

AVON AND SOMERSET POLICE AND CRIME PANEL

8TH DECEMBER 2023

REPORT OF THE POLICE AND CRIME COMMISSIONER

2024/25 FINANCIAL PLANNING - BUDGET PROCESS UPDATE

1. EXECUTIVE SUMMARY

This report provides an update on the ongoing process that will lead to the setting of the 2024/25 revenue budget, council tax precept and capital programme in February 2024. It sets out our current planning assumptions and areas of continued uncertainty at time of writing. At this stage of the process, we are not presenting a draft budget or financial plan, only setting out the current assumptions and illustrative examples of their implications.

This report is prepared on the best information currently available to us. Given the timing of this report it has been necessary to make several assumptions and projections about future events. It will be necessary to continue to review these in light of a number of areas, most notably: -

- The detail of the police funding settlement which is expected later in December.
- The final projections and forecasts of our local collection authorities for both council tax base and any share of deficit or surplus resulting from collection fund performance.
- The savings initiatives to be presented at Strategic Planning meeting in November.

Our key planning assumption at this stage in relation to the policing precept is that this will increase by £10 p.a. in 2024/25 (in line with the maximum permitted of PCC's) and thereafter will increase by 2.0% p.a.

	<i>Current</i>	MTFP Period				
	<i>23/24</i> <i>£p</i>	24/25 £p	25/26 £p	26/27 £p	27/28 £p	28/29 £p
Av. Band D Precept	<i>£266.20p</i>	£276.20p	£281.72p	£287.36p	£293.11p	£298.97p
<i>Annual increase</i>	<i>+\$15.00p</i>	+\$10.00p	+\$5.52p	+\$5.64p	+\$5.75p	+\$5.86p
<i>Annual increase (%)</i>	<i>6.0%</i>	+3.8%	+2.0%	+2.0%	+2.0%	+2.0%

The final decision on proposed precept will be made on consideration of the Police and Crime Panel's feedback, on conclusion of our public consultation and in the context of the increased certainty post funding settlement.

The revenue plan headline forecasts at this stage of our planning are: -

Revenue Plan	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Budget requirement	385,896	402,093	416,581	428,967	439,202
Less; Identified Savings	-4,570	-6,552	-6,990	-7,071	-7,123
Less; General funding	-378,031	-385,329	-392,799	-400,463	-408,328
Deficit (before use of reserves)	3,295	10,212	16,792	21,433	23,751
Planned use of reserves	-	-	-	-	-
Deficit (after use of reserves)	3,295	10,212	16,792	21,433	23,751

There is a forecasted deficit of £3.3m in the revenue plan from 2024/25, which rises to £23.8m by 2028/29. Currently inflation remains high which is creating significant budgetary pressure in the medium term. The deficit is compounded by pressures to support future pay inflation; increases to pension costs; investment and inflation in IT services and specific non-pay inflation.

The capital plan headline forecasts at this stage of our planning are: -

Capital Plan	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Capital Plan Expenditure	28,055	30,883	23,845	15,524	14,389
Less; Capital Plan Funding	-28,055	-19,788	-8,957	-8,787	-7,772
Deficit	-	11,095	14,888	6,737	6,618

There is an estimated deficit in our capital plans over the next five years of £39.3m, reflecting cuts to capital grant funding, ERP project costs, IT programmes and Estates projects. We will continue to refine our forecasts for both capital expenditure and funding further by the time our final MTFP is presented and approved.

2. BACKGROUND

The approval of an annual budget occurs within the framework of our Medium-Term Financial Plan (MTFP). This sets out our strategic approach to the management of our finances and provides the framework within which the delivery of the Government's Beating Crime Plan and the PCC's priorities will be progressed.

The Government's [Beating Crime Plan](#) establishes [national priorities for policing](#), which are:-

- Reduce murder and other homicide.
- Reduce serious violence.
- Disrupt drugs supply and county lines.
- Reduce neighbourhood crime.
- Tackle cyber-crime; and
- Improve victim satisfaction, with particular focus on victims of domestic abuse.

2024/25 is the last year of the Government's 3-year Spending Review (SR) announced back in December 2021. Our forecasts for grant funding and precept growth continue to reflect the detail of this announcement in recognition of the Government's commitment to honouring this settlement. While this multi-year settlement provided some medium-term certainty three years ago, we now expect a 2024 general election and will have to await the outcome of this and the announcements of a new government as to what settlements for policing might look like in future years. Forecasts around grant and precept are therefore made against the backdrop of this uncertainty.

In March 2023 we reported that we had not only achieved our officer uplift target, but in agreement with the Home Office had temporarily exceeded this with the provision of some temporary funding for this. This has been no small undertaking. In the four years up to March 2023 we recruited 1,484 new officers into the Constabulary, of which 961 joined us through the Police Constable Degree Apprenticeship (PCDA) entry route and 270 through the Degree Holder Entry Programme (DHEP). As a consequence of the scale and pace of this growth we have a young in-service workforce, and therefore we recognise that continued investment into training and development of them and those who lead them will remain a priority throughout our MTFP.

