



**AVON &
SOMERSET**
POLICE & CRIME
COMMISSIONER



Avon and Somerset Police & Crime Commissioner

Medium Term Financial Plan

2025/26 – 2029/30

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Executive Summary

This MTFP reflects the tightened financial constraints within which the public sector has been having to manage for over a decade. The plan builds on the announcements made in the Government's police funding settlement and the assumption that the policing precept will increase by £14 p.a. for an average band D property in 2025/26. The plan projects forward using with further assumptions in subsequent years, forecasting that revenue funding will **increase by £56.1m/14.3% by the 2029/30** financial year.

The funding settlement announcements made by the Government, confirmed core grant funding and that which is ring-fenced to maintain police officer numbers, would increase by £7.3m/3.1%. The 2025/26 full-year effect of the 4.75% pay award approved by the Government in July 2024¹ is £9.8m. This **increase in grant does not therefore cover the full cost of last year's pay award and provides nothing towards next year's pay award or wider inflationary pressures**. The settlement announced other increases to grant funding, however these were limited to cover specific cost pressures (national insurance grant £6.3m) or to support the governments priorities (neighbourhood policing grant £2.3m).

This plan is made within the context that policing in Avon and Somerset continues to be **under-funded compared to our need** and to comparable forces around the country. Our funding per head of population is below national average, and below the funding levels seen in those force areas with one of the other 10 largest cities in England and Wales. The Government continues to acknowledge the need for reform of the funding formula for the distribution of police funding, however they have yet to commit to a timescale for this work. We remain hopeful that the Governments review will address some of this imbalance, but we have not assumed that this will change over the course of this plan.

This plan also recognises growth in our costs. As of the end of March 2024, we continued to maintain officer numbers. Our underlying uplift officer headcount target of 3,291 has been bolstered by the additional funding provided in last years precept, and by continued expectation that we will over recruit police officers to help maintain the national uplift figures. The **officer headcount we will therefore maintain throughout 2025/26 is 3,351**. £8.0m of grant funding has been ringfenced for uplift and will only be payable to us in arrears upon maintaining officer numbers.

This plan also recognises growth in costs. The main cost increases relate to pay where we have assumed both annual inflationary increases, and a gradual increase in the average cost of an officer as our profile matures. Inflationary pressures are also forecast for items of non-pay, including increases in the costs of running local and national police IT infrastructure, and acute pressures such as that seen with growth in the cost of kennelling after the XL bully dog ban was introduced. This plan forecasts that our costs will increase by **£79.0m/20.2% by the 2029/30** financial year (an average of 4% p.a.), reducing to **£66.6m/17.0%** after we have accounted for £12.4m of identified savings.

	Current	MTFP Forecast				
	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Budget requirement	391,103	417,458	434,784	447,558	459,191	470,119
Less; Total funding	-391,103	-411,029	-419,681	-430,209	-438,582	-447,174
(Surplus)/Deficit before savings		6,429	15,103	17,349	20,608	22,946

¹ <https://www.personneltoday.com/hr/public-sector-pay-rises/>

Less; New savings		-6,429	-11,164	-12,313	-12,322	-12,383
(Surplus)/Deficit after savings		-	3,939	5,036	8,287	10,563

At this stage our plan shows that our 2025/26 revenue budget is balanced after accounting for those savings already identified. The identification of new savings from 2026/27 and into the future remains and will require further work. The Constabulary has delivered more than £100m in savings since 2010/11 and has done so against a backdrop of already being underfunded compared to need.

Further productivity and efficiency savings will remain a focus, particularly where they unlock a cashable saving. It is likely that future savings plans will continue to require a reduction in headcount. With protection on police officer numbers this will require us to further review our police staff numbers as part of the considerations for how we will achieve the savings that deliver a sustainable balanced budget for the medium-term.

Our intention will be to minimise the impact the delivery of these savings will have on successfully achieving both the Government’s national ‘**Safer Streets Mission**’ and the new PCC’s ‘**Police and Crime Plan**’ for Avon and Somerset. To achieve this, we will need to review our demand, particularly our non-crime demand, and to continue to reset expectations as to where policing is best placed to respond and where a response is best provided elsewhere. Through this work we will ensure that our focus remains on that demand and those services which the public rightly expect of their police service.

This MTFP reflects an **increase in council tax of £14/5.0% in 2025/26** for average B and D properties. The proposal to increase the precept by £14 is reflective of:

- Increases to grant funding for 2025/26 do not provide funding for future inflationary increases to pay and non-pay costs beyond those arising from last year’s pay award and the specific pressures of the national insurance increases. **The increase in precept therefore is the only means by which our funding will grow to support future cost increases**, such as next year’s pay award and other inflationary pressures.
- The need to sustainably **maintain the increase in police officers** for the medium term, while recognising the incremental increase in costs of doing this as pay progression, pay inflation and pensions changes, gradually move officer costs upwards.
- The need to **maintain and bolster our neighbourhood policing offer** and the proactive and preventative capability that this has in furtherance of the Governments neighbourhood policing guarantee.
- The need to provision for a reasonable **pay award to officers and staff** to ensure our people continue to receive a fair reward for the roles that they perform, and to support ongoing recruitment and retention.
- The need to manage **inflationary and other acute pressures** on our costs, including pressures on national and local IT infrastructure, the rise in kennelling costs, pressures on overtime budgets, the cost of forensic accreditation requirements as well as pressures of energy, fuel and other general inflation which are reflective of the cost-of-living challenges households and organisations continue to see.

The key assumptions that follow from this forecast position are.

- **Revenue funding is forecast to grow by £56.1m/14.3% p.a.** by 2029/30, driven by:
 - Increases to **core police grant funding** of £7.8m/3.5%² in 2025/26, rising to an increase of £16.7m/7.4% by 2029/30.

² This is the headline increase to core grant; however it reflects the movement of some funding previously ring-fenced for uplift into core grant. When the two are considered jointly the actual increase is £7.3m/3.1%

- Increases in **council tax funding** of £12.1m/7.2% in 2025/26, rising to an increase of £39.4m/23.6% by 2029/30, which is achieved through both increases to the precept and tax base (1.5% in 2025/26) in line with forecasts being made across our five local authorities.
- Revenue **budget requirement is forecast to increase by £66.6m/17.0%** p.a. by 2029/30, driven by factors such as:
 - Inflationary adjustments to **officer and staff pay**, incorporating the full year effect of the 4.75% 2024/25 pay award, and provisioning for 2.8% p.a. in 2025/26, 2.5% in 2026/27 and then annual forecasted increases of 2.0% p.a. thereafter. This is an increase in cost of £21.0m in 2025/26 rising to £52.0m p.a. by 2029/30.
 - Increases to **national insurance costs** resulting from the increase in the employer's contribution rate as announced by the Chancellor of the Exchequer in her October 2024 budget statement. These costs are offset by the provision of a specific grant announced in the funding settlement.
 - Adjustments to the **average cost of an officer and staff** which reflects the gradual maturing of our workforce profile and the incremental pay progression that is associated with this, resulting in an increase of £0.4m to budgets in 2025/26, increasing to £2.4m by 2029/30.
 - **Inflationary increases to non-pay costs** reflective of general, specific and acute pressures adding +£2.9m in 2025/26 rising to +£12.6m by the end of the plan.
 - **Growth in police officer costs** of £2.3m in 2025/26, which is offset by a ring-fenced grant, to begin delivery of the government plans to grow neighbourhood policing capabilities.
 - Growth in **overtime budgets** of £2.0m from 2025/26, to reflect an ongoing need to use overtime to help manage both extraordinary and routine policing, and in particular to manage the pressures generated by continued abstraction of between 400 and 500 officers across the year as they undertake their initial police training.
 - **Growth in support of several targeted areas** of £2.6m, including growth in supporting the management and administration of new police officer misconduct arrangements, the fees associated with the new Police Constable Entry Programme, joint growth in our digital forensic services, and in support of new IT solutions including the introduction of a new investigations system to help the analysis of digital evidence.
 - The costs of **partnerships** have increased, reflecting the impact of the same assumptions made around pay and inflation as against our own budgets, as well as increase to the employer national insurance. In total our partnership costs have increase of £2.0m in 2025/26, rising to £4.7m in 2029/30.
 - Increase to the **ring-fenced grant funding** we receive of £7.2m in 2025/26, reducing to £4.1m by 2029/30. This includes a significant increase of £6.2m to compensate for the National Insurance increases, as well as a new neighbourhood policing guarantee grant for £2.3m. These are offset by reductions to the police officer uplift maintenance grant funding, reflecting the movement of some of this funding into core grant, and the reduction in this funding over the medium-term. There is also a reduction of £0.9m to the pensions grant, reflecting in part the one-off nature of the funding provided in 2024/25 to support the costs of providing pension remedy, and to correct for an error in the grant funding in 2024/25 which should have been provided to counter-terrorism policing.
 - Increases to **income** budgets of £1.0m in 2025/26 and reducing by £2.2m by 2029/30. These include inflationary adjustments to our income budgets where appropriate and adjustments to the returns received from our investment income as interest rates start to fall over the medium term.

- Specific **contributions to/from reserves** are planned to be £0.6m in 2025/26, supporting one off or time bound cost pressures. This includes the use of funding to continue to support the costs of providing policing at Hinkley Point.
- Within our budgets we have made several **adjustments** to recognise changes to our previous plans, reducing budgets by £0.7m from 2025/26. This includes previous adjustments to budgets inflated in 2025/26 (e.g. utilities and fuel) where the final costs actually incurred were not as great as previously forecast reflecting the movement in markets or the securing of better pricing through procurement arrangements.
- Realisation of new **revenue savings and adjustments** of £6.4m in 2025/26 rising to £12.4m by 2029/30, reflecting those savings identified and planning to be implemented. This includes ongoing reduction to police staff headcount as previously announced, as well as savings against non-pay budgets where these have been identified.
- **Revenue contributions to fund the Capital Programme** are decreased by £0.1m in 2025/26, and by £0.7m by 2029/30. This reflects adjustments to reduce the temporary uplift to funding made in these budgets, as well as adjustments in line with our PFI accounting model and in servicing of new debt expected to be taken in support of our capital plans. This also includes annual increases to our direct revenue funding of capital of £0.25m p.a. from 2026/27, reflecting the ongoing need for inflationary adjustments for capital funding.
- Increases in the costs of **OPCC budgets** of £0.5m in 2025/26 rising to £0.7m by 2029/30 reflect the inflationary pressures seen across the Constabulary budgets.

Avon and Somerset's continued transformation also requires capital investment. Investments in **digital transformation**, as well as **across our estate and fleet**, require funding to implement. Some of these are locally driven requirements, however there are also capital investments needed to meet the local costs of national programmes, as well as responding to wider legislative and market movements such as the introduction of electric vehicles. Capital funding is increasingly under pressure to provide for this ambition, at the same time as maintaining and replacing existing asset base. These plans therefore make forward provision for capital funding, continuing to fund direct revenue contributions to capital, as well as planning for the use of borrowing in support of specific estates projects. These plans present a residual capital funding shortfall of £18.4m at this stage of development, and more work will be undertaken to identify opportunities to close this gap, including lobbying and identification for further capital funding for specific initiatives, as well as through reductions and re-profiling of costs where possible to achieve.

Useable **reserve levels** stood at £59.7m at the end of March 2024 and are forecast to decrease to £50.6m by March 2025. By the end of March 2030, the forecast projects that useable reserves will stand at £22.2m, which reflects the intended use of reserves to fund our capital plans. The value of reserves by the end of this plan represents a recurring prudent level beyond which they are unlikely to drop much further.

Introduction

The Medium-Term Financial Plan (MTFP) provides the financial outlook, context, and resourcing principles for the annual budget setting process. It outlines, in broad terms, the specific service and funding issues over the 5-year period and how the PCC will, within these financial constraints, fund priorities and ensure financial sustainability and resilience. The MTFP needs to be responsive to changing national and local conditions and is therefore a living document subject to annual review, with this plan covering 2025/26 – 2029/30.

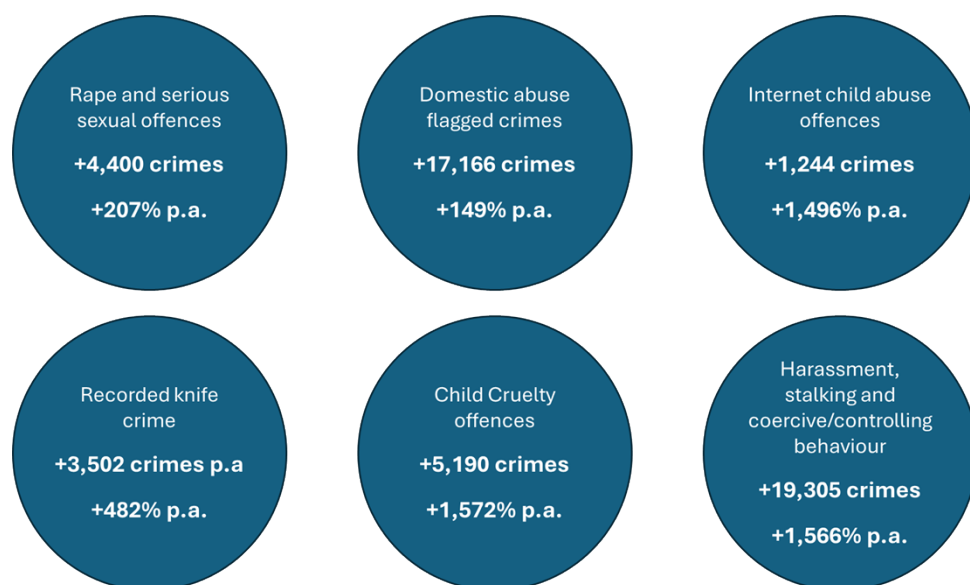
This is the first MTFP set by this PCC since her election in May 2024. It has been developed in collaboration between the Office of the PCC and the Constabulary and has been drafted to enable the delivery of the PCC's new Police and Crime Plan. This MTFP is also the first set since the election of a new government in 2024. The plan is therefore cognisant of the government's safer streets mission, as well as its commitments to neighbourhood policing and to tackling violence against women and girls, all of which are reflected in the priorities of the police and crime plan.

These priorities are:

- **Strengthening neighbourhood policing**, including tackling anti-social behaviour.
- **Reducing violent crime**, particularly male violence against women and girls and serious youth violence.
- **Preventing crime** by working together with other organisations and the public to build safer communities.
- **Supporting victims** to ensure they get the help they need when they need it.
- **Improving policing standards** so that people receive a fair and effective service.

