

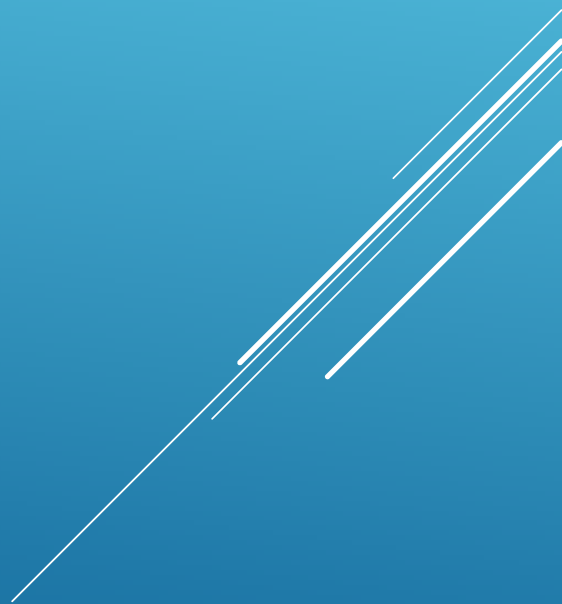
Thames Valley Police

January 2023

Medium Term Financial Plan

ACO Linda Waters – Director of Finance

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APPROVALS

The PCC is asked to approve:

- Increase in Council tax of £15 per band D property to £256.28 for 23/24
- The 23/24 Revenue Estimates (MTFP) of £524.212m
- The 23/24 Capital Budget (MTCP) of £51.324m
- For planning purposes the Capital Budgets for the later 3 years of the MTCP 2024/25 – 2026/27 of £94.683m
- Approve the overall financing of the capital expenditure of £192.455m.
- The utilisation of reserves in 2023/24 of £10.029m.
- The utilisation of reserves in 2024/45 of of £5.838m

EXEC SUMMARY

Revenue Expenditure	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Opening Budget	505,001	524,212	543,323	561,186
Inflation	23,708	13,695	11,388	13,246
Productivity Savings	-4,148	-7,414	-8,438	0
Growth	5,543	8,486	2,888	2,858
Reserves	-5,893	4,344	12,025	2,288
	524,212	543,323	561,186	579,578

Funded By	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Opening Budget	-505,001	-524,212	-543,322	-561,186
Council Tax	-18,301	-14,661	-15,149	-15,651
Government Grants	-910	-4,450	-2,714	-2,741
	-524,212	-543,322	-561,186	-579,578

Programme	2022/23 £'000	Future Years				Total 2022/23 to 2026/27 £'000	Later Years
		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000		
Property	6,059	34,902	22,590	5,644	20,678	89,874	16,500
IT	8,094	8,095	3,411	16,564	4,931	41,093	
Other	31,586	8,327	6,690	6,969	7,207	60,780	
Total Spend	45,739	51,324	32,691	29,177	32,816	191,747	16,500
Financing Available	83,102	21,473	19,970	35,110	32,800	192,455	
Cumulative Funding Position	37,363	7,512	-5,209	724	708		

- Above is a summary of the Revenue and Capital budgets.
- These both balance over the 4 year period of the Revenue and Capital plan.
- However, decisions on property capital spend will include commitments outside of the 4 year programme.
- The budgets include some material inflationary increases given the global pressures on energy and supply chains as well as key assumptions on vacancy factors given the current tight recruitment market.
- The Revenue budget includes a £15 Council tax increase used to support public contact, strengthen public policing and crime prevention.

REVENUE OVERVIEW 2023/24 TO 2026/27

	Current Estimate for 2023/24 Budget	Current Estimate for 2024/25 Budget	Current Estimate for 2025/26 Budget	Current Estimate for 2026/27 Budget
Expenditure	£'000	£'000	£'000	£'000
Opening Budget	505,001	524,212	543,323	561,186
Inflation				
General	2,544	926	725	730
Police Pay	6,878	5,635	6,058	6,270
Police Staff	3,635	3,108	3,158	3,224
Specific	10,651	4,026	1,447	3,023
Inflation Total	23,708	13,695	11,388	13,246
Productivity Savings	-4,148	-7,414	-8,438	0
Growth	5,543	8,486	2,888	2,858
Reserves	-5,893	4,344	12,025	2,288
Revised Budget Requirement	524,212	543,323	561,186	579,578
Funded By				
Opening Budget	-505,001	-524,212	-543,322	-561,186
Council Tax	-18,301	-14,661	-15,149	-15,651
Government Grants	-910	-4,450	-2,714	-2,741
Revised Funding Budget	-524,212	-543,322	-561,186	-579,578

CURRENT REVENUE POSITION

- ▶ Balance budget across all years.
- ▶ Inclusion of Council Tax increase to £15 for 2023/24 and thereafter £10.
- ▶ General inflation has reduced to reflect realistic levels at 5.5%; 1.5%; 1.0% and 1.0% respectively in each of the next 4 years.
- ▶ Specific inflation rates are based on sector led rates and inflation for the 1st year are Electricity at 169%, Gas at 65%, Vehicle Fuels at 25%, Forensics at 20%, Premises at 7.1% and ICT at 6.5%.
- ▶ Pay inflation has been included at a base rate 2.0% per annum for both Police Officers and Staff across the MTFP period.
- ▶ A number of technology bids have been reflected in the plan aligning with Hampshire prioritisation.
- ▶ Funding is included for 80 officers in excess of PUP.
- ▶ Estates Custody reserve created to support future funding of custody programme.
- ▶ Reserves have been utilised to cover some excess inflation and one off expenditure items.

COUNCIL TAX INCREASE

- ▶ The Council tax increase has been budgeted at £15.
- ▶ This has allowed the force to increase budgets to support Public Contact, Strengthen Local Policing and Prevent Crime as well as cover inflationary pressures.
- ▶ The budget now includes the following in 23/24:-
 - ▶ Contact management £285k to improve 101 waiting time and contact with the public.
 - ▶ POLIT £190k addressing the backlog in cases and so protecting vulnerable children. With every 7 investigators in POLIT managing 200 cases per year the increase of 7 heads in year 1 and 9 heads going forwards should clear the backlog and improve performance.
 - ▶ VAWG £249k prevent violence against women and girls .
 - ▶ Major crime uplift of £254k preventing crime.
 - ▶ Excess PUP Officers £3.1m funding 80 officers in excess of PUP and strengthening public policing.
 - ▶ Citizens in Policing £600k supporting the recruitment of volunteer officers and strengthening public policing
 - ▶ CCTV £750k (including capex) for the development of CCTV estate preventing crime.

RISKS

- ▶ The MTFP includes productivity savings of £20m with around £15.2m coming from the Force Review by the end of 25/26.
- ▶ The budget includes £3.1m of costs in 23/24 and £4.1m in subsequent years to fund 80 Police Officers in excess of the PUP target.
- ▶ The budget includes provision for a 2% pay award in line with government funding, given the current economic conditions this is a financial risk.
- ▶ Given that over 75% of the budget is related to staff costs it is assumed that Police Officer numbers can be reduced by 25/26 to meet the Force Review target. If this is not the case then the achievement of the productivity saving is at risk.
- ▶ Due to the current high level of vacancies within Police Staff and PCSOs (currently in excess of 400), the vacancy factor for 2023/24 has been applied at 11.5% (circa 380 FTE), reducing to 5.90% (circa 195 FTE) over the period of the MTFP. This additional vacancy factor has reduced the budget in 2023/24 by £8.5m.
- ▶ These vacancies will need to be monitored carefully against any planned future savings in staff posts, to ensure that the savings are not double counted.

CURRENT CAPITAL OVERVIEW 2023/24 TO 2026/27

Programme	2022/23 £'000	Future Years				Total	
		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2022/23 to 2026/27 £'000	Later Years
Property	6,059	34,902	22,590	5,644	20,678	89,874	16,500
IT	8,094	8,095	3,411	16,564	4,931	41,093	
Other	31,586	8,327	6,690	6,969	7,207	60,780	
Total Spend	45,739	51,324	32,691	29,177	32,816	191,747	16,500
Financing Available	83,102	21,473	19,970	35,110	32,800	192,455	
Cummulative Funding Position	37,363	7,512	-5,209	724	708		

- Over the MTCP (including 22/23) it is anticipated that capex spend will be approximately £191.7m and this is matched with funding of £192.4m giving a slight surplus of £0.7m.
- However, inflationary pressures are impacting the construction industry which, given the size of the planned property spend, may have a knock on to future costs.
- There are large building projects in flight and planned in the budget extending out past the end of this MTCP period.
- These affect both the medium and longer term funding and drive a financing strategy which in itself impacts the interest receipts TVP receives and are reflected in the revenue budget.
- After utilising reserves there is still a cumulative deficit in 24/25 of £5.2m to be managed.

CAPITAL PROJECTS 2023/24 TO 2026/27

Programme	2022/23 £'000	Future Years				Total 2022/23 to 2026/27 £'000
		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
Property	6,059	34,902	22,590	5,644	20,678	89,874
IT	8,094	8,095	3,411	16,564	4,931	41,093
Other	31,586	8,327	6,690	6,969	7,207	60,780
Total Spend	45,739	51,324	32,691	29,177	32,816	191,747

Property

- The Property spend in 23/24 is primarily Atlantic House (£14.8m) and the Forensic Build (£15.9m).
- The Forensic build continues into 24/25 at £13.1m and this year also includes £5.7m for Loddon Valley refurbishment as an enabler to the custody strategy.
- 25/26 includes £2.5m for the commencement of the Maidenhead Custody suite with £19.1m in 26/27 and a further £16.5m outside of this budget period.

IT

- Of the total £33m spend over the next 4 years £14m is for device refresh and £12m is for ESMCP in 25/26.

Other

The other spend of £29.2m over the period is primarily on vehicles (£24.8m), Radio Replacements (£1.5m) and Safer Roads (£1.2m).

MTCP RISKS AND OPPORTUNITIES

- ▶ Inflation in the construction sector is high and TVP are seeing pressures come through on existing and planned projects. While we have taken this into accounts there is a risk that these costs increase as contracts are let for new planned projects.
- ▶ With the current tight labour market, attracting resources to manage the major property and IT projects is difficult leading to slippages in planned projects and a potential knock to operational performance.
- ▶ With the large Forensics build of £29m across 23/24 and 24/25 there is a possibility that elements of this project could be delayed.
- ▶ The Capital funding assumes a moderate level of S106 funding at £100k per annum and could be exceeded.
- ▶ £8.6m of the estates reserves have been utilised to manage the capital financing.
- ▶ Funding of the current programmes is with a significant utilisation of the finite asset sales (£31m). These one off sales will not continue to support the programme into the future.

RESERVES

General & Useable Reserves	Projected Balances at					
	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027
General Reserve	-£20,390,201	-£20,130,772	-£15,727,703	-£15,987,100	-£15,987,100	-£15,987,100
% of NRE	4.28%	3.99%	3.00%	2.94%	2.85%	2.76%
I&P *	-£10,313,728	-£12,995,003	-£13,721,145	-£9,438,654	-£9,438,654	-£9,438,654
Covid Support	-£3,122,295	-£2,923,622	£0	£0	£0	£0
PUP Infrastructure	-£3,765,000	£0	£0	£0	£0	£0
CCTV	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000
SDCM	-£4,000,000	-£4,000,000	-£1,000,000	£0	£0	£0
Estates & Custody	-£3,000,000	-£3,000,000	-£2,571,085	-£1,755,965	-£14,353,308	-£29,238,387
ESMCP - Capital	£0	£0	£0	£0	-£12,000,000	-£12,000,000
	-£25,201,023	-£23,918,625	-£18,292,230	-£12,194,619	-£24,791,962	-£39,677,041
	-£45,591,224	-£44,049,397	-£34,019,933	-£28,181,719	-£40,779,062	-£55,664,141

* Includes potential 2022/23 £5m underspend



FINANCIAL PLANS RECOMMENDATION & STRATEGY 2023/24 – 2026/27

This paper recommends that the Financial Plans are approved, and incorporates the financial strategy under which the plans have been developed.

1. APPROVAL REQUESTED

The PCC is requested to approve the following papers:

- This paper
- Capital Strategy
- Revenue Budget for 2023/24
- Medium Term Financial Plan for 2023/24 to 2026/27
- Capital Budget for 2023/24
- Medium Term Capital Plan for 2023/24 to 2026/27
- Drawdown of Reserves proposed for 2023/24 and 2024/25, as shown in the Appendix to this paper

The PCC is requested to propose the Council Tax Precept increase of £15 (Band D) to the Police and Crime Panel.

2. RECOMMENDATION

Process

The medium term plans are presented by the Chief Constable (CC) for the PCC to approve. The force has undertaken a challenging process to shape plans to meet funding constraints, with significant time at the Chief Constable's Management Team (CCMT) spent reviewing individual bids and the overall budget. The budget has been consulted during development through meetings between PCC's CFO and CC's FD and further discussions including the

PCC, and Deputy CC. This has allowed challenge of assumptions, review of options, proposal of changes and agreement on direction through the process.

Risks

It is important that the main financial risks are identified and adequately addressed through the plan. The three main risks within the plan are:

1. Estates capital requirements, many of which fall outside the four years of the MTFP. The MTFP supports the capital requirements by ensuring reserves are built up and the revenue plan includes funding for long term capital. This avoids the “cliff edge” scenario where MRP and interest costs make significant capital investment unaffordable.
2. Efficiency Programme and Force Review. The budget includes a challenging efficiency target. The force including the CC-designate, is committed to this plan, due to the operational improvements expected as well as the cost efficiencies. The MTFP includes rapid delivery of cash savings through the plan, and there is a risk that savings are realised later. Note also the overlap between Police Officer Numbers, PUP, Vacancy Gap and Efficiency savings. These areas will need to be carefully reviewed over the coming year to inform the next version of the MTFP. Mitigating these risks, note that there is no saving recorded in Year 4 and this does give some scope for delays – there would be a call on reserves, but only for a limited time period and therefore the approach is reasonable.
3. There is a significant risk on funding for pay rises. The budget includes a 2% payrise only, assuming that anything above this will need government funding. Ministerial advice has been to budget “appropriately” in light of potential payrise above 2%. Whilst a small increase above 2% could be funded through more severe cuts or spend of reserves, an increase in line with CPI inflation of 11% is not feasible. We expect that significant pay rises would have to be supported by additional grants.

