



FINANCIAL PLANS RECOMMENDATION & STRATEGY 2024/25 – 2027/28

This paper recommends that the Financial Plans are approved, highlighting the most significant risks. It 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 2024/25
- Medium Term Financial Plan for 2024/25 to 2027/28
- Capital Budget for 2024/25
- Medium Term Capital Plan for 2024/25 to 2027/28
- Summary of Reserves, as shown in the Appendix A to this paper

The PCC is requested to propose the Council Tax Precept increase of £13 (Band D) to the Police and Crime Panel.

2. RECOMMENDATION

Strategic Alignment

The budget supports TVP's policing plan and aligns with the PCC's strategy. In particular, the budget supports the PCC's Police & Criminal Justice Plan and through the establishment of additional neighbourhood and crime investigation officers.

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, savings plans 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 CC. This has given opportunity for challenge of assumptions, review of options, proposal of changes and agreement on direction through the process. There have been detailed review of savings plans, in particular the analysis of headcount changes.

Risks

It is important that the main financial risks are identified and adequately addressed through the plan. Risks of particular note are:

1. Efficiency Programme and Force Review. The budget includes a challenging efficiency target, with an especially large impact required in 2025/26 (Year 2). There is a risk that savings are delayed, particularly in relation to enabling services. Systems are a limiting factor on productivity improvements, but require resource to improve. The force is committed to this plan, and it formed a focus of the autumn Senior Leadership Forum. Force Review planning is being scrutinised internally, by the PCC, and through the use of external expertise. The PCC has allocated £1m of his directly controlled reserves to fund projects delivering cashable savings.
2. Estates capital requirements are estimated to require borrowing of more than £100m. There is a risk that the revenue impact is not affordable in the long term. Whilst many individual schemes are indicative at present, roadmaps for Custody and Central Oxfordshire have been agreed based on operational necessity and whole life cost: failing to invest will result in operating cost inefficiencies. Although much of this spend is likely to be beyond the medium term planning horizon, 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 revenue cost of capital (through the Minimum Revenue Provision) and interest costs make significant capital investment unaffordable in the long term.
3. The constrained public spending environment gives rise to the risk that future funding does not cover increasing demand and higher inflation and interest rates. The plan targets a balanced budget with realistic (neither unduly optimistic nor pessimistic) assumptions – for example the plan includes demand growth at a modest level, and funding growth which is less than inflation.

Appropriate Level of Reserves

General balances are expected to continue between 2.5 and 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 further efficiency savings are delivered 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, maintaining financial sustainability whilst avoiding unnecessary cuts to services.

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

Implementation of the financial strategy is underpinned by:

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

Related strategy documents:

- Capital Management Strategy
- Treasury Management Strategy

January 2024

Summary of General and Useable Reserves

Reserve	Predicted Closing Balances By Year					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
General Reserve	-£20,130,772	-£15,512,325	-£15,771,722	-£15,771,722	-£15,771,722	-£15,771,722
% of NRE	3.99%	2.78%	2.72%	2.68%	2.59%	2.52%
I&P	-£17,403,002	-£16,883,852	-£4,531,103	-£1,086,251	-£1,129,515	-£1,449,762
Covid Support	-£2,923,622	£0	£0	£0	£0	£0
CCTV	-£1,000,000	-£635,000	-£635,000	-£635,000	-£635,000	-£635,000
SDCM	-£4,000,000	-£2,361,764	£0	£0	£0	£0
Estates & Custody	-£9,445,891	-£12,933,196	-£680,287	-£457,287	-£2,457,287	-£5,957,287
PCC Efficiency	£0	£0	-£1,000,000	-£1,000,000	-£1,000,000	-£1,000,000
	-£34,772,515	-£32,813,812	-£6,846,390	-£3,178,538	-£5,221,802	-£9,042,049
Totals	-£54,903,287	-£48,326,137	-£22,618,112	-£18,950,260	-£20,993,524	-£24,813,771

Other Reserves

Reserve	Predicted Closing Balances By Year					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Conditional Funding	-£4,041,323	-£4,041,323	-£4,041,323	-£4,041,323	-£4,041,323	-£4,041,323
Transport Reserve	-£1,282,221	-£1,282,221	-£1,282,221	-£1,282,221	-£1,282,221	-£1,282,221
Insurance Reserve	-£5,294,200	-£5,294,200	-£5,294,200	-£5,294,200	-£5,294,200	-£5,294,200
SEROCU*	-£5,151,000	-£4,206,000	-£4,206,000	-£4,206,000	-£4,206,000	-£4,206,000
Crime Prevention Reserve	-£3,422,000	-£3,422,000	-£2,422,000	-£2,422,000	-£2,422,000	-£2,422,000
Partnership Reserve	-£543,000	-£543,000	-£543,000	-£543,000	-£543,000	-£543,000
Totals	-£19,733,744	-£18,788,744	-£17,788,744	-£17,788,744	-£17,788,744	-£17,788,744

* SEROCU - 67% Held on Behalf of Other Forces;

Capital Reserves

Reserve	Predicted Closing Balances By Year					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Capital	-£37,961,000	-£26,999,000	-£6,574,000	£862,000	-£5,673,000	-£4,445,000
Totals	-£37,961,000	-£26,999,000	-£6,574,000	£862,000	-£5,673,000	-£4,445,000
Total of All Funds Held	-£112,598,031	-£94,113,881	-£46,980,856	-£35,877,004	-£44,455,268	-£47,047,515



Report for Decision Performance and Accountability Meeting on 18th January 2024

Title: Four Year Medium Term Financial for 2024/25 to 2027/28

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 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 Decisions Required

- 2.1 The PCC is asked to notify the Police and Crime Panel:
- 2.2 That, subject to final tax base notifications, the council tax requirement for 2024/25 be set at £262,294,520
- 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 2024/25 as set out in Appendix 1
- 2.5 That the police element of the council tax for 2024/25 be set at £269.28 for properties in Band D (an annual increase of £13), 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 2024/25

Property Band	Relevant Proportion	PCC Element of the Council Tax
A	6/9	£179.52
B	7/9	£209.44
C	8/9	£239.36
D	9/9	£269.28
E	11/9	£329.12
F	13/9	£388.96
G	15/9	£448.80
H	18/9	£538.56

- 2.6 That the use of Reserves to fund the specified initiatives is approved.

3 Background

- 3.1 This budget is prepared on the back of significantly unsettled financial and commercial world markets, which have led to significant and variable inflationary pressures on goods and services, which continue into the preparation of this MTFP thus making forecasts and the preparation of budgets very demanding.
- 3.2 In July 2023, the Government announced a pay increase of 7% for Police Officers, for which TVP followed suit for Police Staff, and although this was partly funded by the Home Office, this has again added significant committed financial pressure to 2024/25 budget setting and the potential to allow for future pay increases beyond 2.5%.
- 3.3 In December 2023, 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. This is however the last year of the current CSR, and with a General Election due to be held in 2024, the future guarantee of funding at or above current levels is very uncertain.
- 3.4 The December 2023 settlement also gave PCCs in England the flexibility to increase their precept income by £13 (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 will continue into the new 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.

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 end the year with 2.7 FTE officers above its current target Establishment, including all PUP funded posts, and is bidding to retain these numbers plus an additional 20 for the forthcoming financial year. This will be hard in terms of recruitment and retention but the force is investing in these areas to ensure the maximum benefits can be achieved from the increase in officer numbers afforded by

the PUP programme.

- 4.4 In response to the competing financial pressures, increasingly complex and challenging demands and to ensure a return on current and future investments, including the Police Uplift Programme, the force is undertaking a Force wide Review. This is a review of our internal structures, delivery mechanisms and service provision to ensure we are in the best position possible to deal with the demands of modern-day policing and the challenges put forward from changes in policing and in society. A key element is identifying the financial savings and delivering productivity.
- 4.5 The force is now in a position to start implementing the first stages of the force wide review of how the organisation should be structured in order to maximise operational delivery. This will start in March 2024 and will initially double the number of Officers (by 150 FTE) in Local Neighbourhoods, from the PCC's investment in an additional 80 Officers in 2023/24, as well as embedding the new Assessment Investigation Units (AIUs) into business as usual, relieving pressures on the frontline response Officers.
- 4.6 The Police service, both nationally and locally, is going through a period of reform to adjust to the financial challenges created by fluctuating 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 needs to be carefully managed by the force.
- 4.7 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 the level of police service which is affordable based on the current funding assumptions and potential for Council Tax increases. It includes the financial outcomes and requirements identified from significant internal work carried out over the 12 months by the force, alongside the financial impacts of external influences.
- 4.8 Management of future financial challenges will require relentless prioritisation. The Force Review programme will go a long way to address this, however the balance needs to be met through productivity and local savings initiatives and a higher than previously seen use of reserves.
- 4.9 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
- 4.10 and force priorities :

- Serving Victims
- Building Trust
- Fighting Crime
- Valuing Our People

4.11 Recruitment and retention, 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.

5 Medium Term Financial Plan

5.1 The summary of the 4 year plan currently stands as:

Table 2 – Current 4 Year MTFP Summary

	Estimated Budget 2024/25 £'000	Estimated Budget 2025/26 £'000	Estimated Budget 2026/27 £'000	Estimated Budget 2027/28 £'000
<u>Expenditure</u>				
Opening Budget	526,307	557,916	575,977	594,670
Inflation				
General	2,393	803	804	507
Pay	30,868	11,015	10,338	10,165
Specific	3,597	4,226	3,234	3,304
Productivity Savings	-7,592	-12,830	-2,000	-2,000
Growth	4,914	11,847	3,317	1,700
Reserve Funding	-2,571	3,000	3,000	5,000
Revised Budget Requirement	557,916	575,977	594,670	613,346
<u>Funded By</u>				
Opening Budget	-526,307	-557,916	-575,785	-594,184
Council Tax	-16,039	-15,197	-15,700	-16,217
Government Grants	-15,570	-2,672	-2,699	-2,726
Revised Funding	-557,916	-575,785	-594,184	-613,127
Annual Shortfall / (Surplus)	0	192	294	-267
Cumulative Shortfall / (Surplus)	0	192	486	219

5.2 As can be seen from the above, based on current assumptions, the plan is balanced in 2024/25 with, given the uncertainties around future government funding, a modest cumulative shortfall of £0.22m over the following 3 years.

