

Medium Term Financial Strategy 2024/25 to 2027/28

Annual Budget 2024/25

“Community Policing delivered with
competence, compassion and a
common sense approach”



The Medium Term Financial Strategy: 2024/25 to 2027/28

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1. POLICE AND CRIME PLAN

The Police and Crime Commissioner (Commissioner) has a statutory duty to produce a Police and Crime Plan (The Plan). The Plan must set out the priorities for policing and community safety in Devon, Cornwall and the Isles of Scilly along with the resources that will be provided to the Chief Constable and others in order to meet those objectives. The Plan must be kept under regular review to ensure it remains appropriate to the needs of local people, the police and partners. The Plan is subject to scrutiny by the Police and Crime Panel.

The Police and Crime Plan can be found at:

<http://www.devonandcornwall-pcc.gov.uk/information-hub/key-documents/>

The Medium Term Financial Strategy (MTFS) is created to support delivery of the Police and Crime Plan. It sets out both the funding available and the forecast spending required to deliver the Plan priorities. The MTFS for 2024/25 and beyond has been prepared within a backdrop of inflation at 3.9% (November 2023) which has reduced over the last 12 months but continues to be above the government target of 2%. This is along with the mandated maintenance of the police uplift programme.

The Police and Crime Plan

The Police and Crime Plan was created in November 2021 and will be used to inform the Peninsula Strategic Assessment. The Plan will run throughout 2024/25 and sets out the Commissioner's priorities for Devon and Cornwall, including:

- ❖ Violence
- ❖ Antisocial behaviour
- ❖ Drugs
- ❖ Road Safety
- ❖ Victims

The Commissioner will work closely with the Acting Chief Constable and colleagues across the Peninsula to drive forward progress against these priorities.

During 2023/24 the economic climate dominated the nation with inflation, although significantly lower than the previous year, continuing to be higher than the government target of 2% and a Bank of England base rate increasing to 5.25%. The Year 2024/25 will see elections for Police and Crime Commissioners, Local Authorities and a general election. This will mean that during the year the next Police and Crime Plan will be developed for the new term of a Police and Crime Commissioner. It is also the final year of the current Comprehensive Spending Review (CSR) and with the date of the general election yet to be announced it may impact on whether multi year funding will be available for the next settlement.

This MTFS includes the impact for Devon, Cornwall and the Isles of Scilly on the national uplift in officer numbers. An element of the government grant (£10m) has been ringfenced and is subject to the maintenance of these numbers.

The Police and Crime Plan places a strong emphasis on protecting the vulnerable in our society. There has been significant progress, but the work continues to encourage the reporting of crime and encouraging victims to come forward and seek justice and to ensuring that they receive a high quality service when they do come forward.

The focus of the 2024/25 budget process is specifically on maintaining the police officer uplift programme, enabling it to be sustained for the long term and continuing to see increased productivity as those officers become more highly trained. This will enable Devon and Cornwall Police to strengthen, stabilise and sustain their current position. Visibility of policing and public confidence in policing is vitally important and this budget will keep police officer numbers at the highest ever seen.

Connectivity remains a focus of the Commissioner's Police and Crime Plan. It remains vital that the public are able to access and contact the police therefore the reopening of further Public Enquiry Offices are included in the investments within this budget.

Delivery & accountability

The Police and Crime Plan will be delivered by the Commissioner with close co-operation from the Acting Chief Constable and partners and will be taken forward through shared action plans and joint projects.

The Plan details how strategic measures and indicators (including qualitative surveys) will be used to monitor its implementation and successful achievement. Regular progress reports will be published on the OPCC website.

The Commissioner is required to report regularly to the Police and Crime Panel.

Slavery and Human Trafficking compliance statement

The Police and Crime Commissioner and the Chief Constable are committed to eliminating discrimination and exploitation in all its forms from the workplace and will not knowingly or otherwise be complicit in human rights infringements.

Slavery, servitude, forced or compulsory labour, including child labour and human trafficking and other human rights offences must be identified, tackled and prevented for the future.

The Office of the Police and Crime Commissioner and the Devon and Cornwall Constabulary embrace the obligations placed on organisations under section 54(1) of the Modern Slavery Act 2015 and understands they are vital in tackling and preventing modern slavery and human trafficking.

2. REVENUE STRATEGY

a. FUNDING FORECAST

The funding forecast provides a prediction of the level of funding across the timeframe of the MTFs.