Strategic Alignment

The budget supports TVP’s policing plan and aligns with the PCC’s strategy. In particular, the budget supports the neighbourhood policing focus in the PCC’s “Crimefighters” strategy through the 80 additional officers and funding for Special Constables; and there is funding to improve call centre responsiveness.

Appropriate Level of Reserves

General balances are expected to continue at 3% during the life of the plan, providing cover to manage funding pressures in the last resort, but without tying up resources which could be

used to deliver our priorities. The plan shows a drawdown of reserves in the early years to support investment and meet inflationary pressures. As the force review savings kick in during later years, funds are allocated to earmarked reserves to fund expected capital expenditure in the long term.

Recommendation

The proposed plans support long terms sustainable finances based on reasonable, if challenging, assumptions. Therefore this is a suitable basis for financial planning, and the PPC's CFO and CC's FD recommend this plan for PCC approval.

3. FINANCIAL STRATEGY

This section states the principles under which the medium term plans have been developed.

Financial planning is undertaken to secure TVP's long-term financial position; and make the best use of available funds to support the delivery of priority services, in particular the PCC's four year Police and Criminal Justice Plan and the Force Strategic Plan. Our approach to creation of the financial plans is that they are:

Prioritised

- Make the best use of limited resources, striving to improve resource allocation
- Rigorous review of growth bids to ensure alignment with priorities

Efficient

- Maintain the focus on efficiencies and productivity through the Force Productivity Strategy and the Force Review;
- Effective procurement and commissioning of goods and services;
- Analyse and challenge all areas of the force to deliver VFM;
- Work with all partners (incl other forces) to deliver savings, resilience and performance;
- Optimise size and utilisation of our asset portfolio.

Realistic

- Careful consideration of external influences including economic context, government funding decisions and changes in demand;
- Continuation of TVP's strong track record of good financial management during times of financial constraints supporting the credibility of savings plans;
- Consideration of the balance of risk and opportunity in plans.

Sustainable

- Facilitate strategic investment for new technology, infrastructure and business change;
- Understand impact of environmental sustainability strategy and maximise opportunities;
- Consider long term sustainability including investments required beyond 2026/27.

Reserves

Our policy is to maintain general balances around a guideline level of 3% of annual net revenue expenditure budget, with an absolute minimum level of 2.5%. General balances are used as a last resort to manage and fund demand-led spending pressures. Earmarked reserves are created to fund specific initiatives or meet areas of anticipated future spending (including beyond the four years of the plan). Appropriations are made to and from these reserves as required.

Financial Management

TVP applies the standards in the CIPFA Financial Management Code of Practice to deliver the financial strategy. The Code emphasises that a high-quality long-term financial strategy will not itself promote financial sustainability. It will be dependent on contextual factors (leadership and governance) and the effectiveness of the whole financial management cycle (including budget setting, stakeholder engagement, use of business cases and performance monitoring).

Reference Documents

Related strategy documents:

- Capital Management Strategy
- Treasury Management Strategy

Implementation of the financial strategy is underpinned by:

- Joint Corporate Governance Framework
- Financial Regulations (and Chief Constable's Financial Instructions)

January 2023

Appendix: Summary of General and Useable Reserves

Projected Balances at						
Reserve	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027
General Reserve	-£20,390,201	-£20,130,772	-£15,727,703	-£15,987,100	-£15,987,100	-£15,987,100
% of NRE	4.28%	3.99%	3.00%	2.94%	2.85%	2.76%
I&P *	-£10,313,728	-£12,995,003	-£13,721,145	-£9,438,654	-£9,438,654	-£9,438,654
Covid Support	-£3,122,295	-£2,923,622	£0	£0	£0	£0
PUP Infrastructure	-£3,765,000	£0	£0	£0	£0	£0
CCTV	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000
SDCM	-£4,000,000	-£4,000,000	-£1,000,000	£0	£0	£0
Estates & Custody	-£3,000,000	-£3,000,000	-£2,571,085	-£1,755,965	-£14,353,308	-£29,238,387
ESMCP - Capital	£0	£0	£0	£0	-£12,000,000	-£12,000,000
	-£25,201,023	-£23,918,625	-£18,292,230	-£12,194,619	-£24,791,962	-£39,677,041
<i>* Includes potential 2022/23 £5m underspend</i>	-£45,591,224	-£44,049,397	-£34,019,933	-£28,181,719	-£40,779,062	-£55,664,141

Other Reserves

Projected Balances at						
Reserve	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027
Conditional Funding	-£3,425,323	-£3,425,323	-£3,425,323	-£3,425,323	-£3,425,323	-£3,425,323
Transport Reserve	-£1,026,221	-£1,026,221	-£1,026,221	-£1,026,221	-£1,026,221	-£1,026,221
Insurance Reserve	-£1,626,000	-£1,626,000	-£1,626,000	-£1,626,000	-£1,626,000	-£1,626,000
SEROCU	-£3,656,000	-£3,656,000	-£2,711,000	-£2,711,000	-£2,711,000	-£2,711,000
Community Safety	-£2,110,000	-£2,110,000	-£1,910,000	-£1,710,000	-£1,710,000	-£1,710,000
	-£11,843,544	-£11,843,544	-£10,698,544	-£10,498,544	-£10,498,544	-£10,498,544

Capital Reserves

Projected Balances at						
Reserve	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027
Capital	-£29,138,433	-£37,362,710	-£7,511,808	£5,209,192	-£723,808	-£707,808
	-£29,138,433	-£37,362,710	-£7,511,808	£5,209,192	-£723,808	-£707,808
Total Funds	-£86,573,201	-£93,255,651	-£52,230,285	-£33,471,071	-£52,001,414	-£66,870,493



Report for Decision Performance and Accountability Meeting on 19th January 2023

Title: Four Year Medium Term Financial for 2023/24 to 2026/27

1 Purpose of Report

- 1.1 To inform the PCC of the key issues affecting the finances of Thames Valley Police over the next four years.
- 1.2 This report recommends a draft revenue budget and council tax precept for the Police and Crime Commissioner (PCC) to approve, subject to final notifications on the council tax base from local authorities.

2 Decision Required

- 2.1 The PCC is asked to notify the Police and Crime Panel:
- 2.2 That, subject to final taxbase notifications, the council tax requirement for 2023/24 be set at £245,160,938
- 2.3 That any variation in the final amount of council tax income be appropriated to or from the Improvement & Performance Reserve
- 2.4 The revenue estimates for 2023/24 as set out in Appendix 1
- 2.5 That the police element of the council tax for 2023/24 be set at £256.28 for properties in Band D, with the charge for other bands as set out in Table 1, for comparison appendix 2 shows the comparison band D precept across all forces.

Table 1 – Council tax 2023/24

Property Band	Relevant Proportion	PCC Element of the Council Tax £
A	6/9	170.85
B	7/9	199.33
C	8/9	227.80
D	9/9	256.28
E	11/9	313.23
F	13/9	370.18
G	15/9	427.13
H	18/9	512.56

3 Background

- 3.1 This budget is prepared with the background of unprecedented inflationary increases, a tight recruitment market with the force currently holding around 450 staff vacancies, supply chain shortages and volatile currency markets with uncertainty about future government spending. All of these have an impact on the costs and funding over the next four years and beyond.
- 3.2 In December 2022, the financial settlements for forces were announced and these fell in line with the previous CSR expectations which were included in the Medium Term Financial Plans (MTFP) for Thames Valley.
- 3.3 The December 2022 settlement also gave PCCs in England the flexibility to increase their precept income by £15 (for a Band D household), an increase to the previously announced cap of £10. At this stage it is unclear as to whether this is a one off increase or for the remainder of the CSR. For the purposes of planning, Thames Valley have assumed this to be a one off increase with the cap returning to £10 in future years.
- 3.4 To manage the competing financial pressures and ensure a return on the Police Uplift Programme officer investment, the force is undertaking a Force Review of operational structures and has established a programme to understand, predict and influence demand.

4 Overview of the Medium Term Financial Plan

- 4.1 The review and development of the revenue budget is an annual exercise with each year's budget and associated council tax precept considered and approved in isolation. However, decisions taken in the course of approving the revenue budget will often have longer-term consequences, as will those in approving the capital programme. The four-year MTFP and MTCP brings together these medium term consequences and allows a more comprehensive view to be taken of the PCC's overall financial position. It is imperative that the PCC knows the full extent of the financial consequences he will be committing to in future years when he considers and determines the annual budget.
- 4.2 The MTFP is formulated to provide financial stability, as far as we can, on the best estimates we can make at this time with the information and knowledge we have.
- 4.3 The force expects to exceed the PUP allocation for TVP in 2022/23 (244) by around 80 FTE and budgets include additional expenditure across the proposed MTFP period to maintain these additional officers. These officers are a significant boost to the force but the recruitment and training commitments, especially with our current levels of wastage, should not be underestimated. The in-depth training they require, covering 2 or 3 years depending on entry route, does impact our level of deployable resources and delay the operational benefit of their recruitment.
- 4.4 For the purpose of the PUP uplift, we have assumed that we will need to maintain at

least the approved PUP growth (609 over three years) for the next two financial years as a minimum. The above over recruitment and planned retention should give us sufficient flexibility to achieve this position.

- 4.5 The Police service, both nationally and locally, is going through a period of reform to adjust to the financial challenges created by excessive inflation and respond to the increasing complexity and quantum of crime. This reform requires investment in well-trained officers and staff, as well as the new technologies that will facilitate the change in the way policing services are delivered. This investment increases the financial pressures and will be carefully managed by the force and considered as part of the Force Review.
- 4.6 The MTFP presented today attempts to address the immediate and longer term requirements for policing to maintain and improve the service and performance delivered in the increasingly complex policing environment. The MTFP sets out options for the level of police service which is affordable based on the current funding assumptions and potential for Council Tax increases.

5 Four Year Revenue Forecast

- 5.1 Significant work has been undertaken by the force over the last 12 months to support service delivery and address the financial changes facing the force. The MTFP incorporates the financial outcomes and requirements identified from this internal work alongside the financial impacts of external influences.
- 5.2 The budget options presented today aim to support the delivery of the PCC priorities
- Strong Local Policing (Improving public contact, Strengthening Community Policing & embedding crime prevention)
 - Fighting Serious Organised Crime
 - Fighting Cyber Crime and Fraud
 - Improving the Criminal Justice System
 - Tackling Illegal Encampments
- 5.3 and force priorities :
- Reduce crime & incidents
 - Bring more Criminals to Justice
 - Protect the vulnerable
 - Improve satisfaction among victims
 - Value our workforce
 - Use our resources wisely
 - Maximise benefits of digital technologies

- 5.4 Recruitment, of not only Police Officers, but also Police Staff, remains very high on the risk registers of the force, and any variation against the plans can have a significant impact on the forces budgets and financial projections.

6 Medium Term Financial Plan

- 6.1 The summary of the 4 year plan currently stands as:

Table 2 – Current 4 Year MTFP

	Current Estimate for the Budget 2023/24 £'000	Current Estimate for the Budget 2024/25 £'000	Current Estimate for the Budget 2025/26 £'000	Current Estimate for the Budget 2026/27 £'000
<u>Expenditure</u>				
Opening Budget	£505,001	£524,211	£543,322	£561,185
Inflation				
General	£2,544	£926	£726	£730
Pay	£10,513	£8,743	£9,216	£9,494
Specific	£10,651	£4,026	£1,447	£3,023
Productivity Savings	-£4,148	-£7,414	-£8,438	£0
Growth	£5,543	£8,486	£2,887	£2,857
Reserve Funding	-£5,893	£4,344	£12,025	£2,288
Revised Budget Requirement	£524,211	£543,322	£561,185	£579,577
<u>Funded By</u>				
Opening Budget	-£505,001	-£524,211	-£543,322	-£561,185
Council Tax	-£18,300	-£14,661	-£15,149	-£15,651
Government Grants	-£910	-£4,450	-£2,714	-£2,741
Revised Funding Budget	-£524,211	-£543,322	-£561,185	-£579,577
Estimated Shortfall/(Surplus)	£0	£0	£0	£0
Cumulative Shortfall/(Surplus)	£0	£0	£0	£0

- 6.2 As can be seen from the above, based on current assumptions, the plan is balanced in in all four years.
- 6.3 It should also be noted that whilst we have provided a four year plan, the current CSR announcements only cover the first two years, and as such years 3 and 4 grant increases have been assumed to be 1% annually i.e. a real terms cut based on current inflation rates.

7 Preparation of the Medium term Financial Plan (MTFP)

- 7.1 The following section will show how the budget is updated for inflation and other cost pressures, starting from the base point of the previously approved MTFP. A copy of the full four year revenue forecast is attached at Appendix 3.

MTFP Assumptions

- 7.2 In compiling the MTFP, the following assumptions have been used as the basis of the plan for the next 4 years:
- General inflation is applied at 5.5%; 1.5%; 1.0% and 1.0% respectively in each of the next 4 years;
 - Specific inflation rates are based on sector led rates, actual contract rates and, given the current position, we have assumed high inflation for one or two years then reversing or dropping back in years.
 - The inflation rates for the 1st year are Electricity at 169%, Gas at 65%, Vehicle Fuels at 25%, Forensics at 20%, Premises at 7.1% and ICT at 6.5%.
 - Pay inflation has been included at a base rate 2.0% per annum for both Police Officers and Staff across the MTFP period;
 - Due to the current high level of vacancies with Police and PCSO's (currently in excess of 400), the vacancy factor for 2023/24 had been applied at 11.5% (380 FTE), reducing to 5.9% (195 FTE) over the period of the MTFP.
 - The increase in Council Tax Precept is initially set at £15 (6.22 %) for 2023/24, reducing to £10 per annum for the remainder of the MTFP, albeit that the Council Tax Precept is only a legislative provision set out for the next two years and is the decision of the PCC.
 - Council tax billing base is to increase by 2.0% in each of the 4 years;
 - Main Government Grants will increase by £5.21m in 2023/24 including the ring fenced increase for PUP Officers, and £4.45m in 2024/25, based on estimates of total funding being applied to policing over the next 2 years from the budget statement. Years 3 & 4 have been assumed at a 1% increase;
 - The funding for PUP increases is included within the Grant Uplifts stated above;
 - The use of reserves to support the MTFP & MTCP but these will be significantly committed by the end of the four-year period;
 - The future investment in technology, and infrastructure, whether direct capital purchase or revenue service contracts, will need to be funded by revenue, given the finite nature of reserves and the very low level of annual capital grant.
- 7.3 The final assumption continues to reflect the increasing demand for investment in technology and the estates strategy. The provision within the MTFP for the direct funding of capital has been maintained to provide an annual fund of £13m from 2022/23; in addition provision has been made for an Estates reserve given the significant financial requirements. This is seen as a sensible approach to secure future financial sustainability.