5.3 The full 4 Year MTFP is shown at Appendix 3.

- 5.4 It should also be noted that whilst we have provided a four year plan, the current CSR announcements only cover the first year, and as such in subsequent years, the grant increases have been assumed to be 1% annually i.e. a real terms cut based on current inflation rates.
- 5.5 The Revenue budget summary for 2024/25 by spend group is summarised below with full details being shown in Appendix 1

Table 3 - Revenue Budget Summary 2024/25

	2023/24 £'000	2024/25 £'000
PCC Controlled Expenditure	10,436	10,798
TVP Operational Budget		
Employees	441,579	494,632
Premises	22,549	22,712
Transport	12,654	12,039
Supplies & Services	79,106	81,492
Third Party Payments	21,270	27,243
Force Income	-41,795	-42,983
Specific Grants	-28,863	-51,661
Capital Financing	11,756	12,323
Reserve Appropriations	-2,385	-8,679
Cost Of Services	526,307	557,916
Funded By		
Council Tax	-248,256	-264,295
Government Police Grants	-278,051	-293,621
Total Funding	-526,307	-557,916

- 5.6 It should be noted that the key changes from year to year are the increase in pay inflation and costs for Employees, the increase in Specific Grants (£12.2m for PUP Funding; £10.2m for Pensions funding); and the increased drawdown from reserves to support short term funding initiatives.

MTFP Assumptions

- 5.7 In compiling the MTFP, the following assumptions have been used as the basis of the plan for the next 4 years:

Table 4 – Statistical Assumptions

Area	2024/25	2025/26	2026/27	2027/28
General Inflation	1.50%	1.00%	1.00%	1.00%
Pay Inflation	2.50%	2.00%	2.00%	2.00%
Specific Inflation	Led by Specific Sector Rates and Factors			

Staff Vacancy Factor	6.28%	4.00%	4.00%	4.00%
PCSO Vacancy Factor	23.09%	10.59%	9.53%	8.58%
Council Tax Precept	£13.00	£10.00	£10.00	£10.00
Council Tax Billing Base	2.00%	2.00%	2.00%	2.00%
Main Government Grants	Actuals	1.00%	1.00%	1.00%

- 5.8 In addition to the above statistical assumptions, we have also assumed within the plan that additional Special Grant funding for 158 PUP Plus Officers will be available for the duration of the plan at the funding rate of £48k per officer. Whilst this funding is very welcome, the funding rate is lower than the base PUP Officers with no allowance for any additional support costs, and only the direct salary and on-costs being covered. There are also no guarantees currently that this funding will be available after 2024/25, this assumption is based on the additional (partial) funding that was received in 2023/24 for 138 officers and the ministers statement following the settlement.
- 5.9 The MTFP also relies heavily on the use of reserves to support the funding of one-off short term growth and investment items. The total identified revenue spend for the next two years is £10m and £6.5m respectively, this is further explained in Section 5.28 -5.37
- 5.10 The MTFP 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.
- 5.11 In addition to the capital provision above, provision has been made for a specific Estates reserve to build up an initial investment fund and ultimately a fund to service longer term borrowing and interest payments given the significant financial requirements that have been identified. This is seen as a sensible approach to secure future financial sustainability and is covered in the Medium Term Capital Plan at Section 8.

2024/25 Budget Detail

- 5.12 Table 5 below shows a summary of the main changes applied to build the 2024/25 Revenue Budget. The following paragraphs will provide further explanation of the changes made:

Table 5 - Summary of Revenue Budget Changes 2024/25

	£'000		£'000
Increases in Grant Funding		Council Tax	
General Grant	-£15,570	Increase in Precept	-£12,676
	<u>-£15,570</u>	Increase in Base Collection Number	-£4,900
		Reduction in Surplus on Collection	£1,537
Productivity Savings			<u>-£16,039</u>
Force Review	-£5,156	Committed Growth from Prior Years	
Overtime Gold Group	-£500	Forensics Improvement Programme	£1,263
Forensics Inflation	-£140	FYE for Uplift of 80 FTE Officers	£2,000
Police Force Levies	-£300	Taser Refresh Programme	£191
Motor Insurance Premium	-£530	Improving the Criminal Justice System	£215
Fleet Charges	-£460	FYE for Increase in POLIT Staff	£233
CMP Re-platforming	-£207	FYE for Increase in VAWG Staff	£249
Uniform Stock	-£300	FYE for Increase in Major Crime Staff	£254
	<u>-£7,592</u>	Custody Healthcare Improvement Contract	£208
Committed Funding		Other Smaller Growth Commitments	£84
Pay Inflation	£30,868		<u>£4,698</u>
Non Pay Inflation	£5,990		
	<u>£36,858</u>	New Proposed Growth Items	
		MASH	£348
Removal Of Prior Year One Off Funding	-£6,109	Redaction Tool	£65
Removal of Temporary AIU	-£2,368	Accommodation/Travel for Student Officers	£525
Increase in Police & Staff Pensions	£11,156	Foundation Training Staff	£212
Police Pensions Specific Grant	-£10,271	PPST Trainers	£84
Reduction in Staff & PCSO Vacancy Levels	£3,577	Initial Policing Team	£46
PUP + Grant (158 Officers)	£7,584	Additional ACC	£178
PUP + Specific Grant (158 Officers)	-£7,584	Fleet Support Manager	£34
Other Committed Pay Increases	£850	DEVA Phase 2	£642
Growth in Vetting Staff	£280	AIU Permanent Funding	£2,368
Creation of Out of Court Disposals Team	£400	Multi-Agency Public Protection System (MAPPS)	£25
Growth for Legislation and Compliance	-£398	Data & Systems Roadmap	£457
PUP Specific Grant from General Grant	-£4,570	A&Q Administrator	£31
	<u>-£7,452</u>	Comms Team Increase	£84
			<u>£5,097</u>
Shortfall Before Increase in Council Tax	<u>£6,244</u>	Overall Budget Shortfall /(Surplus)	<u>£0</u>

Grant Funding

5.13 General grant has increased by £15.6m which covers the committed grant the Government announced in 2022/23 for the funding of the increased pay awards at 7% paid in September 2023

Productivity Savings

5.14 The current 4 year productivity plan is shown below in Table 6:

Table 6 - Summary of Force Productivity Plan

	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000
Central Initiates					
Estates Rationalisation	£10	£315	£0	£0	£325
Force Review - Part 1	£3,718	£4,405	£0	£0	£8,123
Force Review - Part 2	£1,428	£5,973	£0	£0	£7,400
Future Savings Provision	£0	£2,000	£2,000	£2,000	£6,000

	£5,156	£12,693	£2,000	£2,000	£21,848
Efficiency & Effectiveness					
ICT CMP Re-Platform	£207	£138	£0	£0	£345
	£207	£138	£0	£0	£345
Local Initiatives					
Reduction in Motor Insurance	£430	£0	£0	£0	£430
CTC Fleet Charges	£460	£0	£0	£0	£460
Forensics Inflation	£140	£0	£0	£0	£140
Other Police Force Levies	£300	£0	£0	£0	£300
Uniform Stock	£300	£0	£0	£0	£300
Overtime Expenditure	£500	£0	£0	£0	£500
	£2,130	£0	£0	£0	£2,130
Total Productivity Savings	£7,492	£12,830	£2,000	£2,000	£24,323

- 5.15 The bulk of the identified savings are coming through the Force Review project, particularly in the next two years. Part 1 savings have been identified in detail by the individual departments and hence have a high degree of confidence in delivery, both in relation to financial value and timing. Part 2 savings have been identified in relation to the department from which they will be found, and external expert help is being resourced to support this work. Hence there is high confidence that the financial savings can be found from the Enabling Departments in part two of the review, albeit the detail still needs to be worked through.
- 5.16 The Local Initiatives are savings that have been identified during the year by working through various areas of the budgets to review previous assumptions and current demands. This is on-going work and further savings in other areas will be added to the plan once they have been approved and actioned.
- 5.17 The plan also includes savings provision to allow for currently unidentified critical growth in future years which may or may not materialise – this is felt to be prudent in the current financial climate and specific savings to meet these provisions will be worked on throughout the MTFP period

Committed Funding

- 5.18 The largest committed cost is the pay inflation at £31m, which covers Officers, Staff and PCSOs plus all the associated on-costs, for the full year effect of the 7% award in 2023 and the budgeted for award of 2.5% in 2024.
- 5.19 Non-pay inflation adds a further £6m based on market estimates and specific indices for specialist items. Overall the total inflation bill adds £37m to the overall cost of the force, which equates to an increase on the base revenue requirement of 7%.
- 5.20 Other main committed costs include:

- The removal of prior year one off funded items, together with the removal of temporary funding for the AIU is a reduction to the budget of £8.5m.
- The actuarial valuation of the police pensions fund has led to an increase in the employers' contribution rate, which is fully funded by special grant. The Staff pension scheme has also increased, however this is unfunded at an annual cost of £0.9m
- Due to the force review, a number of vacant positions have been removed as part of the long terms savings plans, which has meant the previously assumed vacancy factors have had to be reduced to maintain realistic levels going into 2024/25. This has added a further £3.5m to the budget.
- Part of the base funding for the initial PUP officers has been moved from the general grant into special grant, to the value of £4.6m, with an additional allocation of special grant for the PUP+ Officers for which we are expecting to receive funding for an additional 158 Officers in 2024/25 at £7.6m

Council Tax

- 5.21 The council tax precept has been set at the maximum increase permitted to the PCC at £13 for a Band D Household, which supports the presented MTFP to a balanced position for 2024/25.
- 5.22 The increase in the estimated number of households paying Council Tax has been set at 2%, this will be confirmed once all the individual councils have their final estimate figures.

Committed Growth from Prior Years

- 5.23 The committed growth from prior years covers ongoing growth to multiyear programmes of work on the Forensics Improvement Programme (1.3m), and the refresh of the force wide TASER assets (2m).
- 5.24 There is also committed growth for salaries where posts were only part funded in 2022/23, these include the growth in officers (80 FTE) for Local Policing (£2m) and growth in various staff posts for POLIT, VAWG and Major Crime (£0.7m).
- 5.25 The remaining growth is for committed contracts whereby part year funding was only required in the first year, and covers mainly Criminal Justice and Custody Healthcare (£0.4m)

New Proposed Growth

- 5.26 As part of the increase in Council Tax Precept, a number of new growth items have been included in the base budget which will support the strategic and operational priorities of the organisation as well as bringing benefits to the public, as outlined in

an open letter from the Chief Constable to the Police and Crime Commissioner, attached at Appendix 4. Where the investment requires one off funding the I&P reserve is utilised.

