



Protecting Communities
Fighting Crime

POLICE AND CRIME PANEL MEETING

REPORT TITLE	PROPOSED PRECEPT FOR 2025/26
REPORT OF	POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE
DATE	23 JANUARY 2025

1. PURPOSE OF THE REPORT

- 1.1 To notify the Panel of the Police and Crime Commissioner's (PCCs) proposal to increase the police precept by £14 per annum for a Band D property in accordance with the duty under the Police Reform and Social Responsibility Act 2011.

2. INFORMATION AND ANALYSIS

- 2.1 As per the Local Government policy statement issued in November 2024, flexibility has been given to PCCs to raise the police precept by up to £14 per annum for a Band D property in 2025/26.
- 2.2 On 17 December 2024, the Home Secretary published the provisional police grant report in which she sets out her determination for 2025/26 of the aggregate amounts of grants that she proposes to pay under the Act.

- 2.3 This report outlined the detail of the proposed settlement for policing in 2025/26 which amounts to £17.4 billion nationally. Further information concerning the police settlement and a comprehensive breakdown can be found at section two of **Appendix B**.
- 2.4 As PCC, I have examined the proposed budget with my senior team and received a report from the Chief Constable on the required level of funding for 2025/26. In making my decision, I have assessed the financial implications, the potential risk to front line policing and delivery of the Police and Crime Plan priorities. Further to this, a letter has been sent from the Chief Constable outlining her business case for additional funding for Derbyshire Constabulary in 2025/26. This is attached at **Appendix A**.
- 2.5 I took the decision at my budget setting meeting on 14 January 2025 to approve the Revenue Budget and the indicative proposed precept for 2025/26. The Revenue Budget and Precept 2025/26 report is attached at **Appendix B**.
- 2.6 I am aware of my responsibilities to notify the Police and Crime Panel by 1 February of my precept proposals. In addition, as the Panel is a public meeting. I recognise a further need to give timely notice to the public. This report therefore advises the Panel of the actions that I intend to take within the reasonable time frame requirements.
- 2.7 In accordance with Schedule 5 of the Police Reform and Social Responsibility Act 2011 ('the Act') the Commissioner must notify the Police and Crime Panel ('the Panel') of the precept which the Commissioner is proposing to issue for the forthcoming financial year. Under paragraph 3 of Schedule 5 the panel is asked to review the proposed precept having been notified of it. Details of the Rules of Procedure for the Panel are attached at **Appendix C** for information.

3. ATTACHMENTS

APPENDIX A – Letter from Chief Constable outlining the business case for additional funding for Derbyshire Constabulary in 2025/26.

APPENDIX B – Revenue Budget and Precept Report for 2025/26.

APPENDIX C – Rules of Procedure for the Panel.

4. RECOMMENDATIONS

- i. That the Police and Crime Panel of Derbyshire review the proposed policing precept for 2025/26 and support the decision of the PCC, for a Band D property increase of £14 per annum.

CONTACT FOR ENQUIRIES

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Our reference:	HQZ/CC
Date:	January 2025

Nicolle Ndiweni-Roberts
 Police and Crime Commissioner for
 Derbyshire
 Butterley Hall
 Ripley
 Derbyshire

Dear Commissioner

The force is committed to providing an outstanding service to the public of Derbyshire, one they can trust and have confidence in, which puts their needs at the heart of what we do. We know they want us to prevent crime, solve crime and protect the most vulnerable. They want us to do it well, and consistently. I am proud of the efforts my officers, staff and volunteers make every hour of every day to try to deliver this. The public know that officers and staff are determined to serve them, run towards danger, show compassion, and protect those in need.

The improvements the force has made were acknowledged by HMICFRS earlier this year in their PEEL report. I accept there is much more to do but welcome their recognition of the progress made and their confidence in our ability to continue to improve. I look forward to continuing to work with you and support delivery of your Police and Crime Plan, based on the priorities from the public.

Funding for policing has reached a critical point. The force has, under my leadership, continued to focus on increasing efficiencies and demonstrating good value for money. We have successfully met our savings targets each year. We are, however, now at the point where the force must find further savings to meet external pressures alone, and this in turn is reducing the level of resources available to the force.

Many of the financial pressures are not of our own making but from external pressure which I cannot influence. The force had originally predicted a gap of around £1.5m to meet by April 2025, however the Autumn budget increased this to £5.5m. This has been compounded by the Home Office grant settlement on 17 December increasing it to over £8.5m.

Whilst the extra £264m to policing is an increase in grant, at least £300m was required to fund the extra cost of the September 2024 Pay Award. Policing had assumed that the extra pay award would continue to be funded as it was in 2024/25 (for September 2023), plus a modest 1% increase in core grant. This alone increases our costs by £1.8m. The reality is that the settlement provides insufficient funding to cover for the September 2024 pay award and nothing for pay and inflation in 2025/26. The Home Office have made no allowance for 2025/26 pay award in the grant – despite the Government recommendation of a 2.8% pay increase to the Police Remuneration Review Body (PRRB). This cost, therefore, falls to policing to find. Without an allowance for pay awards, inflation, Home Office IT increases and all other pressures external to Derbyshire, this clearly creates a substantial budget gap, in the region of £8.5m.

Our Priorities



Vulnerability



Fighting
Crime



Our
People



Prevention
and
Partnerships



Responsive
and Visible
Policing



Service to
the Public



Trust and
Legitimacy



To evidence the financial challenges, in the HMICFRS Value for Money Profiles 2023 the force is seen in comparison with other forces on a wide range of police activities. Derbyshire has the 37th lowest spend per capita, spending £199.37 per head of the population. Excluding the Metropolitan Police Service, the highest spend is Merseyside at £276.97. We are the lowest in our most similar group of forces, and the lowest spending force per capita in the East Midlands. In addition to this, previous reviews have identified the significant 'under funding' to the region through the current grant formula.

Whilst work on reviewing the current funding formula has commenced, any progress towards a fairer system of funding has been painstakingly slow. As a region, we have been campaigning for a fairer funding system for over ten years, and I seek your continued support to take urgent action to find ways of reforming the funding mechanism and remove the risk of the force having to manage with insufficient funding for a further year.

In 2017 we were ranked 33rd lowest spending force. This demonstrates that our funding and subsequent spending levels have not kept up with population increases. It currently costs £232m per annum to maintain policing across Derbyshire. The Government Grant allocations continue to be the main source of funding for the Constabulary, with Council Tax precept income meeting the additional running costs for the force. Core policing grant only increased by 1.9% for 2024/25 and with inflationary increases well above this figure, this has placed a significant strain on our financial position and places an increased burden on Council Taxpayers to bridge the gap in funding.

The proportion of grant to Council Tax has changed significantly during the past seven years, resulting in a greater proportion of funding through Council Tax. 40% of our budget is funded through Council Tax compared to 30% in 2014/15. Without any real terms increase in grant funding, the outcome of this constrained funding mechanism will almost certainly result in the force presenting a strong case to you as the Police and Crime Commissioner for greater than inflationary council tax increases, with implications for the ongoing cost-of-living crisis for many households.

Uncertainty about both grant funding and Council Tax increases means that it is increasingly difficult to predict with confidence our level of resources and significantly hinders our ability for financial planning.

I fully recognise that the communities of Derbyshire are already feeling the incredible financial impact because of the cost-of-living crisis, but my primary consideration must be how I can best deliver policing within the county, utilising the options provided by a precept increase. Therefore, I am seeking your support and asking for the maximum permissible precept of £14 this year.

I do not expect the people of Derbyshire to solely fund the improvements required. The force will continue, as it has over the past few years, to generate efficiencies to contribute towards the funding needed. However, the majority of the increase in costs are from issues outside of our control and are beyond the level of Home Office Grant given to Derbyshire Constabulary. It therefore falls to force efficiencies and the precept to both bridge this gap and support our continuous improvement.

This letter outlines some of our challenges, summarises improvements made in the past 12 months, and identifies the areas for further development. It articulates why we continue to require the maximum precept available to us.

Demand

We must recognise the significant change in what the public needs from policing. Changes beyond the control of policing such as online and complex harm, an increasing population, and global threats impact our ability to deliver. The digital element of most (c.90%) crimes requires more

complex – and often more expensive – technological capabilities. In 2013, just over half the UK citizens used social media, rising to almost 83% in January 2024. Our digital footprints mean criminals are no longer limited to face-to-face, one-to-one targeting opportunities. Instead, widespread digitalisation across the UK society allows them to victimise at scale. Over the last ten years in particular, technological advancements have accelerated changes in the nature of criminal threats facing the UK. For example, the national rise in fraud over the last decade will be partly due to the rapid and ever-growing advancements in technology and digital capability, but also because the recording of these offences is now more accurate, so data is captured more effectively.

Changes in societal norms have also increased reporting of crimes previously hidden or under reported, and a significant proportion of today's demand is non-crime related as policing picks up pressures from across the system in areas such as mental health, missing people and wider vulnerability. Nationally, and reflected in Derbyshire, we have seen a 5% increase in calls for service every year for the past 10 years, creating more pressure than ever on our police resources. Based on force forecasting, it is projected that the increases in calls will continue for the next four years. HMICFRS themselves have determined that the force receives a relatively high number of these non-emergency calls compared to other forces. Despite this and the change in complexity, we only have the same number of officers in our baseline figure that we had in 2010. Regardless, Derbyshire continues to strive towards justice for the communities we serve. In 2024, the force achieved an overall positive outcome rate of 17% compared to 14% in the previous year.

Our officers and staff make difficult decisions daily about a vast range of public safety issues. Investigation of crime is more complex, and crime trends are evolving; our service needs to evolve too. New pressures such as the growth in online crime and the exposure of the scale of fraud, the need to tackle violence against women and girls (VAWG) which is often challenging to investigate, and a desire for improvements in performance in more 'traditional' neighbourhood crimes mean policing is under considerable pressure.

If we consider domestic abuse, 19.9% of crime recorded in 2024 in Derbyshire had a domestic abuse flag. This equates to 13.7 incidents flagged as domestic abuse per 1000 population. This is slightly below the national average; however, we identify more repeat victims, seeking to focus on the harm of repeat offending. We make higher than average use of Domestic Violence Protection orders (DVPOs) compared to nationally and our arrest rate is slightly above the national average. The force has focused on several areas to positively impact on these figures.

In relation to our desire to improve how we tackle VAWG, we have implemented dedicated investigation teams for Rape and Serious Sexual Offences (RASSO) and are committed to continuing to implement and embed the Operation Soteria National Operating Model to transform how we investigate such offences and ensure we are victim-centred, suspect focused, and context led. In the financial year 2023/24, in comparison to 2022/2023, Derbyshire saw a 6.1% reduction in sexual offences compared to the national reduction of 3.6%. This reduction came alongside work encouraging reporting and engagement with VAWG groups both locally and nationally. Our positive outcome rate for sexual offences was 13.1% compared to 10.5% nationally. Our positive outcome rate for rape stood at 11.1% compared to 7.9% nationally.

Stalking and harassment presents a challenge for the force. While it has decreased by 5% (potentially influenced by work on repeat victims) in 2024 compared to 2023, this still represents over 13,000 crimes. The force is addressing the points raised in the recent super complaint and producing a strategic profile to improve understanding and manage the demand. Work on stalking and harassment is already starting to bear fruit, with the positive outcome rate for 2024 at 10.3% compared to 8.6% in 2023.

In Derbyshire, we place real value on neighbourhood policing and the positive impact it has on public trust and confidence, through working with partners to tackle issues that affect local people,

along with antisocial behaviour (ASB). We have sought to develop the skills of those working in our neighbourhoods where other forces have not. Moving forward, we need to bring more investigative skills into these neighbourhood teams so that we have a stronger resource mix, through greater balance between the warranted powers of police officers, visibility, reassurance and engagement through PCSOs, and investigators to effectively tackle the residual neighbourhood issues, and neighbourhood crime such as burglary, robbery and vehicle crime. The force has seen a reduction of 24% in residential burglary in the past calendar year with a higher-than-average positive outcome rate of 10.2%.

Moving forward we want to be able to sustain our very effective ASB Hot Spots and Immediate Justice (IJ) operation. This has been funded in the short term by the Home Office and funding runs out in 2025. We have seen great success, with 14,722 dedicated hours of patrols since its launch leading to greater engagement and confidence, as well as targeting hot spot offenders and offences. The force is leading the way nationally for IJ referrals with 912, and 74% of those who have completed IJ have not reoffended. This is something we would wish to continue, knowing the concerns our communities have about ASB, but face the problems of short-term funding streams. There were 21% fewer ASB incidents in 2024 than the previous year and a positive impact seen on the hot spot locations.

In this past year, a partnership Violence Reduction Unit (VRU) was set up in Derbyshire, tackling issues that cause public concern and represent greater threat and risk, such as knife crime. This, again, was enabled through Home Office funding. The VRU works closely with our Partnership and Prevention Team. Continuing this work is a priority and couples with our desire for prevention to be a key partnership approach across the county. Greater prevention means increased interventions to prevent adults and younger people becoming involved in crime and has a long-term wider benefit to Derbyshire. In 2024, serious violence was reduced by 1% and knife crime by 11%, suggesting that the multi-disciplinary approach taken is effective.

However, the funding for ASB Hotspots and IJ, along with the VRU, runs out on 31 March 2025 and will not be continued. The force is having to look hard to determine how it can continue to provide parts of these vital functions within its budget pressures.

Shop theft has risen nationally and has become a point of concern for the public and more prominent politically. In 2024, shop theft rose by 8% in Derbyshire following a 57% increase the previous year. This increase has prompted a strong response from the force, with focus being applied by local policing teams and positive action taken. This focus has led to a positive outcome rate of 30% for 2024 (compared to 25.5% in 2023); the second highest in the country. Despite this strong performance in responding to shop theft, the volumes continue to climb. This is partially due to well-maintained relationships with retailers who are encouraged to report offences (victim satisfaction for theft is currently 88%) but is also believed to be negatively impacted by action not being taken once the offences reach the Courts. To this end, Derbyshire Constabulary are seeking to address the issue in other ways, such as pursuing more out of court disposals and alternative options for managing offenders to keep communities safe and reassured.

It is right that policing is held to a higher standard than other professions and that the public know that officers and staff are determined to serve them, run towards danger, show compassion and protect those in need. I would like to reassure you that the force has a robust approach to vetting and a clear set of standards of behaviour to which officers and staff are held to account.

As mentioned earlier, in late 2023 HMICFRS inspected the force against its PEEL framework. This looks across policing as a whole. The force demonstrated an improvement in its services, with a reduction of areas for improvement (AFIs), some of which it has already been able to close or complete. Improvement is still required, however HMICFRS expressed confidence in the force's ability to do so. This is something I monitor and track progress of closely, recognising its importance and the confidence it brings to the public through a better service.

Serious Violence including Violence Against Women and Girls (VAWG)

Tackling Violence Against Women and Girls (VAWG) continues to be a priority for the force. Much of the work this year has focused on awareness raising and prevention as well as a continued drive to improve investigations.

For too long, the onus has been on victims of domestic abuse to keep themselves safe. Derbyshire Constabulary recognises that tackling perpetration is a key element in preventing domestic abuse and reducing reoffending. The Constabulary is committed to working in partnership to deliver against the Domestic Abuse Act by preventing offending, protecting victims, and ensuring they have the support they need.

Working with your office, a number of perpetrator intervention programmes have been funded across Derbyshire. The aim of the interventions is to increase safety to victims and reduce reoffending. These interventions went live in October 2024, and although the data around impact is limited at present, a full review of their efficacy will take place in 2025, where we expect to see a reduction in repeat offending for those attending the interventions.

Additionally, the force has run a 'Call it Out' Campaign through 2024, which will continue into 2025. The campaign was designed taking a preventative approach to reduce offending against women and girls, by encouraging men and boys to challenge those demonstrating unacceptable or misogynistic behaviour.

The campaign has run across universities, colleges and schools, including Derby Royal School for the Deaf, supported by the Deafinitely Women charity.

Both Chesterfield and Derby County football clubs have supported the campaign during their home matches throughout November 2024, where they have played the 'Call it Out' campaign video inside the stadium.

The campaign has reached thousands of people in Derbyshire and the feedback from the education settings has been overwhelmingly positive.

Identifying good practice in another force, we have implemented a SmartWater pilot to protect domestic abuse and stalking victims. The positive outcome from the pilot has been supported by your office and now has a force-wide roll out and has helped provide evidence to support prosecutions.

We use the force social media presence to run Domestic Abuse (DA) Live Events; live streamed events with stakeholders and partners to raise awareness of issues both in DA and the wider VAWG spectrum. These events are held quarterly and have attracted viewing figures in excess of 28,000 to date.

The force wants to ensure that it provides the best service it can to victims of VAWG offences and now has a network of DA Champions. These disseminate best practice to the frontline and are empowered to support and challenge colleagues. They receive additional training and engage in other activities such as the DA Live Events. Glowing feedback around this has been received from Safelives - the National DA Champions Network lead. To further support staff, a safeguarding app has been developed which helps improve the quality of initial safeguarding actions for DA victims.

Following a peer review by Safelives, changes have been made to the force risk assessment processes when assessing domestic abuse. This resulted in more cases being graded high risk. To ensure we can effectively respond, the force has increased the establishment in the High-Risk

Domestic Abuse (HRDA) teams by 16 police constable posts. The positive outcome rate in relation to high-risk cases remains high at 39%.

The volume of VAWG in 2024 compared to 2023 saw an 8% reduction.

Anti-Social Behaviour (ASB) and Community Safety

The Derby and Derbyshire Violence Reduction Unit (VRU)

The VRU commenced during October 2023 and took a period of six months to gain a full complement of staff. It consists of a Serious Violence Programme Manager, Serious Violence Analyst, Community and Young Person Involvement Officer, and a Communications and Campaigns Officer.

The Derby and Derbyshire VRU is assisting partners in meeting their statutory responsibilities under the Serious Violence Duty. This allows the Serious Violence Partnership to take a proactive, public health approach to the way serious violence is addressed in Derby and Derbyshire. The Serious Violence Partnership is currently delivering eight funded interventions over the 2024/25 financial year, with the Derby and Derbyshire VRU taking the lead on Hope Hacks and the Walk Away Campaign.

The Serious Violence Board oversees the work of the VRU, as well as the specified and relevant authorities in the Serious Violence Partnership. We work together using a public health approach, with the aim of reducing and preventing serious violence. Specific task and finish groups have been established to ensure the efficient development and delivery of funded interventions.

The Derby and Derbyshire VRU is funded by the Home Office until 31 March 2025. It has been of real value within the county, however it is one of many projects about which the force will need to make difficult decisions, given the removal of the funding stream.

Force Control Room

Over the past couple of years, the force has focused on improvements in the Control Room. We recognise that, for a vast amount of the public, their only contact with policing will be through the Control Room. 101 call times have reduced year-on-year. As a comparator, the average wait time was over six minutes in October 2023, reducing to just over three minutes in October 2024. This figure has remained consistent and fallen well under three minutes in the remaining months of 2024. A new system is due to be implemented in January to auto-distribute calls. It is anticipated that call wait times will reduce further, supported by other work aimed at improving the service we provide via 101.

