

ORIGINATOR: PCC CHIEF FINANCE OFFICER

DECISION NUMBER: 3 - 2025

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: MEDIUM-TERM FINANCIAL PLAN 2025/26 TO 2028/29

SUMMARY:

1. The proposed Medium-Term Financial Plan (MTFP) attached sets out the key financial issues facing the PCC and Constabulary over the period 2025/26 to 2028/29.
2. The MTFP includes information and recommendations relating to the revenue budget, capital programme and associated financing issues, together with a financial appraisal of two precept options.

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:

A handwritten signature in black ink, appearing to read "Tim Parrymore". The signature is written in a cursive, flowing style.

Date: 17 January 2025

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION

- 1.1 This report covers the spending proposals and key issues relating to the MTFP for the period 2025/26 to 2028/29. 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 2025/26 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 2025/26 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 2025/26 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 band D council tax by £9.99 (3.6%) in 2025/26 and by 2% in the remaining 3 years of the MTFP period.
 - **Option 2** – increase band D council tax by £13.95 (5.1%) in 2025/26 and by 2% 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 this report, this option would result in the Constabulary incurring a budget deficit of (£1.1m) in 2025/26, with total cumulative savings of £5.8m required 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 2025/26. Further savings of £4.6m will need to be identified in the period 2025/26 to 2028/29 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

Acting Chief Executive

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.



Signature:

Date: 17 January 2025



Suffolk Police and Crime Commissioner

Medium-Term Financial Plan

2025/26 to 2028/29

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1. INTRODUCTION

- 1.1 This report covers the spending proposals and key issues relating to the medium-term financial plan (MTFP) for the period 2025/26 to 2028/29. 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 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 2025/26 to 2028/29
Appendix B - Planned Revenue Changes 2025/26 to 2028/29
Appendix C - Savings Plan 2025/26 to 2028/29
Appendix D - Capital Programme 2025/26 to 2028/29
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 2025/26

- 1.3 The government published the Provisional Police Grant Report (England and Wales) 2025/26, commonly referred to as the 'settlement', on 17 December 2024. The key headlines are provided in **Table 2** below:

Table 2: Settlement 2025/26 - Summary

<ul style="list-style-type: none">• 6% average increase in funding – including precept and employer national insurance contribution compensation.• 3.7% flat rate increase in Core Grant for all PCC areas.• £986.9m increase in funding between 2024/25 and 2025/26, of which up to £329.8 (33%) will come from precept.• The remaining £657.1m is primarily from a £339m increase in Core Grant, £230m for employer NICs compensation and a new £100m Neighbourhood Policing Grant.
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- **6 reallocations worth a total of £138.5m in 2024/25** (Arm's Length Bodies, Forensics, Fraud, Cyber-Crime, Tackling Exploitation and Abuse and Police Productivity and Innovation) **will be funded from the wider Home Office budget.**
- **Neighbourhood policing grant** distributed to forces according to **core grant** proportions.
- Cash increase in **National and International Capital City** grants of 34% for City of London and MOPAC.
- Commitment that **Firearm Licencing Fees increase to cover full licencing costs** 'when Parliamentary time allows'.
- Requirement for forces to participate in the **Commercial Efficiencies and Collaboration Programme**, anticipated to deliver hundreds of millions of pounds by the end of the Parliament.
- A new **Performance Unit will be established in the Home Office** to 'drive up performance and standards'.

Source: Extracted from PACCTS, Provisional Settlement 2025/26 – Briefing, 17 December 2024

- 1.4 The government has issued a one-year funding settlement similar to previous years. Details are provided in **Table 3** below and in **paragraphs 1.5 to 1.12**.

Table 3: Provisional Police Grant Report (England and Wales) 2025/26

	2024/25 £m	2025/26 £m	Variance £m
Core Grant	9,147.5	9,486.5	339.0
Legacy Council Tax Grants	551.7	552.4	0.7
National and International Capital City Grant	190.2	255.2	65.0
Precept Grant	7.4	8.5	1.1
Pensions Grant	428.9	398.1	(30.8)
Officer Maintenance Ringfenced Grant	357.8	270.1	(87.7)
Additional Recruitment Top-Up	67.2	106.7	39.5
Employer National Insurance Contributions	-	230.3	230.3
Neighbourhood Policing Grant	-	100.0	100.0
Total	10,750.7	11,407.8	657.1

- 1.5 Assuming every force takes the full £14 precept, the total amount of extra funding available for forces is £986.9m of which £329.8m (33%) would come from Council Tax, however this is a local decision for each PCC. The bulk of the remaining

£657.1m comes from an increase of £339m core funding, £230m compensation for employer National Insurance Contributions, and £100m to begin recruiting 13,000 new neighbourhood policing officers.

- 1.6 Other changes include an increase in National and International Capital City funding for the City of London and MOPAC of £65m which equates to 34.2% in cash terms. The Pension Grant has reduced by £30.8m, and there has been a £87.7m reduction between the Police Uplift Programme Grant and the new Officer Maintenance Grant (which is in addition to the £175m Pay Award Funding). The Precept Grant has increased, and the Additional Recruitment Top-Up has also increased by £39.5m from 2024/25.

Pay Award

- 1.7 Pay costs account for almost 80% of forces' gross revenue budgets nationally. The most recent pay award was 4.75% with most forces budgeting 2.5%, The Home Office provided a £175m grant to cover the difference in 2024/25 and has extended this to 2025/26 through additional funding provided in the Core Grant.

Council Tax

- 1.8 The government announced in November 2024 that PCCs were able to increase the 2024/25 band D precept by up to £14 without triggering a referendum. Actual precept increases remain a decision for individual PCCs.

Government Expectations of the Police Service

- 1.9 The government expects policing to focus on delivering the following priorities set out in the Prime Minister's Plan for Change:
- Increasing the number of officers, PCSOs and Special Constables in neighbourhood policing teams;
 - Tackling violence against women and girls;
 - Reducing knife crime;
 - Cracking down on antisocial behaviour;
 - And by doing these things, increasing public confidence in policing.