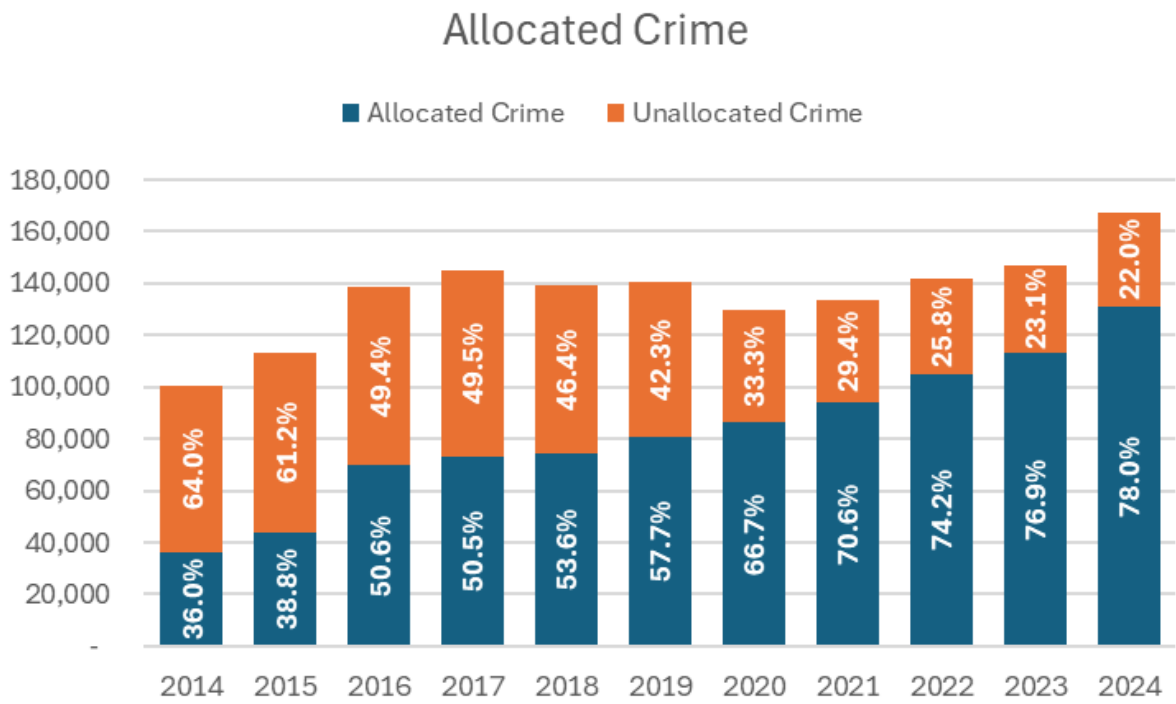
The MTFP is made against a backdrop of continued increases in demand for policing. In 2024 Avon and Somerset recorded 167,459 crimes, which has seen a 15.7% increase in victim-based crimes. The increase in recorded crime reflects both the significant improvements made in crime recording practices, and the increased confidence of victims to report crime.

As recorded crime has increased, so has the complexity of the crime types being reported to us, with many of these growing at an even higher rate over the last decade.

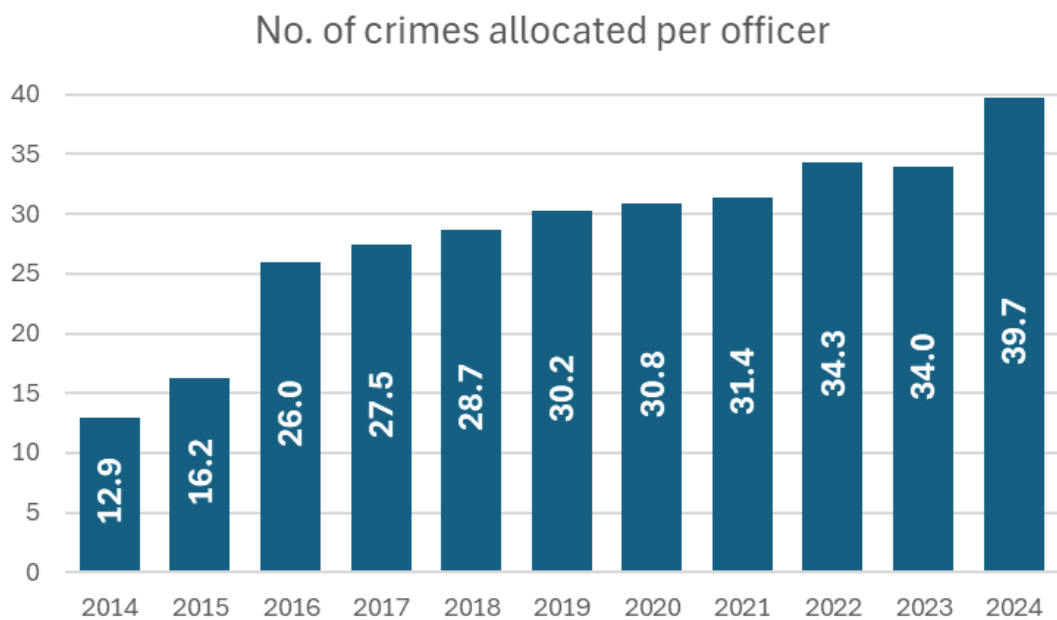


The increases in complex crime types, combined with growing expectations and requirements on policing to provide a response, has also meant that more and more of the crimes that are recorded

are allocated to officers to follow up investigations. In 2024, 78% of recorded crime, nearly 131,000 crimes, were allocated for follow up investigation work. This represents a significant increase over the past decade as the below graph demonstrates.



Police officer numbers have grown in recent years following the new investment provided under the uplift programme, with Avon and Somerset achieving and surpassing its original target for officer numbers under this scheme. However, while this growth was very welcome it has not kept pace with the growth in demand.



To create capacity to meet this increasing demand the Constabulary are progressing several initiatives designed to reduce non-crime demand and enhance productivity. This includes their work with partners on implementing the national ‘Right care, Right person’ initiative in Avon and Somerset, as well as looking to unlock the opportunities that are provided through adoption of new technology.

The fiscal context for this MTFP remains incredibly tight, reflecting the state of the UK public finances. The police funding settlement announcements made in December 2024 reflect this.

Forecasts for funding continue to show a shift in the balance of funding for policing from government grant funding towards council tax funding. This has been the pattern in place for several years now, and the police funding announcements for 2025/26 continue this trend which is expected to last for the duration of this MTFP period.

The basis for distribution of grant funding across policing is widely recognised as needing reform. However, while the new government have acknowledged this position, they are yet to commit to a timescale for this. This MTFP therefore assumes no change to the model across the next five years.

The plan recognises the ongoing importance of maintaining police officer numbers, and now bolstering this to meet the governments neighbourhood policing guarantee which will nationally see 13,000 more officers, specials and staff deployed into neighbourhood policing. This plan will therefore sustain our police officer numbers after the hard work undertaken to grow these back up to close to being at their original peak as part of the previous governments uplift programme. Maintaining our officer numbers will require of us ongoing annual recruitment of between 200 and 250 new officers, and the management of c. 400 - 500 officers at any one time undergoing their initial training to become a police officer. Leading a workforce that requires this level of abstraction, and where more than 40% have less than 6 years' experience will continue to require investment into our leadership capabilities.

At the same time the inflationary pressures on our costs continue to grow. Employment costs and pay are the single biggest area of spend supported by this budget, and therefore increases in pay and pay related costs are where the most material changes are expected across the medium term. Wider inflationary pressures are also forecast across areas of non-pay, and some investment into new capabilities, particularly those offered by technology, to help in sustainably managing the policing demands we face, are considered in these plans. This plan therefore includes provision for inflationary and other cost pressures together with costs to realise the Government and PCC's ambitions.

This plan also recognises that it will be necessary to continue to identify revenue and capital savings. These are needed to not only ensure that we can continue to balance our budgets, but that we can sustain the new investment needed and expected of us. Our current plans for savings only get us so far, and therefore we know that future iterations of this plan will need to bring forward further savings. The forecasts contained within this plan mean that annual recurring savings will be required in each year of this plan and for the foreseeable future.

In 2025/26, we will continue to see change throughout the Force. This plan commits Avon and Somerset to using the funds available through both government grant and council tax precept growth to:

- **Maintain police officer headcount of 3,351 throughout 2025/26** – The funding settlement continues to confirm that £8m of our funding will only be paid to us upon proof we have maintained officers' numbers throughout 2025/26. This target officer headcount includes additional officer numbers previously committed to in support of the national position and is expected to reduce back once the situation recruitment situation in the Met has stabilised. This is therefore a temporary position, but our intention will be to try to fund the permanent retention of as many of these police officer posts as possible across the medium term.
- **Fund a reasonable pay award for officers and staff** – The government confirmed a pay award for police officers and staff at 4.75% from September 2024. The full year cost of this has been included within this plan. Looking ahead the government has confirmed its expectation that the independent pay review bodies looking at pay across the public sector will recommend no more than 2.8%, and that is therefore the assumption we have made for the pay award that will be applied from September 2025.

- **Fund inflationary cost pressures** - We expect inflation to remain a key factor throughout the MTFP. This plan contains provision for specific market pressures, including in areas such as IT, forensics, insurance, fuel, utilities and business rates. The plan also makes general inflationary provision at 2% in line with the bank of England's long-term target for inflation.
- **Fund increases in the costs of partnerships** – we collaborate with partners in the delivery of policing services in several areas. Each of these are subject to the same pay and inflationary increases we recognise in our own budgets. In addition, we have recognised some joint investment into forensic services with partners to manage the growth in both accreditation compliance costs and in demand of digital evidence. Where possible we have sought to offset these cost increases through savings from collaborations, but net there are increases to these budgets. This plan therefore accounts for our share of increases to these costs.
- **Support growth in budgets for overtime of officers and staff** – to maintain policing services 24 hours a day, 365 days a year, we rely on the use of overtime. This is needed to support both routine and extraordinary incidents and situations, and over the past few years we have seen overspends on overtime that have created budgetary pressures. Some of these pressures are unforeseen, and result in reimbursement (such as when we provide police officers to another force under mutual aid arrangements). However, there remains pressure on routine overtime needed to manage the demand pressures alongside the significant levels of training abstraction. As we maintain officer numbers, we forecast that we are unlikely to see a significant easing of the pressures created by training abstraction, and consequently we recognise that growth in overtime budgets is needed. This plan therefore accounts for increases to these budgets, which will kept under close ongoing review.
- **Deliver the existing savings plans and bring forward plans for further savings** across the medium term that will not only enable the balancing of the revenue budget, but also support further re-investment into priority areas.
- Fund the ongoing **replacement of existing assets** as they reach the end of their useful lives, as well as **support new investment** in both national and local IT projects, and in the police estate across Avon and Somerset. This will include a new police station in Bath, and a return to our refurbished police station in Yeovil. We will also progress the roll out of electric vehicle charging infrastructure across our estate, enabling the gradual transition of our fleet in line with market trends.

It is in this national and local context that this MTFP has been prepared.

Revenue Funding

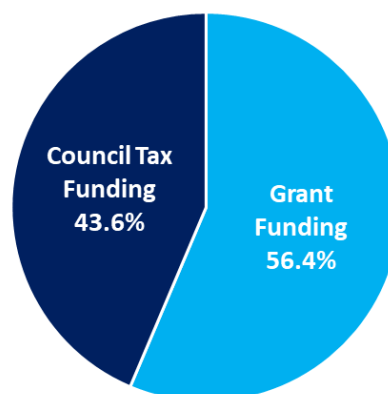
The PCC receives two main sources of funding: -

- Government grant funding; and
- Council tax funding.

Total funding is **forecast to be £411.0m in 2025/26**, the equivalent of £232.82 per head of population. This forecast reflects an increase of £19.9m/5.1% on prior year.

Over the medium-term total funding is forecast to **increase by £56.1m/14.3% by the 2029/30** financial year. This increase occurs in both grant and council tax funding.

Figure 1 – Ratio of Grant and Council Tax Funding 2025/26

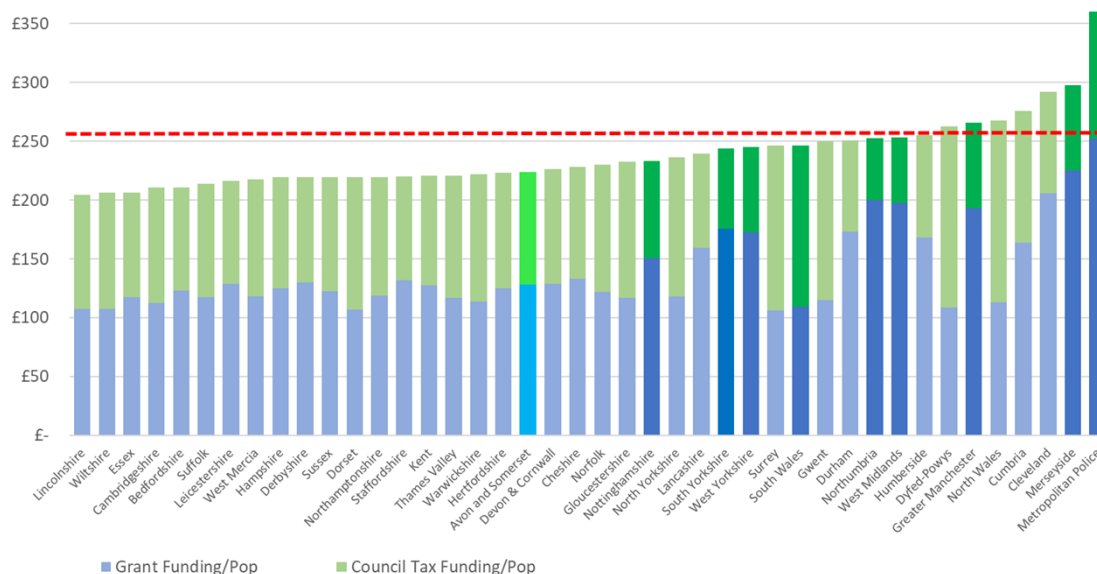


Forecast changes to revenue funding across this MTFP	Current	Forecast				
	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Core Grant funding ³	223,854	231,703	233,872	236,065	238,278	240,514
Council tax funding	167,249	179,326	185,809	194,144	200,304	206,660
TOTAL funding	391,103	411,029	419,681	430,209	438,582	447,174
<i>Increase in funding</i>		+19,926	+28,578	+39,106	+47,479	+56,071

Funding of policing in England and Wales

Compared to other forces across England and Wales, Avon and Somerset is underfunded.

