



County Buildings, Stafford
DDI 01785 278502
Please ask for Mandy Pattinson
Email: mandy.pattinson@staffordshire.gov.uk

Staffordshire Police, Fire and Crime Panel

Monday 3 February 2025

10:00

Oak Room, County Buildings, Stafford

The meeting will be webcast live and archived for 12 months. It can be viewed at the following link: <https://staffordshire.public-i.tv/core/portal/home>

John Tradewell
Secretary to the Panel
24 January 2025

Agenda

1. **Apologies**
2. **Declarations of interest**
3. **Minutes of the Panel meeting and the Confirmation hearing held on 18 November 2024** (Pages 5 - 18)
4. **Questions to the PFCC from Members of the Public** (Pages 19 - 26)

Questions to the Commissioner are invited from members of the public who live or work in Staffordshire. Notice of questions must be received by no later than three clear working days before the Panel meeting. More information on where and how to submit a question can be found at <https://bit.ly/34arVDw>

5. **Decisions published by the Police, Fire and Crime Commissioner (PFCC)**

The following decisions have been published on the Commissioners website since the last meeting of the Panel:

Police and crime 008 – Revision of Standing Orders
Police and crime 009 – Restorative Justice Services
Police and crime 010 – Victim Gateway Service
Police and crime 011 – Violence Reduction Navigator
and Tailored Support Service

[Decisions - Staffordshire Commissioner](#)

6. **Proposed Police Budget and Precept 2025/26** (Pages 27 - 130)

- a) Budget Report 2025/26 including MTFS
- b) Treasury Management Strategy 2025/26
- c) Reserves Strategy update
- d) Capital Strategy and Capital Programme

7. **Police Misconduct and Complaint Regulations 2020 - annual report**

Report to follow.

8. **Appointment of Co-optee member** (Pages 131 - 132)

9. **Questions to the PFCC by Panel Members**

10. **Dates of Future Meetings and Work Programme** (Pages 133 - 136)

11. **Exclusion of the Public**

The Chairman to move:

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below”.

Part Two

(All reports in this section are exempt)

Membership	
Charlotte Atkins	Staffordshire Moorlands
Adrian Bowen	Co-optee
Carol Dean	Tamworth
Gill Heesom (Vice-Chair)	Newcastle-under-Lyme District Council
Majid Khan	Stoke on Trent City Council
Zdzislaw Krupski	East Staffordshire
Angela Loughran	Stafford Borough Council
Vince Merrick	South Staffordshire
Bernard Peters (Chair)	Staffordshire County Council
Dave Robertson	Lichfield
David Williams	Cannock Chase

Notes for Members of the Press and Public

Filming of Meetings

Staffordshire County Council is defined as a Data Controller under the Data Protection Act 2018. The County Council has agreed that public meetings should be the subject of live web transmission 'webcasting'. Fixed cameras are located within meeting room for this purpose.

The webcast will be live on the County Council's website and recorded for subsequent play-back for 12 months. The recording will also be uploaded to YouTube. By entering the meeting room and using the seats around the meeting tables you are deemed to be consenting to being filmed and to the possible use of those images and sound recordings for the purpose of webcasting.

If you have privacy concerns about the webcast or do not wish to have your image captured, then please contact the Member and Democratic Services officer named at the top right of the agenda.

Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.

Minutes of the Staffordshire Police, Fire and Crime Panel Meeting held on 18 November 2024

Present: Bernard Peters (Chair)

Attendance	
Charlotte Atkins	Majid Khan
Adrian Bowen	Zdzislaw Krupski
Carol Dean	Vince Merrick
Gill Heesom (Vice-Chair)	Jenny Barron (Substitute)

Also in attendance: Ben Adams, David Evans, Louise Clayton and David Greensmith.

Apologies: Angela Loughran and David Williams

Part One

24. Declarations of interest

No declarations were made at the meeting.

25. Minutes of the meeting held on 30 September 2024

Resolved: That the minutes of the Panel meeting held on 30 September 2024 be approved and signed by the Chair.

26. Questions to the PFCC from Members of the Public

The Panel had received one question for the Commissioner from Mr G Jones of Support Staffordshire. The question was included in the agenda pack.

The Commissioner was concerned that any response he made in this public meeting would be on behalf of partners and would relate to a confidential Partnership Board meeting. The Commissioner proposed a meeting with Mr Jones to talk through the issue and then to formally respond to the Panel at the next meeting. This approach was agreed with Mr Jones.

Resolved: That a response to the question would be reported to the next meeting.

27. Decisions published by the Police, Fire and Crime Commissioner (PFCC)

The decisions made by the Commissioner since the last meeting were noted. No questions were asked by the Panel.

28. Police and Crime - MTFS Update

The Medium-Term Financial Strategy (MTFS) update report for the Police service was presented by the Commissioner and his Director of Finance.

The report set out:

- The current position of the 2024/25 budget
- An update on future years MTFS assumptions
- Sensitivity analysis around key financial items
- An update on the capital programme.

Movement in the MTFS position since it was set in February 2024 was listed in paragraph 4.2 of the report.

The Budget setting process, savings and pressures were listed in the report.

It was noted that at a previous panel meeting, members had requested that future budget/MTFS update reports include information covering the Capital Programme and Capital Funding. This had been included in the report.

As a result of the Commissioners presentation and questions from the Panel, the following information was gained. This was in addition to that provided in the written report:

- The government settlement was expected in mid-December.
- Pay increases and additional implications over pensions and National Insurance payments remained a concern. This included third party spend, for example, construction projects the cost of which may increase as companies pass on their extra cost.
- There were a number of Government manifesto commitments which may affect the budget and discussions on how these will be implemented are ongoing. Particular reference was made to Neighbourhood policing commitments and how these would be funded. Staffordshire employed relatively high levels of PCSO's where as other forces didn't employ any. It was felt that a forced direction to employ a certain number of PCSO's per force would increase budgets if it was not funded. There may also be a direction to move police officers to neighbourhood policing which could be at

the detriment of work areas.

- PCSO's were viewed as a valuable part of the workforce, particularly when it came to gathering intelligence.
- The recent pay award had created significant change to the budget. The 3% increase had contributed to an increased funding gap of £22.6m
- The reserves remained in line with recommended levels.
- Income generating was limited.
- Challenges in future years would become more significant and all areas would be looked at including interest on investments and back office support. It may also be possible to look at areas such as energy efficiency or sharing services.
- If savings were needed they will be considered and proportionate to risk.
- Workforce stability was important and more information on this would be provided in future reports.
- The ring-fenced uplift grant would remain a risk item until further information was known.

Resolved: That the update report be noted.

29. Fire and Rescue - MTFS Update

The Medium-Term Financial Strategy (MTFS) update report for the Fire and Rescue Services was presented by the Commissioner and his Director of Finance.

The report set out:

- The current position of the 2024/25 budget
- An update on future years MTFS assumptions
- Sensitivity analysis around key financial items
- An update on the capital programme.

Similar financial assumptions to that in the earlier Police MTFS report had been made in this report.

There had been significant transformation programme work which had helped to improve the financial position of the service and the recent Inspection improvement results reflected this work.

Brewood fire station redevelopment had been delayed but it was anticipated that this project would be delivered in the 2026/27 capital programme.

During the discussion and question and answer session, the following information was gained:

- It was anticipated that increases in employer national insurance contributions would be funded by the government but until exact detail was available this would remain a risk.
- Generally, there were no vacancies within the service and recruitment was constant so that levels were maintained. Additional staffing costs had resulted from casual cover and or sickness or shift cover.
- Sickness levels were at a constant level. New, more informative ways of reporting sickness were being looked at. This could come to a future panel meeting for information and would include the gender balance and diversity of the work force.
- There had been a budget saving on shared support staff.
- There was an increase in cost for the 3 man crew service. This cost was being evaluated against service and response rates.
- Reserve rates were reviewed annually and were considered reasonable.

Resolved:

- a) That the update report be noted.
- b) Sickness levels, gender balance and the diversity of the work force be reported to a future meeting of the panel.

30. Police & Crime Plan and Fire & Rescue Plan 2024-2028 – Consultation outcomes

The Commissioner introduced the report and informed the Panel that he was pleased with the consultation response rate and was encouraged to see that the priorities in the plan had been well received.

The results indicated a low level of ethnic minority and young people responding. The Commissioner acknowledged this and agreed to look at ways of targeting different groups in future consultation exercises.

The Deputy Commissioner briefly described the recent developments in the area of road safety including the new initiative of checking drivers vision if stopped for other offences/driving concerns. The legislation around older drivers and raising awareness/concerns with family members as well as drivers was discussed.

Following a question on communicating with the visually impaired or hard of hearing, the Panel was informed that the force had a Police Link Officer for the Deaf (PLOD) who was able to support deaf people when needed. There were also other support groups and electronic aids which could be used if required. All disabilities, different languages and different support needs were considered at all times.

Resolved: That the update report be noted.

31. Questions to the PFCC by Panel Members

The Panel asked questions and received the following responses:

- 1) What could be done to provide sufficient support to Children in Care to prevent absconding from care homes?

In response, the Panel was informed that this had not been raised as an issue locally but the Commissioner and Deputy Commissioner were aware of the need to support the private care home sector generally.

- 2) Community use of Stone fire station was raised.

In response, the Panel was informed that the enhanced shared use of fire stations (between fire and Police) would inevitable lead to reduced availability for community groups. Groups were being supported to find alternative venues.

- 3) At the last panel meeting whistleblowing, and the need to use independent advice to address motivation etc was raised. Why was independent advice needed?

The panel was informed that an annual report on complaints and misconduct was due to panel in February 2025 and this would be picked up at this time and explained fully.

32. Dates of Future Meetings and Work Programme

The next meeting would be 3 February 2025.

Resolved: That the Panels Work Programme be noted.

Chair

Minutes of the Staffordshire Police, Fire and Crime Panel Meeting held on 18 November 2024

Present: Bernard Peters (Chair)

Attendance	
Charlotte Atkins	Majid Khan
Adrian Bowen	Zdzislaw Krupski
Gill Heesom (Vice-Chair)	Jenny Barron (Substitute)

Also in attendance: Ben Adams, David Evans and Heather Lees.

Apologies: Carol Dean, Angela Loughran, Vince Merrick and David Williams

Part One

33. Apologies

34. Declarations of interest

No declarations of interest were made at the meeting.

35. Consideration of proposed appointment to the post of Section 151 Officer (Chief Finance Officer)

The Secretary to the Panel's report explained that the Panel was required to hold a Confirmation Hearing following receipt of formal notification by the Police Fire and Crime Commissioner of his wish to appoint his preferred candidate for the post of Director of Finance Section 151 Officer.

The report explained that guidance on the role of the Panel, recommended that through questioning of the candidate they should consider the 'professional competence' and 'personal independence' of the individual. To assist, the Panel had been provided with the preferred candidates CV in advance of the meeting and a job description/person specification was attached to the agenda.

Presentation by the Police Fire and Crime Commissioner

The Commissioner reported on the detailed and lengthy process followed by him to recruit a new Director of Finance and Section 151 Officer for the Commissioners Office.

The Commissioner reported that Heather Lees was his preferred candidate.

Presentation by and questions to Ms Lees:

Ms Lees briefly summarised her career, work experience and achievements to date.

The Panel questioned her on various issues including how her experience would address the challenges faced by the Commissioners office and the qualities needed to deliver change.

The Panel adjourned at 12:15 pm to consider their decision.

The Panel reconvened at 12:20 pm. The Commissioner and Ms Lees were re-admitted to the meeting and informed of the Panel's unanimous decision.

RESOLVED – That the Staffordshire Police Fire and Crime Commissioner be informed that this Panel recommends that he proceed with the appointment of Ms Lees as the Director of Finance and Section 151 Officer.

Chair

STAFFORDSHIRE POLICE FIRE AND CRIME PANEL

ACTIONS ARISING FROM PREVIOUS MEETINGS

NOTE: The following action or information was requested at a previous meeting(s). When an item has been completed it will be reported to the Panel and then taken off the list.

Meeting / Agenda Item	Action Required	By Whom	Information requested/action taken	Completed or Target date
6 Feb 2023 Questions raised by the Panel. Page 13	Minute 23 When would the incompatibility of technology be rectified? Reference was made to CCTV data from the District Councils which could not be downloaded by the police.	PFCC to respond	This matter is being considered by the Police. Ongoing Also discussed at 3 July meeting. (Minute 7) and update provided under (Minute 32) 5 February 2024. 08/01/2025 Compatibility of CCTV technology will not be resolved without significant further investment by local authorities.	Closed
13 November 2023 – MTFS -Police	Minute 26 Requested that future budget/MTFS update reports include appendices covering the Capital programme and detailed lines in the budget should be included.	PFCC	Will be included in the update report November 2024	Completed – included 18 November 2024
13 November 2023 – MTFS	Minute 27 Requested that future budget/MTFS update reports include appendices covering the Capital	PFCC	Will be included in the update report November 2024	Completed – included 18

Fire	programme and detailed lines in the budget should be included.			November 2024
1. 1. 13 November 2023 – MTFS Fire 2. 12 February 2024 – Fire and Rescue action plan 3. 30 September 2024 – annual report	<p><u>Crew of 3 trial</u></p> <p>Minute 27 The results of the crew of three trail, be reported to the Panel when available.</p> <p>Minute 43 That more information on the three person crewing for on call staff be reported back to the panel, and include responses to the Panels questions/concerns as listed above.</p> <p>Minute 21 The results of the 3-crew pilot, including the impact, if any, on mental health of the crews, be considered by the panel in due course.</p>	PFCC	<p>Also discussed at 12 February meeting and 30 September meeting.</p> <p>Briefing note sent to members 09/10/24. Pilot due to end December 2024.</p> <p>08/01/2025 – evaluation paper provided for panel on 10th Feb</p>	Included in the Fire and Rescue plan or annual report (September 2024).
12 February 2024 – Police misconduct annual report	Minute 44 The Panel felt that although benchmarking information was available on line, it would be useful in future, if comparison information could be added to the report. Also examples of how complaints had helped to improve organisational learning.	PFCC	<p>Annual report for Force and Fire will be presented at the Panel meeting in February 2025</p> <p>08/01/2025 – consideration given to including comparisons within misconduct annual report, however there are so many measures in the</p>	February 2025

			IOPC data that this is not feasible. If panel would like to identify a number of measures, these could be included going forward.	
24 June 2024 – Decisions taken by the PFCC	Minute 6 The Commissioner agreed to review the proforma to link the decision made back to his strategic plan or other relevant plan.	PFCC	08/01/2025 – following the launch of the commissioner’s new plans, going forward all decision notes will include a reference to the relevant strategic priority.	
30 September 2024 – Annual report	Minute 19 That the Panel respond formally to the Annual report including the feedback provided during the meeting.	Panel	Responded 09/10/24. Website	October 2024
30 September 2024 – Annual report	Minute 19 The Panel requested information on the gender balance for both new recruits and the force(s) as a whole (both Fire and Police).	PFCC	Nov 24 - Police figures in performance monitoring report 07/10/24 <u>COMMISSIONER’S PUBLIC PERFORMANCE MEETING - STAFFORDSHIRE POLICE - Tuesday 23 January 2024, 2:00pm - Staffordshire County Webcasting (public-i.tv)</u> Fire information emailed to members and will be part of the fire performance pack 7 November <u>Public Meetings - Staffordshire Commissioner (staffordshire-pfcc.gov.uk)</u>	

**18
November
2024-**

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Minute 29 Sickness levels, turnover, gender balance and the diversity of the work force information requested.

08/01/2025 - These areas are regularly discussed at the Commissioner's Public Performance meetings (PPM) with the Chief Constable and Chief Fire Officer and the data is published in the Public Performance Pack. Attached are copies of the PPM packs and location of relevant data.

Diversity and Gender Balance:

- Police (PPM) - Slide 53 – 11.1
- Fire (PPM) - Page 32 & 33 – 7.2

Turnover and Sickness:

- Police (PPM) – slide 52 – 11.1
- Fire (PPM) - Page 31 – 7.0
Page 34 to 38 – 7.3



POLICE PPM 07 Oct
2024.pdf



FIRE PPM 07 Nov
2024.pdf

30 September 2024 - Annual report	Minute 19 More information was requested on the new 2 year temporary Resource Unit in the Stoke on Trent area, responding to domestic violence.	PFCC	08/01/2025 – update will be provided to panel in June 2025	

**STAFFORDSHIRE POLICE, FIRE AND CRIME PANEL –
3 February 2025**

**QUESTIONS FROM THE PUBLIC TO THE POLICE, FIRE AND
CRIME COMMISSIONER**

Report of the Secretary

The Panel's Constitution provides for questions to the Commissioner from members of the public. Questioners can choose to either attend the meeting and ask the question themselves or have the question dealt with in written form and the reply forwarded to them.

J Tradewell
Secretary to the Panel

Contact Officers: Mandy Pattinson
Mandy.pattinson@staffordshire.gov.uk

1. G Jones – Support Staffordshire - deferred from last meeting

According to a report submitted to the Adult Safeguarding Partnership Board on 24 October 2024, the Staffordshire Commissioner has no data on how many adults known to Local Authority safeguarding teams to be at risk of domestic abuse, have received support from the commissioned provider, New Era, prior to April 2024. This is a serious negation of the Commissioners responsibilities. Please can the commissioner explain why this omission occurred, being specific as to whether this was a provider failure, or a commissioner failure, and being clear about what action has been taken against the organisation or persons responsible for this egregious error?

2. T Stocks

With reference to the last meeting of the panel and the report on I refer to the meeting of 18 November 2024, and specifically to the item entitled "Police & Crime Plan and Fire & Rescue Plan 2024-2028 – Consultation outcomes. Among the feedback reported were suggestions that the Police should tackle 'real crime' and should not engage in 'woke' policing; and that there should be less paper work for Police Officers.

With this and other reported feedback in mind, I have attached two graphs from a report in the Daily Telegraph published in October 2024. These graphs indicate that Staffordshire Police has been very focused on non-criminal hate incidents (NCHI), and not very focused on burglaries. This is clearly not what the public expects from its police force, and this obsession with the policing of non-crime needs to end.

May I ask the Commissioner to ensure that priorities are shifted away from the pursuit of 'woke' agendas (including NCHI) which add little value and onto real and significant crime that is a major concern for the public.

Police, Fire & Crime Panel – Public Question

Questions Posed:

According to a report submitted to the Adult Safeguarding Partnership Board on 24 October 2024, the Staffordshire Commissioner has no data on how many adults known to Local Authority safeguarding teams to be at risk of domestic abuse, have received support from the commissioned provider, New Era, prior to April 2024. This is a serious negation of the commissioner's responsibilities. Please can the commissioner explain why this omission occurred, being specific as to whether this was a provider failure, or a commissioner failure, and being clear about what action has been taken against the organisation or persons responsible for this egregious error?

Panel Member: Member of Public – Garry Jones

Question Date: 25 October 2024

Commissioner Response:

Prior to October 2023, the volumes of all Local Authority referrals of Domestic Abuse (DA) cases to the DA provider New Era were recorded as part of performance management, in totality, including Social Services cases, Housing cases etc. as opposed to identifying individual referral sectors. However, please be assured we are aware and can confirm that 100% of referrals received by New Era were triaged, risk assessed and service users fully supported, regardless of their referral source. Advice, guidance and / or a support service were provided to all consenting victims, as appropriate.

With new DA contracts in place from October 2023, this sector specific data is captured and all cases continue to be triaged, risk assessed and service users fully supported. Some referral data was shared at the Staffs and Stoke Adult Safeguarding Partnership Board (SSASPB) in the Autumn as an interim update with further information to follow in March 2025.

In early Spring 2024, the Staffs and Stoke Adult Safeguarding Partnership Board (SSASPB) held a discussion on DA and reached a decision that from April, DA would be a priority for the Board.

To further develop working arrangements between safeguarding teams and domestic abuse service providers, the Domestic Abuse Commissioning and Development Board (DACDB) and the SSASPB have cemented reciprocal attendance at governance boards and work has commenced to improve Adult's and Children's Social Care DA-related datasets within both Top Tier Authorities and better the understanding, awareness and knowledge of DA within Social Care teams. Currently, Social Care

Teams can identify the number of cases affected by DA; however, they are unable to record on their data systems the number of DA referrals they make to DA specialist providers.

With this in mind, the DACDB now collects information from all DA providers (New Era, Glow, Pathway and Staffordshire Women's Aid) to demonstrate the number of cases received from Social Services.

As a result therefore, anomalies between the volume of DA related cases identified by Social Care to the volume of cases received by DA specialist providers are now considered and questions are being posed as to the reason for the differences in volumes. Supplementary DA related training, support and guidance can and is being provided to Adult Social Care teams to increase their knowledge and awareness to ensure that all cases affected by DA are appropriately referred for specialist support.

This therefore is a good news story, evidencing the success of collective developments. All adults with care and support needs have always and continually to be supported by DA specialists, determined by their level of risk and need.

Contact Officer

Author:	Louise Clayton
Position:	Chief Executive
Date:	23.01.2024

Police, Fire & Crime Panel – Public Question

Questions Posed:

“With reference to the last meeting of the panel and the report on Consultation outcomes. Among the feedback reported were suggestions that the Police should tackle ‘real crime’ and should not engage in ‘woke’ policing; and that there should be less paper work for Police Officers.

With this and other reported feedback in mind, I have attached two graphs from a report in the Daily Telegraph published in October 2024. These graphs indicate that Staffordshire Police has been very focused on non-criminal hate incidents (NCHI), and not very focused on burglaries. This is clearly not what the public expects from its police force, and this obsession with the policing of non-crime needs to end.

Will the Commissioner ensure that priorities are shifted away from the pursuit of 'woke' agendas (including NCHI) which add little value and onto real and significant crime that is a major concern for the public”

FOI request by The Telegraph.

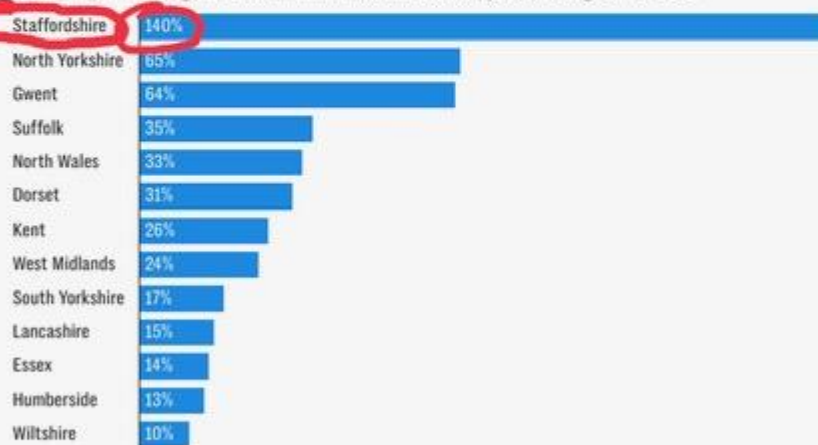
For context, in 2019, police handed out just 11,000 fines for criminality across all forces.

A high-profile court case in 2020 highlighted the scale of the issue and in 2023, then Home Secretary Suella Braverman called for a crackdown on their use.

Instead, the year ending June 2024 saw 11,690 NCHIs issued across 30 forces, an almost identical figure to the year before, according to an FOI request from the Free Speech Union. A number of forces recorded double digit increases year-on-year.

Some forces are increasing their non-crime hate incidents

Year-on-year change in non-criminal hate incidents, year ending June 2024



Source: Freedom of Information request by the Free Speech Union

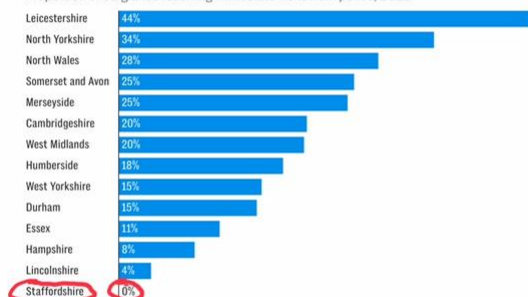
The Telegraph has reported in detail on the state of policing across England and Wales, as charge rates have plummeted on a yearly basis, just as NCHI use went up.

Over the past decade, police are recording 145,471 fewer charges every year (-25 per cent) and 113,578 fewer formal out-of-court disposals such as fines and cautions (-67 per cent).

In 2023, in fourteen police forces, 6,568 burglaries did not get a police visit, according to a Telegraph FOI request. This is equivalent to 19 per cent of all cases, despite the police chief's body insisting all crimes would receive a visit in 2022.