5.27 The growth items are shown in the below Table:

Table 7 - Summary of New Revenue Growth

Improving Victim Services		£'000
AIU Permanent Funding	£2,368	To permanently invest in the Assessment and Investigation Units to support our communities and reduce demand on our frontline response teams
DEVA Phase 2	£642	To increase our digital forensics capacity to faster and better analysis digital data in crimes.
Strengthening Community Policing		
Foundation Training Staff	£212	To invest in our training teams to support the ongoing National PUP, to develop our workforce in order to bolster Neighbourhood Officer resources.
PPST Trainers	£84	
A&Q Administrator	£31	
Initial Policing Team	£46	
Accommodation/Travel for Student Officers	£525	
Protecting Vulnerable People		
MASH	£348	To invest in our Multi Agency teams and systems to support those most vulnerable
Multi-Agency Public Protection System (MAPPS)	£25	
Legitimacy & Public Value		
Additional ACC	£178	To oversee embedding of change and the force restructure to ensure delivery of efficiencies and benefits
Communications Team Increase	£84	To support communications with the public and partner agencies, including supporting recruitment and retention
Infrastructure & Investing for Future Delivery		
Redaction Tool - ongoing revenue support	£65	On-Going revenue support for the redactions tools
Fleet Support Manager	£34	To engage and review the forces transport needs
Data & Systems Roadmap	£457	To develop our ICT Infrastructure for information
Total New Revenue Growth Items		£5,097

Use of Reserves

5.28 The use of reserves features heavily in the proposed MTFP and Table 7 below shows the current and predicted balance on the various specific useable reserves:

Table 7 – Summary of General & Usable Reserves

Reserve	Predicted Closing Balances By Year				
	2023/24	2024/25	2025/26	2026/27	2027/28
General Reserve	£15,512,325	£15,771,722	£15,771,722	£15,771,722	£15,771,722
% of NRE	2.78%	2.72%	2.68%	2.59%	2.52%
I&P	£16,883,852	£4,531,103	£1,086,251	£1,129,515	£1,449,762
CCTV	£635,000	£635,000	£635,000	£635,000	£635,000
SDCM	£2,361,764	£0	£0	£0	£0
Estates & Custody	£12,933,196	£680,287	£457,287	£2,457,287	£5,957,287
PCC Efficiency	£0	£1,000,000	£1,000,000	£1,000,000	£1,000,000
	£32,813,812	£6,846,390	£3,178,538	£5,221,802	£9,042,049
Totals	£48,326,137	£22,618,112	£18,950,260	£20,993,524	£24,813,771

5.29 General Reserves are being maintained at the recommended levels of between 2.5-3.0% of Net Revenue Expenditure (NRE) for the period of the MTFP.

5.30 The I&P Reserve is the main reserve used to fund one-off initiatives and investments, and as such we have revenue investments of £10m in 2024/25, of which £4.5m was approved as part of the previous budget process. The expenditure is partly offset by additions to the reserve from the SDCM Reserve Balance, and also investment into the reserve for the one-off funding received to support the administrative changes required to implement technical changes to the management of the police pension funds.

5.31 Further to the above, we have also earmarked spends in 2025/26 of £6.5m; 2026/27 of £3.3m and £3m in 2027/28.

5.32 A high level summary of the I&P Reserve is shown below with the full analysis of spend shown in Appendix 5 & 5A

Table 9 - Summary of I&P Reserve

	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Opening Balance	16,884	4,531	1,086	1,129
Transfer of Balance from SDCM Reserve	2,362	0	0	0
Funding for Police Pension Administration	1,313	64	320	320
Funding for Inflation Contingency	0	3,000	3,000	3,000
Earmarked New Revenue Spend	-10,083	-6,509	-3,277	-3,000
Existing Projects Spend Brought Forward	-5,760			
Existing Capital Spend	-185			

Closing Balance	4,531	1,086	1,129	1,449
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- 5.33 As can be seen from the above summary, the reserve is being utilised very heavily over the next two financial years with very little thereafter to fund new initiatives should they arise. The current investment and use of reserves is seen as investing to save in the future, so that the force and its structures are in a position to respond to future demands both flexibly and efficiently, driving savings from processes and demand as they arise.
- 5.34 The CCTV reserve has a small amount left in it and has been specifically earmarked to support the development of CCTV within the Thames Valley and will be drawn on as and when necessary to support agreed initiatives.
- 5.35 The SDCM reserve was initially set up to support the pilot of the Assessment Investigation Units (AIUs). These have now proved themselves and as such are being funded permanently through the revenue budget, the balance of this reserve is therefore being transferred to the I&P Reserve as above, and will be closed.
- 5.36 The Estates Reserve is used to fund major property investments and new builds, and is also being used to initiate a fund for investing in the future estates strategy, whilst building a revenue contribution flow which will ultimately be used for funding the repayments against future capital borrowing.
- 5.37 A summary of the Estates Reserve is shown in the table below:

Table 9 - Summary of Estates Reserve

	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Opening Balance	12,933	680	457	2,457
Revenue Contribution for Long Term Borrowing	0	3,000	6,000	11,000
Estimated Borrowing and Interest Costs	-1,000	-2,000	-4,000	-7,500
Capital Investment Spending:				
Western Hub	-1,606			
Lodden Valley	-8,184	-112		
Windsor	-1,463	-1,111		
Closing Balance	680	457	2,457	5,957

- 5.38 The PCC Efficiency reserve is a new reserve from 2024/25, approved by the PCC to support invest to save, short term investment opportunities, which will deliver savings into the future.

Recommendation:

We recommend that the transactions and movements through the above reserves, as laid out above and in Appendix 5, to support future service delivery and infrastructure are approved by the PCC as part of the overall MTFP delivery.

6 Establishment Changes

- 6.1 The Police Uplift Programme (PUP) over the last 3 years has seen TVP receive increased funding for an additional 609 officers from the original allocation of the national Increase of 20,000 officers. In addition, in 2023/24 TVP received partial, one year, funding for an additional 138 PUP+ officers. TVP are now applying for additional funding to support an extra 158 officers (138 2023/24 + 20) over and above the original PUP target, which reflects the excellent work that has been directed to increasing officer numbers from all areas of the force. In total this will give the force 767 PUP and PUP+ officers.
- 6.2 The funding for the base PUP uplift and also the potential PUP+ uplift, both still come with funding caveats which mean that we cannot drop below the designated increases without suffering financial penalties. Whilst the force generally manages its establishment on an FTE basis, the PUP management is based on a headcount basis. The difference being that 2 officers working 20 hours a week, would equate to 1 FTE (based on a standard 40 hour week), but would count as 2 officers when measuring headcount. We therefore need to be very clear on the target number we are working to – the minimum Headcount figures for full PUP funding are shown in the below Table:

Table 11 - PUP Target Headcount Numbers

PUP Initial Baseline for TVP	4,250
Core PUP Funding Target	609
Additional PUP+ Target	158
Minimum Headcount Requirement @ 31/03/2025	5,017
Forecast Headcount @ 31/03/2024	4,997

Note: The above is based on Headcount and includes ALL TVP employed Officers including those in regional units

- 6.3 In addition to the PUP uplift in officers, the Force Review with the benefit of the PCC approved and funded 80 additional officers in 2023/24 have facilitated the realignment of officers to double the Neighbourhood Teams during 2023/24. The Force review restructure programme is reducing a number of posts but initially these are mainly staff and PCSO posts. The following Table shows the target establishments for 2024/25, excluding any additional Police Staff growth that may be approved as

Table 12 - Target Force Establishments

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	Police	Staff	PCSO
Target Establishment @ 31/03/2023	4,444.00	2,980.94	403.88
Approved PCC Growth	80.00	53.37	
Conversion of PCSOs	46.00		-70.88
PUP+ Additional Officers	87.00		
In Year Adjustments	-3.52	43.29	
Target Establishment @ 31/03/2024	4,653.48	3,077.60	333.00
Force Review Savings	-35.00	-15.00	
PUP+ Additional Officers Phase II	71.00		
Target Establishment @ 31/03/2025	4,689.48	3,062.60	333.00
Force Review Savings	-69.00	-19.42	-38.00
Target Establishment @ 31/03/2026	4,620.48	3,043.18	295.00

Note: The above is the Operational Establishment for TVP and does NOT include Regional or National Units part of today's MTFP.

6.4 From the above, the 87 PUP+ Officer growth in 2023/24 was only temporary growth but we are now treating this, along with the additional 71 PUP+ Officer growth in 2024/25 as permanent, giving a total on-going increase in police numbers of 158 from 2024/25. These additional posts will support delivering on our priorities and especially the PCC's priority of Strong Local Policing:

- An increase in our visible community policing
- An increase in the proactive investigation of neighbourhood crime
- More effective investigation of digitally enable neighbourhood crime
- More Rural crime offenders brought to justice
- Responding to increasing reports of shoplifting.

An indicative allocation of these additional posts is:

Additional Policing	New Posts
Neighbourhood policing	60
Neighbourhood investigation (incl retail and rural crime)	60
Training establishment, including officers in training	30
TOTAL	150

7 OPCC Budgets

- 7.1 The budget directly controlled within the OPCC is planned to increase by £0.3m (net of direct external funding). This includes £0.1m of inflationary cost; £0.1m to increase Trust & Confidence in the Force and independent scrutiny; £0.1m to provide project support to effectively deliver the increased investment through commissioning and interventions to deliver the priorities in the PCC's Police & Criminal Justice Plan.

8 Budget Risk & Uncertainties

- 8.1 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

- 8.2 The budget assumes that TVP needs to retain the approved PUP officers (609 over the 3 years) until at least the end of March 2025. If this requirement is extended then this may impact the Force Review and savings identified beyond this date.
- 8.3 A large part of the Uplift funding is currently directly linked with maintaining Officer numbers throughout the financial period, should this continue into future years then a holistic approach to savings opportunities could lead to reverse civilianisation's.
- 8.4 Given the current economic conditions Pay Inflation could be significantly higher than the 2.5% 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 2.5% 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.
- 8.5 The impact of inflation and restricted supply chains continues to have a real impact on the prices and availability of goods and services, which is adding additional pressures to the budget. This is now further being exasperated by the issues in the Red Sea and the attacks on commercial shipping vessels which are adding further risks and issues to the future costs and supply of goods.
- 8.6 A review of the National Funding Formula is still in progress but no changes are anticipated until 2025/26 at the earliest. The impact on TVP could be positive or negative but we would expect some transitional arrangements to mitigate significant grant changes.
- 8.7 The current low strength of the £GB could lead to increased costs, especially around USD priced goods or services such as software licences.
- 8.8 In 2024 there will be both a General Election and Local PCC Elections, these could result in a change of Government and or a change in PCC, which may have future impacts on the funding available to the force and also the strategic direction of

policing both Nationally and Locally.

Local

- 8.9 Recruitment and retention 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
- 8.10 Recent changes to the entry routes for officers are designed to improve the attractiveness of the training offer, whilst changes to the recruitment process are designed to reduce the attrition rate. Initially these changes could impact our pipeline making our recruitment plans more difficult to achieve.
- 8.11 As we continue to increase the number of our police resources, the average length of experience of our officers is reducing, depleting the overall level of skills and knowledge within the organisation.
- 8.12 The Force Review savings target is ambitious and a large part of the overall planned savings, also this will inevitably add additional strains on the current BAU, especially support departments like ICT.
- 8.13 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.
- 8.14 Unquantified demand, whether new operational demand or investment requirements, for example to utilise a national technology initiative may impact on the estimates presented today.

9 Report Conclusions and Recommendations

- 9.1 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.
- 9.2 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 2024 pay awards which will not be known until the middle of next year albeit we may get further indications before that time.
- 9.3 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.

- 9.4 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 .
- 9.5 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 £13 for 2024/25, together with the utilisation of the force reserves as stated.