A pay award for police officers and staff at 7% from September 2023 has already been agreed. The government has provided further grant funding in support of the pressure created by this, which covers the part year costs of this in 2023 but presents a small shortfall in funding from 2024/25 onwards. Beyond this the MTFP reflects continued pressure for pay awards which recognise the wider inflationary pressures faced by our staff, alongside the affordability of such pay awards – particularly if there is no further funding provided to support these costs.

Like many other organisations in both the public and private sectors, we continue to see the challenges presented by high levels of inflation. We expect inflation to continue to remain a key factor, particularly in the early years of our MTFP.

The need to deliver savings to present a balanced budget continues, particularly as our current MTFP is showing a deficit in each of the 5 years. There is a need to identify robust saving plannings to both balance our budget and enable ongoing investment that unlocks improvements in efficiency and effectiveness.

3. REVENUE FUNDING

The main revenue funding received by the PCC comes from two sources: -

- Core grant funding – consisting of Home Office policing grants and legacy council tax grants; and
- Council tax funding – determined by the policing precept multiplied by the local council tax base and adjusted for our share of surplus or deficits on collection fund.

In addition, grant funding is also received for specific purposes. These grants are included within our main revenue budget requirement and include: -

- Officer Uplift grant funding – In 2023/24 the officer uplift grant was more than doubled to £6.3m reflecting the Government's intention to maintain the officer numbers achieved through the Uplift programme. This grant is paid in arrears upon maintaining officer numbers throughout 2023/24. For the purposes of drafting the MTFP we have assumed that the value of this grant funding will remain at this level

and will continue to be ring-fenced for the duration of the plan to incentivise Forces to maintain police officer numbers across the medium term.

A&S exceeded our officer uplift target by 40 officers by March 2023 and will receive a £1.8m grant in order to maintain these extra officers through 2023/24. We remain uncertain if this arrangement will continue into 2024/25 so have not assumed receiving any further grants.

- Police pensions grant – this grant was introduced in 2019/20 to help forces manage the large increase in employer contributions for police pensions resulting from the 2018 valuation exercise (24% to 31%). The continuation of this grant funding was confirmed in the 2022/23 settlement, and we have assumed this will continue for the duration of the MTFP, frozen at its historic value.

Intelligence suggests that because of the most recent revaluation exercise into police officer pensions, the employer’s contribution for police officer pensions will increase from 31% to 36.2% in April 2024. We understand that the Government has agreed to underwrite this increase and we have therefore assumed our pension grant funding will increase by £6.6m to cover this extra cost.

- Victims commissioning grant funding – this grant funding is provided to the PCC from the Ministry of Justice in support of the commissioning of victims’ services. We have assumed this grant remains ring-fenced and is frozen in cash terms for the duration of the MTFP.

The value of funding is dependent on a number of variables which at the time of presenting this report remain uncertain. It has therefore been necessary to make a number of assumptions, and (in the case of council tax) rely on the forecasts of local authorities which are yet to be formally confirmed.

Council tax funding – The previous MTFP, approved in February 2023, assumed future growth in council tax revenue. We have received draft estimates of tax base values and collection fund performance and we expect to receive firmer confirmation of both of these amounts in time to finalise our budget proposal for presentation to panel in February 2024.

The current average band D council tax bill is £266.20p towards local policing costs in 2023/24. This remains the median council tax of all forces in England and Wales, as well within the southwest: -

	23/24 Precept £p	Difference £p	Difference %	Value £m
Gloucestershire PCC	£295.08p	+\$28.88p	+10.8%	+\$17.1m
Dorset PCC	£280.58p	+\$14.38p	+5.4%	+\$8.5m
Avon and Somerset PCC	£266.20p			
Devon and Cornwall PCC	£261.56p	-\$4.64p	-1.7%	-\$2.7m
Wiltshire PCC	£256.27p	-\$9.93p	-3.7%	-\$5.9m

Our working **assumption at present is that the precept will be increased by £10.00 for 2024/25 and thereafter at 2.0% over the remaining period covered by the MTFP.** This level has been assumed at this stage in our planning: -

	<i>Current</i>	MTFP Period				
	<i>23/24</i>	24/25	25/26	26/27	27/28	28/29
	<i>£p</i>	£p	£p	£p	£p	£p
Av. Band D Precept	<i>£266.20p</i>	£276.20p	£281.72p	£287.36p	£293.11p	£298.97p
<i>Annual increase</i>	<i>+\$15.00p</i>	+\$10.00p	+\$5.52p	+\$5.64p	+\$5.75p	+\$5.86p
<i>Annual increase (%)</i>	<i>+6.0%</i>	+3.8%	+2.0%	+2.0%	+2.0%	+2.0%

The PCC is undertaking a public consultation to seek views on precept levels and the attitude to any potential increase. The consultation will be online, by telephone and by mailshot to elicit the widest possible response. Once the results have been received, they will be shared as part of the 24/25 budget and precept proposal.