In 2024, our dedicated digital contact officers were recruited, with further work ongoing to expand our capability and capacity. During the autumn, 'live chat' accessed via our force website was enabled 24 hours per day, seven days a week. Hundreds of 'live chat' contacts are received each month. We have a well-established social media contact platform, providing the public with multiple routes to access Derbyshire Constabulary. Although 101 and 999 are likely to remain our most used contact methods, our digital contact capacity will continue to expand in 2025 to maintain that choice for the public.

Police officers were posted into the Control Room in 2023 to provide early management of incidents where the risk deemed it appropriate. This provides the public with opportunity to speak to an officer within 24 hours for certain incidents. Contact can take place by video or telephone, with the video approach embedded into daily business throughout 2024. This contact method has proved popular with the public and plans are in place to utilise this method more widely throughout 2025. Incidents requiring physical attendance will still see officers deployed, however this

approach provides a solution to those incidents where risk is not necessarily imminent but early engagement with an officer is required. This provides additional capacity to frontline officers to support attendance to emergency and priority incidents. This method, GoodSam, is detailed later in my letter.

A sophisticated demand prediction tool has been developed to better support the deployment of call handlers. The predictive data shows strong accuracy and is already helping to shape decision making in respect of resourcing. The data is being utilised to optimise resource planning to support improvements in public service and will be fully embedded into daily business throughout 2025.

ASB and Hotspot Policing

Since the launch of the ASB Hotspot Policing operation in July 2023, the highest reduction seen in ASB reports since launch was 45% in the 'hottest' areas, with all locations averaging around 20%. Officers are more visible to the public, boosting confidence and availability through this dedicated patrol, spending set periods of time in locations identified to be hotspots for ASB. The impact has not just been felt in ASB but in crime in these locations, with a reduction of 12%. There have been 77,470 public engagements through 14,722 dedicated hours of officer patrol. These have resulted in 255 arrests and 291 stop searches.

The ability to share with members of the public the positive work taking place in their area has been enhanced using Visibeat which can then be reported to the community, providing clarity and reassurance that the police are out there on the beat. It shows where patrols have been carried out by officers, not solely those on hotspot patrol. It enables the public to feel reassured around activity carried out and helps us to ensure officers are in the right places at the right times, based on incident data. Its application, though, is much wider than ASB, as it enables better resource allocation for other priorities around hotspots, for example, safer neighbourhood priority areas and roads policing. We are currently exploring how Visibeat information can be added to Single Online Home for members of the public to view.

Immediate Justice (IJ)

The force is leading the country in Immediate Justice (IJ) initiatives. This helps reduce the demand on the criminal justice system and first-time entrants, providing an appropriate alternative. To date, there have been 912 referrals with a 74% non-reoffending rate. There has been no other Out of Court Referral (OOCR) scheme in Derbyshire that has provided such significant results. Victims have stated a 100% satisfaction rate. Offenders receive education on the impact of their behaviour and provide community payback. Numerous safeguarding referrals to address root causes and protect vulnerable individuals have been completed. Some young offenders have gained apprenticeships through the program. It helps provide a consistent approach to OOCR. Based on 16 months of reoffending data, potential savings of between £489,344 - £802,918 have been indicated. These estimates are derived from the Home Office cost of crime data.

In 2025, the force will be seeking to extend its use of Visibeat and is looking at how it can mainstream hotspot policing and IJ into business as usual. These initiatives have shown significant positive impacts on crime reduction, public confidence, and offender rehabilitation in Derbyshire.

As noted previously, both the ASB Hotspot work and IJ have been funded through the Home Office, the funding stream for which expires on 31 March 2025. These two programmes have brought real value to the force and its communities. In order to sustain and move these programmes into business as usual, the force will need to find savings to self-fund a version of this. This is set against the wider financial challenge articulated earlier.

Neighbourhood Policing

This area was rated as 'good' by HMICFRS (prevention and deterring of crime and ASB), noting "The constabulary has a sustainable neighbourhood policing model, supported by structured training and increased staffing". The force has worked hard to continue to build the capabilities of its safer neighbourhood teams (SNT), recognising the value to the public and the confidence they bring. This investment has meant the force is very much ready to deliver against the Government's Neighbourhood Policing Commitments. It already has a strong abstraction policy, named officers and staff in each neighbourhood, a strong element of problem solving in local towns, and a problem-solving approach enabling it to tackle the issues affecting local communities.

The force is looking to revise its SNT model further to mainstream the ASB hot spot activity and build capacity and capability in its investigative functions in neighbourhoods; those that help act against longer term residual issues. Examples of this would be the closure of particular licensed premises, and partnership working in identified locations as seen with the success of the Clear, Hold, Build approach in Buxton, utilising civil powers available to us.

There has been significant reduction in the percentage of people experiencing or witnessing ASB since 2022, although it is recognised that still too many people's lives are affected, and there remain areas where we need to improve the consideration of and response to community needs. This requires sufficient staffing alongside investment in technology such as the Visibeat system, which has allowed the effective targeted, deployment which can then be reported to the community, providing clarity and reassurance that there is a visible presence on the beat. We continue to grow the Derbyshire Alert membership as well as working to improve the system, to further support effective communication with the public. The force is determined to become a leading example of community engagement and priority setting nationally.

Reacting to community concern, the force has changed its approach to e-scooters. A total of 205 e-scooters have been seized by police during November and December following the launch of a crackdown on their illegal use. Police enforcement like this requires resources and time and is accompanied by education and preventative activity.

The force is committed to a problem-solving approach and neighbourhood policing has been at the forefront of this. The use of ASB legislation including Criminal Behaviour Orders and Premises Closure Orders has seen problematic individuals and locations subject to court orders, reducing crime and ASB. The problem-solving approach rests on having sufficient trained practitioners, able to identify and address the underlying causes of criminality.

The force is piloting the College of Policing National Policing Programme designed to professionalise neighbourhood policing, increasing knowledge and skills in staff. Three modules are being piloted: ASB, Problem Solving, and Engagement over four phases, delivered through a combination of e-learning, classroom learning and completion of an operational competency portfolio. Over 120 staff form the pilot. This will be rolled out force-wide - and nationally - in 2025.

Bringing Offenders to Justice

In the past 12 months the force has reviewed its Criminal Justice (CJ) function. There is a strain on the wider CJ system and the force wants to ensure efficiency and effectiveness in the elements for which it has control. We recognise the public want us to investigate crime in a timely manner, supporting victims throughout. In 2023/2024 we saw an increase in the number of arrests made. This increase has been sustained, arresting more than 17,000 people, seeking to bring them to justice. Supporting this, the force has a good conviction rate at both Magistrates and Crown Courts, working closely with the CPS to regularly achieve a conviction in over 80% of cases.

We want to reduce the time taken for crimes to be dealt with and deliver faster outcomes for victims through a reallocation of resources and reducing the administration burden on investigative officers. This means specialist support for officers, freeing up their time to investigate crimes and support victims.

Justice is not necessarily a conviction. We will continue to explore options for delivering justice, seeking to expand our use of restorative justice processes and out of court resolutions to give good outcomes for victims, and reduce offending and reoffending. We will embed as core business the successes seen this year in dealing with antisocial behaviour through Immediate Justice. This will help increase confidence in our communities that we will deal with what matters to them.

We continue to focus on putting the victim at the heart of what we do. In 2025, a Victim Care Team will be put in place to ensure the needs of all victims are understood, working closely with your commissioned Victim Services and the OPCC to ensure appropriate referral mechanisms are in place to help those who have been affected by crime.

The Investigative Standards Project

The aim of this work is to improve investigative standards across the force and become a national exemplar in undertaking quality investigations. It is focused on going back to the basics in policing, developing an investigative mindset throughout the workforce and a culture that focuses on preventing and detecting crime through quality investigations and bringing offenders to justice. It seeks to develop a skilled workforce, equipped to undertake quality investigations consistently, and strengthen the supervision of investigations. It includes force systems and processes, supports and enables the investigative process, leading to better outcomes and more timely investigations for victims.

The project is based on the Op Soteria principles, to be victim centred, suspect focused and context led, and is structured around seven pillars. Cross departmental representation has been secured to ensure a whole system approach, including a focus on behavioural change, mindset, training, and accreditation, as well as exploring where technology can help.

Drug Dealing and Substance Misuse

In line with the Government Harm to Hope Strategy, Derbyshire has successfully implemented the Drug and Alcohol Strategic Partnership. A needs assessment and drug market profile were produced to aid creation of the Partnership Delivery Plan. Our response centres around four key areas of the strategy; reducing drug and alcohol misuse, reducing drug related crime, reducing the drug supply, going after the money. The force employs a jointly funded Inspector position to aid delivery and coordination of key workstreams.

Drug Testing on Arrest (DTtoA) commenced at St Mary's Wharf Custody in early September, before being extended to the Ripley custody suite in December 2024. Trigger offences for this include acquisitive crime and class A drug offences. Over the festive period, a trial has taken place to expand testing to focus on offences related to the nighttime economy, domestic abuse and VAWG. This will increase our understanding of how class A drugs affect offending. By mid-December 2024, 158 tests had been conducted (acquisitive) with 70% testing positive. Of those required to attend a review with treatment partners, 39 have engaged, however 44% have failed to attend with a high prevalence of those being homeless. The force is looking at how, in partnership, we can improve attendance from this cohort.

Naloxone is a lifesaving drug able to reverse opioid overdose, a major cause of drug related deaths. The latest national reporting statistics indicate that rates of drug misuse deaths are increasing, with opioids continuing to be the most frequently mentioned drug type. There has been a surge nationally around Nitazenes (a synthetic opioid) being adulterated into drugs, with

confirmed cases in Derbyshire. The 'From Harm to Hope Strategy' created a national impetus for all police forces to carry Naloxone and was advocated by the NPCC. At a local level, national statistics indicated that both Derby City and Derbyshire have a rate of drug misuse deaths significantly higher than that of England and the East Midlands region. Our staff are at risk as synthetic opioids such as Fentanyl could cause overdose through inhalation (two grains of sand would be all that is needed).

During the summer of 2024, there was an increase in overdose and drug related deaths in the north of the county, with Chesterfield and Bolsover being noted as having the 11th highest rate of drug misuse deaths in England per 100,000 population. Information provided from EMAS suggested the presence of synthetic opioids and that multiple doses of Naloxone were being administered followed by hospital admissions. A problem-solving approach followed, with joint outreach visits being conducted by drug and alcohol workers and SNT officers to develop intelligence, raise awareness to drug users about the potency levels of what they were consuming, and to hand out 'take home Naloxone'. This quickly identified addresses who were involved in the supply of heroin contaminated with synthetic opioids. Towards the end of the summer, warrants, arrests and seizures were made which confirmed the presence of Nitazenes which has been discussed through the Local Drug Information System panel (LDIS), and a significant reduction in the number of overdose/drug related deaths reported.

Derbyshire Constabulary have more officers carrying Naloxone than any other police force in England and Wales, even those funded by Project Adder. Training has been delivered to over 700 officers across the force, with 625 officers volunteering to carry it on their person. It is also available in our custody suites. Across Derby and Derbyshire, Naloxone has been used 16 times, and each occasion has saved a life. There is now a much stronger partnership approach, including ensuring that the wider work of Right Care, Right Person (RCRP) within the drugs partnership is completed, as well as better information sharing and development of intelligence.

A referral form has been developed and launched to provide the opportunity for front line staff to refer individuals directly to support for treatment of substance misuse (Police Referral Pathway). Referrals being made are now gathering pace, with several officers using this pathway when dealing with domestic related incidents, recognising the causal effect of substances in domestic abuse reports where no offences have been committed.

Changes are being made to Operation Trapped; the force response to cuckooing. This centres around the protection of vulnerable people from exploitation through they and their homes being used for criminal purposes. We are looking at greater focus on problem solving and a wider partnership approach, working with treatment and housing providers.

The Drug Advisory Intelligence Group (DAIG) will be reintroduced, co-chaired by the police and Public Health. This, combined with our own internal drugs intelligence function changes, will bring greater focus and clarity to drugs misuse and criminality in the county. This will ensure we are sharing information and trends around drug use and issues within Derbyshire, learning from partners and treatments being given to ensure our policing response is in line with current issues and demand.

Work continues to ensure we disrupt Organised Crime Groups (OCGs) and County Lines, working together in force, as a partnership, and with East Midlands Special Operations Unit (EMSOU). For example, the work in Buxton on the Clear, Hold, Build pilot has been successful and there is opportunity to extend this to other locations.

A recent example of a successful operation, working with EMSOU, targeting OCGs was reported on 31 December 2024, where 17 people were jailed for more than 50 years after a million-pound drug line was broken by officers. This result followed a complex investigation into the supply of Class A drugs into the Chesterfield and Sheffield areas, which began back in 2022. Almost 20kg

of cocaine, a 9mm handgun, and approximately £1.2m cash were recovered as part of the investigation, with £680,000 discovered in just one vehicle stopped by officers in Sheffield. The investigation uncovered those involved in facilitating, supplying and delivering illegal drugs, and tracked the movement of large quantities of criminal money throughout the UK.

Supporting Victims and Safeguarding

We have continued to play a central role in safeguarding, working with partners to ensure vulnerable people have access to the right care and support. The Safeguarding Coordination Hub has reduced its time to risk assess reports of vulnerability, sharing reports to partners in a timely manner. Investment made in specialist domestic abuse training has improved force risk assessments, leading to improved referrals into the Multi Agency Risk Assessment Conference (MARAC) and Children's Social Care. All information regarding children involved in domestic abuse is shared with the local authority and other key partners such as education, within 24 hours. This means timely decisions and interventions are being made to keep children safe.

We want to intervene at the earliest opportunity by tackling repeat and serial offenders. The force repeat, serial and civil orders function has made considerable strides in the application and management of protective orders which sees conditions placed on the offender. Noticeably, we have increased the number of stalking protection orders to 67 during this year and have improved our management of domestic violence protection orders (DVPOs). Our breach rate has increased by 160% due to our proactive management of the orders and desire to protect victims of DA. This approach seeks to improve victim confidence and protect through additional safeguarding measures. Moving into 2025, our focus will be on strengthening our approach to identifying precursor behaviours and ensuring appropriate interventions are in place by working in partnership.

The threat from online harm continues to pose significant safeguarding challenges. We have invested in this area through developing capacity and capability within the protecting children online team which has been recognised through recent inspections. During 2024, we undertook 563 enforcements involving households suspected of downloading indecent images, with 912 children safeguarded. However, this area continues to see significant demand increase and will require continued focus throughout 2025.

The Head of Criminal Justice leads work to deliver a Victim Strategy through his Victim Improvement Group, reporting into the strategic Victims, Crime and Vulnerability Board. In September, the force introduced an app allowing frontline officers to keep victims updated electronically, which is showing promise in increasing victim satisfaction. Trials continue to find the best way to ensure victims can receive an update on their crime, even when the officer in the case is not on duty.

In 2025 we will continue work to implement the Victims and Prisoners Act, which will ensure minimum standards when it comes to the service we give to victims. Victim satisfaction performance is continually monitored. Treatment is at 89.7%, with 75.1% satisfied with the whole experience. Kept informed remains the key area of challenge for improvement at 57.3%. Training on improving the service given to victims is constantly ongoing and will include a full day's training between January and March for around 700 officers.

In January, six staff join the organisation as Victim Liaison Officers who will be solely responsible for supporting victims of rape and serious sexual offences and supporting them through the investigative process.

Enabling and Technology

In the past year there have been some notable developments and improvements. The force has a clear approach to the benefits that technology can provide for a better public service.

GoodSam is a way of communicating with the public via video link. It has many uses including face to face or chat, with victims who can share their exact location. This enables the organisation to check on the welfare of victims, and find vulnerable people, including missing persons. It also provides a virtual appointment, something many people prefer. In its first two months, over 100 missing persons were located safe through its use, with an average 30 per month of 'share' locations. This same period provided £21,000 cashable savings, 700 hours of resource time saved each month, and three lives saved. This is combined with a 98.5% customer satisfaction rate.

The Control Room now operates a Digi Hub for comments' monitoring; a function previously completed by the Communications team. Its extended hours have led to the first response reducing from 29 hours to 24 minutes. We were the first UK police force to launch Orlo Live chat and instant translate, which is now available in 150 Languages. This evidences our desire to be more accessible in more ways to the public.

Evidence.com is now in place in force. Its value to policing can be seen. Criminal Justice Caseworkers no longer need to wait for the CPS to send an upload link to upload evidence. As a result, 2,250 hours' worth of delays were avoided in the first ten weeks of its use. Additionally, by December 2024, 7810 upload links had been used by our Investigators to recover digital evidence remotely, saving many hours' travelling back and forth. We are confident we will realise a saving of over 23,000 hours per annum from Investigators using upload links alone.

We know the public support the continued use of Automatic Number Plate Recognition (ANPR) as a tool to fight crime. In the past year, 36 new ANPR locations have been installed across the county and nine ANPR locations refurbished with new cameras. This has been supported by wifi capability being installed into 22 ANPR vehicles to increase officer productivity when working away from the office.

Moving forward, the force is moving to a new supplier for body worn video and digital recording which will enhance and improve functionality and efficiency for officers. This includes faster downloading of products. The Innovation Team are trialling proof of concept in facial recognition, transcription, redaction and AI technologies.

In recent years the force has invested heavily in Digital Forensics and Accreditation, recognising the massive digital forensics element of many investigations. A new case management and quality management system means that digital investigations are more streamlined and a higher quality. The unit has been recommended for accreditation (required under the Forensics Regulator), and this also means improved integrity of evidence entering the criminal justice system. Into 2025, the team will support the Investigative Standards Project by introducing technology that will reduce the waiting time for technical forensic services.

Driving Efficiencies

The force is committed to driving efficiencies in its work practices, and the contribution of these to delivering savings. Earlier in 2024 it began a 10-year savings programme, recognising the financial pressures were unlikely to ease. There is a considerable focus in non-people costs, recognising the value of those working in the organisation and the service they give to our communities.

Some of the notable planned savings include the area of insurance claims and accident reporting. In the next financial year, a conservative prediction of £0.5m should be generated through this

workstream, with a desire to achieve a greater amount. Through improved procurement and contract management, savings will be delivered in areas such as fleet maintenance.

The force estate requires significant investment. An extensive project is underway to seek better use of existing estate and the optimisation of its potential. This includes selling some parts and buying other buildings that are less costly to run, whilst ensuring our visible police buildings remain in the heart of our communities. It is anticipated this will reduce annual costs significantly. A good example of this is seen in ending the lease on a building in Derby City and relocating officers and staff to elsewhere on the estate. This saved over £455,000 per annum. This is combined with the force smarter working approach.

This year, departmental and divisional heads were asked to identify 2% savings from their devolved budgets to continue to bridge the funding gap.

Financial pressures

The Police Grant Settlement has occurred within the context of continuing significant economic and political upheaval, both globally and nationally. This year's settlement confirmed the financial constraints that the government is operating under and the challenges for policing to meet its ambition to make our streets safer and reduce violence against women and girls, within a period of fiscal tightening. Without a Spending Review since 2021, grant funding has not accounted for the significant spike in inflation and is now considerably less effective than originally planned. This has meant that funding allocations have shrunk in real terms and have led to an increase in financial pressures.