Inflation

- 7.4 This additional cost does not relate to any increase in service, but is required just to maintain the existing base level of service.

- 7.5 As stated, inflation is having a large impact on the MTFP creating uncertainty over future cost predictions. Overall inflation for 2023/24 adds £23.7m (average rate of 4.6%) to the annual budget, a further £13.7m in 2024/25 (average rate of 2.61%), £11.4m in 2025/26 (average rate of 2.1%) and £13.2m in 2026/27 (average rate of 2.3%).
- 7.6 General inflation has been included at 5.5% for 2023/24, dropping down to 1.5% in the following year, with 1.0% per annum thereafter. This has added £2.5m to the budget for 2023/24, with a further £2.4m over the following 3 years.
- 7.7 Pay awards have been set at 2.0% per annum for both police officers and staff, in line with government funding, plus allowances for increments (net of wastage) which will add £10.5m in 2023/24 and a further £27.5m over the following 3 years.
- 7.8 In addition to these increases in general and pay inflation, specific inflationary increases for the likes of energy, facilities, services contract, fleet and ICT have added additional pressures to the base budget of £10.6m in 2023/24 and a further £8.5m in the following 3 years.
- 7.9 We have assumed specific high inflation for one or two years and then a fall back to more reasonable rates in future years. For example on Electricity we have assumed 169% in year 1 that holds flat in year 2 and then a reduction of 42% in year 3 dropping to 2% in year 4.

Committed & Statutory Growth

- 7.10 This section deals with the items within the budget, which the PCC is committed to by means of previous decisions taken, national agreements or statutory payments.
- 7.11 The main significant changes that have occurred in this section for the 2023/24 period include:
- Adjustments to reflect one off and reserve funded items in prior years.
 - The PUP profiles of expenditure have been realigned to reflect the estimated recruitment schedules bringing the total additional investment for 2023/24 to £6.0m
 - Police Pay and Allowances have been realigned to take account of the increased pay award, SE allowance and Bonus Payments of £6.5m.
 - Police Staff Pay has been realigned including recognition of the PSC awards of £1.6m.
 - The Police Staff & PCSO vacancy factor has been increased to 11.5% taking the vacancy factor to £12.6m, an additional £8.5m.
 - Adjustments to allow for the in-year approval of Detention Officers shift allowances and the uplift in Exploitation posts for the MASH of £1.2m
 - The net cost of transferring 13 Officers to the ROCU as part of the PUP uplift is £0.4m
 - Inclusion of Integrated System Support of £0.8m that was approved last year but was not funded.

- A reduction in DHEP training fees as other entry routes are maximised, reducing costs by £0.4m
- Prior year NPAS estimated savings have been reversed of £0.4m.
- Interest Receipts have been increased to £5.2m in line with current levels and forward predictions, an increase of £4.5m.
- Inclusion of £1.5m of addition overtime reflecting the fact that existing overtime budgets are not realistic.
- Review and alignment of budgets following detailed spend analysis has resulted in reductions of £2.5m being a drop in IT of £1.6, Property of £0.4m and an additional savings target of £0.5m. Offset against this is the increase in overtime as per above
- Growth of £1m over two years for the necessary refurbishment of the showers at Sulhamstead has been included.
- The ring fenced grant funding for PUP officers has also been increase from £4.1m to £8.4m, with the difference being offset against increases in the main police grants.

7.12 Further details are provided at Appendix 4.

Essential Growth

7.13 This element of the budget contains growth for those items which are deemed to be necessary to maintain the current levels of service within Thames Valley. The main significant changes having been applied in this section for 2023/24 include:

- Adjustments to reflect removal of prior year growth now covered by BAU funding or is no longer required of £2.1m
- Continuation growth for changes to officer safety training requirements at £0.2m
- Inclusion of essential IT projects including: MOPI Implementation, replacing the AVLS Systems, Data Cloud Migration and Windows upgrades and increased storage for NICE DEMS, coming to £1.3m.
- Continuation of the Smarter ways if Working initiative £0.1m.
- Uplift to support the force vetting team to address current recruitment of £0.4m.

7.14 Further details are provided at Appendix 4.

Service Delivery Improvement

7.15 This element of the budget deals with areas of operational improvement and includes growth to reflect the priorities of the force.

Over the past few months, the force has been going through its annual planning process, whereby all areas of the force are able to express and submit bids to their chief officers for additional investment and funding, for scoring against the force priorities, need and benefit. The CCMT then reviews the highest scoring bids against

the long term strategic direction of the service, those which will contribute the most towards the service provided by the force and are viewed as affordable, are included within the MTFP.

The main changes for 2023/24 include:

- Adjustments to reflect removal of prior year growth now covered by BAU funding or is no longer required of £0.6m
- Inclusion of £3m to maintain the estimated over recruitment of officers in the current year of an additional 80 FTE to support Local Policing
- Inclusion of £0.9m for the Taser expansion / refresh programme as agreed last year as a strategic investment.
- Inclusion of £0.3m in relation to the Contact Centre Digital Strategy preferred option and £0.2m for the RPA team to support the work to improve public contact
- POLIT - An establishment increase for POLIT to investigate the continued rise in the online abuse of children and exchange of child abuse imagery - £0.2m rising to £0.4m in the following year.
- Domestic Abuse - Funding is requested for three new police staff posts to enable an enhanced approach to long-term DA problem solving, supporting the vulnerable - £0.1m
- VAWG - A new force strategic priority for TVP. VAWG is and will remain an on-going national, regional and local priority. VAWG work also links into RASO and DA strategy - £0.3m rising to £0.5m in the following year.
- Funding to bring the Forensics Collision Investigation Unit operating model to national standards and support investigations - £0.2m
- Citizens in Policing - To support development of citizens in policing function and develop Specials in TVP to support community policing - £0.6m
- Additional funding for Major Crime to ensure investigation can be dealt with fully in house rather than bringing in additional external resources - £0.3m
- Inclusion for the ongoing revenue support costs for Dashcam's as an invest to save bid £0.1m
- As part of the Force review – estimated costs of £1.6m over two years have been included.
- Further investment in CCTV and upgrades to systems as well as aligning the ownership of the systems is included at £0.8m
- Upgrades to the forces financial systems to enable efficiency savings - £0.1m
- Changes to the custody healthcare contract to ensure the resilience of healthcare cover in the custody suites - £0.2m

Reserve Funded Including Support & Infrastructure

7.16 Reserves are utilised to fund one off items of expenditure which do not have an on-going commitment. These items of growth are funded from reserves:

- Funding for excess energy inflation of £2.5m for 2 years, this currently assumes no government support past 30 March as details are awaited.
- Funding of a number of one off investments including; Digital Contact Strategy and the RPA Platform for the first 2 years, the force review implementation costs; financial system upgrades
- Significant property maintenance schemes are essential to maintain the operation usability of our estate but do not increase the value of the estate. As in previous years these are planned to be funded from reserves albeit they will be considered during the year.

7.17 Further details are provided at Appendix 4.

Funded By

- 7.18 Home Office main grants have increased by £0.9m for next year with an assumed increase of £4.5m year 2, which is based on the overall announced settlement for policing nationally as per the October 2021 budget statement.
- 7.19 Assumed increases of 1% per annum are included for Home Office Grants for 2025/26 and 2026/27.
- 7.20 The Special PUP uplift grant has increased by £4.3m, the split between the increase in core grant and special grant is unclear.
- 7.21 The MTFP currently includes an increase in the Council Tax Precept rate of £15 for 2023/24 which equates to approximately £14m. Annual increases per annum over the following 3 years have been assumed at £10 per annum, albeit there is only legislative provision set out for this in the next two years.
- 7.22 The increase in the Council Base (i.e. number of households paying council tax) has been set at 2.0% per annum, together with an expected deficit on collection of £0.5m in 2023/24.

OPCC Budgets

- 7.23 The overall OPCC budgets have been scrutinised leading to an overall net reduction in the budgeted spend levels for 2023/24 of £0.13m.
- 7.24 This is set against an increase in the specific grant for the Commissioning of Victim Services of £1.64m, which is directly offset by an increase in expenditure of £1.64m within the OPCC budgets.

Force Productivity Strategy

- 7.25 The Force has a long history of delivering productivity savings and using these to balance annual budgets or reinvesting them in frontline policing.
- 7.26 The financial and operational demands facing the force mean that it is more important than ever that the continuous review, challenge and improvement principles,

underlying the Productivity Strategy continue to ensure we focus our resources on our priority areas. However it has to be acknowledged that we are currently constrained in our scope to deliver savings by the requirements to maintain our police numbers in relation to the national PUP and hold these until at least March 2024.

- 7.27 To continue the focus on productivity and efficiency a Force Review is being undertaken determining the most efficient operating models across front line policing and the support functions. The productivity savings plan represents approximately £4.8m from established savings initiatives and £15.2m from this Force Review. Savings from the Force Review are phased reasonably evenly over years 2 and 3 but the review itself will identify the correct profile as the project moves forwards.
- 7.28 A copy of the full Productivity Strategy is attached at Appendix 5.

8 Establishment Changes

- 8.1 The Police Uplift Programme, the national drive to increase police numbers by 20,000 across the service, has seen TVP receive funding for an additional 609 officers over the three years 2020/21 to 2022/23.
- 8.2 This growth in police numbers is a massive boost for the force is giving us a real opportunity to review our workforce mix, which has in the past been partly driven by the ability to recruit officers and the financial implications. The Home Office drive to increase numbers and ensure a real uplift in headcount does however place restrictions on the force in relation to reducing officer numbers through efficiency improvements.
- 8.3 The force expects to exceed the PUP allocation for TVP in 2022/23 (244) by around 80 heads and budgets include additional expenditure to maintain these additional officers over the MTFP period.
- 8.4 The assumption is that TVP needs to maintain the allocated PUP uplift numbers until at least March 2024 but not the additional 80 heads.
- 8.5 By attaining the full PUP allocated recruitment then the overall officer establishment for TVP funded officers will increase to 4,444 FTE, which represents a circa 16% increase from 3 years ago. Including the additional 80 FTE that have been budgeted over and above the PUP allocations, means that the establishment for 2023/24 will be set at 4,524.

9 Budget Risk & Uncertainties

- 9.1 As with all planning and assumptions, there are a number of risks and issues which have yet to, or cannot be, quantified. These are highlighted and explained below in the National and Local subsections:

National

- 9.2 The budget assumes that TVP needs to retain the approved PUP officers (609 over the 3 years) until at least the end of March 2024. If this requirement is extended then this may impact the Force Review and savings identified.
- 9.3 It is assumed that TVP does not need to maintain excess PUP officers past April 2023 although these are fully funded within the MTFP. Again, if the requirement to hold these posts is extended this will impact the future costs.
- 9.4 Given the current economic conditions Pay Inflation could be significantly higher than the 2.0% budget provision. A 1% increase would add an additional £3.8m (fye) to the overall pay budget and create a deficit from year 1. Increases above the 2% which were not funded by government would have to be funded from reserves in the short term with the potential for additional savings in the longer term.
- 9.5 Inflation and supply chain issues are already having an impact on prices and availability and these could add significant cost pressures to the budget.
- 9.6 The McCloud Judgement on police pensions could have a serious future impact on the costs falling to forces although the Government has confirmed they will support these additional costs. This is unlikely to hit until 2024/25 at the earliest due to the tri-annual review of pension provisions.
- 9.7 A review of the National Funding Formula is still anticipated although not until 2024/25 at the earliest. The impact on TVP could be positive or negative but we would expect some transitional arrangements to mitigate significant grant changes.
- 9.8 The current low strength of the £GB could lead to increased costs, especially around USD priced goods or services such as software licences.

Local

- 9.9 Recruitment of both Officers and Staff will provide significant challenges over the next 12 months, not just in obtaining the required numbers, but also in ensuring they can and do receive the required training for their roles. In addition to this, an inability to recruit ICT and Property support staff will impact key investment projects as well as BAU workload.
- 9.10 In addition, new methods of training have increased the time officers spend in training. This means that we have a higher percentage of officers in training and hence not available for deployment, and the average length of experience of our officers in reducing, depleting the overall level of skills and knowledge within the organisation. As we move away from increasing police numbers to stabilising and with the additional benefit of being able to continue the non-degree entry routes the level of abstraction for training will reduce.

- 9.11 The new Force Review savings target is ambitious and has yet to identify the key areas of the savings, also this will inevitably add additional strains on the current BAU, especially support departments like ICT.
- 9.12 There will need to be careful consideration of the savings targets in conjunction with the increased level of vacancies factored into the early years of the budget. This will be carefully managed by the Finance team to avoid any double counting of savings/vacancies.
- 9.13 Police overtime spend continues to outstrip the available budget and, even with a budget increase, spend needs to reduce by approximately £1.5m.
- 9.14 Unquantified demand, whether new operational demand or investment requirements, for example to utilise a national technology initiative may impact on the estimates presented today.