Many burglaries do not receive police visits

Proportion of burglaries receiving immediate visits from police, 2023



Source: Freedom of Information request, some force include garden sheds

Over half of all neighbourhoods in England and Wales saw not a single burglary solved in their area, a recent Telegraph investigation revealed.

In the year ending June 2024, a record 1,290 shoplifts were recorded a day. Across seven forces who replied to FOI requests, fewer than one in six received a police visit.

Panel Member: Member of Public – Terence David Stock

Question Date: 23 December 2024

Commissioner Response:

Regrettably it appears data provided by Staffordshire Police's FOI team resulted in incorrect information being provided. Data was provided based on Mar 23 to Sep 23. This was doubled to represent a full year but doubling failed to take account of reductions. Reporting on NCHIs is further complicated by whether cases involving repeat reports are included or not and when reports subsequently found not to be recordable are counted.

For the period reported on in the Telegraph, Staffordshire actually recorded reductions of between 7% to 21% depending on the counting method. This means the service was not an outlier and actually saw reductions, as most forces did, which I would expect given the national guidance.

With regard to visiting victims of home break in the latest position is that 99.6% were attended. There are national complications reporting on this following recent crime recording changes designed to separate break-ins of outbuilding from break-ins of dwellings. It is the latter that the expectation of a visit is linked to and Staffordshire Police's policy was to visit, unless requested not to, before the recent national expectation was introduced.

I am reassured that improved processes are now in place to ensure data accuracy.

Contact Officer

Author:	Louise Clayton
Position:	Chief Executive
Date:	24 January 2025



Item No. on Agenda

Report to the Police Fire and Crime Panel – 3rd February 2025

Police and Crime Budget Report for 2025/26

(Including Medium Term Financial Strategy)

Report of the Staffordshire Commissioner

Introduction

The purpose of this report is to set out the proposed budget and precept proposal for the police and crime element of the Staffordshire Commissioner's portfolio for 2025/26. This is the Commissioner's fourth budget in office and delivers one of his key responsibilities under the Police Reform and Social Responsibility Act 2011.

The report sets out the following:

- Net police and crime budget requirement for 2025/26
- Proposed precept for the police and crime element of the council tax 2025/26
- Proposed policing Medium-Term Financial Strategy (MTFS)
- Outline policing capital budget

The report should be read in conjunction with the accompanying:

- Treasury Management Strategy
- Reserves Strategy
- Capital Strategy

Recommendations

The Police, Fire and Crime Panel is asked to:

- Examine the information presented in this report, including:
 - The total 2025/26 net revenue budget requirement of £277.640m (**see Appendix 1**), including
 - A council tax requirement for 2025/26 of £106.274m before the collection fund deficit is considered (**see Appendix 5**)
- Support the proposal to increase the 2025/26 precept for the policing element of the council tax bill by **27 pence per week** (£14 per annum), increasing the council tax to £287.57 for a band D property, an increase of 5.12%.

- Note that the council tax base has increased to 369,558 Band D equivalent properties, equivalent to an increase of 1.01% **(see Appendix 4)**.
- The council tax collection fund has also been finalised delivering a deficit of £0.259m **(see Appendix 3)**.
- Note the use of £3.645m of revenue reserves to balance the 2025/26 budget (this is in addition to use of other earmarked reserves to support identified purposes).
- Note the MTFS summary financials **(Appendix 6)** and MTFS assumptions **(see paragraph 5.5)**
- Note that it has been assumed that there will be a requirement to invest in full the Neighbourhood Policing Guarantee funding of £1.5m; for the purposes of setting the budget, it has been assumed that this will be earmarked for officer pay. Panel are asked to note at the point of writing the conditions of use, or performance metrics, for the grant have yet to be published.
- Support the delegation to the Director of Finance for the Staffordshire Commissioners Office and the Director of Resources of Staffordshire Police to make any necessary adjustments to the budget as a result of late changes to central government funding (including changes due to the final funding settlement being announced) via an appropriation to or from the budget support reserve.
- Support the proposed four-year Capital Investment Programme **(see Section 8)** totalling £90.569m and the Capital Strategy and Capital Programme paper.
- Note the outcome of the Staffordshire Commissioner's budget consultation within the Commissioner's foreword which included a survey regarding the proposed level of precept for 2025/26 **(see Appendix 9)**.

Contact Officers:

John Bloomer FCPFA

Director of Resources / S151 Officer for Staffordshire Police

Heather Lees

Director of Finance / S151 Officer for the Police and Crime Commissioner

Commissioner's Foreword



1. Executive Summary

- 1.1 This report, and the council tax precept proposal within it, considers public and stakeholder consultation, demand for policing services as well as key government announcements.
- 1.2 Following the announcement of the council tax referendum levels and police grant settlement by government, the Commissioner has considered; current and future funding requirements, together with the factors included within his Police and Crime Plan, the results of the survey with local residents, as well as actual and expected cost pressures and efficiency savings from the force and his own office.
- 1.3 The budget considers the current and emerging operational challenges, both nationally, regionally and locally, with particular reference to those areas included within the Force's Strategic Assessment and the most recent inspection from His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS).
- 1.4 It has been welcome to see HMICFRS remove Staffordshire Police from an Engaged level of inspectorate oversight as well as an inspection report that demonstrates real and tangible progress in improving the service.
- 1.5 Staffordshire Police continues to deliver Value for Money. In the latest HMICFRS Value for Money profiles, Staffordshire Police is the 8th lowest funded force in England and Wales on a per head of population basis but continues to be one of the safest places to live, work and visit in the United Kingdom.
- 1.6 Pay and inflationary pressures were higher in 2024/25 than forecast in the MTFS with the average pay award of 4.75% being announced (3% was budgeted for). In addition, the increase on employers National Insurance charges from April 2025 has increased inflationary pressure into 2025/26. These significant inflationary pressures on both pay and prices have been captured in the 2025/26 MTFS, however have necessitated difficult choices on both precept and also savings. There has been no further draw on the budget support reserve to manage these pressures in the MTFS.
- 1.7 These inflationary increases, alongside a settlement that did not fully cover centrally imposed costs and have made setting the 2025/26 MTFS challenging. The current external environment, seen through inflationary pressures and a move towards above inflation pay awards, remains volatile, increasing the likelihood of budget assumptions being materially challenged in year.
- 1.8 The table below demonstrates the impact of central government decisions on the 2025/26 budget since the MTFS was set in February 2024.

	£m
Headline increase in funding (excluding precept increase)	9.6
Minus: Neighbourhood Policing Guarantee costs	(1.5)
Minus: National insurance cost	(3.9)
Minus: Pay pressures excl. NI (4.75% pay award Sept24, 2.8% Sept25) adjusted for assumed full-year effect of pay award grant	(9.2)
Minus: Above inflation increase in HO IT charges	(0.6)
Minus: New Burdens	(0.3)
Underlying government policy impact on funding (decrease)	(5.9)

- 1.9 With such a deficient funding settlement the Force's transformation programme will require in the region of 70 to 80 non police officer posts to be deleted from the establishment. The majority of these come from not recruiting to posts that have become vacant through turnover.
- 1.10 The Commissioner has considered the adequacy and level of reserves and the impacting of future financial challenges and opportunities in the MTFS. The MTFS assumes a net drawn on reserves of £5.141m, of which £4.268m is from the budget support reserve to support the MTFS revenue budget in years 1 and 2. There are other reserves being used for the purpose for which they are earmarked over the life of the MTFS.
- 1.11 As at Quarter 3, the forecast outturn for 2024/25 is a £0.032m underspend, after a contribution of £0.151m into the budget support reserve (it is assumed that this is used in 2026/27. In this financial year, 93% of the £6.558m MTFS savings target has been delivered.
- 1.12 This position assumes that the disorder witnessed over the summer is funded as per the Home Secretary's August letter of comfort to Chief Constables and Police and Crime Commissioners. At the point of writing, following submissions of cost in the Autumn, no final determination on this has been made by the Home Secretary. Funding of £1m, based on the letter of comfort, has been recognised in 2024/25 based on the costs as at the end of December 2024. There will be further pressure on the forces budget if the funding is not received. Costs continue to be accrued in relation to the prosecutions but no provision has been made in 2024/25 or subsequent years budgets for these additional costs.
- 1.13 The draft policing settlement was published on 17th December 2024. There are items such as the Neighbourhood Policing Guarantee that have yet to be announced – this presents a real challenge both operationally and financially given the intention to bring these reforms in at the start of April 2025.
- 1.14 Panel should note the budget assumes that the £1.5m allocated for the Neighbourhood Policing guarantee is ringfenced for this purpose. No further guidance has been received and the MTFS assumes this is spent in full on delivering the Neighbourhood Policing Guarantee and is not funding to support the core Force budget. For the purposes of setting the budget, this has been treated as a specific grant and the associated spend has been assumed against officer pay.
- 1.15 The MTFS assumptions for future years funding are that core funding will increase by 2% in cash terms (a real terms reduction taking account of inflation & population growth) and a precept referendum limit of 2.99%. The Home Office has provided a one-year local settlement only. This makes future budget estimates and assumptions inherently risky.
- 1.16 In addition, interest rates are forecast to be higher and for a longer period of time. In the short term this presents an opportunity to generate more income on balances but over the medium-term increases interest cost on borrowing. This, alongside a desire to reduce the investment backlog in IT and Estates, sees an increase in

capital financing charges into the revenue budget over the life of the MTFS. The Force and Commissioner remain committed to investing in the capital programme.

1.17 After consideration of all of these aspects, the Commissioner is proposing a precept increase of 27 pence per week from April 2025. Panel should note the settlement assumes PCC's increase funding by the maximum allowed. This increase supports the budget as the cash funding from grant is lower than the cost of pay awards and NI increases imposed on Policing by the Government since the last MTFS.

1.18 The Commissioner and Chief Constable will make the following headline investments into Policing and Crime since the last MTFS, above and beyond those provided for by central government in:

- Supporting the recruitment of 16fte additional Police Officers for 2025/26 & 2026/27;
- EV infrastructure and sustainability schemes to meet unfunded obligations placed on policing by the government;
- Funding to invest in technology improvements to improve contact systems to better meet public expectation and improve public contact and feedback;
- Recruitment of transferees, bringing experience at pace into Staffordshire Police to complement our existing recruitment of student officers;
- Automated document redaction software to ensure legislative compliance, freeing up time to be reinvested back into Policing;
- A dedicated proactive team to tackle important priorities in rural communities;
- A new specialist Roads Crime Team to tackle crime committed on our roads.

Further detail is contained in **Section 4**.

1.19 The Commissioner will continue to support the Chief Constable's transformation programme and has committed to providing a capital funding envelope which includes a £20.4m operational investment programme for estates. This paper is accompanied by a Capital Strategy and Treasury Management Strategy which explain how this investment will be afforded. Further detail on the proposed capital investment is contained in **Section 8**.

1.20 If the proposals in this document are supported then the Staffordshire Commissioner will have the following funding available in 2025/26:

Table 1 Net Budget Requirement Comparison 2024/25 to 2025/26

	2024/25	2025/26	Change
Funding	£'000	£'000	£'000
Home Office Police Core Grant	137,622	142,718	5,096
Revenue Support Grant	8,423	8,423	0
Council Tax Freeze Grant	3,541	3,541	0
Police Pension Grant	5,677	5,291	(386)
Officer Maintenance Ringfenced Grant	6,406	5,275	(1,130)
Additional Recruitment Top-Up	1,824	2,845	1,021
National Insurance Contribution	0	3,532	3,532
Precept	100,091	106,274	6,183
Council Tax Fund Surplus/(Deficit)	1,239	(259)	(1,499)
Total Funding	264,824	277,640	12,816

	2024/25	2025/26	Change
Spend	£'000	£'000	£'000
Staffordshire Commissioner	7,538	7,563	25
Staffordshire Police	249,886	262,117	12,231
Capital Financing & Revenue Contribution to Capital	8,596	8,647	51
Investment Income	(1,196)	(688)	509
Total Spend	264,824	277,640	12,816

The detailed budgets are shown in **Appendix 1**

2. The Budget Process

- 2.1 The 2025/26 budgeting round continues to use a risk-based approach to budget setting which has sought to align the budget process with identified strategic operational priorities and risks, making strategic investments where funding allows in line with the Commissioner's Police and Crime Plan.
- 2.2 Underpinning the budget and MTFS process are the principles of setting a good and balanced budget. Whilst setting a balanced budget is a legal requirement, significant focus is spent on ensuring it is a 'good budget'.

A **Balanced Budget** means that:

- Income equals expenditure
- Cost reduction targets and investment proposals are credible and achievable, and;
- Key assumptions are 'stress tested'



A **Good Budget** means that:

- It has a medium term focus, supporting the Policing Plan
- Resources are focused on our priority outcomes
- It is not driven by short term fixes
- It demonstrates how we have listened to our communities through consultation
- It is transparent and well scrutinised
- It is integrated with the capital programme; and
- It maintains financial stability

- 2.3 The Commissioner and Staffordshire Police have considered key corporate risks when setting the budget. Essentially these risks are operational and organisational around managing people, infrastructure assets, information, commissioning etc.
- 2.4 The force continues to identify its strategic operational risks as part of the Force Management Statement (a requirement of His Majesty's Inspectorate of Constabulary, Fire and Rescue Service). This has been used to inform resourcing strategies at both command and departmental level.
- 2.5 The latest MTFS and, in particular, the 2025/26 budget contained within this report aligns financial resources to areas of greatest risk and therefore is fundamental to the performance management of Staffordshire Police and the Staffordshire Commissioner's Office. It should be noted however that the lateness and deficiency within the funding settlement compared to government costs imposed has meant accelerating areas of savings that, whilst are those believed to have minimal impact on performance, will have an impact on capacity and individuals.
- 2.6 Both Section 151 Officers have worked closely with the wider finance team throughout the year during the budget monitoring process and in preparation of the revenue and

capital budgets for 2025/26. In respect of the budget, this has included (but was not limited to), the identification and agreement of assumptions and methodology and challenge and scrutiny of the budget workings across both the Staffordshire Commissioners Office (SCO) and Staffordshire Police.

- 2.7 The Commissioner and his management team have held regular discussions with the Chief Constable and his Chief Officers throughout the year on the MTFS. These discussions have culminated in a number of full and robust discussions of the budget requirement, the right sizing and funding of the capital programme, national and local operational and financial challenges, the precept options available to the Commissioner and a review of the MTFS and associated risks.
- 2.8 Furthermore, there has been a significant degree of scrutiny and challenge undertaken by the Commissioner and his team, prior to, during and post the January Strategic Governance Board, culminating in final discussions on the policing budget and decision on precept by the Commissioner. The decision around precept is taken by the Commissioner applying his judgement based upon the above budget process.
- 2.9 The approach taken to the MTFS is one where we continually seek to be a well-run organisation, scrutinising areas of spend as well as containing pressures. The overall approach to the MTFS process, in the order below, is:

1. Well run

- Containment of pressures,
- Identifying and achieving savings which involve no change to the operating model or incurring redundancy costs,
- Spending every £ wisely

2. Commercially astute

- Income generation
- Asset sales
- Balance sheet management
- Procurement and purchasing efficiencies

3. Transformation

- Changing the way we do things
- Leveraging capital investment to support changes to our staffing model
- Right sourcing of services and support

3. Precept Strategy and 2025/26 Proposal

- 3.1 The 2025/26 proposed precept increase is 5.12%. This increase is 27 pence per week for a Band D property (equivalent to 18 pence per week for the lowest banded property – Band A).
- 3.2 The Council Tax Referendum Principles for 2025/26 state that PCCs can increase the policing element of council tax by £14 per annum before triggering a referendum. This assumption of a maximum increase was made by the Government as part of its decisions on funding Policing nationally for cost pressures imposed on it.

- 3.3 The Commissioner has engaged with local residents and stakeholders on a wide range of matters. In relation to the precept, the recent consultation showed that the majority of respondents support an increase in the police and crime precept.
- 3.4 The Commissioner has listened to this feedback and his intention to increase funding in the coming year by £6.183m (excluding the collection fund positions) from the precept, which will provide additional investment to policing as well as ensuring that material cost pressures are met for the budget year 2025/26. Importantly this increase provides additional protection to services in the medium term.
- 3.5 The table below illustrates the financial impact of the precept changes on the council Band D rate and increase in funding for Police and Crime in Staffordshire.

Table 2: Precept changes

Council Tax (Police & Crime Element)	2024/25	2025/26
Band D Council Tax Proposed	£273.57	£287.57
Increase on Prior Year	£13.00	£14.00
Percentage increase on Prior Year	4.99%	5.12%
Total Precept Levied	£6,207,408*	£6,183,227*
Weekly Increase	£100,090,544	£106,273,771

**This includes changes in the tax base as well as precept rate changes*

- 3.6 The increase in council tax funding also takes in to account the actual tax base increase for 2025/26 (1.01%) when calculating the financial impact of the precept flexibility. The proposed council tax increase by banding is shown in **Appendix 5**.

4. Investments in Policing

- 4.1 The Commissioner, in reaching a decision to increase the policing precept, has considered the need to balance increases in local taxation against the investments required in local policing to continue building back in capability and capacity, as well as enabling Staffordshire Police to respond to new and emerging threats.
- 4.2 The Commissioner has supported the recruitment of 16fte additional Police Officers for 2025/26 and 2026/27. This will provide additional uniformed capacity. It is hoped that the governments manifesto policing pledges enable these to be centrally funded over the medium term and therefore baselined into the budget.
- 4.3 Recruitment of transferees, bringing experience at pace into Staffordshire Police to complement our existing recruitment of student officers. Bringing in experienced officers has been key to injecting experience into the Force, a Force that has proportionately one of the most inexperienced front lines in the country.

- 4.4 EV infrastructure and sustainability schemes to meet unfunded obligations placed on policing by the government. Currently the government is consulting on banning the sale of Internal Combustion engine vehicles from 2030 (brought forward from 2035). In Staffordshire this will mean significant amounts are required to be spent on both buying EV vehicles as well as installing charging points. In addition, certain policing tactics and vehicle uses are currently not tenable with Electric Vehicles.
- 4.5 Funding to invest in technology improvements to improve contact systems to better meet public expectation and improve public contact and feedback. The first phase of this system went live in autumn 2024 with initial positive feedback from the public as well as helping to support the overall programme to improve call wait times.
- 4.6 Automated document redaction software to ensure legislative compliance with Crown Prosecution Service requirements is automated, freeing up time to be reinvested back into Policing;
- 4.7 A dedicated proactive team to tackle important priorities in rural communities and a new specialist Roads Crime Team to tackle crime committed on our road networks and help make them safer.
- 4.8 Within the wider capital programme there remains a commitment to build a new firearms training facility and re-provision of the public order training facility. Upgrades to both custody facilities to ensure safe detention and upgrades to operational police stations are to be considered as part of the operational investment programme for estates.

5. The Medium-Term Financial Strategy

- 5.1 The Medium-Term Financial Strategy has been updated as follows and is shown in detail in Appendix 6.
- 5.2 The MTFS is an important document in the overall financial framework of the group's planning. It builds on the budget for 2024/25 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- 5.3 It is a requirement that the Police and Crime Plan must cover the period until the end of the financial year however it is prudent to prepare a medium-term financial strategy over a longer period than this and therefore the report focusses on a four-year timeline.
- 5.4 The MTFS is based on full delivery of a number of savings arising through Resource Allocation Challenge panels as included in **Appendix 8**.

- 5.5 The MTFS includes a number of key assumptions covering likely funding levels, inflationary increases and expenditure items. A summary of the main MTFS assumptions are shown below for consideration:

Table 3: Assumptions

Description	2025/26 Budget	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
<u>Police Officers</u>				
Pay Award	2.8%	2.0%	2.0%	2.0%
Incremental uplift	2.0%	2.0%	2.0%	2.0%
Pension Contribution	35.3%	35.3%	35.3%	35.3%
<u>Police Staff</u>				
Pay Award	2.8%	2.0%	2.0%	2.0%
Incremental uplift	2.0%	2.0%	2.0%	2.0%
Pension Contribution	21.5%	21.5%	21.5%	21.5%
<u>Non Pay Inflation</u>				
General	2.0%	2.0%	2.0%	2.0%
Utilities & Fuel	2.0%	2.0%	2.0%	2.0%
<u>Funding & Income</u>				
Government Funding*	4.97%	2.00%	2.00%	2.00%
Council Tax Base Increase	1.01%	1.0%	1.0%	1.0%
Variable Income Charges	2.0%	2.0%	2.0%	2.0%
Council Tax Precept Increase	5.12%	2.99%	2.99%	2.99%

*For 2025/26 includes Core Grant, Pensions Grant, NI Funding, Officer Maintenance Grant & Additional Recruitment Top Up

- 5.6 All assumptions in the MTFS are subject to change however they are useful in establishing the general size of the underlying pressures in the budget.
- 5.7 Assumptions on inflation have been cross-referenced with other policing and local public sector organisations and believe they are consistent. Panel should note however that in relation to inflation this is continues to be significantly more difficult to forecast.
- 5.8 There remains a significant risk in relation to future pay awards across the public sector. Whilst the most recent pay award for Policing was above inflation it was one of the lowest in the public sector, with other sectors receiving significantly enhanced offers. The Commissioner's view is that any nationally agreed pay awards over inflation should be covered by national government funding.
- 5.9 Based on forecast energy usage and the proposed energy prices from our energy advisors we have seen a maintenance of this budget at the level for 2024/25. However, this remains an area of volatility that underpins the need to hold sufficient general fund reserves.
- 5.10 The tax base forecasts are based upon economic growth forecasts from the Office for Budgetary Responsibility (OBR) blended with local insight and knowledge from billing authorities.

- 5.11 The triannual revaluation of the police staff Local Government Pension Scheme has occurred. Several options for employer contribution rates for the ensuing three years have been presented by the actuary, with a decision to be made regarding approach. Whilst not reflected in the 2025/26 MTFS given that a decision is yet to be made, the employer contribution rate should decrease from 2026/27 onwards.

6. Risks and Sensitivity Analysis

- 6.1 The table below sets out a sensitivity analysis on key assumptions within the 2025/26 budget.

Table 4: Sensitivity Analysis on Assumptions

Cost Area	Change	£'000
Police Pay	1%	1,418
PCSO/Police Staff	1%	888
Utilities	1%	23
Vehicle costs	1%	39
Supplies & Services	1%	101
Police Pension Contribution	1%	904
Police Core Grant Funding	1%	1,427
Precept	£1	370
Precept	1%	1,063

- 6.2 Inflationary pressures remain a significant concern both over the short term and are more likely than not to present a significant challenge around non-pay spend.
- 6.3 There is a risk that higher than inflation increases are experienced during 2025/26 as third-party providers pass on the costs of increased National Insurance contributions. A separate allowance of £0.1m has been included as a contingency.

7. Reserves Position

- 7.1 The Commissioner's Reserve Strategy sets this out the minimum general fund reserve to be 3% of the net revenue budget, with the general fund reserve currently at 3.64% of the 2024/25 net revenue budget.
- 7.2 A number of earmarked reserves are included within the overall reserves position; these reserves exist to cover increased risks in the external environment such as pay and pension changes.
- 7.3 The 2025/26 MTFS includes the use of £3.645m from the budget support reserve to balance the underlying gap, with a further £0.623m in 2026/27.
- 7.4 In 2025/26, in addition to the unwinding of the budget support reserve, other material movements include planned use of the IT transformation reserve (£0.400m) to

support the Digital, Data and Technology department as set out in the 2024/25 MTFS, and PCC ring-fenced reserves to support commissioned services (c.£1.331m).

- 7.5 Should a pay award be higher than budgeted (as was the case in 2023/24), this may necessitate the use of the pay and pensions reserve, if this is not fully-funded.
- 7.6 If the proposals in this report are adopted then the reserves position will be as shown in **Appendix 2**.

8. Capital Programme 2025/26 to 2028/29

- 8.1 The Capital Programme and Capital Strategy for 2025/26 to 2028/29 has been developed and is reviewed within the Capital Strategy. The Capital Programme has been developed by the operational budget holders in discussion with the Head of Financial Accounting and the Director of Resources.
- 8.2 The revenue consequences of the proposed programme have been considered in the development of the revenue budget and the required prudential indicators are set out in the accompanying Treasury Management Strategy.
- 8.3 Panel should note that over the last 4 years the Force and Commissioner have reduced the capital financing requirement (e.g. 'debt') to support investment in front line policing. Long term this direction of travel cannot be maintained without incurring further significant backlog maintenance and driving in inefficiency by not exploiting technology.
- 8.4 The Force has carried out a comprehensive review of the capital programme for the 2025/26 MTFS, re-baselining the programme and ensuring greater congruence between corporate change programmes and the capital programme.