The value of council tax funding is not determined by only the precept level, but also by the change to the council tax base, and the distribution of any surplus or deficit on local collection funds.

- Tax Base - The MTFP approved in February saw the aggregate tax base increase of 1.74% p.a. across our five local collecting authorities. We are still awaiting responses from one of our larger collecting authorities, but estimates received so far appear lower than last year. For the purposes of this report, we are assuming **an increase of 0.5% in the tax base for 2024/25**. Thereafter we are forecasting +1.0% growth in 25/26 and +1.2% thereafter. We will review our assumptions here in light of final confirmed tax base estimates once received.
- Collection Fund – This represents our share of any surplus or deficit on the collection fund as calculated by our five collecting authorities. The MTFP approved in February assumed our aggregate share of collection fund surpluses would be £1.0m in 2023/24, after adjusting for the recovery of any deficits, from the impact of the Covid pandemic, over three years as granted by the government.

Early indications from our local authorities suggests that we will receive a **share of an aggregate deficit across local collection funds, estimated to be £0.3m in 2024/25**. In recognition of the continued uncertainty, we have thereafter assumed a zero surplus/deficit for the remaining period of the MTFP. We will review our assumptions here considering the final confirmed collection fund deficit or surplus once received in January.

Core grant Funding –The funding settlement announced by the Chancellor in November 2022 confirmed that the core grant would increase by £3.4m/1.6% in 2024/25 but increases in subsequent years are uncertain at the current time and will be set through a future SR following the next general election.

The final values of our grant funding for 2024/25 will not be known until the announcement of the police settlement, which is not expected until mid-December.

Therefore at this stage we have assumed the following movement in our core grant funding:-

	<i>Current</i>	MTFP Period				
	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Core Grant	197,385	200,820	202,860	204,921	207,002	209,104
Legacy Council Tax	14,709	14,709	14,709	14,709	14,709	14,709
Total Core Grant Funding	212,094	215,529	217,569	219,630	221,711	223,813
<i>Annual Movement</i>		+3,435 +1.6%	+2,040 +0.9%	+2,061 +0.9%	+2,081 +0.9%	+2,102 +0.9%

4. REVENUE EXPENDITURE

Our planning remains under development, but at the point of writing this report the following table summarises the modelling for revenue expenditure over the next 5 years: -

Expenditure net of planned savings	Current	MTFP				
	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Constabulary	368,529	376,524	390,640	404,631	416,885	427,021
<i>Movement</i>		+7,995	+22,111	+36,102	+48,356	+58,492
OPCC	4,603	4,801	4,902	4,960	5,011	5,058
<i>Movement</i>		+198	+299	+357	+408	+455
TOTAL Expenditure	373,132	381,326	395,541	409,591	421,896	432,079
<i>Movement</i>		+8,194	+22,409	+36,459	+48,764	+58,947

The key assumptions that shape the future changes to our costs are:

	24/25	25/26	26/27	27/28	28/29
Officer Pay Award	+3.0%	+2.5%	+2.5%	+2.0%	+2.0%
<i>Impact (£m)</i>	+£3.3m	+£8.6m	+£13.5m	+£18.0m	+£22.1m
Staff Pay Award	+3.0%	+2.5%	+2.5%	+2.0%	+2.0%
<i>Impact (£m)</i>	+£2.0m	+£5.2m	+£8.1m	+£10.8m	+£13.3m
General Inflation	+3.0%	+3.0%	+3.0%	+2.0%	+2.0%
<i>Impact (£m)</i>	+£0.5m	+1.0m	+£1.5m	+£1.8m	+£2.2m
Electricity Inflation	+4.0%	+4.0%	+4.0%	+4.0%	+4.0%
<i>Impact (£m)</i>	+£0.1m	+£0.3m	+£0.4m	+£0.5m	+£0.7m
Gas Inflation	+4.0%	+4.0%	+4.0%	+4.0%	+4.0%
<i>Impact (£m)</i>	+£24k	+£49k	+£75k	+£0.1m	+£0.1m
Fuel Inflation	+5.0%	+5.0%	+5.0%	+5.0%	+5.0%
<i>Impact (£m)</i>	+£0.1m	+£0.2m	+£0.4m	+£0.5m	+£0.6m

	24/25	25/26	26/27	27/28	28/29
IT Inflation	+5.0%	+5.0%	+5.0%	5.0%	5.0%
<i>Impact (£m)</i>	<i>+£1.0m</i>	<i>+£2.0m</i>	<i>+£3.1m</i>	<i>£4.2m</i>	<i>£5.4m</i>
Officer Pension	36.2% ¹	36.2%	36.2%	36.2%	36.2%
<i>Impact (£m)</i>	<i>+6.6m</i>	<i>+6.6m</i>	<i>+£6.6m</i>	<i>+£6.6m</i>	<i>+£6.6m</i>
Staff Pension	18.6%	18.6%	18.6%	18.6%	18.6%
<i>Impact (£m)</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