(Source: Provision Police Grant Report (England and Wales) 2025/26)

Efficiency and Productivity

- 1.10 This is the first police settlement since the Labour Party took power on 5 July 2024. The Minister of State for Crime, Policing and Fire, Dame Diana Johnson, has set out the government's expectations that '*forces raise their ambition on efficiencies and drive forward improvements to productivity while helping us deliver on our mission to create safer streets*'.

- 1.11 To this end the government have launched the Commercial Efficiencies and Collaboration Programme which forces will be required to participate in. The Home Office expects the programme to *'unlock immediate cost savings and lay the foundations to deliver hundreds of millions of pounds of efficiency savings by the end of this Parliament.'*
- 1.12 The programme will initially target the following areas:
- **Fleet** – Require better use of existing frameworks and working with policing to standardise requirements enabling better value and reducing full life costs.
 - **Energy** – Working with the sector to ensure policing can harness wider purchasing power across government and wider public sector.
 - **ICT** – Ending the variation in prices for software contracts and then moving to smarter purchasing in other areas of technology.

(Source: Provision Police Grant Report (England and Wales) 2025/26)

Constabulary Financial Position

Financial Pressures

- 1.13 Inflation peaked in October 2022 and has been on a downward trend, although there has been a recent uptick in the headline inflation rate, primarily driven by energy costs. The Constabulary felt its impact in 2024/25 through increased prices and higher than budgeted pay awards.
- 1.14 Pay and non-pay inflationary pressures remain a concern for the Constabulary with budget assumptions for pay and non-pay inflation for 2025/26 higher than forecast in last year's MTFP.

Operational Demand

- 1.15 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.
- 1.16 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

- 1.17 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.
- 1.18 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.
- 1.19 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.
- 1.20 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, 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.
- 1.21 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

- 1.22 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.
- 1.23 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 2025/26 by 27p a week?’

- 1.24 The survey concludes on 30 January 2025 at 9am and the results will be presented at the Police and Crime Panel on 31 January 2025.

2. REVENUE BUDGET 2025/26

Home Office Grants 2025/26

- 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 4** below provides a comparison between the 2024/25 and 2025/26 funding settlements. Figures for 2023/24 are included for information.

Table 4: Government grant funding 2024/25 and 2025/26

	2023/24	2024/25	2025/26	Variance
	£m	£m	£m	£m
Core Grant	80.7	82.4	85.5	3.1
Legacy Council Tax Grants	6.8	6.8	6.8	-
Pensions Grant	1.2	4.0	3.7	(0.3)
Officer Maintenance Ringfenced Grant	2.5	3.8	3.2	(0.6)
Additional Recruitment Top-Up	-	1.1	1.2	0.1
Employers' National Insurance	-	-	2.4	2.4
Neighbourhood Policing Guarantee	-	-	0.9	0.9
Total Resource Funding by Grant	91.2	98.1	103.7	5.6

- 2.3 **Core Grant:** All PCC areas received a flat rate 3.7% increase in core grant in 2025/26. For Suffolk this is an increase of £3.1m to £85.5m.
- 2.4 **Legacy Council Tax Grants:** The legacy council tax grants have been maintained at previous years' levels for 2025/26. The legacy council tax grants are based on two historic elements. The first element comprises council tax freeze grants of £1.9m relating to the decision to freeze the council tax in 2011/12, 2013/14 and 2014/15. The second element is Local Council Tax Support funding of £4.9m that has been payable since April 2013 when the government made significant changes to council tax benefit arrangements.
- 2.5 **Pensions Grant:** A specific pensions' grant to cover an element of the increased employer contributions for the police officer pension schemes and awarded annually will continue to be received in 2025/26. This has fallen by £0.3m to

£3.7m in 2025/26 following the expected removal of a one-off payment in 2024/25 to fund forces' pension remedy administration costs.

- 2.6 **Officer Maintenance Ringfenced Grant:** The Constabulary has received a £3.2m officer headcount maintenance grant for 2025/26. This is a reduction of £0.6m in the grant over 2024/25. The difference has been consolidated into the Core Grant increasing flexibility for forces.
- 2.7 **Additional Recruitment Top-Up:** The Constabulary has again received an additional recruitment top-up grant worth £1.2m in 2025/26. This is to cover the costs of an additional 22 officers recruited in 2023/24 over and above the Constabulary's officer headcount maintenance total of 1,403.
- 2.8 **Employers' National Insurance:** The Constabulary has received £2.4m in the settlement to offset increased employer national insurance contributions introduced in The Autumn Budget.
- 2.9 **Neighbourhood Policing Guarantee:** The settlement included a new Neighbourhood Policing Guarantee grant of £100m to support the government's commitment to recruit 13,000 additional police officers, PCSOs and Special Constables during this parliament. The Constabulary's share of the grant in 2025/26 is £0.9m.

Police Funding Formula

- 2.10 The project to review the police funding formula remains ongoing. The results are not expected to be published until 2025/26 at the earliest.

Ministry of Justice Funding

- 2.11 Funding from the Ministry of Justice of £1.63m for victims' services for 2025/26 has been included in the MTFP for both grant income and planned expenditure. This is a confirmed amount based on a single year grant funding offer.

Council Tax Base

- 2.12 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 2.02% for 2025/26 compared to an increase in the tax base of 1.22% in 2024/25. A further increase of 1.53% has been forecast for the premium that district councils can levy on second homeownership from 1 April 2025.

- 2.13 The MTFP assumes a 2.02% increase in the tax base in 2025/26 and a 1% annual increase over the remainder of the MTFP planning period. The second homes' premium has been incorporated separately and treated as a one-off increase for 2025/26.

