

**Report to the Chief
Constable to the OPCC
24th February 2025**



**CLEVELAND
POLICE**

**Cleveland Police Long Term Financial Plan (LTFP) 2025/26 to 2028/29
Update**

Status: For Approval

Purpose of the Report

The purpose of the Long-Term Financial Plan (LTFP) is to demonstrate the Force's operational plan is affordable, financial stability can be maintained, and funding is targeted to those activities that best make our communities safer and stronger.

Accordingly, this report sets out the revenue and capital spending plans that underpin delivery of the Force's Strategic aims of: -

- Protect People
- Protect Communities
- Tackle Criminals
- Be the best we can.

and the key objectives set out within the Police and Crime Commissioner's Police and Crime Plan.

It should be read in conjunction with the following reports prepared by the Police & Crime Commissioner's (PCC) Chief Financial Officer:

- Long Term Financial Plan 2025/26 to 2028/29 and Capital Plans 2025/26 to 2028/29
- Robustness of Estimates and Adequacy of Financial Reserves
- Capital Strategy

Recommendation

The Police & Crime Commissioner for Cleveland is requested to approve the revenue and capital budget proposal for 2025/26 and the Long-Term Financial Plan (LTFP) for 2026/27 – 2028/29.

Force Financial Strategy

The primary aim of our financial strategy is to maintain financial stability and protect service provision through identifying sufficient savings to secure a rolling four-year balanced position in order to:

- Provide a high degree of certainty to operational commanders about the resources at their disposal in the short to medium term.
- Ensuring that financial decision making is made at the most appropriate level to facilitate effective decision making.

- Be the best we can be by driving continuous improvement in Value for Money in the provision of policing in Cleveland.

Commentary on the Government grant Settlement 2025/26

The grant settlement for 2025/26 was confirmed on the 31 January 2025. Funding to police forces will total up to £17.4 billion, an increase of up to £986.9 million when compared to the 2024-25 police funding. This settlement represents a real terms increase in force funding of 3.5%, and a cash increase of 6.0%. The additional funding confirmed through this settlement will cover the costs of the police officer pay awards and fund the recruitment and redeployment of more neighbourhood police and PCSOs.

Of the £986.9 million of additional funding for police forces, £657.1 million of this is an increase to government grants, which includes an increase in the core grants of £339.0 million to ensure police forces are fully equipped to deliver our Safer Streets Mission. This also includes £230.3 million to compensate territorial forces for the costs of the change to the employer National Insurance Contributions from 2025-26, and an additional £100.0 million to kickstart the first phase of 13,000 additional police officers, PCSOs and special constables into neighbourhood policing roles. This will provide policing with the funding required to tackle crime and keep communities safe.

The Local Government policy statement of 28th November confirmed that PCCs will have the flexibility to raise the police precept to £14 for a Band D property in 2025-26. This could generate up to £329.8 million of additional funding available to police forces compared with 2024-25. This strikes the balance between protecting taxpayers and providing funding for police forces.

The settlement recognises that the Metropolitan Police Service faces increased demands on resources from policing the capital city. Therefore, as part of the 2025-26 police funding settlement, the Metropolitan Police and City of London Police forces will receive £255.2 million through the National and International Capital City grant; an increase of £65 million when compared to the 2024-25 settlement, equating to a 34.2% cash increase and 31.1% real terms increase.

The Government expectation is for police forces to raise their ambition on efficiencies and drive forward improvements to productivity while helping us deliver on our mission to create safer streets. To enable this, they have launched the Commercial Efficiencies and Collaboration Programme which will initially focus on national buying and frameworks and cost recovery. They are determined to work with policing to maximise the potential of productivity and innovation, ensuring officers are equipped with the tools they need to keep our communities safe and to deliver our mission.

The financial settlement is focused on policing delivering the government's priorities, as set out in the Prime Minister's Plan for Change:

- Increasing the number of officers, PCSOs and special constables in neighbourhood policing teams.
- Tackling violence against women and girls.

- Reducing knife crime.
- Cracking down on antisocial behaviour.
- And by doing these things, increasing public confidence in policing.

In 2025-26, we will be allocating £376.8 million to support forces to maintain officer numbers.

The government is committed to increasing policing visibility to protect our communities and restore confidence in policing. To support delivery of our Safer Streets mission, our priority is to increase neighbourhood policing roles.

Police forces will still be expected to meet officer number targets in return for funding. However, the Home Office has listened to feedback from forces on the need for increased flexibility to help forces manage their finances. We have therefore rebalanced the funding available in core grant and the ringfence for the purpose of maintaining officers for 2025-26.

