceding financial year.

Option 3 – Asset Life Method

- G.6. This is to make provision over the estimated life of the asset for which the borrowing is undertaken. This could be done by:
- (a) Charging MRP in equal instalments over the life of the asset.
 - (b) Charge MRP on an annuity basis, where MRP is the principal element for the year of the annuity required to repay over the asset's useful life the amount of capital expenditure financed by borrowing or credit arrangements. The authority should use an appropriate interest rate to calculate the amount. Adjustments to the calculation to take account of repayment by other

methods during repayment period (e.g. by the application of capital receipts) should be made as necessary.

Option 4 – Depreciation

- G.7 MRP is deemed to be equal to the provision required in accordance with depreciation accounting in respect of the asset on which expenditure has been financed by borrowing or credit arrangements. This should include any amount for impairment charged to the income and expenditure accounts.
- G.8 The regulations make a distinction between capital expenditure incurred before 1 April 2008 and capital expenditure incurred from 1 April 2008 in terms of the options available.
- G.9 Options 1 and 2 are to be used for capital expenditure incurred pre-April 2008. Options 3 and 4 are to be used for Capital expenditure incurred post-April 2008.

MRP Policy

- G.10 Before 1 April 2019 the option adopted for expenditure incurred after 1 April 2008 was Option 3(a) (Equal Instalment method).
- G.11 Option 3(b) (Annuity Method) was adopted for capital expenditure chargeable as MRP for the first time after 1 April 2019. The principal reason for this change was for the charge to revenue to reflect the capital repayment basis on the current preferred financing method via the Public Works Loans Board borrowed on an annuity basis. This method will therefore adopt a similar MRP basis as those assets financed through lease or PFI arrangements.
- G.12 Revised Statutory Guidance released on 2 February 2018 stipulates that this change in policy cannot be applied retrospectively to assets placed in service prior to the date the revised policy was introduced. Therefore, Option 3(a) still applies to capital expenditure chargeable as MRP for the first time prior to 1 April 2019.

Recommendations

- G.13 It is proposed that the following MRP policy is adopted as follows for 2026/27:
- Capital expenditure incurred before April 2008 is treated in accordance with Option 1 of the regulatory guidance.
 - Capital expenditure chargeable as MRP for the first time *from* 1 April 2008 to 31 March 2019 is treated in accordance with Option 3(a) of the regulatory guidance.

- Capital expenditure chargeable as MRP for the first time *after* 1 April 2019 is treated in accordance with Option 3(b) of the regulatory guidance.

Appendix H

Council Tax and Budget Options 2026/27

	Option 1 £9.99	Option 2 £14.94
Options for Percentage Increase in Council Tax Bills:	3.45042%	5.16009%
2026/27 Recommended Budget Summary:	£-p	£-p
Operational Costs before Savings	194,923,445.57	194,923,445.57
Specific Grants (excluding Council Tax Freeze Grants)	(17,493,433.00)	(17,493,433.00)
New savings from 2026/27	(2,842,681.00)	(2,842,681.00)
(Savings to be Identified)/ Surplus to be Invested	(1,378,425.79)	0.00
Known Changes	1,904,267.92	1,904,267.92
Revenue Funding of Capital	9,068,420.00	9,068,420.00
Appropriations to Reserves	(5,097,523.02)	(5,097,298.56)
Total Budget	179,084,462.68	180,462,721.32
Budget financed by:		
Police Grant	59,600,003.00	59,600,003.00
Ex-DCLG Formula Funding	29,101,033.00	29,101,033.00
Council Tax Freeze Grant (for no precept increase in 2011/12)	1,030,300.00	1,030,300.00
Council Tax Freeze Grant (for no precept increase in 2012/13)	0.00	0.00
Council Tax Freeze Grant (for no precept increase in 2013/14)	430,720.00	430,720.00
Council Tax Freeze Grant (for no precept increase in 2014/15)	433,830.00	433,830.00
Council Tax Freeze Grant (for no precept increase in 2015/16)	0.00	0.00
Collection Fund Surplus	200,469.00	200,469.00
Council Tax Support Funding Allocation	4,890,930.00	4,890,930.00
Council Tax Requirement (based on 278,436 tax base)	83,397,177.68	84,775,436.32
	179,084,462.68	180,462,721.32

Council Tax Bands 2026/27	Option 1 £9.99		Option 2 £14.94	
	Rate £	Annual Increase £	Rate £	Annual Increase £
A	199.68	6.66	202.98	9.96
B	232.96	7.77	236.81	11.62
C	266.24	8.88	270.64	13.28
D	299.52	9.99	304.47	14.94
E	366.08	12.21	372.13	18.26
F	432.64	14.43	439.79	21.58
G	499.20	16.65	507.45	24.90
H	599.04	19.98	608.94	29.88