In addition to these general assumptions there are several areas of specific increases to our costs, including: -

- Police Officer Pension** – As of 1st of April we have recognised an increase in Police Officer Employer pension contributions from 31.0% to 36.2%. This increases costs by **£6.6m for 2024/25** and is further compounded by estimated pay awards in future years. For planning purpose, it assumed that a corresponding ring-fenced grant of the same value will be provided and will remain frozen at the 24/25 level for the entire MTFP. There is a risk here around how the value of this increase will be centrally quantified and how then that grant funding is distributed. If it is based on grant formula (as they have done for the pay grant) we will receive a lower amount from central government;
- Police Staff** – As a result of approved business case growth, we are planning to make further investment into key capabilities, including Lighthouse Victim Care, Occupational Health, Vetting, Change and Leadership training for frontline police officers. In addition, because of ongoing focussed retention issues, we have approved growth to provide targeted market supplement payments to ensure that we offer competitive market benefits for example in the IT Directorate. In total our growth in police staff costs will be **£1.5m by 28/29**;
- Injury Pensions** – Our forecast includes significant increase to our budget due to CPI inflation rates. CPI in September was 6.7%. We have taken the opportunity to remodel Capital-equivalent charge payments (CECP – early ill-health retirements). The budget is now set at twice the average pensionable salary for the officer concerned, with a forecast of 12 processed claims p.a. Previously the budget was based on the lump sum payment made out to the officer. This generates a budget adjustment of £0.4m but is offset by inflation. In total our commitment on injury pensions increases to **£1.5m by 28/29**;
- General Inflation** – UK inflation has dropped to 4.6% in October and its lowest level for 2 years. The drop in inflation is due to falling energy prices however the decline does not mean prices are going down, only that they are rising less rapidly. Our assumption around general inflation is based on an estimated quarterly average for 2024/25 from the Office for Budget Responsibility (OBR). Therefore, our modelling

¹ Officer pensions will be subject to actuarial valuation confirming employer contribution rates with effect from April 2024. Based on current information it is likely that the employer contribution rate will increase from 31.0% to 36.2%. An overall increase of 5.2% in the employer contribution rate is modelled in our MTFP assumptions. The impact of this is circa. £6.6m additional costs p.a. At this stage in our plans, we have assumed that the additional pension costs will be matched by grant funding.

assumes +3.0% increase on general inflation and subsequent years at +2.0% to match the Bank of England inflationary targets. In total we have added a further **£2.2m by 28/29;**

- **Specific Inflation** – There remains acute pressures around energy costs however in comparison to last year we see a gradual decline in the wholesale cost of energy (although overall cost remain high). We have undertaken a rebasing exercise of electricity and gas budgets as we benefited from purchasing our energy costs off the Crown Commercial Services framework. For 24/25 we are assuming an inflationary increase of +4.0% on both electricity and gas. We are also seeing higher inflationary increases in cleaning costs in line with the National Living Wage (NLW), which sees our costs increase by +5.6%. It is expected that the NLW will surpass +£11 from April 2024. There are further inflationary increases in repairs and maintenance costs in Estates & Facilities. In addition, we continue to see volatility around fuel pricing – our assumptions for 24/25 is an increase of +5.0%. In total we have added a further **£3.6m by 28/29;**
- **IT costs** – Our IT costs continue to grow, reflecting contractual inflationary increases, growth in the number of licences and a move towards Enterprise 5 Microsoft licencing model. Further investments in new capabilities and the costs of gradually adopting more and more cloud services (Transformation Project) in line with both national and local digital strategies. As of 22/23 we have started our transition to a new ERP system. Although we are expecting upfront investment into the ERP, once implemented we are forecasting to achieve savings from 25/26 onwards. There remains a degree of uncertainty around the timing of potential savings/costs of SAP & the replacement ERP system while the programme team undertake a replanning exercise. IT costs are forecast to increase by **£7.6m in costs by 28/29;**
- **Deferred Prosecution Model** – Investment has been agreed to support and implement a deferred prosecution model. This is where a person accused of committing an eligible crime is offered the opportunity to complete specified conditions (for example rehabilitative activity, reparation to the victim and/or unpaid work). If they do not complete the conditions successfully, they can be prosecuted. In year 1 of the MTFP this will be funded from reserves but thereafter the cost is built in as permanent growth. This is forecast to add a further **£0.4m by 28/29;**
- **Learning Temporary Growth** – Temporary growth is agreed to support Learning with their current challenges around demand and capacity as they continue to manage the growing pains from uplift. The temporary investment will enable the department to deliver on compliance of nationally required skills and accreditations. In year 1 of the MTFP this will be funded from reserves as a short-term pressure. This is forecast to add a further **£0.4m during 24/25;**
- **Regional Collaborations** - We have budgeted for inflationary increases to our share of regional collaborations, including the Southwest Regional Organised Crime Unit (SWROCU), Southwest Forensics, Counter Terrorism Support Unit (CTSFO), Tri-Force Firearms Training, Tri-Force Major Crime Investigations Team, and Southwest Police Procurement Services (SWPPS). The key assumption driving these cost increases is the annual pay award which mirrors our direct pay cost assumptions, the increased officer

pension employer contributions at +5.2% and non-pay inflation assumed at +3.0% for 24/25. The cost of this is forecast to be **£6.8m by 28/29**;