The Government is providing a £100.0 million investment for neighbourhood policing. This will fund the recruitment of additional and redeployed neighbourhood police officers, PCSOs and Special Constables in 25-26. This will form part of a multi-year programme, and kickstart the delivery in 2025-26 of these additional neighbourhood personnel over the course of this parliament.

The increase in neighbourhood policing will be done in a way that prioritises forces' operational flexibility. Forces will be allocated funding and propose a planned workforce increase and mix that works best for the communities that they serve. This funding will help forces deliver our neighbourhood policing guarantee, including the restoration of patrols to town centres giving every community a named officer to turn to, and introducing stronger tools for police to tackle persistent anti-social behaviour.

Forces will be required to participate in the recently announced Commercial Efficiencies and Collaboration Programme, by signing up to national approaches to buying energy, vehicles, fuel, temporary staff and software licenses.

The programme will initially target several priority areas. These include:

Fleet – Require better use of existing frameworks and working with policing to standardise requirements enabling better value and reducing full life costs.

Energy - working with the sector to ensure policing can harness wider purchasing power across government and wider public sector.

ICT - ending the variation in prices for software contracts and then moving to smarter purchasing in other areas of technology.

We will build on the foundations of the Policing Productivity Review to tackle bureaucracy, free up officer time for redeployment onto the frontline and improve outcomes. Such as working to eliminate any wasteful and unnecessary redaction of

files passing between the police and the CPS or supporting the roll out of Enhanced and Rapid Video Responses to improve response times and victim outcomes.

The review also highlighted that embedding productivity into the culture of policing can ensure that improvements are made to unlock non cashable and cashable savings. The effective roll out of this technology is of vital importance to achieve these benefits and we will work closely with the College of Policing to provide implementation and business change support for forces to implement promising and proven technologies, provide a blueprint for measuring those benefits and demonstrate how to best reinvest time saved into delivery of the neighbourhood policing guarantee.

Firearms licensing fees have not increased since 2015 and are now significantly less than the cost of the service provided by police forces. This funding deficit is impacting the effectiveness of police firearms licensing controls and the crucial role they play in safeguarding the public. We therefore intend to lay a statutory instrument when parliamentary time allows to increase firearms licensing fees to provide full-cost recovery for police forces, in line with our manifesto commitment. The additional revenue raised will be retained by police forces to support the important improvements needed in firearms licensing.

To drive up performance and standards and ensure communities can have confidence in their local police force, a new Performance Unit will be established in the Home Office. The Unit will harness national data to monitor performance and direct improvements, underpinned by a performance framework developed with the College of Policing, policing inspectorate (HMICFRS), National Police Chiefs' Council and PCCs.

The government recognises that police forces must have the right systems, capabilities, and support in place to support us on meeting our mission. This settlement includes £914.3 million for the wider policing system, which:

Maintains the police settlement's investment in tackling Serious Violence and County Lines next year, ensuring the continuation of Violence Reduction Units and supporting all forces in their ongoing work to close county lines.

Ensures the continuation of Major Law Enforcement Programmes which will modernise national mission-critical systems, without which policing cannot operate effectively, tackle a range of threats and make our streets safer.

Supports police efficiency and collaboration by investing in national policing capabilities. This funding establishes the new Commercial Efficiency and Collaboration Programme, maintains the digital routes through which members of the public can contact the police, and supports the implementation of digital evidence sharing across the criminal justice system.

Supports law enforcement in tackling serious and organised crime by investing in Regional Organised Crime Units, ensuring they are supported in tackling some of the highest harm threats.

This does not represent the Government's total investment in the policing system and law enforcement. In 2025-26, funding for areas including Arms-Length Bodies, Cyber Crime, Forensics, Fraud, Police Productivity and Innovation and Tackling Exploitation

and Abuse (including Violence against Women and Girls) will be decided as part of the Home Office's wider budget allocation process, with funding arrangements for specific programmes confirmed in due course.

Ensuring national security is the first duty of any government. This government will provide essential support for Counter-Terrorism Policing, ensuring that they have the resources they need to deal with the threats we face. Funding for Counter-Terrorism Policing will increase by £140.0 million to £1.2 billion, which includes funding to compensate for the cost of the employer National Insurance Contribution changes. PCCs will be notified separately of force-level funding allocations for CT Policing, which will not be made public for security reasons.

Cleveland Responses to the Government consultation on the Settlement

The correspondence sent to the Home Office in response to the consultation on the grant settlement is attached as an appendix. The overall conclusion from the response is detailed below:

"In conclusion Cleveland Police believe that this year's provisional settlement is a missed opportunity to begin dealing with the funding inequality that has emerged in policing over the last decade or more. We are firmly of the opinion that funding allocations need to be fundamentally reconsidered in the light of the governments Strategic Missions and new policy direction and would urge that work on doing this is prioritised over the next year to ensure that funding settlements in future years are fit for purpose."