Figure 2: 2024/25 funding per head of population showing grant and council tax breakdown by PCC in England and Wales



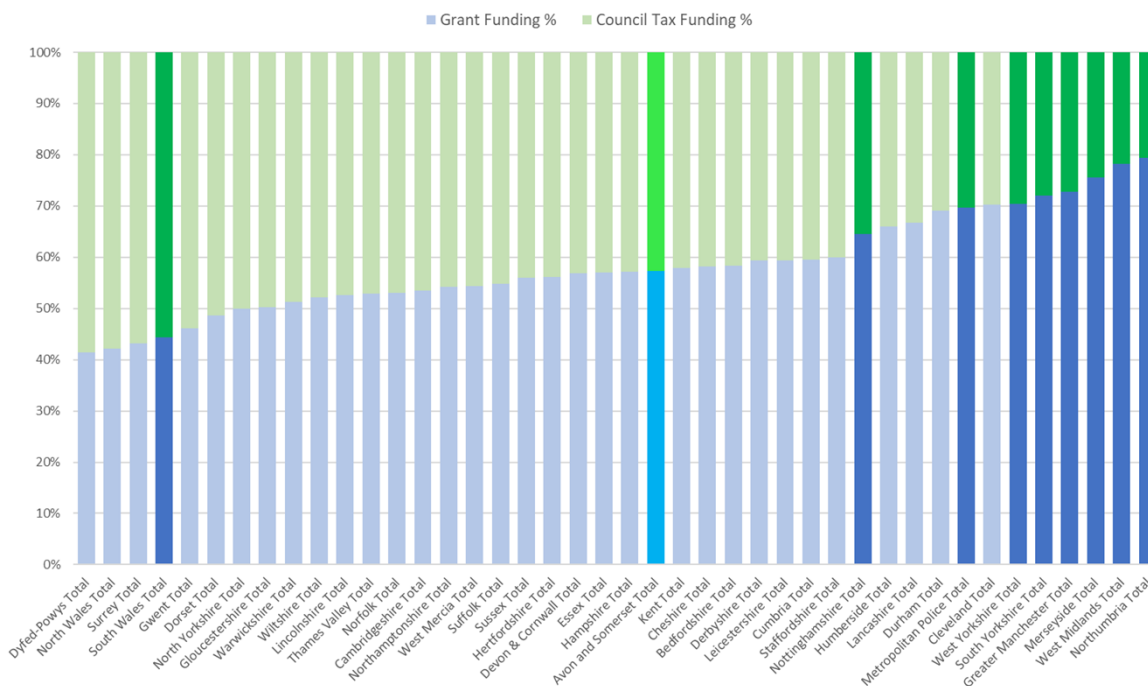
³ This reflects the grant funding provided annually by the Government in the published Police Grant Report. It does not include ringfenced grant funding provided for specific purposes which is accounted for within the budget requirement calculation.

In 2024/25 the PCC received the equivalent of £223.81 for each person living in Avon and Somerset to provide policing services. Across England and Wales, the average provided to a PCC was £253.82⁴ per person. If Avon and Somerset were to receive the equivalent funding of the average this would see our funding increase by £52.4m p.a.

The position is starker when compared to those forces who have one of the 10 core cities⁵ of which Bristol is one. The average funding provided to the other 9 PCCs for these force areas is £294.95 per person. If Avon and Somerset were to receive the equivalent funding of the average this would see our funding increase by £124.1m p.a.

The ratio of grant funding to council tax funding differs significantly across the country. The reasons for these differences are historic, reflecting the underlying variation in the way in which grant funding is distributed to PCCs, and the local council tax decisions in the context of relative funding levels.

Figure 3: 2024/25 ratio of grant to council tax funding for PCCs in England and Wales



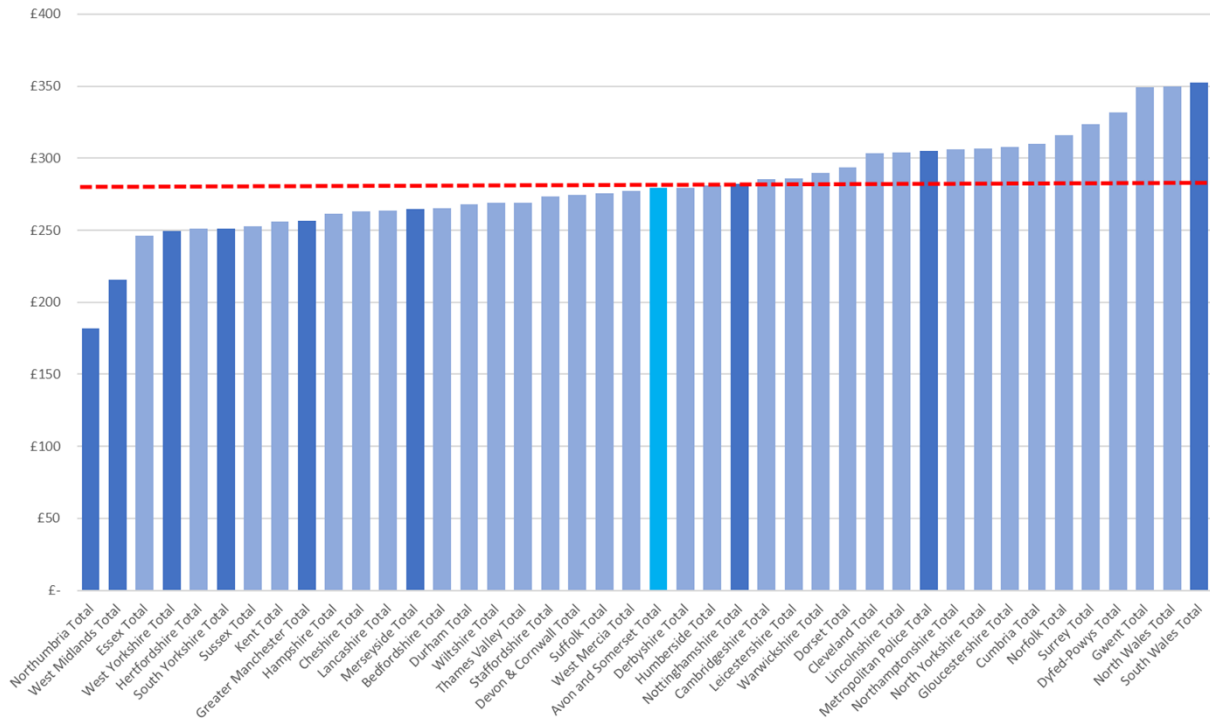
The current formula used to distribute grant funding was designed in the mid 2000's, but was introduced with transitional arrangements that would have taken nearly 50 years to fully be implemented. Had the formula been fully implemented, Avon and Somerset were set to receive c. £20m p.a. more in funding.

When the coalition government came to power in 2010, they in effect paused these transitional arrangements so that uniform reductions to grant funding could be imposed across policing. Grant funding in 2025/26 continues to be distributed under this model – a formula that is nearly 15 years old and which was only ever meant to be a transitional point on a previous implementation plan.

At the same time as the formula was fixed, government instigated tighter control over local council tax levels. Initially Police Authorities were incentivised to freeze council tax (for which they were rewarded with separate grant funding which continues to this day), and then local council tax referendums were introduced. No consideration was given to the relative council tax levels of individual forces, or their relative funding through grant formula. In effect this has locked in significant variation across the country. Avon and Somerset remain the median force area for its council tax levels in England and Wales.

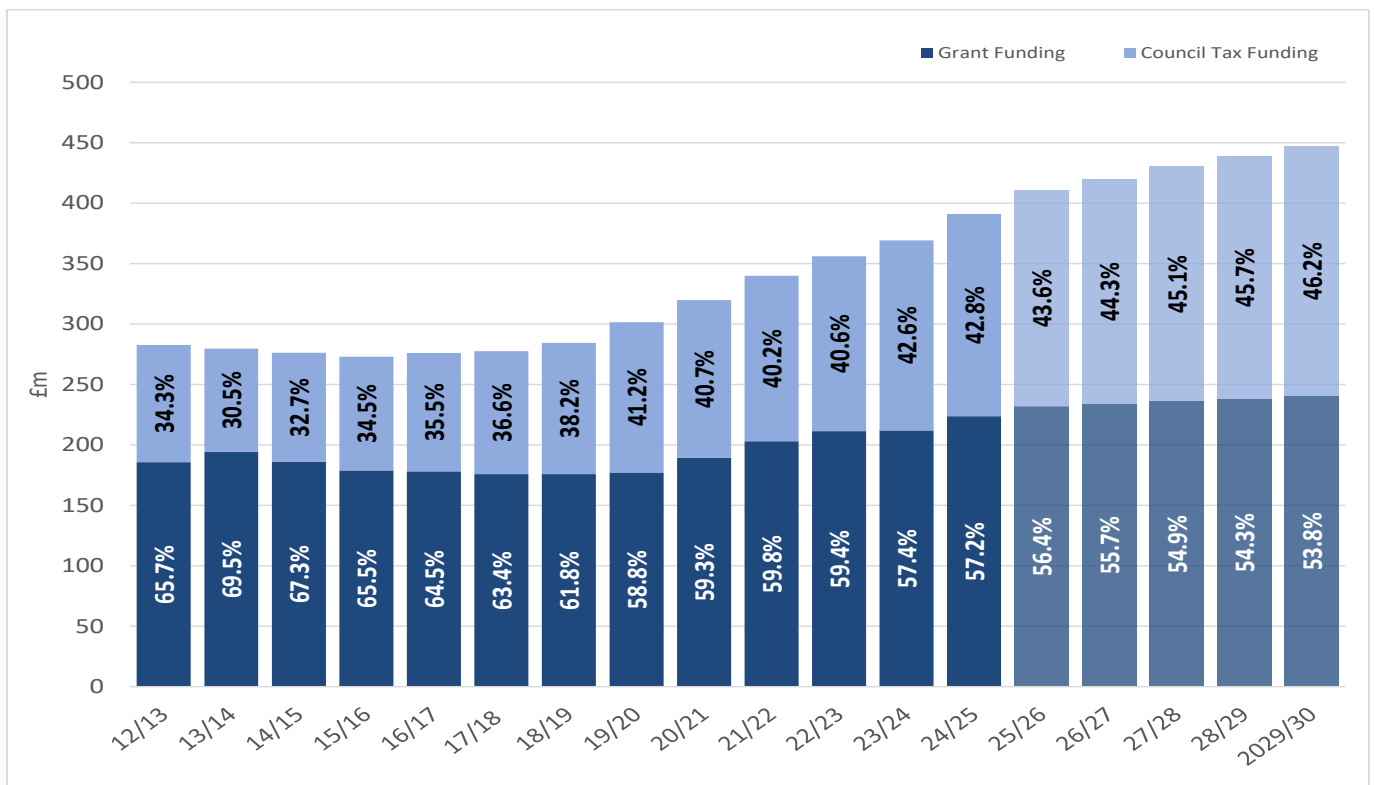
⁴ Excluding City of London Police, but includes the Metropolitan Police
⁵ London, Birmingham, Manchester, Liverpool, Leeds, Newcastle, Sheffield, Cardiff, Nottingham and Bristol

Figure 4: 2024/25 Average Band D council tax levels by Force Area



As restrictions on central government funding have continued, greater leniency has been applied to council tax levels to make up the shortfall. This has meant that over time the ratio between grant funding and council tax funding has changed. This MTFP assumes that trend will continue as we expect to receive below inflationary increases to our grant funding, with council tax continuing to be used to make up the shortfall.

Figure 5: Avon and Somerset actual and forecast profile of total funding.



The funding of policing across England and Wales needs significant reform. The National Police Chiefs Council and the Association of Police and Crime Commissioners are unified on the need for

this to be changed. The previous government started this process (having previously abandoned an attempt to review it following the threat of judicial review), with the independent report on this being shared with Ministers in Spring 2023. No action was taken on this prior to the general election in June 2024. The new government has acknowledged the need for reform but is yet to commit to a timescale for this to be taken forward.

The reality of funding reform is that it will result in a redistribution of funding. This will create winners and losers, and consequently it has been politically resisted. However, as Government has increasingly intervened to provide additional grant funding to policing (for above inflation pay awards it has approved and for increases to the costs of pensions), they are already seeing a disproportionate impact of the continued use of this formula. Those forces who, for historic reasons, are more reliant on council tax as a proportion of their funding are being penalised as they are seeing less additional grant funding for these cost pressures than their need. While Avon and Somerset is not as impacted by this as some forces are, we are affected by this position.

There would be no guarantee that a review would result in any increase to funding in Avon and Somerset. While we would be justified in a hope that any review would see the need for better funding in our force area, after over a decade of austerity all PCCs and Chief Constables would be forgiven for having similar levels of optimism. At this stage therefore, we are assuming across this MTFP that there will be no change to the funding formula and funding model across policing.

Grant Funding

The forecasts for future grant funding focus on these areas: -

- Core grant funding
- Legacy council tax grant funding
- Officer uplift grant funding
- Pensions Grant
- National Insurance Grant
- Neighbourhood Guarantee Grant
- Ministry of Justice grant funding

There are other sources of grant funding (e.g., Counter Terrorism grant funding) but these are all passed straight through to the Chief Constable to support specific activity within the Constabulary.

		Current			Forecast		
		24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Home Office	Pensions grant	8,667	8,378	8,378	8,378	8,378	8,378
	Pension remedy grant	578	-	-	-	-	-
	Uplift recurring grant	9,722	8,006	8,006	8,006	8,006	8,006
	Uplift additional grant	1,920	3,161	-	-	-	-
	National Insurance grant	-	6,290	6,290	6,290	6,290	6,290
	Neighbourhood Guarantee grant	-	2,287	2,287	2,287	2,287	2,287
MoJ	Victims Services	2,005	1,921	1,921	1,921	1,921	1,921
	Domestic Abuse/Sexual Violence	491	491	491	491	491	491
	ISVA/IDVAs	1,417	1,417	1,417	1,417	1,417	1,417
Within Net Budget Requirement		24,799	31,951	28,790	28,790	28,790	28,790

Home Office	Core Police grant	209,145	216,994	219,164	221,356	223,569	225,805
	Legacy council tax grant	14,709	14,709	14,709	14,709	14,709	14,709
Funding of Net Budget Requirement		223,854	231,703	233,873	236,065	238,278	240,514
TOTAL Grant Funding		248,653	263,654	262,663	264,855	267,068	269,304

Core police grant funding – Core police grant funding is the term used to describe the combined value of the Home Office police main grant, and the formula grant element which was historically distributed by the Department for Levelling Up, Housing and Communities but is now controlled by the Home Office.

The distribution of this grant funding to individual PCCs is the result of a historic formula, as explained above. The increase in funding Avon and Somerset would have expected to receive if the current formula had been fully implemented has never been realised. Consequently, Avon and Somerset continue to be relatively under-funded compared to its need, and for the reasons outlined above, this plan assumes that there will be no change to this position over the course of the next five years.