Budget and Precept Options 2025/26

- 2.14 **Table 5** summarises the 2025/26 income position under the following precept options:

- **Option 1 (3.6%)** - £9.99 increase in Band D council tax in 2025/26 and
- **Option 2 (5.1%)** - £13.95 increase in Band D council tax in 2025/26

Table 5: Summary of income 2025/26

	Option 1 £9.99	Option 2 £13.95
	£m	£m
Core grant	85.5	85.5
Legacy council tax grants	6.8	6.8
Precept income	79.0	80.1
Other income including specific grants	22.9	22.9
Total income in 2025/26	194.2	195.3

- 2.15 The referendum limit, which provides a ceiling on precept increases above which a PCC needs to hold a local referendum, has been set at £14 for a band D property for 2025/26.

Assumptions in the MTFP Budget Model

- 2.16 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.
- 2.17 The MTFP has been prepared using the following financial assumptions:

Table 6: MTFP planning assumptions 2025/26 to 2028/29

	2025/26	2026/27	2027/28	2028/29
Core grant	3.7%	0.0%	0.0%	0.0%
Legacy council tax grant changes	0%	0%	0%	0%

Council tax base change ¹	3.55%	1.0%	1.0%	1.0%
Collection fund surplus	£278k	£0k	£0k	£0k
Pay awards – officers ²	4.0%	2.6%	2.0%	2.0%
Pay awards – staff ²	4.0%	2.6%	2.0%	2.0%
Non-pay inflation (average)	2.5%	2.0%	2.0%	2.0%

¹ The 2025/26 figure includes 1.53% for the second homes premium introduced from 1 April 2025.

² Pay awards are composite figures as awards are payable from 1 September and payment is split across two financial years.

2.18 Police Officers and staff received a 4.75% pay award in 2024/25. This came into effect from 1 September 2024. Pay inflation has been forecast at 3.5% from 1 September 2025 and 2% from September 2026, 2027, and 2028. Non-pay inflation is forecast at between 2.5% and 2% per annum over the MTFP period.

2.19 **Table 7** shows the financial impact to the annual budget if the planning assumptions are changed:

Table 7: Budget movements due to 1% change in assumptions

	Variation	Variation
Core government grants	1.0%	£824k
Tax base increase	1.0%	£734k
Precept	1.0%	£734k
Pay awards officers (full year impact)	1.0%	£952k
Pay awards staff (full year impact)	1.0%	£514k
Non-pay inflation	1.0%	£338k

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

Change and Efficiency Programme and the Financial Planning Process

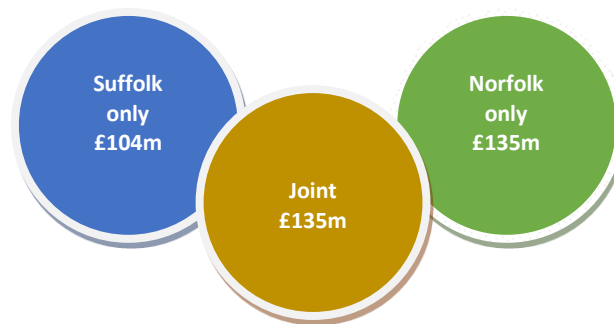
Collaborative Change

2.21 Suffolk and Norfolk Constabularies have been collaborating for over a decade. In the period to 2024/25, a significant number of projects have been implemented and savings from collaboration of £52.1m secured. These are split £24.7m for Suffolk and £27.4m for Norfolk.

- 2.22 **Box 1** shows that the 'joint' services budget is now over a third of the combined budget of both forces and stands at £135m.

Box 1: Suffolk and Norfolk Constabularies' collaboration 2024/25

Norfolk and Suffolk Collaboration



- 2.23 As part of the service and financial planning process for 2025/26 to 2028/29, further savings of £5.5m in 2025/26 have been identified from the collaborative departments (Suffolk's share is £2.2m). Business cases will be prepared to realise these savings.

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

Regional Collaboration

- 2.25 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.
- 2.26 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

2.27 **Precept option 1** - increase Band D council tax by £9.99 (3.6%) in 2025/26 and 2% each year thereafter.

Table 8: Funding and expenditure under precept option 1

	Budget	Forecast	Forecast	Forecast
	2025/26	2026/27	2027/28	2028/29
£9.99 (3.6%) precept increase	£000	£000	£000	£000
Total funding	(171,303)	(173,392)	(175,823)	(178,346)
Net revenue expenditure before changes and savings	167,833	174,974	178,693	182,486
Revenue deficit	(3,470)	1,582	2,870	4,140
Known changes	13,154	9,151	9,435	10,446
Planned use of reserves	(4,998)	(3,101)	(3,560)	(4,412)
Revenue deficit before savings	4,686	7,632	8,745	10,174
Planned savings	(3,594)	(3,891)	(4,076)	(4,380)
Savings to be identified	(1,092)	(3,741)	(4,669)	(5,794)
Revenue deficit/ (surplus) after savings	-	-	-	-

2.28 Based on the planning assumptions set out in this report, option 1 delivers a budget deficit of £1.1m in 2025/26 with total cumulative savings of £5.8m required to achieve a balanced budget over the MTFP period (see [Appendix A\(i\)](#)).

2.29 **Precept option 2** - increase Band D council tax by £13.95 (5.1%) in 2025/26 and 2% each year thereafter.

Table 9: Funding and expenditure under precept option 2

	Budget	Forecast	Forecast	Forecast
	2025/26	2026/27	2027/28	2028/29
£13.95 (5.1%) precept increase	£000	£000	£000	£000
Total funding	(172,395)	(174,519)	(176,987)	(179,522)
Net revenue expenditure before changes and savings	167,833	174,974	178,692	182,486
Revenue (surplus)/ deficit	(4,562)	455	1,705	2,964
Known changes	13,154	9,151	9,435	10,446
Planned use of reserves	(4,998)	(3,101)	(3,560)	(4,412)
Revenue deficit before savings	3,594	6,505	7,580	8,998
Planned savings	(3,594)	(3,891)	(4,076)	(4,380)
Savings to be identified	-	(2,614)	(3,504)	(4,618)
Revenue deficit/ (surplus) after savings	-	-	-	-

- 2.30 Based on the planning assumptions set out in this report, option 2 delivers a balanced budget in 2025/26 with total cumulative savings of £4.6m required to achieve a balanced budget over the MTFP period (see [Appendix A\(ii\)](#)).

