

**Report of the Chief  
Constable to the OPCC  
18<sup>th</sup> February 2026**



**CLEVELAND  
POLICE**

**Cleveland Police Long Term Financial Plan (LTFP) 2026/27 to 2030/31  
Update**

**Status: For Approval**

**Purpose of the Report**

The purpose of the Long-Term Financial Plan (LTFP) is to demonstrate that 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 be.

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 Finance Officer:

- Long Term Financial Plan 2026/27 to 2030/31 and Capital Plans 2026/27 to 2030/31
- 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 2026/27 and the Long-Term Financial Plan (LTFP) for revenue for 2027/28 – 2030/31 and capital for 2027/28 – 2030/31.

**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 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.

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

## **Commentary on the Government grant Settlement 2026/27**

The draft grant settlement for 2026/27 was released on the 17<sup>th</sup> December 2025. The settlement information was limited to a one-page summary table which detailed the draft core grant position, and the forecast precept position based on a Council tax increase of £15 per Band D property.

There was very little supporting data, and this lack of information has presented the OPCC and Force with significant challenges. The detail behind the headline numbers is key to the financial planning and resource allocation. The absence of this information leaves both organisations in a difficult position both in terms of financial, workforce and service planning for the term of the planning period.

The Government published the “White Paper on Police Reform” on the 26/01/2026. The Force are evaluating the implications of this paper currently, however its clear the contents will have implications both nationally, regionally and locally for Forces and the OPCC.

The full details of the grant settlement were received on the 28<sup>th</sup> January 2026 which confirmed the position set out in December with the exception of an additional £600K linked to additionality of 21 officers under the Neighbourhood Policing Guarantee with further details to follow.

## **Cleveland Responses to the Government consultation on the Settlement**

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. Cleveland has received the lowest % increase in funding but has amongst the highest levels of crime and deprivation when compared with all other Forces.

The Force has made significant progress in recent years, despite having the largest % decrease in officers since 2010, but the settlement as it stands will only have a negative impact on the progress made and a negative impact on the residents of Cleveland.

In addition to the “core grant funding”, Cleveland has yet to receive any decision or information in relation to its “Special Grant Bid – For Historical investigation unit”. Despite it submitting its request well in advance of the requested deadlines and following detailed discussion with the Home Office.

## REVENUE

### Summary Position 2026/27 – 2029/30

The tables below provide details of the initial forecast (table 1) and latest summary position (table 2).

Work continues in consultation with the OPCC & Home Office to deliver a robust and affordable plan considering the poor draft settlement received by Cleveland. The table details the expenditure plans and the funding gap as it stands.

**Table 1: Initial Expenditure plans based on initial expenditure plans and Income allocations.**

**NB:** This table should be read, with reference to the budget assumptions, pressures, and savings projections detailed in this report.

DESCRIPTION	ORIGINAL FORCE PLANNED EXPENDITURE				
	Sum of Budget	Sum of Budget	Sum of Budget	Sum of Budget	Sum of Budget
	2025/26	2026/27	2027/28	2028/29	2029/30
Pay	149,809,350	154,034,350	157,939,350	162,994,350	164,207,350
non pay	34,611,500	33,912,676	34,222,350	34,562,020	34,811,687
	<b>184,420,850</b>	<b>187,947,026</b>	<b>192,161,700</b>	<b>197,556,370</b>	<b>199,019,037</b>
T: GROWTH : NON PAY	29,600	1,528,600	1,928,600	1,988,600	2,038,600
Y: GROWTH : STAFF PAY		0	52,000	54,000	56,000
AA: GROWTH : POLICE OVERTIME		190,000	190,000	190,000	190,000
U: INCREASE PY : POLICE PAY		4,058,000	4,228,000	3,338,000	4,465,000
V: INCREASE PY : STAFF PAY		442,650	802,650	1,097,650	2,638,650
W: INCREASE PY : PCSO PAY		30,000	80,000	95,000	265,000
	29,600	6,249,250	7,281,250	6,763,250	9,653,250
<b>Revised Budgets</b>	<b>184,450,450</b>	<b>194,196,276</b>	<b>199,442,950</b>	<b>204,319,620</b>	<b>208,672,287</b>
<b>Original Funding</b>	<b>-184,450,450</b>	<b>-189,505,000</b>	<b>-193,585,000</b>	<b>-198,985,000</b>	<b>-202,964,700</b>
<b>Funding Gap</b>	<b>0</b>	<b>4,691,276</b>	<b>5,857,950</b>	<b>5,334,620</b>	<b>5,707,587</b>

**Table 2: Revised Expenditure plans to include funding projections for HIU and additional saving projections.**

**NB:** This table should be read, with reference to the budget assumptions, pressures, and savings projections detailed in this report.