The funding settlement confirmed that core grant funding will incorporate additional funding in support of the September 2024 4.5% pay settlement. The core grant funding will increase in 2025/26 by £7.8m/3.5% and beyond 2026/27 our plan assumes increase to grant funding of +1.0% p.a.

Legacy council tax grant funding – This grant funding, which is included in the annual police grant report, but which is analysed separately from the main grant funding, is the combination of: -

- Funding that is paid in recognition of historic council tax freezes (therefore only payable to those PCCs who froze council tax in relevant years); and
- Funding which reflects the abolition of council tax benefit and the replacement of this with local council tax discount schemes (payable to all PCCs to replace funds previously paid through as council tax income).

The confirmed 2025/26 value of this funding is £14.7m, reflecting a continued freeze at historic levels. We have assumed this continues to remain frozen for the duration of the MTFP.

Officer uplift grant funding – The government has ring-fenced a proportion of its funding to policing and linked the payment of this to the ongoing maintenance of police officer numbers. This grant funding is only received in full upon proof that officers' numbers have been sustained at uplifted levels as at the end of September and the end of March each year.

The funding settlement announcement also confirmed that the recurring officer uplift grant would decrease by £1.7m to £8.0m and will be paid as in previous years, upon maintaining officer baseline number of 3,351 throughout 2025/26. This headcount of 3,351 is inclusive of 60 additional officers above our base headcount target 3,291. This increased target reflects the ongoing need for police forces to sustain an over-recruited position to compensate for the recruitment challenges being experienced in the Met. We have assumed that the value of this grant remains constant through the rest of the plan.

The Government also announced a further £3.16m of funding for A&S to maintain the 60 surplus officers that were on course to achieve on 31 March 2025, and which are included within our headcount target of 3,351. This grant funding will be provided unconditionally and is not linked to providing confirmation that the officer numbers have been achieved. As this funding is linked to the retention of additional officers, we have assumed that this will not continue beyond 2025/26. This assumes that the recruitment challenges in the Met will be overcome, and they will recover their officer numbers up to their uplift target, thereby reducing the need for other forces to be

compensated for maintaining officer numbers at a higher position. This assumption will need to be kept under review.

Police Pensions Grant – this grant was originally introduced in 2019/20 to help forces manage the large increase in employer contributions for police pensions resulting from the 2018 pensions valuation exercise (24% to 31%). The grant was then further increased in 2024/25 in recognition of the new valuations increase to the employer contribution rate (31% to 35%). As part of the 2025/26 settlement the Police Pension grant has reduced by £0.3m from £8.67m to £8.38m. This reduction recognises the error made by the Home Office last year in not allocating part of this funding to the counter-terrorism policing grants. The reduction therefore corrects for this error.

In 2024/25 an additional one-off grant of £0.6m was awarded to cover costs relating to the implementation of the Police Officer Pension Remedy. This grant has ceased in 2025/26.

National Insurance Grant – In the Autumn budget statement the Chancellor announced an increase to the Employer National Insurance by 1.25 percentage points to 15%. To compensate for this increase central government will provide grant funding based on workforce headcount as of March 2024. This adds £6.3m earmarked funding in support of the employer NI increases.

Neighbourhood Policing Guarantee Grant – The government has announced that we will receive £2.3m in support of the Neighbourhood Policing Guarantee. This funding will be earmarked to meet the government's target of improving neighbourhood policing capacity. Funding for 2025-26 has been allocated using the Police Funding Formula. At this stage of drafting the report we are yet to receive further information detailing the requirements of this grant funding, but have assumed for the purposes of planning that the grant will be wholly ring-fenced to support new expenditure on growth in posts to work within neighbourhood policing.

Victims grant funding – Grant is awarded to PCCs annually from the Ministry of Justice (MoJ) to support the commissioning of victims' services. The total value of these grants in 2025/26 is forecast to be £3.8m. This funding is accounted within the calculation of our budget requirement in the following ways: -

- Commissioning of victim's support services – a grant of £1.8m is forecast, and accounted for as follows: -
 - Funding of £0.7m is accounted for against the Constabulary's budget requirement, reflecting the part funding provided through this grant for the victim support services provided by the Constabulary; and
 - Funding of £1.1m is accounted for against the OPCC's commissioning budget requirement, reflecting the funding of victim support services from 3rd parties.
- Grant funding of £0.5m is forecast to provide for Domestic Abuse and Sexual Violence (DA/SV) services and is accounted for within the OPCC's commissioning budget requirement reflecting the use of these funds to commission services from 3rd parties.
- Grant funding of £1.4m is forecast to provide for Independent Sexual Violence Advisors and Independent Domestic Violence Advisors (ISVA/IDVAs) and is accounted for within the OPCC's commissioning budget requirement reflecting the use of these funds to commissioning services from 3rd parties.

Council Tax Funding

The value of council tax income received in any one year is determined by three key factors: -

- The value of the **precept** set by the Police and Crime Commissioner.
- The **tax base** (no. and profile of properties) from which council tax will be collected.

- Effectiveness of collection in previous year generating a **surplus or deficit on the collection fund**.

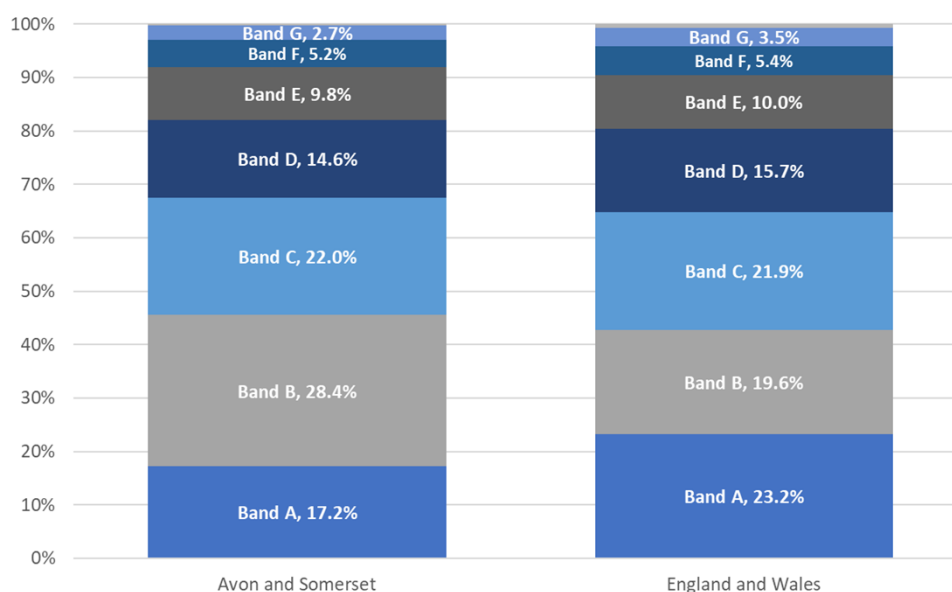
As a result of the assumptions made in this plan across these three factors it is forecast that **council tax funding will increase by £39.4m/23.6% over the next five years**.

	Current	Forecast				
	24/25	25/26	26/27	27/28	28/29	29/30
Precept (£p)	£279.20p	£293.20p	£303.20p	£313.20p	£319.46p	£325.85p
Tax base (No.)	596,641	605,858	612,825	619,873	627,001	634,212
Precept Income (£'000)	166,582	177,638	185,809	194,144	200,304	206,660
Surplus/(Deficit) (£'000)	667	1,688	-	-	-	-
Total Council Tax (£'000)	167,249	179,326	185,809	194,144	200,304	206,660

Precept – The value of the precept is defined by the rate applicable to an average band D property. In February 2023 the then PCC approved the 2024/25 revenue budget and capital plan, confirming an average band D precept of £279.20, an increase of £13/4.9% per household on the previous year. This is the median council tax level set by all PCCs for 2024/25 across England and Wales.

There are 8 council tax bands in total (A – H), and each property is placed into a band based on the value of the property as of April 1991.

Figure 6: September 2024 % of properties by band Avon and Somerset compared to England and Wales



Overall, there are more properties weighted towards the lower council tax bands in Avon and Somerset than compared to the national position.

- In total there are 67.6% of properties in bands A - C, and 32.4% of properties in bands D - H in Avon and Somerset.
- This compares to 64.7% of properties in bands A - C, and 35.3% of properties in bands D - H nationally.

This position means while we express the precept as an average band D, most properties in our area are in lower bandings than this. This is why many of our local authorities now express their council tax position as band B in their budget discussions as that is often the most common banding for properties in Avon and Somerset.

On 28th November the Ministry of Housing, Communities and Local Government confirmed that PCCs could increase the precept to a maximum of £14, before a precept referendum would be required.

In considering the level of precept to set for 2024/25 the PCC has made consideration of: -

- The views of the public, as expressed through a range of ongoing public engagement activities as well as through the online and telephone survey.
- The views and opinions of the Chief Constable, set out in writing to the PCC.
- The national context which continues to see Avon and Somerset underfunded compared to relative need.
- The economic environment and the scale of savings required over the medium term; and
- The Governments safer streets mission and their ambitions for policing over the course of this parliament.

After due consideration, this plan has been drafted on the basis that **the PCC will increase the average Band D policing precept by £14.00p in 2025/26**, thereby increasing the precept to the full extent permitted by Government.

Thereafter the plan assumes that the average band D precept will increase by £10 in 2026/27 and a further £10 in 2027/28, after which it is it will grow at 2.0% p.a.

	Current	Forecast				
	24/25 £p	25/26 £p	26/27 £p	27/28 £p	28/29 £p	29/30 £p
Av. Band D Precept	£279.20p	£293.20p	£303.20p	£313.20p	£319.46p	£325.85p
Annual Increase %		+5.0%	+3.4%	+3.3%	+2.0%	+2.0%
Annual Increase £		+£14.00p	+£10.00p	+£10.00p	+£6.26p	+£6.39p

An increase of £14 in an average band D property for 2025/26, generates the following amounts of council tax for the various bands:

Council Tax Band	£p	% of Properties
A	£195.47	17.2%
B	£228.04	28.4%
C	£260.62	22.0%
D	£293.20	14.6%
E	£358.36	9.8%
F	£423.51	5.2%
G	£488.67	2.7%
H	£586.40	0.2%

Tax base – This is the number of properties against which tax can be collected, expressed as a weighted average at Band D, and adjusted for a collection rate. There are several factors affecting the growth of the tax base figure, with both volume of new house building and entitlement to council tax discount under locally designed schemes being two significant factors.

We have seen growth in the local tax base over recent years which slowed in 2021/22 due to the impact of the Covid-19 pandemic. Since then, the taxbase has returned to a position of growth, and forecasts for 2025/26 continue this trend with a confirmed total position of 605,858 which is an increase of 9,217 (1.54%) from 2024/25:

	24/25 No.	25/26 No.	Change No.	Change %
Bath & North East Somerset	69,256	70,973	1,717	2.48%
Bristol	134,752	136,010	1,258	0.93%
North Somerset	81,449	82,760	1,311	1.61%
Somerset	208,798	212,484	3,686	1.77%
South Gloucestershire	102,386	103,631	1,245	1.22%
TOTAL Tax Base	596,641	605,858	9,217	1.54%

As the above table shows, all authorities are showing an increase ranging from a 0.93% increase in Bristol City Council to a forecasted 2.48% increase from Bath & North East Somerset.

The MTFP forecasts changes to the tax base across the plan are based on our local authorities' own estimates where these have been supplied. Where they have not been provided, we have used an average of those received as an assumption at this stage. This has resulted in the following forecasts of tax base growth across the period of the plan:

	25/26	26/27	27/28	28/29	30/29
Change in tax base	+1.54%	+1.15%	+1.15%	+1.15%	+1.15%

Collection fund surplus or deficit – This represents the PCC's share of any surplus or deficit on the collection fund as calculated by our five collecting authorities. Except for the impact of the Covid-19 pandemic, all local authorities have largely generated surpluses. This remains the case for 2025/26.

The final collection fund surplus forecast for 2025/26 shows current forecasts from the collecting authorities demonstrate a range from one authority showing a deficit of £0.12m to another showing a surplus of £1.2m. Overall, the plan forecasts a **2025/26 surplus of £1.69m** (2024/25 surplus £0.7m).

Predicting with any accuracy the collection fund deficit figures going forward will be particularly difficult given current uncertainties. For the purposes of planning beyond 2025/26 the assumption is **that there will be a net zero surplus/deficit position.**

The revenue budget requirement

The budget requirement accounts for how the PCC will commit expenditure that enables the provision of policing and community safety across Avon & Somerset.

Budget requirement (before savings)

	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
PCC's Office budget	2,666	2,765	2,819	2,870	2,922
PCC's Commissioning budget	2,612	2,611	2,611	2,611	2,611
PCC's TOTAL budget requirement	5,278	5,376	5,430	5,482	5,534
Chief Constables budget	412,180	429,409	442,128	453,709	464,585
TOTAL budget requirement	417,458	434,785	447,558	459,191	470,119

PCC's office budget requirement

This budget reflects the costs of the PCC and her immediate office that enables and supports the fulfilment of the full range of duties of the Police and Crime Commissioner.

	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
2024/25 Base budget	2,437	2,437	2,437	2,437	2,437
Pay Award and Adjustments	+171	+265	+315	+362	+409
Growth and Commitments	+59	+59	+59	+59	+59
OPCC Budget Requirement	2,666	2,765	2,819	2,870	2,922

Base Budget – This budget funds the PCC, and a team of 30.94 FTE (full time equivalent) staff who support the PCC in a range of activities undertaken in the fulfilment of their statutory duties.

Pay and inflationary adjustments – Applying the same assumptions to the OPCC budgets as those used for the Chief Constables budgets (see below for more detail) identifies an inflationary pressure over the MTFP period. This predominantly relates to increased costs for pay as well as non-pay items.

PCC's commissioning budget requirement

This budget supports the commissioning of services from external organisations.

	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
2024/25 Base budget	2,395	2,395	2,395	2,395	2,395
Adjustments	216	216	216	216	216
Annual budget requirement	2,611	2,611	2,611	2,611	2,611

This budget is presented inclusive of specific ringfenced grant funding from the MoJ (see grant funding section above), and is used by the PCC to commission core services across the following areas:

	2025/26 £'000
Drug and alcohol referral services (INCS)	581
Victims' services (incl. SARC, but excluding those within Constabulary)	4,176
Lighthouse victims' services contribution	890
Violence Reduction Partnership (incl. Serious Violence Duty)	340
Appropriate adult services	121
Mental health triage service in A&S call centre	135
Police & Crime Grants (community safety & YOT)	698
Police and crime grants for community safety and other 3rd party work	20
MoJ grant top-slice to support OPCC grants process	50
TOTAL Commissioning Expenditure	7,011
MoJ Grant Funding – Victim Services (share of MoJ grant supporting 3rd party services)	-1,922
MoJ – DA/SV	-491
MoJ – ISVA/IDVA	-1,417
NHS England – Independent Sexual Violence Advisers services	-133
Appropriate Adults Partner contribution	-47
BCC – Independent Sexual Violence Advisors contribution	-50
Other PCC Commissioning Grants	-340
TOTAL Commissioning Net Budget Requirement	2,611

The commissioning budget provisions for victims' services commissioned from organisations other than the Constabulary. The funding provided to the Chief Constable for the provision of the Lighthouse victims services is £890k in 2025/26 and is accounted for within the Chief Constable's budget requirement set out below.