3 CAPITAL PROGRAMME 2025/26 to 2028/29

- 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 2025/26 to 2028/29

	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000
Suffolk only capital programme				
Estates	4,673	598	4,574	575
ICT	4,866	911	1,730	1,714
Vehicles and equipment	1,784	1,611	1,890	1,866
Sub-total	11,323	3,120	8,194	4,155
Share of joint capital programmes				
ICT schemes and projects	4,278	3,301	2,661	3,562
Total	15,601	6,421	10,855	7,717

- 3.5 The capital programme provided at [Appendix D](#) is arranged in 2 tables:
- **Table A** – Schemes or technical refresh programmes already approved for 2025/26.
 - **Table B** – Schemes requiring a business case or further report to the PCC for approval.

- 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 2025/26 to 2028/29

	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000
Capital receipts	3,265	75	75	75
Revenue contribution	3,100	2,900	2,900	2,900
Capital financing reserve	5,085	3,171	3,630	4,492
Unfunded assets	4,151	275	4,250	250
Total	15,601	6,421	10,855	7,717

- 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 2025/26 and 2026/27. This position will be kept under review over the MTFP period.
- 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 2025/26 and throughout the MTFP period.

4 INVESTMENT AND TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2025/26

Investment and Treasury Management Strategy

- 4.1 Government regulations require the PCC to approve the investment and borrowing strategies and borrowing limits for 2025/26 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 2025/26 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 2025/26 are pay awards and non-pay corporate cost pressures. Detailed monthly financial reports will be prepared in 2025/26 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 2024/25 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 2024/25 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 provisional 2025/26 settlement shows an increase in government funding of £5.6m over 2024/25. This covers part-funding for the 4.75% pay increase to police officers and staff awarded in 2024/25, increased employer national insurance contributions and continued funding for officers recruited through the government's uplift programme. It also includes new funding for investment in the government's Neighbourhood Policing Guarantee to recruit 13,000 additional police officers, PCSOs and Special Constables during this parliament. PCCs have been given the freedom to increase their band D precept by up to £14 in 2025/26 without the need to call a referendum.
- 6.2 The Constabulary has worked hard to ensure previous precept investments have been used wisely and are making a real difference to policing across the county. These include implementation of a rapid video response for victims of domestic abuse and increased digital engagement between the public and the Constabulary. Suffolk is continuing to grow and develop, and we must keep pace to ensure the Constabulary is equipped to deal with new emerging challenges 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.
- 6.3 The 2025/26 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**.
- 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 focus on building capability and delivering change through technology and the application of robotics and artificial intelligence. We will continue to build upon the joint initiatives with our local public sector partners and collaborative ventures, including those across the eastern region.
- 6.5 The Constabulary is committed to delivering the planned savings of £3.6m in 2025/26, 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 2025/26 and 2% throughout the remained of the MTFP period under option 1 or increase the

precept by £13.95 for 2025/26 and 2% 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 £1.1m in 2025/26, whilst option 2 results in the Constabulary delivering a balanced budget in 2025/26.
- 6.8 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 2025/26 provisional settlement from the Home Office on 17 December 2024 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 £1.1m in 2025/26. Savings of £5.8m would need to be identified in the period 2026/27 to 2028/29 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 2025/26. Further savings of £4.6m will need to be identified in the period 2026/27 to 2028/29 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 2025/26 budget proposals in [Appendix A](#), and
- (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 2025/26 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 2025/26 and throughout the MTFP period; and
- (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 2025/26 to 2028/29

Option 1: 3.6% (£9.99) council tax increase

	2025/26	2026/27	2027/28	2028/29	Note
	£000	£000	£000	£000	
REVENUE FUNDING					
Core Grant	(85,501)	(85,501)	(85,501)	(85,501)	
Legacy Council Tax Grants	(6,786)	(6,786)	(6,786)	(6,786)	
Precept Income	(79,016)	(81,105)	(83,536)	(86,059)	1
TOTAL FUNDING	(171,303)	(173,392)	(175,823)	(178,346)	
BASE REVENUE BUDGET INCLUDING INFLATION					
Constabulary Revenue Budget before savings	183,421	188,586	192,391	196,271	2
PCC Corporate Budget	1,152	1,152	1,152	1,152	
PCC Commissioning Budget	2,493	2,493	2,493	2,493	
Revenue Funding of Capital, Minimum Revenue Provision and Interest	3,642	3,642	3,642	3,642	
Total Revenue Income including Specific Grants	(22,875)	(20,900)	(2,985)	(21,072)	
NET REVENUE BUDGET BEFORE KNOWN CHANGES AND SAVINGS	167,833	174,974	178,693	182,486	
REVENUE (DEFICIT)/ SURPLUS BEFORE KNOWN CHANGES	(3,470)	1,582	2,870	4,140	
Known/ Expected Changes	13,153	9,151	9,435	10,446	3
Planned Use of Reserves	(4,998)	(3,101)	(3,560)	(4,412)	3
REVENUE DEFICIT BEFORE SAVINGS	4,686	7,633	8,745	10,174	
Change Programme Savings	(3,594)	(3,891)	(4,076)	(4,380)	4
Total Cumulative Impact of Savings	(3,594)	(3,891)	(4,076)	(4,380)	
DEFICIT AFTER SAVINGS	1,092	3,742	4,669	5,794	
SAVINGS TO BE IDENTIFIED	(1,092)	(3,742)	(4,669)	(5,794)	
REVENUE DEFICIT/ (SURPLUS)	-	-	-	-	

Notes:

1. 3.6% (£9.99) precept increase in 2025/26, 2% thereafter; 3.55% increase in CT base in 2025/26 and 1% in following years; 2. Excludes capital;