10 Report Conclusions and Recommendations

- 10.1 The MTFP is based on a set of realistic assumptions and provides our best judgement of the financial position as it currently stands. The proposals within the MTFP ensure that resources are targeted towards priority business areas that support the delivery of key strategic objectives, or are necessary for the effective management of policing risk.
- 10.2 Given the current economic conditions information is changing very rapidly, for example interest rate forecasts, and there are a number of significant uncertainties and risks over information which is currently unavailable and outside of the control of the force. The most significant relates to the level of 2023 pay awards which will not be known until the middle of next year albeit we may get further indications before that time.
- 10.3 We still face considerable capacity and financial challenges so improving future productivity and efficiency is going to be key. For example investing in our Forensic technical services will increase our capability and capacity in this vital area, whereas the continued investment in our technological estate to facilitate remote working is enabling us to strategically re-think our physical estate requirements with significant savings now realistically achievable in the future.
- 10.4 Our continued focus on the productivity strategy, including the Force Review will not only meet the HO requirements, but will ensure we continue to focus the maximum level of resources on our priorities.
- 10.5 The recommendation today is therefore to support the future strategic objectives of the PCC and TVP by increasing Band D council tax by the full £15 for 2023/24

Revenue Budget Summary 2023/24

	2022/23 Budget	Inflation	Savings	Virements	Growth	2023/24 Budget
<i>PCC Controlled Expenditure</i>						
Commissioned Services	£6,385,921	£358,758	0	372,238	1,448,969	£8,565,886
Democratic Representation	£162,098	£5,674	0	3,611	0	£171,383
OPCC	£1,298,014	£35,759	0	75,515	35,527	£1,444,815
Other Costs	£180,136	£12,106	0	40,000	21,955	£254,197
	£8,026,169	£412,297	0	491,364	1,506,451	£10,436,281
<i>TVP Operational Budget - Direction and Control of Chief Constable:</i>						
Employees	£411,566,244	£10,814,940	-2,451,316	9,492,553	12,156,908	£441,579,329
Premises	£17,821,754	£5,226,882	-56,799	0	-443,213	£22,548,624
Transport	£11,306,160	£1,344,205	0	3,654	0	£12,654,019
Supplies & Services	£77,631,656	£4,830,963	-1,639,996	-3,225,562	1,508,506	£79,105,567
Third Party Payments	£11,966,757	£1,387,193	0	6,565,318	1,351,081	£21,270,349
Force Income	£-30,985,495	£-308,268	0	-9,941,306	-559,903	£-41,794,972
Specific Grant	£-21,441,038	£0	0	-1,478,021	-5,944,406	£-28,863,465
	£477,866,038	£23,295,915	-4,148,111	1,416,636	8,068,973	£506,499,451
<i>Net Capital Financing Costs:</i>						
Capital Financing	£16,732,487	£0	0	0	248,024	£16,980,511
Interest on Balances	£-704,000	£0	0	0	-4,521,000	£-5,225,000
	£16,028,487	£0	0	0	-4,272,976	£11,755,511
<i>Appropriations to/from Balances:</i>						
Appropriations	£3,080,454	£0	0	-1,908,000	-5,651,899	£-4,479,445
	£3,080,454	£0	0	-1,908,000	-5,651,899	£-4,479,445
Cost of Services	£505,001,148	£23,708,212	-4,148,111	0	-349,451	£524,211,798
<i>Funded By:</i>						
Council Tax - Surplus on Collection	£-1,574,423	£0	0	0	574,423	£-1,000,000
Council Tax Precept Income	£-226,286,014	£0	0	0	-18,874,924	£-245,160,938
Formula Grant	£-88,432,450	£0	0	0	-307,074	£-88,739,524
Legacy Council Tax Grants	£-15,278,329	£0	0	0	0	£-15,278,329
Police Current Grant	£-173,429,932	£0	0	0	-603,075	£-174,033,007
	£-505,001,148	£0	0	0	-19,210,650	£-524,211,798
Total Funding	£-505,001,148	£0	0	0	-19,210,650	£-524,211,798

Band D Council Precept by Force

Appendix 2

	2021-22 Precept	2022-23 Precept	Precept Income 22/23	Total Income 22/23*	Precept/Total
	£	£	£m	£m	
Northumbria	143.84	153.84	62	343	18%
West Midlands	177.55	187.55	136	696	20%
Essex	208.53	218.52	143	356	40%
West Yorkshire	211.28	221.28	148	542	27%
Hertfordshire	213.00	223.00	102	248	41%
South Yorkshire	213.04	223.04	82	315	26%
Sussex	214.91	224.91	143	347	41%
Kent	218.15	228.15	149	379	39%
Greater Manchester	218.30	228.30	178	715	25%
Cheshire	225.44	235.44	91	233	39%
Lancashire	226.45	236.45	106	344	31%
Hampshire	226.46	236.46	167	410	41%
Merseyside	226.97	236.97	90	400	22%
Bedfordshire	227.09	237.09	53	137	39%
Durham	230.24	240.24	43	149	29%
Wiltshire	231.27	241.27	64	142	45%
Thames Valley	231.28	241.28	226	512	44%
Devon & Cornwall	236.56	246.56	153	377	41%
Suffolk	237.69	247.68	64	151	43%
Staffordshire	238.57	248.57	88	234	38%
West Mercia	240.19	249.66	114	263	43%
Avon & Somerset	241.20	251.20	145	362	40%
Derbyshire	241.60	251.60	82	216	38%
Humberside	243.21	253.20	71	224	32%
Nottinghamshire	244.26	254.25	83	251	33%
Cambridgeshire	247.59	257.58	76	174	44%
Leicestershire	248.23	258.23	86	227	38%
Warwickshire	252.96	262.71	57	123	46%
Dorset	255.58	265.58	78	159	49%
Cleveland	265.73	275.73	44	157	28%
Lincolnshire	266.31	276.30	66	146	45%
MOPAC	267.13	277.13	849	3,242	26%
Northamptonshire	268.04	278.04	70	161	44%
Gloucestershire	270.08	280.08	66	140	47%
North Yorkshire	271.06	281.06	87	181	48%
Cumbria	272.16	282.15	49	129	38%
Norfolk	278.01	288.00	88	196	45%
Dyfed-Powys	275.56	290.16	67	130	52%
Surrey	285.57	295.57	151	275	55%
South Wales	287.72	302.11	152	353	43%
Gwent	287.96	303.80	68	159	43%
North Wales	302.61	316.80	94	185	51%
City of London			0	74	0%
Weighted Ave	239.93	250.15	4,933	14,555	

*Total Income defined as Govt formula, NICC, ringfenced PUP, and Council Tax incl legacy & precept grants

Thames Valley Police
Medium Term Financial Plan

Appendix 3

	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	
Annual Opening Budget	£505,001,148	£524,211,798	£543,322,476	£561,185,636	
Inflation					
General Inflation	£2,544,285	£925,978	£725,513	£729,674	
Police Pay Inflation	£6,877,658	£5,635,260	£6,057,707	£6,270,003	
Police Staff Inflation	£3,635,059	£3,108,139	£3,157,951	£3,223,835	
Specific Inflation	£10,651,210	£4,025,773	£1,446,782	£3,022,646	
Total Inflation	£23,708,212	£13,695,150	£11,387,953	£13,246,158	
Productivity Plan Savings					
Central Initiatives	-£500,472	-£7,207,389	-£8,300,000	£0	
Collaborative Initiatives	-£250,000	£0	£0	£0	
E&E Initiatives	-£2,126,036	-£206,700	-£137,800	£0	
E&E PUP Initiatives	-£1,271,603	£0	£0	£0	
Total Productivity Savings	-£4,148,111	-£7,414,089	-£8,437,800	£0	
Committed & Statutory Growth					
Prior Year Adjustments					
116	Remove Temporary Funding for Oracle Licencing	-£270,000	£0	£0	£0
117	Remove Temporary Funding for Windows Server Licences	-£270,000	£0	£0	£0
123	Remove Temporary Funding for Merger Team CMP Data Quality	-£197,000	£0	£0	£0
134	Phased Removal of One-Off Funding for Upgrade Out of Support Business Support Systems	£0	-£1,000,000	£0	£0
Pay & Allowance Adjustments					
105	Additional Growth for Increase in Officers from National Uplift Programme	£6,016,231	£0	£0	£0
127	Anticipated Future Uplift in the Police Pension Scheme Employer Contributions	£0	£2,250,000	£0	£0
128	Anticipated Future Uplift in the Staff Pension Scheme Employer Contributions	£0	£835,000	£928,000	£0
175	Realignment of Police Pay Budgets Including Growth for Increased SE Allowance	£5,550,000	£0	£0	£0
176	Growth for Increase in Police Bonus Payments	£1,000,000	£0	-£1,000,000	£0
177	Realign Police Staff Pay Budgets Including Recognition of PSC Awards	£1,600,000	£0	£0	£0
178	Recognition of Police Staff & PCSO Vacancy Levels	-£8,500,000	£2,500,000	£2,000,000	£1,600,000
179	Detention Officer Shift Allowance	£750,000	£250,000	£0	£0
188	Transfer of SEROCU Year 4 PUP Officers	£400,561	£0	£0	£0
In-Year Approved Growth					
181	Exploitation Capacity Within MASH	£480,218	£0	£0	£0

182	Integrated Systems Support Team	54£824,000	£0	£0	£0
Service Delivery & Compliance					
76	Review of Debt Charges	-£1,976	-£7,474	£0	£0
92	DHEP Officer Training Route	-£414,000	£0	£0	£0
93	Changes to Loan Charges Grant	-£400	£1,309	£366	£0
174	Growth For NPAS Services	£434,776	£0	£0	£0
180	Review of Interest Receipts	-£4,521,000	£1,675,000	£900,000	£200,000
183	Removal of Foreign Nationals Income	£137,150	£0	£0	£0
184	Review and Alignment of Budgets Following Detailed Spend Analysis and Forecasts	-£1,007,163	£150,519	-£3	£0
196	Refurbishment of Showers for Imbert Court	£500,000	£0	-£500,000	£0
197	Review of the OPCC Held Budgets	-£137,555	£0	£0	£0
201	Review of Interest Receipts as a Consequence of Internal Borrowing	£0	£44,000	£190,000	£279,000
202	Increases in Ring Fenced Grant for PUP	-£4,300,000	£0	£0	£0
Committed & Statutory Growth		-£1,926,158	£6,698,354	£2,518,363	£2,079,000

Tier 1 - Essential Growth

Operational Delivery

162	Data Quality Development	-£248,275	-£21,746	£8,406	£8,406
163	Officer Operational Safety	£156,454	£0	£0	£0
185	MOPI Review, Retention and Deletion Implementation	£191,136	-£191,136	£0	£0
198	Replacement of Automatic Vehicle Location System (AVLS)	£213,000	-£213,000	£0	£0

Technology Investment

160	Upgrade and Refresh Key ICT Infrastructure	-£1,119,691	-£317,513	£0	£0
161	ICT - System Upgrades and Development Programme 2022/23	-£149,479	-£822,954	£0	£0
186	ICT - System Upgrades and Development Programme 2023/24	£738,867	-£423,592	-£238,458	£0
200	NICE DEMS Storage	£200,000	£0	£0	£0

Support & Infrastructure

88	Improved Investigative Capacity and Process for Complex Crimes	-£491,000	£0	£0	£0
95	ISO Accreditation for FCIU	-£92,000	£30,000	£0	£0
103	Property Maintenance - Provision for Future Years	£0	£500,000	£1,000,000	£0
164	Smarter Ways of Working	£100,000	-£271,131	-£250,000	£0
187	Uplift to the Force Vetting Team	£394,095	£0	£0	£0

Tier 1 - Essential Growth		-£106,893	-£1,731,072	£519,948	£8,406
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Tier 2 - Service Delivery Improvement

Operational Delivery

165	Forensics Improvement Programme	£1,729	£1,092,382	-£227,589	£66,034
166	Rolling Uplift in Officer Numbers	£3,047,939	£1,705,000	£705,000	£705,000

167	Taser Refresh and Uplift Programme	55£921,577	£191,081	£191,081	£0
169	Strong Local Policing	-£451,924	£0	£0	£0
170	Strong Local Policing & Improving the Criminal Justice System	-£87,680	£0	£0	£0
171	Strong Local Policing, Improving the Criminal Justice System & Serious Organised Crime	-£45,000	£0	£0	£0
173	Improving the Criminal Justice System	£55,159	£215,000	£0	£0
189	Contact Centre Digital Strategy & RPA Platform	£529,935	-£67,444	£0	£0
190	POLIT Staffing Uplift	£190,245	£233,386	-£18,750	£0
191	Domestic Abuse Standard Support Performance	£56,075	£53,075	£0	£0
192	VAWG Increase in Staff	£248,759	£248,759	£0	£0
199	Forensics Collision Investigation Unit - New Operating Model	£243,000	-£24,000	£0	£0
203	Investment to Develop the Citizens in Policing Programme	£600,000	£0	£0	£0
207	Professionalising the Major Crime Unit Investigation and Reducing External Support	£254,047	£254,047	£0	£0

Support & Infrastructure

193	Dashcams - Revenue Support	£112,400	-£27,000	£0	£0
195	Force Review	£800,000	£0	-£800,000	£0
204	Investment and Upgrade to CCTV Services	£750,000	-£445,000	£0	£0
206	Upgrades to Aptos Financial Systems	£141,800	-£118,800	£0	£0
208	Custody Healthcare - Implementation of 24/7 Healthcare Rota	£208,163	£208,163	£0	£0

Tier 2 - Service Delivery Improvement

£7,576,224 £3,518,649 -£150,258 £771,034

Reserve Funding

Operational Delivery

74	Police Officer Reserve Funding for Bank Holidays	-£204,872	-£436,141	£220,763	£0
75	Police Staff Reserve Funding for Bank Holidays	-£35,853	-£76,325	£38,633	£0
82	UCPI/ IICSA Public Enquiries	£0	-£197,000	£0	£0

Support & Infrastructure

77	Community Safety Fund Expenditure	£0	£0	-£200,000	£0
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Appropriations From Reserve

84	Appropriations to/from the I&P Reserve	£731,240	-£4,816,731	£4,282,491	£0
85	Appropriations to/from General Balances	-£3,909,275	£4,662,466	-£259,396	£0
86	Appropriation to/from Earmarked Reserves	£3,251,085	£2,283,795	£7,942,463	£2,287,736
148	Appropriations to Covid-19 Support Reserve	-£2,724,949	£2,923,622	£0	£0
156	Cease PUP Infrastructure Reserve Funding	-£3,000,000	£0	£0	£0

Reserve Funding

-£5,892,624 £4,343,686 £12,024,954 £2,287,736

Annual Net Budget Requirement	£524,211,798	£543,322,476	£561,185,636	£579,577,970
Annual Cash Budget Increase	£19,210,650	£19,110,678	£17,863,160	£18,392,334
Annual Percentage Budget Increase	3.80%	3.65%	3.29%	3.28%