Chief Constable's budget requirement

This budget reflects most of the overall budget requirement, providing funds to support the Chief Constable and the Force in the provision of policing to the communities of Avon and Somerset.

Budget pre-savings	Base	MTFP				
	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Police Officer Costs	206,565	223,255	228,631	233,424	238,315	243,061
PCSO and Staff Pay	122,569	131,483	135,334	138,100	140,928	143,685
Other Pay and Pensions	10,992	10,865	11,084	11,298	11,514	11,735
Non-Pay (incl. partnerships)	93,781	102,279	105,907	109,292	113,368	116,149
Contribution to/(from) reserve	(619)	(56)	(101)	(148)	(198)	(251)
Capital Financing	19,581	19,500	18,045	18,901	18,231	18,931
Savings Achieved	73	73	73	73	73	73
Less; Income & Specific Grants	(66,671)	(75,219)	(69,564)	(68,813)	(68,522)	(68,797)
Total	386,271	412,180	429,409	442,127	453,709	464,586

This base budget makes provision for an establishment of officers and staff, which for 2025/26 before savings will be:

Budgeted Establishment - FTE	Core Funded	Collaboration and Grants	TOTAL
Police Officers	2,975	242	3,217
Police Community Support Officers	230	-	230
Police Staff	2,307	552	2,859
Office of the PCC	31	-	31
TOTAL Budgeted establishment	5,543	794	6,337

Police Officer Costs – represents the single biggest area of spend for the Force. Before accounting for savings and adjustments the plan forecasts that costs will increase by £36.5m/17.7% over the course of the MTFP. The key movements in this budget forecast are:

- **Growth** – In 2025/26, cost and funding of £2.3m is assumed to support the neighbourhood policing guarantee that nationally will add an additional 13,000 police officers, PCSOs and specials constables into neighbourhood policing roles. Funding for 2025/26 has been allocated using the Police Funding Formula. Details of force-level targets for growth in neighbourhoods are not known at the time of writing this paper as this information has not been shared by the Home Office. Once we have these details, we will develop plans over the coming months to grow our proactive neighbourhood policing capacity.
- **Pay awards** – In 2025/26 the full year effect of the 2024/25 pay award that was effective from September 2024 is included and this increases costs by £8.9m. The original planning assumption was 3% and therefore this increases costs by another 1.75%. The budget assumes an inflationary pay increase of 2.8% with effect from September 2025, increasing costs by £3.3m for the part-year effect in 2025/26. The assumption of 2.8% mirrors the government’s own recommendation⁶ into the independent pay review boards that will consider and recommend pay awards for approval later in 2025. In 2026/27 an increase of 2.5% p.a. is forecasted and thereafter the plan assumes a 2.0% pay award, increasing overall costs to £31.3m by 2029/30.
- **Police Officer Employer NI** – Following the Chancellor of the Exchequer announcements in October, we are now recognising an increase in officer employer NI contributions from 13.8% to 15.0% and a decrease to the NI secondary threshold from £9,100 per year to £5,000. This increases costs directly by £3.1m for 2025/26 and is further compounded by estimated pay awards in future years. The police funding settlement provides additional funding based on workforce headcount at March 2024 to compensate for the impact of these changes in 2025/26. Thereafter we have assumed that the grant funding will be frozen, generating a further pressure as the impact of future years pay awards increases this cost.
- **Uplift** – the government uplift plans aim to maintain and support police officer numbers through a ring-fence grant allocated for 2025/26. The government remains committed to sustaining policing officers’ number and has allocated £11.2m to support this initiative. This will require the force to maintain a headcount 3,351 throughout the year, which is 60 above our original uplift baseline of 3,291.
- **Adjustments** – In 2025/26 the budget recognises an increase in the average cost of a police officer. In previous years our budget has benefited from a relatively inexperienced workforce due to high volume recruitment and the time required (typically 2-3 years) for officers to complete their police qualifications. However, this trend is now reversing as officers gain more

⁶ <https://www.bbc.co.uk/news/articles/czxdnextrv8o>

experience and progress to higher pay scales. These adjustments total £0.8m in 2025/26 and increase to £2.8m in 2029/30.

- Allowances and Overtime – We recognise that our overtime budgets have been under-pressure for some time, reflecting both the operational demand we have needed to manage, as well as sustaining our ongoing delivery of policing while we had large numbers of officers abstracted out to undertake their initial training. Efforts are being made to bring this expenditure under more control; however, we recognise the reality of managing abstractions between 400-500 officers each year will mean we will need to continue to sustain some additional overtime spend for the foreseeable future. This growth and adjustments total £1.6m in 2025/26.

PCSO and Staff Pay – Budgets for PCSO and police staff pay, before savings and adjustments, are forecast to increase by £24.2m/19.7% over the course of the MTFP. The key movements in this budget forecast are:

- Pay awards – In 2025/26 we have included the full year effect of 2024/25 pay award; this increases costs by £5.9m. The budget assumes an inflationary pay increase of 2.8% with effect from September 2025, increasing costs by £2.1m in 2025/26. The assumption of 2.8% mirrors the government's own recommendation into the independent pay review boards and is in line with that assumed for officers above. For 2026/27 an increase of 2.5% is forecasted, and thereafter the plan assumes a 2.0% pay award, increasing overall costs to £19.9m by 2029/30.
- PCSO and Police Staff Employer NI – Following the Chancellors announcements in October, we are now recognising an increase in PCSO & staff employer NI contributions from 13.8% to 15.0% and a decrease to the NI secondary threshold from £9,100 per year to £5,000. This increases costs directly by £2.5m for 2025/26 and is further compounded by estimated pay awards in future years.
- Growth – the budget recognises approved business case growth in support of adding capacity and resilience to key functions. A key aspect of this growth reflects the ongoing demands created by the misconduct cases we are now managing. We have temporarily grown our budgets to pay for an independent chair to oversee these cases and supported this with investment into a misconduct lawyer as well as sustaining some growth in our HR capacity.

In addition, the plan also recognises £0.4m for overtime growth across the life span of the MTFP. The growth in police staff overtime is driven by a recognition that overtime budgets have been under pressure for some time as we manage inexperience and increased demand.

Other Pay and Pensions – The budgets here before savings and adjustments are forecast to increase by £0.7m/6.8% over the course of the MTFP. The key movement in this budget forecast are:

- Apprenticeship Levy – The forecast includes an increase to apprenticeship levy payments. We are required to pay this levy based on a % of our overall pay costs. As these increase across the medium term, in line with assumptions for pay awards and other factors, this levy cost is also forecast to increase. This increases costs by £0.1m in 2025/26 and rises to £0.3m by 2029/30.
- Injury pensions – The forecasts include provisions for the cost of new officers retiring on medical grounds with injury awards as well as inflation increases for the existing injury awards. These costs are indexed linked to inflation measures, we forecast this to add £0.5m in costs over the MTFP period.

Non-Pay – Budgets for non-pay costs, before adjustments and savings, are forecast to increase by £22.4m/23.9% over the course of the MTFP. The key movements in this budget forecast are:

- **Premises** – There are specific inflationary pressures forecast across the year, which when combined with other adjustments, total £3.3m before savings are considered. The most significant of these include inflationary cost increases for utilities, business rates, and cleaning costs which are rising in line with national minimum wage changes, as well as inflationary and contractual adjustments to our PFI related budgets. As is explained below, we have been able to offset some of these cost pressures through the release of savings against premises budgets.
- **Transport** – Over the course of the MTFP there is forecast growth of £0.8m in transport and travel costs. Inflation is the key driver of these cost increases, with this impacting on the cost of fuel as well as on vehicle repairs and maintenance costs and general increases to travel budgets. We are estimating fuel inflation cost increases of £0.6m and a further £0.3m of inflation on vehicles repairs and travel budgets. This has been offset by some savings, which predominantly reflect the rebasing of fuel budgets to reflect reduction in prices, which is explained as part of our savings below.
- **Supplies and Services** – The plan is forecasting growth in these budgets before savings and adjustments of £12.9m over the course of the MTFP. Of this:
 - £9.5m is a direct consequence of assumptions around inflation across all areas of non-pay budgets by 2029/30, including specific rises to IT costs of £5.5m, national IT systems cost inflation of £1.8m, general inflationary rises of £1.6m and specific rises to insurance costs of £0.7m.
 - £1.6m increases to IT costs, which recognises several things, including the ongoing transition of services and systems into the cloud (£0.8m), investment into new capabilities such as the new investigations analytics tool that we are trialling at the present time (£0.4m) and other contractual adjustments and commitments. These increases in IT costs are offset by savings identified against IT spend which are explained as part of our savings below.
 - Since February 2024, it has been a criminal offence to own an XL bully dog without an exemption certificate. The ban has led to an increase in the abandonment and seizure of this dog breed and resulting in higher demand for kennelling services as we detain banned dog breeds. Consequently, we have observed a rise in associated costs and have allocated an additional £0.6m for kennelling costs by 2029/30. This has been recognised as a national issue⁷ and is one which the National Police Chiefs Council has lobbied the Home Office and Defra for financial support to help us manage.
 - The costs of our use of the National Police Air Service (NPAS) are increasing. As a region the costs to the South West forces are growing by 9.5% increase in costs to the region, driven by inflationary cost pressures particularly associated with maintaining three air bases in the South West. The regional costs are based on actual average flying hours over the past 3 years. In Avon and Somerset our use has remained static over this time, however other regional forces have reduced their use (from previously high use positions) and consequently the increase in costs to Avon and Somerset for 25/26 will be 13.5% (£0.1m).
 - To meet increased ISO accreditation standards in our Sexual Assault Referral Centres, we have recognised £0.1m growth in costs for 2025/26.

⁷ <https://www.bbc.co.uk/news/articles/cge9nrrvlygo>

- The Speed Enforcement Unit has budget has grown by £0.4m in 2025/26. This reflects increased investment to enhance road safety initiatives, improve enforcement capabilities and support community-focused programs.
- In November 2022, the Home Secretary recommended a Police Education Qualification Framework (PEQF) which does not require a degree qualification and is compliant with the College of Policing standards. Currently, the PCEP program does not attract funding from the apprenticeship levy, though national discussions on its inclusion as an apprenticeship are ongoing. We are exploring the use of this entry route, with existing plans to use this to offer entry for military leavers and for PCSOs who wish to use their prior experience to become neighbourhood beat managers. 2025/26 cost of these fees are £0.5m, rising to £0.8m by 2029/30.
- Partnerships – The MTFP forecasts growth of £5.3m by 2029/30 driven by inflation, linked predominantly to the full year effect of the 4.5% pay award in 2024/25, Employer NI increases and assumptions around future pay awards. This reflects the fact that most of our partnership budgets are for our collaborations (e.g., South West Forensics, Major Crime Investigation, South West Regional Organised Crime Unit) into which our officers and staff are seconded to work alongside those from other forces. We have also included growth of £0.4m in support our deferred prosecution model which in 2024/25 was funded from reserves. In addition, we have increased our commitment to child safety partnerships, and this adds another £0.1m to the plan.

Capital Financing – A reduction in capital financing costs of £0.7m are included in the forecasts over the course of the MTFP. This reflects adjustments in the financing costs of our PFI arrangements of £0.4m. A decrease of £1.8m against direct revenue capital funding is included in the forecast (an element of the revenue budget set aside to fund the Capital Programme). Offset by increased costs against minimum revenue provision (MRP) set aside for repaying borrowing (loans) of £0.9m and increased loan interest payments of £0.8m over the lifecycle of the plan.

Contribution to/from Reserves – are planned to grow by £0.6m in 2025/26 and then reduce to £0.4m in 2029/30. This budget area is supporting one off or time bound cost pressures. We have set aside a reserve provision for our policing support at Hinkley Point. This reserve, which is directly funded by EDF, is used to offset costs incurred for Hinkley Point policing arrangements. In addition, a reserve provision for donations to support the work of the community trust has been recognised from the Speed Enforcement Unit. There is a reserve provision to support PFI inflationary impacts as per the PFI financial model. In 2024/25, reserve provisions were allocated to address one-off cost, including the deferred prosecution model and learning business case; these provisions have now been removed from the plan.

Income – The plan forecasts an increase of £1.3m in income budgets in 2025/26 before savings and adjustments. We have included income growth of £0.4m from DEFRA in our assumptions, which reflects our expectation that there will be some central government support to manage the increased kennelling costs. This funding has not been confirmed at this stage. We have made several adjustments totalling to £0.2m to reflect a reduction in other grants specifically linked to the funding of roles that will cease in 2025/26.

We have increased the Hinkley Point income budget to reflect the ongoing provision of funding to support the policing for this development. We are also forecasting general inflationary rises across income budgets at £0.2m and an increase due to the forecasted 2025/26 pay award of £0.7m. We have decreased our income generated by the speed enforcement unit by £0.7m. This relates to a reduction in income generated through fines, court services and roadworks. We have also decreased our interest receivable income by £0.1m, considering current and estimated Bank of England inflation rates and we expect this to reduce over the life of the MTFP.