Description	FORCE PLANNED EXPENDITURE				
	Sum of Budget	Sum of Budget	Sum of Budget	Sum of Budget	Sum of Budget
	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Total Pay Budgets</b>	149,809,350	154,034,350	157,939,350	162,994,350	164,207,350
<b>Total non pay Budgets</b>	34,611,500	33,839,676	34,116,350	34,456,020	34,705,687
	<b>184,420,850</b>	<b>187,874,026</b>	<b>192,055,700</b>	<b>197,450,370</b>	<b>198,913,037</b>
T: GROWTH : NON PAY	29,600	1,810,324	2,125,650	2,524,980	3,237,313
Y: GROWTH : STAFF PAY		1,885,000	1,714,000	1,484,000	-774,000
AA: GROWTH : POLICE OVERTIME		190,000	190,000	190,000	190,000
U: INCREASE PY : POLICE PAY		4,058,000	4,228,000	2,998,000	3,530,000
V: INCREASE PY : STAFF PAY		442,650	792,650	947,650	2,232,650
W: INCREASE PY : PCSO PAY		30,000	80,000	85,000	225,000
	29,600	8,415,974	9,130,300	8,229,630	8,640,963
<b>Total Planned Expenditure</b>	<b>184,450,450</b>	<b>196,290,000</b>	<b>201,186,000</b>	<b>205,680,000</b>	<b>207,554,000</b>
<b>Revised Funding</b>	<b>-184,450,450</b>	<b>-195,690,000</b>	<b>-200,570,000</b>	<b>-205,050,000</b>	<b>-206,910,000</b>
<b>Funding Gap</b>	<b>0</b>	<b>600,000</b>	<b>616,000</b>	<b>630,000</b>	<b>644,000</b>

The establishment profiles assumed in the plan are set out below. These may require revision in order to meet the funding gap of £600,000.

	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Establishment Profile</b>					<b>£000's</b>
Police Officers : Core	1,517	1,534	1,534	1,534	1,534
Police Officers : Historical Investigation Unit	0	0	0	0	0
<b>Total Police Officers</b>	<b>1,517</b>	<b>1,534</b>	<b>1,534</b>	<b>1,534</b>	<b>1,534</b>
PCSO's	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>
Police Staff Core	762	689	689	689	689
Police Staff Core Efficiency to be reviewed	155				
FCR		187	187	187	187
Custody changes		52	52	52	52
Other : Collaboration/ Funded (evolveetc..)		19	19	19	19
Police Staff : Historical Investigation Unit	0	21	21	21	0
<b>Total Police Staff</b>	<b>917</b>	<b>967</b>	<b>967</b>	<b>967</b>	<b>947</b>
<b>Overall Establishment</b>	<b>2,536</b>	<b>2,603</b>	<b>2,603</b>	<b>2,603</b>	<b>2,583</b>

### Allocated Funding

The final settlement for 2026/27 was confirmed on 26<sup>th</sup> January 2026 the funding position is detailed below.

Description	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 £000s
Forecast Funding from OPCC	184,450	195,690	200,570	205,050	206,910

### Police Grant Settlement 2026/27 Headlines are detailed below: -

- Precept Flexibility for PCCs increased from £14 per band D property to £15.
- See table below for the % increase in grant. (NB: These are based on limited data, and we await final confirmation).

### What does this mean for Cleveland in 2026/27 in terms of Funding?

- An increase in Total Government funding of £3.9m.
- Ringfenced Neighbourhood Policing Guarantee grant of £4.4m.
- National Insurance grant of £2.4m. (no inflation increases).
- Police Pension Grant of £4.0m. (no inflation increases).

### Note: Neighbourhood Policing Guarantee (NPG) grant of £2.4m

We are still awaiting clarification about the policy / road map for NPG in 2026/27 and beyond. The targets of Neighbourhood staff to be achieved and the funding / penalty mechanism remain unclear.