Funding Changes

Annual Opening Funding -£505,001,148 -£524,211,798 -£543,322,476 -£561,185,636

Police Grants

69	Police Grant Funding Changes	-£603,075	-£4,450,000	-£1,829,795	-£1,848,093
70	Formula Grant Funding Changes	-£307,074	£0	-£884,325	-£893,168

<i>Total Police Grants</i>		-£910,149	-£4,450,000	-£2,714,120	-£2,741,261
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Council Tax

71	Council Tax Precept Changes	-£14,349,204	-£9,757,459	-£9,952,608	-£10,151,660
72	Council Tax Surplus on Collection Changes	£574,423	£0	£0	£0
73	Council Tax Base Changes	-£4,525,720	-£4,903,219	-£5,196,432	-£5,499,413

<i>Total Council Tax</i>		-£18,300,501	-£14,660,678	-£15,149,040	-£15,651,073
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<i>Total Change in Funding</i>		-£19,210,650	-£19,110,678	-£17,863,160	-£18,392,334
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Total Annual Funding		-£524,211,798	-£543,322,476	-£561,185,636	-£579,577,970
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Annual Shortfall / (Surplus)	£0	£0	£0	£0
Cumulative Shortfall / (Surplus)	£0	£0	£0	£0

Analysis Of Growth Items

Appendix 4

<i>Ref</i>	<i>Details</i>	<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>
	<u>Committed & Statutory Growth</u>				
	Prior Year Adjustments				
116	Remove Temporary Funding for Oracle Licencing Reverse prior year funding to bridge the licence gap over the next 3 years to get into a position whereby if we are audited, we will not be exposing the organisation to financial risk. We will be looking to carry out work with a Third Party to detail the exact risk and a plan to mitigate this.	-270,000	0	0	0
134	Phased Removal of One-Off Funding for Upgrade Out of Support Bus Phased removal of prior year funding for upgrading legacy Business Support systems	0	-1,000,000	0	0
117	Remove Temporary Funding for Windows Server Licences Reverse prior year temporary funding to close gaps on our Microsoft Licence estate over the next two financial years as identified by our 3rd party licence review (entitlement vs consumption). Two year funding required.	-270,000	0	0	0
123	Remove Temporary Funding for Merger Team CMP Data Quality Remove 6 Additional 2 year FTC posts @ BB3F to manage the expected increase in data quality issues arising from CMP implementation.	-197,000	0	0	0
Total	Prior Year Adjustments	-737,000	-1,000,000	0	0
	Pay & Allowance Adjustments				
175	Realignment of Police Pay Budgets Including Growth for Increased S Realign the Police Pay Budgets to take account of the New Establishment and changes to NI Rates as well as the increase in the SE Regional Allowance	5,550,000	0	0	0
176	Growth for Increase in Police Bonus Payments Increase in Bonus Payments, specifically in relation to Hard to Fill Positions & Detective posts	1,000,000	0	-1,000,000	0

Ref	Details	2023/24	2024/25	2025/26	2026/27
177	Realign Police Staff Pay Budgets Including Recognition of PSC Award Realign police staff pay budgets to take account of NI and prior year pay awards, and recognition of the November agreed PSC Award	1,600,000	0	0	0
178	Recognition of Police Staff & PCSO Vacancy Levels Vacancy Factor to Represent the Anticipated Level of Staff & PCSO Vacancies	-8,500,000	2,500,000	2,000,000	1,600,000
179	Detention Officer Shift Allowance Growth to fund a new allowance for Detention Officer shift working	750,000	250,000	0	0
128	Anticipated Future Uplift in the Staff Pension Scheme Employer Con Future Uplift in the Staff Pension Scheme Employer Contributions. Three year valuation has set rates at 16.60%, 17.50%, and 18.50%	0	835,000	928,000	0
127	Anticipated Future Uplift in the Police Pension Scheme Employer Co Anticipated Future Uplift in the Police Pension Scheme Employer Contributions	0	2,250,000	0	0
188	Transfer of SEROCU Year 4 PUP Officers Transfer of 13 FTE Officers to the SEROCU which were initially allocated to TVP as part of the National PUP	400,561	0	0	0
105	Additional Growth for Increase in Officers from National Uplift Progr Full year effect of the increase in Officer numbers as a consequence of the National PUP	6,016,231	0	0	0
Total Pay & Allowance Adjustments		6,816,792	5,835,000	1,928,000	1,600,000
In-Year Approved Growth					
181	Exploitation Capacity Within MASH MASH require an establishment uplift to incorporate a new centralised 'front door' for Exploitation following the disbandment of Missing and Exploitation Hubs.	480,218	0	0	0
182	Integrated Systems Support Team Funding for the previously agreed centralised specialist ICT team to support the forces major Crime and Intelligence systems.	824,000	0	0	0
Total In-Year Approved Growth		1,304,218	0	0	0

<i>Ref</i>	<i>Details</i>	<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>
Service Delivery & Compliance					
184	Review and Alignment of Budgets Following Detailed Spend Analysis	-1,007,163	150,519	-3	0
	An in depth review of the Force Budget requirements using historical and predictive spend patterns				
92	DHEP Officer Training Route	-414,000	0	0	0
	Reduction in the costs associated with the DHEP officer recruitment stream, and 2 additional Police Now Courses				
93	Changes to Loan Charges Grant	-400	1,309	366	0
	Changes to Loan Charges Grant				
202	Increases in Ring Fenced Grant for PUP	-4,300,000	0	0	0
	Increases in Ring Fenced Grant for PUP as part on the annual Home Office funding settlement				
201	Review of Interest Receipts as a Consequence of Internal Borrowing	0	44,000	190,000	279,000
	Realignment of potential interest receipts based on estimates of capital funding and internal borrowing.				
180	Review of Interest Receipts	-4,521,000	1,675,000	900,000	200,000
	Rebalance the expected level of Interest Receipts based on market rates				
76	Review of Debt Charges	-1,976	-7,474	0	0
	Anticipated revenue changes associated with changes to borrowing requirements as the capital programme funding is reviewed.				
183	Removal of Foreign Nationals Income	137,150	0	0	0
	Income has ceased as part of Government Initiatives and Legislation.				
174	Growth For NPAS Services	434,776	0	0	0
	Increase in budget requirement for the use of National Police Air Services (NPAS) based on 2022/23 Charges				
205	GROWTH TAB FOR REALIGNING BUDGETS ONLY - SHOULD ALWAYS D	0	0	0	0
197	Review of the OPCC Held Budgets	-137,555	0	0	0
	A detailed review and alignment of the budgets held by the OPCC.				

Ref	Details	2023/24	2024/25	2025/26	2026/27
196	Refurbishment of Showers for Imbert Court Refurbishment of Showers for Imbert Court which are now outdated and could become a health and safety risk.	500,000	0	-500,000	0
Total	Service Delivery & Compliance	-9,310,168	1,863,354	590,363	479,000
Total	Committed & Statutory Growth	-1,926,158	6,698,354	2,518,363	2,079,000

Tier 1 - Essential Growth

2

Operational Delivery

162	Data Quality Development Remove one-off funding for Investment in technology and tools to ensure that the quality of data is maintained within our various data repositories, and that access to that data is easily obtainable and delivered in a useable and robust format.	-248,275	-21,746	8,406	8,406
198	Replacement of Automatic Vehicle Location System (AVLS) Replacement of the current end of life system which supports radio locations into CMP and also vehicle progress and location in relation to incidents and responses.	213,000	-213,000	0	0
163	Officer Operational Safety Investment in key safety equipment and training requirements to meet national standards and ensure all officers can deploy safely to all operational demands.	156,454	0	0	0
185	MOPI Review, Retention and Deletion Implementation Implement and Complete Review, Retention and Deletion (RRD) with our core systems	191,136	-191,136	0	0
Total	Operational Delivery	312,315	-425,882	8,406	8,406

Technology Investment

Ref	Details	2023/24	2024/25	2025/26	2026/27
160	Upgrade and Refresh Key ICT Infrastructure Work to upgrade and refresh key elements of the forces ICT infrastructure in order to ensure security is maximised and operational delivery of ICT systems remains stable and available at the point of service requirement.	-1,119,691	-317,513	0	0
161	ICT - System Upgrades and Development Programme 2022/23 Remove one-off funding for work to upgrade core systems to the latest versions, maximising security of the systems and utilising new functionality in support of operational policing and frontline delivery.	-149,479	-822,954	0	0
186	ICT - System Upgrades and Development Programme 2023/24 Programme of work to upgrade core systems to the latest versions, maximising security of the systems and utilising new functionality in support of operational policing and frontline delivery.	738,867	-423,592	-238,458	0
200	NICE DEMS Storage Increase in our strategic digital storage solution as further content is collected and required to be stored digitally.	200,000	0	0	0
Total	Technology Investment	-330,303	-1,564,059	-238,458	0

Support & Infrastructure

164	Smarter Ways of Working Investment in technology and equipment to embrace new ways of working, taking account of officers and staff wellbeing as well as optimising the delivery of services in the most efficient way.	100,000	-271,131	-250,000	0
103	Property Maintenance - Provision for Future Years Property Maintenance - Provision for Future Years	0	500,000	1,000,000	0
95	ISO Accreditation for FCIU ISO Accreditation for FCIU, joint funded with HC	-92,000	30,000	0	0
88	Improved Investigative Capacity and Process for Complex Crimes Reduction in temporary uplift in training resources implemented for the PUP uplift	-491,000	0	0	0
187	Uplift to the Force Vetting Team Uplift of 9 FTE additional staff within the Force Vetting Unit, making the funded establishment secure to help relieve backlogs.	394,095	0	0	0

<i>Ref</i> <i>Details</i>	<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>
Total Support & Infrastructure	-88,905	258,869	750,000	0
Total Tier 1 - Essential Growth	-106,893	-1,731,072	519,948	8,406

Tier 2 - Service Delivery Improvement

3

Operational Delivery

171 Strong Local Policing, Improving the Criminal Justice System & Serio

Remove one-off funding for improving data analytics and reporting to support investigations.

-45,000	0	0	0
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199 Forensics Collision Investigation Unit - New Operating Model

The national operating model for forensics collision investigation is under review and all forces are expected to adopt the new model when agreed.

243,000	-24,000	0	0
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207 Professionalising the Major Crime Unit Investigation and Reducing E

The resource increase is critical to sustaining and developing the MCU response to murder, kidnap and complex investigations and reducing the need to surge into incident rooms lessening force-wide impact on detectives. There is a critical need to adhere to new digital evidence guidelines and legislation in an ever increasing, time consuming and complex area of homicide investigation.

254,047	254,047	0	0
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169 Strong Local Policing

Remove one-off funding to support the implementation of Pronto and the CMP implementation team.

-451,924	0	0	0
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203 Investment to Develop the Citizens in Policing Programme

Investment to Develop the Citizens in Policing Programme and put in place a robust infrastructure to enable expansion of public support to policing

600,000	0	0	0
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165 Forensics Improvement Programme

Long-term strategic investment in delivering the quantity and quality of forensic services needed for modern day policing within a fully accredited and purpose developed environment. A five-year investment programme totalling £19.9m. Forensics Science is critical to all aspects of policing not least identifying more perpetrators and bringing them to justice.

1,729	1,092,382	-227,589	66,034
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Ref	Details	2023/24	2024/25	2025/26	2026/27
192	VAWG Increase in Staff In April 2022 TVP released its VAWG Action Plan, based upon the pledges set out in our VAWG Strategy 2022-23. The action plan is one year in length, but VAWG and our obligations as a Police Force are not going to end in March 2023, and will likely become an ongoing Force Strategic Priority. On this basis, this growth sets out to put in place a staff and funding structure that allows the VAWG agenda to strengthen and for the actions we have promised our internal and external stakeholders to be achieved.	248,759	248,759	0	0
191	Domestic Abuse Standard Support Performance Increase in staff within the Domestic Abuse teams to improve support to victims of DA, building support and trust with victims to increase positive outcome against offenders.	56,075	53,075	0	0
190	POLIT Staffing Uplift Increase in staffing levels in the POLIT team to help clear backlogs in cases and also increase the positive outcome rate to at least 80%, meaning more offenders are brought to justice.	190,245	233,386	-18,750	0
189	Contact Centre Digital Strategy & RPA Platform IT investment to improve contact management performance and reduce the 101 call response times by the use of RPA technology.	529,935	-67,444	0	0
170	Strong Local Policing & Improving the Criminal Justice System Remove one-off funding for the development of the RASSO teams.	-87,680	0	0	0
166	Rolling Uplift in Officer Numbers To have a rolling increase in officer numbers to match the expected increase in demand based on population growth within the Thames Valley, year on year.	3,047,939	1,705,000	705,000	705,000
167	Taser Refresh and Uplift Programme To refresh and equip the majority of front line officers with Taser technology, and upgrade older devices to the latest models over the next 5 years. A five-year investment programme starting from year 2 of the MTFP totalling £6.6m. The safety of the public and our officers by apprehending offenders is paramount to all our priorities.	921,577	191,081	191,081	0

Ref	Details	2023/24	2024/25	2025/26	2026/27
173	Improving the Criminal Justice System Improving custody management and capacity and improving services to victims by enabling easy and succinct feedback. Initiatives to include: Video Relay Service (VRS) + Video Remote Interpreting (VRI); Detention Officers Uplift in numbers; Victim satisfaction survey & collaborated support team; Major Crime Intelligence Analysts increase; Major Crime Intelligence Officer Uplift; Custody Health Monitoring - Project Planning; Central Redaction Unit - 1 Year Trial.	55,159	215,000	0	0
Total Operational Delivery		5,563,861	3,901,286	649,742	771,034
Support & Infrastructure					
208	Custody Healthcare - Implementation of 24/7 Healthcare Rota Provision of HCA's in the custody environment provides significant support to the HCPs. It is anticipated that a HCA provision will reduce the demand placed on the HCPs and increase retention for Mountain Healthcare staff allowing Thames Valley Police to reduce the use of the "low risk model", reduce travelling for operational staff and provide greater support to the LPAs.	208,163	208,163	0	0
193	Dashcam's - Revenue Support On-going revenue support to manage the implementation of Dashcam's in police vehicles.	112,400	-27,000	0	0
195	Force Review Support funding to help embed and implement the overall force review, which will require a dedicated team for the implementation as well as support costs for the likes of ICT changes and system reconfigurations.	800,000	0	-800,000	0
206	Upgrades to Aptos Financial Systems Upgrades and developments to the forces financial systems to enable efficiency savings to be made and data to be accessed more readily.	141,800	-118,800	0	0
204	Investment and Upgrade to CCTV Services Investment and Upgrade to CCTV Services throughout the Thames Valley area	750,000	-445,000	0	0
Total Support & Infrastructure		2,012,363	-382,637	-800,000	0