Savings requirement

After having made all the assumptions around both funding and pay outlined above, the following overall position is established:

	Forecast				
	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Total Funding Forecast	411,029	419,681	430,209	438,582	447,174
Less; PCC's Office budget	-2,666	-2,765	-2,819	-2,870	-2,922
Less; PCC's Commissioning budget	-2,611	-2,611	-2,611	-2,611	-2,611
Funding left to support Chief Constable	405,752	414,305	424,779	433,101	441,641
Less; Chief Constable budget requirement	412,181	429,409	442,147	453,709	464,586
Standstill Deficit	6,429	15,103	17,349	20,608	22,946

Accounting for identified savings

Against this, the Force has identified initial savings. Through these savings we can balance the budget in 2025/26, however we continue to forecast a deficit budgetary position from 2026/27 onwards:

	Forecast				
	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Standstill Deficit	6,429	15,103	17,349	20,608	22,946
Officer Pay and Allowances savings	-65	-81	-81	-81	-81
PCSO Pay and Allowances savings	-285	-285	-285	-285	-285
Staff Pay and Allowances savings	-3,238	-5,775	-6,711	-6,711	-6,711
Other Pay and Pensions savings	-215	-215	-215	-215	-215
Premises cost savings	-59	-594	-786	-815	-877
Transport cost savings	-309	-309	-309	-309	-309
Supplies and service cost savings	-2,039	-3,696	-3,696	-3,696	-3,696
Partnership cost savings	-219	-209	-230	-209	-209
Revised Surplus/Deficit	-	3,939	5,036	8,287	10,563

The savings identified in 2025/26 include the following:

- Officer pay and allowance savings – We have identified a recurring reduction in Officer Allowances of £65k in 2025/26 rising to £81k in 2029/30. This largely reflects the gradual reduction in historic allowances that have ceased because of changes to terms and conditions and are therefore payable to fewer officers over time.
- PCSO pay and allowance savings – our plans assume a full year saving in PCSO headcount reduction are achieved (£0.3m) after resetting our PCSO establishment to 230. There remains some uncertainty around this at this stage linked to the government's neighbourhood policing guarantee and the requirements of this. At the time of writing this report we have not

yet received the detailed explanation of the government's expectations here. There is some risk that if we are required to undo this achieved reduction in PCSO numbers we will need to build back in c. £2.5m in previously claimed savings.

- Staff pay and allowances savings – Further savings of £3.2m are identified from 2025/26 rising to £6.6m in 2029/30 in the following areas:
 - Police staff savings were identified by all business leads at the end of 2023. Many of these savings were achieved during 2024/25, with a further reduction of 36 posts expected to be achieved for 2025/26, releasing £1.3m in savings.
 - Police staff investigators – Our plans to reduce police staff investigator posts by 86 were announced at the beginning of 2024 as part of our 24/25 budget plans. We have already seen some reductions towards this target, with further savings of £1.7m expected across 2025/26, and the full impact of these savings (£3.5m) expected by 2026/27.
 - Enabling Services savings – We are targeting savings of £0.8m from our Finance and Business Services and People and Organisational Development functions from 2026/27 following the implementation of our new ERP system.
 - First Point of Contact – Our plans include expectation of savings of £0.9m will be realised through headcount reduction from 2027/28. We continue to work on our plans to stabilise performance in this area of our business and sustainably release this saving from this date.
- Premises savings – Premises budgets have identified £0.1m in savings in 2025/26 rising to £0.9m by 2029/30. This reflects lease savings over several sites as we look to reduce our estate footprint, as well as the savings achieved in Minehead, Bath and Yeovil following the implementation of new stations in each of these locations.
- Fleet savings – Recurring saving of £0.3m have been identified against fuel budgets due to lower-than expected fuel pricing. Further savings in fuel should be expected across the medium term as we transition more and more of our vehicles to electric, with corresponding increases to estates utilities costs. However, our plans remain in development at this stage so no recognition of this has been made in our forecasts at this stage.
- Supplies and services savings – Recurring savings of £2.0m in 2025/26 have been identified across all supplies and services budgets, this increases to £3.7m in 2029/30. These savings include those expected as we switch off legacy IT systems and support contracts. We have also identified cost savings linked to the Airwave contract following the findings of the competitions and markets authority into this national contract, as well as the removal of in car Wi-Fi and reductions in telephony costs as we reduce the numbers of sim cards in use across the force, and continue to transition to soft phone capabilities.
- Partnership savings – Recurring savings of £0.2m are expected from SW Forensics in specific costs related to outsourcing of digital forensic costs in 2025/26.

The application of these savings against our budgets results in the following:

Budget <u>post-savings</u>	Base	MTFP				
	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Police Officer Pay	206,900	223,191	228,550	233,343	238,234	242,980
PCSO and Staff Pay	122,629	128,032	129,347	131,177	134,004	136,761
Other Pay and Pensions	10,963	10,649	10,869	11,083	11,299	11,519

Non-Pay	94,524	99,653	101,100	104,272	108,339	111,059
Contribution to/(from) reserve	888	(56)	(101)	(148)	(197)	(250)
Capital Financing	19,646	19,500	18,045	18,901	18,231	18,931
Savings Achieved	38	-	-	-	-	-
Less; Income & Specific Grants	(69,317)	(75,217)	(69,565)	(68,813)	(68,522)	(68,797)
Total Constabulary Budget	386,271	405,751	418,245	429,815	441,388	452,203
OPCC Commissioning	2,395	2,611	2,611	2,611	2,611	2,611
OPCC Office	2,437	2,666	2,765	2,819	2,870	2,922
TOTAL Budget	391,103	411,029	423,621	435,245	446,869	457,737

Residual savings requirement

	Forecast				
	25/26	26/27	27/28	28/29	29/30
	£'000	£'000	£'000	£'000	£'000
Revised Deficit after identified savings	-	3,939	5,036	8,287	10,563

Although savings have been identified to balance the revenue budgets in 2025/26, the need to identify new savings from 2026/27 and future years remains.

Given the profile of our budgets, releasing the scale of savings required will require further headcount reduction beyond our existing plans. With the need to maintain and grow our police officer strength to secure uplift funding, deliver the Neighbourhood Policing guarantee, we recognise that continuous review of our police staff establishments will therefore be needed to identify savings that help us to deliver a sustainable balanced budget for the medium term.

Identifying new savings will require some difficult choices and consequences, particularly for an organisation that has already delivered more than £100m in savings since 2010/11. We remain committed to achieving the promise and vision that the growth in police officer numbers provides, and therefore it is against this ambition that we will need to identify the savings required.

Reductions in headcount, combined with further non-pay savings, will form the basis on which our savings plans will be developed. This will incorporate considerations in the following areas:

- Further **automation** and digitalisation across both operational and corporate processes and ways of operating to realise efficiencies and opportunities for savings.
- Review channels for **public contact** to continue to ensure that the Force are providing the right means and capabilities for this contact to happen in the most efficient and effective way.
- Review the **allocation of police officer growth** across the organisation, ensuring that this provides the best means of delivering our ambitions and unlocking savings as part of our overall workforce mix.
- Identify opportunities across our **enabling services** to improve transactional processes and realise the benefits of investments in the new ERP system.
- Continue to **benchmark** budgets and areas of spend against other police forces to consider opportunities this presents to learn from others.
- Consider opportunities across current **collaborations**, as well as identifying opportunities for new collaborations with supporting and like-minded partners.

- Ongoing **procurement savings** which may enable avoidance of some of the forecast uplift in costs through commercial or collaborative deals struck.
- Ongoing review of our **estates footprint** and work to realise energy efficiency savings to improve our energy consumption.

At the heart of this work will be our ongoing focus on creating capacity, thereby ensuring our officers and staff are able to be as productive and effective as possible. This work will require us to continue to innovate and provide focus on how effectively we manage and meet our demand but will also require us to take a fresh look at the demand we're responding to and managing to ensure that this reflects what the public expect of their police service.

We recognise that the scope and role of policing has evolved over time, and increasingly the demands we're facing are reflective of more and more non-crime demand. While in many cases a police response will be required and appropriate, this is not always the case.

To free up capacity to deliver on the ambitions for policing and meet the savings required of us, we will need to consider what service standard we can maintain, and where it is right that our partners and other agencies are better placed to support this demand.

Through this work we hope to further identify improvements in our capacity which enable us to review how we best deploy our resources to:

- Deliver the Governments priorities, including their neighbourhood policing guarantee.
- Delivery the priorities of the new PCC's Police and Crime Plan; and
- Deliver the savings needed to balance our budgets.

Capital Programme and Funding

The Medium-Term Financial Plan recognises the importance and complexity of capital planning, and how integral this is in the context of our wider financial planning. This section sets out the context and framework within which these capital plans have been prepared, and in doing so fulfils the requirements of a capital strategy as required under the CIPFA Prudential code.

Our assets are essential to the provision of an effective policing service. 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 existing assets and infrastructure, as well as to invest in new transformative initiatives which will help to realise improvements in operational efficiency and effectiveness.

Capital plans are, by their nature, complex and require detailed planning and forecasting. This requires support and understanding of colleagues across the organisation. It also requires a large degree of wider environmental scanning to assess the impact of national projects and initiatives which will require support to implement locally.

The capital funding position is also complicated, relying on multiple sources of funding to be able to support planned expenditure. Forecasting our funding is therefore based on many assumptions and inter-dependencies which are subject to ongoing change both in value and timing.

The delivery of capital plans continues to be hampered by the environment within which we are operating. Current economic pressures and price inflation make planning and forecasting in this area particularly difficult. We do not expect this uncertainty to end any time soon, and therefore we recognise that it will be necessary to continue to refine and reassess our cost projections and funding considerations on a recurring basis.

Developing the Capital Programme

Assets are integral to the delivery of efficient policing services. Maintaining the optimum use of resources whilst securing best value in relation to both cost and quality are key considerations. This is done by following best practice in relation to procurement, sales, and construction, taking external legal and professional advice where required.

Our assets fall into four broad categories:

- Buildings – all buildings are owned by the PCC, and the PCC's office retain responsibility for key decisions around the purchase and disposal of buildings, maintaining close oversight of the estate management and planning to fulfil this role. The day-to-day management of the estate is undertaken by the Force's estates department, within the Finance and Business Services directorate.
- Information and communication technology – all ICT assets are managed and maintained through the Force's IT Directorate. Forward planning of these assets is informed by considerations of longevity and optimum replacement cycle. This enables effective planning of renewal and replacement activity to be considered alongside new transformative initiatives and projects, either local or national, that may see the type and nature of our assets continue to change.
- Fleet – all vehicles are maintained through the Force's transport services department within the Finance and Business Services directorate. All fleet assets are maintained and managed through the fleet management system, which provides information that enables effective optimisation of the usage of our fleet as well as planning around replacement activity.

- Capital equipment – This will include equipment in use across the Force, where the responsibility for its management and maintenance rests with the responsible department of the Constabulary.

The capital programme is developed to consider all requirements for maintenance and investment across these categories of assets. The programme produced therefore is reflective of a mixture of:

- Asset replacement and renewal – recognising the optimum operating life for all assets, and where necessary, ensuring that plans provision for the replacement of them.
- New initiatives and projects – recognising new investments to realise the priorities of the Police and Crime Plan and meet the objectives of the Force.

The programme is developed jointly between the PCC and the Force and is realised through wide stakeholder engagement. The finalised programme reflects a list of anticipated and recommended projects that enables high level planning across a medium-term horizon. The programme, and the approval of it through the medium-term financial plan, reflects approval for the next 12 months replacement and renewal activity, but recognises individual business cases are still required to progress new initiatives and projects.

These business cases, all of which will be approved in accordance with the PCC's scheme of governance, will be delivered using a prescribed format, and will cover:

- Clear definition of the objectives of the proposal.
- Baseline assessment of the "as is" position, and how this compares with user specifications and force standards.
- Consideration, assessment, and appraisal of possible options – including alternative ways of procuring assets (e.g., leasing, partnership arrangements) where these are viable options.
- Financial appraisal of the options, to include identification of capital funding source and consideration of whole life costs and ongoing impact on revenue budgets.
- Risk appraisal, enabling decision makers to reach a decision informed by a clear understanding of the risk and allowing these to be clearly included on risk registers for management as appropriate.

The delivery of capital projects will be overseen either by the department responsible, or in the case of larger projects, through our change programme boards. In monitoring the delivery of capital projects particular focus is placed on:

- Delivery is on time and achievement of the intended outcome/s.
- The overall use of capital and revenue funding is as close as possible to original plans; and
- When the above factors are not achieved, variations are reported appropriately.

Progress against the capital programme, including considerations of capital financing, is reported quarterly to our Finance and Assets Committee, to the Constabulary Management Board and to the Governance and Scrutiny Board. The quarterly finance performance paper, which includes the reporting of performance against our capital plan, is published on the PCC's website once it has been reviewed at GSB.

Upon completion of a capital project, consideration will be given to the use of a Post Implementation Review (PIR). This review will provide a check against the performance compared to the original proposal. It will focus on the outcomes achieved, the extent to which the benefits claimed are being realised, and the actual costs both revenue and capital. Through the use of these types of review we would capture learning that can inform our future projects and programmes for the better.

The Capital Programme

The table below summarises the current capital forecast and our forward 5-year capital plan:

	Current	MTFP					Total
	24/25	25/26	26/27	27/28	28/29	29/30	
	£'000	£'000	£'000	£'000	£'000	£'000	
Capital Expenditure	22,144	29,904	30,922	19,454	12,795	12,497	127,717
Less; Capital Funding	(22,144)	(29,904)	(29,031)	(9,766)	(9,090)	(9,359)	(109,294)
Deficit	-	-	1,891	9,688	3,705	3,138	18,423

Capital Expenditure

The emerging picture identifies that the current year (2024/25) of capital spend, plus the planned spend over the next five years (through until 2029/30) totals £127.7m. Against this we have identified and forecast funding sources of £109.3m, thereby leaving a residual deficit in capital funding of £18.4m over the next 5-year period.

	MTFP					Total
	25/26	26/27	27/28	28/29	29/30	
	£'000	£'000	£'000	£'000	£'000	
Asset replacement	11,011	12,093	6,670	5,480	7,384	42,638
Capital projects	17,650	17,981	11,824	6,422	3,467	57,344
Funded projects	1,243	849	960	893	1,646	5,591
TOTAL	29,904	30,922	19,454	12,795	12,497	105,573

Asset replacement – Our asset replacement plans total £42.6m, accounting for 33% of our capital plan spend. This provides for the ongoing maintenance, replacement and renewal of our existing assets.

	MTFP					Total
	25/26	26/27	27/28	28/29	29/30	
	£'000	£'000	£'000	£'000	£'000	
ICT replacement	2,252	6,041	1,715	1,584	3,272	14,864
Estates replacement	3,592	345	988	104	360	5,389
Fleet replacement	4,496	3,535	3,416	3,442	3,403	18,292
Equipment replacement	671	2,172	551	350	349	4,094
TOTAL	11,011	12,093	6,670	5,480	7,384	42,638

ICT replacement – The plan assumes the following renewal and replacement activity:

- End User Devices (£14.4m) – We expect all end user devices to need at least one replacement during the life of this plan. This includes:
 - replacement and new issue of laptop devices and monitors - £7.9m.
 - replacement and new issue of mobile phones - £3.7m.
 - ongoing replacement of body worn video cameras - £2.8m.

- Infrastructure (£0.3m) – over the course of the plan we have made provision for replacement and enhancements to our IT infrastructure, including:
 - Video conferencing capability - £0.2m.
 - Smaller projects - £0.1m.