Table 5 – Changes to Capital Financing Costs

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Capital Financing Costs MTFS 2025/26	8,647	11,047	12,240	13,342
Capital Financing Costs MTFS 2024/25	10,939	12,503	14,137	N/A
(Reduction)/Increase	(2,292)	(1,456)	(1,897)	N/A

- 8.5 In the short term the reduction in capital financing costs has been driven in part by a number of planned interventions including reducing the in year (2024/25) programme, reduction in revenue contribution to capital, and a review of borrowing requirements.
- 8.6 The table below details the Capital Programme projects and spend over the MTFS period with the expected funding of the programme. The detailed programme for 2025/26 is shown within Appendix 7 – Capital Programme.

Table 6: Capital Programme Spending

Department	2025/26 Budget £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Digital, Data and Technology	12,465	4,316	3,550	4,150
Estates and Facilities	12,869	23,415	11,545	7,840
Transport	2,000	2,150	2,200	2,250
Operational Equipment	340	100	100	1,279
Capital Programme	27,674	29,981	17,395	15,519

Funding				
Capital Receipts	0	(380)	0	0
Capital Grants	0	0	(331)	0
Revenue Contribution to Capital	(2,157)	(2,257)	(2,257)	(2,257)
Earmarked Reserves	0	0	(469)	(2,322)
Borrowing Requirement	(25,517)	(27,344)	(14,338)	(10,940)
Total Funding	(27,674)	(29,981)	(17,395)	(15,519)

8.7 Whilst the capital programme has been constrained by affordability the Commissioner will continue to seek opportunity to reduce cost and seek alternative funding as well as making additional revenue contributions should the opportunity arise in year to keep down long-term debt

8.8 There remains a desire to address backlog maintenance. Over the coming year the Head of Estates will develop with the Commissioner and the Chief Constable a plan that seeks to address some of the strategic backlog issues ahead of consideration for the expected multi-year spending review in June 2025. This will address areas such as custody, local policing bases as well as specialist headquarters functions.

8.9 The Commissioner will continue to support the Chief Constable's transformation programme and has committed to providing a capital funding envelope which includes a £20.4m operational investment programme for estates.

8.10 This paper is accompanied by a Capital Strategy and Treasury Management Strategy which explain how this investment will be afforded

9. Statement of the Commissioner CFO on the robustness of the Budget and adequacy of the proposed financial reserves

9.1 The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2013, requires the Commissioner's CFO to report on the robustness of the estimates used for the budget and the adequacy of

the proposed financial reserves. The Commissioner is required to have regard to the report of the CFO and the report must be given to the Police and Crime Panel.

- 9.2 It is noted that the budget years 2025/26 onwards are planned with more uncertainty than has been the case in recent years. The external environment continues to be volatile, with significant inflationary pressures and significant uncertainties, including an upcoming spending review. Whilst there remains some uncertainty with regard to future settlement funding, increased pay awards and inflation, estimates have been included within the Medium-Term Financial Strategy and appropriate provision within Earmarked Reserves.

I conclude, therefore, that the budget for 2025/26:

- Is balanced and has been prepared on a robust basis,
- Is accompanied by a Capital, Treasury Management and Reserves Strategy

Heather Lees

Director of Finance / S151 Officer for the Staffordshire Commissioner's Office



Appendix 1

Revenue Budget 2025/26

	Original Budget 2024/25 £'000	Restated Budget 2024/25 £'000	Budget 2025/26 £'000	Year on Year Change £'000
Pay				
Police Officer Pay Costs	131,168	131,748	141,813	10,065
PCSO Pay Costs	9,490	8,662	8,073	(589)
Police Staff Pay Costs	74,402	74,579	80,575	5,996
Other Employee Costs	3,700	3,938	4,058	120
Police Officer Pensions	4,253	4,253	4,403	150
Total Pay	223,013	223,181	238,922	15,740
Non Pay				
Repairs & Maintenance	32	33	32	(1)
Other Premises Costs	6,892	6,594	6,771	176
Vehicle Costs	4,042	3,993	3,988	(5)
Other Travel Costs	583	745	802	57
Operational Supplies & Service	6,725	7,308	7,619	311
Communications & Computers	13,175	13,118	13,138	20
Administration	2,578	1,628	1,630	2
Other Supplies & Services	857	898	988	90
Total Non Pay	34,884	34,318	34,968	650
Contracted				
Third Party Payments	18,941	18,897	18,127	(769)
Total Contracted	18,941	18,897	18,127	(769)
Capital Financing Cost				
Capital Financing Costs	6,339	6,091	6,490	399
Revenue Contribution to Capital	2,257	2,257	2,157	(100)
Total Capital Financing Cost	8,596	8,348	8,647	299
Income				
Grants & Contributions	(8,644)	(8,654)	(8,789)	(135)
Reimbursements	(5,836)	(5,768)	(5,943)	(175)
Sales, Fees & Charges	(1,171)	(1,171)	(1,527)	(356)
Other Income	(1,259)	(1,259)	(750)	509
Total Other Income	(16,910)	(16,852)	(17,009)	(158)
Unallocated Savings				
Unallocated Savings	(133)	292	(873)	(1,166)
Total Unallocated Savings	(133)	292	(873)	(1,166)
Total Revenue Budget before Reserves	268,392	268,184	282,781	14,596
Transfers to/(from) Reserves	(3,569)	(3,361)	(5,141)	(1,779)
Total Revenue Budget	264,824	264,824	277,640	12,816
Financed By:				
Home Office Funding	163,494	163,494	171,625	8,132
Council Tax Funding	101,330	101,330	106,014	4,684
Total Financing	264,824	264,824	277,640	12,816



Appendix 2

Useable Reserves Forecast

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
General Fund	9,669	9,669	9,669	9,669
Capital Receipts Reserve	0	0	0	0
Capital Grants Unapplied	331	331	0	0
Budget Support Reserve	623	0	0	0
Capital Reserve	942	1,190	1,439	615
Collaboration Reserve	618	618	618	618
ESN Reserve	3,423	3,423	2,954	1,704
Insurance Reserve	314	314	314	314
IT Transformation Reserve	1,644	1,244	844	844
Major Events Policing Reserve	291	291	291	291
Operational Reserves	10,191	9,325	9,162	8,999
Pay and Pension Reserve	4,486	4,486	4,486	4,486
Reshaping the Future Reserve	1,344	1,344	1,344	1,344
Uplift Reserve	1,867	1,867	1,867	1,867
Total Earmarked Reserves	25,745	24,105	23,321	21,084
Total Usable Reserves	35,745	34,105	32,990	30,753



Appendix 3

Council Tax Report 2025/26

Council Tax Surplus / (Deficit) by Billing Authority

	2024/25 £000	2025/26 £000	Change £000
Cannock Chase	(37)	(152)	(114)
East Staffordshire	65	99	34
Lichfield	107	2	(106)
Newcastle	7	0	(7)
South Staffordshire	172	142	(29)
Stafford	(20)	(138)	(118)
Staffordshire Moorlands	(12)	116	128
Tamworth	36	45	9
Stoke City Council	922	(374)	(1,296)
Total	1,239	(259)	(1,499)

Appendix 4

Council Tax Base by Billing Authority

	2024/25 (Band D Equivalent)	2025/26 (Band D Equivalent)	Change (Band D Equivalent)
Cannock Chase	30,015	29,999	(16)
East Staffordshire	40,935	41,575	640
Lichfield	41,116	41,523	407
Newcastle	38,738	39,807	1,069
South Staffordshire	39,914	40,191	277
Stafford	49,303	49,634	331
Staffordshire Moorlands	33,737	34,382	645
Tamworth	23,479	23,596	117
Stoke City Council	68,632	68,851	219
Total	365,868	369,558	3,690

**n.b. figures are rounded to the nearest whole Band D equivalent*



Appendix 5

Council Tax Report 2025/26

Council Bands for Each Band and Billing Authority Precepts

Based upon a Band D increase of 5.12%

Band	2024/25 £	2025/26 £	Annual Increase £	Increase per week £
A	182.38	191.71	9.33	0.18
B	212.77	223.67	10.90	0.21
C	243.18	255.62	12.44	0.24
D	273.57	287.57	14.00	0.27
E	334.37	351.47	17.10	0.33
F	395.16	415.38	20.22	0.39
G	455.95	479.28	23.33	0.45
H	547.14	575.14	28.00	0.54

	2024/25 £	2025/26 £	Change £
Cannock Chase	8,211,138	8,626,833	415,695
East Staffordshire	11,198,588	11,955,780	757,192
Lichfield	11,248,049	11,940,683	692,633
Newcastle	10,597,555	11,447,299	849,744
South Staffordshire	10,919,284	11,557,726	638,442
Stafford	13,487,748	14,273,293	785,545
Staffordshire Moorlands	9,229,431	9,887,232	657,801
Tamworth	6,423,150	6,785,502	362,352
Stoke City Council	18,775,602	19,799,425	1,023,823
Total	100,090,544	106,273,771	6,183,227



Appendix 6

MTFS Summary Financials 2025/26 to 2028/29

	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
	£'000	£'000	£'000	£'000
Pay				
Police Officer Pay Costs	141,813	147,831	153,632	159,665
PCSO Pay Costs	8,073	7,987	8,391	8,811
Police Staff Pay Costs	80,575	84,093	87,522	91,088
Other Employee Costs	4,058	4,156	4,213	4,291
Police Officer Pensions	4,403	4,477	4,552	4,629
Total Pay	238,922	248,544	258,310	268,486
Non Pay				
Repairs & Maintenance	32	32	33	34
Other Premises Costs	6,771	7,278	7,412	7,549
Vehicle Costs	3,988	4,045	4,103	4,162
Other Travel Costs	802	765	780	796
Operational Supplies & Service	7,619	7,775	8,067	8,224
Communications & Computers	13,138	13,314	13,591	13,870
Administration	1,630	1,682	1,711	1,750
Other Supplies & Services	988	966	975	983
Total Non Pay	34,968	35,856	36,672	37,368
Contracted				
Third Party Payments	18,127	19,122	19,129	19,263
Total Contracted	18,127	19,122	19,129	19,263
Capital Financing Cost				
Capital Financing Costs	6,490	8,790	9,983	11,085
Revenue Contribution to Capital	2,157	2,257	2,257	2,257
Total Capital Financing Cost	8,647	11,047	12,240	13,342
Income				
Grants & Contributions	(8,789)	(8,759)	(8,759)	(8,759)
Reimbursements	(5,943)	(5,804)	(5,809)	(5,814)
Sales, Fees & Charges	(1,527)	(1,590)	(1,590)	(1,590)
Other Income	(750)	(458)	(378)	(318)
Total Other Income	(17,009)	(16,611)	(16,536)	(16,481)
Unallocated Savings				
Unallocated Savings	(873)	(158)	(158)	(158)
Total Unallocated Savings	(873)	(158)	(158)	(158)
Total Revenue before Reserves	282,781	297,801	309,657	321,819
Net use of Reserves	(5,141)	(1,641)	(315)	85
Transformation Requirement		(10,901)	(16,488)	(21,215)
Total Revenue Budget	277,640	285,259	292,854	300,689

Financed By:				
Settlement Funding				
Home Office Police Grant	142,718	145,572	148,483	151,453
Revenue Support Grant	8,423	8,423	8,423	8,423
Council Tax Freeze Grant	3,541	3,541	3,541	3,541
Police Pension Grant	5,291	5,291	5,291	5,291
Officer Maintenance Ringfenced Grant	5,275	5,381	5,488	5,598
Additional Recruitment Top-Up	2,845	2,902	2,960	3,019
National Insurance Contribution	3,532	3,602	3,675	3,748
Total Settlement Funding	171,625	174,713	177,862	181,074
Council Tax	106,014	110,546	114,992	119,614
Total Financing	277,640	285,259	292,854	300,689

Appendix 7 – Capital Programme

Estates Capital Programme

Package	Description	Budget 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000	Forecast 2028/29 £'000	Total £'000
Investment Programme						
Weston Road Headquarters						
Armed Police Training Facility	The construction of the armed policing training facility, including professional fees. Whilst the scheme has yet to be approved this forecast represents the latest estimated cost.	6,290	9,826	0	0	16,116
HQ Block 1	A minor improvement scheme to include roof repairs and automated door replacement.	0	45	0	400	445
HQ Block 7	An upgrade to the Heating, Ventilation and Cooling system within the main conference and visitor block at HQ is required to replace a failing end of life system. As part of these works the reception area will need reconfiguration	0	595	0	0	595
HQ Block 9	Minor improvement scheme to address elements of backlog maintenance.	250	0	45	50	345
HQ External and M&E Works	Mechanical and Engineering works to improve/replace gates, generators, lifts and Dog Training Facilities.	349	0	160	0	509
Custody Facilities						
Northern Area Custody	Investment required to maintain the facility, and to deliver safer detention standards. This site has seen minimal investment since it was built in the late 1990's.	659	3,035	0	0	3,694
Watling Custody	Investment required to maintain the facility, and to provide safer detention standards. Phasing wise this will follow the refurbishment of the larger facility in the North of the County to be completed.	265	0	1,800	0	2,065
Professional Fees	A review of custody facilities to ensure they meet the longer-term requirements of modern policing.	200	200	200	0	600
Driver Training						
Driver Training Site	As a result of changes to College of Policing licensing requirements, there is a requirement to relocate the driver training team.	850	0	0	0	850

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
Operational Sites						
Operational Investment Programme	Investment required to maintain and refurbishment of operational policing estates, the estates has had minimal investment since it was built and investment is required to meet the needs of modern policing.	430	6,325	8,075	5,575	20,405
Burton BCM	Solution identified is to implement a DR control room on the second floor in Burton Police Station coupled with a BCM using IT classrooms in Beaconside during peak operation.	490	0	0	0	490
Stafford Police Station	Professional fees to scope the refurbishment of Stafford Police Station to provide modern fit for purpose accommodation.	0	40	0	50	90
Cheadle Police Station	A minor improvement scheme to include roof repairs, small refurbishment, M&E works and replacement of windows.	0	40	0	625	665
Barton Police Station	A minor improvement scheme to include roof repairs, small refurbishment, M&E works and replacement of windows.	0	180	0	0	180
Peak Police Station	Replacement of CCTV	0	0	40	0	40
Cheslyn Hay Police Station	A minor improvement scheme to include small refurbishment, M&E works and replacement of windows.	0	225	0	0	225
Bucknall Police Station	A minor improvement scheme to include small refurbishment, M&E works and replacement of windows.	0	0	135	0	135
Collaboration Projects						
Public Order Training Facility	Develop a new public order training facility with West Mercia Police, that meets College of Policing licensing standards	150	1,814	0	0	1,964
Joint Emergency Transport	Redesign of JETS workshop to increase capacity of the workshop floors.	183	0	0	0	183
Other Sites						
Lindum House	Minor improvement scheme to address elements of backlog maintenance.	115	0	0	50	165
Ranleigh Street- Forensics	Investment into Forensic stores	150	0	0	0	150
Meir Police Post	A minor improvement scheme to include small refurbishment, M&E works and replacement of windows and doors.	200	0	0	0	200
Smithfield	Lighting replacement programme	100	0	0	0	100

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
Other Activities						
Government Environmental Obligations	Investment into decarbonisation, EV points and solar panels. Funded locally due to lack of Central Government funding to support policy decisions.	1,823	750	750	750	4,073
Capitalised Maintenance Programmes	UPS, Fire Safety and Emergency Repairs	365	340	340	340	1,385
Total Estates Capital Programme		12,869	23,415	11,545	7,840	55,669

Digital Data and Technology Capital programme

Package	Description	Budget 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000	Forecast 2028/29 £'000	Total £'000
Investment Programme						
Network Improvement Programme	Improvements to the networks – ISE, Wifi and core network	330	200	150	150	830
Business Systems						
Integra Centros	Consultancy fees to support the delivery of the Finance IT roadmap	70	0	0	0	70
Operational Systems						
Digital Forensics	Significant improvements to our digital forensics infrastructure and systems to improve efficiency and improve the chances of prosecution.	836	0	0	0	836
Technology Development Fund	Technology such as RPA and AI has been identified by the Government as an area for productivity gains in policing and the wider public sector. This will help address the coming MTFS gap and drive efficiencies.	250	250	250	250	1,000

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
CycComms	Communications authorities management system, this will support and protect the vulnerable by effective communication.	60	0	0	0	60
Force Contact Centre (FCC)						
Burton DR/BCM	BCM recommends the secondary site to be on separate critical infrastructure areas from existing location.	1,422	0	0	0	1,422
Airwave & Secondary ICCS Solution	Address the multiple single points of failure in the ICCS / Airwave solution, which were introduced when the Hanley facility was decommissioned in 2018	1,400	0	0	0	1,400
Smart Storm	Migrate to the new system, SmartSTORM. This is essential as STORM MA is end-of life from December 2026	151	151	0	0	302
FCC Delivery	External resources that have detailed, niche, technical experience to support the specific technical programme deliverables	1,185	935	0	0	2,120
CRM Call Assist	Improvements in customer contact and service including introducing automated updates to individuals around ongoing crime matters	0	390	0	0	390
Magazine	System upgrade	20	40	0	0	60
ISDN & SIP Migration Programme	Mandatory change for the ISDN to SIP Migration. This has been brought on by turning off all the analogue/digital circuit provision	300	0	0	0	300
Digital Asset Management						
Digital Evidence Asset Management	Exploring cloud solution technology, integration costs moving to cloud.	23	0	0	0	23
Body Worn Video AB+EW	Requirement to upgrade kit to AB4, as the current device is end of life.	2,013	0	0	0	2,013
Body Worn Video Docks+EW	Requirement to upgrade kit to AB4 docks' as the current device is end of life.	247	0	0	0	247
Device Replacement						
End User Modernisation	To allow users to set up/configure their own devices.	250	0	0	0	250
Mobile device refresh	Rolling replacement programme	1,100	350	350	350	2,150
Laptops & Desktops refresh	Rolling replacement programme	600	1,000	1,000	1,000	3,600

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
Conference on Wheels/ Audio Visual Conferencing	Rolling replacement programme	0	0	0	150	150
DDaT Infrastructure refresh hardware	To replace end of life IT infrastructure.	1,132	1,000	1,000	1,000	4,132
ANPR Static Cameras	Replacing the existing cameras to new ANPR cameras.	261	0	0	0	261
Green Room and Silver Rooms	The hardware in the existing rooms is outdated and lacks the functionality of a modern Green/ Silver Room which would enable better incident management, based on more complete real time information.	300	0	0	0	300
National Systems						
ESN Programme	Nationally mandated scheme to replace airwave. This is the locally anticipated funding required	15	0	800	1,250	2,065
Digital Case Files	Nationally mandated project to improve file upload to the CPS. Currently only 1mb can be transferred in one go to the CPS resulting in additional workload for investigators.	500	0	0	0	500
Total Digital Data and Technology Capital Programme		12,465	4,316	3,550	4,150	24,481

Fleet Capital Programme

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
		£'000	£'000	£'000	£'000	£'000

Fleet Refresh Programme

Vehicle Replacement Programme	The replacement of vehicles selected through a process of evaluation, considering the age, mileage and condition of every vehicle. These have been identified as critical for replacement due to either excessive mileage, age or being no longer operationally fit.	2,000	2,150	2,200	2,250	8,600
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Total Fleet Programme		2,000	2,150	2,200	2,250	8,600
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Operational Equipment Capital Programme

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
		£'000	£'000	£'000	£'000	£'000

Investment Programme

Replacement Programme	Ensuring that Staffordshire Police has a modern and fit for purpose equipment provision. This provision includes tactical body armour and specialist forensics and investigative equipment	100	100	100	100	400
Tasers	Replacement programme for taser devices	0	0	0	1,179	1,179
Forensic Investigation Point Cloud Laser Scanning	The digital capture of crime scene imagery through laser scanning point cloud technology is a key requirement of modern homicide police investigations	50	0	0	0	50

Package	Description	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total
	and best practice in accordance to National College of Policing.					
ANPR Vehicle Programme	Replace the existing ANPR kit with the new cameras	190	0	0	0	190
Total Operational Equipment Programme		340	100	100	1,279	1,819

Appendix 8 – Savings

Command	Service	Savings description	Theme	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Capital Financing	Capital Financing	Capital Financing – PWLB loan costs	Cost reduction	(49)				(49)
Capital Financing	Capital Financing	Capital Financing - Revenue contribution to capital offset by reduction in vehicle replacement programme	Cost reduction	(100)	100			0
Capital Financing	Capital Financing	Additional investment income	Income generation	(162)	96	13	60	7
Capital Financing Total				(311)	196	13	60	(42)
Central & Associated	Corporate	Non-pay budget review	Cost reduction	(92)				(92)
Central & Associated	Corporate	Remove project budget	Cost reduction	(174)				(174)
Central & Associated	Corporate	Reduce Targeted Variable Payments	Cost reduction	(200)				(200)
Central & Associated	Corporate	Reduce agency budget	Cost reduction	(25)				(25)
Central & Associated Total				(491)	0	0	0	(491)
DCC	Corporate Communications	Review of non-pay budgets	Cost reduction	(3)				(3)
DCC	Corporate Communications	Review of subscriptions	Cost reduction	(12)				(12)
DCC	Corporate Communications	Increased income generation from 3rd parties towards staffing costs	Income generation	(10)				(10)
DCC	Corporate Planning and Business Change	Variation between budget available and structure approved via governance	Changes to organisational structures & responsibilities	(124)				(124)
DCC	Corporate Planning and Business Change	Staffing Review – change programme required	Changes to organisational structures & responsibilities	(250)				(250)
DCC	Corporate Planning and Business Change	Review of administrative posts – change programme required	Changes to organisational	(250)				(250)

			structures & responsibilities					
DCC	Executive	Evidence Based Practice – psychology	Cost reduction	(11)				(11)
DCC	Executive	Evidence Based Practice - training	Cost reduction	(13)				(13)
DCC	Executive	Non-pay budget review	Cost reduction	(2)				(2)
DCC	Executive	Reduction to contributions	Cost reduction	(4)				(4)
DCC	Executive	Reduce Tasking allocation	Cost reduction	(50)				(50)
DCC	Info Governance & Assurance	Additional income from Road Traffic offences	Income generation	(29)				(29)
DCC	Professional Standards	Travel budget reduction	Cost reduction	(1)				(1)
DCC	Professional Standards	Expert Witnesses & Reports	Cost reduction	(2)				(2)
DCC Total				(761)	0	0	0	(761)
Enabling Services	ALL	Enabling Services one-off savings from driver training income and deferring recruitment.	Cost reduction	(750)	750			0
Enabling Services	ALL	Targeted reduction in posts across the command area including deletion of vacant posts	Cost reduction	(500)				(500)
Enabling Services	ALL except IT	Increased income generation from 3rd parties towards staffing costs	Income generation	(142)				(142)
Enabling Services	Commercial	Commercial Staffing Review	Changes to organisational structures & responsibilities	(21)				(21)
Enabling Services	Commercial	Water Review – savings from a review of surface drainage charges	Contract management	(10)				(10)
Enabling Services	Commercial Services	Insurance Broker: Actuarial Risk Management Fee	Cost reduction	(9)	9			1
Enabling Services	Commercial Services	Procurement savings – to be delivered across the Force	Contractual	(250)				(250)
Enabling Services	Digital, Data & Technology	IT Contract savings	Contractual	(10)				(10)
Enabling Services	Digital, Data & Technology	System recharges	Income generation	(13)				(13)
Enabling Services	Digital, Data & Technology	Decommissioning of systems	Contract management	(86)				(86)