2023/24		2024/25	2025/26	2026/27	2027/28
	<u>Grant Funding</u>				
126,604	Core settlement	137,119	137,805	137,805	138,494
76,007	DCLG Formula	77,568	77,956	77,956	78,346
15,461	Legacy CT Grants	15,461	15,461	15,461	15,461
218,073		230,148	231,222	231,222	232,301
	<u>Council Tax</u>				
164,722	Precept income	174,971	184,065	193,393	204,292
2,449	Surplus	1,399	1,800	1,800	1,800
(863)	Deficit	0	0	0	0
166,307		176,370	185,865	195,193	206,092
384,380	Total Funding	406,518	417,087	426,415	438,393
629,766	Tax base	637,416	646,977	656,682	666,532
1.36%	Tax base Increase	1.21%	1.50%	1.50%	1.50%
261.56	Band D	274.50	284.50	294.50	306.50
6.08%	Council Tax Increase %	4.95%	3.64%	3.51%	4.07%
£15.00	Council Tax Increase £	£12.94	£10.00	£10.00	£12.00

b. MAIN COMPONENTS OF THE REVENUE BUDGET

23/24 MTFS Plan £000's	Category	Description	24/25 MTFS Plan £000's	25/26 MTFS Plan £000's	26/27 MTFS Plan £000's	27/28 MTFS Plan £000's
224,326	Pay & Employment Costs	Police Officer Costs	249,049	253,701	259,602	264,112
107,313		Police Staff Costs	113,804	114,419	115,587	116,975
2,715		Restructure, Training & Conference Costs	2,391	2,211	2,154	2,162
1,028		Other Employee Expenses	1,141	1,156	1,171	1,186
335,381	Pay & Employment Costs Total		366,385	371,487	378,514	384,435
18,907	Overheads	Premises Related Expenditure	17,634	18,156	18,696	19,253
16,698		Supplies and Services	16,727	17,093	17,481	17,817
17,312		Communications and Computing	19,055	19,016	18,917	19,389
6,288		Transport Related Expenditure	5,930	6,073	6,216	6,364
13,800		Third Party Payments	16,016	15,595	15,962	16,693
73,004	Overheads Total		75,362	75,933	77,272	79,516
(16,269)	Grant, Trading & Reimbursement Income	Government & Overseas Funding	(29,308)	(27,783)	(27,808)	(27,906)
(1,419)		Interest/ Investment Income	(1,507)	(1,103)	(979)	(962)
0		Local Government Specific/Partnership Funding	0	0	0	0
(335)		Reimbursed Services - Other	(510)	(510)	(510)	(510)
(2,431)		Reimbursed Services - Other Police Forces	(2,472)	(2,503)	(2,535)	(2,568)
(7,981)		Reimbursed Services - Other Public Bodies	(8,612)	(9,011)	(9,229)	(9,106)
(6,323)		Sales, Fees, Charges and Rents	(8,004)	(9,860)	(9,880)	(10,098)
(426)		Special Police Services	(375)	(375)	(375)	(375)
(35,184)	Grant, Trading & Reimbursement Income Total		(50,788)	(51,145)	(51,316)	(51,525)
1,296	Capital Financing and Contributions	Loan Charges	1,315	1,510	1,953	2,547
2,318		Minimum Revenue Provision	2,676	3,339	4,141	4,737
4,561		Revenue Contribution to Capital	5,488	6,547	7,704	8,734
8,175	Capital Financing and Contributions Total		9,479	11,396	13,798	16,018
(4,064)	Transfers to / (from) Specific Reserves		(1,229)	2,049	730	2,481
(4,064)	Transfers to / (from) Reserves Total		(1,229)	2,049	730	2,481
377,313	Total Force		399,209	409,720	418,998	430,925
2,203	Office of the PCC		2,539	2,597	2,647	2,698
4,864	PCC Commissioning		4,770	4,770	4,770	4,770
7,067	Total OPCC		7,309	7,367	7,417	7,468
384,380	Net Revenue Expenditure		406,518	417,087	426,415	438,393
384,380	Funding		406,518	417,087	426,415	438,393

c. SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2024/25 budget and Medium Term Financial Strategy.