Our increase in 2025/26 overall Government Funding is £8.4m (5.6%), which is lower than the national average of 6% for all forces. However, £5.2m of this increase relates to the increase in the cost of the National Insurance Contributions and the additional costs for the Neighbourhood Policing uplift. The net increase in grant funding is, therefore, only £3.2m (2.1%).

However, the grant provides no continued funding for the additional costs of the September 2024 pay award or any provision for a pay increase from September 2025, with combined costs of £6.6m leaving a funding shortfall of £3.4m. This means that I have no choice but to ask you to consider a maximum precept increase to cover the increased costs of pay and inflation, whilst providing for additional investment in critical policing services above those provided for by central Government.

The Constabulary continues to face significant financial pressures from restrictions to core funding, a need to update and upgrade the police estate as well as the continual need to keep pace with technology. The demand on policing is growing and there has been an emergence of new budget burdens that place further strains on our finances, creating additional unavoidable costs and increasing our base budget requirement to £245.8m for 2025/26.

Although annual budget savings of over £4m have already been removed from the budget requirement, it is acknowledged that even with a maximum £14 Council Tax increase, further significant budget reductions and savings are necessary to enable a balanced budget to be set. A rigorous and structured process has been followed to identify budget reduction options for 2025/26 alongside a corporate savings programme to reduce overheads, deliver continuous improvements and achieve both cashable and non-cashable savings to help towards achieving a balanced budget over the medium term.

With government funding reducing in real terms for 2025/26 and the ongoing delays to the funding formula review, the outcome of the Spending Review and departmental allocations from 2026/27 onwards will be of great importance. Policing can no longer rely upon precept increases alone to bridge the funding gap, and with much greater unexpected cost pressures, there is a risk that the funding gap will worsen considerably over the next spending review period.

Precept Recommendation

In this letter I have outlined the significant challenges facing the force. The financial pressures are stark. This is combined with a policing context of ever-increasing demand and complexity. The force continues to work hard to improve our services to the public and improve trust and confidence in us, as well as contribute to meeting our own financial pressures. I am acutely aware of the financial challenges to our communities in the face of the cost-of-living crisis when recommending the maximum precept increase available.

As outlined above, the force increasingly relies upon precept as a greater proportion of its overall budget. In modelling all the precept options available to us, the maximum precept increase of £14 still means a significant budget shortfall in 2025/2026. Any option less than this simply widens the gap and makes the difficult financial choices more deep reaching on the service. Even with this maximum precept, difficult decisions will need to be made and some aspects of the force reduced. Much work is ongoing to ensure this does not result in a lesser service to the public, that performance improvements continue, and we deliver against your Police and Crime Plan objectives. As stated, the overall budget of the force is insufficient to deal with outside pressures, and so savings must be found to bridge this gap. So many factors in relation to our financial context are outside of my control, such as pay and inflation, and have a significant impact against the budget.

The key question when determining the level of precept must be, does it allow for a manageable and sustainable budget in the forthcoming year that sustains improvements against our priorities, whilst protecting Derbyshire Constabulary for the future. Unfortunately, none of the options available to us will fully meet this test and as expected, we are having to make difficult decisions regarding which services are needed, rather than wanted, by our communities. Every effort is being made to find these in non-staff posts and to ensure they do not impact on the service we deliver to the public.

In summary, I have no option but to make the recommendation for the full £14 precept increase to you. I make this in the full knowledge that Derbyshire Constabulary is asking you to approach the communities of Derbyshire to ask for more funding, which I know will be extremely difficult for many. I would like to reassure you that I continue to pursue all opportunities for efficiencies that do not impact upon our ability to deliver policing within Derbyshire, and would never seek to ask for more funding than is absolutely necessary for this purpose. I know the public ask you to improve our policing in Derbyshire and I am asking for your support to be able to do this through maximising the funding available.

Yours sincerely



Rachel Swann QPM
Chief Constable



AGENDA ITEM

2

DERBYSHIRE CONSTABULARY BUDGET SETTING MEETING

REPORT TITLE	REVENUE BUDGET REQUIREMENT 2025/26, PRECEPT REPORT AND MEDIUM-TERM FINANCIAL FORECAST 2025/26 – 2029/30
REPORT BY	JOINT REPORT OF THE CHIEF CONSTABLE, CHIEF FINANCE OFFICER FOR THE CONSTABULARY AND CHIEF OPERATING OFFICER FOR THE PCC
DATE	14 th JANUARY 2025

PURPOSE OF THE REPORT

The main purpose of this report is to request that the Police and Crime Commissioner approves a Revenue Budget Requirement for the Constabulary for the financial year 2025/26, and to agree their preferred proposals, from the list within the report, to fund this requirement and achieve a balanced budget.

This includes decisions on increases in Band D Council Tax, up to the maximum permitted under current Precept Limitation regulations (a £14 increase).

The report also requires actions and decisions to be made regarding the following: -

1. The Police and Crime Commissioners (PCC's) own Revenue Budget for 2025/26.
2. The Medium-Term Financial Forecasts for 2025/26 to 2029/30.
3. The forecasted balances on Reserves and any use of these Reserves.

A full list of recommendations regarding these matters is set out in the following section of the report. Subsequent sections provide comprehensive background information, analysis and forecasting to support all the recommendations made.

RECOMMENDATIONS

1. To note and acknowledge the letter from the Chief Constable setting out her professional recommendation to the PCC regarding the budget and precept proposal for 2025/26.
2. To note the adjustments made to the 2024/25 budget position, which show the foundation for the revenue base budget requirement for 2025/26 (Section 7 of the report).
3. To approve the Revenue Budget for 2025/26 as detailed in this report and **Appendix A through to E**, which includes the movements in expenditure and income and the level of revenue contribution to capital in the base budget, as outlined in Section 8.
4. In respect of the Council Tax requirement, the associated police precept and provisional contributions to/(from) reserves: -
 - a) To confirm and agree the preferred option from Section 8 of this report to fund the budget requirement in terms of the **precept increase for a Band D Property**.
 - b) To agree the **Budget Reduction Measures** to achieve a balanced budget (**requirement outlined in Appendix F**) for 2025/26, and where necessary, the level of any remaining shortfall to be met from the Operational Funding and Investment Reserve.
 - c) To note the anticipated movement in reserves during 2025/26 outlined in **Appendix D**, noting that the figures which apply will depend on the precept increase decision for 2025/26 in 4a above.
5. Approval for joint delegation to the Chief Finance Officer (Constabulary) and Chief Finance Officer (PCC) to make appropriate adjustments to use of Reserves in relation to any surplus or deficit arising from the Collection Fund.
6. In respect of the Medium-Term Financial Forecast for 2025/26 – 2029/30, discussed within this report but also shown in more detail at **Appendix A**: -
 - a) To note the financial forecasts up to 2029/30.
 - b) To note the assumptions inherent in those forecasts and the scenarios that affect the projected financial position.
 - c) To note that the Medium-Term Financial Forecast indicates future budget deficits beyond 2025/26 and that reserves alone will not be sufficient to close a future funding gap.
 - d) To recognise that the Force will need to identify further efficiencies and savings both for reinvestment in priority areas but also to help achieve a balanced budget.

Sections within the Report:

No.	Description
1.	Background and Approach
2.	The Police Finance Settlement
3.	Setting the Precept
4.	Public Consultation and Engagement
5.	Council Tax Base
6.	Overall Funding Position 2025/26
7.	Building the Budget Requirement for 2025/26
8.	Options to Achieve a Balanced Budget for 2025/26
9.	2025/26 Proposed Budget Allocations
10.	Value for Money
11.	The Future Financial Position (2026/27 to 2029/30)
12.	Reserves Position
13.	Borrowing Position
14.	Assurance Statement from the S151 Officers' Considerations

List of Appendices:

Ref	Description
A	Revenue Budget Forecast (Medium Term) 2025/26 – 2029/30 and options for funding.
B	Budget for the Office of the Police and Crime Commissioner 2025/26
C	Budget for the Chief Constable 2025/26
D	Anticipated Reserves 2025/26 – 2029/30
E	Summary of Precepts 2025/26
F	Legislative Requirements to deliver a Balanced Budget and maintain Reserves.

Note: Totals on tables within this report may contain slight differences due to rounding.

1. BACKGROUND AND APPROACH

- 1.1 Each year the Police & Crime Commissioner is required to recommend a **Band D Council Tax** amount to support the provision of policing services in Derbyshire for that year. Applied to the **taxbase** as assessed by the 9 billing authorities, this gives a total **Police Precept** to be levied on local taxpayers.
- 1.2 When combined with central government funding allocated through the **Police Finance Settlement** the Precept provides the resources to finance the net revenue **Budget Requirement** for the year, which the Police & Crime Commissioner must also approve.
- 1.3 This report:
- sets out the potential funding available to the Constabulary, both from the recommended Council Tax option and from alternative options.
 - sets out details of the proposed Revenue Budget (i.e., the 'spending plans' for 2025/26) and how these plans will be impacted by different council tax options.
 - sets out the implications of the proposed Budget Requirement for the Constabulary's longer-term financial position, including its Reserves.
 - sets out how the proposed Budget Requirement is aligned with, and supports, a range of key policing objectives such as: delivery of the Police and Crime Plan for Derbyshire, allocating resources against threat, risk, and demand, whilst also addressing any HMICFRS recommendations.
- 1.4 The production of the report and the recommendations within it are the result of several key actions and processes, including the following:
- Receiving, analysing and understanding the details of the **Police Finance Settlement**, including its wider context of the government's overall economic and fiscal strategy (Section 2).
 - Receiving and following the **government's updated Precept Limitation** principles, as they apply to Police and Crime Commissioners for 2025/26 (Section 3).
 - **Consulting with local taxpayers** on assorted options for increasing the Police element of Council Tax and reflecting on the outcome (Section 4).
 - Forecasting the estimated **taxbase of Derbyshire** for 2025/26, using past trends and figures provided by the various billing authorities where available (Section 5).
 - Using Sections 1 to 4 to project the potential **revenue funding available to the Constabulary** under the recommended Council Tax option and alternative options (Section 6).
 - Calculating a committed **Budget Requirement for 2025/26**, by updating the 2024/25 Base position for the following items (Section 7).
 - Removal of non-recurring spend from the 2024/25 Base (principally one-off Investment Fund items).
 - Ensuring that the committed Budget Requirement is aligned with the Constabulary's workforce planning process.

- The impact of pay awards already implemented (September 2024) and the estimated impact of future pay awards (projected for September 2025) on the pay cost base.
 - The impact of non-pay inflation, actual and expected, on the non-pay cost base, as assessed on a heading-by-heading basis.
 - The ongoing impact of Derbyshire's allocation of additional Uplift officers (27 officers) within the budget.
 - The impact of various other national policy decisions and other external factors influencing the Constabulary's expenditure and income.
 - The impact of changing demands and trends which have an influence on costs and income.
 - The impact of decisions previously taken by the Constabulary, for example the ongoing costs of business cases approved by the various Boards and the costs of borrowing (approved by the Commissioner) associated with the approved Capital Programme.
 - The impact of savings which have been identified as well as the ongoing financial management practised across the Constabulary.
- Providing options for funding the budget requirement and achieving a balanced budget for 2025-26 (Section 8).
 - Considering the **PCC's priorities** as set out in the current Police and Crime Plan and ensuring that the budget proposals are aligned with these as far as possible, which include and recognise the Constabulary's ongoing responsibility to consider the impact of its budget proposals on **equality and diversity** (Section 9).
 - Recognising the Constabulary's ongoing responsibility to deliver **Value for Money (VFM)** for taxpayers and the wider public in budget proposals (Section 10).
 - Identifying, assessing, and where possible quantifying the **key risk areas** where outcomes in 2025/26 may vary from the expectations inherent in the budget proposals and projecting the ongoing impact of the funding expectations and budget proposals over the **Medium-Term to 2029/30**, to ensure their sustainability. This includes the impact on levels of Reserves. (Section 11)

1.5 All the above considerations are overarched by the legal requirement to set a balanced budget in each year. Planned expenditure must not exceed anticipated income, taking account of any contributions to or from Reserves, as outlined in Appendix F.

2. THE POLICE FINANCE SETTLEMENT

2025/26 Police Settlement - The National Picture

- 2.1 The provisional policing funding settlement was announced on 17th December and followed the Chancellor's Autumn Budget, which was billed as a 'Budget to rebuild Britain'. Whilst many Departments saw real terms increase in spending for 2025/26, the funding allocated to the Home Office for 2025/26 was equivalent to a **2.7% decrease** in real terms when compared with 2023/24, highlighting the significant financial challenges affecting Policing.
- 2.2 The Policing Settlement confirmed the financial constraints that the government is operating under and the challenges for policing to meet the Government's ambition of making our streets safer and reducing violence against women and girls, within a period of fiscal tightening.
- 2.3 The Settlement did however include a commitment to increase policing visibility, improve public perceptions of the police, and create safer streets for our communities, providing a **£100m investment** for neighbourhood policing.
- 2.4 The settlement provides a total of up to **£17.4 billion** for policing in 2024/25, an increase of **£986.9m** when compared with the 2024/25 funding settlement. Of the **£986.9m** of additional funding, Government grant funding for PCCs has increased by **£657.1m** which includes:
- **£339m** increase in Core Grant representing a flat **3.7% increase** for all forces.
 - **£230.3m** to cover the cost of the increase in Employer National Insurance Contributions.
 - **£100m** to begin recruiting 13,000 new neighbourhood policing roles.
- Other major changes include:
- **£30.8m** reduction in Pension Grant
 - **£87.7m** reduction between the PUP Grant and the New Officer Maintenance Grant
 - **£39.5m** increase in Additional Recruitment Top Up Grant
 - **£65.0m** increase in National and International Capital City Grant for the City of London and MOPAC.
- 2.5 As set out in the Local Government Policy Statement of 28th November, PCCs will have the flexibility to raise the police precept by up to **£14** for a Band D property in 2025-26. However, this is a local decision for each PCC. This could generate up to **£329.8m** of additional funding available to police forces compared with 2024-25. This is intended to strike a balance between protecting taxpayers and providing funding for police forces.

2025/26 Police Settlement - The Picture for Derbyshire

2.6 The Settlement allocates a number of separate funding streams to forces, Derbyshire's share of each being as follows:

Funding Stream	2024/25 £m	2025/26 £m	Change £m	Change %
Home Office Police Grant	82.6	85.7	3.1	3.7%
EX- DCLG Formula Funding	46.3	48.0	1.7	3.7%
Sub Total - Formula Grant	128.9	133.7	4.8	3.7%
Council Tax Grants	8.7	8.7	0.0	0.0%
Total - General Funding Grants	137.6	142.4	4.8	3.5%
Pension Support Grant	5.9	5.6	-0.3	-5.1%
Officer Maintenance Grant (Ringfenced)	6.0	5.0	-1.0	-16.7%
Additional Recruitment Top Up Grant	1.3	1.4	0.1	7.7%
McCloud Grant	0.4	0.0	-0.4	-100.0%
Sub Total - Other Grants	151.3	154.4	3.2	2.1%
National Insurance Contributions Grant	-	3.8	3.8	100.0%
Neighbourhood Policing Grant (Ringfenced)	-	1.4	1.4	100.0%
Total - All Police Grants	151.3	159.6	8.4	5.6%
In Year Pay Award Grant Sept 24 (4.75% Sept 24)	2.3	0.0	-2.3	-100.0%
Total - All Police Grants (Adjusted for Pay Award)	153.6	159.6	6.1	4.0%

2.7 The above allocations of Formula Grant funding represent an increase in cash support of **£4.8m** (3.7%) compared to 2024/25. However, this includes **£1.0m** of funding re-allocated from the Police Officer Uplift Grant. The net increase in Formula Grant is therefore only **£3.8m** (3.0%).

2.8 The Pensions Support Grant has reduced by **£0.3m** to reflect a redistribution to CT Policing.

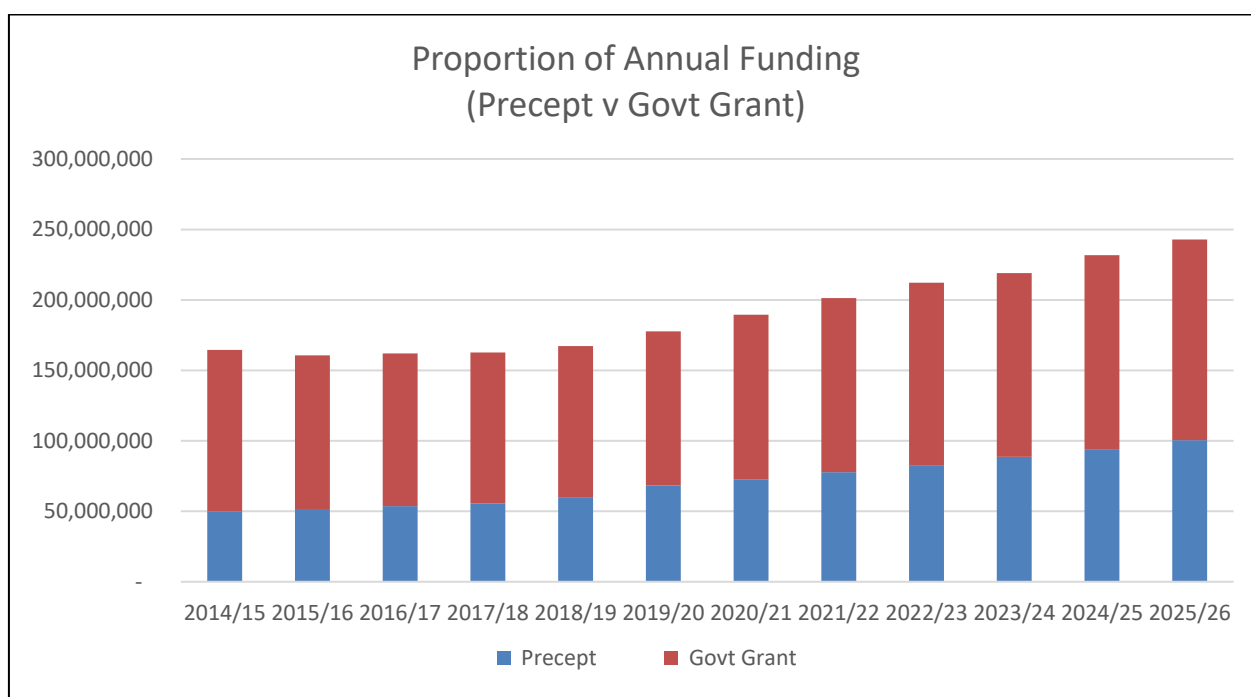
2.9 The Settlement continues to include Ringfenced Police Uplift Grant to maintain overall officer establishment at 'Post Uplift' headcount of **2,137** officers. This includes the additional **27** officers recruited during 2023/24. For the purposes of administration of the ringfenced grant funding these additional officers will form part of maintenance headcount targets. The Police Uplift Grant is **£5.0m**, a reduction of **£1.0m** which has been transferred to Core Grant. This ringfenced funding will be paid to PCCs if they have achieved their overall officer maintenance headcount. Confirmation of 'check-in' dates and the loss of any funding for not achieving headcount targets is yet to be confirmed.