REVENUE

Summary Position 2025/26 – 2028/29

The latest summary position is set out in the table below.

Projected Force Income & Expenditure	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
Funding from the OPCC	(176,350)	(184,450)	(189,505)	(193,585)	(198,985)
A: POLICE PAY & ALLOWANCES	96,395	100,559	103,163	105,744	109,307
B: POLICE OVERTIME	3,055	2,721	3,028	2,851	2,903
C: STAFF PAY & ALLOWANCES	38,896	40,680	41,860	43,110	44,310
D: PCSO PAY & ALLOWANCES	4,010	4,430	4,560	4,680	4,815
Total Pay & Allowances	142,356	148,390	152,610	156,385	161,335
E: OTHER PAY & TRAINING	1,288	1,420	1,420	1,420	1,420
F: POLICE PENSIONS	3,938	4,138	4,138	4,138	4,138
G: PREMISES	5,091	4,791	4,791	4,791	4,791
H: SUPPLIES & SERVICES	17,559	18,519	18,869	18,884	19,304
I: TRANSPORT	2,068	2,208	2,208	2,208	2,208
J: EXTERNAL SUPPORT	4,261	5,240	5,275	5,300	5,330
M: RECURRING / NON-RECURRING SAVINGS	(212)	(256)	194	459	459
Total Non Pay Expenditure	33,994	36,060	36,895	37,200	37,650
Total Planned Expenditure	176,350	184,450	189,505	193,585	198,985
Planned Surplus / Deficit	0	0	0	0	0

The establishment profiles assumed in the plan are set out below.

Establishment Profile	2024/25	2025/26	2026/27	2027/28	2027/29
Police Officers : Core	1,533	1,517	1,517	1,517	1,517
Police Officers : Historical Investigation Unit	24	0	0	0	0
Total Police Officers	1,557	1,517	1,517	1,517	1,517
PCSO's	106	102	102	102	102
Police Staff Core	907	762	754	754	754
Police Staff Core Efficiency to be reviewed	-102	155	155	155	155
Police Staff : Historical Investigation Unit	47	0	0	0	2
Total Police Staff	852	917	909	909	911
Overall Establishment	2,515	2,536	2,528	2,528	2,530

Note: The "Police staff core efficiency to be reviewed" represents the departments yet to confirm their revised structures. The agreed savings targets have been carried forward and applied to the budget.

Allocated Funding

The final settlement for 2024/25 onwards has been confirmed and as a result the OPCC has allocated resources as detailed below for the Chief Constable to deliver on his Policing properties:

	2024/25	2025/26	2026/27	2027/28	2028/29
Projected Force Income & Expenditure	£000's	£000's	£000's	£000's	£000's
Funding from the OPCC	(176,350)	(184,450)	(189,505)	(193,585)	(198,985)

Police Grant Settlement 2024/25 Headlines are detailed below: -

- Precept Flexibility for PCCs increased from £13 per band D property to £14.
- The Home Office grant settlement provides an extra £986.9m in 2025/26 compared to the 2024/25 settlement.
- Off which £376.8 m is support forces to maintain officer numbers.
- A new performance unit will be established to drive and report on performance,
- Forces to participate in the Commercial Efficiencies and Collaboration Programme.

What does the Government expect to be delivered with this additional funding?

- Ensuring overall police officer numbers are maintained at the agreed Police maintenance baseline level of 1,513 for Cleveland.
- Increasing the number of officers, PCSOs and special constables in neighbourhood policing teams.
- Tackling violence against women and girls.
- Reducing knife crime.
- Cracking down on antisocial behaviour.
- And by doing these things, increasing public confidence in policing.

What does this mean for Cleveland in 2025/26 in terms of Funding?

- An increase in of Total Government funding of 8.6m
- This includes up to £6.7m from the ring-fenced grant for the officer uplift.
- Neighbourhood Policing Guarantee grant of £2.4m
- National Insurance grant of £2.4m.

Note: Neighbourhood Policing Guarantee grant of £2.4m

The initial allocation to deliver Neighbourhood policing guarantee was £100m across all Policing, this was subsequently increase to £200m which meant an increase in funding of £1.2m (within the £2.4m above). The Home Office are currently surveying all Forces on there draft plans to deliver the increases in neighbourhood policing from a forecast baseline position. This process is on going and updates will be provided once plans are agreed with OPCC, Home Office and the CC.