- Government Police Grant funding will increase by 5.5% in 2024/25, this represents the final year of the three year settlement presented in the 2021 spending review. 2024/25 includes the £150m planned in the spending review and £515m allocated to fund the additional 2023/24 pay award. Future years assume a 0.5% increase in 2025/26, 0% in 2026/27 and 0.5% in 2027/28.
- Reflecting the importance of maintaining the additional 20,000 uplift officers, £425m of funding is ringfenced and is accessible by demonstrating officer headcount is maintained.
- Following a revaluation of the scheme the Police officer employer pension contributions have increased by 4.3% to 35.3%. The police pension's specific grant has been increased to reflect this change. It is assumed the grant remains at the same cash level throughout the MTFS.
- This MTFS assumes Council Tax for a Band D property will increase by £12.94 in 2024/25, £10 in 2025/26, 2026/27 and £12 in 2027/28.
- The 2024/25 figures for tax base and Council Tax surplus along with future years assumptions are shown below. The previous year figures are included for context.

	2023/24	2024/25	2025/26	2026/27	2027/28
Annual increase in tax base	1.36%	1.21%	1.50%	1.50%	1.50%
Annual surplus/deficit on Council Tax collection funds	£2.4m*	£1.4m	£1.8m	£1.8m	£1.8m

* Year 3, 2020/21 element of collection fund deficit to be spread across three years, as per legislation.

- Turnover on police officers takes into account officers leaving at their usual pension date, plus an estimate for ill health retirements, transfers out and resignations.
- A 7% pay award was agreed for police officers and police staff from 1st September 2023. The MTFS assumes that a 3% pay award will be applied on 1st September 2024, and 2% from 1st September each year thereafter for police officers and police staff.
- Inflation has been applied only to budgets that are subject to inflationary pressures. Actual CPI for November 2023 was 3.9% compared to 10.7% in November 2022. Utility contracts and fuel did not increase at the rates expected in the previous MTFS and have been rebased for 2024/25; future years increases have been assumed at 3%.
- Following the 2022 Actuarial Valuation of the Devon Pension Fund the employer's current contribution to the police staff pension scheme, plus agreed contributions to the deficit, will be as set out below.

	23/24	24/25	25/26	26/27	27/28
LGPS Base Contribution	18.90%	18.90%	18.90%	18.90%	18.90%
Plus Repayment of LGPS Deficit (cash lump sum)	£0.652m	£0.677m	£0.703m	£0.724m	£0.746m
Estimated Total Cash Contribution	£15.8m	£17.8m	£18.8m	£19.4m	£19.6m
% of Staff Pay Budgets	18.86%	19.92%	20.97%	21.39%	21.18%

d. ANALYSIS OF CHANGES IN THE REVENUE BUDGET BETWEEN 2027/28 AND 2023/24

	24/25 MTFS Plan £000's	25/26 MTFS Plan £000's	26/27 MTFS Plan £000's	27/28 MTFS Plan £000's
2023/24 Budget	384,380	384,380	384,380	384,380
<u>Savings</u>				
Savings Programmes	(1,591)	(4,265)	(5,073)	(5,167)
Planned Budget Reductions	(2,322)	(2,605)	(2,845)	(2,895)
Utility Savings	(1,347)	(1,347)	(1,347)	(1,347)
Reduction in Transferee numbers	(80)	(790)	(2,369)	(4,074)
<u>Pay related increases</u>				
Pay Award	20,525	28,762	36,286	43,727
Increments (Officer & Staff)	4,736	9,346	14,635	19,953
Police Officer Pay Changes	(806)	(4,205)	(7,146)	(10,358)
Officer Pension	6,600	6,732	6,867	7,004
Other Pay Changes	312	534	575	606
Officer Overtime	(164)	59	896	655
<u>Non Pay related Increases</u>				
Inflationary changes	1,207	2,853	4,326	5,605
Other Contractual Changes	1,652	1,449	1,423	1,518
Other unavoidable Changes	1,543	1,572	1,492	1,593
Regional Budgets	969	722	1,064	1,697
<u>Changes in Income</u>				
Investment Interest	(88)	316	647	664
Changes to Income	(353)	(1,955)	(1,962)	(1,735)
<u>Grant Changes</u>				
Net changes to Uplift grant	(6,931)	(3,736)	(3,736)	(3,736)
Pensions Grant	(7,606)	(6,982)	(6,982)	(6,982)
<u>Capital Financing</u>				
RCCO	1,244	2,303	3,460	4,490
MRP	358	1,021	1,823	2,419
Interest Paid	(6)	165	420	1,009
Transfer to/(from) reserves	2,901	2,984	1,665	3,417
Additional Investments	1,385	1,973	2,024	2,051
Savings to be achieved through workforce mix	0	(2,199)	(4,108)	(6,100)
Total 24/25 MTFS	406,518	417,087	426,415	438,393

e. INCOME FROM SALES, FEES, CHARGES AND RENTS

This analysis details the level of external income generated from sales, fees, charges and rents. The level of income generated is continually reviewed to ensure that all opportunities are optimised.