- **Capital Financing** – In line with the current plans for borrowing (see section on capital below) we are forecasting an increase of **£0.9m in capital financing costs by 28/29**, driven by increases to interest payable and our provision for the repayment of new loans. We are also forecasting an increase in our interest receivable by 5.0% which is in line with the current Bank of England’s interest rates. Interest receivable is increased to **£1.5m by 24/25** but then tapers back down in line with BOE’s long-term forecast on interest rates;
- **OPCC Budgets** – The PCC has approved growth in the OPCC budget to reflect the approved pay award and the increased demands on the OPCC Office and commissioning activity. The cost of this is forecast to be **£0.5m by 28/29**.

Our work to build our forward revenue budgets remains under review at this stage, and therefore will be subject to further changes over the coming weeks as we refine our planning assumptions.

5. BALANCING THE REVENUE BUDGET

We are now developing our savings plans which will assist in the delivery of a sustainable financial budget plan for 2024/25 and subsequent years. Since December 2022, a dedicated core planning team has been established and have been closely working with senior leads to identify and scope savings from both pay and non-pay budgets.

To date we have identified £2.0m in savings from police staff pay and this represents a reduction of 44 budgeted FTE from the established. Within police pay we have reflected the reductions in the number of officers in receipt of historic allowances.

In addition, we have made savings against premises costs as we continue to review our estates strategy. We have achieved savings within our supplies and services budgets, incorporating savings in our IT costs and through ongoing procurement savings against printing and laundry costs. We have made assumptions around the savings that will be released following the implementation of our new ERP system, with these largely taking effect from 2025/26.

Our plans include savings and adjustments which have been reflected in the above numbers.

Revenue Savings	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Police Officer Pay and Allowances	-110	-113	-115	-120	-141
Police Staff Pay and Allowances	-2,009	-2,784	-2,784	-2,784	-2,784
Non-Pay Costs	-2,451	-3,655	-4,091	-4,167	-4,198
Income	-	-	-	-	-
TOTAL Savings	-4,570	-6,552	-6,990	-7,071	-7,123

In addition to these savings, we recognise at this stage in our planning that further savings will be required to balance our revenue budget over the medium term. We have already started to formulate these plans. A number of proposals have been developed which will be

reviewed at November's Strategic Planning meeting (SPM) before being incorporated into the Medium Term Financial Plan.

6. CAPITAL PLANS

Our assets are essential to the provision of an effective policing service. In order to sustain this service, and meet the objectives and ambitions set out in the Police and Crime Plan, it is important that we set out how we intend to maintain and develop our assets, identifying investments we plan to make. These are required to both support the refresh of our existing assets and infrastructure, as well as to invest in new transformative initiatives that will help us to realise improvements in our operational efficiency and effectiveness.

At time of writing our capital plans remain under review. The emerging picture suggests continued investments in support of both local and national change programmes. A number of assumptions have been needed to be made to inform this plan, which is reflected in the fact that at present we are showing as having a deficit in capital funding of £39.3m over the next 5 year plan. Refining the assumptions that drive cost here (where possible), as well as our funding considerations will be part of our work over the coming weeks and months.

	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Asset replacement	12,893	8,920	9,753	5,898	7,671
Digital Projects	1,521	2,406	1,425	2,250	2,000
Estates Projects	8,597	15,868	8,255	2,737	330
Revenue Projects	3,261	2,209	3,138	3,317	3,316
Funded Projects	1,783	1,480	1,274	1,322	1,072
TOTAL Capital Plan	28,055	30,883	23,845	15,524	14,389

Capital Grants	-	-	-	-	-
Partner Contributions	-1,782	-1,480	-1,274	-1,322	-1,072
Direct revenue funding	-6,500	-6,500	-6,500	-6,500	-6,500
Capital reserve funding	-11,722	-1,367	-	-765	-
Capital receipts	-7,271	-4,507	-200	-200	-200
External Borrowing	-780	-5,934	-983	-	-
TOTAL Capital Funding	-28,055	-19,788	-8,957	-8,787	-7,772

Deficit	-	11,095	14,888	6,737	6,618
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Asset replacement – the breakdown of our asset replacement plan is as follows: -

	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
ICT	3,184	3,352	5,261	1,597	4,119
Estates	2,176	1,213	341	341	341

Fleet	5,488	3,684	3,480	3,410	2,861
Equipment	2,045	671	671	551	350
TOTAL Replacement	12,893	8,920	9,753	5,898	7,671

