

Medium Term Financial Strategy 2025/26 to 2028/29

Annual Budget 2025/26

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



The Medium Term Financial Strategy: 2025/26 to 2028/29

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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 strategy used to produce this MTFS is my new Police and Crime Plan for 2025-2029 which provides continuity from my previous approach 'Safe, resilient, connected communities'.

The Police and Crime Plan can be found at:

[Police-and-Crime-Plan-2025-FINAL.pdf](#)

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 2025/26 and beyond has been prepared within a backdrop of a difficult economic climate and a new government. Along with the mandated maintenance of the police uplift programme and a newly appointed Interim Chief Constable.

The Police and Crime Plan

The Police and Crime Plan was created in November 2024 and will be used to inform the Peninsula Strategic Assessment. The new Plan will run until 2029 and sets out the Commissioner's priorities for Devon, Cornwall and the Isles of Scilly, including:

- ❖ Antisocial behaviour
- ❖ Alcohol and Drugs
- ❖ Theft
- ❖ Serious Violence
- ❖ Victims

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

During 2024/25 the difficult economic climate and the change in government dominated the nation with inflation and the Bank of England base rate decreasing during the year slower than anticipated. The increase in the rate of employers national insurance has also affected our suppliers and contracts which will see increased costs.

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 (£8.2m) 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 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 2025/26 budget process is specifically on maintaining the police officer uplift programme, enabling it to be sustained for the long term. 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. Neighbourhood policing is also a focus for the year both locally and nationally with funding being provided to increase levels in the neighbourhood teams.

Delivery & accountability

The Police and Crime Plan will be delivered by the Commissioner with close co-operation from the Chief Constable and partners.

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.

<u>2024/25</u>		<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Grant Funding</u>				
137,119	Core settlement	142,206	142,917	143,632	144,350
77,568	DCLG Formula	80,443	80,845	81,249	81,655
15,461	Legacy CT Grants	15,461	15,461	15,461	15,461
230,148		238,110	239,223	240,342	241,466
	<u>Council Tax</u>				
174,971	Precept income	192,241	202,588	213,370	224,593
1,399	Surplus	2,562	0	0	300
176,370		194,803	202,588	213,370	224,893
406,518	Total Funding	432,913	441,811	453,712	466,359
637,416	Tax base	667,041	670,376	673,728	677,097
1.21%	Tax base Increase	4.65%	0.50%	0.50%	0.50%
274.50	Band D	288.20	302.20	316.70	331.70
4.95%	Council Tax Increase %	4.99%	4.86%	4.80%	4.74%
£12.94	Council Tax Increase £	£13.70	£14.00	£14.50	£15.00

b. MAIN COMPONENTS OF THE REVENUE BUDGET

24/25 MTFS Plan £000's	Category	Description	25/26 MTFS Plan £000's	26/27 MTFS Plan £000's	27/28 MTFS Plan £000's	28/29 MTFS Plan £000's
249,049	Pay & Employment Costs	Police Officer Costs	265,076	272,739	279,867	288,135
115,322		Police Staff Costs	126,202	130,914	133,481	135,767
2,390		Restructure, Training & Conference Costs	2,341	2,338	2,253	2,272
1,141		Other Employee Expenses	1,193	1,204	1,215	1,226
367,902	Pay & Employment Costs Total		394,812	407,195	416,816	427,400
17,684	Overheads	Premises Related Expenditure	16,515	16,821	17,280	17,738
16,757		Supplies and Services	19,934	19,461	19,587	19,795
19,055		Communications and Computing	19,410	19,735	20,156	20,580
5,930		Transport Related Expenditure	6,175	6,235	6,299	6,374
16,016		Third Party Payments	17,573	18,084	18,329	18,510
75,442	Overheads Total		79,607	80,336	81,651	82,997
(29,308)	Grant, Trading & Reimbursement Income	Government & Overseas Funding	(35,671)	(35,742)	(35,727)	(35,795)
(1,507)		Interest/ Investment Income	(1,405)	(1,114)	(1,019)	(1,031)
0		Local Government Specific/Partnership Funding	0	0	0	0
(510)		Reimbursed Services - Other	(672)	(672)	(672)	(672)
(2,472)		Reimbursed Services - Other Police Forces	(1,532)	(1,553)	(1,575)	(1,597)
(8,612)		Reimbursed Services - Other Public Bodies	(9,457)	(9,480)	(9,613)	(9,746)
(8,004)		Sales, Fees, Charges and Rents	(10,808)	(10,831)	(11,057)	(11,355)
(375)		Special Police Services	(429)	(430)	(431)	(432)
(50,788)	Grant, Trading & Reimbursement Income Total		(59,974)	(59,822)	(60,094)	(60,628)
1,315	Capital Financing and Contributions	Loan Charges	1,640	2,015	2,318	2,769
2,676		Minimum Revenue Provision	5,000	6,193	6,911	8,084
5,488		Revenue Contribution to Capital	6,547	7,704	8,734	8,734
9,479	Capital Financing and Contributions Total		13,187	15,912	17,963	19,587
(1,229)	Transfers to / (from) Specific Reserves		(18)	371	1,512	1,591
(1,229)	Transfers to / (from) Reserves Total		(18)	371	1,512	1,591
400,806	Sub-Total Force		427,614	443,992	457,848	470,947
(1,591)	Savings Programmes		(3,236)	(10,786)	(12,811)	(13,336)
399,215	Total Force		424,378	433,206	445,037	457,611
2,532	Office of the PCC		2,957	3,026	3,098	3,170
4,771	PCC Commissioning		5,578	5,578	5,578	5,578
7,303	Total OPCC		8,535	8,605	8,676	8,748
406,518	Net Revenue Expenditure		432,913	441,811	453,712	466,359
406,518	Funding		432,913	441,811	453,712	466,359

c. SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2025/26 budget and Medium Term Financial Strategy.

- This budget reflects phase one of the spending review for 2025. Phase two is expected to conclude in spring 2025 with the anticipation of a multi-year spending review which will start in 2026/27.
- Core Government Police Grant funding will increase by 3.5% in 2025/26, it included funding to maintain the increased growth expected as part of the uplift programme and the 4.75% pay award agreed for September 2024. Future years assume a 0.5% grant increase in 2026/27, and each year thereafter.
- Two new specific grants were announced, a grant to support the increased employer's national insurance liability and the new Neighbourhood Policing Grant. Both anticipate additional equivalent spending.
- Reflecting the importance of maintaining the additional uplift officers, £270m of funding is ringfenced and is accessible by demonstrating officer headcount is maintained.
- There has been a decrease in police pension's specific grant, some was anticipated due to the inclusion of a one-off element in 2024/25 but a further £14m related to a top slice for counter terrorism.
- This MTFFS assumes Council Tax for a Band D property will increase by £13.70 in 2025/26, £14 in 2026/27, £14.50 in 2027/28 and £15 in 2028/29.
- The 2025/26 figures for tax base and Council Tax surplus along with future years assumptions are shown below. The previous year figures are included for context.

	2024/25	2025/26	2026/27	2027/28	2028/29
Annual increase in tax base	1.21%	4.65%	0.50%	0.50%	0.50%
Annual surplus/deficit on Council Tax collection funds	£1.4m	£2.7m	£0m	£0m	£0.3m

- 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 4.75% pay award was agreed for police officers and police staff from 1st September 2024. The MTFFS assumes that a 2% pay award will be applied on 1st September 2025, and 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 2024 was 2.6% compared to 3.9% in November 2023. Electricity and Gas contracts are based on market energy prices. Future years increases have been assumed in line with treasury predictions.
- The Devon Pension Fund employer's contribution to the police staff pension scheme, plus agreed contributions to the deficit, is as set out below. It also includes an estimated increase of 1% from 1st April 2026 which is the point of the next actuarial revaluation.

	24/25	25/26	26/27	27/28	28/29
LGPS Base Contribution	18.90%	18.90%	19.90%	19.90%	19.90%
Plus Repayment of LGPS Deficit (cash lump sum)	£0.677m	£0.703m	£0.703m	£0.703m	£0.703m
Estimated Total Cash Contribution	£17.4m	£17.5m	£19.0m	£19.4m	£19.5m
% of Staff Pay Budgets	20.29%	19.20%	21.30%	21.44%	21.29%