23/24 Budget £000's		24/25 Budget £000's	25/26 Budget £000's	26/27 Budget £000's	26/27 Budget £000's
(3,500)	National Driver Offender Retraining Scheme	(5,649)	(7,310)	(7,529)	(7,755)
(233)	Firearms Certificates	(351)	(551)	(348)	(306)
(371)	Rents & Lettings	(329)	(339)	(349)	(360)
(300)	Accident Reports	(130)	(130)	(130)	(130)
(264)	Driver Improvement Income	(136)	(143)	(147)	(151)
(80)	Sale of Vehicles	(110)	(110)	(110)	(110)
(188)	Vehicle Recovery	(231)	(231)	(231)	(231)
(64)	Radio Masts and Equipment Hire	(64)	(66)	(68)	(70)
0	Foreign Nationals Registration / Pedlars	0	0	0	0
(4)	Stores External Income	(4)	(4)	(4)	(4)
(77)	Provision of Vehicle Services	(77)	(77)	(77)	(77)
(1,244)	Other Sales, Fees, Charges and Rents	(923)	(899)	(887)	(906)
(6,323)	Grand Total	(8,004)	(9,860)	(9,880)	(10,098)

f. STAFFING ANALYSIS

	2023/24 (FTE)	2024/25 (FTE)	2025/26 (FTE)	2026/27 (FTE)	2027/28 (FTE)
<u>Police Officers</u>					
Opening Balance at 1st April	3,610	3,610	3,610	3,610	3,610
Precept funded change	0	0	0	0	0
Uplift numbers	0	0	0	0	0
Closing Balance at 31st March	3,610	3,610	3,610	3,610	3,610

* Includes 10 FTE allocated to ROCU

Police Community Support

PCSO	150	150	150	150	150
Blue Light *	29	28	28	28	28
Total	179	178	178	178	178

* Rebased

Police Staff (Force)

Opening Balance at 1st April	2,210	2,209	2,206	2,169	2,156
Change	-1	-3	-37	-13	0
Closing Balance at 31st March	2,209	2,206	2,169	2,156	2,156

Police Staff (OPCC)

Opening Balance at 1st April	32	34	34	34	34
Change	2	0	0	0	0
Closing Balance at 31st March	34	34	34	34	34

Police Staff (Road Safety - Vision Zero South West)

Opening Balance at 1st April	46	73	87	87	87
Change	27	14	0	0	0
Closing Balance at 31st March	73	87	87	87	87

Police Staff figures rebased to present Vision Zero South West posts separately

3. RESERVES AND BALANCES SUMMARY

	Forecast Balance 31/3/2024 £000's	Forecast Balance 31/3/2025 £000's	Forecast Balance 31/3/2026 £000's	Forecast Balance 31/3/2027 £000's	Forecast Balance 31/3/2028 £000's
Revenue Reserves					
Capital Financing Reserve	5,479	1,948	1,078	1,828	1,390
Airwave/ESN Capital Reserve	4,786	3,815	3,615	3,415	3,000
VZSW (Ringfenced)	3,849	886	813	969	1,182
Improvement Reserve	300	0	0	0	0
Budget Management Fund	7,291	4,626	4,303	3,252	3,273
Police and Crime Plan Reserve	1,290	1,290	1,290	1,290	1,290
Total Revenue Reserves	22,995	12,565	11,099	10,754	10,135
Capital Reserves					
Capital Grant	0	0	0	0	0
Capital Receipts	0	0	0	0	0
Total Capital Reserves	0	0	0	0	0
General Balances	15,013	15,013	15,013	15,013	15,013
Total Reserves and Balances	38,008	27,578	26,112	25,767	25,148

4. COUNCIL TAX INFORMATION AND PRECEPT

	2024/25	2023/24
	£	£
Police Budget to be met from Council Tax	176,369,481	166,307,393
Less net surplus on council tax collection from previous years	(1,398,817)	(1,585,884)
Total precept payable by Billing Authorities	174,970,665	164,721,509