Overall Government and Local Revenue Funding				Year on Year Change
	2025/26	2024/25	(Increase)/Reduction	
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	-64,103	-61,800	-2,303	3.70%
RSG/National Non Domestic Rate	-49,307	-47,545	-1,762	3.70%
Police Officer Uplift Grant	-6,727	-6,777	51	-0.70%
Neighbourhood Policing Guarantee	-2,399	0	-2,399	
National Insurance Grant	-2,418	0	-2,418	
Council Tax Freeze Grant	-800	-800	0	0.00%
Council Tax Support Grant	-6,868	-6,868	0	0.00%
Police Pensions Grant	-4,038	-4,307	269	-6.30%
Total Government Funding	-136,659	-128,098	-8,562	6.70%
Impact of a £14 increase in Band D Precept - 4.61% increase				
Net (Surplus)/Deficit on Collection Funds	-576	-1,869	1,293	
Council Tax Requirement	-52,668	-49,415	-3,253	6.60%
Total Local Funding	-53,244	-51,284	-1,960	3.80%
Total Government + Local Funding	-189,903	-179,381	-10,522	5.90%

Based on the precept being proposed, for a Band D property, then the overall impact on the Core funding for the organisation is set to increase by 5.9%, or just over £10.5m.

Pay Budgets

The paybill is the largest single element of the overall cost base at 81% of the budget. The Force continues to reshape the workforce to deliver an effective blend of skill sets and experience to meet an ever-changing demand profile and address the strategic aims of the Force.

Points to note are:

- Pay awards have been assumed at 2.5% per annum in September 2025 and 2.0%, 2.0% and 2.0% in future years.
- Employer national insurance contributions increased to 15.0% and the revision of thresholds in line with government policy.
- Pension contribution rates of 35.3% for Police Officers and 15.5% across the plan for Police staff.
- Provision has also been made for the apprenticeship levy this will cost the Force approximately £533k in 2025/26.

Police Officers

Funding in this plan provides for 1,517 FTE over the term of the plan. On-going funding for the Historical Investigation Unit in 25/26 has yet to be confirmed therefore the plan reflects the associated reduction in this unit with Officers switch into core operational roles.

The recruitment profile to achieve our required FTE is predicated on the recruitment of probationer Officers via the PCDA, PCEP and DHEP routes and a small number of transferees. The Force will keep in review the overall rank mix within the establishment to ensure it is fit for purpose. This may result in changes to the recruitment profile in order to recruit officers into more senior ranks that cannot be filled from internal promotion boards. The financial impact of these decisions will be monitored throughout the plan and recruitment profile flexed accordingly. The current plan is based on levers profile of 108 per annum, 5 probationer cohorts totalling 130 and 16 transferees.

It should be noted that the significant increase in Police Officer pension contribution rates make the costs of employing an Officer approximately 20% more expensive than a civilian member of staff. Given financial pressures the Force may consider it financially and strategically appropriate to consider at a programme of work force modernisation to increase overall resources by civilianising some Police Officer roles. However, with the reduction in the overall establishment and the need to ensure we maintain our officer numbers above the prescribed maintenance targets (1,513 headcount) to ensure the linked funding is secured, limits are scope for work force modernisation. Any such programme would involve full consultation with OPCC and Staff associations.

The allocation of funding and ultimately therefore Police Officers as part of the Uplift programme is based on current proportions of Government funding without any assessment of local needs and/or an any assessment of the impact of previous funding reductions and decisions.

As a result, there are areas within the Country that are now able to have more Police Officers than they have ever had in their history. Unfortunately, this is not the case in Cleveland where, at the end of the Uplift increases, the number of Police Officers within Cleveland Police will still be around 150-200 lower than they were in 2010.

The Force are in active discussions with the Home Office on how this continued shortfall of both financial and human resources can be addressed and these concerns were noted in our response to the settlement consultation.

Police Community Support Officers (PCSOs)

Funding has been provided for 106 FTE PCSOs over the life of the plan. This number may be adjusted in future years to reflect the requirements of the Governments neighbourhood policing guarantee.

Police Staff

The Police staff establishment consist of:

- 917 FTE Core Police Staff (off which 155 FTE relate to departments which are still to present revised structures as part of the staff efficiency review).

The overall staff establishment will be confirmed on completion of the staff establishment review in 2025/25.

As outlined above the ongoing funding for the HIU remains unclear at the time of budget setting. As such the roles previously funded by Home Office special grant are excluded. The special grant is subject to an annual review with the Home Office. Should the funding cease for this investigation then those police staff recruited will be subject to redundancy should they have worked with the force for more than two years. There is no redundancy cost built into this plan as the initial bid stated that there would be exit costs associated with the staff and this should be recoverable from the Home Office. The anticipated costs associated with these redundancies would be in the region of £150k to £210k depending on the length of the service the staff would have been employed by Cleveland Police. As a means of mitigating this risk we will actively manage the workforce to flex in line with the completion or cessation of these investigations.

Pension Schemes

Police Officer Scheme

The plan includes employer contribution rates of 35.3% across the plan.