List of Appendices:

Appendix 1 – Summary of 2024/24 Budget

Appendix 2 – Comparison of Council Tax Band D Values

Appendix 3 – 4 Year MTFP

Appendix 4 – Letter from CC to PCC re Council Tax and Growth

Appendix 5 – Detailed View Of I&P Reserve Transactions

Appendix 5A – Summary of Reserve Funded Growth

Revenue Budget Summary 2024/25

	2023/24 Budget	Inflation	Savings	Virements	Growth	2024/25 Budget
<i>PCC Controlled Expenditure</i>						
Commissioned Services	£8,565,886	£233,985	0	0	0	£8,799,871
Democratic Representation	£171,383	£9,676	0	0	0	£181,059
OPCC	£1,444,815	£104,270	0	0	0	£1,549,085
Other Costs	£254,197	£3,923	0	0	10,000	£268,120
	£10,436,281	£351,854	0	0	10,000	£10,798,135
<i>TVP Operational Budget - Direction and Control of Chief Constable:</i>						
Employees	£441,579,329	£30,927,153	-500,000	1,988,607	20,636,861	£494,631,950
Premises	£22,548,624	£1,129,711	-10,000	43,281	-1,000,000	£22,711,616
Transport	£12,654,019	£412,017	-990,000	-137,218	100,000	£12,038,818
Supplies & Services	£79,105,567	£2,243,048	-5,945,726	-2,983,471	9,072,983	£81,492,401
Third Party Payments	£21,270,349	£1,953,652	-300,000	4,011,560	307,226	£27,242,787
Force Income	£-41,794,972	£-159,312	153,300	-900,289	-282,210	£-42,983,483
Specific Grant	£-28,863,465	£0	0	-374,206	-22,423,638	£-51,661,309
	£506,499,451	£36,506,269	-7,592,426	1,648,264	6,411,222	£543,472,780
<i>Net Capital Financing Costs:</i>						
Capital Financing	£16,980,511	£0	0	0	-57,474	£16,923,037
Interest on Balances	£-5,225,000	£0	0	0	625,000	£-4,600,000
	£11,755,511	£0	0	0	567,526	£12,323,037
<i>Appropriations to/from Balances:</i>						
Appropriations	£-2,384,699	£0	0	-1,648,264	-4,645,807	£-8,678,770
	£-2,384,699	£0	0	-1,648,264	-4,645,807	£-8,678,770
Cost of Services	£526,306,544	£36,858,123	-7,592,426	0	2,342,941	£557,915,182
<i>Funded By:</i>						
Council Tax - Surplus on Collection	£-3,536,731	£0	0	0	1,536,731	£-2,000,000
Council Tax Precept Income	£-244,718,953	£0	0	0	-17,575,567	£-262,294,520
Formula Grant	£-88,739,524	£0	0	0	0	£-88,739,524
Legacy Council Tax Grants	£-15,278,329	£0	0	0	0	£-15,278,329
Police Current Grant	£-174,033,007	£0	0	0	-15,569,802	£-189,602,809
	£-526,306,544	£0	0	0	-31,608,638	£-557,915,182
Total Funding	£-526,306,544	£0	0	0	-31,608,638	£-557,915,182

Appendix 2	2022-23 Precept £	2023-24 Precept £	Precept Income 23-24 £m	Total Income 23-24 £m	Precept/Total
Avon & Somerset	251.20	266.20	156.17	384.93	41%
Bedfordshire	237.09	252.09	57.68	146.36	39%
Cambridgeshire	257.58	272.52	82.30	185.38	44%
Cheshire	235.44	250.44	98.47	247.52	40%
City of London				79.32	0%
Cleveland	275.73	290.73	46.65	166.08	28%
Cumbria	282.15	297.09	52.30	136.28	38%
Derbyshire	251.60	266.60	88.56	229.34	39%
Devon & Cornwall	246.56	261.56	164.72	400.27	41%
Dorset	265.58	280.58	83.41	168.75	49%
Durham	240.24	255.24	46.07	157.43	29%
Dyfed-Powys	290.16	312.65	72.52	139.00	52%
Essex	218.52	233.46	154.84	378.65	41%
Gloucestershire	280.08	295.08	70.53	147.88	48%
Greater Manchester	228.30	243.30	192.96	759.19	25%
Gwent	303.80	324.52	73.00	169.12	43%
Hampshire	236.46	251.46	179.54	434.99	41%
Hertfordshire	223.00	238.00	110.58	264.06	42%
Humberside	253.20	268.19	76.30	237.05	32%
Kent	228.15	243.15	160.68	403.39	40%
Lancashire	236.45	251.45	115.15	365.18	32%
Leicestershire	258.23	273.23	92.97	240.58	39%
Lincolnshire	276.30	291.24	70.41	155.03	45%
Merseyside	236.97	251.97	97.74	424.68	23%
MOPAC	277.13	292.13	909.63	3,419.20	27%
Norfolk	288.00	302.94	93.48	207.75	45%
North Wales	316.80	333.09	100.24	196.77	51%
North Yorkshire	281.06	295.09	91.97	190.97	48%
Northamptonshire	278.04	293.04	75.12	170.71	44%
Northumbria	153.84	168.84	68.88	365.26	19%
Nottinghamshire	254.25	269.19	89.40	265.95	34%
South Wales	302.11	324.47	163.75	375.48	44%
South Yorkshire	223.04	238.04	88.09	334.52	26%
Staffordshire	248.57	260.57	93.88	246.65	38%
Suffolk	247.68	262.62	69.08	160.30	43%
Surrey	295.57	310.57	160.57	291.45	55%
Sussex	224.91	239.91	154.77	368.91	42%
Thames Valley	241.28	256.28	244.99	545.78	45%
Warwickshire	262.71	276.71	60.68	130.17	47%
West Mercia	249.66	264.50	122.12	279.49	44%
West Midlands	187.55	202.55	149.42	739.32	20%
West Yorkshire	221.28	236.28	159.53	574.83	28%
Wiltshire	241.27	256.27	69.43	151.32	46%
Weighted Ave	250.15	265.39			34%

*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>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	
Annual Opening Budget	£526,306,544	£557,915,182	£575,976,525	£594,669,439	
Inflation					
General Inflation	£2,392,759	£803,110	£804,334	£506,903	
Police Pay Inflation	£19,859,416	£7,284,669	£6,887,363	£6,588,325	
Police Staff Inflation	£11,008,954	£3,730,079	£3,450,113	£3,576,010	
Specific Inflation	£3,596,994	£4,226,410	£3,234,222	£3,304,307	
Total Inflation	£36,858,123	£16,044,268	£14,376,032	£13,975,545	
Productivity Plan Savings					
Central Initiatives	-£5,155,726	-£12,692,505	-£2,000,000	-£2,000,000	
Collaborative Initiatives	£0	£0	£0	£0	
E&E Initiatives	-£206,700	-£137,800	£0	£0	
E&E PUP Initiatives	£0	£0	£0	£0	
Local Initiatives	-£2,230,000	£0	£0	£0	
Total Productivity Savings	-£7,592,426	-£12,830,305	-£2,000,000	-£2,000,000	
Committed & Statutory Growth					
Prior Year Adjustments					
134	Phased Removal of One-Off Funding for Upgrade Out of Support Business Support Systems	-£1,000,000	£0	£0	£0
160	Upgrade and Refresh Key ICT Infrastructure	-£317,513	£0	£0	£0
161	ICT - System Upgrades and Development Programme 2022/23	-£822,954	£0	£0	£0
164	Smarter Ways of Working	-£271,131	-£250,000	£0	£0
186	ICT - System Upgrades and Development Programme 2023/24	-£269,848	-£98,114	-£46,250	£0
193	Dashcam's - Revenue Support	-£27,000	£0	£0	£0
199	Forensics Collision Investigation Unit - New Operating Model	-£24,000	£0	£0	£0
204	Investment and Upgrade to CCTV Services	-£445,000	£0	£0	£0
221	Removal of Temporary Funding for AIU Setup	-£2,367,571	£0	£0	£0
235	Reduction in Project Related Budgets	-£360,184	£0	£0	£0
275	Reverse prior Year Contribution to Estates Reserve	-£2,571,085	£0	£0	£0
Pay & Allowance Adjustments					
128	Anticipated Future Uplift in the Staff Pension Scheme Employer Contributions	£885,000	£980,000	£0	£0
176	Growth for Increase in Police Bonus Payments	£0	-£1,000,000	£0	£0
178	Recognition of Police Staff & PCSO Vacancy Levels	£3,576,804	£2,900,000	£100,000	£100,000
179	Detention Officer Shift Allowance	£250,000	£0	£0	£0

214	Review of the Apprenticeship Levy Income from Apprenticeship Roles	109 4488,000	£200,000	£0	£0
238	Increase to Police Pension Employers Contribution	£10,271,165	-£1,300,000	£0	£0
240	Increase In Police Pensions Specific Grant	-£10,271,165	£1,300,000	£0	£0
271	Contribution to Inflation Contingency in I&P Reserve	£0	£3,000,000	£0	£0

In-Year Approved Growth

211	Resourcing for Overtime Governance	£112,455	-£40,113	£0	£0
212	In Year CCMT Approved Increase in Vetting Staff	£280,000	£0	£0	£0
213	In Year CCMT Approve Growth for Out of Court Disposals Team	£400,000	£0	£0	£0
253	Specific Grant for PUP Plus Funding of 158 Officers	-£7,584,000	£0	£0	£0
254	Specific Grant for PUP Plus Funding of 158 Officers	£7,584,000	£0	£0	£0

Service Delivery & Compliance

76	Review of Debt Charges	-£7,474	£0	£0	£0
93	Changes to Loan Charges Grant	£1,309	£366	£0	£0
180	Review of Interest Receipts	£625,000	£1,800,000	£700,000	£200,000
184	Review and Alignment of Budgets Following Detailed Spend Analysis and Forecasts	-£1,007,159	£0	£0	-£600,000
217	Growth in Employer & Public Liability Insurance Premiums	£140,000	£0	£0	£0
223	Nationally Madated Increase in Firearms Licencing Charges	-£300,000	£0	£0	£0
234	Rebase Electricy Charges after Reserve funding is Removed	£0	£520,000	£1,000,000	£0
236	Kennelling For Dogs	£100,000	£0	£0	£0
237	Realignment of External Audit Fees for CC & PCC	£50,000	£0	£0	£0
239	Increase to PUP Ringfenced Grant from Main Grant	-£4,569,782	£0	£0	£0
274	Estates Borrowing and Interest Provision	£0	£3,000,000	£3,000,000	£5,000,000

Committed & Statutory Growth		-£7,452,133	£11,012,139	£4,753,750	£4,700,000
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Committed Growth - Prior Years