2.10 The Additional Recruitment Top Up Grant, for the extra **27** Officers, has increased by **£0.1m** to **£1.4m**. This funding will be provided as an unconditional grant and will be distributed according to how much additional recruitment has been carried out in 2024-25.

2.11 In 2024-25, we received **£0.4m** as a one-off allocation of funding in recognition of the software development and administrator costs associated with the delays to the implementation of the McCloud remedy. As this was non-recurrent funding, this grant has now been removed.

2.12 At the Autumn Budget, the Chancellor announced the rate of employer National Insurance would increase by 1.2 percentage points, to 15% from 6 April 2025 and the threshold at which it is paid will be lowered to £5,000. The provisional police funding settlement proposes an additional **£3.8m** of funding, allocated according to workforce headcount as at March 2024, to compensate for the impact of these changes.

- 2.13 Additional grant funding of up to **£1.4m** has been announced to deliver an increase to the neighbourhood policing workforce. This is part of the government's national plan to put **13,000** additional police officers, PCSO's and special constables into neighbourhood policing roles. Funding will be allocated using the Police Funding Formula, and details of the force-level allocations for the coming financial year will be confirmed in individual letters directly with forces.
- 2.14 The increase in overall Government Funding is **£8.4m (5.6%)**, which is lower than the national average of **6%** for all forces. However, **£5.2m** of this increase relates to the increase in the cost of the NICs and the additional costs for the Neighbourhood Policing uplift. The net increase is therefore only **£3.2m (2.1%)**.
- 2.15 Furthermore, there is no separate funding for the continued costs of the September 2024 pay award. The pay increase was 4.75% with most forces budgeting at 2.5%. The Home Office provided a total of **£175m** of grant to cover the in-year difference. Derbyshire's share of this grant equated to additional funding of **£2.3m** in 24/25. The loss of grant for the full year equivalent costs for 2025/26 is estimated to be **£3.968m**. In real terms therefore, the funding settlement is a reduction of **£0.7m**
- 2.16 A precept increase of £14, combined with the Tax Base growth of 1.8% would generate an extra **£6.549m**. However, due to historic increases in council tax, the proportion that £14 represents can vary significantly between forces. A £14 increase for Derbyshire would represent a **5.9%** increase in revenue, compared with a high of **8.6%** and a low of **4.5%** across all forces. The weighted average for all forces is **6.0%**.
- 2.17 The Government Grant allocations continue to be the main source of funding for the Constabulary, with Council Tax precept income meeting the additional running costs for the force. The proportion of Grant to Council Tax has changed significantly during the past seven years, which has resulted in a greater proportion of funding through Council Tax, with now 41% of our budget funded through Council Tax compared to 30% in 2014/15.



The Economic Outlook

- 2.18 Whilst inflation has stabilised more recently, it is still expected to rise steadily over the coming months to **3%** during 2025, driven by higher energy prices and persistent elevated levels of services inflation. The Bank of England is taking a cautious approach to easing its monetary policy and interest rates are now expected to stay higher for a longer period. The geopolitical risks still remain, with continuing conflicts in Ukraine and the Middle East. The pace and strength of the recovery will depend on the speed at which the Bank of England cuts interest rates, the strength of the economic recovery and the pace of any resolution to ease geopolitical conflicts across the world.
- 2.19 These factors are likely to continue contributing to the ongoing financial pressures and uncertainties during the medium term. With government funding reducing in real terms for 2025/26 and the ongoing delays to the funding formula review, the outcome of the Spending Review (SR) and departmental allocations from 2026/27 onwards will be of great importance. Policing can no longer rely upon Precept increases alone to bridge the funding gap and with much greater than previously expected cost pressures, there is a risk that the funding gap will worsen considerably over the next SR period.

3. SETTING THE PRECEPT

- 3.1 The requirement on the Commissioner to set a Band D Council Tax for policing is bounded by a 'Council Tax Referendum Principle' applied to all Police and Crime Commissioners each year. This principle is formally set by the Department of Levelling Up, Housing and Communities as part of the Local Government Finance Settlement.
- 3.2 Following the 2021 Spending Review it was announced that PCC's would be able to increase their Band D Council Tax by £10 per year in each of the three years covered by the Review without the need to hold a local referendum, this was amended to a maximum of £15 for 2023/24 only and then reduced to £13 for 2024//25. Throughout this period, Derbyshire's PCC increased Council Tax by the maximum permitted following a consultation process with local taxpayers.
- 3.3 As set out in the Local Government policy statement of 28th November, PCCs will have the flexibility to raise the police precept by up to **£14 for a Band D property in 2025-26**.
- 3.4 The recommendation of the Chief Constables letter is to maximise funding by taking full advantage of the flexibility to increase the Band D Council tax by the maximum amount permitted of £14. The Chief Constable's letter to the Commissioner and the budget analysis and proposals set out at Section 7 and 8 provide a detailed rationale for this recommendation including how all other options have been considered and addressed.

4. PUBLIC CONSULTATION AND ENGAGEMENT

- 4.1 Decisions on increases to the Police Precept need to take account of the views of residents and council taxpayers of Derbyshire as well as local and national policing priorities. The Commissioner ran an online public budget consultation which opened towards the end of November 2024 for five weeks, seeking the public's view on an increase to the amount of council tax that local residents pay towards policing in Derbyshire. The consultation included options ranging from Nothing (a freeze in council tax) up to an £18 increase (£1.50 per month) based on a Band D property.
- 4.2 To ensure the consultation was promoted effectively, details were publicised through social media, the Commissioner's website, along with being distributed to key stakeholders including members of the public. A press release was issued by the Commissioner which was circulated to local news outlets within Derbyshire. There was also face to face consultation with members of the public in each Local Authority Area.
- 4.3 The consultation saw **2,265** Derbyshire residents participate. More than **180** responses were received from each local authority area. Results from council taxpayers who expressed an opinion showed that **75.4%** supported an increase of £12 or more to the policing precept, with **68.5%** supporting an increase of £15 or more. Support for an increase was consistent across all demographics monitored.

5. COUNCIL TAX BASE

- 5.1 The total funding available via the Police Precept depends on the tax base as calculated by the county's nine billing authorities. They do this by converting all properties to Band D equivalents and making assumptions about the levels of discounts to be offered, including through their localised Council Tax Benefit Schemes, and the amount of tax to be collected.
- 5.2 While the tax base tends to grow each year the rate of growth depends on the levels of economic growth and prosperity being experienced throughout the county at any particular time. It increased steadily from 2014/15 to 2020/21 with average annual growth of 1.5% but the rate of increase dropped dramatically for 2021/22 to just 0.3% because of the economic impacts of the pandemic. The rate of growth in the tax base has steadily recovered over the past few years and the reported increase from all Derbyshire local authorities for 2025/26 is **1.8%** generating additional income of **£1,667,655**. This figure is broken down by authority in **Appendix E**
- 5.3 The additional income raised from this taxbase over 2024/25, at a £10, £11, £12, £13, and £14 Council Tax increase is as follows:

Increase in Band D £	2024/25 Precept £	Increase in Taxbase £	Increase in Band D £	2025/26 Precept £	Total Increase £
£10	94,022,127	1,667,655	3,422,381	99,112,163	5,090,036
£11	94,022,127	1,667,655	3,764,619	99,454,401	5,432,274
£12	94,022,127	1,667,655	4,106,858	99,796,639	5,774,512
£13	94,022,127	1,667,655	4,449,096	100,138,878	6,116,751
£14	94,022,127	1,667,655	4,791,334	100,481,116	6,458,989

- 5.4 In addition to the in-year Precept, billing authorities are required to share out any estimated surplus or deficit on their council tax collection accounts which relates to the previous year.
- 5.5 Due to the deadlines for when billing authorities are required to calculate and report the estimated position on their Collection Funds, the PCC's share of any surpluses or deficits has not been factored into the 2025/26 budget calculations.

6. OVERALL FUNDING POSITION 2025/26

- 6.1 Total funding income for the 2025/26 revenue Budget Requirement comprises the Formula Grant and Council Tax Grants as set out at Section 2 plus the Precept income raised from the PCC's Band D Council Tax decision as outlined at Sections 3 to 5.
- 6.2 The Constabulary's budget proposals, as set out in detail in the next section of the report, amount to a Net Budget Requirement of **£245,616,255**, a 6% increase in net expenditure over 2024/25. Against this requirement, the funding available from the options for increasing Council Tax under the available limits would leave the remaining funding shortfalls as follows:

Band D Increase £	Band D Council Tax £	Increase %	Estimated Precept Funding £	Grant Funding £	Total Funding £	Deficit against committed Budget £
£10	£289.60	3.58%	99,112,163	142,436,828	241,548,991	4,067,264
£11	£290.60	3.93%	99,454,401	142,436,828	241,891,229	3,725,026
£12	£291.60	4.29%	99,796,639	142,436,828	242,233,467	3,382,788
£13	£292.60	4.65%	100,138,878	142,436,828	242,575,706	3,040,549
£14	£293.60	5.01%	100,481,116	142,436,828	242,917,944	2,698,311

- 6.3 At the previously announced limit of £10 the deficit would be **£4.067m** if all requirements were funded. If the additional flexibility of a further £4 increase is utilised, the deficit reduces to around **£2.698m**.
- 6.4 The next section provides a detailed analysis of the assumptions used and adjustments made in arriving at the Committed Budget requirement for 2025/26. It is intended that this information supports and justifies the proposal to the PCC to exercise the flexibility afforded by the Precept Limitation principles for an increase in Council Tax, subject to Police & Crime Panel ratification.
- 6.5 Under this scenario the force has identified a number of measures it could take to close the remaining budget gap. These measures all carry a variety of risks and opportunity costs. Furthermore, the force's medium-term financial planning indicates that under all current assumptions the underlying budget deficit will grow in the four following years.
- 6.6 It is acknowledged by the force that even with a maximum £14 Council Tax increase in 2025/26, a rigorous and structured process for identifying further savings will be required to enable balanced budgets to be set for 2026/27 to 2029/30. This is being addressed through a structured and risk-based Savings Plan, building upon the savings already achieved during 2023/24 and 2024/25. The Savings Plan will help to reduce overheads, deliver continuous improvements, and achieve both cashable and non-cashable savings to help towards achieving a balanced budget over the medium term.

7. BUILDING THE BUDGET REQUIREMENT FOR 2025/26

The 2025/26 Base Budget Position

- 7.1 The Committed Budget for 2025/26 has been built from the Approved Budget for 2024/25 as presented to the Policing Budget Meeting on 17 January 2024 (**£232,353,132**), with specific adjustments made for pay awards and price inflation increases, approved, and supported Business Cases, identified savings and income generation activities and other changes from demand/activity levels.
- 7.2 The 2024/25 Budget was based on a Council Tax increase of £13, which enabled **£5.463m** of additional investment to ensure that the force was able to maintain its operational policing capabilities, to build upon the progress made to increase the number of police officers and to direct additional investment and resources to key priority areas of threat and risk and community safety.
- 7.3 It was known from our projections for future funding that budget difficulties were likely to continue beyond 2024/25. For this reason, the force instigated an in-year Savings Programme during 2023 that has successfully reduced our 2024/25 budget requirement by over **£1.7m**.
- 7.4 As a consequence, the adjusted starting position for the 2025/26 Budget is as follows:

2025/26 Adjusted Based Budget	£m
2024/25 Net Budget Requirement	232.353
Less RCCO Saving	(0.430)
Less Contribution from Reserves	(0.162)
Total	231.761

Adjustments to the 2025/26 Base Position

- 7.5 The budget review process for 2025/26 co-ordinated by the Strategic Finance Department has identified further adjustments of **£13.855m** required to bring the base position up to the 'Committed' Budget Requirement for that year. These adjustments can be summarised as follows:

Adjustments to the 2025/26 Base Position	£m
Pay awards and non-pay inflation	11.810
Police Officer Increments	1.800
Other Committed Changes (Details in Appendix A)	1.919
Grants - Police Uplift & Pensions Grant	1.605
Identified Savings from the 2024/25 Approved Budget - FYE	(0.221)
Identified Savings from the 2025/26 Savings Programme	(0.682)
2% Departmental / Divisional Savings	(1.482)
2% Increase in General Police Staff Vacancy factor (6% to 8%)	(0.909)
2% Increase in PCSO Vacancy factor (4% to 6%)	(0.177)
Miscellaneous Savings identified as part of 25/26 Budget Process	(0.076)
In Year Approved Business Cases	0.389
One off RCCO towards PCIP	(1.869)
Income Changes	(0.698)
In Year Force Investment Decisions (Details in Appendix A)	2.447
Total Changes to 2025/26 Base Budget	13.855

- 7.6 The impact of the changes on the medium-term financial projections for the force is set out in **Appendix A**.
- 7.7 All the above adjustments have been made using the following considerations, information, and assumptions:
- Decisions made at national government or police service level - e.g., implemented pay awards, levels of specific grant awards, contributions towards central police services, etc.
 - Price changes experienced against non-pay headings either through contract arrangements or market conditions.
 - Best assumptions about future pay awards and non-pay inflation based on national forecasts, policy discussions and professional estimation.
 - Review of demand against specific budget-headings which increase or decrease expenditure beyond the force's control.

The Workforce Strength

- 7.8 The budget as proposed would fund a total of **3,749.6** full-time equivalent (FTE) posts (officers and staff), a net decrease of 1.9 posts over the 2024/25 approved budget, as set out in the table below:

Workforce Strength FTE's	Police Officers FTE	PCSO's FTE	Police Staff FTE	Total Staff FTE	TOTAL FTE
2024/25 Funded Posts	2,044.0	199.0	1,508.5	1,707.5	3,751.5
Additional Police Officers	0.0				0.0
Savings Programme					
- Corporate Services - Auditor Post			-0.4	-0.4	-0.4
- Communications & Engagement - Derbyshire Alert Post			-0.8	-0.8	-0.8
- Crime Directorate - 0.4fte IRT, 1fte ANPR, 0.2fte PA, 0.4fte Financial Investigator, 2fte Detective Staff Investigator's			-4.0	-4.0	-4.0
- Crime Directorate - 1fte Stalking Co-ordinator to be replaced by a Police Officer			-1.0	-1.0	-1.0
- North - 0.8fte Wildlife Co-ordinator, 0.4fte PA			-1.2	-1.2	-1.2
Approved Business Cases					
- Corporate Services – Demand Simulation Analyst			1.0	1.0	1.0
- Corporate Services – Researcher Post			1.0	1.0	1.0
- Criminal Justice – Analyst Post			1.0	1.0	1.0
Other Changes					
- Procurement Services – Contracts & Engagement Officer			0.5	0.5	0.5
- Chaplain – Shared Post with the Fire Service			0.4	0.4	0.4
- Professional Standards – Admin & PSD Support Supervisor			1.0	1.0	1.0
- Miscellaneous Changes			0.6	0.6	0.6
Projected 2025/26 Funded Posts	2,044.0	199.0	1,506.6	1,705.6	3,749.6

Pay And Price Adjustments

- 7.9 Without a Spending Review since 2021, government departmental budgets did not account for the significant spike in pay and inflation, which included the largest increase in inflation in almost 50 years, and other factors which have caused significant cost pressures. This has meant that departmental budgets and funding allocations have shrunk in real terms and led to an increase in budgetary pressures. The vast majority of inflationary increases are recurring costs, and the effect of these pressures are apparent with pay and price increases being the biggest adjustment to the Base Budget.
- 7.10 The Consumer Prices Index (CPI) peaked at **11.1%** in October 2022, spending 33 consecutive months above the Bank of England target of 2%. Whilst the rate of inflation may have stabilised, the OBR still expects it to rise slightly in the near term to **2.6%** in 2026. It is then expected to fall closer to the 2% target over the remaining term of the forecast period through to 2028.
- 7.11 In response to rising inflation, the Bank of England increased interest rates to try and get the rate of inflation back to its 2% target. Interest rates were raised at 14 consecutive policy meetings from 0.1% in December 2021 to **5.25%** in August 2023. With inflation falling close to the Bank of England's target of 2%, interest rates have begun to reduce, initially with a 0.25% reduction in August 2024, followed by a further 0.25% drop in November. With inflation forecast to remain above the 2% target, it is likely to result in a slower reduction in interest rates over the forecast period to 2028.
- 7.12 The potential impact of inflation and interest rates continues to remain a challenge for the management of the Constabulary's finances and requires careful judgements to be made regarding future planning and funding scenarios.
- 7.13 The cost of Pay and Price adjustments in 2025/26 is forecast to be **£11.810m**, this is by far the biggest adjustment to the Base Budget and reflects the impact on prices from inflation plus the cost increases for pay awards of **4.75%** in September 2024 and a **2.0%** pay awards allowance for 25/26.
- 7.14 The breakdown of the **£11.810m** is as follows:

Pay & Price Adjustments	£m	£m	%
September 2024 Pay Awards			
- Officers	2.839		
- Staff	1.326		
- Police Officers - Additional 2.25% for 24/25	1.638		
- Police Staff - Additional 2.25% for 24/25	0.796		
September 2024 Pay Awards		6.599	
September 2025 Pay Awards (2.0% estimate)			
- Officers	1.569		
- Staff	0.744		
September 2025 Pay Awards (estimate)		2.313	
Pay / Prices Volatility Contingency		0.925	
Net National Insurance Increase from April 2025		0.037	
Non-pay inflation			
Ill Health Capital Charge	0.012		2.80
Injury Pensions	0.045		1.70
External Training Courses	0.030		5.00
Utilities	0.014		Various
Rates	0.122		8.00
Repairs & Maintenance	0.163		16.00
Central Maintenance Contracts	0.043		16.00

Pay & Price Adjustments	£m	£m	%
Grounds – Maintenance	0.010		8.00
Rents	0.036		Various
Cleaning Contract	0.091		8.50
Insurance	0.042		3.80
Vehicle Insurance	0.097		15.00
NPAS Recharges	0.052		9.00
Subscriptions	0.002		Various
Tasers	0.085		26.00
Vehicle Fuel	(0.164)		Various
Pathologist Case Fees	0.010		6.00
Professional Fees	0.012		Various
Emergency Service Network	0.083		15.00
Mobile Services	0.021		4.00
IT Hardware Purchases	0.006		5.00
Software Maintenance	0.038		Various
National IT Charges	0.472		15.00
Productivity Services (Microsoft)	0.200		10.00
Special Services Income	(0.035)		7.30
PFI Fee	(0.081)		
Total Non-Pay Inflation		1.406	Various
East Midlands Collaboration		0.530	
Total Pay Awards & Non-Pay Inflation		11.810	

7.15 It is important to emphasise that these additional costs do not relate to any increase in service but are required just to maintain the existing base level of service and pay commitments.

Pay Awards

7.16 The pay awards given to officers and staff in September 2024 of 4.75% were substantially higher than the 2.5% (2% increase + 0.5% pay contingency) assumed when the 2024/25 budget was set, the difference was funded by additional government grant in 2024/25 but is now within the main police grant. These full year costs of **£4.166m** have now been built into the 2025/26 Base Budget. As stated in Section 2, the Formula Grant for 25/26 has only risen by **£3.8m**, leaving a budget shortfall of **£0.366m**.