Enabling Services	Digital, Data & Technology	Airwave – following the Home Office high court ruling on airwave charges. Note a risk exists of appeal to that ruling.	Cost reduction	(1,000)				(1,000)
Enabling Services	Estates	Estates - Self generation of energy and energy conservation campaigns	Income generation	(25)	(25)			(50)
Enabling Services	Estates	Income generation from solar power	Income generation	(100)				(100)
Enabling Services	Estates	Review of music licences	Cost reduction	(10)				(10)
Enabling Services	Estates	Review of Estate running costs	Cost reduction	(17)				(17)
Enabling Services	Estates	Capitalisation of posts to support the Firearms range programme	Cost reduction	(126)				(126)
Enabling Services	JETS	Reduction in M6 Toll charges	Cost reduction	(15)				(15)
Enabling Services	JETS	Reduction in fleet Service & repair consumables	Cost reduction	(120)				(120)
Enabling Services	JETS	Review of oils and lubricants spend to reduce cost	Cost reduction	(3)				(3)
Enabling Services	People & OD	Cessation of the HIVE contract	Cost reduction	(25)				(25)
Enabling Services	People & OD	Chaplaincy	Cost reduction	(8)				(8)
Enabling Services	People & OD	Staff Networks	Cost reduction	(1)				(1)
Enabling Services	People & OD	Room hire reduction	Cost reduction	(10)				(10)
Enabling Services	People & OD	Cessation of subscriptions	Cost reduction	(7)				(7)
Enabling Services	People & OD	Rephase efficiency saving in 2024/25 budget to 26/27	Cost reduction	0	(36)			(36)
Enabling Services	Staff Associations	Remove one-off conference budget	Cost reduction	(20)				(20)
Enabling Services Total				(3,278)	698	0	0	(2,580)
Force Contact and Operations	Criminal Justice	Police Led Prosecutions	Income generation	(108)				(108)
Force Contact and Operations	Criminal Justice	Income from Collaboration pay recharges	Income generation	(79)				(79)
Force Contact and Operations	Custody	Expert Witnesses & Reports	Cost reduction	(11)				(11)
Force Contact and Operations	Custody	Contract Savings	Contractual	(3)	2			(2)
Force Contact and Operations	Firearms Licencing	Fees - Licences & Certificates income as a result of government increases in fees and charges	Income generation	(100)				(100)

Force Contact and Operations	Force Contact Centre	Review of Front Office Counter structure	Changes to organisational structures & responsibilities	(48)				(48)
Force Contact and Operations	Force Contact Centre	Staffing Review - Investigative Officers	Cost reduction	(41)				(41)
Force Contact and Operations	Force Ops	Reprofiling of Firearms Licencing income in line with renewals	Income generation	(41)	(41)			(82)
Force Contact and Operations	Force Ops	Reduction in stationery spend	Cost reduction	(2)				(2)
Force Contact and Operations	Force Ops	Ops & Testing Equipment Purchases	Cost reduction	(3)				(3)
Force Contact and Operations	Force Ops	Expert Witnesses & Reports	Cost reduction	(5)				(5)
Force Contact and Operations	Force Ops	General Vehicle Hire	Cost reduction	(9)				(9)
Force Contact and Operations	Force Ops	Employee Casual Mileage	Cost reduction	(2)				(2)
Force Contact and Operations	Force Ops	Refreshments - Operational	Cost reduction	(3)				(3)
Force Contact and Operations	Force Ops	Employee Casual Mileage	Cost reduction	(2)				(2)
Force Contact and Operations	Force Ops	Review of non-pay budgets	Cost reduction	(10)				(10)
Force Contact and Operations	Force Ops	Ops & Testing Consumables	Cost reduction	(2)				(2)
Force Contact and Operations	Force Ops	Abnormal Loads Income	Income generation	(164)				(164)
Force Contact and Operations	Force Ops	Income from funded posts	Income generation	(80)	30			(50)
Force Contact and Operations	Force Ops	Seized Vehicle Income following a change in approach to disposal of vehicles	Income generation	(100)				(100)
Force Contact and Operations	Regional Initiatives	Income from Secondments	Income generation	(143)	143			0
Force Contact and Operations Total				(956)	135	0	0	(822)
Local Policing Command	County	Bank holiday reduction to resourcing	Service redesign	(116)				(116)
Local Policing Command	City	Bank holiday reduction to resourcing	Service redesign	(42)				(42)

Local Policing Command	All	PCSO recruitment to Neighbourhood Policing baseline	Service redesign	(1,139)				(1,139)
Local Policing Command	All	Review of shift patterns to increase day time visibility – change programme required	Service redesign	(500)	(500)			(1,000)
Local Policing Command Total				(1,797)	(500)	0	0	(2,297)
Public Protection Unit	PPU Adult	Staffing review	Changes to organisational structures & responsibilities	(56)				(56)
Public Protection Unit	PPU Adult	DBS additional income	Income generation	(79)				(79)
Public Protection Unit	PPU Child	Review of structure – change programme required	Changes to organisational structures & responsibilities	(246)				(246)
Public Protection Unit	PPU Child	Remove vacant posts	Changes to organisational structures & responsibilities	(76)				(76)
Public Protection Unit Total				(457)	0	0	0	(457)
Specialist Crime Command	Forensics	Reduce IT software purchase spend	Cost reduction	(16)				(16)
Specialist Crime Command	Forensics	Reduce Maintenance Contract	Cost reduction	(2)				(2)
Specialist Crime Command	Forensics	Property Bags	Cost reduction	(6)				(6)
Specialist Crime Command	Forensics	Redeployment expenses	Cost reduction	(2)				(2)
Specialist Crime Command	Forensics	Forensics outsourcing – right sizing of budget following submission triaging introduced in 2024/25	Cost reduction	(200)	(100)			(300)
Specialist Crime Command	Knowledge Hub	Remove vacant posts	Changes to organisational structures & responsibilities	(48)				(48)
Specialist Crime Command	Knowledge Hub	Review of non-pay budgets	Cost reduction	(12)				(12)

Specialist Crime Command	Knowledge Hub	System savings	Contract management	(74)	6			(67)
Specialist Crime Command	Knowledge Hub	Review of vacant posts	Changes to organisational structures & responsibilities	(55)				(55)
Specialist Crime Command	Knowledge Hub	Review of service delivery	Service redesign	(100)				(100)
Specialist Crime Command	Knowledge Hub	Review of vacant posts	Changes to organisational structures & responsibilities	(55)				(55)
Specialist Crime Command	Major and Organised Crime	Protective Clothing	Cost reduction	(4)				(4)
Specialist Crime Command	Major and Organised Crime	Remove vacant posts	Changes to organisational structures & responsibilities	(56)				(56)
Specialist Crime Command	ROCU	ROCU Savings	Cost reduction	(263)				(263)
Specialist Crime Command	Specialist Crime	Review of Operating Model	Changes to organisational structures & responsibilities	(75)				(75)
Specialist Crime Command	Various	Investigative Officers - recruit to timeline	Changes to organisational structures & responsibilities	(241)				(241)
Specialist Crime Command	Forensics	Digital Forensics Programme	Cost reduction	(25)	(170)			(195)
Specialist Crime Command Total				(1,235)	(263)	0	0	(1,498)
Total Force Savings				(9,286)	265	13	60	(8,947)
Staffordshire Commissioner's Office	Office	Removal of vacant post	Changes to organisational structures & responsibilities	(40)				(40)
Staffordshire Commissioner's Office	Office	Reinstating Business Rates income budget	Income generation	(100)				(100)

Staffordshire Commissioner's Office	Office	Increasing OPFCC staffing recharge	Income generation	(15)				(15)
Staffordshire Commissioner's Office	Commissioning	Child Criminal Exploitation	Service redesign	(99)				(99)
Staffordshire Commissioner's Office	Commissioning	Drugs and Alcohol	Service redesign	(94)				(94)
Staffordshire Commissioner's Office	Commissioning	Harmful Sexual Behaviour	Service redesign	(68)				(68)
Staffordshire Commissioner's Office	Commissioning	Triage	Service redesign	0	(43)			(43)
Staffordshire Commissioner's Office	Commissioning	Navigators	Service redesign	0	(40)			(40)
Staffordshire Commissioner's Office	Commissioning	Domestic Abuse Champions	Service redesign	(3)				(3)
Staffordshire Commissioner's Office	Commissioning	Peer Mentoring / Personal Development	Service redesign	(80)				(80)
Staffordshire Commissioner's Office	Commissioning	Diversionary Activities / Personal Development	Service redesign	(156)				(156)
Staffordshire Commissioner's Office	Commissioning	Stalking and Harassment	Service redesign	0	(150)			(150)
Staffordshire Commissioner's Office	Commissioning	Ugly Mugs	Service redesign	(3)				(3)
Staffordshire Commissioner's Office	Commissioning	Buddi Tags	Service redesign	0	(16)			(16)
Staffordshire Commissioner's Office	Commissioning	Reduce the number of Strategic Needs Assessments	Service redesign	(20)				(20)

Staffordshire Commissioner's Office	Commissioning	Cadets scheme contribution reduced	Service redesign	(15)				(15)
Staffordshire Commissioner's Office Total				(692)	(249)	0	0	(941)
Total Group Savings				(9,977)	16	13	60	(9,888)

Appendix 9

Precept consultation outcomes

Purpose of report

This report is a summary of the results obtained from the public and stakeholder consultation undertaken to seek views on the amount of council tax the people of Staffordshire and Stoke-on-Trent are willing to pay towards their Police and Fire & Rescue services.

Background

Funding for Police and Fire & Rescue services is made up of a mix of central government grants, combined with the 'precept' – the contribution residents make as part of their annual council tax.

The Staffordshire Commissioner is responsible for setting the budget for Staffordshire Police and Staffordshire Fire & Rescue Service, including the amount of council tax used for both services.

It is the Commissioner's responsibility to ensure Policing, Fire & Rescue and community safety is properly funded in 2025/26 to provide the services expected by those who live, work and visit Staffordshire and Stoke-on-Trent.

A formal consultation took place between 10 December and 12 January. A range of methods were used to encourage participation, resulting in responses from **2,345** people from Staffordshire and Stoke-on-Trent.

The views from this consultation will help the Commissioner arrive at his proposals for the setting of the 2025/26 budgets.

How we did it

We used a range of methods to promote the consultation including:

- **Social media** – Multiple social media posts were issued from the Staffordshire Commissioner's Office (SCO), Staffordshire Police, Staffordshire Fire & Rescue and partners. Paid adverts also ran on Facebook targeting residents of Staffordshire and Stoke-on-Trent
- **Media** – A press release issued to inform local media of the importance of the consultation
- **Stakeholders** – Emails sent from the Commissioner requesting key partners' involvement including local MPs, Councillors, volunteers, community groups and business owners
- **Smart Alert** – Multiple messages issued to over 20,000 residents via Staffordshire Smart Alert
- **Internal** – Internal message sent to Police and Fire & Rescue staff to encourage participation

Commissioner's Consultation foreword

As Commissioner, I am asking you to have your say on how much you would be prepared to pay for Policing and Fire & Rescue services in Staffordshire and Stoke-on-Trent.

I am responsible for setting the services' budgets, and determining the contribution you make as part of your annual council tax precept. I also set out a strategic direction in Local Plans for Staffordshire Police and Staffordshire Fire & Rescue, and appoint their Chief Constable and Chief Fire Officer, who make the operational decisions and run the organisations.

I am elected to oversee the work of our local Police and Fire & Rescue services, and commission services to support victims and prevent crime and anti-social behaviour.

Since 2021 I have always tried to keep your council tax precept low, and I will only ask for more if I believe it is necessary to maintain or improve the services.

I want to continue to invest in people and technology to further improve our services, to protect our communities and keep bringing crime and ASB down, but government grants, this coming year, will not fully cover increases in pay, national insurance and inflation.

Even with the maximum precept increases of £14 for Police and £5 for Fire & Rescue per year for a Band D property, maintaining the staff and service levels required to address national, regional and community priorities will be extremely challenging.

Here is a snapshot of what your council tax is already helping to deliver...

- HMICFRS discharged our Police service from 'special measures', and their full inspection highlighted improvements across the board, establishing a foundation to build an outstanding force again.
- In March 2024, there were **2,020** Police officers in Staffordshire – 428 more **than in 2020 but still 161 fewer than in 2010**.
- In the past 12 months these officers have made **14%** more arrests and **19%** more stop & searches, helping to bring crime down by **3.8%** and ASB by **6%**.
- Investment in pro-active policing is helping to tackle the organised gangs targeting properties, businesses and farms to steal vehicles and plant – addressing the community priorities of rural, retail and vehicle crime set out in my Local Plan.
- Staffordshire Fire & Rescue's latest HMICFRS report confirmed the service as one of the top achieving in England & Wales, including an 'Outstanding' grading for responding to major incidents.
- Our Fire & Rescue emergency response is rapid and effective, with teams attending **8,203 incidents** (April 2023-March 2024), **80.9%** within the **target time**.
- Prevention and protection teams are increasingly successful at identifying those most at risk and using their powers to ensure buildings are safe, completing **280** fire safety audits between April 2023 and March 2024.
- Our Fire & Rescue service continue to prove the value of close working with NHS partners, responding to almost **940** incidents (April 2023-March 2024) of vulnerable people falling in their homes. A scheme helping discharged patients return home from hospital supported **1,381** people between its launch last December and the end of September 2024.

So, I would welcome your thoughts to help inform my decisions. How much would you be willing to contribute to protect our local services? Every penny will help our officers, fire-fighters and staff to keep Staffordshire safe.

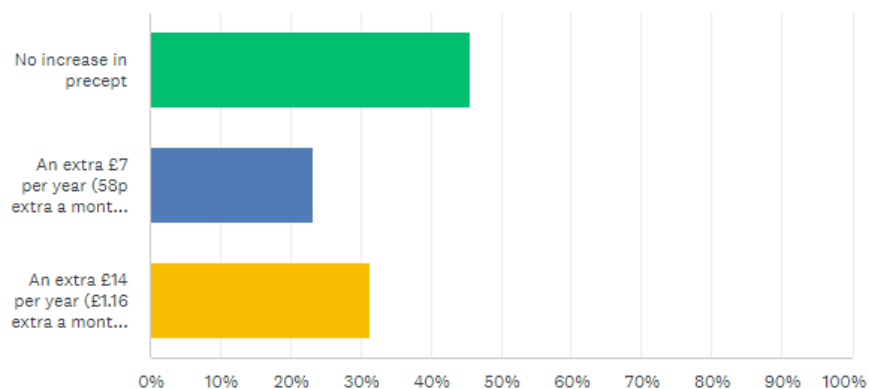
Ben Adams

Staffordshire Commissioner for Police, Fire & Rescue and Crime

The results

The following options are based on a Band D property currently paying £273.57 each year for Police services. How much more would you be prepared to pay per year for your Police services?

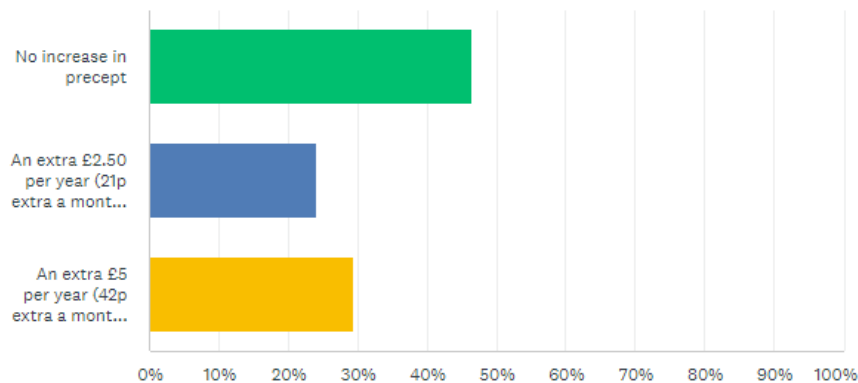
Answered: 2,329 Skipped: 16



ANSWER CHOICES	RESPONSES	
▼ No increase in precept	45.56%	1,061
▼ An extra £7 per year (58p extra a month) This is a 2.56% increase	23.14%	539
▼ An extra £14 per year (£1.16 extra a month) This is a 5.12% increase	31.30%	729
TOTAL		2,329

The following options are based on a Band D property currently paying £86.77 each year for Fire services. How much more would you be prepared to pay per year for your Fire & Rescue services?

Answered: 2,327 Skipped: 18



ANSWER CHOICES	RESPONSES	
▼ No increase in precept	46.50%	1,082
▼ An extra £2.50 per year (21p extra a month) This is a 2.9% increase	24.11%	561
▼ An extra £5 per year (42p extra a month) This is a 5.8% increase	29.39%	684
TOTAL		2,327

Common themes from the precept consultation

1,113 respondents provided comments in the question 4 free text box which asked 'If you have any additional comments, please include these in the box below'. The following sections include key themes from the responses.

Police & Crime

A number of comments were locally focused and expressed concerns about the lack of visible policing in their communities. A number of respondents also expressed concerns over efficiency, issues with contact and distractions from national issues.

"I'd be keen for any extra police resources to be invested in solving crimes like shoplifting, burglaries, car thefts and disrupting drug dealing and organised crime."

"If I could see evidence of extra police walking the streets I'd be willing to pay extra. Don't people already pay for the fire service if they call them out."

"An increase in Police funding is only acceptable if the Police are focused on "real" crime, burglary, theft, assault, drugs etc etc and not social media."

"If the £7 per month for the Police means there would be more of a presence in Rugeley after the horrendous amount of vehicle crime we have suffered since October last year I would be happy to pay it. This crime curve has affected myself as my husband's van was stolen from our drive on the 30th December plus all of his tools."

"I wouldn't mind an increase if I thought it was well spent or of any real use. I have not seen any police presence in the area all year, despite social behaviour problems and a clear increase in crime."

"I would willingly pay a bit more a month if I thought it would make a difference, I live in Kinver and it very rare to see a Police officer and when you try and call for an emergency they have to come all the way from Cannock, so if I thought it would make a difference to seeing an officer at Kinver yes I would pay a bit more."

"I would be prepared to pay more if I felt that funding was being directed towards front line services and not wasted on bureaucracy and woke initiatives."

"I would like the police to use the money wisely and not just for operations, problem solving on the area would be better to help solve the issues of drugs, which causes ASB, domestics, violence, target policing and the incidents would reduce."

"Focusing on the wrong crimes as an institution, spending on diversity, LGBTQ and other none fundamental aspects to the service does not encourage support. They divide and lead many to not want to pay for a service which is so broken. As a government sends billions to support Africa and foreign wars while taking from pensioners and the poor is something furthering all of this need for increasing our taxes without need."

"Rural crime is a major problem that needs more policing."

"We need to understand where this extra money will go. I am very dissatisfied with the police force, no proactive policing, car crime is a huge increase, and new homes being built, and we feel that we are not being covered due to large scale of properties in north Tamworth. Need police back in neighbourhoods as a deterrent and be proactive with information provided to you."

"Policing should be a real priority and the way in which forces are funded seriously need to be looked at. Funds should be shared nationally across all areas to avoid poorer areas suffering higher levels of crime. #levellingup!"

"The police need to ensure more officers in percentage terms get an equal or better still an increased number of interventions in percentage terms. The current figures show police numbers went up significantly but the number of actions/interventions did not go up by anything like an equal or increased amount."

"We need more police on the streets and in the community but actual police get to know the people and visiting schools etc not PCSOs."

"It would help to reduce crime by using increased funds in order to help impoverished people to feed and house themselves better."

“I feel that we should stop sending money abroad and funding illegal immigration and start focusing on the needs of British people who pay into the system.”

“My understanding is that social services/care are the main recipients of budgets and these areas should be reduced so that much greater funding is available for the police service.”

“I have had personal experience of the local police over the last year. I am classed as vulnerable due to DV from an ex-partner and when I have needed them they have responded immediately and always attended swiftly and professionally. This service must continue to support those that need it the most.”

Fire & Rescue

Fewer responses were received about Staffordshire Fire & Rescue Service, but those that did included comments around demand, the role Fire & Rescue could play in supporting other emergency services and the importance of engagement with communities.

“I feel that FARS are over resourced for the work they do, they could work as effectively on more of a retained basis or take on work that is currently resourced by police, such as welfare checks or assisting Ambulance.”

“Fire needs to be amalgamated with the ambulance service and help out there as they do in the USA.”

“FARS need to have a bigger role in the community to warrant more money.”

“Why don't the Fire service respond more to medical emergencies within their communities, if they have the skills & equipment to do so.”

“As Staffordshire Fire and Rescue Service is now under the control of Staffordshire police and crime commissioner, I believe that the precept should be equal for fire and police. With the same amount of funding that the police have, the fire service could easily be the service it was and should still be. Whenever the public speak to us as firefighters on the issue, they always comment that they pay significantly more for the police than for us and don't understand why. Obviously it is a larger organisation with more staff, but the fire service are facing a constant battle with dangerous cuts to crewing and this needs to stop.”

“Why is the Fire & Rescue service increase always so much lower – surely they need more funding at present due to the previous austerity measure imposed?”

“I pay more to my parish council than I do towards fire services. I would rather the increases in council tax were towards emergency services.”

“The fire and rescue seem to be doing a good thing with their current allocation, the Police not so much.”

“I am yet to see how the Fire Service has changed its role to better support communities in these times of public sector crisis. They are very good at emergencies but the Police and Ambulance are doing a lot as well as emergencies so what are the Fire Brigade doing the rest of the time?”

“Tamworth has 2 fire station, one being a part time, which is a show station even spoken to fire officers and they say it’s a waste of money, heating on, cleaners for what?”

“In Wildwood we have little or no interaction with the Police, can’t even tell you when we last saw a PCSO!! Fire and rescue do tend to be more prominent.”

“Relying on on-call firefighters only works if they are paid well. Also allow on-call to more easily transfer to full time if they prove their worth as on-call.”

“I think that Fire and Rescue should get the same amount as the Police as their jobs have increase in different areas such as fall teams to help residents from hospital to homes because the ambulance do not have the capacity to do that.”

“Make full time Firefighters to work through their night shift instead of sleeping. You could use the American model and they could also be paramedics.”

“Don't believe it will go on higher number of firefighters and appliances. You have only just agreed for fire appliances to respond with only 3 personnel, putting those at risk so your mindset is cuts not increase firefighter numbers. If you were serious about increasing numbers why recently pass for fire appliances to respond with 3 instead of 4?”

“Now that the police and fire are in the same building in Stone at the expense of others and against the planning when the fire station was built, I would expect the savings to be passed on to the advantage of tax payers.”

“Although I am quite aware that if my house was ablaze I would welcome the fire service with open arms. However, with modern day warning systems and most commercial property protected with sprinkler systems I really can’t be convinced that a now mainly part time service should need more money at this moment in time.”

Supporting an increase

A number of comments explained the reasons why they would support an increase in council tax as long as the money went to frontline services and more visible policing to keep communities safe.

“With government cuts it's important to protect emergency services as much as possible. Although it pains me, if we need to pay more to keep/improve the service then that's what we should do.”

“We all care that the police and fire are there to help us when needed, they are overworked and underpaid as it is, they are always do kind and helpful and should be paid more.”

“We need to attract high quality people to our police and fire service. We can only do this if we pay them a decent wage.”

“Our police need our support, they risk everything to keep our communities safe. We need to fund accordingly.”

“Our emergency services are stretched to the limit on current funding. I’m happy to contribute more to help support the services.”

"These services are vital, and even the higher increase (provided the money is allocated and spent well) is not a huge increase in the scheme of things."

"Of course we need to pay more, but we don't want what we pay to go to CEOs or top brass as they already earn enough. Just to the guys who fight the criminals & the fires."

"Any plans to protect local services are welcomed but you need to make sure there are clear controls in place to ring fence the funds and ensure they are used towards tangible projects and initiatives that return benefit to the community."

"We must keep the service from these two services at a premium. They are both below the 2020 levels and need to be expanded back as soon as possible."

"I am willing to pay more for public services after national budget incompetence during last decade+. However would welcome improvements in the CT banding which needs complete update."

"Happy to fund additional staff but not pay rises for higher management."

"Staffordshire has always had a tax limit that is too low. We should aim for more tax and better service in all sectors."

"Living in a village with a retained fire crew that are out almost daily on A38 and support incidents we can see why the fire service need and deserve the additional money."

"If you want good services you have to pay for them! It's simple as that!"

"We have massively under-resourced both the fire service and the Police yet expect the same level of service and indeed more from them, look at shoplifting the Police can't cope with the amount that is going on so people just do it more and more knowing they are going to let off or not even be looked at and we all end up paying more. My only worry is that you have to drop standards to recruit the amount of people that you need which could lead to other issues like we see in the Met Police."

"As long as the money is not to be spent on vanity projects or ludicrous DEI initiatives and salaries, and as long as the police do not spend time investigating non-crime incidents.

We already pay a lot in council tax. The police are doing a fantastic job, unlike the council trying to find more ways for us to pay. They took our brown bin collecting off us but charged us more council tax."

"I feel the police are under resourced and underfunded. How can a police force provide a good public service with limited funding and instil confidence in public perception. I would happily pay more money for more police to be on our streets and deal with crime and anti-social behaviour."

"Council tax is crippling us financially it never stops rising. but a small increase is worth it for fire and police."

"I would gladly provide this amount on the understanding that expenses and purchases are under scrutiny and close watch, unlike the recent findings in government where £1200 is spent on two folders. Could public spending be easily made available for transparency in our region?"

“At the moment the policing (and everything else) of south staffs is very Codsall centric. I would only support an increase in precept if there was a guarantee Wombourne and Kinver would receive equal policing patrols and fire services as Codsall. We pay the same council tax we should receive the same service and coverage.”