3. See appendix B (ii); 4. See appendix C

Appendix A(ii) – Medium Term Financial Plan 2025/26 to 2028/29

Option 2: 5.1% (£13.95) council tax increase

	2025/26	2026/27	2027/28	2028/29	Note
	£000	£000	£000	£000	
REVENUE FUNDING					
Core Grant	(85,501)	(85,501)	(85,501)	(85,501)	
Legacy Council Tax Grants	(6,786)	(6,786)	(6,786)	(6,786)	
Precept Income	(80,108)	(82,233)	(84,700)	(87,235)	1
TOTAL FUNDING	(172,395)	(174,519)	(176,987)	(179,522)	
BASE REVENUE BUDGET INCLUDING INFLATION					
Constabulary Revenue Budget before savings	183,421	188,586	192,390	196,271	2
PCC Corporate Budget	1,152	1,152	1,152	1,152	
PCC Commissioning Budget	2,493	2,493	2,493	2,493	
Revenue Funding of Capital, Minimum Revenue Provision and Interest	3,642	3,642	3,642	3,642	
Total Revenue Income including Specific Grants	(22,875)	(20,900)	(20,985)	(21,072)	
NET REVENUE BUDGET BEFORE KNOWN CHANGES AND SAVINGS	167,833	174,974	178,692	182,486	
REVENUE (SURPLUS)/ DEFICIT BEFORE KNOWN CHANGES	(4,562)	455	1,705	2,964	
Known/ Expected Changes	13,153	9,151	9,435	10,446	3
Planned Use of Reserves	(4,998)	(3,101)	(3,560)	(4,412)	3
REVENUE DEFICIT BEFORE SAVINGS	3,594	6,505	7,580	8,998	
Change Programme Savings	(3,594)	(3,891)	(4,076)	(4,380)	4
Total Cumulative Impact of Savings	(3,594)	(3,891)	(4,076)	(4,380)	
REVENUE DEFICIT AFTER SAVINGS	-	2,614	3,504	4,618	
SAVINGS TO BE IDENTIFIED	-	(2,614)	(3,504)	(4,618)	
REVENUE DEFICIT/ (SURPLUS)	-	-	-	-	

Notes:

1. 5.1% (£13.95) precept increase in 2025/26, 2% thereafter; 3.55% increase in CT base in 2025/26 and 1% thereafter; 2. Excludes capital

3. See appendix B (ii); 4. See appendix C

Appendix B(i) – Planned Revenue Changes 2025/26 to 2028/29

Option 1: 3.6% (£9.99) council tax increase

	Proposed 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
STATUTORY CHANGES				
Variation in Bank Holiday Numbers	130	520	260	260
Pension Auto-enrolment	-	200	200	200
Employer National Insurance Contributions	2,600	2,668	2,722	2,776
Firearms Licensing Income	(143)	(146)	(122)	(29)
TOTAL STATUTORY CHANGES	2,587	3,242	3,060	3,207
SERVICE DEVELOPMENTS				
Home Office System Charges	255	376	376	376
Challenge Panel Process Review - Cost Pressures	878	878	878	878
Corporate Cost Pressures	1,125	1,243	1,243	1,243
Restructure of Custody Investigations Unit	222	222	222	222
Police Uplift Programme – Additional Recruitment	1,159	-	-	-
Neighbourhood Policing Guarantee	901	-	-	-
Commissioning Cost Pressures	193	-	-	-
TOTAL SERVICE DEVELOPMENTS	4,733	2,719	2,719	2,719
CAPITAL FINANCING				
Minimum Revenue Provision	-	19	26	28
Capital Programme Funding - Reserve	5,085	3,171	3,630	4,492
Additional revenue funding of capital	748	-	-	-
TOTAL CAPITAL FINANCING	5,833	3,190	3,656	4,520
TOTAL CHANGES BEFORE RESERVES	13,153	9,151	9,435	10,446
CONTRIBUTION TO RESERVES				
General Reserve	280	70	70	80
USE OF RESERVES				
Capital Funding	(5,085)	(3,171)	(3,630)	(4,492)
Commissioning Cost Pressures	(193)	-	-	-
NET RESERVE MOVEMENTS	(4,998)	(3,101)	(3,560)	(4,412)
TOTAL	8,155	6,050	5,875	6,034

Appendix B(ii) – Planned Revenue Changes 2025/26 to 2028/29

Option 2: 5.1% (£13.95) council tax increase

	Proposed 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
STATUTORY CHANGES				
Variation in Bank Holiday Numbers	130	520	260	260
Pension Auto-enrolment	-	200	200	200
Employer National Insurance Contributions	2,600	2,668	2,722	2,776
Firearms Licensing Income	(143)	(146)	(122)	(29)
TOTAL STATUTORY CHANGES	2,587	3,242	3,060	3,207
SERVICE DEVELOPMENTS				
Home Office System Charges	255	376	376	376
Challenge Panel Process Review - Cost Pressures	878	878	878	878
Corporate Cost Pressures	1,125	1,243	1,243	1,243
Restructure of Custody Investigations Unit	222	222	222	222
Police Uplift Programme – Additional Recruitment	1,159	-	-	-
Neighbourhood Policing Guarantee	901	-	-	-
Commissioning Cost Pressures	193	-	-	-
TOTAL SERVICE DEVELOPMENTS	4,733	2,719	2,719	2,719
CAPITAL FINANCING				
Minimum Revenue Provision	-	19	26	28
Capital Programme Funding - Reserve	5,085	3,171	3,630	4,492
Additional revenue funding of capital	748	-	-	-
TOTAL CAPITAL FINANCING	5,833	3,190	3,656	4,520
TOTAL CHANGES BEFORE RESERVES	13,153	9,151	9,435	10,446
CONTRIBUTION TO RESERVES				
General Reserve	280	70	70	80
USE OF RESERVES				
Capital Funding	(5,085)	(3,171)	(3,630)	(4,492)
Commissioning Cost Pressures	(193)	-	-	-
NET RESERVE MOVEMENTS	(4,998)	(3,101)	(3,560)	(4,412)
TOTAL	8,155	6,050	5,875	6,034