7.17 The government recently announced recommendations to the Pay Review Body's for a public sector pay increase of **2.8%** for 2025. With no additional funding included within the provisional grant settlement announcement there is an expectation that the additional cost of the entire pay increase will have to be met from existing budgets. This equates to an additional budget requirement of **£3.238m** in 2025/26. Without any appropriate funding, it is considered that allowing for a 2.8% pay increase is beyond the levels of affordability and therefore an allowance of 2.0% has been included for pay increases. With continued unpredictability of the economic outlook there remain uncertainties inherent in our assumptions on non-pay items which are subject to inflation. We have therefore established a Pay/Prices Volatility Contingency to help cushion the Force from those inherent uncertainties, this equates to an additional budget provision of **£925k** in 2025/26.

7.18 With the shortfall in funding from the September 24 pay increase and no funding for the September 2025 pay award, this creates an unfunded budget pressure of **£3.604m** in 2025/26.

Employer National Insurance Contributions

- 7.19 The Autumn Budget statement announced an increase in Employer National Insurance Contributions (NICs) to help raise the revenue required to increase funding to public services. From the 6th April 2025, the rate of NICs will increase by 1.2 percentage points to 15% and the threshold at which employers start to pay National Insurance will reduce from £9,100 to £5,000.
- 7.20 The additional cost of this increase in NI Contributions is estimated to be **£3.887m**. This is partially offset by the additional government grant of **£3.760m**, leaving an additional cost of **£0.127m**

Employers National Insurance Increases (with effect from 06/04/2025)	2025/26 £m
Police Officer Pay & Oncosts	2.337
Police Officer Overtime	0.046
Police Staff Pay & Oncosts	1.459
Police Staff Overtime	0.045
Sub Total	3.887
National Insurance Contributions Grant	3.760
Net Costs	0.128

Police Officer Pensions

- 7.21 Prior to the financial year ending March 2007 police pensions were paid by police forces out of their general funding. Since the financial year ending March 2007, police force areas receive ring-fenced pensions top-up grant funding for police pensions from outside of the agreed police settlement funding total. The 2025/26 Settlement confirmed pension grant funding of **£5.6m** to cover the cost of employer pension contributions.
- 7.22 The public service pensions remedy is a solution to address the discrimination that occurred in public service pension members over the 'Remedy' period. Pension Remedy continues to affect both serving and retired officers and was described by the NPCC Pay and Pensions Lead as "*the greatest administration challenge for forces for some years, affecting a large percentage of the officer workforce and including pension administration, payroll, finance, legal and communication components.*" Police Officer pension costs are covered through the Pensions Support Grant, which for 25/26 has reduced to **£5.6m**. The implementation of Pension Remedy and the ongoing support required to manage contingent decisions, contribution adjustments and ongoing scheme changes is significant and complex. The Force continues to work with the NPCC and the Pension Administrators to support officers in their pension choices.

Non-pay inflation

- 7.23 It is projected that non-pay inflation will increase costs by an estimated **£1.935m** in 2025/26. This figure has been derived from a heading-by-heading assessment of past and likely future price changes impacting on the cost base. There is inevitably uncertainty regarding the levels of future price changes, which will be influenced by national and global economic conditions.

Police Staff Vacancy Rate

- 7.24 A certain level of saving inevitably arises from the turnover of staff and the 'lag' between an employee leaving and their replacement starting. Unlike police officer recruitment there is less scope with police staff to avoid this by 'front-loading' / forward recruitment. This has always been recognised within the Police Staff salaries budget by allowing for less than 100% of the cost of all established posts.

7.25 Vacancy rates are monitored monthly and tighter control measures were introduced during 2024 through a Vacancy Control Panel. The Panel reviews all vacant roles and implemented a mandatory 3-month recruitment delay for all non-urgent roles during 2024. This measure has delivered further salary savings for 24/25 and seen the vacancy rate maintained at or above **6%** throughout the year.

7.26 Given the financial outlook and the current level of vacancies, the “general” police staff vacancy factor for 2025/26 has been increased by a further 2 percentage points to **8%** and the PCSO vacancy rate to **6%**, this will generate an additional saving of **£1.086m**. Additionally, a Vacancy rate of **2%** within the Force Control Room has been introduced as part of a departmental budget saving. This gives a total weighted average vacancy factor of **6.5%** for all staff.

7.27 The most recent NPCC survey reported current average staff vacancy rates of **7%** and a forecast rate of **10%** going forward. The Vacancy Control Panel will continue to monitor vacancy rates throughout 2025/26 to consider, where appropriate, the use of any additional delays and curtailments of recruitment to ensure budget assumptions are maintained, whilst protecting priority services.

7.28 The following table shows the movement in police staff vacancies during the past 12 months.

Month	Actual (inc. PCSO)	Establishment (inc. PCSO's)	Number of Vacant Posts	% of Vacant Posts	Minimum % Gap (general rate)
Nov-24	1,692.1	1,791.5	99.3	6%	6%
Oct-24	1,689.3	1,792.6	103.3	6%	6%
Sep-24	1,691.8	1,800.3	108.5	6%	6%
Aug-24	1,685.4	1,800.3	114.9	6%	6%
Jul-24	1,699.3	1,798.8	99.5	6%	6%
Jun-24	1,694.2	1,798.8	104.6	6%	6%
May-24	1,692.5	1,798.8	106.3	6%	6%
Apr-24	1,694.7	1,793.4	98.7	6%	6%
Mar-24	1,672.3	1,790.2	117.9	7%	6%
Feb-24	1,678.9	1,784.3	105.4	6%	6%
Jan-24	1,680.8	1,784.3	103.5	6%	6%
Dec-23	1,657.9	1,784.3	126.4	7%	6%

2% Budget Savings

7.29 In forecasting a likely budget gap for 2025/26, a plan was put in place to identify options for 2% budget reductions across all departments, excluding Police Officer costs. This exercise was separate to the Corporate Savings Programme with the intention of driving out further savings and efficiencies to achieve up to **£1.8m** in budget reductions. All Departments and Budget Officers engaged in the process with saving proposals scrutinised by Chief Officers and the Senior Leadership Team, considering their financial and operational risks and feasibility. This exercise has identified budget savings of **£1.482m** which has been removed from the budget requirement for 2025/26.

Business Area	2% Savings Target £	Savings Expected 2025/26 £
Executive	17,400	17,400
Corporate Services	28,200	54,800
Professional Standards	24,200	24,500
Communications & Engagement	24,700	29,900
Crime Directorate	256,700	257,300
Major Crime	9,800	9,700

Business Area	2% Savings Target £	Savings Expected 2025/26 £
Major Crime Unit	13,500	-
Criminal Justice	184,400	180,000
South Division	30,800	25,000
Operational Support	58,500	58,500
Prevention & Partnerships	17,200	17,500
Contact Management	279,500	264,200
North Division	33,600	73,000
Digital Data & Technology	380,300	184,700
People Services	102,600	91,000
Assets	225,500	72,800
Finance & Business Support	66,300	82,050
Force Central Purchasing	25,400	10,000
Procurement	6,500	30,000
Technical Forensics Services	40,100	-
Total	1,825,200	1,482,350

- 7.30 These budgets will be subject to closer monitoring throughout 2025/26 to ensure that savings are being achieved and that Budget Officers are robustly held accountable for managing services within the financial resources allocated.

Additional Income Generation

- 7.31 The net budget requirement for 2025/26 will be reduced by **£0.698m** of additional income being earned.

Additional Areas of Income Generation	£m
POCA Income	(0.185)
Abnormal Loads Income	(0.100)
Traffic Cops Income	(0.035)
Special Services Income	(0.041)
Increased Finance & Support Services Recharges	(0.047)
Increased LLP Recharges	(0.252)
Other Misc. Income Changes	(0.038)
Total	(0.698)

New/Increased Budget Obligations

- 7.32 The Constabulary continues to face significant financial pressures from restrictions to core funding, a need to update and upgrade the police estate as well as the continual need to keep pace with technology. There continues to be increasing demands on the service from the public alongside the complexity of incidents and the need to effectively identify vulnerability from the first point of contact through to resolution of the incident. The demand on policing is growing. This is reflected in additional demand through reports and call volumes, but it is also apparent in the evidence being provided to police. The digital footprint in most investigations is now more complex and requires more time to process the work.
- 7.33 As a consequence, there has been an emergence of new budget burdens that place further strains on our finances, creating additional unavoidable costs and increasing our base budget requirement for 2025/26. A breakdown of the significant new and increased budget obligations which are included in the table at point 7.5 above called Adjustments to the 2025/26 Base Position (full details are provided in Appendix A):

New/Increased Budget Obligations (Excerpt from Table 7.5 above)	£m
Increase in Forensics Contract	0.210
Increase in Airwave Menu Services	0.177
Premises Demand Cost Changes	0.451
Custody Costs	0.080
Capital Borrowing Costs (Debt Charges)	0.545
New Legislation e.g. Dangerous Dogs	0.285
Increase in NPCC Operating budget	0.211
Total	1.959

7.34 There are also many other additional demands which are not yet possible to quantify but are likely to create additional pressures on the longer term financial picture for the Constabulary, driven by external pressures and outside of the organisations direct control, examples include; further development of Digital Forensics; new and growing Accreditation and Disclosure requirements; any further HMICFRS recommendations; evolving Decarbonisation requirements and the revenue consequences of future investment in new and additional operational equipment such as Taser and Body Worn Video which provide our officers and staff with effective tools to protect the public, tackle criminality and preserve evidence.

Regional Collaboration

7.35 A review of the East Midlands Special Operations Unit (EMSOU) organisational design project was commissioned in early 2024, with the objectives to:

- Review the Core Capabilities within EMSOU.
- Re-design the operating model, including the HMICFRS recommendations.
- Identify efficiency savings.
- Meet a projected budget gap of £805k for 2025/26.
- Identify areas for investments (to come from existing budgets)

7.36 Options for budget reductions and areas for investment were agreed by the Change Board and presented to Joint CC's and PCC's Board in December. In determining our budget requirement, a provision has been made of **£9,896,878** representing the force contribution to a regional collaborative budget requirement of **£45,182,830**. The represents an increase in our force contribution of **£0.691m**. Any agreement to increase the regional budget beyond this figure will increase our funding contribution beyond what is currently budgeted for.

PCC Funding Contributions 2025/26	EMSOU SOC	EMSOU Major Crime	EMSOU Forensics	EMSOU L&D Hub	EMSOU Legal Services	Total
	£	£	£	£	£	£
Nottinghamshire	8,788,179	267,250	2,112,697	494,638	752,521	12,415,285
Leicestershire	7,358,304	223,359	1,770,346	413,482	629,861	10,395,352
Derbyshire	7,005,458	212,630	1,685,518	393,624	599,648	9,896,878
Northamptonshire	4,775,049	144,354	1,150,853	267,345	408,419	6,746,020
Lincolnshire	4,222,879	127,773	1,017,392	N/A	361,251	5,729,295
Total	32,149,869	975,336	7,736,806	1,569,089	2,751,700	45,182,830

7.37 The force continues to provide a number of key services and functions through collaborative arrangements. The force's share of policing that is being delivered collaboratively with other police forces within the **East Midlands** is summarised in the table below:

East Midlands Collaborations	Approved Budget 2024/25 £m	Draft Budget 2025/26 £m
<u>East Midlands Special Operations Unit (EMSOU)</u>		
EMSOU Serious and Organised Crime, incl. TSU	6.578	7.005
EMSOU Major Crime	0.195	0.213
EMSOU Forensics	1.470	1.686
EM Learning and Development	0.405	0.394
EM Legal Services	0.558	0.600
EMSOU Sub Total	9.206	9.897
<u>Other Regional Collaborations</u>		
HR Service Centre - Derbyshire / Leicestershire	1.096	1.149
Contribution to Regional Forensics Contract	1.048	1.258
Contribution to Regional Teams	0.417	0.436
Crimestoppers Regional Manager	0.011	0.012
Total Collaboration	11.778	12.751

The 2025/26 Committed Budget

- 7.38 Taking account of all the adjustments described above, the 'Committed' Budget for 2025/26 is **£245,616,255** a £13.855m (6.0%) increase over the base position for 2024/25, of which £11.810m relates to the allowance for Pay and Inflation alone.
- 7.39 It is recognised that together with the inclusion of some additional grant streams (pay awards, pensions), significant savings have been realised combined with a critical review of our budget which has ensured the net budget increase has been kept to a minimal level.
- 7.40 It is considered that, as a minimum, any Precept decision needs to aim to fund the Committed Budget position as far as possible, recognising that further significant budget reductions will still be required, including possible contribution from Reserves, to deliver a balanced budget.
- 7.41 Whilst a reduction in police officer numbers cannot currently be ruled out as an option to reduce costs, the current funding model penalises forces financially where officer numbers are not maintained at uplift targets. Previously, this equated to up to £80,000 per officer, where both check in dates were missed. The equivalent loss of funding for 2025/26 is yet to be announced.

The Savings Programme

- 7.42 It was known from our forward budget projections and medium-term financial planning, that further budget reductions would be required for 2025/26 and beyond. A Savings Programme was established during 2024, to protect the forces financial future by bridging the funding gap and identifying funding that could be re-aligned to enable growth in key areas. However, the budget gap has been exacerbated through a challenging and difficult funding settlement announced for 2025/26. With a significantly bigger budget deficit than previously anticipated, this has tested our scenario planning and now requires a more rigorous and demanding process for identifying further savings to enable a balanced budget to be set for 2025/26.
- 7.43 The Savings Programme is a structured and risk-based plan, building upon the savings already achieved during 2024, to reduce overheads, deliver continuous improvements, and achieve both cashable and non-cashable savings to help towards achieving a balanced budget over the medium term. This will help to demonstrate that taxpayers' money is being used efficiently and effectively through the alignment of resources to risk and demand. It is estimated that savings of over **£10m** will be required over the next five years to help balance the budget gap and to provide additional investment to fund new priorities and tackle new and emerging risks.
- 7.44 A robust approach to strategic financial management is required to achieve financial sustainability, bringing expenditure in line with resources in the medium term. The savings programme will be based upon the following objectives:
- Review of demand and service provision, ensuring that services are aligned to our force priorities, as high performing as possible and demonstrate good use of resources.
 - Engagement with other public sector bodies to strengthen capabilities, foster innovation and promote local partnerships.
 - A realistic plan for spending reductions and income generation for which there is evidence-based assurance of delivery to time and funding targets.
 - Intelligent use of data and to identify how to deliver the highest performance within the available resources.
 - Investing in core corporate services which require additional capacity and capability.
 - Ensuring that there are appropriate, resourced strategies to drive improvement in the areas that will enable transformation e.g., asset management, DDaT, procurement etc.
 - A programme of strategic service reviews to understand demand, remove inefficiencies and reduce costs.

The Savings Programme – Workstreams & Reviews

Projects/workstreams

Assets appraisal	Assets operating model	Fleet operating model	Procurement and external spend	Enabling services
Fleet cost recovery	Driver expansion	Lease exits	Smarter working	Neighbourhood policing model
Criminal Justice	Solar panel installation	Property auctions	Contractor vetting	Overtime review
Staff MDT review	Travel and hotel costs review	S106 & CIL	Recruitment & training review	Pool car review
Printing reduction	Casual allowance/expenses	Supervision/Acting costs	Rank mix review	Overtime budget

Savings reviews

OPTIONS TO ACHIEVE A BALANCED BUDGET FOR 2025/26

- 7.45 With a legal requirement to set a 'Balanced Budget' our budget requirement is effectively a combination of our Grant and Precept funding, depending upon whatever level of precept increase is approved. The following table sets out the total combined funding for 2025/26 for each Precept increase option and the budget shortfalls which would occur based upon our calculated committed budget of **£245,616,255**.

Band D Increase £	Band D Council Tax £	Increase %	Estimated Precept Funding £	Grant Funding £	Total Funding £	Deficit against committed Budget £
£10	£289.60	3.58%	99,112,163	142,436,828	241,548,991	4,067,264
£11	£290.60	3.93%	99,454,401	142,436,828	241,891,229	3,725,026
£12	£291.60	4.29%	99,796,639	142,436,828	242,233,467	3,382,788
£13	£292.60	4.65%	100,138,878	142,436,828	242,575,706	3,040,549
£14	£293.60	5.01%	100,481,116	142,436,828	242,917,944	2,698,311

- 7.46 As can be seen in the above table, a budget shortfall would remain for all precept options, even with a maximum £14 precept increase. With the departmental 2% savings exercise, together with an increase in the general vacancy rate to 8% and an increase in the PCSO vacancy rate to 6%, **£2.568m** of savings have already been removed from the committed budget. Therefore, further budget reduction measures have been proposed to help close the budget gap and achieve a balanced budget. There are several inherent risks attached to each of these measures as well as opportunity costs and they will not eliminate the need for the structured Savings Programme to manage future budget gaps.

- 7.47 A summary of the proposed budget-reduction measures is as follows:

Proposals to achieve a Balanced Budget		£m	Further Details outlined in Paragraphs
1	Recovery Income for 'Non-fault' Insurance Damage from historic cases	(0.500)	7.48
2	Reduction in Provision for 'Own Fault' Insurance Excess	(0.150)	7.49
3	Re-model Neighbourhood Policing, changing the proportion of Investigator roles vs Traditional roles.	(1.158)	7.50
4	Review of all Vacant Police Staff Roles – Currently 49.0 FTE	(0.270)	7.51
Total Potential Budget Reductions		(2.078)	

Recovery Income for 'Non-fault' Un-Insured Loss Recovery (ULR) from historic cases (Option 1)

- 7.48 Often abbreviated to 'ULR', this is the process of recapturing costs and expenses incurred by the Constabulary as a result of non-fault road traffic collisions/incidents, from the responsible party. Such losses are 'uninsured' because they are not covered by the organisations motor insurance policy. A new contract has been initiated with a specialist loss recovery company which will enable the organisation to recover costs such as policy excess; repair costs; replacement vehicle charges; independent engineers inspections and diminution/loss in value of fleet vehicles because of damage by third parties. In addition to an estimated £0.3m per annum cost recovery now built into the based budget the 2025/26 budget also includes a one-off recovery figure of £0.5m from historic cases as the ULR contract enables the recovery of costs going back over the last 3 to 5 years.

Reduction in Provision for 'Own Fault' Insurance Excess (Option 2)

- 7.49 Within the 2024-25 financial year there has been an increase in costs around own fault insurance excess from damage to vehicles therefore in the 2025-26 budget additional funding has been provided to cover these costs of £0.300m, this estimate is being abated with a proposed reduction of £0.150m as part of a proactive programme to improve standards to reduce the overall costs of these types of claims within the Constabulary.