The triennial revaluation of the Local Government Pension Scheme (LGPS) took place in March 2023. The next triennial revaluation is due March 2026 any changes to funding assumptions will be built into future plans. The plan is based on current employers’ contribution rate of 15.5% in the first year of the plan and remaining at this level over the length of the plan. Any increase in contribution rates will pose a risk to the future years of the plan should this rate increase.

Non-Pay Budgets

An overall uplift of 6.08% has been provided based on overall non pay costs. This will be allocated to specific budget heads in accordance with need e.g., business rates; utilities, RPI pension uplifts, living wage adjustment & contractual uplifts etc. and has been costed at approx. £2,065k in 2025/26.

All non-pay budgets have been reviewed and adjusted in respect of savings or unavoidable pressures.

The revenue consequences of the capital schemes are also factored into the budget.

Significant Pressures within the LTFP (Non- Pay)

Although the PCC continues to try to provide a stable financial platform, the impact of unavoidable cost pressures means that all expenditure will have to be scrutinised and only approved if it fits within the overall plan. The plan provides for the following significant pressures:

Description	£000's
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RCCO	353,000
C&C Addition	70,000
DHEP Training	10,000
Injury Pensions (Payroll costs)	200,000
ICT Contact inflation	50,000
Dogs Kennelling (Seized Dogs	65,000
NPAS – Increase in annual contribution	63,000
Police Digital Services (HO /NPCC inflation increase above allocated)	290,000
Growth Insurance Premiums	187,000
Growth Motor Repairs	50,000
Growth Intel Licences	30,000
SSAS Airbox National Programme	85,000
Impact of NICs on Contracts	200,000
Growth TNA Training	150,000
Total	1,803,000

Savings Programme

In order to offset the significant pressures above and in addition to the reductions identified above the Force has set a savings target of £256k this has been reduced from the recurring target of £371k in the previous year's plan and reflects some unachieved targets that were proposed to be deliver over two years and will not be removed until achieved. This are incorporated into service units and commands budgets and the delivery of the savings will be monitored within the monthly reporting cycle. In addition to the above the Force has delivered further savings of £525K. The table below provides the details of the planned savings: -

Savings Proposal:	FTE Impact:	£000s
Reduce one Sgt post in staff office	-1	-76.7
Streamline supervision reducing Chief Inspector roles	-2	-201.3
Delete Fire Investigation Staff Post in Cleveland Fire Brigade	-1	-28.0
Payroll Savings from Salary Sacrifice on AVCs and EV Vehicles		-50.0
Training Needs removal of growth-related requests and reprofile		-100.0
Remove unnecessary On Call rotas		-18.0
Rephasing of New Police Officer entrants		-50.0
Total:	-3	-524.0

Collaboration

The Force has participated in several collaborative units; NEROCU, FCIN, TTC and Cold Case review team.

At the time of writing this report it is assumed that the cost of the remaining collaboration units will increase in line with the overall cost assumptions applied to Cleveland core budgets, i.e.: pay 2.5% in 2025/26 and inflation where applicable etc. Work continues with the lead Forces of the respective units to finalise the budgets for the period of the plan.

Risks in the Plan: Year One & Two.

Key to the successful delivery of this financial plan are the underlaying financial and planning assumptions, namely: -

- 1) The pay award is forecast to be 2.5% in the first year of the plan. An increase of 1% in the pay award would increase the overall pay bill by £0.9m in year with a full year effect of £1.8m in year two.
- 2) Inflation continues to impact on supplies & services in the wider economy with significant pressures on utilities, ICT costs and general contracts. The impact of Government policy i.e.: NI increases will have an impact on our contracts and although we have allocated funds to mitigate this risk the overall impact is as yet unknown.
- 3) The Home Office has indicated that one of the key priorities for Forces is maintaining Officer numbers at or above the uplift targets and further indicated that financial penalties may apply for non-compliance. The recruitment plans within the budget have been constructed in conjunction with our HR and Learning & Development colleagues to ensure we achieve the growth in officer numbers contained within the plan. The plan considers leavers, retirements and assumes entry routes via new recruits and transferees to maintain uplift requirements and achieve the growth within the plan.
- 4) The Force has given notice that it wishes to terminate the current custody contract and will bring the service back in house June / July 2026. The assumption in the plan is that this is achievable within the current budget envelope. Should this not be the case on transition the additional costs are to be achieved via efficiency savings across the Force. This work has begun, and an overall efficiency target has been set to ensure the Force has the available resources if required for Custody or other Force priorities if not required for custody.
- 5) The Force has implemented a significant portion of the efficiency review of the staff establishment to reduce costs and to target resources in the area where they will make have most impact in achieving the strategic aims of the Force. The remaining element of the review will be delivered in t 2025/26. This will continue to be monitored via the establishment review panel. If the proposed savings are not a chevied this will have a negative impact on the budget in 2025/26 and beyond.