<b>Overall Government and Local Revenue Funding</b>				
	<b>2026/27</b>	<b>2025/26</b>	<b>(Increase)/Reduction</b>	<b>Year on Year Change</b>
	£000s	£000s	£000s	%age
<b>Government Funding</b>				
Police Grant	(68,998)	(64,103)	(4,895)	7.6%
RSG/National Non Domestic Rate	(53,072)	(49,307)	(3,766)	7.6%
Council Tax Freeze Grant	(6,868)	(6,868)	0	0.0%
Council Tax Support Grant	(800)	(800)	0	0.0%
Police Pensions Grant	(4,038)	(4,038)	0	0.0%
National Insurance Grant	(2,418)	(2,418)	0	0.0%
Police Officer Uplift Grant (Core)	0	(4,198)	4,198	-100.0%
Police Officer Uplift Grant (Additional)	0	(2,529)	2,529	-100.0%
Neighbourhood Policing Guarantee	(4,387)	(2,399)	(1,988)	82.9%
<b>Overall Headline Funding Increase</b>	<b>(140,581)</b>	<b>(136,659)</b>	<b>(3,921)</b>	<b>2.9%</b>
<b>Total Government Funding</b>	<b>(140,581)</b>	<b>(136,659)</b>	<b>(3,921)</b>	<b>2.9%</b>
<b>Impact of a £15 increase in Band D Precept - 4.72% increase</b>				
Net (Surplus)/Deficit on Collection Funds	(519)	(576)	57	
Council Tax Requirement	(56,200)	(52,668)	(3,532)	6.7%
<b>Total Local Funding</b>	<b>(56,718)</b>	<b>(53,244)</b>	<b>(3,475)</b>	<b>6.5%</b>
<b>Total Government + Local Funding</b>	<b>(197,299)</b>	<b>(189,903)</b>	<b>(7,396)</b>	<b>3.9%</b>

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 3.9%, or just under £7.4m.

## 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 3.0% per annum in September 2026 and 2.5%, 2.0% and 2.0% in future years.
- Employer national insurance contributions increased in line with national policy.
- Pension contribution rates of 35.3% for Police Officers and 14.0% 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.
- Vacancy Factors 1.2% Police, Staff 7%, PCSO 2.5%.

## Police Officers

Funding plan provides for 1,534 FTE over the term of the plan. Included within the overall FTE circa 20.62 FTE for the Historical Investigation Unit in 26/27 which represents our "financial contribution @ 35%" towards our special grant bid.

**NB:** This funding has yet to be confirmed. A rework of the plan will be required if the funding is not secured at the levels anticipated.

As noted above some elements of the grant settlement have had no inflation increase to account for the full year impact of pay awards and the related pay costs that come with an increasing wage bill.

The force will need to consider its approach to NPG delivery to ensure that operational capabilities to manage threat, risk and harm are maintained.

### Police Community Support Officers (PCSOs)

Funding has been provided for 102 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 and to maintain warranted officer numbers as far as is possible to manage threat, risk and harm.

### Police Staff

The Police staff establishment consist of:

- 947 FTE Core Police Staff (This includes the Tupe transfer of 40 detention Officers working in the custody environment.)

The overall staff establishment will be confirmed on completion of the staff establishment review in 2025/26.

As outlined above the ongoing funding for the HIU remains unclear at the time of budget setting. The budget plans included a funding stream for staff of £1.8m. This is based on the overall bid submitted to the Home Office.

If as noted above, the funding is not received, this requirement will need to be reviewed or removed.

### 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 2026. The plan is based on forecast employers' contribution rate of 14.0% in the first year of the plan and remaining at this level over the length of the plan. There is a surplus on the fund hence the assumed reduction, but the level of reduction is yet to be confirmed and as such is a risk to the financial projections.

### **Non-Pay Budgets**

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 plan. The plan provides for the following significant pressures:

<b>Description</b>	<b>£</b>
Replenish Provision Reserves <sup>2</sup>	500,000
HIU Non Pay	415,000
RPA Growth	265,000
Victims Journey & Victims Portal	180,000
TNA	171,000
MI Budget	150,000
Injury Pensions <sup>3</sup>	100,000
Forensics	75,000
Insurance Provision	50,000
Co-pilot- Licences	35,000
PDS / HO inflation increase above allocated	26,600
Text burst	11,000
Pensions Dashboard	9,000
Drone General Equipment	1,000
<b>Total Growth</b>	<b>1,988,600</b>

## **Savings Programme**

In the budget setting / forecasting process the following savings have been built into the current plans