Not supporting an increase

The majority of additional comments were against an increase in council tax, with rising household bills and national issues outside Policing and Fire & Rescue’s remit being a factor. There were also concerns about Police performance in particular, and a number of responses calling for greater efficiencies rather than increased taxation.

“Families are at breaking point, cost of living rises are astronomical, fuel costs are rising and really are people seeing any improvements for these constant price rises!”

“Police rarely visible in village and responses to crime not good. I been a pensioner can’t afford extra on top of cost of living increases.”

“As a pensioner and a Waspi women I have already contributed over £40,000 to the government for lost pension and had the £200 heating allowance stopped. When I did require the help of the police I was given a crime number and a visit 4 weeks later from a community officer telling me about crime prevention. All too late and no positive outcome. Therefore I already feel I am paying for a service I'm not getting. This isn't just about police or fire service but local services generally. Unfortunately, my budget, like yours will only go so far.”

“Staffordshire police has more police officers since 2020 and still struggles to cope with demand, sitting within a resource function I believe that before any more taxes are risen and increasing everyone cost of living. All departments should be looked at thoroughly this includes every department running of an SLA, restricted officers to be utilised more effectively to release fully fit officers to support demand and in addition to this reviewing shift patterns. Until the basic foundations are met and a structure is put in place I would not be supporting any additional increases.”

“The public should not pick up our own NI increases and then we pick up the public service NI costs this feels like a rolling tax that I am paying many times.”

“Now paying extra for bins, now paying extra bedroom tax now paying to have community grass cut and litter collected. Use your resources better. Ask the council to stop wasting money on carparks that remain empty and use that money.”

“I already pay almost £3500 annually for my council tax and I have recently been told I will now have to pay extra for my bin collection. We have trouble with speeding on our main road and we get nowhere with complaints to the police. We have no public transport and I often wonder what we are getting for our £3500 bill and you now want to put it up again!!!”

“The hard-working public of the UK already pay a very high amount of tax. Why we need to be even asked to pay any more is beyond me. Stop the lousy governments giving our money away to other countries instead.”

“People cannot afford to live and increasing council tax will put more pressure on those who are struggling. For some these increases may be small but to others it is a lot. Income and benefits do not rise at 5.8% per year.”

“I am an OAP and having lost Fuel allowance and now having to pay for brown bins – TV goes up next year – cannot keep affording anymore.”

“We already pay a high amount of Council tax for little to show in return in the community – I think additional Council funding should come from Central Government at this point as they are clearly underfunding Councils.”

“I feel that an increase over 3% cannot be justified as people are struggling to pay bills.”

Commissioner's Office

A number of responses specifically mentioned the role and cost of the Commissioner and his office, feeling the money would be better spent on frontline services.

“Disband the office of police and Fire commissioners and return the job to those who know what they are doing!!!”

“Abolish your post and go back to a police/fire authority, which was cheaper. Your budget could then be split between both.”

“Instead of increasing what people pay, how about we get rid of extra management levels, like the recent commissioner role! And focus on front line services!”

“You need to cut operating costs before increasing costs. Your office is one area that should take a significant hit in that context. There's a simple, common theme that is consistently ignored; more visible police on the street.”

“Please could the amount that the Commissioner's office please be reviewed and reduced.”

“The police and fire commissioner should be scrapped immediately as it is a complete waste of public money. The funds should be put into front line policing as in Uttroter we have none to speak of. If I thought for one minute we would get better policing in Uttroter I would be happy to pay more but we won't. Too many officers are squirrelled away into CID departments instead of giving a frontline presence which is what the public want.”

“Dissolve the post of Police and Crime Commissioner, return control to the Chief Constable. The police in particular are neither transparent nor responsive – I see no reason to support that on any level.”

“I do not see the necessity for a commissioner maybe the cost of that and the ancillary roles associated with it could go towards frontline services which worked as effectively without a commissioner.”

“The money used to pay for the Police Fire and Rescue and Crime Commissioner should be used to create more Police Officers on the beat to be seen as a preventative measure and they would know the area as in the past...”

“The Police crime commissioner should be abolished. Why are we paying for a political post having precedence over the police which should be completely independent of politics? The commissioner is paid a huge amount of money along with his staff wages. This money could and should be used for the police and fire service.”

Additional comments

“Really think the local government should sort out things like access, roads mainly potholes and water drainage as all of these are terribly inadequate before asking for more money for anything else.”

“Now paying extra for bins, now paying extra bedroom tax now paying to have community grass cut and litter collected. Use your resources better. Ask the council to stop wasting money on carparks that remain empty and use that money.”

“I already pay almost £3500 annually for my council tax and I have recently been told I will now have to pay extra for my bin collection. We have trouble with speeding on our main road and we get nowhere with complaints to the police. We have no public transport and I often wonder what we are getting for our £3500 bill and you now want to put it up again!!!”

“My understanding is that social services/care are the main recipients of budgets and these areas should be reduced so that much greater funding is available for the police service.”

“I feel that we should be moving towards council tax charges as per over 18yearold in each home. Eg some households locally have up to 10 plus over 18yearolds so this means they are paying a similar council tax as we are as 2 pensioners this can't be a fair system. This needs to be taken up with the government.”

“It is not just your services that need extra resources. Will the budget-holders for all the other services funded from the Council Tax pot also be requesting similar increases?”

“The council waste so much and can operate much more efficiently these increases I have agreed to can be absorbed into more efficient practises. During WW2 when the services were limited through limited personal and costs small localised groups in each neighbourhood operated like a group of streets organised in small work parties say one afternoon per month to do small gutter clearing, cutting overhanging trees etc taking the responsibility and costs from the council, rather like neighbourhood watch but neighbourhood work. Just an idea. The council tax is a burden on many people like me being living on a pension.”

“The town of Stone requires more additional services/infrastructure for the growing needs and additional houses. I don't understand what extra I would receive for an increase.”

“Additional funding will not solve the issue. Until the public sector start changing the way funds are distributed and managed, the increase will just go to waste on services and products that will not benefit the residents of Staffordshire.”

"We now pay for brown bin collections but no reductions in current tax paid. Could this not be used instead of raising tax yet again?! People are so tired on constant increases for systems that are run badly."

"This is an utter disgrace asking for us to pay more especially as this Liebour government has now taken away our winter fuel. I have to only have my heating on for 2 hours a day!!! We cannot afford any more!!! Pay it yourself out of your own pocket."

"I think we already pay too much. We have hardly any police and we are one of the few places where we are also expected to pay for a brown bin???? Also the roads around Staffordshire are some of the worst I have driven on. Maltevo manage to resurface them worse than they were before they did the job. They are charging councils big money to do a really bad job. It's a joke as they have to do many things again."

"We already have to pay for the brown bin to be emptied I would begrudge paying for more services or an increase in services."

"Take it out of the 40 pound the council charge for garden waste bins per year."

"I am all for fairness. My road is new, no street lights, no pavements... so maybe my rates should be reduced and the extra could be put towards the above. Please understand as a pensioner I am already on a losing streak."

"At the moment we pay £256 per month and this is quite a chunk of our limited income. Living in a fairly rural area we think what we now pay is eminently fair. The Council Tax bands are based on a historic flawed and outmoded precept of what the property was deemed to be worth in 1991."

"Living in Stoke-on-Trent can be depressing as the environment is unkempt and dirty with litter and debris everywhere. It often feels like we are paying for inferior services across the board."

"I pay £128 a month and the roads, schools and services are awful so where does it go?"

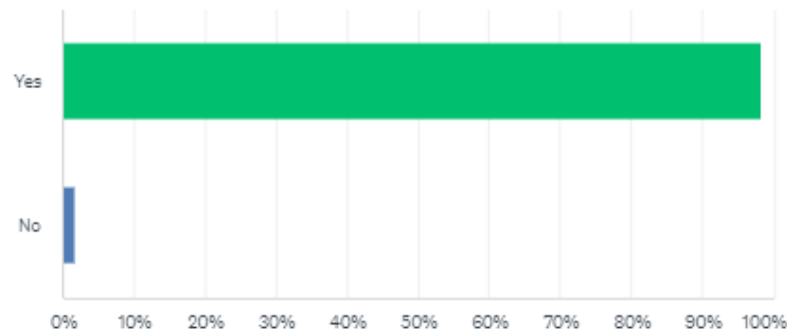
"Why do the Tax payers have to suffer more? Central government should take a REAL look at home and reevaluate the millions they are spending needlessly both inside and outside the UK. They should be increasing covering local government funding, not kicking the tax payers any further in their wallet!!!!!!"

"Before tax rises I feel gross inefficiency needs to be ruled out ...from police/ fire or other areas ...such as road maintenance where it is done piecemeal in an inefficient and more expensive way where the only winner is the company providing service."

Additional Questions

Are you responsible for paying council tax?

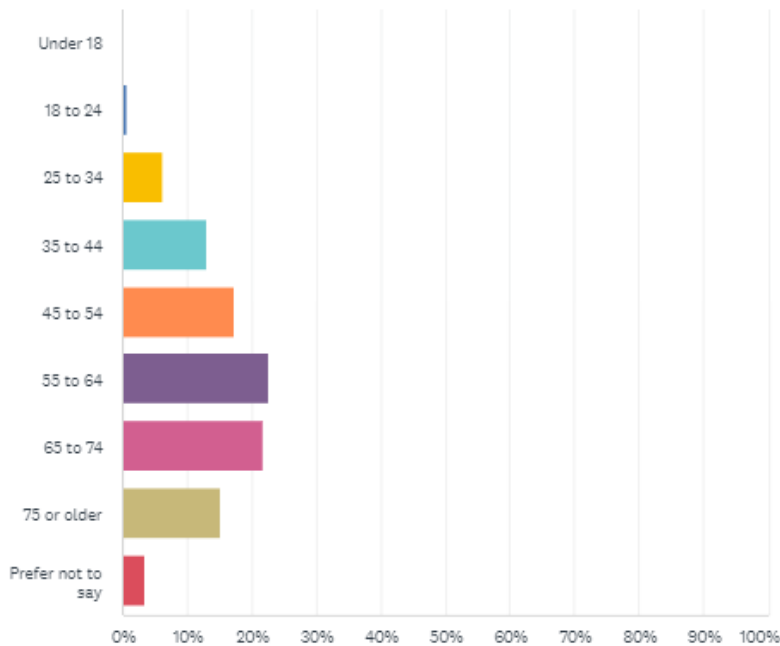
Answered: 2,278 Skipped: 67



ANSWER CHOICES	RESPONSES	
Yes	98.33%	2,240
No	1.67%	38
TOTAL		2,278

What is your age?

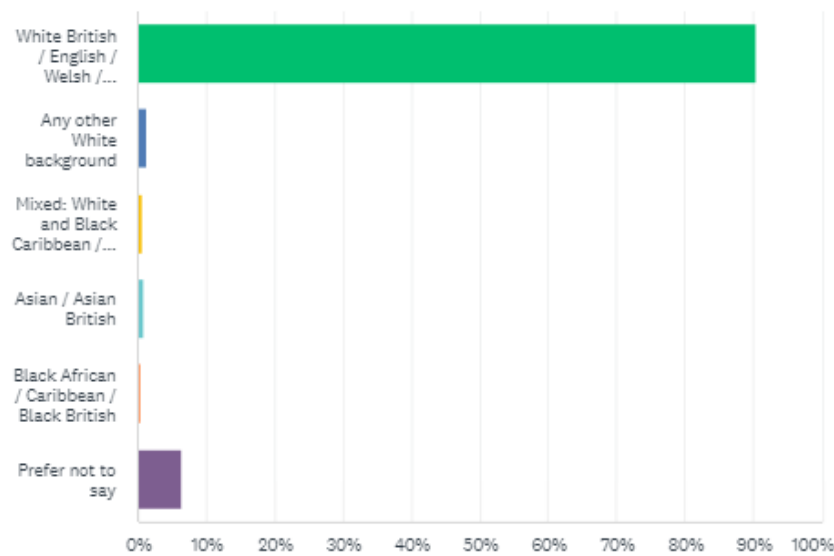
Answered: 2,167 Skipped: 178



ANSWER CHOICES	RESPONSES
Under 18	0.05%1
18 to 24	0.65%14
25 to 34	6.23%136
35 to 44	13.11%284
45 to 54	17.26%374
55 to 64	22.57%489
65 to 74	21.64%469
75 or older	15.18%329
Prefer not to say	3.32%72
TOTAL	2,167

What is your ethnic origin?

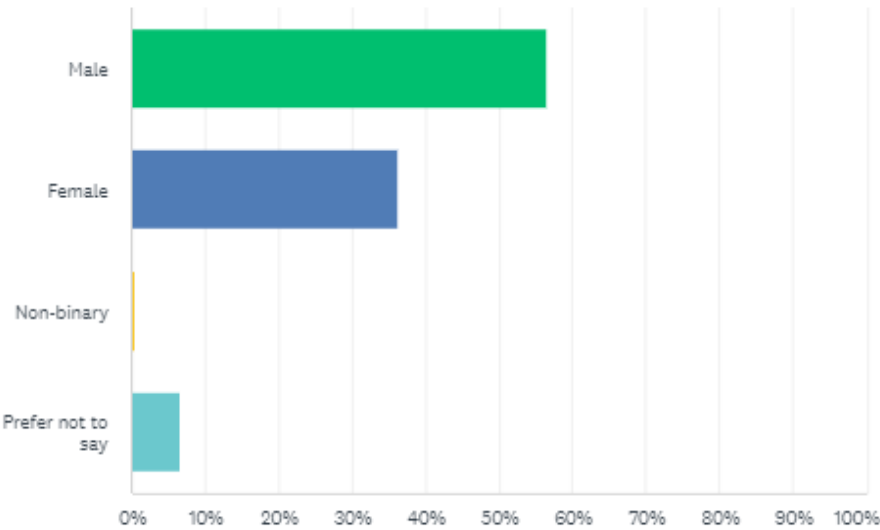
Answered: 2,146 Skipped: 199



ANSWER CHOICES	RESPONSES	
▼ White British / English / Welsh / Scottish / Northern Irish / Irish	90.49%	1,942
▼ Any other White background	1.21%	26
▼ Mixed: White and Black Caribbean / African / Asian	0.61%	13
▼ Asian / Asian British	0.93%	20
▼ Black African / Caribbean / Black British	0.33%	7
▼ Prefer not to say	6.43%	138
TOTAL	2,146	

Are you?

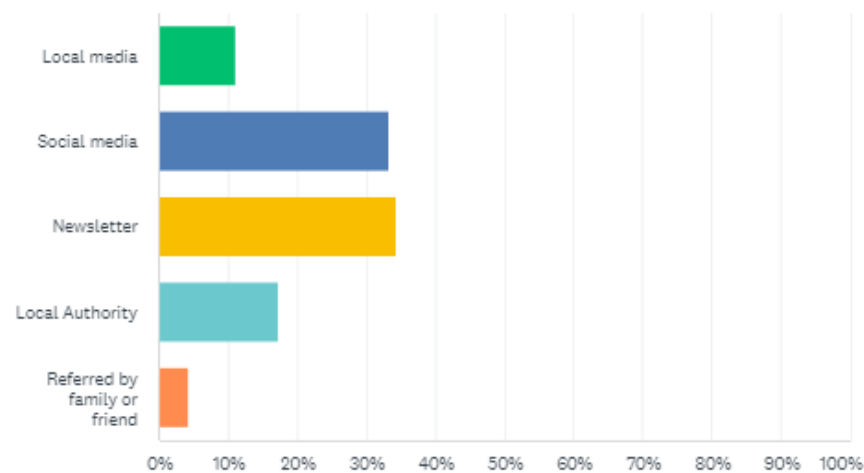
Answered: 2,159 Skipped: 186



ANSWER CHOICES	RESPONSES	
Male	56.55%	1,221
Female	36.31%	784
Non-binary	0.46%	10
Prefer not to say	6.67%	144
TOTAL		2,159

Where did you hear about this consultation?

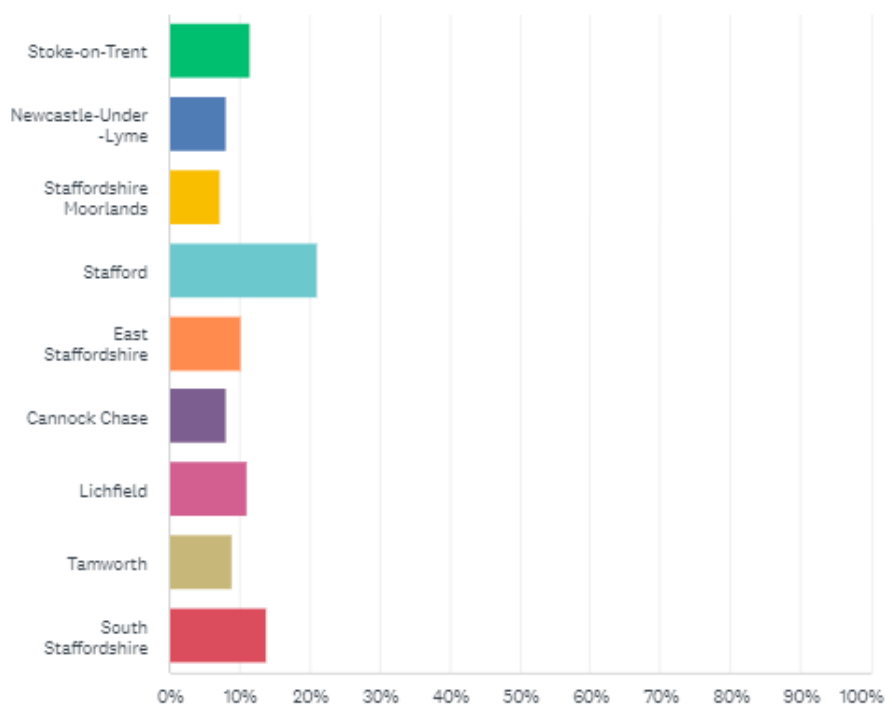
Answered: 1,785 Skipped: 560



ANSWER CHOICES	RESPONSES	
Local media	11.04%	197
Social media	33.17%	592
Newsletter	34.40%	614
Local Authority	17.20%	307
Referred by family or friend	4.20%	75
TOTAL		1,785

Which area of Staffordshire or Stoke-on-Trent do you live in?

Answered: 2,167 Skipped: 178



ANSWER CHOICES	RESPONSES	
▼ Stoke-on-Trent	11.54%	250
▼ Newcastle-Under-Lyme	8.08%	175
▼ Staffordshire Moorlands	7.15%	155
▼ Stafford	21.04%	456
▼ East Staffordshire	10.20%	221
▼ Cannock Chase	8.08%	175
▼ Lichfield	11.12%	241
▼ Tamworth	8.91%	193
▼ South Staffordshire	13.89%	301
TOTAL		2,167

If you would like to receive updates about the work of the Commissioner, please enter your name and email address below:

Answered: 443 Skipped: 1,902

ANSWER CHOICES		RESPONSES	
Name	Responses	99.10%	439
Email address	Responses	97.74%	433

Item No. on Agenda

Report to the Police Fire and Crime Panel – 3rd February 2025

Treasury Management Strategy Report 2025/26

Report of the Staffordshire Commissioner

1. Background

- 1.1 In addition to the existing role overseeing Staffordshire Police, the Staffordshire Commissioner became responsible for the governance of the Staffordshire Fire and Rescue Service from August 2018. However, both remain separate organisations, with separate budgets and governance processes.
- 1.2 This report will detail the Treasury Management Strategy for Staffordshire Police only; a separate report has been completed for the Staffordshire Fire and Rescue Service. Therefore, reference is made only to the **Staffordshire Police and Crime Commissioner ('the Commissioner')** as part of this report.

2. Introduction

- 2.1 This report outlines the Commissioner's Treasury Management Strategy for 2025/26.
- 2.2 Treasury management comprises the management of the Commissioner's cash flows, borrowings and investments, and their associated risks. The Commissioner has borrowed and invested large sums of money and is, therefore, exposed to financial risks, including the effects on revenue from changing interest rates on borrowings and investments, and the risks of a potential loss of invested cash. It is important that the Commissioner successfully identifies, monitors and controls financial risk as part of prudent financial management.
- 2.3 The Commissioner conducts its treasury risk management within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services Code of Practice 2021 Edition* (the CIPFA Code). The CIPFA Code requires that the Commissioner approves a treasury management strategy before the start of each financial year. In addition, this report fulfils the legal obligation to have regard to the CIPFA Code under the Local Government Act 2003.

2.4 The Annual Investment Strategy (AIS) for 2025/26 meets the requirements of the statutory guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) in its *Guidance on Local Government Investments 2018 Edition*.

2.5 This strategy has been prepared in conjunction with the Treasury team at Staffordshire County Council (SCC), after consultation with the Staffordshire Commissioner's Office and Police Finance Team.

3. **Summary**

3.1 The Police, Fire and Crime Panel note the proposed borrowing strategy for the 2025/26 financial year. The main features are:

- to continue with the use of cash as far as practical, with the ability to raise long-term loans following consultation with the Director of Finance for the Commissioner;
- a loan restructuring strategy that is potentially unlimited where this rebalances risk; and
- monitor the cash balances and possible need to borrow in the coming years.

3.2 The Police, Fire and Crime Panel in accordance with the MHCLG's Guidance on Local Authority Investments, note the adoption of the Annual Investment Strategy (AIS) 2025/26 as detailed in **Section 7** of this report and summarised in **Appendix 3**. Also, to note the policies on:

- reviewing the Treasury Management Strategy;
- use of external advisers; and
- investment management training.

3.3 All of the above will operate within the prudential limits set out in **Appendix 1** and will be reported to the Director of Finance at the Commissioner and reported retrospectively to the The Police, Fire and Crime Panel, in respect of decisions made for raising new long-term loans, early loan repayments and loan rescheduling.

4. **External Context**

Economic background

4.1 The economic back drop to this report for the first part of 2024/25 saw:

- The Bank of England (BoE) reducing interest rates by 0.5%, from 5.25% to 4.75%;
- Short, medium and long-dated gilts remaining elevated;
- Fluctuating UK Consumer Price Index (CPI) inflation - hitting its 2% target in June, reducing to 1.7% in September and then increasing to 2.5% in December;
- Initial easing in wage growth as the headline 3-month rate fell from 4.6% to 4.3% in September but increasing again in the last quarter of 2024; and
- UK GDP growth slowing in quarter 2 - 0.5% compared with 0.7% in quarter 1 of 2024 and virtually stagnant in quarter 3 – 0.1%. All these measures were slightly weaker than had been expected.

- 4.2 The BoE initiated its loosening cycle in August with a 0.25% rate cut to 5.00%, and continued with this approach at its November meeting, lowering rates a further 0.25% to 4.75%. It is anticipated that UK interest rates will continue to reduce by 0.25% each quarter until September 2025 where they will remain at 4.00% for 2 quarters. Interest rates are then predicted to fall to 3.75% in March 2026 and then to 3.50% in December of the same year, where they are forecast to remain. The low-interest rate environment of the recent past is not expected to return in the coming years.
- 4.3 CPI inflation declined to 1.7% in September, however, this gradually started to increase as a result of many factors, including public sector pay rises. This trend continued, following the minimum wage and employer NI increases announced as part of the 2024 budget, with CPI increasing to 2.5% in December. The Office for Budget Responsibility and the BoE envisage that inflation will remain 'sticky' until at least 2026. Monetary policy is acting to ensure that longer-term, CPI expectations are in line with the 2% target.
- 4.4 GDP growth slowed in quarter 2 of 2024 to 0.50% and reduced further in quarter 3 to 0.1%, reflecting underlying demand momentum. The BoE are now expecting 0% GDP growth in 2024 quarter 4. Whilst the measures announced in the Autumn Budget were expected to boost the level of GDP growth, the BoE have now highlighted significant uncertainty around how the economy may respond to these measures going forwards.
- 4.5 The US President election of Donald Trump paves the way for the introduction/extension of tariffs that could prove inflationary and the same could be said of further tax cuts and an expansion of the current US budget deficit. The direction of US Treasury yields in reaction to President Trump's core policies will impact UK gilt yields. There are also domestic and international factors that could impact PWLB rates accounting for geo-political risks, such as political instability in Europe and Asia and war in the Middle East and Ukraine.