Re-model Neighbourhood Policing, changing the proportion of Investigator role vs Traditional roles. (Option 3)

- 7.50 This proposal would move some existing PCSO roles to become PCSO Investigators. The "PCSO Investigators" will be designated all current PCSO powers along with those powers currently given to Neighbourhood Investigation Officers (NIOs) and Detective Staff Investigators (DSIs). As such, the "PCSO Investigator" powers will be significantly expanded in comparison to those of traditional "PCSOs." Much police activity is of an investigative nature. Many investigative actions, such as house to house witness trawl, CCTV inquiries, obtaining BWV evidence of locations/individuals that PCSO Investigators undertake will be taken overtly in the public sphere. The advantage for a PCSO Investigator (similar to a Police Constable) is that they can commence investigative actions straight away, rather than the current PCSO role where staff have to produce their evidence of what they witnessed and spend time handing the investigation over to a trained investigator. Thus, the PCSO investigator can move through this investigation stage without the additional elements a standard PCSO would require. All of this delivers a more streamlined service for the victim and greater timeliness.
- 7.51 PCSO Investigators will still remain under the National Workforce category as PCSOs, as such we intend to maintain our baseline establishment numbers to meet government targets.

Review of all Vacant Police Staff Roles – Currently 49.0 fte (Option 4)

- 7.52 An additional budget reduction measure it is proposed that all current vacancies will be reviewed with hiring managers to achieve a permanent minimum saving of **£0.270m**, through a reduction in the police staff establishment. This will be achieved through a review of all vacant roles and equates to approximately six or seven FTE posts, representing less than 0.5% of the total police staff establishment. This process will be risk assessed and avoids the need for any compulsory redundancies.

The Budget Reduction Measures - Summary

- 7.53 It is the recommendation of the Chief Constable and their Chief Finance Officer that the budget reduction measures, as outlined above, are necessary to help reduce the base budget requirement, and that any remaining deficit should be met from Reserves.
- 7.54 On the basis that all the options above are utilised to contribute towards a balanced budget, the remaining deficit would be as follows, depending on the Precept funding.

Band D Inc	Band D Council Tax	Increase	Estimated Precept Funding	Grant Funding	Total Funding	Deficit against committed Budget	Deficit after Budget Reduction Measures
£	£	%	£m	£m	£m	£m	£m
£10	£289.60	3.58%	99.112	142.437	241.549	4.067	1.989
£11	£290.60	3.93%	99.454	142.437	241.891	3.725	1.647
£12	£291.60	4.29%	99.797	142.437	242.233	3.383	1.305
£13	£292.60	4.65%	100.139	142.437	242.576	3.041	0.963
£14	£293.60	5.01%	100.481	142.437	242.918	2.698	0.620

- 7.55 Where a budget shortfall still exists after the consideration of the budget reduction proposals and precept increase, the only remaining option to the PCC is to draw down funds from Reserves to support the delivery of a balanced budget. Therefore, the most appropriate means of funding the remaining “budget gap” would be through a one-off contribution from the Operational Funding and Investment Reserve. This would range from **£1.989m** for a £10 precept increase to **£0.620m** for a £14 increase.
- 7.56 It is acknowledged that the Savings Programme will deliver further cashable savings over and above what has already been allowed for in the Budget. However, the precise extent and timing of these additional savings is yet to be determined with a level of certainty and confidence that allows for further budget reductions to be included at this time.
- 7.57 Any required contribution from the Operational Funding and Investment Reserve needs to be considered in the context of the level of useable reserves available and the adequacy of these reserves to protect the Constabulary from future financial pressures and unforeseen events. The responsible use of reserves has always played a key role to ensure that we are able to manage through periods of uncertainty and is of particular relevance during a period of continued financial pressures and economic uncertainty, further detail on reserves is provided in Appendix F.
- 7.58 Due to the continuing financial risks, it is essential that reserves provide a sufficient contingency to meet these risks and to demonstrate sound financial management. Given the projected balance on this Reserve as at the end of March 2025 is only **£3.7m**, and with future budget gaps still projected from 2026/27, it is considered that the use of reserves should be kept to a minimum and is only seen as a temporary measure.
- 7.59 It is intended that the use of any reserve is therefore underwritten by the Savings Programme, to ensure that reserve balances are reinstated to their existing levels by the end of 2025/26.

8. 2025/26 PROPOSED BUDGET ALLOCATIONS

8.1 The tables below provide a summary of the 2025/26 draft revenue budget split between those elements that the PCC is directly responsible for and those under the direction and control of the Chief Constable to manage and operate.

8.2 The proposed draft budget for 2025/26 for the **Office of the Police and Crime Commissioner (Appendix B)** is summarised in the table below:

Office of the Police and Crime Commissioner	Approved Budget 2024/25 £m	Draft Budget 2025/26 £m
Commissioner's Office	1.591	1.700
Crime Prevention Fund	0.275	0.275
Community Safety Fund	2.246	2.302
Victim and Witness Services	2.865	3.224
Sub-Total	6.977	7.500
Direct Revenue Financing (of Capital Expenditure)	4.866	2.976
Interest Paid on Borrowing (Debt Charges)	1.625	2.124
Interest Receipts	(1.282)	(1.250)
Sub-total	12.186	11.351
Contribution from Reserves	(0.200)	(0.200)
Contribution to Reserves	0.009	0.002
Grant from the Ministry of Justice (estimate)	(1.272)	(1.179)
Home Office Grants	(1.000)	(1.090)
Local Authority Contributions	(0.895)	(0.897)
Net Budget Requirement	8.829	7.986

8.3 The proposed draft budget for the **Chief Constable (Appendix C)** is as follows:

Chief Constable	Approved Budget 2024/25 (£m)	Draft Budget 2025/26* (£m)
Derbyshire Constabulary	211.561	224.704
East Midlands Collaboration	11.778	12.751
Contributions to National Policing	(0.300)	(0.300)
BCU Fund & Partnerships	0.753	0.705
Sub-total	223.793	237.859
Contributions to/(from) Reserves	0.00	0.000
Contributions to/(from) Reserves	(0.861)	(0.230)
Net Budget Requirement	222.932	237.630

*The above figures are prior to the budget reduction proposals outlined in paragraph 7.47

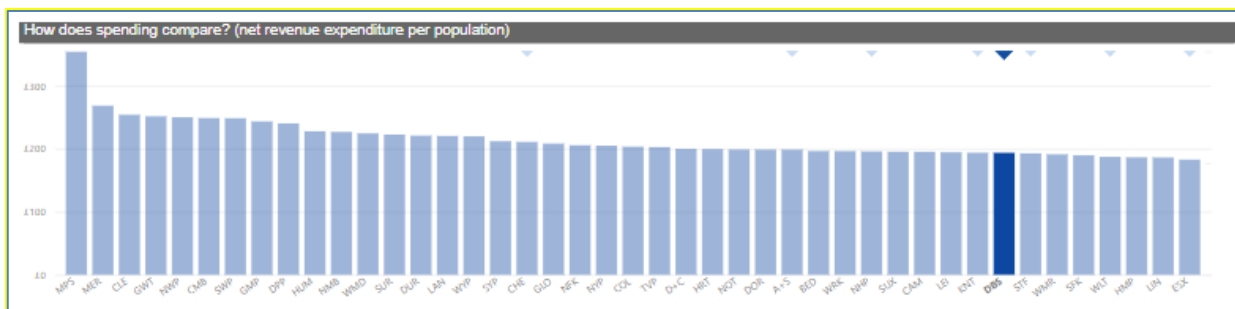
Funding Options in respect of Band D Council Tax

- 8.4 A Precept increase of £14 for a Band D property would represent a **5.01%** increase to **£293.60**, the equivalent of approximately 80 pence per day.
- 8.5 The table below sets out the Net Revenue Budget requirement together with the different Band D Council Tax impact up to the maximum increase allowed by government of £14 and what this represents as an increase on the comparable figures for 2024/25 as well as the potential contribution from reserves required to balance the budget if no savings options outlined in Section 8 above are agreed.

Balancing the Budget	Precept Increase £10	Precept Increase £11	Precept Increase £12	Precept Increase £13	Precept Increase £14
Net Revenue Budget	245,616,255	245,616,255	245,616,255	245,616,255	245,616,255
Budget Increase (%)	6%	6%	6%	6%	6%
Proposed Council Tax Requirement	99,112,163	99,454,401	99,796,639	100,138,878	100,481,116
Police Council Tax (Band D)	289.60	290.60	291.60	292.60	293.60
Police Council Tax Increase (£)	£10.00	£11.00	£12.00	£13.00	£14.00
Police Council Tax Increase (%)	3.58%	3.93%	4.29%	4.65%	5.01%

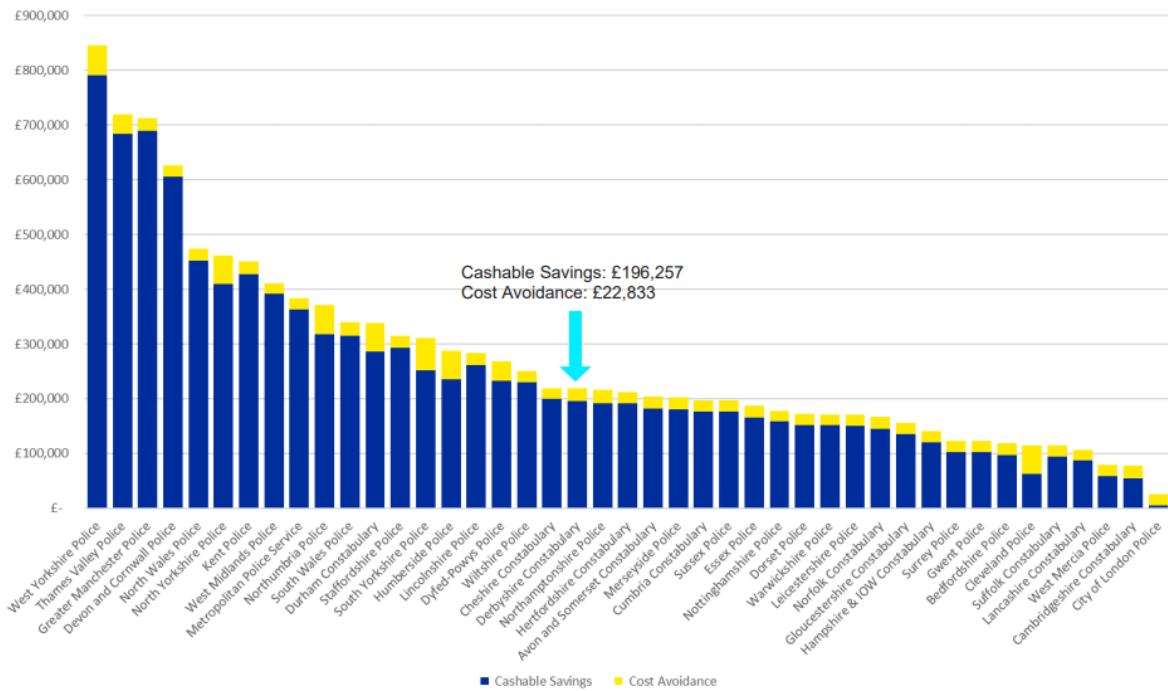
9. VALUE FOR MONEY

- 9.1 The Constabulary continues to demonstrate good value for money and performs well in national comparators.
- 9.2 The force instigated an in-year savings programme during 2023 that successfully delivered over **£0.728m** of savings during 2023/24 and will lead to further continued savings of **£1.046m** by the end of 2024/25, helping to reduce our budget requirement by over **£1.774m**. The review and release of the savings has been carefully managed to ensure that there is minimal impact on frontline operational policing. The savings plan was recently subject to an internal audit review, which provided 'substantial assurance' that effective controls were in place to deliver the savings and that the risks associated with the plan are being appropriately managed.
- 9.3 Work on a structured Savings Plan has commenced to drive out further savings and efficiencies, it will have a large focus moving forward on efficiencies to be gained through a review of our estate and fleet requirements, automation of processes and Artificial Intelligence. The success of the savings plan will be critical to achieve a balanced budget beyond 2025/26.
- 9.4 Effective financial reporting and monitoring arrangements are in place to help identify any variances in spending levels and potential financial risks. Detailed financial monitoring reports are prepared monthly and shared with budget holders and financial updates are also reported to the Chief Constable and the Police and Crime Commissioner at the Financial Assurance Board which meets regularly throughout the year. Financial risks are reviewed at board level, through well-established governance arrangements, to consider the impact and likelihood and options to reduce and address any ongoing financial impact.
- 9.5 Following a review of the governance arrangements, a Resources Board has been introduced to provide greater oversight of the development and delivery of the financial strategies and financial plans of the organisation and to provide assurance on financial resilience and value for money, this meeting chaired by the Deputy Chief Constable also receives a summary of the monthly financial monitoring and projected outturn reports.
- 9.6 The focal point of the Resources Board is to drive out savings and efficiencies and to identify and prioritise where investment will improve service delivery. Annual Planning days help to shape strategic decision making and identify where our resources are required most. All requests for new investment are subject to a business case and governance through the appropriate boards, with focus on business benefits, alignment to force priorities, the Police and Crime Plan, Organisational Risk Assessment (ORA) and threat, risk, and harm. Our annual budget cycle and in-year budget monitoring arrangements include a review of all departmental budgets / spend with operational leads and their Finance Business Partners.
- 9.7 In the most recent HMICFRS Value for Money profiles, Derbyshire had one of the lowest profiles for Net Revenue Expenditure per head of Population.



Source: HMICFRS Value for Money Profiles 2022

9.8 We continue to work closely with BlueLight Commercial to maximise financial and commercial benefits related to procurement, through use of the organisation’s commercial expertise, leveraging the purchasing power available across the sector. The force reported yearly cashable savings of £196k and cost avoidance of £23k during 2023/24.



10. THE FUTURE FINANCIAL POSITION (2025/26 to 2029/30)

10.1 The impact of the budget proposals for 2025/26 and key future assumptions for costs and income streams over the next 4 years is summarised in the table below. The projections assume that government funding for Uplift officers continues through the continuation of grant at the 2025/26 level (£6.371m). **They also assume that a £14 precept increase is approved in each of the next 4 years (26/27, 27/28,28/29 and 29/30) and shows the extent of the challenge that remains.**

Medium-Term Forecast 2025/30	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Previous Year's Gross Expenditure	232.353	243.538	254.589	263.553	271.917
Less RCCO Saving	(0.430)				
Less Contribution from Reserves	(0.162)				
Previous Year's Gross Expenditure	231.761	243.538	254.589	263.553	271.917
Pay Awards and Inflation increases	11.810	5.127	5.948	6.073	5.396
Other Changes to the Committed Budget	3.719	5.076	2.474	1.755	1.600
Grants – Police Uplift & Pensions Grant Changes	1.605				
Identified Savings & Income Generation	(4.245)	(0.160)	0.000	0.000	0.000
Approved Business Cases	0.389				
One off RCCO to PCIP	(1.869)				
In Year Force Investment Decisions	2.447	1.008	0.542	0.536	0.500
Net Revenue Budget	245.616	254.589	263.553	271.917	279.413
Projected Funding (£14 Precept Increase)	(242,918)	(250.625)	(258.515)	(266.590)	(274.855)
Budget Deficit	2.698	3.964	5.038	5.327	4.558
Recovery of Income for 'Non-fault Insurance Damage from historic cases	(0.500)				
Reduction in Provision for 'Own Fault' Insurance Excess	(0.150)				
Re-model Neighbourhood Policing changing the proportion of investigator roles vs traditional roles	(1.158)				
Review of all Vacant Police Staff roles – Currently 49fte	(0.270)				
Required Use of Reserves	0.620				

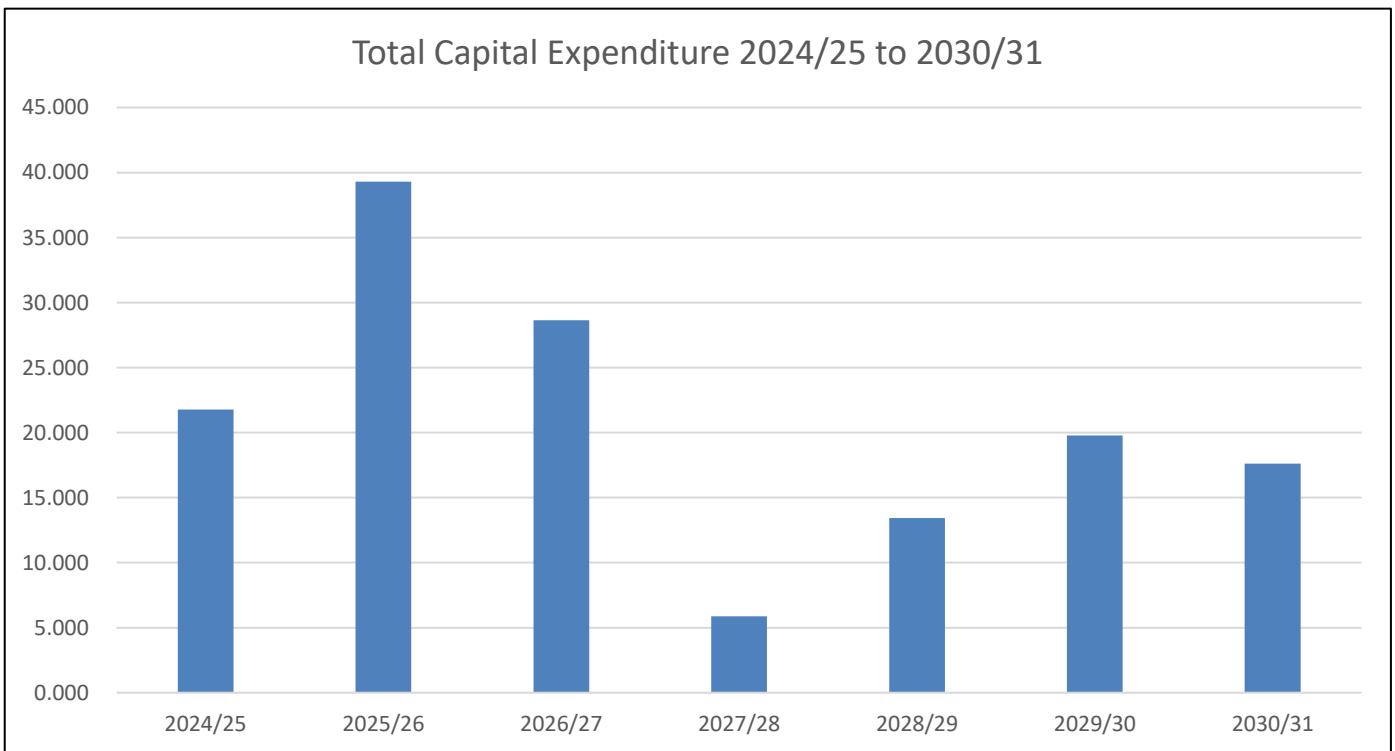
10.2 It is vital that Derbyshire Police continues to explore opportunities to deliver savings to fund future investment so that we can maintain appropriate reserve levels and that ongoing enhancements to service levels are self-financed through saving plans.

10.3 The medium-term financial plan incorporates the capital charges relating to the Capital Plan.

10.4 The table below shows the Capital Programme used to estimate the revenue borrowing costs and whilst the borrowing cost are included within the Medium-Term Financial Plan, this Programme has been approved through the Strategic Estates Board but is primarily provided here in order to show the proposed funding challenge.