<b>Description</b>	<b>£</b>
Superannuation Reductions	588,000
Custody contract budget should now be zero	464,000
Increased 1% Vacant Factor Staff	459,000
Oracle/DMS	285,000
ICT absorbed Costs	220,000
Airwaves	130,000
National IT	115,000
TTC contract saving	100,000
PNC/LEDs savings	70,000
RCCO reductions	50,000
Reduce Physical Storage re boxes at Restore	30,000
Microsoft Server Cloud Enterprise Agreement	20,000
<b>Total Savings</b>	<b>2,531,000</b>

## **Collaboration**

The Force participates in several collaborative units; North East Regional Organised Crime Unit (NEROCU), Forensic Collision Investigation (FCIN), Cleveland Durham Tactical Training Centre (TTC) and Cleveland North Yorkshire Major 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 3.0% in 2026/27 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 underlying financial and planning assumptions, namely: -

- 1) The pay award is forecast to be 3.0% in the first year of the plan. An increase of 1% in the pay award would increase the overall pay bill by £1.0m in year with a full year effect of £2.0m in year two.
- 2) Delivery on the vacancy factors in the plans.
- 3) Confirmation on the reduction of superannuation reductions.
- 4) 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 yet unknown.
- 5) The Force has given notice in respect of the Tactical Training Centre (TTC) PFI, and the buildings and services will fall back into the ownership of the Force from the 1<sup>st</sup> April 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.
- 6) 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 have most impact in achieving the strategic aims of the Force. The remaining element of the review has been delivered in 2025/26. This will continue to be monitored via the establishment review panel. If the proposed savings are not achieved this will have a negative impact on the budget in 2026/27 and beyond.
- 7) The Force has seen significant increase in respect of the costs of Policing Major incidents in recent years and this has continued in 2025/26. Driven by an increase in murders and firearms discharges. 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.

- 8) The Force has completed "Training Needs Analysis" for 2026/27 and increased the available resources by £170K to address training requirements. As in previous years the "ask" exceeds the available resources. A prioritisation exercise is on-going to ensure a balance position is achieved, this budget will be closely monitored via monthly budget reporting in the Corporate Finance report and in the learning & development governance meeting.
- 9) The Force contributes to national programmes via the NPCC and to on-going investigations. These are currently included in the plans circa £500K. Any significant variations in the number or on-going cost of these associations will present a risk to the plan.
- 10) Emergency Service Network (ESN). The upgrade to the ESN is on the horizon and Forces have been asked to submit costings to assess impacts and revenue budgets. This work is still in development but will have a significant impact on revenue and capital budgets.

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

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.

One area for consideration will be the underlying 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 3.0% and 2.5% in years 1 & 2 of the plans will have an impact on future years costs when the full year effects 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 service improvement, including departmental reviews and exploration of our ICT systems and digital offering. The coming twelve months are crucial in 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 to maximise efficiency and effectiveness in support services.
- 2) Workforce modernisation agenda to ensure that warranted officers are employed in operational roles requiring those specific powers.
- 3) Oracle Optimisation programme reducing hindrance stresses on the workforce.
- 4) Automation programme to harness the benefits of new technology.
- 5) Review of Neighbourhoods and use of PCSO's.

The Force will monitor progress against the efficiency / productivity agenda via the Continuous Improvement and Automation Boards and ultimately governed by the Executive Management Board in its monitoring of the Continuous Improvement Benefits Tracker.

There is a requirement in future years to invest significantly in Electric Vehicles and infrastructure in order to ensure our fleet is compliant in future years. This will have a significant impact on revenue and capital budgets that is not yet factored into our plans.

## Summary

The Force, in conjunction with the OPCC, despite the poor grant settlement has worked closely to deliver a plan that maintain officer numbers and is robust enough to support the front-line and enabling services activity over the course of the LTFP. This has proven incredibly challenging and required both organisations to consider options previously “off the table”. Despite all the collaboration the Force is facing a £1.9m gap over the life of the plan with a £0.6m gap in year one.

Further work is required to close the gap. For context the £0.6m in year one would equate to a reduction of circa 10 Officers. This is not the preferred mitigation approach, but all options will need to be considered.

The grant settlement as it stands also limits the Force opportunities to invest in technologies, robotics and artificial intelligence which could help reduce and address inefficiencies. It is noted that there is funding for police technology programmes in the overall national funding settlement and opportunities to access this funding will be actively explored.