The Force has seen significant increase in respect of the costs of Policing Major incidents in recent years and this has continued in 2023/24. The establishment of our own Homicide Major Enquiries team (HMET) and the allocation of a contingency fund (for overtime and associated expenses) is aimed to address these pressures. However, as we have experienced in prior years the nature, frequency, complexity and number of incidents are difficult to forecast. As such this remains a risk to the plan.

The Force has completed "Training needs analysis requirement" for 2025/26 and increase the available resources by £150K to address training requirements. As in previous years the "ask" exceeds the available resources. A prioritisation exercises is on-going to ensure a balance position can be achieved, this budget will be closely monitored via CFM and in the learning & development governance meeting.

The Force contributes to national ICT programmes via Police Digital Company, in 2025/26 the was a significant increase in costs. These have been included in 2025/26 but if similar increases continue in future years this represent a significant risk as baseline budget is in the region of £1,500K.

The Force contributes to national programmes via the NPCC and to on-going investigations, these are currently included in the plans circa £395K, any significant variations in the number or on-going cost of these associations will present a risk to the plan.

Risks in the Plan: Future Years (Years Three & Four).

The overall four-year plan is a balanced position. However, the risks highlighted in year one & two exist within the future years of the plan and will require continued review and assessment in the coming months to formulate plans to address this funding gap.

The outcomes of the staff establishment review are key to the delivery of the future years financial plan.

One area for consideration will be the underlaying assumptions within the plan. The assumptions can have a positive or a negative effect on our expenditure plans and funding e.g.: Variations in the pay award assumptions of 2.5% and 2% in years 1 & 2 of the plans will have an impact on future years costs when the full year affects are applied to the base budget. As will variations from the assumption of 2% pay awards in years 3 & 4.

The Force continues to support and invest in the service improvement agenda, covering departmental reviews and exploration of our ICT systems and digital offering. The coming twelve months are crucial in the delivering the outcomes from this work and realising the associated benefits and savings to help balance the future years plans. Five key elements are: -

- 1) Enabling Services review.
- 2) Workforce modernisation agenda.
- 3) Oracle Optimisation programme
- 4) Introduction of Robot Processing automation
- 5) Review of Neighbourhoods and use of PCSO's

The Force will monitor progress against the efficiency / modernisation agenda via the Futures Board and Executive Board.

CAPITAL

Operational assets are a vital platform for the delivery of effective policing services. The proposals put forward in the capital plan are those necessary to refresh and enhance the asset base. The plan for 2025/26 to 2029/30 is summarised below and is detailed in Appendix B.

Capital Investment plan for 2025/26 to 2029/30: -

Description	25-26 £000's	26-27 £000's	27-28 £000's	28-29 £000's	29-30 £000's
Total facilities schemes	961	433	499	350	249
Total equipment refresh schemes	1136	800	310	350	380
Total ICT schemes	1653	755	755	755	755
Total fleet schemes	1700	1440	1537	1965	2480
Other Schemes	100	0	0	0	0
Total Capital Investment	5550	3428	3101	3420	3864

The proposals are informed by condition deficiency surveys, 'fit for purpose' reviews, equipment replacement programmes and mandatory requirements. All proposals have business cases written and scrutinised by the Triage Group and the Digital Data and Change Board. They are then approved by the Executive Management Board.

The revenue consequences of the capital proposals are factored into the revenue budgets.

There are 3 key risk to delivery of the capital programme. The first risk is general slippage against the delivery plan. Although funding is earmarked for each scheme and can be re-provided the following year, the resources required to deliver the schemes in the new financial year places a greater burden on the delivery teams. The impact of inflation on costs also increases as the time lengthens between bidding for the scheme and its implementation. The second risk is the ability to obtain contractors to undertake work and sourcing the required equipment and vehicles. The third risk is the current workload and vacancy rate within the Procurement Team and ICT who are key for the delivery of all schemes.

Facilities Schemes

The strategic goal for the police estate is to create an effective and efficient estate that reduces cost and environmental impact and facilitates flexible working. The Estates Strategy sets out a clear plan to drive better performance from our estate, accelerate savings, facilitate collaborative working and deliver capital receipts.

The main focus of the programme for 2025/26 is the continued replacement of Windows at Hartlepool Police Station £225K, the replacement of the roof at the Learning and Development Centre £440K, Carbon Reduction Schemes, and a four-year

plan to update and restore the current estate to make it as efficient and effective as is possible.