Credit outlook

- 4.6 Credit default swap (CDS) stability is always a concern, as market fluctuations and economic uncertainty can significantly impact the pricing and reliability of these financial instruments. However, CDS prices are constantly monitored by the Commissioner in conjunction with the Treasury team at SCC in respect of this.
- 4.7 Geopolitical and environmental factors can impact on sovereign and bank credit ratings. During the past year several banking institutions credit rating outlooks have improved. Nonetheless, when setting minimum sovereign debt ratings, the Commissioner will not set a minimum rating for the UK.
- 4.8 Looking forward, the potential for bank losses still remains a risk and a cautious approach to bank deposits in 2025/26 is advisable. The Commissioner is exposed to bail-in risk, as the Government will no longer support banks if they fail but rather it will be the investors who primarily bear the financial burden of rescuing the bank.

Interest rate forecast

- 4.9 The BoE has started to initiate its easing cycle by lowering interest rates to 5.0% in August, from 5.25% and a further 0.25% reduction in November to 4.75%. Economists are forecasting that interest rates will continue to reduce by 0.25% each quarter to 4.00% by September 2025 and a continuing gradual reduction to 3.50% by December 2026.
- 4.10 The overall longer-run trend is for gilt yields and PWLB rates to fall back over time, up to December 2026, as inflation reduces.
- 4.11 Due to the ongoing risks outlined above, the treasury strategy retains the low-risk approach adopted in recent years, based on prioritising security, liquidity and then yield.

5. Local Context

- 5.1 On 31 December 2024, the Commissioner held £62.6m of external borrowing and had £36.6m temporarily invested. The Commissioner's future requirements for borrowing and investments can be considered in the context of its balance sheet forecasts described in the following paragraphs.

Balance sheet

- 5.2 In terms of borrowing, the Commissioner discloses its Capital Financing Requirement (CFR) as part of its Statement of Accounts. This represents the underlying need to borrow for capital purposes i.e. the amounts that have been financed through external and internal borrowing rather than being permanently financed.
- 5.3 If the Commissioner increases debt to fund additional capital expenditure, this will increase its Loans CFR; conversely repaying debt through the Minimum Revenue Provision (MRP) will reduce its Loans CFR. The table below shows forecasts for the Commissioner's Loans CFR and how this will be financed through external and internal borrowing.

	31.03.24 Actual £m	31.03.25 Estimate £m	31.03.26 Forecast £m	31.03.27 Forecast £m	31.03.28 Forecast £m
Loans CFR	77.7	89.2	108.3	129.8	137.9
Less external borrowing	(63.1)	(61.5)	(59.7)	(58.1)	(53.8)
Less: Capital financing from revenue/ grants/ receipts	(7.7)	(4.2)	(2.2)	(2.6)	(3.1)
Internal/ borrowing) (Over	6.9	23.5	46.4	69.1	81.0

- 5.4 The table above shows that the Commissioner's Loans CFR is due to significantly increase over the period of the TMSS due to the level of the capital programme which includes a firing range and increased expenditure on the Police estate. This will mean that despite using reserves for some of its capital financing, the Commissioner's internal borrowing requirements will

increase to unsustainable levels, and further external borrowing is likely to be required in future years. A number of existing external loans also mature during the period, which further increase the borrowing requirement.

- 5.5 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Commissioner's total external borrowing should be lower than its highest forecast CFR over the next three years; the previous table shows the Commissioner will comply with this recommendation in 2025/26 and going forward.
- 5.6 For investments, the Commissioner's total resources available are measured by its usable reserves and working capital less any amounts that have been internally borrowed. This is shown in the following table:

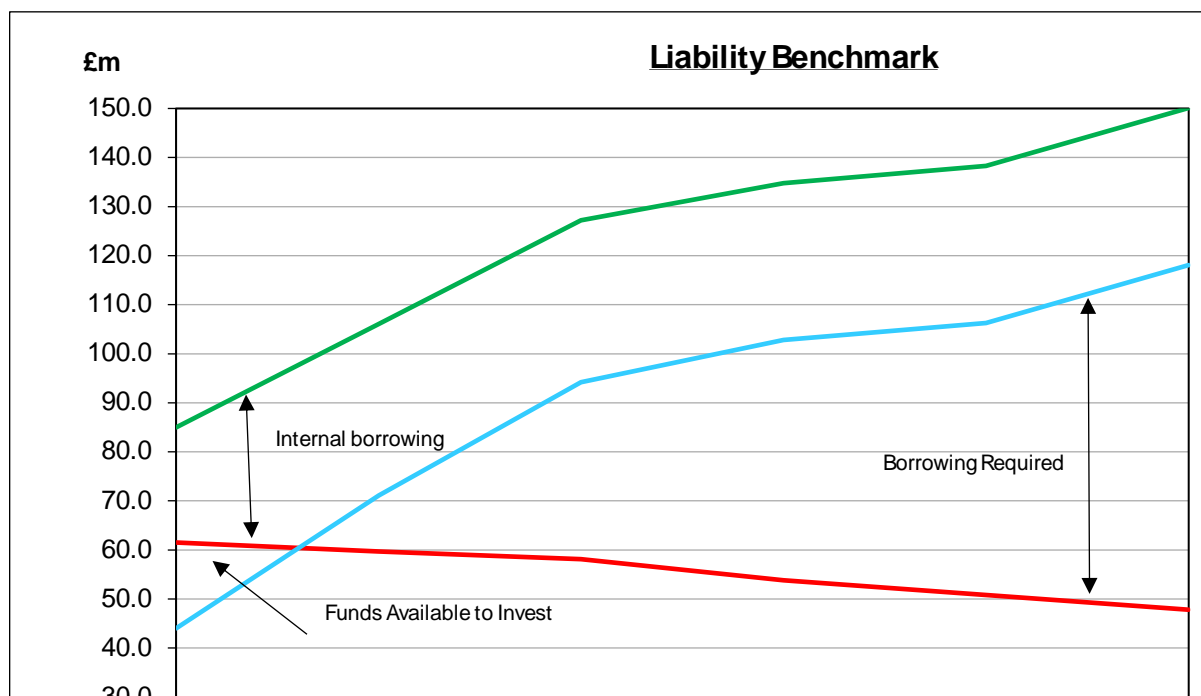
	31.03.24 Actual £m	31.03.25 Estimate £m	31.03.26 Forecast £m	31.03.27 Forecast £m	31.03.28 Forecast £m
Usable reserves	45.5	40.6	35.7	34.1	33.0
Working capital surplus	0.0	0.0	0.0	0.0	0.0
Less internal borrowing	(6.9)	(23.5)	(46.4)	(69.1)	(81.0)
Investment / (New borrowing)	38.6	17.1	(10.7)	(35.0)	(48.0)

- 5.7 This demonstrates the Commissioner's recent strategy in using internal borrowing to reduce the need for external borrowing and as a result, reduce temporary investment levels. However, this strategy will not be sustainable longer term, as the table indicates that the Commissioner will not have sufficient internal resources to cover the internal borrowing requirement going forward and therefore will need to borrow from external sources. Depending on the actual reserve levels, capital programme expenditure and cashflow, the Commissioner may need to borrow from external sources during 2025/26.

Liability benchmark

- 5.8 The CIPFA Prudential Code requires local authorities to develop their own liability benchmark to manage treasury management risk. The liability benchmark represents the minimum amount of loans required to maintain cash balances at nil i.e. when all usable reserves and working capital surpluses are used to offset the amount of loans borrowed.

	31.03.24 Actual £m	31.03.25 Estimate £m	31.03.26 Forecast £m	31.03.27 Forecast £m	31.03.28 Forecast £m
External Loans	63.1	61.5	59.7	58.1	53.8
(Less investments) / add new borrowing	(38.6)	(17.1)	10.7	35.0	48.0
Liability benchmark	24.5	44.4	70.4	93.1	101.8



5.9 The chart shows that the Commissioner's CFR (green line) has been financed through a combination of external borrowing (red line) and internal borrowing (the difference between the red line and the green line). The data points on the chart represent the end of the financial year.

5.10 The chart indicates that during 2025/26, the Commissioner's level of external loans may fall below the minimum required by the liability benchmark and this gap continues to widen over the period. This is due to the Commissioner's CFR, and hence its liability benchmark, increasing for the next few years, driven by its capital investment. At the same time, the Commissioners level of external loans fall during this period as several loans are repaid upon maturity.

5.11 Given these forecasts, the Commissioner may need to borrow externally in 2025/26 as it may not have sufficient usable reserves and working capital to cover the amounts required internally and may also have to borrow in the coming financial years. Therefore, the liability benchmark has an impact on the Commissioner's borrowing strategy for 2025/26 and beyond.

6 **Borrowing strategy 2025/26**

6.1 As at 31 December 2024 the Commissioner held £62.6m in external loans. There is a redemption of £1.1m to be paid by 20 February 2025 leaving a balance of £61.5m at the beginning of 2025/26, which is funding previous years capital programmes. The Commissioner will need to ensure total amounts borrowed do not exceed the authorised limit of £131.4m, as disclosed in **Appendix 1**.

Objectives

6.2 The primary objective for the Commissioner when considering the need to borrow money is to strike an appropriate balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.

Strategy

- 6.3 Given the ongoing financial pressures on public services and local government funding, the Commissioner continues to address the key issue of affordability without compromising the long-term stability of its debt portfolio. As short-term interest rates have been lower than long term interest rates for a long period of time, it has been more cost effective for the Commissioner to use its internal cash resources in lieu of borrowing in the short term.
- 6.4 The current economic environment continues to favour using cash in lieu of borrowing, where balances are sufficient as:
- Short, medium and long-dated gilts remain elevated and the margin the PWLB add on to onward lend to local authorities means it is cheaper to use cash than to borrow;
 - Due to bail-in legislation it is important to minimise investment risk, as using cash in lieu of borrowing reduces investment balances;
 - Using cash in lieu of borrowing within practical cash management limits would meet key parts of the current government guidance on local government investments, i.e. managing the security and liquidity risks for investments; and
 - Continuing to use cash in lieu of borrowing would meet the objective of bringing down the average rate of interest for borrowing and provide an opportunity to fund the capital programme at low cost.
- 6.5 In the past, cash balances have been sufficient to allow the strategy of using cash without the need to raise further external loans. The balance sheet analysis at **paragraph 5.6** and the liability benchmark analysis at **paragraph 5.8** both indicate the Commissioners cash balances will be lower in the coming years and consideration will need to be given to borrowing externally.
- 6.6 The Commissioner will monitor the benefits of internal borrowing on a regular basis. This strategy must be balanced against the possibility that long-term borrowing costs may increase in future years, leading to additional costs as a result of deferring borrowing. The Commissioner will need to determine whether it borrows additional sums, at long term fixed rates in 2025/26, with a view to minimising future interest costs. The Commissioner will consult with the Treasury team at SCC in respect of this.
- 6.7 The proposed borrowing strategy is one that aims to balance the liquidity needs of day-to-day cash management with the low-risk approach that is maintained by using cash in lieu of borrowing.

Sources of borrowing

- 6.8 The approved sources of long term and short-term borrowing are:
- The Public Works Loans Board (PWLB);
 - UK Municipal Bonds Agency Plc and any other special purpose companies created to enable local authority bond issues;
 - Other UK public sector bodies;
 - UK public pension funds;
 - Approved banks or building societies authorised to operate in the UK; and
 - Any institutions approved for investments.

Short-term loans

- 6.9 Short-term loans raised from money markets are typically under 12 months duration. These can be lower cost, and the Commissioner can respond flexibly to liquidity pressures by raising these when needed. The disadvantage of short-term loans is one of availability and it can be difficult to raise them quickly from banks and building societies.
- 6.10 The local authority lending market has progressed considerably in recent years and loans are generally available in the short to medium term. However, future availability cannot be predicted as loans raised depend upon other local authorities having available cash balances and being prepared to lend them to the Commissioner.

Long-term loans

- 6.11 Long-term loans are those for a duration of more than 12 months. The Commissioner has previously raised most of its long-term borrowing from the PWLB, a statutory body that issues loans to local authorities. Government consent is not ordinarily required, hence the PWLB continues to be the 'lender of first resort' because of the flexibility and ease of access. However, local authorities are required by law to have regard to the Prudential Code and only borrow within relevant legislation and their borrowing powers.
- 6.12 HM Treasury have also put measures in place to prevent public bodies using PWLB funding to finance any commercial investments and there are mechanisms in place to recall such funding if this is found to be the case. In addition, the latest Prudential Code explicitly prevents Local Authorities borrowing to fund commercial ventures.
- 6.13 Where the Commissioner has a long-term borrowing need, it can consider the alternative sources of borrowing other than the PWLB highlighted in **paragraph 6.8**. Seeking lower interest costs may introduce greater administrative and resource costs as well as increased risk, and this would need to be balanced against the ease of access to loans from the PWLB.
- 6.14 The exact type of loan to be raised by the Commissioner and its duration would have to be considered at the time; but with current interest rates and the maturity profile of the existing loan portfolio, loans towards the shorter end of the yield curve offer better value for money.
- 6.15 The optimum timing for borrowing cannot be foreseen and decisions often need to be taken at short notice, therefore, it is proposed to delegate the decision to borrow long-term loans to the Director of Finance at the Commissioner and report retrospectively to The Police, Fire and Crime Panel. In addition, the treasury management outturn and half-year reports will update the position later in the year.
- 6.16 The overall strategy of maximising the use of cash in lieu of borrowing is still considered a relatively low risk strategy, although it is impossible to eliminate all treasury risk. The consequences of using cash are the possibility of increased costs in the future if interest rates rise further; this must be balanced with the extra cost now if loans are raised (the cost of carry).

Loan restructuring

- 6.17 Movements in interest rates over time may provide opportunities to restructure the loan portfolio in one of two ways:
- Replace existing loans with new loans at a lower rate (known as loan rescheduling); and
 - Repay loans early, without replacing the loans, although this would increase the use of cash which may not be possible given the levels of reserves available.
- 6.18 Market conditions have changed in the last 12 months and gilt yields have risen from the historic lows seen over the last 10 years. This rise in gilt yields means that there is a possibility that PWLB premiums may be low and could be offset by interest savings on extinguished loans, in addition discounts may be offered on some loans. The Commissioner, in conjunction with the County Council's Treasury team, will continue to monitor the market and identify possible savings arising during 2025/26.
- 6.19 The Commissioner's ability to adjust its loan portfolio through restructuring is only possible if:
- the Government allow it; PWLB rules have been changed in the past with no notice; or
 - market conditions allow economically beneficial repayment.
- 6.20 Market conditions and regulations are not constant and do change and loan restructuring can only be carried out when conditions are favourable. The decision as to when to undertake loan restructuring will be delegated to the Director of Finance for the Commissioner and reported retrospectively to the The Police, Fire and Crime Panel.

7. Annual Investment Strategy (AIS) 2025/26

- 7.1 It is the Commissioner's Borrowing Strategy that determines its Investment Strategy. In the current economic environment, where short term investment rates are at par or lower than borrowing rates, this still favours the use of cash instead of external borrowing, hence balances available for temporary investments are likely to be less.
- 7.2 The Commissioner may have significant levels of funds to invest at different points of the year; this usually represents income received in advance of expenditure plus balances and reserves held. In the previous year, the Commissioner's investment balance ranged between £17.8m and £83.0m.

MiFID II

- 7.3 Following the introduction of the second Markets in Financial Instruments Directive (MiFID II) regulations from January 2018, local authorities will automatically be treated as retail clients by financial services firms, unless they meet the criteria and 'opt up' to be professional clients. As a retail client, the Commissioner would receive enhanced protections, but this would also mean they may face increased costs and restricted access to certain products including money market funds, pooled funds, treasury bills and treasury advice.

- 7.4 The commissioner meets the criteria set out under MiFID II and having chosen to 'opt-up', will continue to be treated as a professional client by regulated financial services firms in 2025/26.

Objectives

- 7.5 The CIPFA Code requires local authorities to invest their cash prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return or yield.
- 7.6 The Commissioner's objective when investing its cash is to strike an appropriate balance between risk and return, thereby minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Strategy

- 7.7 The main characteristics which should determine an investment strategy are:
- the credit risk of the counterparties invested with;
 - the length of the investment; and
 - the type of financial instrument that is used.
- 7.8 The Commissioner has taken a low-risk approach to investment and the AIS for 2025/26 will continue to do so. The Commissioner will continue to concentrate its short-term investments in secure money market funds and government investments, together with a low-risk pooled fund in 2025/26.
- 7.9 MHCLG Guidance on Local Government Investments specifies the types of financial instruments that local authorities can invest in, and the Commissioner has divided its approved treasury investments into Standard Investments and Non-Standard Investments.

Standard investments

- 7.10 The Commissioner considers Standard Investments to be those made with approved counterparties that do not require further approval from the Director of Finance and the Commissioner. These investments tend to be for a period of less than a year and are those most frequently used by the Commissioner. Standard Investments can be invested with:
- UK Government – central government or local authority, parish council or community council;
 - short term money market funds (MMFs); and
 - bank and building society investments.

i) UK Government

- 7.11 The Commissioner invests with central government by using its Debt Management Account Deposit Facility (DMADF) account. Funds held in the DMADF account are backed by the UK Government, so they are very secure; however, returns may be lower than those received from elsewhere.

7.12 The Commissioner can invest in term deposits with local authorities which can provide a higher return depending on the availability of, or the need for cash, in the local authority lending market. Like central government investments, local government investments are not subject to bail in risk. However, the market has reduced since the pandemic due to a lack of local authority borrowers.

7.13 Although investments in the local authority lending market have a low risk of insolvency, they are not completely without risk. The financial risks of some local authorities have been well documented in the press; the Commissioner will continue to monitor such developments and seek information from the Treasury team at SCC where necessary.

ii) Money Market Funds (MMFs)

7.14 Money Market Funds have high credit quality and are pooled investment vehicles consisting of money market deposits and similar instruments. Short-term MMFs that offer same day liquidity can be used as an alternative to instant access bank accounts. Same day notice MMFs have been used by the Commissioner for some time as they have tended to provide greater security and a higher yield than bank accounts.

7.15 EU regulation, introduced in January 2019, meant most same day notice MMFs have converted from a Constant Net Asset Value (CNAV) to a Low Volatility Net Asset Value (LVNAV) structure. The assets of LVNAV MMFs are marked to market, meaning the dealing NAV (unit price) may fluctuate. However, LVNAV MMFs are allowed to maintain a constant dealing NAV provided they meet strict criteria and minimum liquidity requirements. Public debt CNAV MMFs are still available where 99.5% of assets are invested in government debt instruments.

7.16 MMFs are a key tool to manage credit and liquidity risk and the Commissioner will continue to use same day notice MMFs that meet the criteria listed below. These are considered to have sufficient high credit quality to be included on the Commissioner's Approved Lending List:

- Diversified – MMFs invest across many different investments meaning they achieve more diversification than the Commissioner could achieve on its own account;
- Short liquidity – cash can be accessed daily;
- Ring-fenced assets – the investments are owned by investors and not the fund management company; and
- Custodian – the investments are managed by an independent bank known as a custodian, who operates at arms-length from the fund management company.

7.17 Like all treasury instruments, MMFs do carry an element of risk. The failure of one or more of an MMF's investments could lead to a run on MMFs, especially during a financial crisis, although the MMF regulations introduced in recent years do limit this risk to some extent.

iii) Bank and building society accounts

7.18 The Commissioner can make investments with banks and building societies that meet the minimum threshold (**see paragraph 7.31**) by using call accounts

or term deposits, but these investments will run the risk of credit loss via a bail in, if the regulator determines that the bank is failing or likely to fail. Due to this issue and a general cautious approach to bank and building society investments, currently the only bank or building society in use by the Commissioner is its banking provider, Lloyds Bank (see section below). Use of any further banks or building societies is delegated to the Director of Finance for the Commissioner with the outcome reported in the regular treasury management reports to the Strategic Governance Board (Police).

iv) Operational bank account

- 7.19 The Commissioner's banking provider is Lloyds Bank. Cash is retained with Lloyds Bank each night earning interest at below market rate; the amount retained will be set in line with the diversification policy set out at **paragraph 7.22** onwards.
- 7.20 In respect of the Bank ring-fencing legislation Lloyds Bank has a relatively small investment banking operation meaning that 97% of the bank's assets remain within the 'retail bank' ring-fence. The Commissioner's business with Lloyds Bank will take place within the 'retail bank' ring-fence (Lloyds Bank Plc) and not form part of their investment banking operations (Lloyds Bank Corporate Markets).
- 7.21 Should the Lloyds credit rating fall below the Commissioner's minimum threshold, then minimum balances will be retained with the bank for operational efficiency. The Commissioner will continue to seek support from the County Council's Treasury team on bank credit risk and any changes will be determined by the Director of Finance at the Commissioner.

Standard Investment diversification

- 7.22 Risks to investments, such as those discussed for MMFs in **paragraph 7.17**, point towards the fundamental need for diversification across counterparties and investment categories, where possible. Diversification can help to protect the security of investments by limiting the Commissioner's loss in the event of a counterparty default. Diversification will not protect the Commissioner from a systemic failure of the banking sector even if the risk of this has diminished following the bail-in banking regulations.
- 7.23 Diversification can be achieved by setting a maximum amount to be invested with each counterparty to limit risk and to ensure a spread of investments:
- No limits are proposed for government investments as these may be utilised for all the Commissioner's investments in certain circumstances;
 - For MMF's a standard limit of £5m per MMF is in place to meet liquidity requirements; and
 - For Lloyds Bank a limit is set of the lower of 10% of total balances or £1.0m (subject to a minimum upper level of £500k). This amount will minimise processing costs and provide additional liquidity for the Commissioner. The Treasury team at SCC will review and reset this limit once a month.
- 7.24 In the last few financial years, the Commissioner has held additional balances throughout the year leading to higher cash balances. To allow flexibility for investments, the Director of Finance for the Commissioner agreed to increase

the standard limits to temporary limits of £7.5m for MMFs. The Commissioner will continue to use the higher temporary limits in 2025/26 until the level of cash balances fall sufficiently to allow reverting to using the standard limits.

- 7.25 Where cash balances are low then this may mean that all investments are placed with the MMFs and Lloyds Bank. However, balances will be within the limits stated above.
- 7.26 The application and amendment of this policy are delegated to the Director of Finance at the Commissioner with the outcome reported in the regular treasury management reports to the Strategic Governance Board (Police).

Non-Standard Investments

- 7.27 The Commissioner considers Non-Standard Investments to be all other types of approved investment counterparties that are not included as part of Standard Investments i.e. those investments that are used less frequently and may require further approval from the Director of Finance at the Commissioner.
- 7.28 Collective Investment Schemes are Non-Standard Investments that range from enhanced MMF's to property and equity funds. These all have varying risk and return profiles. The Commissioner began to use this category of investment in 2022/23 by investing £5m into the Royal London Fund, a AAA rated enhanced Cash Plus MMF with a 3-day liquidity notice period.
- 7.29 The financial limit for the Royal London Cash Plus MMF had been set at £1.5m but was temporarily increased to £5m due to the increased levels of cash balances, following approval by the Director of Finance at the Commissioner in January 2023. The Commissioner will continue to use the higher temporary limit in 2025/26 until the level of cash balances fall sufficiently to allow reverting to using the standard limit.

Credit Management Strategy for 2025/26

- 7.30 Investments made by the Commissioner should be of 'high credit quality'. Although this can be difficult to define, credit ratings can be used as published by external credit rating agencies (the three main agencies are Moody's, Standard and Poor and Fitch). Credit ratings can be obtained from the County Council's Treasury team, where available.
- 7.31 For 2025/26, the minimum credit-rating thresholds are set at a long-term rating of A- where available. Counterparties that are rated below this level are excluded. However, credit ratings are not the only aspect of how creditworthiness is assessed.
- 7.32 The following elements are also factored in when evaluating creditworthiness:
- "Watches" and "outlooks" from credit rating agencies;
 - Potential government support;
 - Credit Default Swap (CDS) prices, i.e. the cost of insuring against counterparty default;
 - Share prices and bond yields;
 - Balance sheet structure;
 - Macro-economic factors; and

- A subjective overlay, i.e. a judgement being made about whether the counterparty should be recommended or not.

7.33 The Commissioner remains responsible for all its investment decisions. The Treasury team at SCC will continue to have treasury management meetings with the Commissioner on a quarterly basis where a review of the Lending List will take place.

7.34 Under stressed market conditions, additional meetings with the Treasury team at SCC may take place at very short notice. A decision may be made to adjust the Commissioner's investment risk profile. This may result in moving investments to lower risk counterparties or instruments.

Non-treasury investments

7.35 Under the CIPFA Code and MHCLG Guidance, local authorities may invest in other financial assets and property for financial return, and also make loans and investments for service purposes.

7.36 Such non-treasury investments should be assessed as part of a separate commercial investment strategy. They should set out the specific policies and arrangements for non-treasury investments and ensure the same robust procedures for the consideration of risk and return are applied to these, as for treasury investments.