Operational Delivery

162	Data Quality Development	-£21,746	£8,406	£8,406	£0
165	Forensics Improvement Programme	£1,263,346	-£227,589	£11,679	£0
166	FYE of Officer Growth in 2023/24 - 80 FTE	£2,000,000	£0	£0	£0
167	Taser Refresh and Uplift Programme	£191,081	-£108,919	£0	£0
173	Improving the Criminal Justice System	£215,000	£0	£0	£0
190	POLIT Staffing Uplift	£233,386	-£18,750	£0	£0
191	Domestic Abuse Standard Support Performance	£53,075	£0	£0	£0
192	VAWG Increase in Staff	£248,759	£0	£0	£0
207	Professionalising the Major Crime Unit Investigation and Reducing External Support	£254,047	£0	£0	£0
226	Contact Centre Digital Strategy & RPA Platform - Move to Base Funding From Reserves	£0	£548,491	£0	£0
260	Provision for Future Essential Growth	£0	£2,000,000	£2,000,000	£2,000,000

Support & Infrastructure

95	ISO Accreditation for FCIU	110	£30,000	£0	£0	£0
103	Property Maintenance - Provision for Future Years		£0	£1,000,000	£0	£0
208	Custody Healthcare - Implementation of 24/7 Healthcare Rota		£208,163	£0	£0	£0
232	Upgrades to Aptos Financial Systems - Ongoing Funding		£23,000	£0	£0	£0
Committed Growth - Prior Years			£4,698,111	£3,201,639	£2,020,085	£2,000,000

New Proposed Revenue Growth

Improving Victim Services

215	Funding for NPCC Digital Fingerprints Capability		£0	£96,040	£0	£0
249	Growth to Permanently Fund the AIU's		£2,367,571	£0	£0	£0
251	DEVA Phase 2		£641,517	£714,962	£0	£0

Strengthening Community Policing

216	Accommodation, Travel and Subsistence Costs of Increased Student Numbers Over Split Sites		£525,000	-£125,000	£0	£0
244	L&D Training Delivery Uplift		£341,600	£0	£0	£0
257	A&Q Administrator - Permanent Position		£31,000	£0	£0	£0

Protecting Vulnerable People

245	Uplift to MASH Staffing		£348,070	-£57,000	£0	£0
250	Multi Agency Public Protection System (MAPPS)		£24,974	£0	£0	£0

Legitimacy & Public Value

246	Additional ACC Position		£177,654	£0	£0	£0
258	Increase in Comms Team to Support Recruitment		£84,000	-£30,000	£0	£0

Infrastructure & Investing for Future Delivery

242	NICHE RMS Upgrade - On-going Revenue Costs		£0	£28,600	£0	£0
247	Fleet Support Manager		£33,624	£0	£0	£0
248	Implementation of Redaction Tool		£65,000	£0	£0	£0
252	Trakka Cabinet Refresh		£0	£6,000	£0	£0
256	Data & Systems Roadmap Implementation		£456,953	£0	-£456,953	£0

New Proposed Revenue Growth			£5,096,963	£633,602	-£456,953	£0
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Reserve Funding

General Reserve Funded

74	Police Officer Reserve Funding for Bank Holidays		-£436,141	£220,763	£0	£0
75	Police Staff Reserve Funding for Bank Holidays		-£76,325	£38,633	£0	£0
263	Reverse Funding to I&P Reserve		-£4,150,000	£0	£0	£0

I&P Reserve Funded

82	Removal of Funding for UCPI/ IICSA Public Enquiries		-£197,000	£0	£0	£0
185	Remove One-Off Funding for MOPI Review, Retention and Deletion Implementation		-£191,136	£0	£0	£0
189	Contact Centre Digital Strategy & RPA Platform		£18,556	-£548,491	£0	£0
195	Force Review		£1,906,453	-£2,706,453	£0	£0

196	Refurbishment of Showers for Imbert Court	111	£0	-£500,000	£0	£0
198	Replacement of Automatic Vehicle Location System (AVLS)		-£213,000	£0	£0	£0
206	Reverse One Off Funding for Upgrades to Aptos Financial Systems		-£141,800	£0	£0	£0
209	McCloud Remedy Costs - Phases 3&4		£307,226	-£51,205	-£256,021	£0
218	PCSO Funding for 12 Months from Reserves		£1,177,985	-£1,177,985	£0	£0
220	Contact Management Retention Bonus Scheme		£500,000	£0	-£500,000	£0
222	Reduction in Reserve Funding for Energy Cap Price Increases		-£1,000,000	-£520,000	-£1,000,000	£0
229	Reverse One Off PUP Funding for Additional Officers Over Target		-£1,000,000	£0	£0	£0
230	Removal of One Off Funding for PDS Design Alignment		-£87,633	£0	£0	£0
231	Removal of One Off Funding for TLS Remediation		-£160,205	£0	£0	£0
233	Inflation Contingency Against Pay Awards		£0	-£3,000,000	£0	£0
241	Police Pension Administration Funding		-£1,620,247	£1,300,000	£0	£0
261	Growth Items Funded from Reserves		£3,030,152	-£1,021,074	-£1,732,095	-£276,983
262	Reverse Transfer from General Reserves		£4,150,000	£0	£0	£0
264	Reverse Transfer from Covid Reserve		£2,724,949	£0	£0	£0
267	Transfer of Balance from SDCM Reserve		-£2,361,764	£2,361,764	£0	£0
270	Reverse Prior Year C Tax Appropriation		£2,094,746	£0	£0	£0
Community Safety Reserve Funded						
77	Community Safety Fund Expenditure		£0	-£200,000	£0	£0
Estates Strategy Funded						
273	Estates Borrowing and Interest Provision		£2,571,085	-£3,000,000	-£3,000,000	-£5,000,000
SDCM Reserve Funded						
268	Transfer of Balance to I&P Reserve		£2,361,764	-£2,361,764	£0	£0
269	Reverse Prior Year Funding of AIU		-£1,638,236	£0	£0	£0
Covid Reserve Funded						
265	Reverse Transfer to I&P Reserve		-£2,724,949	£0	£0	£0
266	Reverse Council Tax Income Guarantee Grant		-£198,673	£0	£0	£0
Appropriations From Reserve						
84	Appropriations to/from the I&P Reserve		-£8,937,282	£5,863,444	£3,488,116	£276,983
85	Appropriations to/from General Balances		£4,662,466	-£259,396	£0	£0
86	Appropriation to/from Community Safety Reserve		£0	£200,000	£0	£0
148	Appropriations to Covid-19 Support Reserve		£2,923,622	£0	£0	£0
227	Appropriation to/from Estates Strategy Reserve		-£2,571,085	£3,000,000	£3,000,000	£5,000,000
228	Appropriation to/from SDCM Reserve		-£723,528	£2,361,764	£0	£0
Reserve Funding			£0	£0	£0	£0

Annual Net Budget Requirement	£557,915,182	£575,976,525	£594,669,439	£613,344,984
Annual Cash Budget Increase	£31,608,638	£18,061,343	£18,692,914	£18,675,545
Annual Percentage Budget Increase	6.01%	3.24%	3.25%	3.14%

Funding Changes

Annual Opening Funding -£526,306,544 -£557,915,182 -£575,784,316 -£594,183,022

Police Grants

69 Police Grant Funding Changes -£15,569,802 -£1,784,830 -£1,802,678 -£1,820,705
70 Formula Grant Funding Changes £0 -£887,395 -£896,269 -£905,232

Total Police Grants -£15,569,802 -£2,672,225 -£2,698,947 -£2,725,937

Council Tax

71 Council Tax Precept Changes -£12,675,791 -£9,945,621 -£10,144,533 -£10,347,424
72 Council Tax Surplus on Collection Changes £1,536,731 £0 £0 £0
73 Council Tax Base Changes -£4,899,776 -£5,251,288 -£5,555,226 -£5,869,221

Total Council Tax -£16,038,836 -£15,196,909 -£15,699,759 -£16,216,645

Total Change in Funding -£31,608,638 -£17,869,134 -£18,398,706 -£18,942,582

Total Annual Funding -£557,915,182 -£575,784,316 -£594,183,022 -£613,125,604

Annual Shortfall / (Surplus)	£0	£192,209	£294,208	-£267,037
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Cumulative Shortfall / (Surplus)	£0	£192,209	£486,417	£219,380
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Jason Hogg
Chief Constable

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Sent by email

11th January 2024

Dear Matthew,

Following on from our recent discussions, I would like to provide you with an update regarding some of the key areas for investment that we are proposing to make and the associated benefits of these to the public

Thames Valley Police is a Force committed to protecting our communities, we continue to make improvements to our service so that the public can contact us and trust us to service victims well, fight crime effectively and build trust with all our communities.

Thames Valley Police are seeking to put forward areas for investment this year that support our annual strategic operational and organisational priorities, and align with our mission, vision and values. However in the context of a challenging financial landscape and the savings targets that we need to achieve, any investment we are seeking will be to enhance our service to our communities and ensure we are giving the best service we can to victims, and to maintain a focus on mitigating critical risks identified, and to deliver some improvement activity.

The below areas of investment will directly support the PCC's Crime and Criminal Justice plan and the Crimefighters plan, including improving our contact with the public, strengthening our community policing, embedding crime prevention, protecting vulnerable people and improving victim services.

The 2022 HMICFRS PEEL report for Thames Valley Police highlighted several areas for improvement for which excellent progress is being made. Thames Valley have since had a number of thematic inspections and have been re-inspected for PEEL in July 2023 which highlighted additional areas of focus. Investment in the below areas will continue to help us to mitigate some of these critical risks so that protecting our communities continues to be at the heart of everything we do and focussing on driving down the crimes that matter most to the public.

1. Improving Victim Services

1.1 Last year we invested in temporary funding for the Assessment Investigation Unit (AIU) which seeks to reduce the demand on frontline Incident and Crime Response teams and to give a proportionate response to volume crimes. Due to the public and organisational benefits this has brought, we are putting forward a recommendation to invest in this unit permanently.

The public should expect to see:

- **Improvements to the quality and quantity of updates** we provide to the public, particularly for victims of volume crime
- **Creating capacity for Community Policing resources** to be more proactive and reducing response time due to reduced workloads on Incident and Crime Response Unit as a direct result of the Unit taking on an investigative caseload
- **Improving citizen experience** in terms of wait times and the service received
- **Increasing outcome rates** for volume crime
- **Improved focus on retail crime** with a new Retail Crime Investigation Team led by a dedicated inspector within AIU. **Optimising use of robotics and improving engagement with retailers** to encourage better sharing of CCTV and other evidence.
- **Improving our service to victims of crime and identifying repeat victimisation** that may otherwise be missed and improving victim satisfaction

1.2 Having completed the DEVA phase 1 project and as the demand for digital forensic capabilities continues to be on the increase, further modernisation is required to the digital forensics platform. This will deliver better outcomes to victims of crime and enhance police capabilities. As processes and storage are moved to the cloud, the force will be able to share data between departments and other partners, such as the Crown Prosecution Service.