Estates replacement – The plans predict £5.4m will need to be spent on the replacement and repair of our estate, including the following areas of activity:

- Electrical, fire and central heating systems (£1.4m) – This is informed through building condition surveys as well as the requirements of our wider plans.
- Repairs and maintenance of our buildings (£4.0m) – This includes the chiller replacement within HQ operations building, HQ training school, security and CCTV replacement works, a forensic garage provision and window replacement works.

Fleet replacement – The fleet replacement plan reflects the activity required to maintain our current fleet numbers. Our plans predict we will need to spend £18.3m for the replacement of our fleet. This includes the replacement of response fleet (£5.0m); the replacement of road policing and specialist response fleet (£6.2m); and the replacement of neighbourhood fleet (£4.2m). The total expenditure will remain dependent upon the ongoing review of our fleet to further rationalise and identify savings where appropriate.

Equipment replacement – The plan for the replacement of capital equipment is as follows:

- Automatic Number Plate Recognition (ANPR) (£1.3m) – over the course of the plan to both maintain and replace the current ANPR asset estate, as well as upgrade certain units with newer technology.
- Taser replacement (£0.9m) – this is the direct replacement of tasers currently used by the Force.
- Body Armour (£1.5m) – replacement of officer body armour.
- Annual provision for smaller capital assets (£0.6m) – an annual provision of £0.1m is planned to provide for the replacement of many smaller value assets.

Capital projects - The planned capital projects total £57.3m, accounting for 45% of our total capital plan:

	MTFP					Total
	25/26	26/27	27/28	28/29	29/30	
	£'000	£'000	£'000	£'000	£'000	£'000
Digital Projects	1,108	1,187	3,912	3,250	-	9,457
Revenue Projects	5,065	3,755	1,521	1,471	1,521	13,332
Estates Projects	11,477	13,039	6,391	1,701	1,946	34,554
TOTAL	17,650	17,981	11,824	6,422	3,467	57,344

Digital Projects

- **ICT Capital Projects** – We have forecast £9.5m for a number of ICT projects, including:
 - Data Platform – £2.0m has been provided for from 2026/27 – 2028/29, to introduce a new platform as part of the delivery of our data strategy.
 - Other Projects – £1.5m has been provided to implement the replacement of several different areas, such as our site security systems and our forensic management systems.
 - Emergency Services Network - £6m has been included in the plan for the local costs of implementing this national project to replace our critical radio communications system

(Airwave) with a new digital network. This project has been subject of several delays and consequently the timing and value of costs associated with this remain under review. We expect the costs and timing of this project to become clearer the closer we get to implementation, which is expected to commence in 2027/28.

Revenue Projects

- **ICT Revenue Projects** – These plans predict that we will spend £13.3m as part of our ICT projects which will not result in a specific asset. These include:
 - Enterprise Resource Planning systems – £5.5m is planned over the next two years to support the implementation of this replacement of key corporate systems for the management of HR, finance and procurement related functions.
 - Command and Control systems and infrastructure – £3.3m is forecast for non-capital elements of spend, including:
 - The potential replacement of our computer aided dispatch system.
 - The investment into greater use of Artificial Intelligence capabilities in call handling and management; and
 - The potential introduction of a citizen portal already deployed in several other force areas.
 - Dynamic Decision and Case Management System (DDAC) - £1m is forecast for the implementation of this new national system.
 - Other projects - £3.5m has been allocated to several smaller projects across the 5 years. This includes the costs of transitioning our website to the national single online home portal, the introduction of video analytics capabilities, and the introduction of a new crime allocation tool like that already deployed in several other forces.

Estates Projects – our estates projects are categorised as follows: -

	MTFP					Total
	25/26	26/27	27/28	28/29	29/30	
	£'000	£'000	£'000	£'000	£'000	£'000
Somerset Projects	7,309	4,989	306	-	-	12,604
Bristol Projects	-	434	1,303	-	-	1,737
South Glos Projects	-	282	-	-	-	282
BANES Projects	3,907	2,680	-	-	-	6,587
Force wide Projects	262	4,654	4,782	1,701	1,946	13,345
TOTAL Estates Projects	11,478	13,039	6,391	1,701	1,946	34,555

- Somerset Projects – The capital plan includes £12.6m over the next three years to progress estates projects in Somerset. This supports our work reviewing our estate at several locations, including Yeovil, Somerton, Crewkerne and Frome.
- Bristol Projects – The capital plan includes £1.7m over the next three years to progress estates projects in Bristol relating to our Trinity Road police station (Old Market), which has been sold to a social housing developer for re-development incorporating a new neighbourhood police station.
- South Glos Projects – The capital plan recognises the need for refurbishment at the chipping Sodbury station in 26/27.

- **BANES Projects** – The capital plan includes the work to introduce our new police station for Bath (Plymouth House), as well as the refurbishment of our police station at Radstock.
- **Force wide Projects** – The capital plan includes £13.3m over the five years for the continued investment in electric car charging infrastructure (£10.3m), our training and learning estate (£2.0m) and Achieving Best Evidence Suites (£1.1m).

Capital Funding

Under the provisions of the Prudential Code, the PCC can invest in a capital programme so long as its capital spending plans are “affordable, prudent and sustainable”.

The capital programme is reflected in the PCC’s Treasury Management Strategy, which is presented annually to the Police and Crime Board, and regularly reviewed by the PCC’s Chief Finance Officer. This sets out the prudential indicators, which determine the limits set against the requirements of affordability, prudence, and sustainability.

The PCC, in consultation with the Chief Constable, will identify available sources of funding in support of the capital programme. This will include the identification of potential capital receipts from the disposal of property.

The sources of capital funding available are detailed below.

	MTFP					Total
	25/26	26/27	27/28	28/29	29/30	
	£'000	£'000	£'000	£'000	£'000	£'000
Specific Purpose Funding	1,317	862	1,263	906	1,659	6,007
Revenue Contribution	8,925	6,787	7,000	7,250	7,500	37,462
General Capital Reserve	8,482	-	-	-	-	8,482
Capital Receipts (Estate)	42	13,455	-	-	-	13,497
Capital Receipts (Other)	200	200	200	200	200	1,000
ESMCP Reserve	-	-	-	734	-	734
Previous Borrowing	-	-	-	-	-	0
New Borrowing	10,938	7,727	1,303	-	-	19,968
TOTAL	29,904	29,031	9,766	9,090	9,359	87,150

- **Specific Purpose funding** – This includes the partnership contributions to fund capital expenditure in relation to those collaborations which are hosted by Avon and Somerset, as well as the of earmarked reserves and ringfenced grant funding.
- **Emergency Services Mobile Communications Programme Reserve** – This is grant funding received and now ring fenced for the national Emergency Services Network project, which has been delayed with no confirmed completion date. This funding does not cover the anticipated costs of the national project that we have estimated at £6m.
- **Revenue contribution** – This reflects the annual recurring general revenue contribution for capital funding which is set aside in our revenue budgets. Recognising the inflationary pressures on capital costs, this has been increased by £250k per year from 26/27 onwards.
- **General capital reserve** – This represents historic and ongoing funds which have been set aside to support general capital investment. The above plan shows we intend to fully exhaust these by the end of 2026/27.

- Capital receipts (Estate) – Over the next 3 years the plan identifies potential future capital receipts from the sale of Minehead, which when combined with previous receipts totals £12.7m to be used in support of this plan. There remains risk over those receipts not yet received both in terms of the value (subject to market factors at the point at which the asset is sold) and the timing (subject to us being able to release the asset from operational use) which will continue to be monitored.
- Capital receipts (Other) – Over the course of the plan it is assumed some receipts will be generated from the sale of vehicles and other assets that have reached the end of their useful life. On average we expect to generate £0.2m p.a.
- New borrowing – this reflects the current assumed profile of borrowing which will be taken in support of capital expenditure. At present this is assessed at £23.2m of new borrowing. The final value and profile of our borrowing will be subject to consideration and approval by the PCC. The timing of when borrowing is taken will be managed as part of wider treasury management considerations.

The general principle applied when allocating funding in support of the capital plan is that for shorter-life assets, sources of funding other than borrowing will be used. Borrowing is planned to be used only against longer-life assets, where the revenue provision needed to set aside for the repayment of the borrowing (known as the “Minimum Revenue Provision” or “MRP”) can be taken over a longer timeframe. This ensures that the annual cost to our revenue budgets remains sustainable. All borrowing undertaken can only be done with the approval of the PCC, and must be prudent, affordable, and sustainable. All the revenue implications of the capital programme, including those costs which are either because of the direct funding or in order to service our borrowing (both interest and MRP) have been fully reflected in our revenue budget plans as set out earlier in our MTFP.

Capital programme deficit

Our forecasts for capital expenditure show a deficit of £18.4m at the current time. This is after we have accounted for the costs of both financing the introduction of electric vehicle charging infrastructure across our estate (£10.3m) and our costs to implement the national Emergency Services Mobile Communication Programme (£6.0m) that will replace airwave radios. Both are national requirements that will apply to all police forces and over which we have little local discretion. Consequently, these will be prominent considerations within the submission policing will be making as part of the 2025 Spending Review. We would therefore be hopeful of securing one-off capital funding to support the costs of both these plans.

In addition to lobbying for funding in support of these specific costs, we will continue to review our plans to identify where possible alternative sources of funding. We will also continue to identify where possible we can value engineer our planned expenditure down or delay the timing of this where the need for expenditure is less urgent and can be postponed.

Reserves and Risk

Reserves

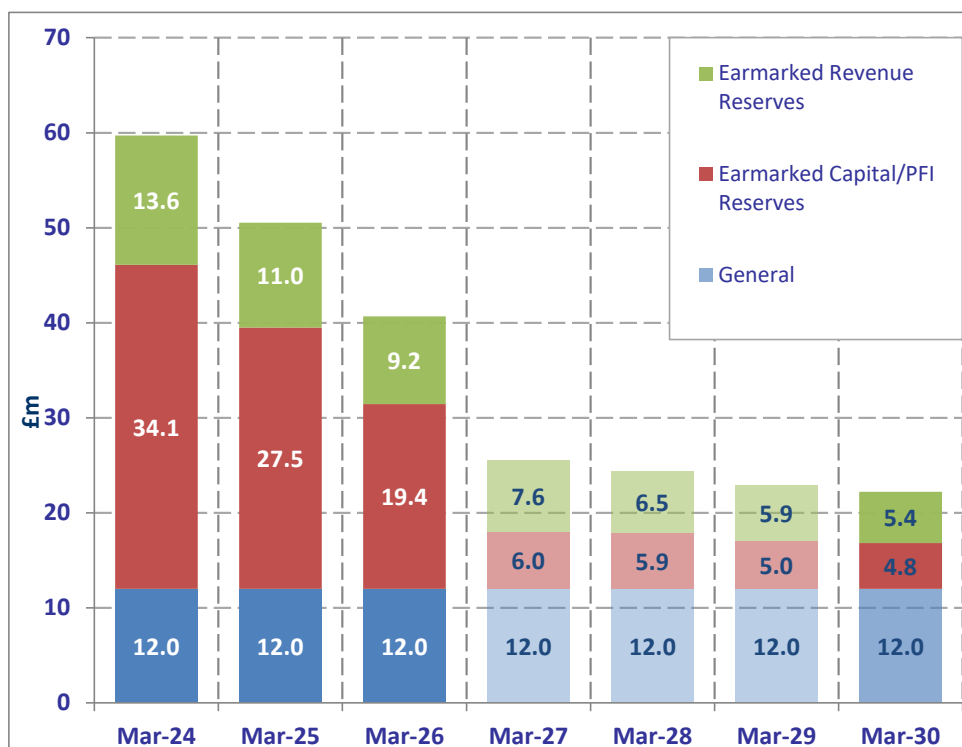
The PCC holds reserves to:

- Support capital and revenue investment to continue our further transformation and change.
- Manage uncertainty and risk in our future; and
- Comply with accounting practice and convention.

As reported in the financial statements at the end of March 2024 the PCC had total usable reserves of £59.7m. This reflected a decrease of £3.8m/6% compared to the balance held 12 months previously, mainly due to utilisation of our capital reserves and discretionary reserves. Our useable reserve levels are forecast to stand at £50.6m by the end of the 2024/25 financial year (a decrease of £9.2m).

The current projections estimate a £9.8m decrease in reserves during the 2025/26 financial year, with further reductions of £15.1m to March 2027. The main reasons for the reduction over this period is the consumption of our capital reserves in line with our capital plans, and the reduction in our discretionary earmarked reserves reflecting the planned use of reserves during 2026/27. We currently show the utilisation of £1.8m from the budget smoothing reserve to support the additional PSCO's and officers as part of the Neighbourhood policing guarantee. The exact requirement from government on this guarantee has yet to be confirmed, if the funding provided by the home office is sufficient, then the £1.8m will be allocated to support the capital plan and to reduce our forecast deficit here. As the graph demonstrates, from 2028/29 financial year we expect the reserves level to stabilise, with reserves standing at £22.2m by the end of the MTFP period (March 2030). This reflects a projection only at this stage and will therefore be subject to ongoing review and refinement as our plans crystallise.

Figure 8: Useable reserve projections over the life of the MTFP



The reserves largely fall into the following categories: -

- The **general fund** is set annually by the PCC’s Chief Finance Officer in consultation with the Chief Constable’s Chief Finance Officer, and after a consideration of all risks facing the PCC and the Force. We are proposing to keep the fund at £12m for the duration of this plan. The risk level, and our appetite for the financial provision needed to assure ourselves, may change over the medium-term requiring change in the level of this reserve. At this stage the proposed general fund balance (£12.0m) represents 2.9% of our planned 25/26 Net Revenue budget.
- The **PFI reserves** are used to equalise the phasing of our income (in the form of PFI credits) to our forecast expenditure. In the early years of the contract, we generate a surplus which the accounting model requires us to put into reserves, to be released against the annual deficit in funding forecast in the later years of the contract. By so doing the financial impact

on the revenue budget is smoothed over the life of these assets. By March 2030 it is forecast that our PFI reserves will stand at **£4.8m**. Our financial model forecasts that the reserves will begin to gradually reduce as we use the funds to help top-up our revenue budgets. Our modelling identifies that this reserve will not fully unwind until the 2038/39 financial year which will coincide with the end of our PFI contracts.

- The **capital reserves** consist of both the capital financing reserve and the capital receipts reserve. The general capital reserve represents historic and ongoing funds which have been set aside to support general capital investment. It is expected that we will have fully utilised the capital financing reserve by the end of 2025/26 in line with our capital plans. The capital receipts reserve holds receipts from the sale of assets, mainly buildings. It is expected we will fully exhaust this reserve by the end of 2027/28 in line with our capital plans.
- The remainder of the reserves have been **earmarked for specific revenue purposes**. The earmarked reserves are expected to decrease by £2.6m between March 2024 and March 2025. The remaining reserves reflect lots of smaller annual amounts projected to be held at any given year-end which relate to ring-fenced activity. This includes the value on our non-returnable detained property fund, specific grants, and ring-fenced receipts of funding unspent at any given year-end. Also included are a road safety reserve generated through income received from speed awareness course referrals, and reserves held on behalf of collaborations which are hosted by Avon and Somerset.