<i>Ref</i>	<i>Details</i>	<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>
	Total Tier 2 - Service Delivery Improvement	7,576,224	3,518,649	-150,258	771,034
	Reserve Funding				
	Operational Delivery				
74	Police Officer Reserve Funding for Bank Holidays				
	Funding from general reserves for additional Bank Holiday overtime due to the fluctuation in the number of Bank Holidays per financial year from the base annual level of 8.	-204,872	-436,141	220,763	0
75	Police Staff Reserve Funding for Bank Holidays				
	Funding from general reserves for additional Bank Holiday overtime due to the fluctuation in the number of Bank Holidays per financial year from the base annual level of 8.	-35,853	-76,325	38,633	0
82	UCPI/ IICSA Public Enquiries				
	Funding for temporary staff to support the national undercover policing and child sexual abuse enquiries.	0	-197,000	0	0
Total	Operational Delivery	-240,725	-709,466	259,396	0
	Support & Infrastructure				
77	Community Safety Fund Expenditure				
	Community Safety Fund - Reduction in funding from specific earmarked reserve.	0	0	-200,000	0
Total	Support & Infrastructure	0	0	-200,000	0
	Appropriations From Reserve				
86	Appropriation to/from Earmarked Reserves				
	Community Safety Funding From Earmarked Reserve	3,251,085	2,283,795	7,942,463	2,287,736
85	Appropriations to/from General Balances				
	Appropriations to /from General Reserves	-3,909,275	4,662,466	-259,396	0

Ref	Details	2023/24	2024/25	2025/26	2026/27
156	Cease PUP Infrastructure Reserve Funding Cease PUP Infrastructure Reserve Funding now the programme is at the end of the 3 year cycle.	-3,000,000	0	0	0
148	Appropriations to Covid-19 Support Reserve Appropriations to/ from the Covid-19 Support Reserve	-2,724,949	2,923,622	0	0
84	Appropriations to/from the I&P Reserve Appropriations to /from the Improvement and Performance Reserve	731,240	-4,816,731	4,282,491	0
Total	Appropriations From Reserve	-5,651,899	5,053,152	11,965,558	2,287,736

Total Reserve Funding	-5,892,624	4,343,686	12,024,954	2,287,736
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Police Grants

6

Police Grant Funding

69	Police Grant Funding Changes Police Grant Funding Changes	-603,075	-4,450,000	-1,829,795	-1,848,093
Total	Police Grant Funding	-603,075	-4,450,000	-1,829,795	-1,848,093

Formula Grant Funding

70	Formula Grant Funding Changes Formula Grant Funding Changes	-307,074	0	-884,325	-893,168
Total	Formula Grant Funding	-307,074	0	-884,325	-893,168

Total Police Grants	-910,149	-4,450,000	-2,714,120	-2,741,261
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<i>Ref</i>	<i>Details</i>	<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>
	Council Tax				
		7			
	Council Tax Precept				
71	Council Tax Precept Changes				
	Council Tax Precept Changes @ £15 increase for 2023/24	-14,349,204	-9,757,459	-9,952,608	-10,151,660
Total	Council Tax Precept	-14,349,204	-9,757,459	-9,952,608	-10,151,660
	Council Tax Base Increase				
73	Council Tax Base Changes				
	Council Tax Base Changes - the number of contribution households within the Thames Valley area.	-4,525,720	-4,903,219	-5,196,432	-5,499,413
Total	Council Tax Base Increase	-4,525,720	-4,903,219	-5,196,432	-5,499,413
	Council Tax Surplus/Deficit on Collection				
72	Council Tax Surplus on Collection Changes				
	Council Tax Surplus on Collection Changes	574,423	0	0	0
Total	Council Tax Surplus/Deficit on Collection	574,423	0	0	0
Total	Council Tax	-18,300,501	-14,660,678	-15,149,040	-15,651,073

GREEN AMBER Savings

	RAG Grading	2023/24			2024/25			2025/26			2026/27			TOTAL		
		Police	Staff	£	Police	Staff	£	Police	Staff	£	Police	Staff	£	Police	Staff	£
Central Initiatives																
24 Savings from Contract Renewal for Telecoms - Rephased	Green	0.00	0.00	443,673	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	443,673
36 Estate Rationalisation	Amber	0.00	0.00	56,799	0.00	0.00	10,000	0.00	0.00	315,000	0.00	0.00	0	0.00	0.00	381,799
44 Force Review Programme	Amber	0.00	0.00	0	0.00	0.00	4,000,000	0.00	0.00	4,000,000	0.00	0.00	0	0.00	0.00	8,000,000
45 Force Review Programme - Part II	Amber	0.00	0.00	0	0.00	0.00	3,197,389	0.00	0.00	3,985,000	0.00	0.00	0	0.00	0.00	7,182,389
		0.00	0.00	500,472	0.00	0.00	7,207,389	0.00	0.00	8,300,000	0.00	0.00	0	0.00	0.00	16,007,861
Collaborative Initiatives																
6 ICT Licencing Spend Reduction	Amber	0.00	0.00	250,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	250,000
		0.00	0.00	250,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	250,000
E&E Initiatives																
21 Working Smart Programme	Green	0.00	0.00	100,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	100,000
23 E&E - People Services Delivery Model	Green	0.00	0.00	264,616	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	264,616
26 Front Counters Opening Length and Locations	Green	0.00	0.00	87,058	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	87,058
28 Savings from the Printing Strategy Implementations	Green	0.00	0.00	45,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	45,000
30 Reduction in LPA Resourcing Requirements	Green	0.00	0.00	91,308	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	91,308
33 Force Crime - M&E Hubs	Green	0.00	6.00	293,424	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	6.00	293,424

	RAG Grading	2023/24			2024/25			2025/26			2026/27			TOTAL			
		Police	Staff	£	Police	Staff	£	Police	Staff	£	Police	Staff	£	Police	Staff	£	
29	Implementation of Pronto	Amber	0.00	0.00	300,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	300,000
32	ICT CMP Replatform Savings	Amber	0.00	0.00	0	0.00	0.00	206,700	0.00	0.00	137,800	0.00	0.00	0	0.00	0.00	344,500
43	Police Staff Investigator (PSI) Programme Review	Amber	0.00	0.00	944,630	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	944,630
			0.00	6.00	2,126,036	0.00	0.00	206,700	0.00	0.00	137,800	0.00	0.00	0	0.00	6.00	2,470,536

E&E PUP Initiatives

9	Change of the Workforce Mix in Contact Management	Amber	0.00	20.00	770,280	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	20.00	770,280
31	Criminal Justice - Workforce Mix	Amber	-11.00	11.00	501,323	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-11.00	11.00	501,323
			-11.00	31.00	1,271,603	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	-11.00	31.00	1,271,603
			-11.00	37.00	4,148,111	0.00	0.00	7,414,089	0.00	0.00	8,437,800	0.00	0.00	0	-11.00	37.00	20,000,000



Report for Decision to the Performance and Accountability Public Meeting on 19th January 2023

Title: Four Year Medium Term Capital Plan 2022/23 to 2026/27

1 Purpose

- 1.1 The purpose of the report is to present to the PCC the updated Medium Term Capital Plan (MTCP) for 2022/23 through to 2026/27.
- 1.2 This report forms part of the medium term financial planning which includes the medium term revenue forecasts and the movement of reserves..

2 Executive Summary

- 2.1 The aim of the MTCP is to support service delivery of the PCC's Police and Criminal Justice Plan and the Force Strategic Plan. The Plan provides the Force infrastructure and major assets through capital investment, enabling the Force to strengthen and streamline core assets and systems, and provides the framework for delivering innovative policing with a lower resource profile. The MTCP is presented as a 4 year forecast in line with the MTFP (Revenue Forecast).
- 2.2 The MTCP, recommended for approval today, comprises schemes costing £45.739m in 2022/23 and £51.324 in 2023/24, with the final 3 years of the plan totalling £94.683.
- 2.3 The Custody 2030 programme is a TVP strategic programme to rationalise and renew the TVP Custody estate. The enabling work to refurbish Loddon Valley plus the initial build at Maidenhead falls within the current MTCP whereas the timing for the other elements needs to be established but a significant portion will fall outside of the current MTCP.
- 2.4 Other Potential, Longer-term initiatives outside of the current MTCP (years 6 – 10+) are not recommended at this time but are reference to provide a longer term view.

Future Years (current to 5 years)

- 2.5 All schemes have been reviewed and refreshed for inflation however the current market conditions are creating significant pressures on the programmes, especially marked within the construction industry.
- 2.6 The Strategic Estates Group have continued to work with the force to establish the operational requirements and property opportunities across the organisation. As the business cases are approved in principle by the organisation they are included within the MTCP such as the initial stage of Custody 2030.
- 2.7 The ICT programmes have been uplifted to incorporate the refresh budgets for 2026/27, of £4.9m. The end user replacement programmes have been reviewed including the computer replacement cycle and body worn videos plus growth of £1m to facilitate the contact centre digital strategy to alleviate the 101 call times has been incorporated.
- 2.8 The vehicle replacement programme reflects the additional year within the MTCP plus the initial estimates of expenditure requirements and associated costs as we move to an electric fleet have been incorporated both for infrastructure and price differentials.
- 2.9 The financing proposed includes the utilisation of the PUP reserve for FIU Build and radio / car for officers. Improvement and performance reserve for dashcams and contact centre digital strategy plus utilisation of the Estates reserve for the Forensic Investigation Unit new build and the Custody refurbishment. The custody new build at Maidenhead is proposed to be funded by borrowing. Progress of asset management plans continues however by the end of the programme there is anticipated to be limited further availability of the capital receipts from these finite assets.
- 2.10 The Available funding of £0.708m across the MTCP excluding the custody programme and other significant indicative investments.

Recommendation:

The PCC is asked to:

- Note the overall 4-year Medium Term Capital Plan (2023/24 to 2026/27) at £146.007m as set out in Table 1. Total over the 5 years 2022/23 – 2026/27 of £191.747m
- Note the capital programme for 2022/23, in the sum of £45.739m as set out in Table 1.
- Approve the annual budget of £51.324m for 2023/24 as set out in table 1
- Approve for planning purposes the budgets for the later 3 years of the MTCP 2024/25 – 2026/27 of £94.683m
- Approve the proposed financing of the capital expenditure as set out in Table 2.

Police and Crime Commissioner

I hereby approve the recommendation above.

Signature

Date

3 The Medium Term Capital Plan 2022/23 – 2026/27

- 3.1 The MTCP builds on the existing capital plan approved in November 2022.
- 3.2 The Forces current and future construction programmes are experiencing significant inflationary pressures such as the budget for Atlantic House has had to increase by 50% though an element of this is due to the original contractor going into receivership. The Forensic new build has been revised due to a change of scope and the current market conditions creating a significant rise in this programme budget. In addition to these bespoke programmes, an anticipated 12% rise in the construction industry and vehicle purchase is anticipated for 2023/24, dropping to 8% in 2024/25 and 4% in future years.

4 Current Year 2022/23

- 4.1 The revised annual Capital budget for 22/23 is therefore £45.7m.

Re-phasing

- 4.2 Resource availability across the Property Services and ICT teams, alongside supply issues including long lead time caused by current global supply issues, have led to the need to prioritise projects and hence the need to rephrase some schemes into future years already this year.
- 4.3 Further slippage may occur which will be managed as part of the yearend closedown.

5 Future Years (current to 5 years)

5.1 The planned gross expenditure within the 2022/23 to 2026/27 MTCP totals £191.747m (including £45.739m in 2022/23) including Custody 2030 – Loddon Valley refurbishment and initial Maidenhead new build. The current proposed programme is fully funded. The updated Capital Plan is summarised in the schedule below.

Table 1 - MTCP Budget Summary

Programme	Total Project Budget	2022/23 £'000	Future Years				Total 2022/23 to 2026/27 £'000
			2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
Property -							
Western Hub - SEROCU	8,133	1,938	133.4	-	-	-	2,071
Atlantic House	26,807	420	14,841	-	-	-	15,261
Maidenhead Court Building	2,867	734	-	-	-	-	734
Forensics New Build	30,001	907	15,927	13,088	-	-	29,922
Windsor	2,523	-	1,047	756	720	-	2,523
Custody 2030 - Loddon Valley	5,670	-	-	5,670	-	-	5,670
Custody 2030 - Maidenhead	38,966	-	866	-	2,500	19,100	22,466
Estates Decarbonisation	-	-	175	-	-	-	175
Fire Compartmentation	2,466	-	116	916	916	516	2,466
EV Charging	3,396	-	312	962	1,062	1,062	3,396
Corporate Projects	-	946	752	1,198	446	-	3,342
AMOP Projects	-	881	732	-	-	-	1,613
Maintenance Provision / Other Projects	0	234	-	-	-	-	234
Total		6,059	34,902	22,590	5,644	20,678	89,874
Technology & Business Change -							
Digital Technology Enablers		239	-	-	-	-	239
Digital First		760	380	-	-	-	1,140
ESMCP		84	-	-	12,000	-	12,084
Forensics Improvement Program		400	-	-	-	-	400
PRONTO		150	-	-	-	-	150
Next Steps		-	-	-	-	-	-
RMS		308	-	-	-	-	308
Data Quality		-	-	-	-	-	-
CCTV		200	232	-	-	-	432
CMP		729	702	-	-	-	1,431
Working Smart		-	-	-	-	-	-
Device Refresh Programme		2,702	4,374	2,264	3,545	3,912	16,796
ICT Roadmap		419	349	-	-	-	767
ICT Infrastructure		1,651	1,601	747	619	619	5,237
Other Projects		453	457	400	400	400	2,110
Total		8,094	8,095	3,411	16,564	4,931	41,093
Other Capital Equipment -							
Vehicles		4,458	5,576	6,010	6,250	6,927	29,221
Dashcams		-	506	-	-	-	506
Grant Funded		25,746	-	-	-	-	25,746
Equipment / Radio Replacement		1,382	2,246	680	719	280	5,307
Total		31,586	8,327	6,690	6,969	7,207	60,780
Grand Total		45,739	51,324	32,691	29,177	32,816	191,747
Financing Available		83,102	21,473	19,970	35,110	32,800	192,455
Cummulative Funding Position (Existing Programme)		37,363	7,512	(5,209)	724	708	

6 Annual Planning

- 6.1 All new business bids are prioritised as part of the annual planning process against the same matrix taking account of benefits and cost. The highest priority projects are detailed in the MTFP for funding consideration. It is assumed all new bids will be funded from DRF, those which are capital in nature will be included in the MTCP when approved.
- 6.2 The MTCP has been updated for the inflationary effects on existing schemes circa £20.5m and the addition of the final year plus a few key strategic projects.