- ICT replacement – our plans predict we will need to spend £17.5m on the replacement of ICT infrastructure. This includes the replacement of laptops (£6.4m); the replacement of personal issue mobile smartphones (£4.4m); the replacement of body worn video cameras (£2.7m); Digital Interview Recording Hardware (£1.1m) and the replacement of monitors (£1.2m);
- Estates replacement – our plans predict we will need to spend £4.4m on the replacement and repair of our estate. This is informed through building condition surveying as well as the delivery of our wider plans, and includes the replacement of heating, ventilation, air conditioning, mechanical and electrical systems (£2.2m); and the repairs and maintenance of items within HQ buildings (£2.0m);
- Fleet replacement – our plans predict we will need to spend £18.9m on the replacement of our fleet over the next 5 years. This includes the replacement of response and tactical support fleet (£7.0m); the replacement of Investigations and Ops support fleet (£3.8m); and the replacement of neighbourhood fleet (£4.6m).
- Equipment replacement – our plans predict a £4.3m spend on the replacement of equipment including the replacement of body armour (£1.2m) in 2024/25, £1.3m over the next 5 years to replace our Automatic Number Plate Recognition (ANPR) hardware and £1.2m over the next 4 year on taser replacement plan.

Digital Projects – our digital projects largely fall into three categories as follows: -

	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Infrastructure Projects	971	1,006	575	-	-
National Projects	-	-	-	2,000	2,000
Local Projects	550	1,400	850	250	-
TOTAL Digital Projects	1,521	2,406	1,425	2,250	2,000

- Infrastructure Projects – our plans predict that we will need to spend £2.5m enabling the implementation of improvements to our infrastructure through servers and cloud-based options.
- National Projects – Our plan predicts that we will spend £4.0m on the Emergency Services Network project, however due to national delays this has been moved to 2027/2028.
- Local Projects – our plans predict that we will spend £3.0m on the implementation of local projects over the next five years. This includes: -
 - Data Platform – we are progressing a digital strategy over the next four years which will see predicted spend of £2.5m
 - Command and Control System - £0.3m

- Revenue Projects – our plan predicts we will spend £15.2m on digital projects that have a non-capitalised element, this is mainly the cloud option for new upgrades. This includes: -
 - ERP Replacement – we are currently developing our plans for the improvement of our corporate system capabilities, enabling continued improvements in many of our key corporate processes. Our capital plans include £1.0m in support of this over the next three years.
 - Digital Evidence Management System review – We are looking to improve our end to end processing of digital evidence. There is £4.5m included in the plan over the next five years.
 - Transformation – This is the continued upgrade of storage to the cloud options and professional services, this has £2.1m across the next 5 years.
 - Within the plan there is £6.0m towards the end of the 5 years as a provision for future digital projects

Estates Projects – our estates projects fall into the following categories: -

	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Somerset Projects	3,797	5,228	983	-	-
Bristol Projects	1,876	2,774	432	1,297	-
BANES Projects	2,238	2,239	670	-	-
Other Projects	686	5,626	6,170	1,440	330
TOTAL Estates Projects	8,597	15,867	8,255	2,737	330

- Somerset Projects – our capital plan includes £10.0m over the next three years to progress estates projects in Somerset. This supports: -
 - South Somerset - £9.5m over the next three years is included within the plan to review properties requiring development within South Somerset; this includes the station at Yeovil, Chard, Crewkerne and Somerton, also a vehicle workshop in Yeovil.
 - Minehead police station - £0.5m is included within our plan for 24/25 to develop our police station in Minehead.
- Bristol Projects – our capital plan includes £6.4m over the next four years to progress estates projects in Bristol. This supports: -
 - Trinity Road police station (Old Market) – the work to progress the redevelopment of our current Trinity Road police station site has continued. We have now sold the site (subject to planning permission) to a social housing developer, with the intention of securing a neighbourhood base on the ground floor of the redeveloped site. £1.7m over 26/27 and 27/28 has been included in the plan to support this.
 - Broadbury Road police station (Knowle West) – our plans include £2.4m over the next two years for the redevelopment of our existing police station site.

- Almondsbury police station – our plans include £2.3m in 25/26 for the refurbishment of the station.
- Bath and North East Somerset Projects – our capital plan includes £5.1m over the next two years for the refurbishment for Plymouth House purchased this year.
- Other Projects – Our plan includes £14.3m over the five years for projects such as Electric car charging infrastructure (£11.0m), Strategic Initiative (£2.0m) and ABE Suites (£1.0m).

7. NEXT STEPS AND TIMETABLE

We expect to further develop and finalise our plans and our precept proposal in time to present a final recommended proposal for consideration by the Police and Crime Panel at their meeting in early February. We are reliant on the following in order to achieve this timetable: -

- Confirmation of approved 2024/25 tax base across our local authorities – expected in December/early January.
- Confirmation of the government’s main police grant funding for 2024/25 – expected in mid-December.
- Confirmation of our share of any surplus or deficit on the collection fund across our local authorities – expected mid-January.
- Confirmation of our savings plans from Novembers SPM to balance the 2024/25 budget.