Summary Of Capital Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	TOTAL £m
Estates (Building Works)	14.350	32.150	23.000	0.500	3.000	15.000	12.000	100.000
Vehicles and Op Equip	1.545	1.545	2.545	1.545	1.545	1.545	1.545	11.815
IS Schemes	2.648	2.342	2.797	3.535	7.587	1.938	1.935	22.782
Other Capital Expenditure	3.228	3.274	0.295	0.295	1.295	1.295	2.134	11.816
Total Capital Investment	21.771	39.311	28.637	5.875	13.427	19.778	17.614	146.413
Funding:								
Use of Reserves	0.867	0.000	0.000	0.000	0.000	0.000	0.839	1.706
External Borrowing	15.087	35.660	24.986	2.224	9.776	16.127	13.124	116.984
Counter Terrorism Grant	0.175	0.175	0.175	0.175	0.175	0.175	0.175	1.225
Direct Revenue Financing	5.242	3.476	3.476	3.476	3.476	3.476	3.476	26.098
Capital Receipts	0.400	0.000	0.000	0.000	0.000	0.000	0.000	0.400
Total Funding	21.771	39.311	28.637	5.875	13.427	19.778	17.614	146.413

10.5 The chart below shows the anticipated spend profile of the proposed capital expenditure.



11. RESERVES POSITION

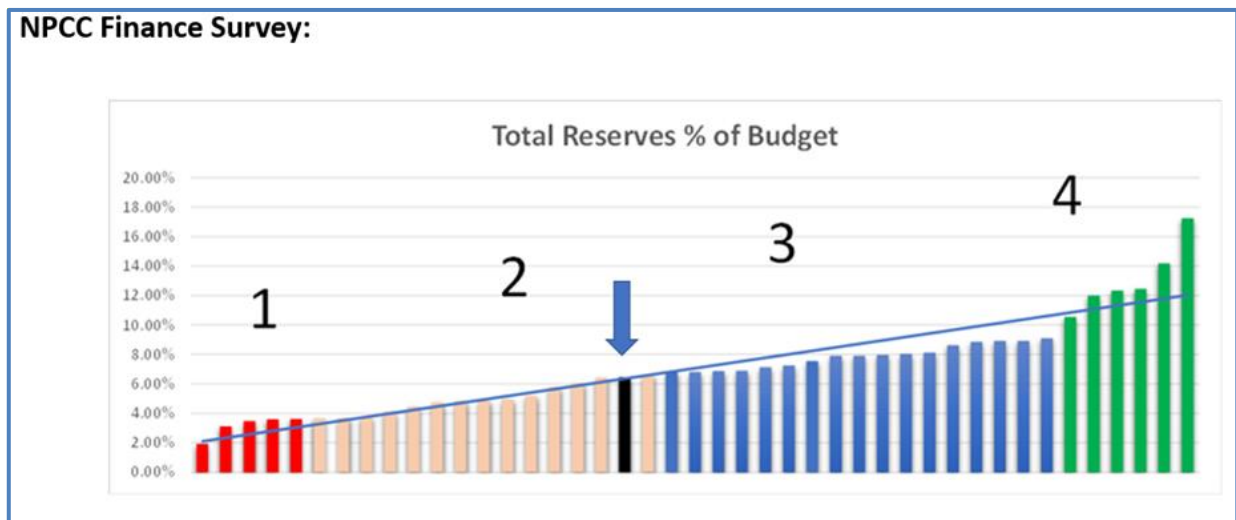
- 11.1 The use of reserves over the Medium-Term is an important element of the financial strategy. Reserves are held to fund one-off non-recurring expenditure which will achieve specific objectives, or to support making efficiencies in the revenue budget.
- 11.2 The budget plans accommodate all the known immediate financial risks facing Derbyshire Police. Nevertheless, risks continue to remain over future finance settlements, inflation and the impact of future pay awards, but also:
- The impact on the Capital Programme for additional investment in the Estate and Technology
 - The revenue contributions to Regional Collaboration and the ongoing costs of their Capital Replacement Plan.
 - Future funding to support any exit strategy from the Derby PFI contract.
 - National Police Information and Technology charges.
 - Further changes to the funding model for the National Police Air Service (NPAS).
 - Forensics (accreditation regimes, investment in digital technology and supplier pressure).
 - Introduction of the Emergency Services Network (ESN).
 - Increased costs relating to Airwave Menu Charges
 - Interest and borrowing rate rises above our projected forecasts.
 - Supply chain costs and delays impacted on from continued international wars and conflicts.
- 11.3 Equally, major and unpredictable new policing operations can also impact heavily on the budget. As it stands, reserves are sufficient to provide a cushion against short term risks. The following table shows the projected level of reserves up to 2029/30.

RESERVES	Balances 31/03/24 £m	Estimated Balances 31/03/25 £m	Estimated Balances 31/03/26 £m	Estimated Balances 31/03/27 £m	Estimated Balances 31/03/28 £m	Estimated Balances 31//03/29 £m	Estimated Balances 31//03/30 £m
GENERAL RESERVES	6.5	6.5	6.5	6.5	6.5	6.5	6.5
EARMARKED RESERVES							
Useable: -							
Op Funding & Investment Reserve	4.0	3.7	3.7	3.7	3.7	3.7	3.7
Carry-forwards	1.0	0.4	0.4	0.4	0.4	0.4	0.4
PCC Grants & Commissioning	0.7	0.5	0.3	0.1	0.0	0.0	0.0
Workforce Resilience & Well-Being	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Design Board Funding	3.4	2.0	2.0	2.0	2.0	2.0	2.0
Planning Day Initiatives	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Productivity & Efficiency	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Investment Fund	1.1	0.1	0.1	0.1	0.1	0.1	0.1
C/Fwd redirected to fund 24/5 o/s	0.0	1.4	1.4	1.4	1.4	1.4	1.4
Sub-Total	11.1	8.8	8.6	8.4	8.3	8.3	8.3
Other Specific Earmarked Reserves							
PFI	1.6	1.0	0.8	0.9	1.0	1.0	0.9
Insurance	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Sub-Total	1.9	1.3	1.1	1.2	1.3	1.3	1.2
TOTAL EARMARKED RESERVES	13.0	10.1	9.7	9.6	9.6	9.6	9.5
TOTAL RESERVES	19.5	16.6	16.2	16.1	16.1	16.1	16.0

- 11.4 The overall level of our useable reserves as of 31 March 2025 is projected to be **£16.6m**. Reserves will continue to play a significant role in helping to manage the medium to long-term financial position of the Constabulary. However, reserves are not infinite, and a considerable proportion of the total Reserves are committed to specific initiatives. This

means that without any externally funded capital grant we will rely more heavily on borrowing to fund future investment rather than using reserves.

11.5 A recent NPCC financial survey placed the force Reserves position within the median quartile of all forces.



11.6 Further detail on the level of reserves is set out in **Appendix D** with the rationale for maintaining the level of Reserves set out in **Appendix F**. The Reserves Strategy within the Medium-Term Financial Strategy shows the modelling of the impact on reserves of risks and key assumptions.

12. BORROWING POSITION

- 12.1 The overall level of borrowing may fluctuate depending on the timing of capital projects and the realisation of any capital receipts. Whilst the Prudential Code relates to new capital controls, it does impact on the revenue budget. Any agreed long-term borrowing meeting all the Prudential Code guidelines will have on-going revenue implications over a long period. Separate reports setting out the Capital Programme and also the Prudential Indicators for the Constabulary have been prepared and reported to the Financial Assurance Board. Borrowing assumptions for currently approved capital schemes are included in this report.

13. ASSURANCE STATEMENT FROM THE S151 OFFICERS' CONSIDERATIONS

13.1 When setting the Budget and Capital Programme for the forthcoming year the Police & Crime Commissioner must be satisfied that adequate consideration has been given to the following: –

- a) Government policy on police spending, as applied to the Police & Crime Commissioner.
 - i. The CIPFA Prudential Code and the CIPFA Treasury Management Code.
 - ii. The impact on the Council Tax and the threat or risk of exceeding the excessiveness principle (previously capping).
 - iii. Whether the proposals represent a balanced budget for the year.
 - iv. The robustness of estimates and the size and adequacy of general and specific earmarked reserves.
 - v. The medium-term implications of the Budget and Capital Programme (MTFS).
- b) Section 25 of the Local Government Act 2003 requires the Commissioner's Chief Financial Officer to provide the Commissioner with assurance on the robustness of estimates made for the purposes of the budget calculations and the adequacy of reserves.
- c) The Act requires that the Commissioner has regard to the report of the Chief Finance Officer in making their budget decision. Where this advice is not accepted, this needs to be formally recorded in the minutes of an appropriate meeting.

ASSURANCE OF THE CHIEF CONSTABLE'S CHIEF FINANCIAL OFFICER

13.2 As the Chief Constable's Chief Financial Officer, I can provide the following assurances:

- a) The main assumptions and estimates, for compiling the budget are set out within the report, and the figures for the 2025/26 budget have been based on these assumptions.
- b) The recommendations are consistent with the medium-term financial strategy and do not impact on the overall financial resilience and stability of the Constabulary. There is, however, increased pressure on reserves with the proposed use of the Operational Funding and Investment Reserve to meet the budget deficit in 2024/25, together with any future use of reserves to fund any in year overspends or to fund one off investments.
- c) Future financial implications up to 2029/30 have been analysed but can only provide an indication of the potential financial position that the Constabulary and Commissioner will face. This will be further compounded if the rate of inflation remains above the Bank of England target of 2%, and the uncertainty and timing of any interest rates reductions and the volatility of council tax income and Precept levels. An informed assessment has been made of interest rate movements using information provided from the OBR Predictions and from sector updates provided by our Treasury Management Advisors.
- d) The Medium-Term Financial Plan reflects all known factors that could have an impact on our Budget up to 2029/30. The continuation of Ringfenced funding for Uplift grant will require careful monitoring to ensure that Grant Income is not at risk and that the Force can maintain Police Officer establishment in line with government target numbers.
- e) The Force has made good progress in achieving cashable savings helping to reduce the budget requirement. It is recognised that we can no longer simply rely upon Grant or Precept increases to fund our budget growth and that savings will become a continuous requirement to help reduce budget gaps, fund new initiatives and to re-

prioritise our resources. A structured Savings Plan has commenced, and I am reassured with the plans to drive out further savings and efficiencies. The success of the Savings Plan will be critical to achieve a balanced budget beyond 2025/26 and will require an operational review of our assets to ensure that we are making the best use of our resources.

- f) The figures within the Medium-Term Financial forecasts are based on a number of key assumptions and can only provide an indication of the scale of the challenge that we face at this time. In particular, the figures are heavily dependent on future government funding decisions and precept limitations.
- g) There are a number of scenarios that the Constabulary will continue to model within the current MTFP, based on the most prudent forecast around funding and precept increases. Financial risks still remain in relation to collaborative costs and working with regional partners. There is a risk that funding and services from local authority partners is reduced due funding pressure on their own budgets.
- h) The Estates Strategy provides an outline as to how the estate will be managed and developed; however further work will be necessary to balance the need to deliver financial savings whilst ensuring that that our buildings are fit for purpose and reducing the risk from a backlog of maintenance.
- i) Amid the pressures of needing to make savings, we have realised better ways of working and are reaping the benefits of closer partnership working, where this is possible. We also want to play our part in protecting the environment and tackling climate change with environmentally responsible buildings which support the further introduction of greener technologies, including vehicle charging, to reduce our carbon footprint as we strive to achieve Net Zero by 2050. As ever, these desired changes require investment and must be balanced with our available resources and operational needs.
- j) The PFI Contract for Saint Marys Wharf ends in 2030 and the over-riding principle in determining the most cost-effective option for any exit strategy from the existing PFI arrangement, is to ensure that the organisation selects a choice for investment that best meets the existing and future operating needs of the service and optimises the opportunities to secure and demonstrate best value. Key to this principle is to ensure that any future arrangements are affordable in terms of both capital investments, ongoing revenue costs and the extent of any future borrowing requirement. The Constabulary is working alongside the Infrastructure and Projects Authority (IPA) to seek future funding towards an exit strategy from the contract.
- k) The responsible use of reserves has always played a key role to ensure that we are able to manage through periods of uncertainty and is of relevance during a period of continued financial pressures and economic uncertainty. With the continuation of one-year financial settlements and the potential for future restraints on public spending and council tax precept limits, we will continue to be dependent on reserves to help balance the budget and to cushion the impact of sudden unforeseen spending pressures.
- l) Reserves continue to play a significant role in helping to manage the medium to long-term financial position of the force. However, as it stands, our reserves are only sufficient to provide a cushion against short term risks. Our reserves are not infinite, and a considerable proportion of the total reserves are already committed to specific initiatives. We will therefore need to implement the robust saving plans referred to in this report to bolster our Operational Investment Reserve levels, to reimburse any amounts used to balance the 25/26 budget.
- m) I remain confident that a balanced budget can be set that continues to provide good value for money and demonstrates the effective use of our resources. There is a commitment from the Force to achieve further cost savings and efficiencies, building on the positive record it has delivered in past years.

ASSURANCE OF THE POLICE & CRIME COMMISSIONER'S CHIEF FINANCIAL OFFICER

- 13.3 As the Commissioner's Chief Financial Officer, I can provide the following assurances: -
- a) Government Policy – The MTFS is produced in line with the latest government policy as applied to Police & Crime Commissioners.
 - b) CIPFA Code – the MTFS is produced in line with the Prudential Code and the CIPFA Treasury Management Code. Details are outlined in the Treasury Management and Capital Programme reports.
 - c) Council Tax – The Government confirmed that legislation through the Localism Act provides communities with the power to veto, through a referendum, council tax increases deemed by the government to be excessive. The level at which council tax is deemed excessive is decided in accordance with a set of principles determined by the Secretary of State for Communities. For 2025/26 the revised Referendum Principle is £14 for Police & Crime Commissioners. Increases in council tax secure year on year funding, as being a part of the base revenue budget.
 - d) Balanced budget – a balanced budget is presented but will require the use of reserves.
 - e) Robustness of Estimates – I have reviewed the matters that have been considered in drafting the proposed budget and the consequential budget requirement, and the required level of the police precept. I am satisfied that the procedures adopted by the Constabulary's Chief Financial Officer and his team are sufficiently robust to ensure the financial data is accurate and forms a sound basis for the preparation of the estimates for 2025/26.
 - f) Adequacy of reserves – I consider the level of general reserves (£6.5m) to be adequate for meeting estimated future risks but is at the lower-end of what would be considered a prudent amount. Specific reserves are reducing but are at acceptable levels to support future expenditure in the short and medium term. Given the size of the medium-term deficit, however, I will keep this position under regular review and expect to see the Constabulary's savings plans reimburse the amounts required to bridge the revenue budget in 2025/26.
 - g) Medium Term implications – I consider that the MTFP presents a best estimate of the future financial pressures that the Commissioner will face. It should be noted that inherent within the MTFP are assumptions as set out in this report and its appendices. Movement in any of the key assumptions would have significant impact on the available resources to support policing. The Constabulary's Chief Financial Officer and I will continue to monitor national developments carefully to ensure the Commissioner and Chief Constable are sighted on any emerging risks for Derbyshire.

Appendix A - POLICE & CRIME COMMISSIONER FOR DERBYSHIRE REVENUE BUDGET PROJECTIONS FOR 2025/26 TO 2029/30

	2025/26	2026/27	2027/28	2028/29	2029/30
PROJECTED STAFFING LEVELS	FTE's	FTE's	FTE's	FTE's	FTE's
Police Officers	2,044.0	2,044.0	2,044.0	2,044.0	2,044.0
PCSO's	199.0	199.0	199.0	199.0	199.0
Police Staff	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2
TOTALSTAFFING	3,749.2	3,749.20	3,749.2	3,749.2	3,749.2

PROJECTED BUDGET REQUIREMENT	2025/26	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m	£m
Previous Year's Budget Requirement	231.761	243.538	254.859	263.553	271.917
Pay & Price Increases					
Full Year Effect of Previous Year's Pay Award: -					
Police Officers	2.839	1.729	1.277	1.295	1.296
Police Staff	1.326	0.788	1.105	1.140	0.606
Police Officers - Additional 2.25% for 24/25	1.638				
Police Staff - Additional 2.25% for 24/25	0.796				
Provision for Current Year's Pay Award & Inflation: -					
Police Officers pay award	1.569	1.657	1.706	1.746	1.789
Police Officers NI Increases wef April 25	2.337				
Police Staff pay award	0.744	0.770	0.794	0.819	0.838
Police Staff NI Increases wef April 25	1.459				
Pay & Prices Volatility Contingency	0.925				
Grant for Ni Increases 1/4/25	(3.760)				
Non -Pay Inflation	0.003				
Non-Pay Inflation - Pensions	0.091	0.054			
Non-Pay Inflation - Other Employee Expenses	0.034				
Non-Pay Inflation- Insurance	0.097				
Non-Pay Inflation- Premises	0.482	0.069	0.032	0.033	0.033
Non-Pay Inflation - PFI	(0.081)	(0.836)	0.107	0.112	
Non-Pay Inflation - Transport	(0.164)	0.049			
Non-Pay Inflation - Supplies & Services	1.079	0.521	0.532	0.531	0.541
Non-Pay Inflation - Income	(0.149)				
Non-Pay Inflation - Grants & Partnerships	0.015				
Collaboration - inflationary increases	0.530	0.327	0.395	0.400	0.294
Total - Pay & Price Increases	11.810	5.127	5.948	6.073	5.397
Previous Year's Budget updated for Pay & Price changes	243.571	248.665	260.537	269.627	277.314
Other Changes to the Committed Budget					
Police Officers - Increments / Turnover	1.791	0.827	0.746	0.703	0.659
Police Officers - Overtime (No. of Bank Holidays and other changes)	0.156	0.469	(0.319)	0.000	(0.332)
Police Officer Pensions oncost reduction (Pensions reduction due to opt outs)	(0.958)				
Police Officer Rank Changes	0.277				
Other changes in Police Officer oncosts (NI / Apprenticeship Levy)	(0.097)	(0.028)	(0.004)	(0.003)	(0.003)
Police Staff - Increments / Regrades/ Other Changes	0.262	0.204	0.208	0.212	0.217
Police Staff - Other Changes	0.069				
Premises - Repairs & Maintenance	0.256				
Premises - Cleaning Contract & Grounds Maintenance	0.205				
Premises - Utility Costs	(0.036)				
Premises - Rates & Rents	0.027				
Transport - Travel Expenses	0.079				
Transport - Other Changes	(0.025)				
Supplies & Services - Subscriptions Increase (NPCC Operating Costs)	0.211				
Supplies & Services - Recruitment & Selection Cost Police Officers	0.059				
Supplies & Services - Dangerous Dogs	0.285				
Supplies & Services - Custody Cost	0.080				
Supplies & Services - Vehicle Equipment	0.035				
Supplies & Services - Increased Legal Costs	0.065				
Supplies & Services - Other Changes	(0.029)				
MRP & Interest Charges -new borrowing	0.705	1.582	0.891	0.134	0.252
MRP & Interest Charges - current borrowing	(0.160)	0.775	0.981	0.781	0.808
Review of MRP for PFI schemes - Derby	(0.260)	0.743	(0.009)	(0.009)	0.000
Police Uplift Grant Changes	0.934				
Change in Pensions	0.285				
Pensions Grant - removal of 1yr top up funding for Remedy Costs	0.386				