Property

- 6.3 The Strategic Estates Group ensure the property estate remains fit for purpose, identifying opportunities to streamline assets and develop the estate infrastructure, maintaining core sites and actively progressing the Asset Management Plan. The expenditure under this heading is therefore related to the timing of the disposal of assets and the level of capital receipts.
- 6.4 The Forces current and future construction programmes are experiencing significant inflationary pressures.
- 6.5 Western Hub refurbishment is progressing well with completion on both buildings due in 2023, the estimated finally outlay could be higher than currently budgeted with the current market conditions, opportunities on funding, including additional grant and the SERCOU reserve will be clarified.
- 6.6 Atlantic house (including carpark) has had to increase by 50%, a further £5m, although an element of this is due to the original contractor going into receivership.
- 6.7 Improving Forensic Performance is a strategic priority for the Force hence options and designs are being formulated for the replacement Forensic facility. The new build will offer additional space to cope with increases in demand and the aim of developing regional capacity. The programme has been increased by £20.4m to reflect the requirement for a new building with a change in scope coupled with the current market conditions. The estimated cost of building is now £30m.
- 6.8 Windsor replacement proposal is anticipated to be £2.5m (an increase of £1.7m) however the capital receipts are also anticipated to be £1.2m higher.
- 6.9 Loddon Valley refurbishment and Maidenhead Custody – See 7.2. The first stage of the Custody 2030 programme is included, including the first year design team costs and the refurbishment of Loddon Valley, followed by the initial work on the Maidenhead new build with £28m falling in the current MTFP, recommended to be funded from borrowing.
- 6.10 Fire Compartmentation additional work needs to be undertaken on TVP estate to ensure we comply with the statutory fire regulations circa £2.5m.

- 6.11 Electronic Vehicle Charging - This project is a key part of the overall TVP Carbon Reduction programme. The programme would in due course develop EV charging capacity across the majority of TVP sites. There will be a need to provide charging infrastructure across a significant portion of the TVP estate. To allow this to happen it may mean that the power capacity to individual buildings/sites will need to be increased through the installation of new electrical sub-stations as well as replacement of items such as cabling and distribution boards. Any infrastructure installed will need to be flexible and allow for additional charging to be installed without the need for further major work.
- 6.12 The generic allowance of £2m per annum for future schemes has been removed (releasing £6m). All future programmes would need to be captured as part of the overall process.

ICT/Business Change revenue funded projects

- 6.13 The ICT programmes have been uplifted to incorporate the refresh budgets for 2026/27, of £4.9m. The generic allowance of £1.5m per annum for future ICT schemes has been removed (releasing £4.5m), however a £0.4m per annum (total £1.6m) has been included for the ICT recharges.
- 6.14 The end user replacement programme has been reviewed including the computer replacement cycle, given the significant change in the way we work and the rapid move to remote working means we have moved to more laptops and less desktops. In addition, the requirements for body worn videos have been reviewed but the replacement programme is currently out to retender.
- 6.15 The Contact Management focus group has identified the minimum digital strategy to alleviate the pressure in the control rooms call handling which needs capital invest of £1m, starting in the current year.
- 6.16 The further phase WIFI rollout has been included at £0.3m.

ESMCP Airwave Replacement - RESERVE

- 6.17 Due to National issues it is now anticipated to be delivered outside the current timeframe and hence the expenditure on the new radios will fall in the future. To ensure the funds are available we have created an ESM Reserve with the existing budget £12m and hence are showing this commitment within the expenditure forecast.
- 6.18 The delayed airwave replacement ESMCP programme means our existing Airwave radios will continued to be in use for longer than expected hence we need to replace those which have reached their end of life circa £1.5m.

Vehicles

- 6.19 The annual vehicle replacement budgets have been inflated adding an estimated further £2.9m to the programme, the addition of an additional year has added

£6.9m including an element for EV vehicles whilst across the other years the differential in price of EV vehicle has added £1m.

- 6.20 The opportunity to add Dashcams to all TVP fleet vehicles has been included with an anticipated outlay of £0.5m.

7 Potential Future Programmes

- 7.1 The following potential programmes fall partly or entirely outside of the current MTCP. At this time the business cases regarding these schemes have not been completed and hence no decision/ recommendation has been made to proceed with these schemes, they are included to provide visibility of potential future considerations.

Custody

- 7.2 The Custody 2030 programme is a TVP strategic programme to rationalise and renew the TVP Custody estate. Criminal Justice reviewed the current custody provisions and identify what will be required to allow TVP to operate and manage the custody estate that is efficient, compliant and fit for purpose. The Estates aspects of the Programme encompasses three major work streams, these are: New Custody Suite Berkshire circa £38.5m of which £21.6m falls (and is included) within the current MTCP, Refurbishment of the retained sites circa £15m with the work at Loddon Valley £5.67m included in 2024/25 to enable the closure of Maidenhead. The potential New Custody Suite Oxfordshire circa £24.5m and the remainder of the refurbishment works are currently outside the MTCP. The project management and design team needed to managed this significant programme, currently £0.8m is included in 2023/24 the first year.
- 7.3 As identified in table 1 £22.5m is included for Maidenhead new build including the design team and £5.7m for the refurbishment of Loddon Valley. However further costs could materialise in the current MTCP for project management and refurbishments whilst the balance in respect of Maidenhead and any further new builds will be in period 5 to 10 years.

Other Strategic Estate Considerations

- 7.4 The Contact Management Consolidation being the physical location of the Control Room and Police enquiry staff is desirable and has an indicative investment cost of circa £7.5m but no investigation has been initiated at this time.
- 7.5 JICT Data Centre - The request encompasses multi-year funding for Legacy Data Centre Consolidation, via cloud migration, or migration of applications into a single data centre, in alignment with the JICT hosting strategy and in support of Thames Valley estates requirements to refresh and modernise existing data centres into smaller, compliant facilities circa £5m. Further work regarding the migration to the cloud will influence the size of the future bid
- 7.6 The Estates Decarbonisation within the MTCP, only includes the initial survey. This is a long- term programme of work that will seek to substantially reduce the carbon footprint of the TVP estate by the use of low and zero carbon technology, and other methods to reduce energy usage. This indicative investment includes programme and design teams £0.5m per annum followed by construction cost £1.5m which will extend for several years

investing in e.g. new air source heat pumps/ insulation circa currently £6m. The funding requirements will be determined by the governments direction of travel and financial support..

- 7.7 Learning and Developments in conjunction with Property have identified that ideally we would have a Northern Training Hub, the indicative investment costs are in the region of £13.5m.

8 Funding of the Medium Term Capital Plan 2022/23 to 2026/27

- 8.1 The Resources required to fund the capital programme are identified below.

Table 2 - Resources Required to Finance the Capital Programme

	Revised Budget					Total 2022/23 to 2025/26 £000s
	2022/23	2023/24	2024/25	2025/26	2026/27	
	£000s	£000s	£000s	£000s	£000s	
Surplus Funds Carried Forward	28,541					28,541
Predicted Capital underspend 22/23	1,038					1,038
Capital Receipts from Finite Asset sales	6,052	4,165	1,200	19,510	600	31,527
Earmarked Reserves	7,161	4,208	5,670	-	-	17,039
Direct Revenue Financing	14,495	13,000	13,000	13,000	13,000	66,495
Borrowing	-	-	-	2,500	19,100	21,600
Specific Grant & 3rd Party Contributions	25,814	100	100	100	100	26,214
Total	83,102	21,473	19,970	35,110	32,800	192,455

- 8.2 Available funding of £0.708m exists at the end of the 5 year period.

Capital Outturn 2022/23

- 8.3 The current monitoring is anticipating a £1m underspend of the current proposed programme.

Asset Sales

- 8.4 The value of asset sales over the MTCP period has been updated to reflect the expected timing of non-residential sales. Overall £29m of the £31.5m asset sales relates to police buildings and houses.
- 8.5 It is worth reiterating that towards the end of the programme these one-off sales tail off and will not continue to significantly support the programme beyond 2025/26 as the asset lists are significantly reduced and receipts become sporadic.

Reserves

The current programme reflects the proposed draw down from three reserves utilising £17m (2022/23 - 2024/25). Including the application of £6.8m from Police Uplift Programme for the Forensic Investigation Unit build £5.8m plus £1m to facilitate the additional vehicles and ICT equipment required for these additional officers. Secondly £8.7m from the Estates £3m to contribute to the FIU building plus £5.7m for the Custody refurbishment and finally £1.6m to be appropriated from the Improvement and performance reserve toward the Contact Centre digital strategy and dashcams.

Direct Revenue Financing

- 8.6 Direct Revenue Financing (DRF) is included at a minimum of £13m per annum; As we move forward about £12m per annum is required to just maintain core equipment levels in terms of computer equipment, BWV, other equipment and vehicles. This will absorb the majority of DRF in future and leave little scope for investment.
- 8.7 This places a significant burden on the revenue budget. In future years it is assumed new bids will either be funded from DRF or borrowing, directly affecting the revenue budget as reserves and capital receipts are exhausted.
- 8.8 The level of DRF will be kept under review each year as the direction of travel for technology items is revenue style contracts rather than capital investment.

Borrowing

- 8.9 Borrowing is only recommended for funding significant Property developments where there is a long-term benefit to the force. At this time additional borrowing of £21.6m has been included in relation to the Maidenhead custody project, this position will be assessed in relation to other major property scheme.

Specific Grant Funding

- 8.10 The CT Logistics and Communications Centre (LCC) programme of £25.8m. This is a fully grant funded programme.

9 Recommendations

- 9.1 The PCC is asked to note/approve:
- Note the overall 4-year Medium Term Capital Plan (2023/24 to 2026/27) at £146.007m as set out in Table 1. Total over the 5 years 2022/23 – 2026/27 of £191.747m
 - Note the capital programme for 2022/23 in the sum of £45.739m as set out in Table 1.

- Approve the annual budget 2023/24 in the sum of £51.324m as set out in table 1
- Approve for planning purposes the budgets for the later 3 years of the MTCP 2024/25 – 2026/27 of £94.683m
- Approve the overall financing of the capital expenditure as set out in Table 2 £192.455m.

10 Legal comments

10.1 The capital programme is an integral part of the overall budget package which the PCC must consider each year. These reports are presented to the PCC, in compliance with the requirements of the Prudential Code and will demonstrate that capital investment plans are affordable, sustainable and prudent.

11 Equality comments

11.1 No specific implications arising from this report

12 Background papers

Relevant Project bid papers
The MTFP 2022/23 to 2026/27
Reserves, Balances & Provisions report - January 2023

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit The MTCP now totals £146.007m over the 4 year period 2023/24– 2026/27, with the annual budget for 2022/23 £45.739m	Director of Finance
Legal Advice No specific issues arising directly from this report	Chief Executive

Financial Advice	PCC Chief Finance Officer
Equalities & Diversity No specific implications arising from this report	Chief Executive

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Director of Finance

Date

Chief Finance Officer

Date



Capital Strategy

2023/24 – 2026/27

January 2023

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THAMES VALLEY POLICE

CAPITAL STRATEGY

1 Purpose

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.

The Capital Strategy is a key document for the Police and Crime Commissioner (PCC) and Thames Valley Police and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.

Throughout this document the term TVP is used to refer to the activities of both the PCC and the Force.

2 Scope

This Capital Strategy includes all capital expenditure and capital investment decisions for TVP. It sets out the long term context in which decisions are made with reference to the life of the projects/assets.

3 Capital Expenditure – Definition

Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset. Fixed assets are tangible or intangible assets that yield benefits to TVP generally for a period of more than one year, e.g. land and buildings, ICT, business change programmes, equipment and vehicles. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services.

The capital programme is TVP's plan of capital works for future years, including details on the funding of the schemes.

4 Capital vs. Treasury Management Investments

Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Annual Treasury Management Strategy Statement.

The CIPFA Treasury Management Code recognises that some local authorities are entitled to make investments for policy reasons outside of normal treasury management activity. These may include service and commercial investments. However, like all police forces in England and Wales, TVP does not have a General Power of Competence, which gives councils the power to do anything an individual can do provided it is not prohibited by other legislation. As such, TVP is prevented from entering into commercial investment activities.

5 Links to other corporate strategies and plans

The PCC produces his Police and Criminal Justice Plan every four years. The current version covers the period 2021 – 2025.

The Chief Constable produces a Force Strategic Plan which is updated annually.

To support these overarching documents a number of interrelated strategies and plans are in place, such as the Financial Strategy, Medium Term Financial Plan, Medium Term Capital Plan, Capital Strategy, Asset Management Plan and the Treasury Management and Annual Investment Strategy.

The operation of all these strategies and plans is underpinned by the Code of Corporate Governance which includes Financial Regulations and Contract Procedure Rules.

Capital resources should be directed to those programmes and projects that optimise the achievement of these outcomes. The following processes are designed to ensure this happens.

6 The Capital Budget Setting Process

6.1 Introduction

At any given time TVP is committed to rolling medium term revenue & capital plans that usually extend for 4 years setting out the anticipated level of expenditure and the associated funding. These plans are drawn up, reassessed and extended annually and, if required, re-prioritised to enable TVP to achieve the aims and objectives established in the PCC's Police and Criminal Justice Plan, the Force Strategic Plan and to support national drivers like the National Policing Vision for 2025.

The Medium Term Capital Plan provides the TVP infrastructure and major assets through capital investment, enabling TVP to strengthen and streamline core assets and systems, and provides the framework for delivering innovative policing with a lower resource profile.