d. ANALYSIS OF CHANGES IN THE REVENUE BUDGET BETWEEN 2028/29 AND 2024/25

	25/26 MTFS Plan £000's	26/27 MTFS Plan £000's	27/28 MTFS Plan £000's	28/29 MTFS Plan £000's
2024/25 Budget	406,518	406,518	406,518	406,518
<u>Reductions</u>				
Savings Programme	(1,807)	(8,941)	(10,966)	(11,990)
Savings Delivered	(1,244)	(1,244)	(1,244)	(1,244)
Planned Budget Reductions	(545)	(661)	(661)	(661)
Police Radio Services (CMA)	(1,394)	(1,394)	(1,394)	(1,394)
Utility Savings	(856)	(856)	(856)	(856)
<u>Pay related increases</u>				
Pay Award	15,296	24,042	31,519	39,247
Increments (Officer & Staff)	5,144	11,171	17,087	23,190
Police Officer Pay Changes	(3,591)	(7,995)	(11,251)	(14,333)
Overtime	306	1,083	512	620
Other Pay Changes	294	212	68	6
Pension Increase	0	700	700	700
National Insurance Increase	6,313	6,313	6,313	6,313
Increase to Neighbourhood policing	2,349	2,349	2,349	2,349
<u>Non Pay related Increases</u>				
Inflationary changes	1,657	3,061	4,300	5,585
Other Contractual Changes	756	776	787	780
Other unavoidable increases	1,925	1,591	1,559	1,631
National Pressures	1,726	2,086	2,026	2,179
Regional Budgets	1,044	1,212	1,391	1,358
<u>Changes in Income</u>				
Investment Interest	102	393	488	476
Changes to Income	(397)	(780)	(857)	(1,004)
<u>Grant Changes</u>				
Uplift Grant	169	169	169	169
Pensions Grant	754	754	754	754
NI Grant	(5,688)	(5,687)	(5,687)	(5,687)
Neighbourhood Policing Grant	(2,349)	(2,349)	(2,349)	(2,349)
Other Grant Changes	(144)	(157)	(91)	(105)
<u>Capital Financing</u>				
RCCO	894	2,051	3,081	3,081
MRP	2,324	3,516	4,235	5,408
Finance Leases now categorised as MRP under IFRS 16	(1,756)	(1,786)	(1,817)	(1,849)
Interest Paid	325	701	1,004	1,455
Transfer to/from reserves	1,211	1,601	2,741	2,821
Growth	3,577	3,362	3,284	3,191
Total 25/26 MTFS	432,913	441,811	453,712	466,359

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.

24/25 Budget £000's		25/26 Budget £000's	26/27 Budget £000's	27/28 Budget £000's	28/29 Budget £000's
(5,648)	National Driver Offender Retraining Scheme	(7,694)	(7,924)	(8,162)	(8,400)
(351)	Firearms Certificates *	(482)	(304)	(267)	(290)
(329)	Rents & Lettings	(525)	(527)	(529)	(530)
(130)	Accident Reports	(310)	(315)	(321)	(327)
(136)	Driver Improvement Income	(140)	(144)	(148)	(153)
(110)	Sale of Vehicles	(110)	(110)	(110)	(110)
(1)	Vehicle Recovery	(1)	(1)	(1)	(1)
(64)	Radio Masts and Equipment Hire	(59)	(59)	(59)	(59)
(4)	Stores External Income	(4)	(4)	(4)	(4)
(77)	Provision of Vehicle Services	(69)	(69)	(69)	(69)
(1,154)	Other Sales, Fees, Charges and Rents	(1,414)	(1,374)	(1,387)	(1,412)
(8,004)	Grand Total	(10,808)	(10,831)	(11,057)	(11,355)

* *Firearms Licences fees expected to increase from February 2025 (increase not included)*

f. STAFFING ANALYSIS

	2024/25 (FTE)	2025/26 (FTE)	2026/27 (FTE)	2027/28 (FTE)	2028/29 (FTE)
<u>Police Officers</u>					
Opening Balance at 1st April	3,610	3,610	3,610	3,610	3,610
Closing Balance at 31st March	3,610	3,610	3,610	3,610	3,610
<u>Police Community Support</u>					
PCSO	150	150	150	150	150
Blue Light	28	26	26	26	26
Total	178	176	176	176	176
<u>Police Staff (Force)</u>					
Opening Balance at 1st April	2,209	2,200	2,175	2,065	2,044
Change	-9	-25	-110	-21	-9
Closing Balance at 31st March	2,200	2,175	2,065	2,044	2,035
<u>Police Staff (OPCC)</u>					
Opening Balance at 1st April	34	34	34	34	34
Change	0	0	0	0	0
Closing Balance at 31st March	34	34	34	34	34
<u>Police Staff (Road Safety - Vision Zero South West)</u>					
Opening Balance at 1st April	73	113	131	131	131
Change	40	18	0	0	0
Closing Balance at 31st March	113	131	131	131	131
<i>Does not include any changes linked to Neighbourhood Policing Grant - Currently unknown</i>					

3. RESERVES AND BALANCES SUMMARY

	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	Forecast Balance 31/3/2029 £000's
Revenue Reserves					
Capital Financing Reserve	9,475	6,667	7,418	4,147	3,645
ESN Capital Reserve	4,080	3,880	3,680	3,265	0
VZSW (Ringfenced)	1,409	1,425	1,557	1,764	2,099
Improvement Reserve	225	0	0	0	0
Budget Management Fund	4,367	1,918	847	847	847
Police and Crime Plan Reserve	999	999	999	999	999
Total Revenue Reserves	20,555	14,889	14,501	11,022	7,590
Capital Reserves					
Capital Grant	305	305	305	305	305
Capital Receipts	977	977	977	977	977
Total Capital Reserves	1,282	1,282	1,282	1,282	1,282
General Balances	17,889	16,789	15,889	15,889	15,889
Total Reserves and Balances	39,726	32,960	31,672	28,193	24,761