Appendix C - Savings Plan 2025/26 to 2028/29

	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
Change and Efficiency Savings:				
As per challenge panels:				
Pay	2,025	2,065	2,096	2,127
Non-pay	1,569	1,569	1,569	1,569
Transformational change programmes	-	257	411	684
Total Change and Efficiency Savings	3,594	3,891	4,076	4,380
Permanent savings against 2024/25 base	3,594	3,891	4,076	4,380

Areas for savings 2025/26

Distribution of savings by Chief Officer portfolio	£000
ACC Operations – Local Policing and Investigations	1,377
ACO Joint Portfolio – Corporate Shared Services	1,210
DCC Joint Portfolio – People Directorate, Professional Standards, Communications, SBOS	346
ACC Joint Portfolio – Protective Services	398
ACC Joint Portfolio – Justice Services	263
Total	3,594

Appendix D – Capital Programme 2025/26 to 2028/29

PROJECT	2025/26 Total Requirement		2026/27	2027/28	2028/29	4-Year Total
	Table A	Table B				
Carbon Management	110,000	-	110,000	110,000	110,000	440,000
Planned Estate Major Maintenance Works	-	100,000	100,000	100,000	100,000	400,000
PHQ Site	-	100,000	100,000	100,000	100,000	400,000
PHQ Modernisation	-	2,078,000	-	-	-	2,078,000
Operational Accommodation	-	200,000	-	-	-	200,000
SARC Improvements	-	940,000	-	-	-	940,000
PSU Training Accommodation	-	750,000	250,000	-	-	1,000,000
PHQ Modernisation – Training Accommodation	-	333,000	-	-	-	200,000
Estates Strategy	-	50,000	25,000	4,250,000	250,000	4,575,000
SALTO Renewals	12,000	-	13,000	14,000	15,000	54,000
Total Estates - Suffolk Only	122,000	4,551,000	598,000	4,574,000	575,000	10,287,000
ICT Replacements - Desktop and Laptops	828,616	-	633,112	312,000	470,000	2,243,728
ICT Replacements - Communications	104,000	-	54,000	74,000	74,000	306,000
ANPR Vehicle Kit Refresh	60,000	-	50,000	50,000	50,000	210,000
PHQ Modernisation – ICT infrastructure	-	3,874,000	-	-	-	3,874,000
Emergency Services Network	-	-	174,000	1,293,741	1,119,741	2,587,483
Total ICT - Suffolk Only	992,616	3,874,000	911,112	1,729,741	1,713,741	9,221,211
Equipment and Vehicle Replacements						
Vehicle Replacements	1,533,000	-	1,611,000	1,890,000	1,866,500	6,900,500
Resource Management System	-	125,723	-	-	-	125,723
Public and Personal Safety Training Equipment	-	125,000	-	-	-	125,000
Total Equipment and Vehicle Replacements - Suffolk Only	1,533,000	250,723	1,611,000	1,890,000	1,866,500	7,151,223
Total Suffolk Only	2,647,616	8,675,723	3,120,112	8,193,741	4,155,241	26,659,434

Suffolk Share of Replacement Schemes	1,836,270	-	1,643,777	1,248,228	1,536,950	6,265,224
Suffolk Capital Programme	4,483,885	8,675,723	4,763,889	9,441,969	5,692,192	32,924,658
Suffolk Share of Joint Projects	89,610	2,351,660	1,657,473	1,412,939	2,024,984	7,536,665
Total Suffolk Capital Programme	4,573,495	11,027,383	6,421,362	10,854,908	7,717,175	40,461,323

Appendix D continued – Joint Capital Programme 2025/26 to 2028/29

PROJECT	2025/26 Total Requirement		2026/27	2027/28	2028/29	4-Year Total
	Table A	Table B				
Joint ICT Replacements - Servers	185,000	-	883,105	667,000	1,203,000	2,938,105
Joint ICT Replacements - Servers (Digital Forensics Unit)	800,000	-	1,000,000	200,000	750,000	2,750,000
ICT Replacements - Network	694,186	-	671,579	755,476	978,719	3,099,960
Microwave Refresh	31,600	-	33,600	34,000	26,500	125,700
ANPR Cameras	112,500	-	142,500	165,000	255,000	675,000
Mobile Device Replacement Programme	1,500,000	-	150,000	150,000	150,000	1,950,000
Body Worn Video Replacement Programme	898,023	-	898,013	898,013	170,000	2,864,049
ICT Replacement Schemes	4,221,309	-	3,778,797	2,869,489	3,533,219	14,402,814
Joint Projects Subject to Business Case:						
Video Conferencing	-	25,000	25,000	25,000	25,000	100,000
Incident Management Software Upgrade	-	376,995	294,283	-	-	671,278
Automatic Vehicle Location System	206,000	-	-	-	-	206,000
Integrated Command and Control System - refresh	-	400,000	-	-	-	400,000
Resource Management System	-	-	-	500,000	500,000	1,000,000
Total Projects Subject to Business Case	206,000	801,995	319,283	525,000	525,000	2,377,278
Digital Forensics						
Joint Digital Forensics - Data Centre	-	1,150,000	1,000,000	1,000,000	1,000,000	4,150,000
Total Digital Forensics	-	1,150,000	1,000,000	1,000,000	1,000,000	4,150,000
Digital Portfolio:						
Digital Recording/ Streaming	-	24,000	-	-	-	24,000
Mobile Workflow (OPTIK)	-	160,800	190,000	220,000	160,000	730,800
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