7.37 In the absence of any legal powers to do so the Commissioner does not currently hold any non-treasury investments and, therefore, no additional commercial investment strategy is required.

Risk

7.38 Although guidance sets out security and liquidity as being the main treasury risks, they are not the only investment risks faced by the Commissioner. **Appendix 4** sets out a high-level risk assessment for six of the key risks which are summarised in the following table:

Risk	Assessment
Security	Low
Liquidity	Low to Medium
Interest rate	Low to Medium
Market	Low
Refinancing	Low to Medium
Regulatory and legal	Low

7.39 Within the Commissioner's AIS there is a balance to be made between the security of investments and liquidity; the safest investments are not necessarily the most liquid and so a pragmatic approach must be taken.

7.40 The proposed AIS has been evaluated against these risks and the most significant risks have been reduced as far as possible. This is not to say that all risk has been eliminated as this is not possible in treasury terms.

8. **Review of strategy**

8.1 The Commissioner will prepare a revised strategy when there are significant changes to the following factors:

- the economic environment;
- the financial risk environment;
- the budgetary position; or
- the regulatory environment.

8.2 The responsibility for assessing these circumstances and proposing changes to the strategy is allocated to the Director of Finance at the Commissioner.

9. **Policy on the use of external service providers**

9.1 Currently the Commissioner has no contracted external treasury adviser, and this is considered appropriate with the simple arrangements set out.

10. **Investment management training**

10.1 Treasury management is a specialised area requiring high quality and well-trained staff that have an up-to-date knowledge of current issues, legislation and treasury risk management techniques.

10.2 SCC's Treasury team who provide the treasury service are senior qualified finance professionals. Treasury practitioners also attend regular CIPFA and treasury adviser training seminars throughout the year and have any training needs identified during the Council's staff review process. The function is also subject to regular audit and independent checks.

10.3 Training needs for Commissioner staff who attend quarterly meetings with SCC's Treasury team are assessed on an ongoing basis by local managers.

11. **SCC Memorandum of Understanding**

11.1 SCC provides treasury management and banking services as part of a Service Level Agreement with the Commissioner. The SLA does not constitute a formal contract but is a document of good practice; it outlines the range of services provided by SCC, and the degree of co-operation required from the Commissioner for SCC to fulfil its role.

Heather Lees
Director of Finance

Report author
Amanda Wilkinson
Treasury and Pension Fund
Staffordshire County Council
Amanda.wilkinson@staffordshire.gov.uk

Background Documents

1. Treasury Management in the Public Services: Code of Practice (CIPFA) (2021)
2. Prudential Code for Capital Finance in Local Authorities (CIPFA) (2021)
3. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
4. Statutory Guidance on Local Government Investments – Issued under Section 15(1) (a) of the Local Government Act 2003 (2018)
5. Statutory Guidance on Minimum Revenue Provision – Issued under section 21 (1A) of the Local Government Act 2003 (2018)
6. Localism Act 2011 – Guidance on the General Power of Competence in sections 1 to 6.

The Police, Fire and Crime Panel
3rd February 2025/26
Treasury Management Indicators

Indicator	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
1. External debt			
Authorised limit	£121.0m	£142.3m	£149.7m
Authorised Limit for other liabilities	£10.4m	£9.9m	£9.4m
TOTAL	£131.4m	£152.2m	£159.1m
Operational boundary	£109.8m	£125.6m	£131.7m
Operational Boundary for other liabilities	£10.4m	£9.9m	£9.4m
TOTAL	£120.2m	£135.5m	£141.1m
External Loans	£88.5m	£105.1m	£118.1m
Other long-term liabilities	£10.4m	£9.9m	£9.4m
TOTAL	£98.9m	£115.0m	£127.5m
<i>The authorised limit is the maximum level of external borrowing which should not be exceeded. It is linked to the estimated level of borrowing assumed in the capital programme.</i>			
<i>The operational boundary represents the Director of Finance's estimate of the day-to-day limit for treasury management activity based on the most likely i.e. prudent but not worst-case scenario.</i>			
2. Interest rate exposures			
a. Upper limit (fixed)	£106m	£127m	£135m
b. Upper limit (variable)	(£90m)	(£90m)	(£90m)
<i>Upper limits of fixed and variable borrowing and investments are required to be set. This limits exposure to both fixed and variable interest rate movements as part of the overall risk management strategy for treasury management activities. Negative figures are shown in brackets; these relate to investments at a variable rate which are not offset by variable borrowings.</i>			
3. Maturity structure of borrowing	Upper Limit	Lower Limit	Loan Maturity
Under 12 months	10%	0%	3.0%
12 months and within 24 months	10%	0%	2.6%
24 months and within 5 years	30%	0%	16.7%
5 years and within 10 years	50%	0%	11.9%
10 years and above	100%	25%	65.8%
<i>This indicator identifies the amount of loans maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time.</i>			
<i>As a result no more than 10% of fixed rate loans are planned to mature in any one financial year.</i>			
4. Total principal sums invested for periods longer than a year	£	£	£
<i>Any investments made for longer than a year will be in accordance with the limits on non-specified investments.</i>	nil	nil	nil

Appendix 2
The Police, Fire and Crime Panel
Risk assessment – Borrowing strategy

Risk	Risk description	Relevance to borrowing	Key control	Assessment	Borrowing strategy
Security	A third party fails to meet its contractual obligations (i.e. counter party risk).	Unlikely there would be a failure between the agreement to borrow and sums being received. Exposure to investment risk if borrow in advance and invested until needed.	Usually borrow from the Government (PWLB or its successor body) with 2-day gap between agreement to borrow and receipt of money.	LOW	Use of cash to fund debt reduces this risk. There is insufficient cash to fully fund debt so it is likely that borrowing will be required.
Liquidity	Cash is not readily available when it is needed.	Usually borrow for capital from Government (PWLB or its successor body). Can also borrow for the short-term e.g. from other local authorities.	Prudential rules on borrowing and consideration of whether Government is secure.	LOW MEDIUM to	Use of cash to fund debt increases this risk as liquidity is reduced when borrowing is avoided. Any increase in borrowing decreases this risk.
Interest rate	Unexpected <u>reduction</u> in short term interest rates.	Depends on the mix between fixed and variable rate borrowing. Higher exposure to variable rate borrowing helps the budget.	The control is set out below.	LOW MEDIUM to	Pursuing a strategy of using cash reduces the overall net exposure to sudden interest rate falls.
Interest rate	Unexpected <u>increase</u> in short term interest rates.	Depends on the mix between fixed and variable rate borrowing. Lower exposure to variable rate borrowing helps the budget.	Limit variable rate borrowing to a relatively small proportion (e.g. 20%).	LOW MEDIUM to	20% limit provides a suitable risk control.

Appendix 2 (continued)

Risk	Risk description	Relevance to borrowing	Key control	Assessment	Borrowing strategy
Market	The market value of loans change substantially (i.e. how much is the borrowing strategy exposed to long term interest rate change).	How much risk is built into the maturity profile of the loans structure.	This is inversely linked to refinancing risk below.	MEDIUM	Use of cash will shorten the duration of the loan portfolio and reduces this risk. Without the use of cash this risk assessment would probably be high.
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	To avoid a high level of borrowing over a short period with exposure to high interest rates.	The Commissioner has a policy of limiting maturing loans to 10% of the loans portfolio.	MEDIUM	Using cash to fund debt potentially increases the refinancing risk. Without the use of cash this risk assessment would probably be low.
Regulatory and legal risk	Rules governing local government borrowing are changed or amended without notice, which has happened in the past.	Local government heavily reliant upon PWLB or its successor body. Cost and ability to reschedule / manage loans are determined by the Government. The Government could close the PWLB or its successor body and force local authorities to use market loans for all new borrowing.	Market loans will be evaluated and will be taken if they are good overall value.	MEDIUM	Use of cash means that PWLB (or its successor body) loans may not be taken. However, there is insufficient cash to fully fund debt in the medium term so it is likely that borrowing will be required. If the PWLB or its successor body was closed to new business, then other loans would have to be taken.

**The Police, Fire and Crime Panel
Lending List – January 2025**

Investment	Time Limit
<i>Regulation Investments</i> UK Government DMADF account UK Local Authority	6 months 12 months
<i>Banks and Building Societies</i> Lloyds (as banker) (£1.0m limit)	overnight
<i>MMF's</i> Aberdeen Standard (£7.5m limit) CCLA (£7.5m limit) Morgan Stanley (£7.5m limit) SSGA/ State Street (£7.5m limit)	call only call only call only call only
<i>Enhanced MMF</i> Royal London Cash Plus (£5.0m limit)	3-day notice

Appendix 4
The Police, Fire and Crime Panel
Risk assessment - Investments

Risk	Risk description	Relevance to investment	Key control	Assessment	Approved Investment Strategy (AIS)
Security	A third party fails to meet its contractual obligations (i.e. counter party risk).	Crucial that money invested is returned (principal and interest).	Relies on credit management policy including: credit risk; duration of investment and amount; as well as an ongoing review of the credit environment. Prudential limit on investment over 1 year.	LOW	Use of the investments identified within the AIS reduces this risk to a low level. The borrowing strategy identified will reduce cash balances and the resulting security risk. With the exception of regulation investments, counterparties also have a financial limit to ensure funds are spread amongst them. Overall, this remains a low-risk strategy.
Liquidity	Cash is not readily available when it is needed.	Need to plan investment to match cash requirements.	Managed through detailed cash flow forecast and investments in highly liquid funds.	LOW to MEDIUM	Same day access accounts are held with four MMFs. Balances are held with Lloyds Bank Plc overnight on account. Cash flow plans are completed annually and regularly updated.
Interest rate	Unexpected <u>reduction</u> in Interest rate.	Reduces the return on investment and reduces the level of reserves.	Can reduce risk by; A) netting off investment against borrowing to reduce net exposure B) investing for longer periods.	LOW	Investments will be mainly short term – this does not protect against an interest rate reduction.

Appendix 4 (continued)

Risk	Risk description	Relevance to investment	Key control	Assessment	Approved Investment Strategy (AIS)
Interest rate	Unexpected <u>increase</u> in interest rates.	To take advantage of the unexpected return, would need to keep investment short term and increase the amount of cash invested (e.g. by not using cash in lieu of borrowing).	Controlled through the overall strategy.	MEDIUM	Current policy allows upturns to be taken advantage of as investments are not fixed for long periods. Using cash to fund debt (the proposed borrowing strategy) reduces this risk as the overall exposure to short term interest rates is less.
Market	Unexpected need to liquidate market instrument quickly and accept 'price on the day'.	Only relevant if invest in market instruments (e.g. CD's, gilts).	Limit investment in market instruments or alternatively have capacity to borrow to avoid need to liquidate. Controlled by limits on non-specified investments.	LOW	Market instruments are not in use.
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	Reflected in the term (duration) of investments. Shorter term investments have a higher refinancing risk.	Proportion of investments maturing in the short term.	LOW to MEDIUM	The current policy is to invest in the short term. There is an increased risk with this strategy due to frequent 'refinancing'. This is advantageous in a higher rate environment. Using cash to fund debt (the proposed borrowing strategy) reduces this risk as the overall exposure to short term interest rates is less.

Appendix 4 (continued)

Risk	Risk description	Relevance to investment	Key control	Assessment	Approved Investment Strategy (AIS)
Regulatory and legal risk	Rules governing local government investment powers are changed or amended without notice.	Investment powers are granted through statute and guidance.	None.	LOW	The current policy of using cash in lieu of borrowing reduces the authority's dependency on interest receipts. The AIS is low risk and uses liquid and conservative investment instruments.



Item No on Agenda

**Staffordshire Police, Fire and Crime Panel
3rd February 2025**

Reserves Strategy Update

Report of the Staffordshire Commissioner

Introduction

Statutory provision is made within the Local Government Finance Act 1992 that requires precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure. The Director of Finance / S151 Officer for the Staffordshire Commissioner's Office has a duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its annual budget requirement.

This paper gives due consideration to the overall level of reserves held as at 31 March 2024 and the forecast position as at 31 March 2025. The Panel are asked to note the overall impact on Reserves as incorporated within the approved Medium-Term Financial Strategy (MFTS).

The Reserves Strategy was last approved in February 2024 as part of the budget setting process for 2024/25 and has now been updated to incorporate and reflect:

- The updated MFTS for 2025/26 to 2028/29
- The actual Reserves position as per the audited Statement of Accounts for 2023/24, and a forecast for 2024/25
- The impact of approved reserve utilisation as per the current and updated strategy

A number of different reserves are held by the Staffordshire Commissioner (both usable and unusable) in line with the CIPFA guidance, however this paper focuses on the two key areas of reserves that impact on the future financial strategy:

- **General Reserve**, to allow for unexpected / emergency events – balance as at 31 March 2025 is forecast to be £9.669m (see **Appendix 1**),
- **Earmarked Reserves** – to meet future known or predicted requirements – balance as at 31 March 2025 is forecast to be £30.885m (See **Appendix 1**)

Overall the level of Usable Reserves at 31 March 2024 was £45.850m (includes capital grants unapplied of £0.331m) and forecast to reduce by £4.964m in year to £40.886m by March 2025 (assumes use of £2.276m capital receipts reserve to finance capital programme). The general reserve will be maintained at £9.669m (assumes that the current forecast underspend from 2024/25 is transferred here) across the MTFS period while the earmarked reserves (including capital reserves) are forecast at £21.084m by March 2029. These reserves are in line with sector standards.

RECOMMENDATIONS

That the Police Fire and Crime Panel note:

1. the overall reserves position for both General and Earmarked Reserves as contained within this report,
2. to consider the adequacy and proposed earmarking of the reserve that will be incorporated into the budget setting exercise for 2025/26, and utilisation of reserves as incorporated within the updated MTFS.

Ben Adams
Staffordshire Commissioner

Contact Officers:

Heather Lees

Director of Finance / S151 Officer for the Staffordshire Commissioner's Office

John Bloomer

Assistant Chief Officer – Director of Resources / S151 Officer for Staffordshire Police

1. Prudential Code and Capital Spend

- 1.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires Chief Finance Officers in local authorities to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long-term revenue commitments. In considering the affordability of its capital plans, the Staffordshire Commissioner is required to consider all of the resources available, together with the totality of its capital plans and revenue forecasts for the forthcoming year and into the medium term.
- 1.2. The statutory reporting regime discussed within this paper and effective financial management underpin the need for clear, transparent reporting arrangements for reserves and CIPFA recommend that there should be clear protocol setting out the following:
 - the reason for / purpose of the reserve;
 - how and when the reserve can be used;
 - procedures for the reserve's management and control; and
 - timescale for review of the reserve to ensure continuing relevance and adequacy.
- 1.3. Whilst it is primarily the responsibility of the Staffordshire Commissioner and its S151 Officer to maintain a sound financial position, our external auditors Azets annually review for any material uncertainties and test to ensure that Staffordshire Police remain a going concern. However, it is not the responsibility of the auditors to prescribe the optimum or minimum level of reserves for authorities in general. A separate Going Concern report is submitted annually to the external auditor and is also reviewed by the Ethics Transparency and Audit panel.

2. Types of Reserve

- 2.1. When considering the Medium-Term Financial Strategy and preparing annual budgets the Staffordshire Commissioner should consider the establishment and maintenance of reserves. Reserves can be held for these main purposes:
 - a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
 - a means of building up specific funds, often referred to as earmarked reserves, to meet known or predicted requirements; and
 - A capital receipts reserve generated from the sale of surplus assets, which in line with legislation can only be re-invested back into capital goods (or whilst specific legislation allows transformation spend).

3. Reporting of Reserves

- 3.1. The IFRS-based Code of Practice on Local Authority Accounting in the United Kingdom (the Code) introduced the Movement in Reserves Statement to local authority financial statements in the 2010/11 financial year. This Statement presents the movement in the year of the reserves of the Authority analysed into **usable** reserves, (e.g. General and earmarked reserves) and unusable reserves.

- 3.2. The total usable reserves as per the unaudited statement of accounts is £45.850m as at 31 March 2025, being the general fund £9.636m, earmarked reserves £35.883m, and capital grants unapplied £0.331m.

The Movement in Useable Reserves Statement can be found within the statutory accounts for 2023/24, and is shown below:

	Balance at 31 March 2023 £'000	Balance at 31 March 2024 £'000
General Fund	9,489	9,636
Capital receipt reserve	2,276	0
Capital grants unapplied	331	331
Reshaping the Future	2,329	2,089
IT Transformation Reserve	2,384	2,634
Insurance Reserve	699	314
Pay and Pension Reserve	6,021	5,688
Collaboration Reserve	213	618
Capital Reserve	2,477	1,378
ESN Reserve	1,784	2,422
Major Policing Events Reserve	674	473
Operational Reserves	17,244	20,267
Total Earmarked Reserves	33,825	35,883
Total Usable Reserves	45,921	45,850

- 3.3. Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements (i.e. reconciliation of reporting standards to statutory requirements)
- 3.4. Section 26 of the Local Government Act 2003 gives ministers in England and Wales a general power to set a minimum level of reserves for local authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty.
- 3.5. Whilst it remains the responsibility of the Director of Finance/S151 Officer for the Staffordshire Commissioner to advise on the overall level of reserves that are held; the Staffordshire Commissioner should assist by providing clear protocols for the establishment and use of reserves, as reserves should not be held without a clear purpose.
- 3.6. The Staffordshire Commissioner has indicated that the level of general reserves be set at a minimum level of 3% of the annual revenue budget. The Panel should note that the level of general reserves is currently £9.636m or 3.64% of the 2024/25 net revenue budget. The reserves forecast currently shows the forecast underspend for the financial year as going to the general fund. It should be noted that consideration will be given to transferring the underspend at the end of the financial year to the budget support reserve.

4. Reserves Strategy and Future Outlook

4.1. This paper gives due consideration to the overall level of reserves held as at 31 March 2024 and the forecast position for 31 March 2025, and the panel are asked to note the overall position as scheduled in **Appendix 1**.

4.2. General Reserve

4.3. The Commissioner's policy for the general reserve fund is for it to hold as a minimum a balance of 3% of the net revenue budget of the combined budgets of the Commissioner and Staffordshire Police. This is currently considered to be a minimal safe level which would afford two incidents of maximum exposure to loss in any one year.

4.4. The maximum exposure to loss for a particular event is understood to be 1% of net budget in the light of the guidance which is issued by the Home Office relating to the police special grant. This guidance establishes that in the event that a force can prove it has proportionately policed a major incident which has created an unaffordable cost in one year, and that is independently reviewed by HMICFRS, the force can claim for costs exceeding 1% of the net budget for each incident. This guidance was updated in May 2021 and we expect it to continue to be in place during the period of the MTFS.

4.5. At the end of March 2024, the general reserve was £9.636m; this represents 3.64% of the annual revenue budget for 2024/25. It is assumed that the forecast underspend in 2024/25 goes to the general reserve.

4.6. Earmarked reserves

4.7. The earmarked reserve provision is required not only to fund future projects and investments but also to provide funding –

- To cover specific risk items that are excluded from the MTFS but may present as financial pressures over the life of the MTFS such as the current age discrimination changes to public sector pensions;
- To cover areas of the budget subject to fluctuations in spend based on risk such as self-insured Insurance claims;
- Reserves earmarked to support transformation. Whilst current legislation allows for the use of capital receipts to fund transformation this means these receipts would be used on revenue spend as opposed to re-investing back into assets (which would increase long term debt). The Commissioner is re-investing all receipts back into the acquisition of new assets;
- To provide for future contingent liabilities that have been identified within the statutory accounts;
- A reserve established to provide budgetary support. This reserve is earmarked to support the budget on a one-off basis whilst efficiency savings are phased in with a view to implementing these savings in the most sustainable manner possible;
- Reserves held for specific operational requirements.

4.8. The balance on these reserves as at 31 March 2024 was £35.883m and is forecast to reduce in year by £4.998m to close the year at £30.885m. This decrease is mainly driven by the use of the capital reserve to support the capital programme, the use of the Budget Support Reserve to

support the 2025/26 budget, the use of the Uplift reserve to support various estates projects, and the use of the pensions reserve to fund Pensions Remedy costs.

5. Reserve Forecast

5.1. The following table represent the forecast use of reserves as stated in the MTFS, with other known adjustments.

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
General Fund	9,669	9,669	9,669	9,669
Capital Receipts Reserve	0	0	0	0
Capital Grants Unapplied	331	331	0	0
Budget Support Reserve	623	0	0	0
Capital Reserve	942	1,190	1,439	615
Collaboration Reserve	618	618	618	618
ESN Reserve	3,423	3,423	2,954	1,704
Insurance Reserve	314	314	314	314
IT Transformation Reserve	1,644	1,244	844	844
Major Events Policing Reserve	291	291	291	291
Operational Reserves	10,191	9,325	9,162	8,999
Pay and Pension Reserve	4,486	4,486	4,486	4,486
Reshaping the Future Reserve	1,344	1,344	1,344	1,344
Uplift Reserve	1,867	1,867	1,867	1,867
Total Earmarked Reserves	25,745	24,105	23,321	21,084
Total Usable Reserves	35,745	34,105	32,990	30,753

5.2. The levels of reserves held is under constant review in order to ensure that any identified risks and issues are adequately provided for. It may be necessary to transfer monies between reserves in future periods in order to meet need, or where it is no longer felt necessary to hold a reserve for the originally intended purpose.

Usable Reserves Forecast 31 March 2025

Actual 31/03/2024 £000		Transfer In £000	Transfer Out £000	Forecast 31/03/2025 £000
9,636	General Fund	33	0	9,669
0	Capital Receipts Reserve	0	0	0
331	Capital Grants Unapplied	0	0	331
5,751	Budget Support Reserve	151	(1,634)	4,268
1,378	Capital Reserve	1,693	(2,378)	694
618	Collaboration Reserve	0	0	618
2,422	ESN Reserve	1,002	0	3,423
314	Insurance Reserve	0	0	314
2,634	IT Transformation Reserve	0	(590)	2,044
473	Major Events Policing Reserve	0	(182)	291
10,435	Operational Reserves	3,672	(2,571)	11,535
5,688	Pay and Pension Reserve	0	(1,202)	4,486
2,089	Reshaping the Future Reserve	0	(745)	1,344
4,080	Uplift Reserve	0	(2,213)	1,867
35,883	Total Earmarked Reserves	6,517	(11,515)	30,885
45,850	Total Usable Reserves	6,550	(11,515)	40,886

The following earmarked reserves have been established (or aggregated as shown above) for the following purposes:

Budget Support Reserve – this reserve was included within the previous MTFS and additional balances have been transferred during the year. This use of this reserve has been included within the updated MTFS and will be fully exhausted by March 2027.

Capital Reserve – to fund future capital projects on assets with a short asset life, as well as to support any urgent H&S works of a capital nature.

Collaboration Reserve – to support the one-off costs associated with local public sector collaboration. This reserve is used to either support projects aimed at generating a financial return on the one-off investment or improving partnership working and outcomes.

Emergency Services Network (ESN) Reserve – the ESN programme will see the current Airwave based communications system replaced with a new 4G based service. Funding will be required for the replacement of devices.

Insurance Reserve – provides for the self-funding of certain uninsurable risks and also to cover the excess (£100,000) for any unknown claims before the insurance cover is applied.

Major Events Policing Reserve – this reserve holds funds to contribute towards the costs of policing major events should the need arise. This has been repurposed and was previously the Covid-19 reserve.

Pension Reserve – provides provision around future unknown costs relating to the public sector pensions age discrimination case (McCloud) as well as for flexibility in the payment of ill health pension payments to the pension fund.

Transformation – these reserves are held to support transformation activity, and are divided between a general transformation reserve and an IT/Digital specific transformation reserve.

Uplift Reserve – to support the further training and development of the force as it brings in new officers.

Operational Budget Reserves – this includes a number of specific earmarked reserves.

Item No. on Agenda

Report to the Police Fire and Crime Panel – 3rd February 2025

**Police Capital Strategy and Capital Programme 2025/26 to 2028/29
(Incl. Minimum Revenue Provision Policy)**

Report of the Staffordshire Commissioner

INTRODUCTION

As part of the overall financial strategy for the Staffordshire Commissioner a four-year Capital Programme has been prepared. This report schedules the proposed investment programme for 2025/26 to 2028/29 and presents the indicators required within the updated Prudential Code. This all forms part of the Capital Strategy for the Staffordshire Commissioner, covering the policing requirements for the next four years.

The Prudential Code requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning. The Capital Strategy is part of the Staffordshire Commissioner's medium term financial planning process, ensuring there is a clear strategy supporting the next four years of capital investment.