In addition to the above external confirmations, we will continue internally to progress our development of the MTFP and budget and associated savings and efficiency plans, refining these where appropriate.

The Police and Crime Panel is invited to discuss this report.

Contact Officer/s:

Nick Adams, Chief Officer: Finances, Resources and Innovation
Avon and Somerset Constabulary

Paul Butler, Chief Financial Officer
Office of the Police and Crime Commissioner for Avon and Somerset

2024/25 - 2028/29 Medium Term Financial Plan - Revenue

	Current Year	MTFP Period				
	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Constabulary Budgets						
Police officer costs	191,845	206,150	212,196	217,629	222,364	226,950
Police community support officer costs	14,208	13,485	13,906	14,300	14,657	14,987
Police staff costs	107,659	113,573	116,119	119,170	121,890	124,449
Other current and former employee costs	10,791	10,963	11,269	11,583	11,807	12,035
Premises costs	17,912	17,385	17,999	17,973	18,629	20,069
Transport costs	5,893	5,886	6,087	6,296	6,476	6,681
Supplies and services costs	37,890	39,203	40,443	42,399	44,067	45,821
Partnership costs	20,781	31,179	32,575	33,396	34,051	34,656
<i>Plus</i>						
Contribution to/(from) reserve	- 1,880	- 1,426	- 1,619	- 2,144	- 2,191	- 2,091
Capital financing costs	15,941	16,800	16,579	17,728	17,669	16,701
Outstanding savings target	2,163	-	-	-	-	-
<i>Less</i>						
Income (inc Specific Grants)	- 44,650	- 47,459	- 45,699	- 44,484	- 43,318	- 44,023
Constabulary costs before specific grants	378,553	405,739	419,854	433,846	446,099	456,235
<i>Less</i>						
Home Office - Pensions grant	- 2,828	- 10,240	- 10,240	- 10,240	- 10,240	- 10,240
Home Office - Uplift grant	- 6,290	- 6,290	- 6,290	- 6,290	- 6,290	- 6,290
Home Office - Pay Award grant	-	- 11,778	- 11,778	- 11,778	- 11,778	- 11,778
Ministry of Justice - Victims commissioning grant	- 906	- 906	- 906	- 906	- 906	- 906
TOTAL constabulary costs	368,529	376,524	390,640	404,631	416,885	427,021
OPCC Budgets						
PCC commissioning costs	2,393	2,394	2,394	2,394	2,394	2,394
Office of the PCC costs	2,210	2,407	2,508	2,566	2,617	2,664
TOTAL OPCC costs	4,603	4,801	4,902	4,960	5,011	5,058
Net Revenue Expenditure	373,132	381,326	395,541	409,591	421,896	432,079
<i>Funded by:</i>						
Home Office - Core police grant	- 197,385	- 200,820	- 202,860	- 204,921	- 207,002	- 209,104
Home Office - Legacy council tax grant	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709
MHCLG - Council tax support grant	-	-	-	-	-	-
MHCLG - Council tax income guarantee grant	- 208	-	-	-	-	-
Council Tax - Precept	- 156,166	- 162,842	- 167,760	- 173,169	- 178,752	- 184,515
Council Tax - (Surplus)/Deficit	- 1,005	340	-	-	-	-
TOTAL Revenue Funding	- 369,473	- 378,031	- 385,329	- 392,799	- 400,463	- 408,328
Surplus (-) / Deficit (+) before use of reserves	3,659	3,295	10,212	16,792	21,433	23,751
Planned Contribution (from)/to reserves	- 3,659	-	-	-	-	-
Surplus (-) / Deficit (+) after use of reserves	0	3,295	10,212	16,792	21,433	23,751