The public should expect to see:

- **Significant improvements in the time taken to download and examine digital devices** leading to shortening of the time taken to investigate crime and bring offences to justice
- **Faster and more frequent updates to victims** on data analysis
- **Reduced backlogs** in digital forensics
- Earlier identification of victims, with faster case progression leading to **improved victim satisfaction and public confidence**

2. Improving Public Contact

2.1 We are recommending to invest in CM101 Salesforce public portal capability so that the system can support better victim engagement beyond the point of charge.

The public should expect to see:

- **Victims and witnesses being better informed and updated**
- **Improvement in victim satisfaction** and related public confidence.
- **A better service that can help to keep victims engaged** contributing to improved outcomes through reduced attrition from the Criminal justice process.
- **Reduction in complaints to police** as failing to keep victims updated continues to be a theme in our complaints data

3. Strengthening Community Policing

Investment in Initial Policing Team and Foundation Training team resources will enable Thames Valley Police to continue to support the ongoing National Police Officer Uplift Programme which will increase and stabilise the workforce to deliver a better service for the public. This in turn will enable the force to capitalise on bolstering Neighbourhood officer resources to support building safer communities.

In due course, once our work to improve officer retention takes effect, the intention is to redeploy some of the training resources back to front line duties.

4. Protecting Vulnerable People

4.1 This year Thames Valley Police are putting forward a recommendation to invest in resources for our Multi Agency Safeguarding Hubs (MASH). The public should expect to see:

- **Increased capacity** to enable the Force to meet increased demand
- **Increase our effectiveness** in jointly addressing vulnerability with our partners
- **Bring more offenders to justice** through quicker resolution of cases
- **Increased public confidence and legitimacy**, and will reduce the number of children and adults at risk of exploitation

The level of investment that we are recommending for resources into our MASH is modest as we are maximising the use of Robotics Process Automation (RPA) to ensure efficiencies in this area.

The investment in MASH resources will also address the area of improvement identified in our recent HMICFRS PEEL inspection and ensure that there are no delays in the assessment of incidents involving vulnerable people.

The Force has embarked on a review of the operating structures in the force to ensure that we deliver improved services to the public, through the delivery of a structure that allows for increased capacity across operational functions. In order to deliver this effectively and full benefits are realised, we are recommending that we invest in some temporary project resources and a Legitimacy and Public Value Assistant Chief Constable. The initial Local Policing phase will be implemented this year which will be key to ensuring greater visibility of police resources and achieving improved organisational agility.

A key enabler to support the force in the delivery of all our services to the public will be achieved by investing in resources to improve our leadership capability across the force. This will aim to deliver individual and team development, and improved performance and efficiencies, and overall a better service to the public.

Yours sincerely,



Jason Hogg
Chief Constable

Improvement & Performance Reserve

Type	Improvement & Performance Reserve	Budget Book Ref	2024/25 Requirement	2025/26 Requirement	2026/27 Requirement	2027/28 Requirement
	Opening Balance		£16,883,852	£4,531,103	£1,086,251	£1,129,515
	Funding Into Reserve:					
Rev	Police Pension Administration Costs	241	£1,313,021	£64,226	£320,247	£320,247
Rev	Transfer of Funds From SDCM Reserve	228	£2,361,764	£0	£0	£0
Rev	Inflation Contingency Funding	233	£0	£3,000,000	£3,000,000	£3,000,000
			£3,674,785	£3,064,226	£3,320,247	£3,320,247
	Spending From Reserve:					
Rev	Potential funding for Energy Cap - Rephased	222	£-1,520,000	£-1,000,000	£0	£0
Rev	Contact Centre Digital Strategy and RPA - 2 Year Funding	189	£-548,491	£0	£0	£0
Rev	Force Review	195	£-800,000	£0	£0	£0
Rev	Refurbishment of Showers at Imbert Court	196	£-500,000	£0	£0	£0
Rev	Funding for 38 PCSO savings for One Year	218	£-1,177,985	£0	£0	£0
Rev	CM Retention Bonus	220	£-500,000	£-500,000	£0	£0
Rev	Force Review - Phase II	195	£-1,906,453	£0	£0	£0
Rev	Leadership Academy	261	£-177,000	£-177,000	£0	£0
Rev	PSTN Switch Off	261	£-326,613	£-326,613	£0	£0
Rev	NICH RMS Upgrade	261	£-284,484	£-284,484	£0	£0
Rev	Network Modernisation / BT Transform	261	£-440,000	£-220,000	£0	£0
Rev	OCR/SOH Update	261	£-97,967	£-97,967	£0	£0
Rev	EBM Strategy / Replacement	261	£0	£-276,983	£-276,983	£0
Rev	Redaction Tool	261	£-100,000	£0	£0	£0
Rev	DEVA Phase 2	261	£-704,088	£-287,100	£0	£0
Rev	Trakka Cabinet Refresh	261	£0	£-338,931	£0	£0
Rev	CM101 Victim Journey	261	£-100,000	£0	£0	£0
Rev	Force Review Enabling Services Engagement	261	£-800,000	£0	£0	£0
Rev	Utilisation of Inflation Contingency	In Year	£0	£-3,000,000	£-3,000,000	£-3,000,000
Rev	Appropriation for Final CT Taxbase	In Year	£0	£0	£0	£0
Rev	Property Projects	In Year	£0	£0	£0	£0
Rev	Solo Project	In Year	£-100,000	£0	£0	£0
			£-10,083,081	£-6,509,078	£-3,276,983	£-3,000,000
	Sum of Revenue Contributions		£-6,408,296	£-3,444,852	£43,264	£320,247
Proj	Project Spend Brought Forward		£-5,759,753	£0	£0	£0
Cap	Contact Centre Digital Strategy (Capital)		£-184,700	£0	£0	£0
Cap	Dashcams		£0	£0	£0	£0
	Sum of Capital and Project Contributions		£-5,944,453	£0	£0	£0
	Closing Balance		£4,531,103	£1,086,251	£1,129,515	£1,449,762

Appendix 5A - Summary of Reserve Funded Growth Items 2024/25

Initiative	Budget Book Ref	Cost	Description
Potential funding for Energy Cap - Rephased	222	£1,520,000	Rephasing of funding to support the increase in energy costs over a 3 year period
Contact Centre Digital Strategy and RPA - 2 Year Funding	189	£548,491	Continuation of one off funding to improve the Contact Centre processes and introduce robotic process automation.
Force Review - Phase I	195	£800,000	Funding to support the development of the Force Review
Refurbishment of Showers at Imbert Court	196	£500,000	Replace the showers at the Sulhamstead training Centre accommodation block
Funding for 38 PCSO savings for One Year	218	£1,177,985	Temporary funding to support PCSO recruitment for 12 months
Prior Year Approved Funding		£4,546,476	
CM Retention Bonus	220	£500,000	2 year funding of bonus payments within Contact Management to support retention
Force Review - Phase II	195	£1,906,453	Funding to support the implementation of the Force Review
Leadership Academy	261	£177,000	2 year funding to support a Leadership Academy pilot to develop leaders within the force
PSTN Switch Off	261	£326,613	Digitalise system currently reliant on PSTN technology which is be phased out
NICH RMS Upgrade	261	£284,484	One-off upgrade to the NICH RMS Systems
Network Modernisation / BT Transform	261	£440,000	One-off upgrade for the ICT Networks
OCR/SOH Update	261	£97,967	Upgrading of OCR forms and their link to the Single on-line Hub to improve accuracy and reliability
Redaction Tool	261	£100,000	Implementation costs for a force wide redaction tool.
DEVA Phase 2	261	£704,088	Implementation costs for the upgraded Digital Forensics tools.
CM101 Victim Journey	261	£100,000	Implementation of the Contact management public portal for better victim engagement
Force Review Enabling Services Engagement	261	£800,000	Funding to support external engagement in reviewing how best to deliver the forces enabling service, as part of the Force Review
Solo Project	In Year	£100,000	2 year funding to support additional resources in the SOLO project in dealing with backlogs and resetting workloads.
New Prioritised Funding		£5,536,605	
Total I&P Reserve Funding		£10,083,081	



Report for Decision to the Performance and Accountability Public Meeting on 18th January 2024

Title: Four Year Medium Term Capital Plan 2023/24 to 2027/28

1 Purpose

- 1.1 Present to the PCC the updated Medium Term Capital Plan (MTCP) for 2023/24 through to 2027/28.
- 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 **£47.262m in 2023/24** and **£64.448m in 2024/25**, with the **final 3 years** of the plan totalling **£68.032m**.
- 2.3 Over the last couple of years the Strategic Estates Group (SEG) have assessed the opportunities and risks facing the organisation across the entire Estates portfolio. The key linked schemes that have emerged are the full Custody 2030 Programme and the Central Oxford Estates Strategy. These Strategic schemes are agreed as the direction of travel the organisation needs to follow, however further work is required on the individual projects to assess the value for money and affordability. The total estimated cost for these potential future schemes is £186m of which £91.5m could be within the 4 year programme. These programme of works would need to be funded from capital receipts, revenue contributions and borrowing and as such the MTFP includes provision for financing via borrowing.
- 2.4 The Custody 2030 programme is a TVP strategic programme to rationalise and renew the TVP Custody estate. At present, the MTCP includes the enabling work to refurbish Loddon Valley only. Indicative timings are shown in section 7.4.

Business cases for the other elements still need to be established, Maidenhead is the first priority estimated to cost £52m inclusive of £9m outside the current MTCP.

- 2.5 The key drivers for the Central Oxford Estates Strategy are deteriorating conditions of the aging estate, changing operational requirements, the expiring PFI agreement (Abingdon Police Station) and the post Covid working smart strategy.

Future Years (current to 5 years)

- 2.6 All schemes have been reviewed and refreshed for inflation. The current market conditions are creating significant pressures on the programmes, especially within the construction industry.
- 2.7 The MTCP includes approved schemes in progress i.e. work has been contracted and there is relative certainty on estimates and, approved plans not yet contracted where estimates could be more volatile to change until contracts are formalised.
- 2.8 SEG have continued to work with the force to establish 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.
- 2.9 The ICT programmes have been uplifted to incorporate the Refresh budgets (computer replacement cycle, body worn videos and phones for 2027/28) plus retaining funds for the eventual ESMCP radio replacement.
- 2.10 An external review has been commissioned by Chiltern Transport Consortium governance group to identify options to transform our Fleet to Alternative Powered Vehicles APV's.
- 2.11 Financing proposed includes direct revenue financing, utilisation of reserves, borrowing for significant property projects and the use of Capital receipts. Please note that by the end of the programme we anticipate limited further availability of capital receipts from our finite assets.
- 2.12 The available funding of £4.447m across the MTCP excluding the custody programme and other potential future schemes.