The Capital Strategy sets out how the long-term context in which capital investment and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes in line with the current Staffordshire Policing Plan. It also demonstrates that the Staffordshire Commissioner takes capital and investment decisions in line with the objectives and properly takes account of stewardship, value for money, prudence, sustainability and importantly affordability.

This report should also be considered alongside the Treasury Management Strategy, with both reports covering the reporting requirements of CIFPA's Prudential Code and Treasury Management in the Public Sector. The Commissioner reports internally within the guidelines set out within the Prudential Code.

RECOMMENDATIONS

That the Police Fire and Crime Panel note:

- a) The four-year Capital Programme for 2025/26 to 2028/29 as set out in **Appendix 1**,
- b) The Capital Strategy for 2025/26,
- c) The Prudential Indicators that are set out within **Appendix 2** including the Capital Financing Requirement for the four year period
- d) That the funding of capital expenditure from Reserves for the period 2025/26 to 2028/29 is in line with the updated Reserves Strategy
- e) Note the Minimum Revenue Provision (MRP) policy statement incorporated within this report.

Ben Adams

Staffordshire Commissioner

Contact Officers:

Heather Lees

Director of Finance / S151 Officer for the Staffordshire Commissioner's Office

John Bloomer

Director of Resources / S151 Officer for Staffordshire Police

1. Background

- 1.1 The Capital Strategy forms a key part of the Staffordshire Commissioner's overall Corporate Planning Framework. It provides a mechanism by which the Commissioner's capital investment and financing decisions can be aligned over the medium-term planning horizon.
- 1.2 The Strategy sets the framework for all aspects of the Commissioner's Police capital and investment expenditure; including planning, outcomes, prioritisation, management, funding and repayment.
- 1.3 There are four main areas of spend which feature within the Capital Programme;
 - Estates
 - Transport
 - Operational Equipment
 - Digital Data and Technology

2. Objectives

- 2.1 The key aims of the Capital Strategy are to:
 - provide a clear set of objectives and a framework within statutory legislation that proposes new capital expenditure to be evaluated to ensure that all new capital investment is targeted to meet the vision, aims and priorities of the Commissioner and Staffordshire Police;
 - set out how the Commissioner and Staffordshire Police identify and prioritise capital requirements and proposals;
 - consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment;
 - identify the resources available for capital investment over the MTFS planning period;
 - ensure the strategy has an overall balance of risk on a range of investments over timespan, type of investment and rate of return;
 - establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money and security of investment;
 - deliver projects that focus on delivering the long-term benefits to the communities served within Staffordshire.

3. Governance of the Capital Programme

- 3.1 A governance process is clearly established within the Force following standing orders and financial regulations to ensure that available resources are allocated optimally and deliver value for money. Capital programme planning is determined in parallel with the revenue budget planning process within the framework of the MTFS. These include:
- The Strategic Governance Board (SGB) which is ultimately responsible for approving the Capital Strategy for investment and the Capital Programme for approving changes to the programme within financial regulations and for the approval of business case submissions for large projects.
 - The Ethics, Transparency and Audit Panel (ETAP) which is responsible for scrutiny of the MTFS documents and the Capital budget monitoring reports and can make recommendations to the Strategic Governance Board (SGB).
 - The Financial Investment Review Board (FIRB) which has responsibility for ensuring a realistic, affordable and deliverable capital programme is prepared and included within the MTFS; monitoring of the capital programme; and for sign off of outline business cases within delegated limits after legal and finance approval.
- 3.2 The capital monitoring update is included within the quarterly reports which is reviewed by the Finance Panel, which is a sub group of the Ethics, Transparency and Audit Panel (ETAP). This detailed report, on a project by project basis, is formally recorded at SGB. The Head of Financial Accounting regularly meets with each capital lead to discuss the capital monitoring position and to scrutinise capital spend.

4. Capital Priorities

- 4.1 The Capital Strategy must recognise that the financial resources available to meet the requirements of the current Staffordshire Policing Plan and its four key pillars.
- 4.2 The bringing together of blue light services under a single governance route to the Staffordshire Commissioner provides opportunities to co-locate and share assets to the good of the community, delivering efficiencies and savings.
- 4.3 The Staffordshire Commissioner will seek to prioritise investment in order to deliver economy and efficiency within the organisation as well as address backlog maintenance and health and safety issues.
- 4.4 As with the majority of public sector organisations backlog investment, particularly into estate, has been an area historically where difficult choices have been made to defer this. the capital strategy and programme aims to reduce the backlog investment, noting that the programme of investment stretches beyond the life of the MTFS.

5. Funding Approach

5.1 The Staffordshire Commissioner approach for police's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under the Code, local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.

5.2 The main sources of capital funding are summarised below:

- **The use of internal cash balances**

Internal borrowing occurs when the Commissioner uses its own cash resources to finance capital expenditure rather than new borrowing. This is more favourable when the cost of borrowing is higher than the returns on investment.

- **The use of earmarked reserves**

The Staffordshire Commissioner has a Reserves Strategy which includes the Earmarking of Reserves to support the capital programme. Funding into the medium term has been identified though this approach and remains a key funding strategy.

- **The use of capital receipts**

Disposing of surplus assets is a good way to reinvest in the capital programme. Receipts will be targeted at the shortest life assets and then their use considered widely within any flexibility allowed by the appropriate government authority. In accordance with statutory instruments capital receipts may also be used for the repayment of debt.

- **Direct revenue funding**

Capital expenditure may be funded directly from revenue (CERA – capital expenditure charged to revenue account). In addition to specific revenue funds previously set aside, such as repairs and renewal funds, capital expenditure may be funded by specific revenue budget provision. Where opportunity presents in year to increase revenue contributions these will be made to reduce long term borrowing requirements.

- **Borrowing and leasing**

Under the Prudential Code, the Staffordshire Commissioner has discretion to undertake borrowing to fund capital projects with the full cost of that borrowing being funded from the project returns or upon agreement to include within the MTFS estimates.

This discretion is subject to complying with the Code's regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable (Local Government Act 2003). Prudential borrowing does provide an option for funding additional capital development but one which has to be funded each year from within the revenue budget or from generating additional ongoing longer term income streams.

The Staffordshire Commissioner will test the prudence of the borrowing predictions against the prudential indicators set under the Code every year as part of the MTFs process and report on progress against those indicators half yearly (see Appendix 2), in line with the Treasury Management Strategy.

This prudent approach to borrowing will continue into the medium term. However, should borrowing be required the Commissioner will continue to consider on a cautious and prudent basis as informed by a specialist team contracted from Staffordshire County Council in relation to Treasury Management who work closely with the finance team.

6. Risk Management

- 6.1 Risk is the threat that an event or action will adversely affect the ability to achieve a desired outcome or execute strategies successfully.
- 6.2 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 6.3 The Commissioner will require the Chief Constable to put in place a mechanism to manage risk. The Commissioner and Staffordshire Police considers its appetite to risk to be low. Risks are assessed continually from both an operational and financial perspective.
- 6.4 In carrying out due diligence, potential project risks are identified and relevant mitigation measures documented prior to approval.
- 6.5 All risks are then managed in line with the force's Risk Management Policy which includes documenting risks on a risk register, assigning owners, regular review of risks and Red Amber Green (RAG) rating.
- 6.6 The Section 151 Officers will report on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.
- 6.7 There are many categories of risk to be mindful of; these are detailed in **Appendix 3:**
 - Credit Risk
 - Liquidity Risk
 - Interest Rate Risk
 - Exchange Rate Risk
 - Inflation Risk
 - Legal and Regulatory Risk
 - Fraud, Error and Corruption

7. Capital Programme 2025/26 to 2028/29

- 7.1 The proposed capital programme for 2025/26 to 2028/29 is contained within **Appendix 1** of this report. The total capital programme for 2025/26 has been estimated at £27.7m, £30m for 2026/27, £17.4m for 2027/28 and £15.5m for 2028/29.
- 7.2 The Staffordshire Commissioner is required to set estimates, impose limits and to report and publish actuals in line with The Prudential Code. The indicators for adoption by the Authority for 2025/26 to 2028/29 are set out in **Appendix 2**.
- 7.3 The revenue consequences of the proposed programme have been taken in to account in the development of the revenue budget and the required prudential indicators are set out in **Appendix 2** and also the accompanying Treasury Management Strategy.
- 7.4 Panel should note that over the last 4 years the Force and Commissioner have reduced the capital financing requirement (e.g. 'debt') to support investment in front line policing. Long term this direction of travel cannot be maintained without incurring further significant backlog maintenance and driving in inefficiency by not exploiting technology.
- 7.5 The capital programme will see debt repayments, as a percentage of the net revenue budget, increase in the next four years. On this metric the affordability of the capital programme will continue to consume a greater percentage of revenue spend over the MTFS period. However, compared to other local public sector bodies these repayments remain low. The Commissioner is committed to maintaining revenue contributions to the capital programme, in particular for purchasing short life assets. This strikes a fair balance between the need for investment and the burden left to future taxpayers to service these investments.
- 7.6 A full review of the capital programme has been undertaken for the 2025/26 MTFS, which results in a considerable investment in Estates and IT across the period compared to the 2025/26 MTFS as shown in the table below:

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Capital Financing Costs MTFS 2025/26	8,647	11,047	12,240	13,342
Capital Financing Costs MTFS 2024/25	10,939	12,503	14,137	N/A
(Reduction)/ Increase	(2,292)	(1,456)	(1,897)	N/A

- 7.7 In the short term the reduction in capital financing costs has been driven in part by a number of planned interventions including reducing the in year (2024/25) programme, reduction in revenue contribution to capital, and a review of borrowing requirements.

7.8 Digital, Data and Technology investment is proposed to maintain the improvements in capability seen due to previous investments, to improve core infrastructure, build on the benefits from insourcing Technology Services and for improvements in digital capabilities to be leveraged. The main proposed investments in the four-year programme are:

- £0.830m to improve network resilience and functionality.
- £1.966m investment into operational and business systems which will help drive efficiency savings and enhance capabilities to support the objectives of the Policing Plan. This includes £1m on Robotic Process Automation capacity.
- £10.843m for device refresh including laptops, mobile technology, IT infrastructure, ANPR, Green and Silver Rooms over the life of the MTFS
- £5.994m investment into the Force Contact Centre by establishing an appropriate Business Continuity / Disaster Recovery capability to address the risk of only having a single site operation. Upgrade Command & Dispatch system to the new system, Smart STORM. Address the multiple single points of failure in the ICCS / Airwave solution. The work package will be delivered by an experienced team of external contractors to expedite the programme deliverables, whilst mentoring the in-house team in essential programme management and support skills.
- £2.565m for national mandatory projects Emergency Services Network and Digital Case Files within the capital programme. Whilst work is ongoing to ensure the costs passed to Forces and Commissioners is minimised this is included as a planning assumption based on the latest Home Office ESN funding model. The ESN reserve will be unwound in 2027/28 to part-fund the costs of the project.
- £2.283m investment into Body Worn Video cameras replacing the existing cameras to the latest model.

7.9 All vehicles are maintained through our Joint Transport and Engineering Service. All fleet assets are maintained and managed through a fleet management system which provides information to enables effective and optimisation of fleet usage as well as planning around replacement activity.

- The vehicle replacement programme investment of £2m 2025/26 will allow for the replacement of c.70 vehicles, with the vehicles proposed for replacement being on average 7 years old. The further proposed investment in the replacement programme from 2026/27 to 2028/29 will be £6.6m.

7.10 The estates programme focusses on the costs of maintaining the current estate as well as delivering major projects and backlog maintenances. The main proposed investments in the four-year programme is:

- £5.229m refurbishment programme on the current police estate on a county wide basis. This is developed through a process of practical asset management using both detailed stock condition data, reactive repair data and service/asset performance a defined set of investment requirements has been established for the MTFS period.
- £0.850m provision for the relocation of Driver Training and to provide a suitable environment and ensuring it meets the conditions of a modernised work place.
- £0.490m to implement a Disaster Recovery control room on the second floor in Burton Police Station coupled with a BCM using IT classrooms in Beaconside during peak operation.
- £3.694m provision for refurbishment of Northern area Police Custody is included for planning purposes only. Work is ongoing to refine this complex business case. It's to ensure the custody is fit for purpose and meets industry standards.
- £0.600m provision for a review of custody facilities to ensure they meet the longer-term requirements of modern policing.
- £20.405m Investment required to maintain and refurbishment of operational policing estates, the estates has had minimal investment since it was built and investment is required to meet the needs of modern policing.
- £2.065m provision for refurbishment of Watling Police Custody is included for planning purposes only. Work is ongoing to refine this complex business case. It's to ensure the custody is fit for purpose and meets industry standards.
- £1.964m provision for a new public order training facility with West Mercia Police, that meets college of Policing licensing standards.
- A budget of £16.116m for the construction of the armed policing training facility, including professional fees. Whilst the scheme has yet to be approved this forecast represents the latest estimated cost.
- A budget of £0.183m for the development of Joint Emergency Transport Facility, to increase capacity of the JETS workshop floors.
- £4.073m investment into sustainability initiatives which will help drive efficiency savings and enhance capabilities to support the objectives of the Policing Plan.

8. Funding the Programme

- 8.1 **Appendix 1** also details the proposed funding strategy for the 2025/26 programme together with indications for the funding of the following three years.
- 8.2 During the four-year programme a combination of capital receipts (previous and future), earmarked reserves, direct funding of capital expenditure from revenue, capital grant and the use of internal cash and short-term borrowing requirement. This is also reviewed within the Treasury Management Strategy Report.
- 8.3 It will remain a key priority to fund as much of the programme as possible through direct revenue contribution should additional savings be available in year, with funding of short life assets the key priority to reduce future MRP requirements.

9. Minimum Revenue Provision (MRP) Policy Statement

- 9.1 The Staffordshire Commissioner for Police is required each year to set aside some of its revenues as provision for debt repayment. This MRP provision essentially allows the Authority to “pay off” an element of the Capital Financing Requirement annually through a revenue charge known as the Minimum Revenue Provision (MRP).
- 9.2 The MRP was previously defined by statute with regulations providing for MRP as a 4% charge in respect of the amount of the Capital Financing Requirement (CFR). Under current regulations, the rules have been replaced with a general duty for a local authority to make an MRP charge to revenue which it considers prudent. The new regulation does not itself define “prudent provision”. However, guidance has been issued specifying methods for MRP calculation, which the Secretary of State considers prudent thereby effectively determining prudent provision.
- 9.3 **The Commissioner’s MRP Policy is as follows:**
- For capital expenditure incurred before 1st April 2008, MRP will be determined as 2% of the Capital Financing Requirement in respect of that expenditure
 - For unsupported capital expenditure incurred after 31st March 2008 and before 1st April 2018, MRP will be determined by charging the expenditure over a standard 40 years
 - For unsupported capital expenditure incurred after 1st April 2018, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational.

Vehicles	5 years
Equipment	10 years

IT	10 years
Estates	40 years
Freehold Land	50 years

- MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years
- For assets acquired by finance lease or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- For assets acquired with a shorter life than the policy, MRP will be determined by the life span of the asset.

9.4 This MRP Policy option is supported by the Commissioner's treasury management advisors, as a prudent provision to repay borrowing.

9.5 Regulations require the Authority to approve an MRP Statement in advance of each year. It is recommended that the Authority continue to apply a MRP to capital expenditure funded by borrowing under the 'Asset Life Method': which calculates the MRP charge based on the estimated life of the asset for which the borrowing is undertaken.

9.6 The total level of debt for the Staffordshire Commissioner as at 31 March 2025 is forecast to be around £92.7m, and is forecast to increase to £150.3m by March 2029 based upon the capital investment requirements outlined within this paper.

Staffordshire Commissioner Police

Summary Proposed Capital Programme 2025/26 to 2028/29

Capital Programme

Department	2025/26 Budget £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Digital, Data and Technology	12,465	4,316	3,550	4,150
Estates and Facilities	12,869	23,415	11,545	7,840
Transport	2,000	2,150	2,200	2,250
Operational Equipment	340	100	100	1,279
Capital Programme	27,674	29,981	17,395	15,519

Funding				
Capital Receipts	0	(380)	0	0
Capital Grants	0	0	(331)	0
Revenue Contribution to Capital	(2,157)	(2,257)	(2,257)	(2,257)
Earmarked Reserves	0	0	(469)	(2,322)
Borrowing Requirement	(25,517)	(27,344)	(14,338)	(10,940)
Total Funding	(27,674)	(29,981)	(17,395)	(15,519)

Note: See Budget / MTFS report for further detail on the four-year investment programme

**Staffordshire Commissioner
Prudential Indicators (Policing)**

A. Indicators for Affordability, Prudence and Capital Expenditure

1. Ratio of Financing Costs to Net Revenue Stream

Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/28
%	%	%	%
3.11%	3.87%	4.18%	4.44%

This shows the capital financing costs (interest charges/receipts and repayment of loans) as a proportion of government grant (revenue) and Council Tax. This allows the Authority to track how much of its annual income is needed to pay for its capital investment plans proportionate to its day to day running costs.

2. Estimates of Capital Expenditure

Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
£m	£m	£m	£m
27.7	30.0	17.4	15.5

Expressed in absolute terms rather than as a ratio, this shows the overall level of capital investment irrespective of how it is being funded.

3. Capital Financing Requirement/Gross Debt

Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
£m	£m	£m	£m
108.3	129.8	137.9	142.9

This indicator effectively shows the level of the authority's underlying need to borrow for capital purposes.

Net borrowing is not expected to exceed the total of the capital financing requirement (except in the short term)

It is a key indicator of prudence that, over the medium term, net borrowing is only for capital purposes.

B. Indicators for Treasury Management

1. Treasury Management Code of Practice

The Authority has adopted the CIPFA Code of Practice on Treasury Management

2. External Debt

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
	£m	£m	£m
Authorised Limit	131.4	152.2	159.1
Operational Boundary	120.2	135.5	141.1

This indicator identifies two limits in relation to external debt, and other liabilities.

The Authorised Limit is the maximum level of external borrowing which should not be exceeded. The limit is linked to the estimated level of borrowing assumed in the Capital Programme.

In addition, an Operational Boundary is required which represents the Treasurer's estimate of the day to day limit for the Treasury Management activity based on the most likely i.e. prudent but not worst-case scenario.

Glossary of Risk Management Categories

Credit Risk is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot complete the agreed contract. Accordingly, we will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

Liquidity Risk is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. The exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Appropriate interventions will occur as early as possible.

Interest Rate Risk is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Exchange Rate Risk is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Inflation Risk is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible any exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Legal and Regulatory Risk is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, we will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

Fraud, Error and Corruption is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. This is supported by the national Code of Ethics and detailed policies such as Counter-Fraud and Corruption and Declaration of Interests.

Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.

Staffordshire Police Fire and Crime Panel

3 February 2025

Appointment of Co-opted Independent Member

Report of the Secretary

1. Purpose of the report

- 1.1 To seek members approval to appoint a Co-opted member with effect from 3 February 2025.

2. Recommendation

- 2.1 That, as recommended by the Interview Panel, Chris Elliott be appointed as Independent Co-optee, for a four year term from 3 February 2025 as permitted under the Police Reform and Social Responsibility Act 2011 and provided for in the Panel's Procedure Rules.

3. Background

- 3.1 The Police Reform and Social Responsibility Act 2011 requires that the Panel appoint two independent co-opted members. In doing so the Panel must take account of the need for its membership to meet the balanced objective in skills, knowledge and experience necessary to discharge its functions effectively.
- 3.2 A recruitment process has been followed and a panel of 4 members (Councillors B Peters, C Atkins, G Heesom and independent member Mr A Bowen) met In November 2024 to interview applicants.
- 3.3 The Interview Panel recommend that Chris Elliott be formally appointed to the Panel.

Contact Officer

Name and job title: Mandy Pattinson, Scrutiny and Support Officer to the Panel

Email: mandy.pattinson@stafforshire.gov.uk

STAFFORDSHIRE POLICE, FIRE AND CRIME PANEL

3 February 2025

WORK PROGRAMME PLANNING 2024/25 and draft 2025/26

Report of the Secretary

Recommendation

That the Panel note the dates of future meetings and considers the contents of its future Work Programme.

Background

By Regulation this Panel is required to meet on a *minimum* of 4 occasions each year with the facility to convene additional meetings as and when required.

There are a number of reports/matters which the Panel is required to consider:

Police and Crime Matters: the proposed Policing and Crime Precept each year, the Police and Crime Plan, The Commissioners Annual Report on the delivery of the Plan, Confirmation Hearings for a number of key posts and Reports on the Handling of Complaints.

Fire and Rescue Service Matters: The proposed Fire and Rescue Service Precept each year, the draft Fire and Rescue Plan/Corporate Safety Plan (incorporating the Integrated Risk Management Plan), the Annual Statement of Assurance and Confirmation Hearings for key posts in the Service.

Panel Meeting date	Agenda Items
11 June 2024	Panel training
24 June 2024 10am	<ul style="list-style-type: none"> • Appointment of Chairman • Appointment of Vice-Chairman • Annual Report on the Management of Complaints and Conduct Matters against the Police, Fire and Crime Commissioner and Deputy Police, Fire and Crime Commissioner • Home Officer Grant 2023/24 • Consideration of the Commissioners Annual Report 2023/24 moved to sept. 2024 • Public question • Decisions made by the Commissioner. • Fire Misconduct and Complaints – annual report • HMICFRS inspections of Police Force and Fire
24 June 2024 12noon	<ul style="list-style-type: none"> • Confirmation hearing – Deputy Commissioner

30 September 2024 10am (was 23 rd)	<ul style="list-style-type: none"> • Police and Crime Plan / Fire and Rescue Plan Update • Consideration of the Commissioners Annual Report • Fire Safety Plan update • Public question
18 November 2024 10am	<ul style="list-style-type: none"> • MTFS/Budget Update – Policing Service • MTFS/Budget Update - Fire and Rescue Service • Fire and Rescue Annual Assurance Statement moved to February 2025
18 November 2024 12 noon	<ul style="list-style-type: none"> • Confirmation Hearing – Section 151 Officer
3 February 2025 10am (was 10th)	<ul style="list-style-type: none"> • PFCC's proposed Police Budget and Precept 2025/26 • Police Misconduct and Complaint Regulations 2020 – annual report • Appointment of Co-optee member • Annual Conference for PFCP's – report Conference not held this year
10 February 2025 10am (was 17th)	<ul style="list-style-type: none"> • Consideration of the PFCCs proposed Fire and Rescue Budget and Precept 2025/26 • Fire and Rescue Service Safety Plan - Update Report • Fire and Rescue Annual Assurance Statement
17 February 2025 2pm (was 25th)	<ul style="list-style-type: none"> • If required, further consideration of proposed Police and/or Fire and Rescue Budget and Precept 2025/26
14 April 2025 10am	<ul style="list-style-type: none"> • Business TBC
2025/26 Draft	
19 June 2025 10am	<ul style="list-style-type: none"> • Panel training- private meeting
23 June 2025 10am	<ul style="list-style-type: none"> • Panel members - meet the Commissioner and tour Pirehill Fire service facilities
28 July 2025 10am	<ul style="list-style-type: none"> • Appointment of Chairman • Appointment of Vice-Chairman • Annual Report on the Management of Complaints and Conduct Matters against the Police, Fire and Crime Commissioner and Deputy Police, Fire and Crime Commissioner • Home Officer Grant 2024/25 • Consideration of the Commissioners Annual Report 2024/25 • Decisions made by the Commissioner. • Fire Misconduct and Complaints – annual report • HMICFRS inspections of Police Force and Fire
22 September 2025 10am	<ul style="list-style-type: none"> • Police and Crime Plan / Fire and Rescue Plan Update • Consideration of the Commissioners Annual Report • Fire Safety Plan update • Public question

17 November 2025 10am	<ul style="list-style-type: none"> • MTFs/Budget Update – Policing Service • MTFs/Budget Update - Fire and Rescue Service • Fire and Rescue Annual Assurance Statement
2 February 2026 10am	<ul style="list-style-type: none"> • PFCC's proposed Police Budget and Precept 2026/27 • Police Misconduct and Complaint Regulations 2020 – annual report • Annual Conference for PFCC's (if held) - report
9 February 2026 10am	<ul style="list-style-type: none"> • Consideration of the PFCCs proposed Fire and Rescue Budget and Precept 2026/27 • Fire and Rescue Service Safety Plan - Update Report
16 February 2026 10am	If required , further consideration of proposed Police and/or Fire and Rescue Budget and Precept 2026/27
13 April 2026 10am	<ul style="list-style-type: none"> • Business TBC

J Tradewell (Secretary to the Panel)
Contact Officers: Mandy Pattinson
mandy.pattinson@staffordshire.gov.uk