Risk

Given the extent of the modelling and assumptions required across the development of our MTFP, it is important that we have consideration of risks and the potential impact these could have on these forecasts and plans. The table below highlights some of the key risks identified:

Risk	Potential scale	Mitigation
Grant Funding Value – the value of future grant levels is higher or lower than currently forecast owing to decisions made by the Government about the overall funding available to provide to PCCs.	1.0% of total grant funding is £2.2m p.a.	Grant funding is expected to increase in 2025/26 by £7.8m/3.5% incorporating the 2024/25 pay award grant. Beyond 2025/26 we have assumed annual increases to grant funding of 1.0%, however we are unlikely to know the true value of this until the next SR announcements are made. We will therefore continue to track our assumptions against that being made by other forces across the country.
Grant Funding Distribution – the value of future grant levels is higher or lower than current forecast owing to decisions made by the Government about how to distribute overall funding available to PCCs.	1.0% of formula grants (inc uplift and NHP grants) funding is £2.3m p.a.	The results of the Home Office consultation on proposals to change the current formula for distribution was expected during 2025 but this is delayed. We will engage with this work and monitor closely.
Council Tax Base – the increase in council tax base currently forecast is higher or lower than current forecast (1.54% growth in 25/26, +1.15% 2026/27, +1.15% 2027/28).	1.0% of council tax income is £1.8m p.a.	Ensure our forecasts for council tax base are adjusted regularly and reflect those forecasts being made by local authorities themselves.

Risk	Potential scale	Mitigation
Council Tax Surplus / Deficits – the current forecasts by the local authorities are higher or lower than current forecasts (£1.7m surplus 2025/26 and net zero position thereafter)	10% of surplus is £0.17m p.a.	Continue to update our forecasts in line with local authorities' expectations.
Council Tax Precept – the referendum cap is set at a lower level than that which is planned within our forward projections.	1.0% of council tax income is £1.8m p.a.	<p>The government announcement in December 2024 confirmed the principles for the PCC to set the precept in 2025/26 with a limit of £14 imposed. Beyond this there is no certainty around the referendum cap. We have included a £14 increase for 2025/26.</p> <p>Thereafter our assumption brings precept growth back to £10 for two years which reflects the national modelling consensus across policing. For the final two years of this plan we have assumed that council tax will grow in line with the Bank of England's long-term projection for inflation at 2.0%.</p> <p>We will continue to monitor this closely and seek intelligence through the PCC as to any potential changes to the principles within which the policing precept will be expected to be considered.</p>
Pay Inflation – the increase in pay is higher or lower than currently forecast (2.8% increase in 2025/26, 2.5% in 2026/27, thereafter 2.0% increase p.a.).	1.0% of officer and staff pay is £3.5m p.a.	Benchmarking of our assumptions for future pay awards against other forces to ensure that we are not an outlier. Monitor Government, and emerging sector statements regarding future public sector pay.
Officer Pensions – the MTFP reflects the increase from the most recent valuation, which saw employer contributions increase to 35.3% with effect from April 2024. The MTFP recognises the extra cost and also the increase in the pensions grant funding to offset this pressure, that the Government confirmed in the December 2024 settlement announcement.	1.0% change in employer contribution is £0.5m p.a.	We do not expect the rate to change until it next comes under review. This will likely occur towards the end of the current MTFP period. Given the past experience of increases here being funded through the provision of grant, we would assume at this stage that in event of future increases, this pattern would be repeated.
Staff Pensions – the MTFP reflects the increase from the 2023 valuation exercise - a rise of employer contributions from 16.3% to 18.6% with effect from April 2023. In addition to the secondary lump sum payment of £0.8m for 2025/26 and 2026/27.	Additional 1.0% contribution is £0.2m p.a.	Monitor the ongoing position of actuarial reviews, engaging with this process through representation on the SCC LGPS Scheme Board.

Risk	Potential scale	Mitigation
<p>Inflation – the global and UK economic and political position carries a lot of uncertainty and risk at present which could lead to fluctuations in inflation. Our assumptions for non-pay inflationary provisions, might not be appropriate to keep pace with increases in price.</p>	<p>Additional 1.0% on non-pay budgets is £0.7m p.a.</p>	<p>Continue to monitor emerging picture and determine if any adjustment needs to assumptions already factored in across the MTFP.</p>
<p>Capital Affordability – Our capital plans set out our ambitions in relation to both local and national projects and plans. They include a share of maintaining and replacing existing capabilities and infrastructure, with enhancements to support the realisation of the vision of providing outstanding policing in Avon and Somerset. However, we recognise the affordability challenges of our current plan in the latter years. Failure to close this gap will lead to us having to reduce the scope of our plans and/or identify alternative funding sources with resultant impacts on our revenue budgets.</p>	<p>Currently the deficit in our capital plan stands at £18.4m over the next five years.</p>	<p>Lobby through Spending Review submissions for funding to support national capital requirements, particularly in relation to EV charging and ESMCP.</p> <p>Continue to review and refine plans, ensuring scrutiny of business cases as they are brought forward for consideration. Take opportunistic approach to ring-fencing revenue underspends to bolster capital funding options.</p> <p>Look to identify alternative sources of funding wherever possible to support our projects and plans (e.g., use of Salix loans, specific purpose grant funding).</p> <p>Consider further increases to the recurring revenue contributions to capital.</p>

Appendix A – MTFP – Revenue Forecasts

2025/26 - 2029/30 Medium Term Financial Plan - Revenue						
	Current Yr 2024/25 £'000	2025/26 £'000	2026/27 £'000	MTFP Period		
				2027/28 £'000	2028/29 £'000	2029/30 £'000
Constabulary Budgets						
Police officer costs	206,900	223,191	228,550	233,343	238,234	242,980
Police community support officer costs	10,316	10,961	11,296	11,532	11,772	12,004
Police staff costs	112,313	117,071	118,051	119,645	122,232	124,757
Other current and former employee costs	10,963	10,649	10,869	11,083	11,299	11,519
Premises costs	17,468	17,965	17,761	18,457	19,903	19,925
Transport costs	5,886	5,642	5,797	5,976	6,153	6,337
Supplies and services costs	42,213	44,465	45,002	46,755	48,555	50,436
Partnership costs	28,957	31,581	32,540	33,085	33,728	34,361
<i>Plus</i>						
Contribution to/(from) reserve	888	56	101	148	197	250
Capital financing costs	19,646	19,500	18,045	18,901	18,231	18,931
Outstanding savings target	38	-	-	-	-	-
<i>Less</i>						
Income (inc Specific Grants)	- 47,525	- 46,206	- 43,713	- 42,962	- 42,671	- 42,946
Constabulary costs before specific grants	408,063	434,763	444,096	455,666	467,239	478,054
<i>Less</i>						
Home Office - Pensions grant	- 8,667	- 8,378	- 8,378	- 8,378	- 8,378	- 8,378
Home Office - Pensions remedy grant	- 578	-	-	-	-	-
Home Office - Uplift recurring grant	- 9,722	- 8,006	- 8,006	- 8,006	- 8,006	- 8,006
Home Office - Uplift additional grant	- 1,920	- 3,161	-	-	-	-
Home Office - National Insurance grant	-	- 6,290	- 6,290	- 6,290	- 6,290	- 6,290
Home Office - Neighbourhood Policing grant	-	- 2,287	- 2,287	- 2,287	- 2,287	- 2,287
Ministry of Justice - Victims commissioning grant	- 906	- 890	- 890	- 890	- 890	- 890
TOTAL constabulary costs	386,272	405,751	418,245	429,815	441,388	452,203
OPCC Budgets						
PCC commissioning costs	2,395	2,611	2,611	2,611	2,611	2,611
Office of the PCC costs	2,437	2,666	2,765	2,819	2,870	2,922
TOTAL OPCC costs	4,832	5,278	5,376	5,430	5,482	5,534
Net Revenue Expenditure	391,103	411,029	423,621	435,245	446,869	457,737
<i>Funded by:</i>						
Home Office - Core police grant	- 209,145	- 216,994	- 219,164	- 221,356	- 223,569	- 225,805
Home Office - Legacy council tax grant	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709
Council Tax - Precept	- 166,582	- 177,638	- 185,809	- 194,144	- 200,304	- 206,660
Council Tax - (Surplus)/Deficit	- 667	- 1,688	-	-	-	-
TOTAL Revenue Funding	- 391,103	- 411,029	- 419,681	- 430,209	- 438,582	- 447,174
Surplus (-) / Deficit (+) before use of reserves	-	0	3,939	5,036	8,287	10,563
Planned Contribution (from)/to reserves	-	-	-	-	-	-
Surplus (-) / Deficit (+) after use of reserves	-	0	3,939	5,036	8,287	10,563

Appendix B – Planned Savings

Savings (By Subjective Area)	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Police Officer Pay and Allowances - Savings	- 65	- 81	- 81	- 81	- 81
PCSO Pay and Allowances - Savings	- 285	- 285	- 285	- 285	- 285
Staff Pay and Allowances - Savings	- 3,238	- 5,775	- 6,711	- 6,711	- 6,711
Other Pay and Pensions Cost - Savings	- 215	- 215	- 215	- 215	- 215
Premises Cost - Savings	- 59	- 594	- 786	- 816	- 877
Transport Cost - Savings	- 309	- 309	- 309	- 309	- 309
Supplies and Services Cost - Savings	- 2,039	- 3,695	- 3,695	- 3,695	- 3,695
Partnership Cost - Savings	- 219	- 209	- 230	- 209	- 209
Transfers to / from reserves	-	-	-	-	-
Income - Savings	-	-	-	-	-
Savings - Savings	-	-	-	-	-
TOTAL Savings	- 6,429	- 11,164	- 12,313	- 12,322	- 12,383

Appendix C – Capital Programme

Capital Plan		Current Yr	MTFP Period					5 Yr Plan
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
CAPITAL PLAN EXPENDITURE								
Information and Communication Technology	2,565	2,251	3,540	1,715	1,585	3,272	14,929	
Estates	989	3,592	345	988	104	360	6,378	
Fleet	5,098	4,496	3,536	3,416	3,442	3,402	23,391	
Equipment	880	671	2,171	551	350	350	4,974	
TOTAL Maintenance and Replacement	9,533	11,011	9,593	6,670	5,480	7,384	49,671	
Revenue Projects	4,538	5,065	3,755	1,521	1,471	1,521	17,870	
Digital Projects	1,516	1,108	3,687	3,912	3,250	-	13,474	
Somerset Projects	2,313	7,309	4,989	306	-	-	14,917	
Bristol Projects	1,996	-	434	1,303	-	-	3,733	
South Glos Projects	153	-	282	-	-	-	435	
BANES Projects	229	3,907	2,680	-	-	-	6,816	
Other Projects	18	262	4,654	4,781	1,701	1,946	13,361	
Estates Projects	4,708	11,477	13,039	6,391	1,701	1,946	39,262	
Funded projects	1,849	1,243	849	960	893	1,646	7,440	
TOTAL Capital Plan	17,606	24,839	27,168	17,933	11,324	10,976	127,717	
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
Partner contributions	- 1,849	- 1,243	- 849	- 960	- 893	- 1,646	- 7,440	
Specific Capital Grant Funding	- 429	- 73	- 13	- 303	- 13	- 13	- 846	
Direct Revenue Funding	- 9,348	- 8,925	- 6,787	- 7,000	- 7,250	- 7,500	- 46,810	
Capital Reserves	- 6,128	- 8,482	-	-	-	-	- 14,610	
Capital Receipts	- 300	- 242	- 13,655	- 200	- 200	- 200	- 14,797	
ESMCP Reserve	-	-	-	-	- 734	-	- 734	
Borrowing	- 4,090	- 10,938	- 7,725	- 1,303	-	-	- 24,057	
TOTAL Grant Funding	- 22,144	- 29,904	- 29,030	- 9,766	- 9,090	- 9,359	- 109,293	
Deficit	0	0	1,893	9,688	3,705	3,138	18,424	

Appendix D – Reserves Forecast

	ACTUAL	FORECAST					
	Bal as at 31st March 2024	Bal as at 31st March 2025	Bal as at 31st March 2026	Bal as at 31st March 2027	Bal as at 31st March 2028	Bal as at 31st March 2029	Bal as at 31st March 2030
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carry Forwards	90	100	100	100	100	100	100
Operations reserve	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Overtime - liability for new ERP switch on	1,000	1,000	1,000	0	0	0	0
Buildings and sustainability	291	291	291	291	0	0	0
Budget Support Reserve	1,779	1,846	0	0	0	0	0
New PCC Fund	738	663	633	633	633	633	633
DISCRETIONARY RESERVES	5,398	5,400	3,524	2,524	2,233	2,233	2,233
SW ROCU (ASP Share)	398	100	0	0	0	0	0
Proceeds of Crime	653	767	867	967	1,067	1,167	1,267
DPR Reserves	496	588	571	554	537	520	503
Specific revenue grants	2,253	328	229	182	47	50	54
Hinkley Point	683	1,202	2,220	2,109	1,437	768	218
Road Safety	528	248	148	48	0	0	0
LRF Reserve	73	73	33	0	0	0	0
LRF Projects reserve	210	143	90	0	0	0	0
Victims and Commissioning	2,574	1,404	1,064	1,064	1,064	1,064	1,064
Miscellaneous Reserve	102	191	130	118	87	65	65
Regional Programme Reserve	172	135	0	0	0	0	0
Pension Fund McCloud	88	459	373	0	0	0	0
NON-DISCRETIONARY RESERVES	8,230	5,639	5,726	5,043	4,239	3,634	3,171
Capital Financing reserve	14,610	8,482	0	0	0	0	0
Capital earmarked reserves	400	0	0	0	0	0	0
PFI Change Reserve	457	457	0	0	0	0	0
PFI Sinking Fund Reserve	5,191	5,243	5,253	5,218	5,136	5,005	4,821
ESMCP Reserve	734	734	734	734	734	0	0
Capital Receipts Reserve	12,697	12,597	13,455	0	0	0	0
CAPITAL AND PFI RESERVES	34,089	27,513	19,442	5,952	5,870	5,005	4,821
General Fund	12,000	12,000	12,000	12,000	12,000	12,000	12,000
TOTAL Useable Reserves	59,717	50,551	40,691	25,519	24,343	22,872	22,225