CDG Phase 2 - Data Warehousing	-	30,000	-	-	-	30,000
Fingerprint Scanner Replacement	-	-	60,000	60,000	-	120,000
Docker	-	20,000	-	-	-	20,000
Large Language Modelling	-	50,000	-	-	-	50,000
MS Project Online Expansion	-	10,000	-	-	-	10,000
Total Digital Portfolio	-	394,800	350,000	380,000	260,000	1,384,800
Efficiency Initiatives (Revenue Projects):						
Transformation Programme	-	1,350,000	1,250,000	640,000	640,000	3,880,000
Total Efficiency Initiatives	-	1,350,000	1,250,000	640,000	640,000	3,880,000
Protective Services:						
Replacement Ballistic Shields	-	78,000	-	-	-	78,000
Digital Investigations	-	500,000	92,000	-	-	592,000
Body Armour - replacement programme	-	130,000	130,000	130,000	17,000	407,000
Conducted Energy Device Replacement	-	-	-	-	1,655,000	1,655,000
Firearms Replacement	-	-	-	89,135	89,135	178,269
Total Protective Services:	-	708,000	222,000	219,135	1,761,135	2,910,269
Regional Projects:						
Emergency Services Network (ESN) Resourcing	-	30,920	150,000	150,000	150,000	480,920
Total Regional Projects	-	30,920	150,000	150,000	150,000	480,920
Enterprise Resource Planning (ERP) Projects:						
ERP Upgrade / New Project	-	-	250,000	250,000	250,000	750,000
DMS Upgrade	-	25,000	10,000	25,000	10,000	70,000
E-Recruitment	-	10,000	10,000	10,000	10,000	40,000
E-PDR	-	-	9,000	9,000	9,000	27,000
Identity and Access Management Software	-	10,000	10,000	10,000	10,000	40,000
Total ERP Related Projects:	-	45,000	289,000	304,000	289,000	927,000
Other Projects:						

Data Management and Analysis Programme	-	100,000	200,000	-	-	300,000
Replacement Evidential Property Management System	-	125,400	30,000	30,000	30,000	215,400
Operational Management Software Modules	-	100,000	-	-	-	100,000
Management of Victim Journeys	-	600,000	-	-	-	600,000
Total Other Projects	-	925,400	230,000	30,000	30,000	1,215,400
Total Joint Capital Programme	4,427,309	5,406,115	7,589,080	6,117,624	8,188,354	31,728,482
Joint Capital Projects - Norfolk	2,501,430	3,054,455	4,287,830	3,456,457	4,626,420	17,926,592
Joint Capital Projects - Suffolk	1,925,880	2,351,660	3,301,250	2,661,166	3,561,934	13,801,889

Appendix E - Capital Strategy

Introduction

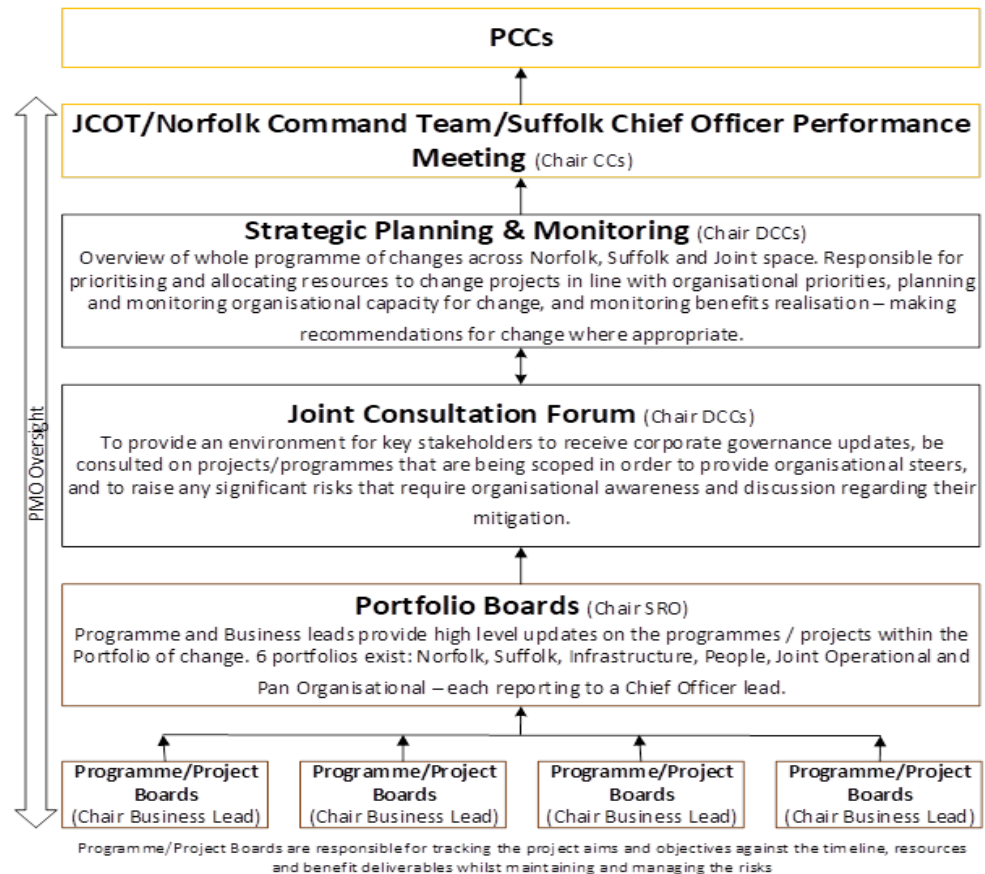
- E.1 The CIPFA Prudential Code requires publication of a capital strategy that demonstrates that capital expenditure and investment decisions are taken in line with desired outcomes and take account of good stewardship, value for money, prudence, sustainability and affordability.
- E.2 The capital strategy is a key document for the PCC for Suffolk and the Chief Constable of Suffolk Constabulary. Throughout this document 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. Reports from these boards are then taken to the Organisational Board chaired by the Deputy Chief Constables of Suffolk and Norfolk (DCCs) and attended by each head of department.
- E.7 Sitting above this is the Strategic Planning and Monitoring meeting, again chaired by the DCCs but with a smaller membership comprising of DCCs, Assistant Chief Officers of Suffolk and Norfolk (ACOs), 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 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 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 (ROI) 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. However, with the introduction of a new leasing Standard (IFRS 16), property lease liabilities will be 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 expected to source £5m of new borrowing 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, or 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 £42m by the end of 2024/25.
- F.11 In this MTFP detailed savings plans are in place for 2025/26. 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 £5.4m (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 manage these risks effectively and, when appropriate, transfers are made between the Budget Reserve and the Capital Financing and Efficiency Investment Reserve 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 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. In order to maintain support services for victims of crime and investment in crime and disorder reduction in Suffolk, the PCC is expecting to draw on £193k from this reserve in 2025/26. The planned use of the reserve is required to make up the shortfall resulting from a reduction in Ministry of Justice funding, implications of ongoing procurement and increased costs. The PCC's commissioning budget for future years will be reviewed within 2025/26 in the context of both the anticipated Comprehensive Spending Review and the PCC's forthcoming Police and Crime Plan.
- The **PCC reserve** is made up from previous underspends against the budget for the Office of the Police and Crime Commissioner. This is reviewed on an annual basis. This reserve is a general contingency reserve.
- The **Safecam 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 2025/26 to 2028/29