Key focuses of the Capital Programme:

- To ensure the property estate remains fit for purpose, identifying opportunities to streamline assets and develop the estate infrastructure; maintaining core sites, improving core training facilities and progressing the Asset Management Plan.
- To ensure provision is made for ICT & Business Change Technology to maintain and develop the existing infrastructure and invest in the core technologies required to provide innovative digital policing services.
- The maintenance, development and replacement of other core assets (e.g. vehicles and communication infrastructure) to maximise the advantage of new technology and reflect legislative changes.

The plans acknowledge the constrained financial position of TVP and maximise both the available financial resources and the capacity that TVP has to manage change projects.

Planning also takes into account indicative capital requirements beyond the initial four years to ensure decisions taken in the medium term support long term sustainability.

6.2 Force Collaboration & Wider Sector Engagement.

Although TVP has its own Capital Strategy and Medium Term Capital Plan the national drivers that encourage local and regional forces to collaborate, such as cost and resource sharing, along with structured collaborations and national plans, can have a significant influence on local decision making.

Therefore an important element of the TVP Capital Strategy is to acknowledge regional and national partnership working, both with other forces and in the wider context of engagement with Local Authorities & Councils, other

Emergency Services and the Crown Prosecution Service, to improve overall service to the public.

6.3 The Capital Budget Setting Process & Timetable Overview.

For any particular budget setting year, the process for TVP starts during the summer of the preceding year with the Governance & Service Improvement Department and other key Stakeholder groups for both TVP and other Collaborative Forces agreeing the timetable and communication strategy to be adopted to secure investment requirements and ideas from the stakeholder groups covering the key criteria, such as:

- Achievement of high level agreed PCC, Force, Regional and/or National outcomes;
- Maintenance of the essential infrastructure of the Force;
- Development of improved Force wide capability
- Adjustments to existing prioritised plans / projects.
- Rationalisation & modernisation of estates
- Carbon management & Health and Safety
- Invest to save schemes.

Bids for consideration will be submitted into Force Change teams for both TVP and collaborative Forces in order that a joined up approach is made to capital investment.

Each bid will only progress if supported by the appropriate chief officer. The bids are then scored via the Forces' Prioritisation Matrix, which provides considers key factors in assessing the importance of the bid. The bids will then be presented to and extensively reviewed by the Chief Constables Management Team and Joint Force Chief Officer Groups with an initial view of potential affordability.

Typically a costed draft Medium Term Capital Plan will then be presented to the PCC late autumn, providing views on affordability and potential funding issues and options.

A final version of the Medium Term Capital Plan will be presented to the PCC in the following January for approval, reflecting the known funding position and any further developmental work on the plan.

The formal PCC approval sets the capital budget for the following year, and acknowledges the intention for planning purposes of the remaining years of the Medium Term Plan.

6.4 Affordability and Financial Planning.

The overall financial position of TVP and hence the scope for future capital expenditure must take into consideration the combination of the revenue budget, capital programme as well as the position on reserves. The revenue and capital budget positions are intertwined as achieving the TVP priorities may require revenue expenditure or investment in capital items, depending on what is needed, and one impacts the other.

The revenue Medium Term Financial Plan will identify the potential financial position for TVP for the next four years and will include forecasts on inflation, committed growth requirements, forecast productivity and efficiency savings, assumptions around grant and council tax funding and any other information introduced during the budget process.

The revenue position influences the capital position in terms of potential affordability of support for Direct Revenue Financing (DRF) or debt charges (for external borrowing) whereas the capital bid process influences the revenue position in terms of both revenue consequences of capital programmes and also the requirement to financially support capital investment, either through DRF or external borrowing.

The extent to which the annual revenue budget, through the 4 year forecast, is expected to be able to support the capital programme is a key factor to overall financial planning and is becoming more so as other sources of funding cease to be available.

6.5 Capital Sustainability.

The financial position is changing. For many years TVP has benefitted from substantial capital reserves, supported by the sale of operational buildings and/or police houses or from revenue reserves assigned to capital investment.

As we move forward through the next 4 years and beyond the picture moves away from funding of the capital programme through use of accumulated reserves and into a position of funding through either DRF or external borrowing for specific projects. This is expected to be during a continued period of revenue pressure and uncertainty.

The TVP Strategy is therefore to invest in core infrastructure now that will not only offer overall service improvements to the public, but also maximise revenue savings into the future through more efficient and mobile use of police personnel, enabled by improved Information and Communication Technology systems and other core infrastructure, for example, a connected vehicle fleet and building assets.

The TVP investment strategy will also be influenced by and take account of national visions for policing, regional and local priorities.

6.6 The Formal MTCP Approval Process

As indicated, the PCC receives the updated Capital Programme in January each year as part of the overall suite of budget reports.

The PCC approves the overall borrowing levels as part of the Treasury Management Report. The taking of loans, if required, then becomes an operational decision for the PCC's Chief Finance Officer who will decide on the basis of the level of reserves, current and predicted cash flow, and the money market position whether borrowing should be met from internal or external borrowing.

Once the PCC has approved the capital programme, expenditure can be committed against these approved schemes subject to the normal contract procedure rules and the terms and conditions of funding.

Whether capital projects are funded from grant, contributions, capital allocations, borrowing or leasing, the revenue costs must be able to be met from existing revenue budgets or identified (and underwritten) savings or income streams.

Following approval by the PCC, capital expenditure is then monitored on a regular basis.

7 Individual Project Management

Capital projects are subject to high levels of scrutiny. The precise scrutiny will vary dependant on the type of project and may be influenced by size or by the makeup of regional involvement. Each project will have a Project Manager and potentially a team to implement the project.

Typically, projects will have a dedicated Project Board which, if part of a larger programme, may sit under a Programme Board. Programme and Project Boards will have a Senior Responsible Officer.

Detailed oversight is further provided through ICT Project Management Office, the Strategic Estates Group and Force Change Boards.

Regional Projects or Programmes may also report into Regional Boards.

8. Project Funding

Once an approved capital project is initiated, proportionate project funds are released to project managers in stages, called Stage Gates, rather than funding being released in full at the start of the project.

Depending on project size the initial limited release of funds will enable a project to be started and relevant project documentation (e.g. a detailed

business case) to be completed. Once that has been satisfied further funds will be released in stages at specific project review points or stage gates within existing project management processes, which will be defined and agreed with project managers at the start of the project and linked to observable project progression points.

This enables the Force to link the release of funds to key project milestones or progress points and enable improved visibility of project progress relative to variances.

9 Monitoring of the capital programme

The Director of Finance will submit capital monitoring reports to the PCC on a regular basis throughout the year. These reports will be based on the most recently available financial information. These monitoring reports will show spending to date and compare projected expenditure with the approved capital budget.

From 2022/23 onwards we are also monitoring revenue programme costs alongside capital expenditure in order to measure and monitor the overall cost to TVP of designing and implementing specific capital schemes.

For proposed in-year amendments to the annual capital budget, for new schemes not already included in the medium term capital plan, the Director of Finance will prepare a business case for submission to the PCC for consideration and approval, including details on how the new scheme is to be funded.

Monitoring reports presented to the PCC at his liaison meeting with the Chief Constable.

In addition, for those business change programmes where a formal Board has been established, a detailed scheme monitoring report is presented to each Board meeting.

10 Performance Management

Clear measurable outcomes should be developed for each capital scheme. After the scheme has been completed, the Chief Constable is required to check that outcomes have been achieved.

Post scheme evaluation reviews should be completed by TVP for all schemes over £0.5 million and for strategic capital projects.

Reviews should look at the effectiveness of the whole project in terms of service delivery outcomes, design and construction, financing etc. and identify good practice and lessons to be learnt in delivering future projects.

11 Funding Strategy and Capital Policies

This section sets out TVP policies and priorities in relation to funding capital expenditure and investment.

11.1 Government Grant

With effect from 2022/23 general Home Office capital grant has ceased. We still have an amount of accumulated capital grant from previous years, which has been brought forward in the Balance Sheet, that will be applied in coming years.

Specific capital grants may be received for agreed capital works. This applies to TVP as well as the regional policing units for which TVP is the lead force (e.g. Counter-Terrorism Policing and the Regional Organised Crime Unit).

11.2 Capital Receipts

A capital receipt is an amount of money which is received from the sale of an item on the fixed asset register. They cannot be spent on revenue items.

These capital receipts are used to help finance the capital programme. Unfortunately, the pool of assets available for sale is rapidly declining and the financial support these receipts provide is diminishing rapidly.

11.3 Revenue Funding

Recognising that the pool of assets available for sale is declining direct revenue funding (DRF) is seen as a sustainable funding alternative. An appropriate provision for DRF is included in both the annual revenue budget and the medium term financial plan. As TVP moves forward this will become the limiting factor for capital investment as it balances annual revenue funding priorities with long-term capital investment strategies.

11.4 Prudential Borrowing

Local Authorities, including the Police, can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported financially by the Government so TVP needs to ensure it can fund the repayment costs. The TVP Minimum Revenue Provision (MRP) Policy sets out a prudent approach to the amount set aside for the repayment of debt.

Due to the ongoing debt charges (i.e. MRP and external interest charges) TVP will currently only consider external borrowing for long-term estate projects.

11.5 Reserves and balances

Unspent capital grant and capital receipt monies can be carried forward in the Balance Sheet until they are required to fund the capital programme.

TVP also uses money held in earmarked revenue reserves to help fund capital expenditure. The Estates & Custody and ESMCP reserves will be used to ensure funding is available for essential capital spend.

HM Treasury guidance on capital projects recognises that there is a potential for project costs to exceed the initial assessment. This is called Optimism Bias and relates to any project type, although it can have a particularly high impact when relating to the development of complex ICT or business change programmes.

All new capital schemes in the MTCP will need to include an appropriate element for Optimism Bias and funding will be sought appropriately, essentially identifying the Bias as part of the project cost used to influence prioritisation decisions.

11.6 Third party capital contributions

On occasion TVP will receive income from a third party (usually a local authority) who have agreed to contribute towards an asset (e.g. ANPR cameras) that TVP will own.

11.7 Leasing

TVP may enter into finance leasing agreements to fund capital expenditure. However, a full option appraisal and comparison of other funding sources must be made and the Director of Finance and the Chief Finance Officer must both be satisfied that leasing provides the best value for money method of funding the scheme before a recommendation is made to the PCC.

Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the authority's borrowing.

Items funded through leasing will be included in the MTCP.

12 Procurement and Value for Money

Procurement is the purchase of goods and services. TVP has a Procurement Department that ensures that all contracts, including those of a capital nature, are legally compliant and best value for money.

It is essential that all procurement activities comply with prevailing regulations and best practice as set out in the Code of Corporate Governance, which includes Contract and Financial Regulations. Guidance on this can be sought from the Procurement team.

The main aim is to hold 'value for money' as a key goal in all procurement activity to optimise the combination of cost and quality.

13 Partnerships and Relationships with other Organisations

Wherever possible and subject to the usual risk assessment process TVP will look to expand the number of capital schemes which are completed on a partnership basis and continually look for areas where joint projects can be implemented. In support of this initiative:

- TVP has a joint ICT Department with Hampshire Constabulary and a number of ICT and business change programmes are being delivered collaboratively.
- Other capital schemes, most notably new technology programmes, are being delivered across the SE region in support of the SE Regional Information Technology (SERIT) strategy.

Although TVP procures capital items on behalf of other consortium partners only TVP related expenditure which will be included in the fixed asset register will be included in the medium term capital plan and the annual capital budget.

14 Management Framework

The PCC has given legal consent for the Chief Constable to own short life assets, such as ICT, equipment and vehicles.

Although the PCC owns all land and buildings, on a day to day basis, the Head of Property manages the estate on his behalf.

The Director of Finance manages the medium term capital plan and the annual capital budget and provides regular updates to the CCMT who, collectively, maintain oversight of planned expenditure.

The PCCs Chief Finance Officer is responsible for developing and then implementing the Treasury Management Strategy Statement, including the Annual Investment Strategy.

During the budget preparation process the CCMT take a strategic perspective to the use and allocation of TVP capital assets and those within its control in planning capital investment. They receive reports on proposed capital projects and make formal recommendations to the PCC during the development of the capital programme.

Having approved the medium term capital plan and the annual capital budget in January each year the PCC formally holds the Chief Constable to account for delivery of capital projects during his monthly liaison meetings (private) and quarterly public Performance and Accountability meetings.

15 Risk Management

Risk is the threat that an event or action will adversely affect TVP's ability to achieve its desired outcomes and to execute its strategies successfully.

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.

The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. The corporate risk register sets out the key risks to the successful delivery of TVP's corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks, or maximise opportunities.

To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.

It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in complex and costly business change programmes.

TVP accepts there will be a certain amount of risk inherent in delivering the desired outcomes of the Police and Criminal Justice Plan and will seek to keep the risk of capital projects to a low level whilst making the most of opportunities for improvement. Where greater risks are identified as necessary to achieve desired outcomes, TVP will seek to mitigate or manage those risks to a tolerable level. All key risks identified as part of the capital planning process are considered for inclusion in the corporate risk register.

The Director of Finance and Chief Finance Officer will report jointly 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.

15.1 Funding Capacity Risk

This is the risk that identified project costs are either understated or escalate during the project lifecycle, for example if project scope changes. This risk is

mitigated as far as possible by the identified monitoring process and controls. All new capital schemes should include an appropriate allowance for optimism bias.

15.2 Credit Risk

This is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot complete the agreed contract. Accordingly, TVP 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.

15.3 Liquidity Risk

This 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. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Where possible appropriate interventions will occur as early as possible.

15.4 Interest Rate Risk

This 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 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.

There is also a risk that external interest rates will rise, after the budget has been set, meaning that actual debt charges are higher than those included in individual business cases and more widely in the revenue budget. This risk will be managed by the Chief Finance Officer who will liaise with external Treasury Management advisors to determine the best time to take new external loans.

15.5 Exchange Rate Risk

This 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.

15.6 Inflation Risk

This 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 our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

15.7 Legal and Regulatory Risk

This 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, TVP 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.

15.8 Fraud, Error and Corruption

This 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. TVP has a strong ethical culture which is evidenced through our values, principles and appropriate behaviour. This is supported by the national Code of Ethics and detailed policies such as Anti-Fraud, Bribery and Corruption, and Declaration of Interests.

16 Other Considerations

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

January 2023