Equipment refresh

A significant effort has been put into ensuring the completeness of both revenue and capital rolling equipment replacement programmes to:

- Ensure that funding is available when necessary
- Avoid spikes in expenditure by smoothing the replacement profile
- Inform the procurement plan to ensure timely ordering & receipt of equipment
- To inform prioritisation and decision making

The proposals all have approved business cases for 2025/26 and relate in the main to replacement Taser weapons and the completion of the rollout of Telematics and CCTV system for the Fleet Unit and investment in ANPR Camera's.

ICT Schemes

The Digital Strategy sets out the ICT requirements of the Force and is aligned to the National Digital Policing Programme This strategy comprises of refresh, upgrade and development schemes. The current plan incorporates all known ICT requirements with most resources being targeted for replacement hardware which is now at the end of life and infrastructure upgrades. Both the Fleet System and the Legal Services systems are also planned to be replaced.

Fleet Schemes

The strategic goal for the Fleet is to deliver an effective and efficient fleet that matches vehicle provision to operational demands, minimises cost and environmental impact and facilitates flexible working.

The Force vehicle fleet has a replacement profile of 100,000 miles. This replacement profile has been developed based on increased vehicle downtime, annual running costs and reduced residual values for vehicles which are over this mileage profile. In addition, the replacement of vehicles aims to promote the force corporate image. A total of 39 new vehicles are included in the plan for 2025/26 as they meet this criterion. A write-off fund has also been included for vehicles which are damaged beyond economic repair.

Other Schemes

The plan includes £100k as a Development Fund which is to support new business cases throughout the year. Business plans are submitted to the Triage Group for scrutiny and if successful are further scrutinised by the Digital Data and Change Board before funds are allocated from the Development Fund.

Implications

Finance

There are no financial implications other than those mentioned above.

Diversity & Equality

There are no diversity or equality issues arising from this report.

Human Rights Act

There are no Human Rights Act implications arising from this report.

Sustainability

This report is part of the process to establish sustainable annual and long-term financial plans to underpin sustainable service delivery and maintain prudent financial management.

Conclusion

The LTFP is forecast to breakeven over the course of the four-year plan. The balance position is based on the assumptions above and variations in funding, inflation, recruitment plans can have a positive or negative impact on this plan. The Force will continue to explore opportunities to deliver improvements and efficiencies through its Be the Best we can be agenda and its overall continuous improvement & efficiency workstreams. The savings and benefits of service improvement work and work force modernisation will be integrated into the LTFP process, The Force will as part of its governance and scrutiny process regularly review performance against the plan and the overall assumption there-in. It will take appropriate actions to address emerging issues should they occur in order to deliver a balance budget position that deliver on Force priorities.

Chief Constable
165th February 2025

Appendix A

Business Case Ref	Schemes	26-26	26-27	27-28	28-29	29-30
		£000s	£000s	£000s	£000s	£000s
Facilities schemes						
CB004	Car Park Refurbishment	10	20	25	0	0
CB005	Flooring	0	70	75	50	10
CB006	Force wide Property Condition Priorities	60	100	100	100	100
CB007	Furniture Replacement Programme	25	46	21	45	65
CB008	Chair Replacement Programme	38	31	32	55	34
CB009	Carbon Reduction	75	126	150	25	0
CB010	DDA Works	10	10	10	10	10
CB011	Emergency Lighting and Fire Alarms	45	20	20	20	20
CB012	Fixed Wire Redial Work	20	0	50	35	0
CB013	Welfare Facilities	0	10	16	10	10
CB014	Hartlepool Windows	225	0	0	0	
CB015	LDC Roof	440	0	0	0	0
CB051	Wellbeing Administration Area improvement	13	0	0	0	0
Total facilities schemes		961	433	499	350	249
Equipment refresh						
CB002	Renewal of Speed enforcement cameras	70	0	0	0	
CB016	ANPR cameras 2025-26	80	0	0	80	80
CB025	Replacement of FCR Desktop radios	36	0	0	0	
CB028	ANPR In Vehicle Device refresh	0	135	135	150	150
CB031	Body Worn Video Enhancements	66	120	150	120	150
CB048	Virtual Court and remote translation	6	0	0	0	0
CB049	Axon taser t10	688	545	0	0	0
	NEROCU TSU	30	0	0	0	0
CB052	Drone Upgrade	25	0	25	0	0
	Fleet Telematics and CCTV	165	0	0	0	
Total equipment refresh schemes		1166	800	310	350	380
ICT schemes						
CB018	ICT Client Device Refresh	846	680	680	680	680
CB020	ICT Capex Delivery Resource 25-26	60	0	0	0	0
CB021	Firewall and Infrastructure Refresh	120	0	0	0	0
CB024	Cortex ICCS Upgrade	35	0	0	0	0
CB027	Air gapped Network device refresh	124	25	25	25	25
CB029	I-patrol Development	50	50	50	50	50
CB033	SSU Niche Forensics	10	0	0	0	0
CB036	In building Wi-Fi Service	123	0	0	0	0
CB037	FCR 999 ISDN 30e replacement	95	0	0	0	0
CB055	Backup refresh	260	0	0	0	0
Total ICT schemes		1723	755	755	755	755
Fleet						
	NEROCU Fleet replacement	65	0	0	0	0
CB003	Fleet Replacement	1700	1440	1537	1965	2480
Total fleet schemes		1765	1440	1537	1965	2480
Other Schemes						
	Development Fund	100	0	0	0	0
Total other schemes		100	0	0	0	0
Total Investmnet Plans		5715	3428	3101	3420	3864