Tax base, collection variations and precepts					
2024/25					
	Tax Base declared by Councils	Total Precept collected by Councils	2023/24 Surplus (Deficit) on collection fund	Amount due from Councils	% share collected by Councils
	£	£	£	£	
East Devon	62,447.00	17,141,701.50	102,786.08	17,244,487.58	9.79%
Exeter	39,045.00	10,717,852.50	189,697.36	10,907,549.86	6.18%
Mid Devon	30,222.10	8,295,966.45	(41,356.99)	8,254,609.46	4.68%
North Devon	35,433.43	9,726,476.54	203,702.27	9,930,178.81	5.63%
Plymouth	75,389.00	20,694,280.50	286,000.00	20,980,280.50	11.90%
South Hams	40,528.94	11,125,194.03	58,000.00	11,183,194.03	6.34%
Teignbridge	50,939.00	13,982,755.50	229,509.00	14,212,264.50	8.06%
Torbay	47,374.08	13,004,184.96	159,517.00	13,163,701.96	7.46%
Torrige	25,277.34	6,938,629.83	85,828.00	7,024,457.83	3.98%
West Devon	21,512.23	5,905,107.14	112,000.00	6,017,107.14	3.41%
Cornwall	208,003.78	57,097,037.61	13,504.00	57,110,541.61	32.38%
Isles of Scilly	1,244.00	341,478.00	(370.00)	341,108.00	0.19%
	<u>637,415.90</u>	<u>174,970,664.56</u>	<u>1,398,816.72</u>	<u>176,369,481.28</u>	<u>100.0%</u>

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier		Council Tax by band		Increase per week	%
	Ratio		2024/25	2023/24		
A	6 / 9	0.667	£183.00	£174.37	+ 16.6 p	4.95%
B	7 / 9	0.778	£213.50	£203.44	+ 19.3 p	
C	8 / 9	0.889	£244.00	£232.50	+ 22.1 p	
D	1	1.000	£274.50	£261.56	+ 24.9 p	
E	11 / 9	1.222	£335.50	£319.68	+ 30.4 p	
F	13 / 9	1.444	£396.50	£377.81	+ 35.9 p	
G	15 / 9	1.667	£457.50	£435.93	+ 41.5 p	
H	18 / 9	2.000	£549.00	£523.12	+ 49.8 p	

5. CAPITAL PROGRAMME

CAPITAL PROGRAMME	Revised 23-24	MTFS 24-25	MTFS 25-26	MTFS 26-27	MTFS 27-28
Vehicles	5,587	1,791	4,474	3,236	6,431
Estates Minor Building Works	1,177	2,210	2,331	2,250	2,350
Estates Major Building Works					
Barnstaple Demolition	777	0	0	0	0
Bodmin Roof	0	1,000	0	0	0
Camborne	2,396	500	0	0	0
Comms Roof/Windows HQ	0	0	3,000	0	0
Dartmouth	272	0	0	0	0
Corporate Storage Facility	1,140	0	0	0	0
EV Infrastructure Upgrade	0	1,000	1,000	1,500	1,500
Exmouth	144	2,500	2,500	0	0
Firing Range	500	0	0	0	2,000
HQ Retaining Wall	30	0	0	0	0
HQ Sports Centre	551	0	0	0	0
ISO Fleet/RPU	0	1,000	0	0	0
North Devon Custody	0	0	0	2,000	6,000
South Devon Estate	0	500	0	0	0
Sustainability 2030 net zero	1,000	1,000	1,000	1,000	1,000
Total Major Building Works	6,810	7,500	7,500	4,500	10,500
PRISM	1,810	1,769	1,162	3,152	4,000
National Projects	219	414	301	243	342
ESN	0	21	200	200	415
ICT Infrastructure	4,110	6,209	4,869	3,740	7,273
Equipment	2,024	2,914	744	590	600
TOTAL PROGRAMME	21,737	22,828	21,581	17,911	31,911
CAPITAL FUNDING					
Grants	268	54	0	0	0
Capital Financing Reserve	11,230	4,281	1,620	0	1,188
Airwave Replacement Reserve	0	21	200	200	415
Capital Receipts & Asset Disposal	103	845	0	0	0
Revenue Funding	4,127	5,488	6,547	7,704	8,734
Borrowing	6,009	12,139	13,214	10,007	21,574
Total Capital Funding	21,737	22,828	21,581	17,911	31,911