PROJECTED BUDGET REQUIREMENT	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Investment Income	0.032	0.130	0.050	0.010	0.000
Increased Legal Costs	0.065				
Reserves - Remove Contribution from Reserves re 3 temporary Financial Investigators	0.135				
Reserves - Remove Contribution from Reserves re 24/25 Budget Deficit	0.162				
Changes in other specific Reserve contributions - Derby PFI	0.327	0.375	(0.069)	(0.073)	
Total - Other 'Committed' Budget Changes	5.324	5.076	2.475	1.755	1.600
Previous Year's Budget plus previously agreed / known changes	248.894	253.741	263.011	271.38410 0,481	278.913
Items arising after 2024/25 Precept Meeting					
1.FYE of Identified Savings in 2024/25 Approved Budget					
23-24 - Savings Initiative Programme - Reduction in Staff Posts 37.9 fte	(0.216)				
23-24 - Savings Initiative Programme - Reduction in Other Costs	(0.005)				
	(0.221)	0.000	0.000	0.000	0.000
2.Identified Savings from the 2025/26 Savings Programme					
Termination of Cardinal Square Lease	(0.342)				
Recovery of Income from third party Insurers - Opus	(0.340)				
Termination of Roland House Lease		(0.160)			
	(0.682)	(0.160)	0.000	0.000	0.000
3.Identified Savings from Departments					
DDaT	(0.076)				
2% Formation savings	(1.482)				
2%Increase in PCSO Vacancy Factor (% to 6%)	(.0.177)				
2% Increase in Police Staff Vacancy Factor (6% to 8%)	(0.909)				
	(2.645)	0.000	0.500	0.500	0.500
4.2024/25 Approved Business Cases					
Comms & Engagement - Campaign Funding	0.040				
Corporate Services - 2 fte posts - Demand Simulation Analyst & Researcher	0.091				
Criminal Justice - Analyst Post Grade I	0.050				
DDaT - Training Budget	0.003				
DDaT - Goodsam Licences	0.045				
DDaT - Chis System (GSA to Altia)	0.070				
DDaT - Cellbrite Premium	0.023				
Procurement - Contracts & Engagement Officer 0.5 fte	0.025				
Professional standards - Admin & PSD Support Supervisor	0.041				
	0.389	0.000	0.000	0.000	0.000
5.Provision for further Business Cases					
Change Board - New Business Cases	0.000	0.500	0.500	0.500	0.500
Design Board/ P&E - Ongoing Revenue	0.021	(0.156)			
Removal of DB/PCIP Contribution	(1.890)				
	(1.869)	0.344	0.500	0.500	0.500
6.Force Decisions/ agreements / increased expenditure					
Increased Uniforms costs		0.100			
Increased Collaboration Costs	0.233				
Forensic re-tender / increased cost	0.210	0.629			
Police Officer III Health Retirements	0.018				
DDaT - Mobile Services	0.040				
DDaT - Acos Modules migration costs (one off Cost)	0.040	(0.040)			
DDaT - Licence Costs - Orbis	0.025				
DDaT - Licence Costs - Adobe	0.031				
DDaT - Licence Costs - Saadian Pins	0.013				
DDaT - Licence Costs - Keto	0.009				
DDaT - Licence Costs - Social Sign in	0.012				
DDaT - Licence Costs - Cority Occupational Health	0.007				
PCIP - additional revenue costs	0.574		0.018	0.036	
Financial Contracts - Removal of one off XPS costs for Pensions Remedy	(0.025)	(0.125)			
Financial Contracts - Payroll	0.084				
Force Partnership Analysts	0.002				
Increased Insurance Costs	0.129				
Insurance X/S Costs	0.300				
Pathology Costs	0.080				
Vehicle Recovery Costs	(0.040)				
OPCC Budget Increases	0.325				
OPCC Budget Increases - Perpetrators Programme	0.100				
Income Reduction - PCDA	0.140	0.105	0.024		
Income Reduction - Mast Rent	0.100				
Income Reduction - Firearms Licences	0.040	(0.040)			
	2.447	0.629	0.042	0.036	0.000

PROJECTED BUDGET REQUIREMENT	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
7.Additional areas of Income Generation					
POCA Income	(0.185)				
Abnormal Loads Income	(0.100)				
Traffic Cops Income	(0.035)	0.035			
Special Services Income	(0.041)				
Increased Finance & Support Services Recharges	(0.047)				
Other Income Changes	(0.038)				
Increased LLP Recharges	(0.252)				
	(0.698)	0.035	0.000	0.000	0.000
Total - New Growth less Identified Savings and Income Generation	(3.278)	0.848	0.542	0.536	0.500
REVISED BUDGET REQUIREMENT FOR YEAR AFTER SAVINGS	245.616	254.589	263.553	271.917	279.413

FUNDING FOR BUDGET REQUIREMENT	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Central Government Funding					
Formula grant	(133.737)	(135.074)	(136.425)	(137.789)	(139.166)
Council Tax grants	(8.700)	(8.700)	(8.700)	(8.700)	(8.700)
Total - Central Government Funding	(142.437)	(143.774)	(145.125)	(146.489)	(147.866)
Precept Funding					
Previous year Council Tax Funding	(94.022)	(100,481)	(106.851)	(113,390)	(120.101)
Change in tax base - annual growth	(1.668)	(1.507)	(1.603)	(1.701)	(1.802)
Change in Band D Council Tax	(4.791)	(4.863)	(4.936)	(5.010)	(5.085)
Change in Collection A/c Surplus / (Deficit)					
Total - Precept Funding	(100.481)	(106.851)	(113.390)	(120.101)	(126.988)
TOTAL PROJECTED FUNDING	(242.918)	(250.625)	(258.515)	(266.590)	(274.855)

Budget Deficit	2.698	3.964	5.038	5.327	4.558
Recovery of Income for 'Non-fault' Insurance Damage from historic cases	(0.500)				
Reduction in Provision for 'Own Fault' Insurance Excess	(0.150)				
Re-model Neighbourhood Policing changing the proportion of investigator roles vs traditional roles	(1.158)				
Review of all Vacant Police Staff roles – Currently 49fte	(0.270)				
REQUIRED USE OF RESERVES	0.620				

Appendix B

OFFICE OF THE PCC - 2025/26 BUDGET (DETAIL)

Account	Budget Heading	2024/25 BASE BUDGET £	Full Year Inflation £	Increments £	Other Changes £	2025/26 Proposed Budget £
1100	Police Staff Pay	945,300	35,900	10,000		991,200
1120	Police Staff Overtime - Plain Time	1,200	100			1,300
1140	Police Staff National Insurance	94,500	28,300	1,100		123,900
1160	Police Staff Superannuation	169,100	6,400	1,900		177,400
1501	Training Courses	7,500			(1,500)	6,000
1602	Recruitment Advertising	1,000			(1,000)	0
1603	Interview Expenses	500				500
2210	Hire of Rooms	1,000				1,000
3200	Police Vehicle Fuel	0				0
3300	Hire of Vehicles	1,000			(1,000)	0
3400	Other Mileage (PSV)	5,500				5,500
3403	Rail Travel	1,500			(1,000)	500
3408	Car Parking, Taxis, etc	750			(50)	700
4000	Equipment - General	2,000				2,000
4040	Furniture	0				0
4100	Accommodation / Hotel Expenses	1,000				1,000
4101	Subsistence Expenses	400				400
4291	Meals / Refreshments	2,500			(500)	2,000
4400	Printing and Stationery - General	1,000				1,000
4401	Publications	500			500	1,000
4505	Financial Contracts	114,300				114,300
4520	Professional Fees	20,000				20,000
4543	Professional Fees - Legal	17,600				17,600
4575	Engagement and Communications	50,000				50,000
4635	Software Purchase	15,000				15,000
4636	Software Rental & Licences	6,600				6,600
4740	JARAC Attendance	15,400	100		100	15,600
4741	JARAC Mileage	900				900
4805	Non-Recruitment Advertising	1,500				1,500
4807	Conference Expenses	1,500				1,500
4888	Bank Charges	12,000				12,000
4890	Misc. Expenditure	0				0
4895	National & Regional Membership Fees	115,900			14,100	130,000
Office of the PCC - Total Budget		1,606,950	70,800	13,000	9,650	1,700,400

Appendix C

SERVICES COMMISSIONED VIA THE CHIEF CONSTABLE – 2025/26 BUDGET (DETAIL)

Budget Heading	2024/25 Approved £m	2025/26 Proposed £m
Police Officers	130.162	140.276
Community Support Officers	7.735	8.448
Other Police Staff	53.033	55.417
Police Pensions	3.348	3.457
Other Employee Expenses	0.864	0.885
Premises	11.754	11.997
Transport	4.560	5.007
Supplies & Services	22.534	25.020
Agency & Contracted Services	0.272	0.272
Specific Grants	(16.039)	(18.194)
General Income	(6.661)	(7.881)
Derbyshire Constabulary Costs	211.562	224.704
Contributions:		
Contribution to East Midlands Collaboration	11.778	12.751
Contributions to National Policing	(0.300)	(0.300)
BCU Funding & Partnerships	0.753	0.705
Contribution to Reserves	0.000	0.000
Proposed Gross Spending	223.793	237.860
Contribution from reserves		
- PFI	(0.699)	(0.230)
- Other Reserves	(0.000)	0.000
Other Sources of Funding	(0.699)	(0.230)
PROPOSED NET SPENDING	223.094	237.630

Appendix D

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE

STATEMENT OF RESERVE LEVELS AS AT 31ST MARCH 2024 AND FORECAST MOVEMENTS AND LEVELS TO 31ST MARCH 2030

RESERVES	2024/25			2025/26		2026/27		2027/28		2028/29	2029/30		
	Balances at 1/04/24 £m	Mvmts (to) / from Revenue £m	Est Balances at 31/03/25 £m	Est Mvmts (to) / from Revenue £m	Est Balances at 31/03/26 £m	Est Mvmts (to) / from Revenue £m	Est Balances at 31/03/27 £m	Est Mvmts (to) / from Revenue £m	Est Balances at 31/03/28 £m	Est Mvmts (to) / from Revenue £m	Est Balances at 31/03/29 £m	Est Mvmts (to) / from Revenue £m	Est Balances at 31/03/30 £m
GENERAL RESERVES	6.500	-	6.500	-	6.500	-	6.500	-	6.500	-	6.500	-	6.500
EARMARKED RESERVES													
Useable: -													
Op Funding & Investment Reserve	4.051	(297)	3.754		3.754		3.754		3.754		3.754		3.754
Carry-forwards	1.075	(664)	411		411		411		411		411		411
PCC Grants & Commissioning	.653	(200)	453	(200)	253	(200)	53	(53)	0		0		0
Workforce Resilience & Well-Being	.500	(15)	485		485		485		485		485		485
Design Board Funding	3.433	(1.433)	2.000		2.000		2.000		2.000		2.000		2.000
Planning Day Initiatives	.274	(60)	214		214		214		214		214		214
Productivity & Efficiency	.050	(50)	0		0		0		0		0		0
24/25 Overspends	1.086	1,404	1.404		1.404		1.404		1.404		1.404		1.404
Investment Fund	1.086	(1.000)	86		86		86		86		86		86
Total Useable: -	11.122	(2.315)	8.807	(200)	8.607	(200)	8.407	(53)	8.354	(0)	8.354		8.354
Non-useable: -													
PFI	1.549	(557)	993	(230)	763	145	908	77	985	4	989		989
Insurance	322	2	323	2	325	3	328	3	331	3	334		334
Total non-useable: -	1.871	(555)	1.316	(228)	1.088	148	1.236	80	1.316	7	1.323		1.323
TOTAL EARMARKED RESERVES	12.993	(2.870)	10.123	(428)	9.695	(52)	9.643	27	9.670	7	9.677		9.677
TOTAL RESERVES	19.493	(2.870)	16.623	(428)	16.195	(52)	16.143	27	16,170	7	16.177		16.177

Appendix E - 2025/26 PRECEPT

EXAMPLE BASED ON A £14 COUNCIL TAX INCREASE ON BAND D PROPERTIES	Council Tax Base	Total Funding	Collection Fund <i>figures yet to be notified</i>		Council Tax
	£	£	Surplus	Deficit	£
	£289.60	342,238.13	100,481,114.97	-	-
Amber Valley Borough Council	42,557.58	12,494,905			12,494,905
Bolsover District Council	23,366.76	6,860,481			6,860,481
Chesterfield Borough Council	30,792.54	9,040,690			9,040,690
Derby City Council	73,139.57	21,473,778			21,473,778
Derbyshire Dales District Council	31,769.87	9,327,634			9,327,634
Erewash Borough Council	34,510.30	10,132,224			10,132,224
High Peak Borough Council	32,869.00	9,650,338			9,650,338
North East Derbyshire District Council	33,448.51	9,820,483			9,820,483
South Derbyshire District Council	39,784.00	11,680,582			11,680,582

<u>Gross Revenue Expenditure</u>	
2024/25 Approved	£231,760,957
2025/26 Proposed	£245,616,255
Increase in GRE	6%

<u>Council Tax Requirement</u>	
2024/25 Approved	£94,022,127
2025/26 Proposed	£100,481,115
Increase in CTR	6.87%

<u>Council Tax per Banding</u>		
<u>BAND</u>	<u>2024/25</u>	<u>2025/26</u>
	£	£
A	186.40	195.73
B	217.47	228.36
C	248.53	260.98
D	279.60	293.60
E	341.73	358.84
F	403.87	424.09
G	466.00	489.33
H	559.20	587.20

APPENDIX F - Legislative Framework around level of Reserves and the requirement to deliver a Balanced Budget.

Sections 32 and 43 of the Local Government Act require Precepting authorities (and billing authorities) in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement as so the requirement for financial reserves is acknowledged in statute.

In England and Wales, earmarked reserves remain legally part of the General Reserve, although they are accounted for separately. There are a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:

- The balanced budget (or in England calculation of council tax) requirement: - England, Sections 31A, 42A of the Local Government Finance Act 1992, as amended.
- Chief Finance Officers' duty to report on robustness of estimates and adequacy of reserves (under Section 25 of the Local Government Act 2003) when the authority is considering its budget requirement (England and Wales); Section 28 of the Act also requires budget monitoring 'from time to time' and take action to deal with any deterioration.
- the legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer/proper officer has responsibility for the administration of those affairs, Section 151 of the Local Government Act 1972.
- the requirements of the Chartered Institute of Finance and Accountancy (CIPFA) Prudential Code. (CIPFA is the professional accounting body governing public sector organisations.)

These requirements are reinforced by Section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to the Police and Crime Commissioner if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted, and it is forecast that the organisation will not have the resources to meet its expenditure in a particular financial year. The issue of a Section 114 notice 5 would not be taken lightly and would have serious operational implications. Indeed, the Police and Crime Commissioner must consider the s114 notice within 21 days of issue and during that period the organisation is prohibited from entering into new agreements involving the incurring of expenditure.

Whilst it is primarily the responsibility of the Police and Crime Commissioner and its Chief Finance Officer to maintain a sound financial position, external auditors will, as part of their wider responsibilities, consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual Police and Crime Commissioners or authorities in general.

CIPFA's Prudential Code also requires Chief Finance Officers to have full regard to affordability when making recommendations about the Commissioner's future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the Commissioner is required to consider all the resources available to them estimated for the future, together with the totality of the capital plans and revenue forecasts for the forthcoming year and the following two years.

CIPFA's Prudential Code requires the Chief Finance Officers to have full regard to affordability when making recommendations about the Commissioner's future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the Commissioner is required to consider all resources available to them and estimated for the future, together with the totality of its capital plans and revenue

forecasts for the forthcoming year and the following two years. There is a requirement for three-year revenue forecasts across the public sector and this is achieved through the Medium-Term Financial Strategy (MTFS). The Comprehensive Spending Review (CSR) has provided the Commissioner with details of proposed revenue grant for three years, and although this provides some additional certainty, the political and economic climate remains challenging requiring additional to focus on the levels of reserves and application of balances and reserves on the balance sheet.

CIPFA and the Local Authority Accounting Panel do not accept that there is a case for introducing a generally acceptable minimum level of reserves. Commissioners on the advice of their Chief Finance Officers should make their own judgements on such matters considering all relevant local circumstances. Such circumstances will vary between local policing areas. A well-managed organisation, for example, with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed organisation will ensure that the reserves are not only adequate, but also are necessary.

The Home Office has now indicated that it expects **general reserves** to be no more than 5% of the net revenue budget, this would equate to a maximum amount of **£12.3m**, which is substantially higher than the **£6.5m** currently held.

Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for authorities. However, the government has undertaken to apply this only to individual authorities in the circumstances where the authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty.

A level of reserves of 2% or below this would be an indicator that immediate action to maintain the adequacy of reserves is required. This equates to an amount of **£4.9m** and is lower than the actual level of reserves held.

The CIPFA Financial Management Code (a professional Code for CIPFA members) Financial Management Standard K also specifies that: The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves, which is why this is covered in the CFO narrative in the main body of this report.

Appendix C

EXTRACT FROM RULES OF PROCEDURE FOR DERBYSHIRE POLICE AND CRIME PANEL

14.7 Proposed precept

- 14.7.1 The Police and Crime Commissioner will notify the Police and Crime Panel by 1st February of the relevant financial year of the precept which the Commissioner is proposing to issue for the financial year. The Panel must review the proposed precept by 8th February of the relevant financial year and make a report including recommendations.
- 14.7.2 Having considered the precept, the Police and Crime Panel will either:
- (a) support the precept without qualification or comment.
 - (b) support the precept and make recommendations; or
 - (c) veto the proposed precept (by the required majority of at least two thirds of the persons who are members of the Panel at the time when the decision is made).
- 14.7.3 If the Panel vetoes the proposed precept, the report to the Commissioner must include a statement that the Panel has vetoed the proposed precept with reasons. The Panel will require a response to the report and any such recommendations.
- 14.7.4 Where the Panel exercises the power of veto, the Police and Crime Commissioner shall, by 15th February of the relevant financial year, notify the Police and Crime Panel of the precept he/she now proposes to issue subject to the following:
- (a) where the Panel report indicates that the Panel vetoes the proposed precept because it is too high, the revised precept shall be lower than the proposed precept.
 - (b) where the Panel report indicates that the Panel vetoes the proposed precept because it is too low, the revised precept shall be higher than the proposed precept.
- 14.7.5 On receiving a response containing notification of a revised precept under the regulation the Panel shall, by 22nd February of the relevant financial year:
- (a) review the revised precept; and
 - (b) make a report (second report) to the Commissioner on the revised precept.

14.7.6 The Commissioner shall, by 1st March of the relevant financial year, have regard to the second report, give the Panel a response and publish the response.

The Commissioner may then issue the revised precept for the financial year or issue a different precept still subject to the requirements noted at 14.7.4.