LTFP 2025/26 to 2028/29 – Assessment of Risks

Risk	Detail	Mitigation
Changes to the future funding formulas for Police Forces.	<p>The policing minister is committed to reforming the police funding formula and will bring forward proposals for public consultation.</p> <p>The current assumptions do not factor in any adverse impact as a result of a revised formula.</p> <p>Based on what is currently known of the proposals, this is a prudent assumption, however, it does present a potential risk.</p> <p>Current indications are that no changes will be made before the next CSR.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
The review and implementation of staff establishment.	To complete the final phase of staff establishment review. .	The Force needs to deliver on the final phase of the restructure of the staff establishment The proposals will be reviewed by Establishment review panel implementation the plan.
Delivery of the Neighbourhoods Police Guarantee & future funding.	The Government has sent the agenda for the growth in neighbourhoods policing with associated targets for each Force. The plans and guidance is limited and this presents Forces with an ever collapsing time frame for delivery and the assessment of this initiative on other areas of the Force	The Force is engaged with the Home Office and raised concerns over the data request and proposed timelines. We will continue to engage and aim to achieve the best outcome for the Force as a whole.
Future year's funding is lower than forecast.	This presents a potential risk if funding was to change dramatically as a result of external issues, changes in underlying	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-

Risk	Detail	Mitigation
	assumptions or changing economic conditions.	force collaboration and blue light collaboration.
A higher than forecast level of costly major incidents.	The number and cost of major incidents in any one year is unpredictable.	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p> <p>A small reserve has been established in order to reduce the financial impact of numerous major incidents in a 12-month period.</p>
The impact of possible acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.	Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought in. Should the number of leavers outstrip our ability to recruit this could result in capacity gaps and generate a material underspending.	Should a capacity gap emerge, service levels will be delivered through targeted overtime and the continued employment of police staff investigators along with a further recruitment of transferee Police Officers.
National mandation/ Police ICT Company Costs.	In recent years there has been national mandation of systems e.g. Pentip, resulting in unplanned costs to the Force and significant increase in Police ICT company costs above inflation assumptions within the plans (eg: approx. 6% in 2023/2024). At the time of agreeing the budget the level of increase is unknown.	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known. However, any significant increase may require additional savings to be sought across the business.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p>
Police Pension scheme 2015.	All Police Officers are eligible to be members of	The work is being co-ordinated by the NPCC, and

Risk	Detail	Mitigation
	the Police Pension Scheme 2015 from 1 April 2022. Work is underway to reassess all Officers who were members of legacy schemes (1987 and 2006 schemes) to ensure they are given the most favourable terms up to 1 April 2022. Primary and Secondary legislation has been enacted to close the legacy schemes and transfer membership to the 2015 scheme.	an initial grant has been awarded towards the costs of reassessment. If the grant is insufficient there will be a financial impact on the Chief Constable. If this occurs then more radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Employment Tribunals and other Litigation.	The Force has been subject in recent years to internal Employment tribunal's claims and wider litigation relating to issues covering all Police forces and those just relating to Cleveland.	Locally and National the Force continues to robustly challenge and contest such litigation where appropriate. In addition, the Force / OPCC has insurance provision in place to mitigate some of the financial risk of such claims. The OPCC also maintains insurance reserves and provision to further mitigate any financial risk above and beyond that covered by our insurance policies.
Training needs analysis.	The Force has completed "Training needs analysis requirement". The full cost associated with this requirement is costed at circa £1M. Significantly above current budget. The Force accepts the risk and notes the level of over programming within the submissions.	A prioritised list is being drawn up based on risk and deliverability within the financial period. The position will be reported in the monthly CFM
In Year Savings target	The Planned Non pay Expenditure for the year of £36,060m is inclusive of £0.256K savings target. This	We will continue to monitor the impact over the coming 12 months in the Corporate Financial Monitoring Report.

Risk	Detail	Mitigation
	represents 0.7% of the planned expenditure. The Finance department will work with budget holders to identify in year savings to deliver the savings	