2024/25 - 2028/29 Medium Term Financial Plan - Revenue

	Current Year	MTFP Period				
	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Constabulary Budgets						
Police officer costs	191,845	206,150	212,196	217,629	222,364	226,950
Police community support officer costs	14,208	13,485	13,906	14,300	14,657	14,987
Police staff costs	107,659	113,573	116,119	119,170	121,890	124,449
Other current and former employee costs	10,791	10,963	11,269	11,583	11,807	12,035
Premises costs	17,912	17,385	17,999	17,973	18,629	20,069
Transport costs	5,893	5,886	6,087	6,296	6,476	6,681
Supplies and services costs	37,890	39,203	40,443	42,399	44,067	45,821
Partnership costs	20,781	31,179	32,575	33,396	34,051	34,656
<i>Plus</i>						
Contribution to/(from) reserve	- 1,880	- 1,426	- 1,619	- 2,144	- 2,191	- 2,091
Capital financing costs	15,941	16,800	16,579	17,728	17,669	16,701
Outstanding savings target	2,163	-	-	-	-	-
<i>Less</i>						
Income (inc Specific Grants)	- 44,650	- 47,459	- 45,699	- 44,484	- 43,318	- 44,023
Constabulary costs before specific grants	378,553	405,739	419,854	433,846	446,099	456,235
<i>Less</i>						
Home Office - Pensions grant	- 2,828	- 10,240	- 10,240	- 10,240	- 10,240	- 10,240
Home Office - Uplift grant	- 6,290	- 6,290	- 6,290	- 6,290	- 6,290	- 6,290
Home Office - Pay Award grant	-	- 11,778	- 11,778	- 11,778	- 11,778	- 11,778
Ministry of Justice - Victims commissioning grant	- 906	- 906	- 906	- 906	- 906	- 906
TOTAL constabulary costs	368,529	376,524	390,640	404,631	416,885	427,021
OPCC Budgets						
PCC commissioning costs	2,393	2,394	2,394	2,394	2,394	2,394
Office of the PCC costs	2,210	2,407	2,508	2,566	2,617	2,664
TOTAL OPCC costs	4,603	4,801	4,902	4,960	5,011	5,058
Net Revenue Expenditure	373,132	381,326	395,541	409,591	421,896	432,079
<i>Funded by:</i>						
Home Office - Core police grant	- 197,385	- 200,820	- 202,860	- 204,921	- 207,002	- 209,104
Home Office - Legacy council tax grant	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709
MHCLG - Council tax support grant	-	-	-	-	-	-
MHCLG - Council tax income guarantee grant	- 208	-	-	-	-	-
Council Tax - Precept	- 156,166	- 163,652	- 168,595	- 174,030	- 179,641	- 185,433
Council Tax - (Surplus)/Deficit	- 1,005	340	-	-	-	-
TOTAL Revenue Funding	- 369,473	- 378,841	- 386,164	- 393,660	- 401,352	- 409,246
Surplus (-) / Deficit (+) before use of reserves	3,659	2,484	9,378	15,931	20,543	22,833
Planned Contribution (from)/to reserves	- 3,659	-	-	-	-	-
Surplus (-) / Deficit (+) after use of reserves	0	2,484	9,378	15,931	20,543	22,833

Capital Plan	Current Yr	MTFP Period					5 Yr Plan
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000

CAPITAL PLAN EXPENDITURE							
Information and Communication Technology	1,496	3,184	3,352	5,261	1,597	4,119	17,512
Estates	946	2,176	1,213	341	341	341	4,411
Fleet	5,273	5,488	3,684	3,480	3,410	2,861	18,924
Equipment	754	2,045	671	671	551	350	4,289
TOTAL Maintenance and Replacement	8,468	12,893	8,920	9,753	5,898	7,671	45,135
Revenue Projects	5,898	3,261	2,209	3,138	3,317	3,317	15,242
National Projects	-	-	-	-	2,000	2,000	4,000
Local Projects	775	1,521	2,406	1,425	250	-	5,603
Digital Projects	6,673	4,783	4,615	4,563	5,567	5,317	24,845
Somerset Projects	652	3,797	5,228	983	-	-	10,008
Bristol Projects	892	1,876	2,774	432	1,297	-	6,378
BANES Projects	1,874	2,239	2,239	670	-	-	5,147
Other Projects	20	686	5,627	6,170	1,440	330	14,253
Estates Projects	3,438	8,597	15,867	8,255	2,737	330	35,786
Funded projects	1,958	1,782	1,480	1,274	1,322	1,072	6,930
TOTAL Capital Plan	20,537	28,055	30,883	23,845	15,524	14,389	112,695

CAPITAL PLAN FUNDING							
Partner contributions	- 1,958	- 1,782	- 1,480	- 1,274	- 1,322	- 1,072	- 8,888
General Capital Grant Funding	-	-	-	-	-	-	-
Specific Capital Grant Funding	- 58	- 290	-	-	- 765	-	- 1,113
Direct Revenue Funding	- 6,500	- 6,500	- 6,500	- 6,500	- 6,500	- 6,500	- 39,000
Capital Reserves	- 8,316	- 11,432	- 1,367	-	-	-	- 21,115
Earmarked reserves	-	-	-	-	-	-	-
Capital Receipts	- 200	- 200	- 200	- 200	- 200	- 200	- 1,200
Internal Borrowing	- 3,220	- 7,071	- 4,306	-	-	-	-
Borrowing	- 138	- 780	- 5,934	- 983	-	-	- 7,835
TOTAL Grant Funding	- 20,389	- 28,055	- 19,788	- 8,957	- 8,787	- 7,772	- 79,151

Deficit	(0)	(0)	11,095	14,888	6,737	6,618	39,338
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Capital Reserve						
B/Fwd	- 8,546	- 10,376	- 3,506	0	0	0
Additions	- 5,250	- 400	- 1,000	- 200	- 200	- 200
Use of	3,420	7,271	4,506	200	200	200
C/Fwd	- 10,376	- 3,506	0	0	0	0

Capital Receipts Reserve						
B/Fwd	- 21,002	- 12,799	- 1,367	0	0	0
Additions	- 113	-	-	-	-	-
Use of	8,316	11,432	1,367	-	-	-
C/Fwd	- 12,799	- 1,367	0	0	0	0