Recommendation:**The PCC is asked to:**

- **Note the overall 4-year Medium Term Capital Plan (2024/25 to 2027/28) at £132.480m as set out in Table 1. Total over the 5 years 2023/24 – 2027/28 of £179.372m**
- **Note the capital programme for 2023/24, in the sum of £47.262m as set out in Table 1.**
- **Approve the annual budget of £64.448m for 2024/25 as set out in Table 1.**
- **Approve for planning purposes the budgets for the later 3 years of the MTCP 2025/26 – 2027/28 of £68.032m, plus £0.4m in later years.**
- **Approve the proposed financing of the capital expenditure as set out in Table 3.**
- **Note the potential future schemes Table 2 totalling £186m with £91.526m within the MTCP timeframe funded from borrowing and £94.790m in later years, which has significant overall affordability risk and would need additional borrowing and asset sales. These figures include the Maidenhead custody scheme at £52m.**

Police and Crime Commissioner

I hereby approve the recommendation above.

Signature

Date

3 The Medium Term Capital Plan 2023/24 – 2027/28

- 3.1 The MTCP builds on the existing capital plan most recently re-approved in November 2023 the 2023/24 budget at £45.328m (original plan £51.324m). The revised total, including 2023/24, to 2027/28 is £179.372m.
- 3.2 The Forces current and future construction programmes are experiencing significant inflationary pressures. The overall property portfolio reflects substantial increases in Forensic New Build/Atlantic House/ Western Hub budgets, though an element of this is due to the original contractor going into receivership (Atlantic House and Western Hub). In addition to these bespoke programmes, an 8% inflation rise in the construction industry and vehicle purchase is anticipated for 2024/25, dropping to 4% in 2025/26 and 4% in future years. Technology has been inflated at 4.85% for specific schemes such as Device refresh and 7% in 2024/25 and 3% in future years.

3.3 The property risks are ongoing including current negotiations in relation to the Forensic new build.

3.4 All TVP buildings have been surveyed in relation to Reinforce Autoclaved Aerated Concrete (RAAC) with mitigating/ remedial measures required only at Reading Police Station.

4 Current Year 2023/24

4.1 The revised annual Capital budget for 23/24 is £47.262m, including approved proposed drawdown from CCTV Reserve, small realignment of CM101 budget and the approval in December of £1.8m to buy rather than lease Mobile phones.

Re-phasing

4.2 Resource availability across the Property Services and ICT teams, alongside supply issues including long lead times caused by current global supply issues, have led to the need to prioritise projects and hence the need to re-phase some schemes into future years. In November, the PCC approved the slippage of £26m into future years.

4.3 Further slippage may occur which will be managed as part of the year end close.

5 Future Years (current to 5 years)

5.1 The planned gross expenditure within the 2023/24 to 2027/28 MTCP totals £179.372m (including £47.3m in 2023/24) including Custody 2030 – Loddon Valley refurbishment. The current proposed programme is fully funded. The updated Capital Plan is summarised in the schedule below.

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 and the addition of the final year plus a few key strategic projects.

Table 1 - MTCP Budget Summary

Programme	Total Project Budget	2023/24 £'000	Future Years				Total 2023/24 to 2027/28 £'000	Later Years
			2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000		
Property -								
Western Hub - TVP	6,319	2,079	318	-	-	-	2,397	
Western Hub - Other Forces	12,905	4,246	611	38	-	-	4,894	
Western Hub - Grants/ Reserves	8,691	-	8,578	113	-	-	8,691	
	27,916	6,325	9,506	151	-	-	15,982	
Atlantic House	28,526	2,777	12,502	1,202	-	-	16,482	
Maidenhead Court Building	2,391	389	-	-	-	-	389	
Forensics New Build	38,201	8,186	24,362	4,681	-	-	37,229	
Windsor	2,636	62	1,463	1,111	-	-	2,636	
Custody 2030 - Design	371	371	-	-	-	-	-	
Custody 2030 - Loddon Valley	8,445	150	2,006	6,178	112	-	8,445	
Custody - Integrated Security Management	1,265	(0)	54	161	-	228	443	
Estates Decarbonisation	-	-	189	-	-	-	189	400
Fire Compartmentation	2,662	116	36	983	1,029	497	2,662	-
EV Charging	3,714	312	201	1,140	1,177	886	3,714	-
Upper Heyford infrastructure	398	120	220	-	-	-	340	-
Taser Training	613	287	316	10	-	-	613	-
HQ South - C, D, E & G block	1,416	-	94	1,304	19	-	1,416	-
Data Centre conversion	418	50	368	-	-	-	418	-
Farringdon Police Office Replacement	291	-	-	-	-	291	291	-
Corporate Projects		113	-	-	-	-	113	
AMOP Projects		50	-	-	-	-	50	
Total		19,307	51,316	16,920	2,336	1,902	91,411	400
Technology & Business Change -								
Computer Replacement		2,284	2,104	2,251	2,398	2,470	11,507	
Body Warn Video Replacement		1,733	1,633	432	1,973	483	6,254	
Mobile Phone Replacement		1,800	-	-	-	2,060	3,860	
ESMCP		-	-	-	12,000	-	12,000	
CMP 101		914	198	-	-	-	1,112	
WiFi		1,040	321	-	-	-	1,360	
Digital First		371	342	-	-	-	713	
Forensics Improvement Program		780	-	-	-	-	780	
CCTV		797	-	-	-	-	797	
CMP Replatform		-	128	-	-	-	128	
Midam		120	354	-	-	-	474	
ICT Roadmap		263	-	-	-	-	263	
ICT Infrastructure		887	786	353	353	364	2,742	
Other Projects		707	152	-	-	-	859	
Total		11,696	6,018	3,035	16,723	5,376	42,849	-
Other Capital Equipment -								
Vehicles		5,678	6,010	6,250	6,927	7,245	32,110	
Dashcams		102	404	-	-	-	506	
Grant Funded		8,235	-	-	-	-	8,235	
Equipment / Radio Replacement		2,246	700	740	288	288	4,262	
Total		16,259	7,114	6,990	7,215	7,533	45,112	
Grand Total		47,262	64,448	26,946	26,275	14,812	179,372	400
Financing Available		74,260	44,024	19,510	32,812	13,584	184,190	
Cumulative Funding Position (Existing Programme)		26,998	6,574	(862)	5,676	4,447		

Property

6.3 The Strategic Estates Group ensure that property estates remain fit for purpose, identify opportunities to streamline assets and develop the estate infrastructure, maintain core sites and actively progress 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. The three main building projects are now actively progressing following substantial contract negotiations by the Property

Services department.

- 6.5 Western Hub: the Regional PCC and CC have approved budget growth to enable both schemes to progress mobilisation, starting in October 2023 with the end date planned for the 2024. The budget has been realigned and restated to include the whole regional programme.
- 6.6 Atlantic House: construction budget increased substantially, offset by car park budget savings. Ceasing the Multi-storey car park proposal may lead to ongoing revenue costs to rent alternative parking space locally. Following revised Budget approval, the letter of intent has been issued, however there has been a delay in signing the main contract and hence work is due to start imminently.
- 6.7 Forensics new build: improving Forensic Performance is a strategic priority for the Force hence the creation of a new Forensic facility. The new build will offer additional space to cope with demand increase and aims to develop regional capacity. The initial contract for groundwork has been awarded. A significant number of the packages have fixed prices and challenge for best value is undertaken at each step. An issue remains in relation to the permanent power supply with a gas generator being the interim solution. Construction works are now under way with full occupation anticipated in 2025.
- 6.8 Windsor: replacement due to workload prioritisation. The details survey and design work will occur into future years - See 7.10 Taplow enabling link.
- 6.9 Loddon Valley refurbishment and integrated security management– See 7.2: the first stage of the Custody 2030 programme is included, including design team costs and the refurbishment of Loddon Valley as a priority to enable the closure of Maidenhead. The Custody suites have systems which need to be retained and upgraded to the latest version to ensure the continuation of ‘critical must have’ technology. Rollout will be managed across the programme.
- 6.10 Fire Compartmentation: additional work needs to be undertaken on TVP estate to ensure we comply with the statutory fire regulations. The initial year will be the design stage with the construction stages approved after the business case is ratified by SEG.
- 6.11 Electronic Vehicle Charging: this is a key part of the overall CTC Strategic Review and TVP Carbon Reduction programme. The programme will develop EV charging capacity & infrastructure across the majority of TVP sites. 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 Upper Heyford: provides training facilities and there are 2 programmes of work planned for infrastructure improvements in relation to the roofing and heating plus capacity for a Taser Training facility.

- 6.13 HQ South and Data centre: storage is linked to Central Oxfordshire Estates Strategy – see 7.3. ICT are reviewing the long term physical data centre storage capacity required as we move to more cloud storage plus optimal location. These future needs will be captured as part of the ongoing work on COES.
- 6.14 Farrington Police Office: replacement is now on hold pending the completion of the Force Review.

ICT/Business Change revenue funded projects

- 6.15 The ICT programmes have been uplifted to incorporate the Refresh budgets including computer, body worn video and mobile phones for 2027/28 of £5.376m.
- 6.16 The end user replacement programme continues to be actively reviewed by ICT and the business. The body worn video project board have undertaken extensive work over the last year to understand the opportunities following a retender of the contract with the proposed replacement programme encompassed in the MTCP. Mobile phones are an important tool within policing enabling timely access to key applications plus communication with victims. Over the last few years we have leased Mobile Phones, however following a value for money exercise direct purchase was the preferred option and in December 2023 a contract was awarded which will be funded through the DRF lease budget over the next 3 years.
- 6.17 ESMCP Airwaves Replacement is a national programme but due to National issues, it is now anticipated to deliver 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 earmarked a £12m ESMCP Budget.
- 6.18 The Contact Management focus group has identified the minimum digital strategy to alleviate the pressure in the control rooms call handling.
- 6.19 WIFI capacity is essential across our estates. A programme of work to rollout across locations has been initiated and is ongoing.
- 6.20 The Digital First programme including Digital Interview Recording has been rolled out and is now business as usual, however post warranty support may arise in future years. The Digital case files go live date is now anticipated to be in 2025 at the earliest.
- 6.21 The professionalising and improvement of the Forces Forensic capability has an extensive programme of work which includes some elements of capital expenditure. The Improvement and Performance reserve includes £2m in relation to the Forensic Improvement Programme, which will be drawn back according to the timing and nature of the expenditure.
- 6.22 The PCC has set out a strategic vision for the Thames Valley CCTV partnership where the Force will own the systems and equipment for public space CCTV and will manage the provision through the creation and investment in Hubs, the current

budget is in relation to the Milton Keynes and Slough Hub with an element of funds being drawn down for the CCTV reserve as approved by the PCC.

- 6.23 In addition, there are a number of small technology projects planned including the adoption of Home Office National systems such as Midam.

Vehicles

- 6.24 An external review has been commissioned by Chiltern Transport Consortium governance group to identify options to transform our Fleet to Alternative Powered Vehicles (APV). The outcome of this review will inform the forces roadmap to APV's and will provide updated financials for the MTCP.
- 6.25 Until that information is available, 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, including an estimate on price differentials. The estates infrastructure includes indicative costs, however risks have emerged around connectivity to power supplies.
- 6.26 Dashcams are planned to be installed in all TVP fleet vehicles.