### **Capital Investment plan for 2026/27 to 2030/31: -**

Description	25-26 £000s	26-27 £000s	27-28 £000s	28-29 £000s	29-30 £000s	30-31 £000s
Facilities schemes	1,131	697	449	390	309	274
Equipment refresh & Other	1,166	1,164	399	233	230	320
ICT schemes	1,981	2,283	1,689	1,144	896	1,007
Fleet	2,438	1,892	2,065	1,869	2,730	1,964
<b>Total Planned Expenditure</b>	<b>6,716</b>	<b>6,036</b>	<b>4,603</b>	<b>3,636</b>	<b>4,165</b>	<b>3,565</b>

The table above represents the proposed capital investment plan for the next five years.

The planned investment plan amounts to £22m over the period of the plan. The original requests received amounted to circa £24m and this has been reduced to the

current levels as a result of internal triage process in light of the pressures created by the funding settlement.

All 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 risks 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 ICT team.

### 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 2026/27 is the Carbon Reduction Programme (£126k) and the improvement of Forcewide Condition Priorities (£100k). There is a five-year plan to update and restore the current estate to make it as efficient and effective as is possible.

**Note:** The Force is reviewing its Estates strategy, with particular focus on Stockton Headquarters and Billingham. These locations present specific challenges for the Force and as such a separate paper / report is being developed to explore the requirements for possible replacement sites that meet the operational needs of the Force whilst maintaining the appropriate Force presence in these locations.

### 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 2026/27 and relate in the main to replacement Taser weapons £580k, an ANPR device refresh in cars £150k and Body Worn Video Enhancements at £120k.

### 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. There is also a Duty Management System (DMS) upgrade which will be a large-scale project at £733k.

### 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 32 new vehicles is included in the plan for 2026/27 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 Force needs to undertake some additional work to finalise a robust plan for Revenue and Capital over the period of the LTFP. The Force will need to balance its

decisions to drive efficiency through capital investment against the need to maintain officer numbers and service delivery in a very challenging environment.

The Force has made significant progress over the last 3 – 4 years and has managed its finances to deliver these improvements. It is important to note that these improvements have been achieved in a very challenging environment; with Cleveland being No.1 in terms of deprivation, No.1 for crime rates and with having experienced the largest % decrease in Officer numbers since 2010.

The current grant settlement will only serve to exacerbate the financial position and the Force's ability to maintain performance and protect communities.

The current position is based on the assumptions above and variations in funding, inflation and 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 to deliver a balanced budget position that deliver on Force priorities.

Chief Constable  
18th February 2026

**LTFP 2026/27 to 2030/31 – Assessment of Risks**

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
Police Reform proposals contained in the Governments "White Paper": From Local to National: A New Model for Policing	The paper states "Policing needs reform if it is to tackle the crimes that blight local communities and threaten our national security." It includes proposals for a National Policing Service and mergers of existing territorial forces. This will have significant implications for the Force.	The Force will engage with the reform agenda to understand the operational & financial implications of these proposals, and how it can best make use of the technology proposals within the paper to support its Policing model.
Changes to the future of funding for Police Forces.	As part of Police Reform the Home Office is committed to reforming the arrangements for police funding and will bring forward proposals for consultation.  The current LTFP assumptions do not factor in any adverse impact of revised arrangements.  Based on what is currently known of the proposals, this is a prudent assumption, however, it does present a potential risk.	The Force will engage with the reform agenda to understand the operational & financial implications of these proposals, and how it can best make use of the technology proposals within the paper to support its Policing model.
Delivery of the Neighbourhoods Police Guarantee & future funding.	The Government has set the agenda for the growth in neighbourhoods policing with associated targets for each Force. The plan for future years is still unclear, along with the funding model and associated penalties if the numbers are not achieved.	The Force will continue to engage with the Home Office to seek clarity over funding and Officer numbers regarding future years. We will continue submit required data returns to ensure funding is secured. With the aim of achieving the best outcome for the Force as a whole.
A higher than forecast	The number and cost of	There is some flexibility in

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
level of costly major incidents.	major incidents in any one year is unpredictable. The trend in recent years has been upwards in terms of both cost and frequency of such incidents.	the plan through the Major Incidents Fund to absorb additional costs depending on the magnitude and the time of year the issue becomes known.
The impact of 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.
Police Pension Costs.	Police pension costs continue to increase year on year. With an upward trend in the numbers receiving pensions.	We continue to allocate resources to this budget, however the continued backdated appeals and overall increase in numbers presents a budget risk.
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.
In Year Savings target	The Planned savings within the budget is circa £0.6M This represents 0.31% of the planned expenditure. The Finance department will work with budget holders to	We will continue to monitor the impact over the coming 12 months in the Corporate Financial Monitoring Report.

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
	identify in year savings to balance the budget.	