	General	Budget	Change	Capital Financing and Efficiency Investment Reserve	Specified Purposes Fund	Regional Partnership reserve	Crime and Disorder Reduction Reserve	PCC Reserve	Total	Safecam Reserve
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
31/03/2024 Actual	4,600	11,958	1,397	7,543	291	105	558	780	27,233	522
Proposed Changes 2024/25:										
Use of Reserves	-	-	-	(1,886)	-	-	-	-	(1,886)	-
Contribution to Reserves	285	3,724	-	-	-	-	-	-	4,009	-
31/03/2025 Forecast	4,885	15,682	1,397	5,657	291	105	558	780	29,356	522
Proposed Changes 2025/26:										
Use of Reserves	-	-	-	(5,085)	-	-	(193)	-	(5,278)	-
Contribution to Reserves	280	-	-	-	-	-	-	-	280	-
31/03/2026 Forecast	5,165	15,682	1,397	572	291	105	365	780	24,358	522
Proposed Changes 2026/27:										
Use of Reserves	-	-	-	(3,171)	-	-	-	-	(3,171)	-
Reallocation of reserves	-	(10,721)	-	10,721	-	-	-	-	-	-
Contribution to Reserves	70	-	-	-	-	-	-	-	70	-
31/03/2027 Forecast	5,235	4,961	1,397	8,122	291	105	365	780	21,257	522

APPENDIX F1 CONTINUED – Forecast Movement in General and Earmarked Reserves 2025/26 to 2028/29

	General	Budget	Change	Capital Financing and Efficiency Investment Reserve	Specified Purposes Fund	Regional Partnership reserve	Crime and Disorder Reduction Reserve	PCC Reserve	Total	Safecam Reserve
Proposed Changes 2027/28:										
Use of Reserves	-	-	-	(3,630)	-	-	-	-	(3,630)	-
Reallocation of reserves	-	-	-	-	-	-	-	-	-	-
Contribution to Reserves	70	-	-	-	-	-	-	-	70	-
31/03/2028 Forecast	5,305	4,961	1,397	4,492	291	105	365	780	17,697	522
Proposed Changes 2028/29:										
Use of Reserves	-	-	-	(4,492)	-	-	-	-	(4,492)	-
Reallocation of reserves	-	-	-	-	-	-	-	-	-	-
Contribution to Reserves	80	-	-	-	-	-	-	-	80	-
31/03/2029 Forecast	5,385	4,961	1,397	-	291	105	365	780	13285	522

APPENDIX F2 – Forecast Reserves at 31 March 2025 Analysed by Home Office Categories

	Forecast Balance at 31 March 2025	Funding for projects and programmes over period of current MTFP	New contributions during life of MTFP	Funding for projects and programmes beyond 2028/29	General Contingency
	£m	£m	£m	£m	£m
General Reserve	4.600	-	(0.785)	-	5.385
Earmarked Reserves:					
Budget Reserve	11.958	6.997	-	4.961	-
Change Reserve	1.397	-	-	-	1.397
Capital Financing Reserve	7.543	18.264	(10.721)	0.000	-
Specified Purposes Fund	0.291	-	-	0.291	-
Regional Partnership Reserve	0.105	-	-	0.105	-
Crime and Disorder Reduction Reserve	0.558	0.193	-	0.365	-
PCC Reserve	0.780	-	-	-	0.780
Total Earmarked Reserves	22.633	25.454	(10.721)	5.722	2.177
Safecam Reserve	0.522	-	-	0.522	-
Total Reserves	27.755	25.454	(11.506)	6.245	7.562

Appendix G

Minimum Revenue Provision Policy and Statement 2025/26

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 2025/26:
- 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; and

- 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 2025/26

	Option 1 £9.99	Option 2 £13.95
Options for Percentage Increase in Council Tax Bills:	3.62508%	5.06205%
2025/26 Recommended Budget Summary:	£-p	£-p
Operational Costs before Savings	180,484,859.69	180,484,859.69
Specific Grants (excluding Council Tax Freeze Grants)	(16,294,118.00)	(16,294,118.00)
New savings from 2025/26	(3,593,517.00)	(3,593,517.00)
(Savings to be Identified)/ Surplus to be Invested	(1,092,293.78)	0.00
Known Changes	7,127,239.00	7,127,239.00
Revenue Funding of Capital	9,475,420.00	9,475,420.00
Appropriations to Reserves	(4,804,501.63)	(4,804,929.09)
Total Budget	171,303,088.28	172,394,954.60
Budget financed by:		
Police Grant	56,400,003.00	56,400,003.00
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	277,821.00	277,821.00
CT Support Funding Allocation	4,890,930.00	4,890,930.00
Council Tax Requirement (based on 275,724 tax base)	78,738,451.28	79,830,317.60
	171,303,088.28	172,394,954.60

Council Tax Bands 2025/26	Option 1 £9.99		Option 2 £13.95	
	Rate £	Annual Increase £	Rate £	Annual Increase £
A	190.38	6.66	193.02	9.30
B	222.11	7.77	225.19	10.85
C	253.84	8.88	257.36	12.40
D	285.57	9.99	289.53	13.95
E	349.03	12.21	353.87	17.05
F	412.49	14.43	418.21	20.15
G	475.95	16.65	482.55	23.25
H	571.14	19.98	579.06	27.90