4. COUNCIL TAX INFORMATION AND PRECEPT

	2025/26	2024/25
	£	£
Police Budget to be met from Council Tax	194,803,217	176,369,481
Less net surplus on council tax collection from previous years	(2,561,983)	(1,398,817)
Total precept payable by Billing Authorities	192,241,234	174,970,664

Tax base, collection variations and precepts					
			2025/26		
	Tax Base declared by Councils	Total Precept collected by Councils	2024/25 Surplus (Deficit) on collection fund	Amount due from Councils	% share collected by Councils
	£	£	£	£	
East Devon	65,142.52	18,774,074.26	493,132.23	19,267,206.49	9.89%
Exeter	39,852.00	11,485,346.40	157,806.63	11,643,153.03	5.98%
Mid Devon	30,732.91	8,857,224.66	107,558.10	8,964,782.76	4.60%
North Devon	37,670.43	10,856,617.93	102,079.15	10,958,697.08	5.63%
Plymouth	76,557.00	22,063,727.40	8,705.00	22,072,432.40	11.33%
South Hams	44,327.29	12,775,124.98	174,000.00	12,949,124.98	6.65%
Teignbridge	51,562.00	14,860,168.40	343,884.00	15,204,052.40	7.80%
Torbay	49,254.24	14,195,071.97	446,091.00	14,641,162.97	7.52%
Torrige	26,407.79	7,610,725.08	86,812.00	7,697,537.08	3.95%
West Devon	22,132.28	6,378,523.10	156,000.00	6,534,523.10	3.35%
Cornwall	222,111.20	64,012,447.84	475,915.00	64,488,362.84	33.10%
Isles of Scilly	1,291.40	372,181.48	10,000.00	382,181.48	0.20%
	<u>667,041.06</u>	<u>192,241,233.50</u>	<u>2,561,983.11</u>	<u>194,803,216.61</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		2025/26	2024/25		
A	6 / 9	0.667	£192.13	£183.00	+ 17.6 p	4.99%
B	7 / 9	0.778	£224.16	£213.50	+ 20.5 p	
C	8 / 9	0.889	£256.18	£244.00	+ 23.4 p	
D	1	1.000	£288.20	£274.50	+ 26.3 p	
E	11 / 9	1.222	£352.24	£335.50	+ 32.2 p	
F	13 / 9	1.444	£416.29	£396.50	+ 38.1 p	
G	15 / 9	1.667	£480.33	£457.50	+ 43.9 p	
H	18 / 9	2.000	£576.40	£549.00	+ 52.7 p	

5. CAPITAL PROGRAMME

Capital Programme	Revised 24-25 £'000	MTFS 25-26 £'000	MTFS 26-27 £'000	MTFS 27-28 £'000	MTFS 28-29 £'000
Vehicles	4,167	1,919	4,678	4,684	3,984
Estates - Minor Building Works	1,776	3,781	3,250	3,350	3,650
Estates - Major Building Works					
Barnstaple North Walk Mitigation	185	257	300	0	0
Bodmin Roof	300	700	0	0	0
Camborne Phase III	1,816	1,816	0	0	0
Comms Roof/Windows HQ	700	1,800	0	0	0
Dartmouth	269	0	0	0	0
EV Infrastructure Upgrade	0	1,000	1,500	1,500	1,000
New Police Station Provision	330	2,092	2,500	500	0
HQ Firing Range	60	0	0	2,000	2,000
Outdoor Firing Range	0	200	500	0	0
Outdoor Training Facilities	0	0	1,000	0	0
Okehampton	29	0	0	0	0
Custody Investment	0	0	2,000	6,000	6,000
Sustainability 2040 Net Zero	150	1,150	1,000	1,000	1,000
South Devon Provision	0	1,660	0	0	0
SARC - REFCUS	0	600	0	0	0
Estates - Major Building Works	3,839	11,275	8,800	11,000	10,000
Strategic Change	699	1,034	802	4,000	5,000
National Projects	30	452	555	342	140
ESN	21	200	200	415	3,265
ICT Infrastructure	3,348	5,755	4,140	7,303	4,082
Equipment	5,263	2,349	812	1,080	733
TOTAL PROGRAMME	19,143	26,765	23,237	32,174	30,854
Capital Financing					
Borrowing	9,629	16,340	15,333	19,004	17,604
Capital Financing Reserve	2,406	3,558	0	4,021	1,251
Revenue Funding (RCCO)	5,223	6,547	7,704	8,734	8,734
Funding from Other Forces	345	120	0	0	0
Vision Zero Reserve	1,519	0	0	0	0
ESN Reserve	21	200	200	415	3,265
Total Capital Funding	19,143	26,765	23,237	32,174	30,854