Equipment

- 6.27 This includes funds in relation to ANPR and Safer Road Cameras.

7 Potential Future Programmes

- 7.1 The MTCP is designed to help us financially plan and make sure we can afford our ambitions whilst ensuring value for money considerations on all options. The horizon and planning timeframe and the significant financial outlay on some key strategic areas mean these are included in this section and are a combination of approved in principal and indicative future spend requirements.
- 7.2 To ensure affordability is considered, the MTFP includes the cost of borrowing for the expenditure expected to fall within the next 4 – 5 years. By 2027/28, the Revenue budget includes £11m for interest and borrowing repayments (see section 8.11).
- 7.3 These additional programmes are anticipated to cost £186m with £91.5m potentially falling within the current MTCP. The Programmes are a combination of linked and standalone schemes where the individual business cases will be presented at SEG and ratified by PCC, as appropriate. At this time the business cases for these schemes have not been completed and hence no decision/ recommendation has been made to proceed with these schemes.

- 7.4 During 2024/25 further rational and clarification documentation will be provided to SEG to support the proposed direction of travel. In respect to Maidenhead this will revisit the scope and hence anticipated costs against the demand for and benefits of a new modern custom built custody facility in the Berkshire area and hence seek approval in year for the design and tender for construction work. In year approval for other schemes may also be proposed including plans for Taplow and options for the HQ sites plus contact management expected to be presented imminently.

Table 2a - Potential Future Schemes

Programme	Budget	Future Years				Total	Total
		2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	MTCP £'000	Later Years £'000
Capital Projects - Potential Future Schemes (not approved)							
Custody 2030 - Maidenhead	51,629	496	4,294	16,762	20,363	41,915	9,715
Custody 2030 - Refurbishments	8,296	-	-	50	449	499	7,797
Custody 2030 - Oxfordshire	44,713	-	134	911	2,304	3,350	41,363
Custody 2030	104,638	496	4,428	17,724	23,116	45,763	58,875
Central Oxford Estates Strategy	80,709	1,636	10,241	9,894	23,023	44,794	35,915
Taplow	969	665	291	13	-	969	-
Total awaiting approval	186,316	2,797	14,960	27,630	46,140	91,526	94,790
Grand Total							186,316

Table 2a - Potential Future Schemes

Later Years phasing

Programme	Future Years			
	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000
Capital Projects - Potential Future Schemes (not approved)				
Custody 2030 - Maidenhead	9,715			
Custody 2030 - Refurbishments	6,916	874	7	-
Custody 2030 - Oxfordshire	20,902	19,837	624	-
Custody 2030	37,533	20,711	630	-
Central Oxford Estates Strategy	9,084	6,397	20,256	177
Taplow				
Total awaiting approval	46,617	27,109	20,886	177
Grand Total				94,790

Custody

- 7.5 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 identified requirements to enable TVP to operate and manage an efficient, compliant and fit for purpose Custody estate. The programme has been agreed as the preferred direction of travel and approved in principle i.e. we know what we want to do but the business cases for the individual elements need to be compiled and approved prior to inclusion in the MTCP.
- 7.6 The MTCP only currently includes the refurbishment of Loddon Valley which is a pre-requisite to enable opportunities in the Berkshire area plus compliance with the current custody integrated security management systems. Estates aspects of the Programme encompasses three major work streams, these are: New Custody Suite Berkshire (preferred option is a new build at Maidenhead); Refurbishment of the retained sites circa £16m (with only the work at Loddon Valley included in MTCP) plus a potential New Custody Suite Oxfordshire circa £45m. In addition a project management and design team are needed to manage this significant programme.

Central Oxfordshire Estates Strategy (COES)

- 7.7 The COES is a complex inter- dependant mix of multiple estate projects that deliver a range of estates and service delivery outcomes over the next 10+ years. The focus is on central Oxfordshire in view of the PFI expiry at Abingdon in 2030, the recognised post- Covid need to consolidate the two HQ sites, addressing the Oxford LCU estate, to support delivery of elements of the Custody 2030 programme, Contact Management hub rationalisation and the ongoing training needs in the North of the Force.
- 7.8 JICT Data Centre: the current MTCP includes a discovery stage with a plan to modernise existing data centres into smaller and compliant facilities. Work to migrate to Cloud storage will influence the size of the bid for inclusion.

Other Strategic Estate Considerations

- 7.9 Taplow enabling works and refurbishment to allow staff to move there following the reduction/disposal of the Windsor site.
- 7.10 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 through use of low and zero carbon technology and other methods to reduce energy usage. The indicative investment for these schemes will be included once known and the funding requirements will be determined by the Government's direction of travel and financial support.

8 Funding of the Medium Term Capital Plan 2023/24 to 2027/28

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

Table 3 - Resources Required to Finance the Capital Programme

	Revised Budget 2023/24	2024/25	2025/26	2026/27	2027/28	Total 2023/24 to 2027/28
	£000s	£000s	£000s	£000s	£000s	£000s
Surplus Funds Carried Forward	37,961					37,961
Predicted Capital underspend 23/24	671					671
Capital Receipts from Finite Asset sales	3,478	1,559	4,987	19,512	884	30,421
Direct Revenue Financing	14,046	13,493	13,200	13,200	12,600	66,539
Borrowing	-	9,919	-	-	-	9,919
Earmarked Reserves	4,785	11,438	1,223	-	-	17,446
Western Hub	4,985	7,515	-	-	-	12,500
Specific Grant & 3rd Party Contributions	8,335	100	100	100	100	8,735
Total	74,260	44,024	19,510	32,812	13,584	184,190

8.2 Available funding of £4.447m exists at the end of the 5 year period plus the estates reverse has a further £6m.

Capital Outturn 2023/24

8.3 Current monitoring anticipates a £0.7m 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 £27.4m of the £30.4m asset sales relate to police buildings and houses.

8.5 It is worth reiterating that towards the end of the programme these one-off asset sales tail off and cannot support the programme beyond 2026/27.

8.9 Borrowing is only recommended to fund significant Property developments where there is a long-term benefit to the force. At this time additional borrowing of £9.9m is recommended for the Forensic New build and Atlantic House to cover the inflationary growth not covered in previous budgets.

8.10 In the future the majority of any capital programme will need to be funded from borrowing, as highlighted within the future project section, however this is could be reduced through revenue contributions and sale of finite assets, although minimal.

8.11 The potential future schemes are not yet incorporated into the MTCP as they need to be ratified, however to facilitate these potential substantial outlays the MTFP includes growth to the estates reserve (see section 5.37 in the MTFP) to cover the repayment of the borrowing (MRP payments) over 50 years and the annual interest repayments, for 2027/28 this totals £11m. These amounts are intended to cover the planned borrowing within the MTCP timeframe, c£101m.

Table 4a - Projection of Loan repayments and Annual Interest

	Revised 2023/24	Revised 2024/25	Revised 2025/26	Revised 2026/27	Revised 2027/28	Revised 2028/29
MTCP	47,262.000	64,448.000	26,946.000	26,275.000	14,812.000	13,400.000
Potential Future Schemes		2,797.000	14,960.000	27,630.000	46,140.000	46,617.000
Gross capital spend	47,262.000	67,245.000	41,906.000	53,905.000	60,952.000	73,017.000
MTCP Financing	47,262.000	64,448.000	26,946.000	26,275.000	14,812.000	13,000.000
MTCP Borrowing included		-9,919.000				
Future Asset Sales						
Total Financing	47,262.000	54,529.000	26,946.000	26,275.000	14,812.000	13,000.000
In Year Loan		12,716.000	14,960.000	27,630.000	46,140.000	60,017.000
Cumulative Loan balance		12,716.000	27,676.000	55,306.000	101,446.000	161,463.000
Loan repayments (MRP)		254.320	553.520	1,106.120	2,028.920	3,229.260
Annual Interest (4.99% on 50 year term)		634.528	1,381.032	2,759.769	5,062.155	8,057.004
		888.848	1,934.552	3,865.889	7,091.075	11,286.264

Reserves

Table 5 - Reserve Utilisation

	23/24	24/25	25/26	26/27	27/28	Total
Improvement and Performance						
CM101	914	185	-	-	-	1,099
Dashcams	506					506
Total MTCP	1,420	185	-	-	-	1,605
CCTV Reserve	365	-	-	-	-	365
Estates Reserve						
Forensics New Build	3,000	-	-	-	-	3,000
Custody Loddon Valley refurbishment	-	8,184	112	-	-	8,296
Windsor	-	1,463	1,111	-	-	2,574
TVP Western Hub	-	1,606	-	-	-	1,606
Total Future Schemes	3,000	11,253	1,223	-	-	15,476
Total Reserve Utilisation	4,785	11,438	1,223	-	-	17,446

8.12 The current programme reflects the proposed draw down from three reserves utilising £17.4m (2023/24 - 2025/26).

8.13 This plan includes the application of £15.5m from the Estates (£3m to contribute to the FIU building, £8.3m for the Custody refurbishment, £2.6m for Windsor and £1.6m TVP contribution to the Western Hub). Secondly £1.6m to be appropriated from the Improvement and performance reserve toward the Contact Centre digital strategy and Dashcams and thirdly the approved £0.4m from the CCTV reserve to create the CCTV Hubs.

Western Hub

8.14 Western Hub is projected to cost £27.9m of which TVP committed to contribute £6.3m. £1.6m of the TVP amount remains and will come from Estates reserve. The remainder is coming from our Partners and Specific Grant Funding.

Specific Grant and 3rd Party Contributions

8.15 CTPSE is fully grant funded plus anticipating S106 funding.

9 Recommendations

9.1 The PCC is asked to note/approve:

- Note the overall 4-year Medium Term Capital Plan (2024/25 to 2027/28) at £132.480m as set out in Table 1. Total over the 5 years 2023/24 – 2027/28 of £179.372m
- Note the capital programme for 2023/24, in the sum of £47.262m as set out in Table 1.
- Approve the annual budget of £64.448m for 2024/25 as set out in Table 1.
- Approve for planning purposes the budgets for the later 3 years of the MTCP 2025/26 – 2027/28 of £68.032m, plus £0.4m in later years.
- Approve the proposed financing of the capital expenditure as set out in Table 3.
- Note the potential future schemes Table 2 totalling £186m with £91.526m within the MTCP timeframe funded from borrowing and £94.790m in later years which has significant overall affordability risk and would need additional borrowing and asset sales. These figures include the Maidenhead custody scheme at £52m.

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 2024/25 to 2027/28

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 £132.480m over the 4 year period 2024/25– 2027/28, with the annual budget for 2023/24 £47.262m	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

2024/25 – 2027/28

January 2024

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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.

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.

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.

The PCC approves overall borrowing levels as part of the Treasury Management Strategy. 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.

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.

Revenue programme costs are monitored 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 approved in the medium term capital plan, for example Future Schemes included to indicate direction of travel - 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 are 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 2024