



Sussex
Police & Crime
Commissioner



Medium Term Financial Strategy 2025 - 2029

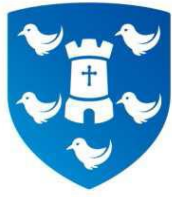
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MEDIUM TERM FINANCIAL STRATEGY 2025/2026 to 2028/2029

Report by Iain McCulloch, Chief Finance Officer to the Sussex Police & Crime Commissioner

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1 Foreword from the Police & Crime Commissioner

1.1 I am one of 37 elected Police & Crime Commissioners (PCCs) across England and Wales. I was re-elected to serve a fourth term as Sussex PCC in May 2024 to continue to articulate the public's policing priorities and concerns, ensuring that the Chief Constable provides effective and efficient policing across the county.



1.2 Having served as Sussex Police & Crime Commissioner since 2012, I have the experience and proven track record to continue making a difference to policing our county. As your PCC, I have robustly held the police to account on behalf of residents, successfully supported victims of crime and invested heavily in frontline policing.

1.3 As well as holding the Chief Constable and the force to account for local policing issues, one of my key duties is to ensure Sussex Police meets its national strategic policing requirements, including a co-ordinated response to serious and organised crime and terrorism.

1.4 I have a statutory duty to publish a Police & Crime Plan which sets out the strategic direction for policing our county with objectives for how policing will be delivered in Sussex up to 2028. This plan drives the Chief Constable's Operational Delivery Plan.

1.5 I also work with community safety and criminal justice partners to make sure there is a coherent approach to preventing and reducing crime.

1.6 I am authorised to set the force budget; to allocate discretionary grant funding; to commission services for victims, and to determine the precept - the police element of council tax.

1.7 This Medium Term Financial Strategy (MTFS) is one of my key planning tools which help to identify available resources and options for delivering the public's Police and Crime Plan priorities and the force's Strategic Policing requirements.

1.8 The MTFS is part of my robust scheme of financial management and scrutiny, which I review along with the annual budgets on a regular basis during the year to be assured that public money is being appropriately allocated.

1.9 As a publicly available and 'living' document, the MTFS also provides contextual information and the rationale behind our running costs and capital investment, along with any decisions on the level of the precept.

Katy Bourne OBE
Sussex Police & Crime Commissioner
10 February 2025

2 The Financial Plan: Chief Finance Officer Narrative Statement

Managing Your Money

- 2.1 I am responsible for preparing this financial strategy which I construct with the assistance of the Chief Constable's Chief Finance Officer, other staff and officers for presentation to the PCC for approval.
- 2.2 While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential to demonstrate financial resilience and sustainability. Short-termism runs counter to both sound financial management and sound governance.
- 2.3 The time horizon of our financial planning should also not be determined by the time horizon of financial support from central government.
- 2.4 In July 2024 the incoming Chancellor of the Exchequer announced a multi-year spending review to conclude in spring 2025 (SR2025). They also announced changes to the Charter for Budget Responsibility to require spending reviews to be held every two calendar years, covering a spending period of at least three years, saying that this would ensure there will always be up to date medium-term departmental spending plans. The Chancellor indicated that the decision-making in SR2025 would reflect the government's 'mission-led' approach. She further announced that the government would establish a new Office for Value for Money (OVfM) to help it "put value for money at the heart of decision-making" and to recommend system reforms.
- 2.5 Leading up to the SR2025 the government has issued a settlement for just the 2025/26 financial year.

Local Government Reform

- 2.6 The Government published the English Devolution White Paper: Power and partnership: Foundations for growth in December 2024. The white paper proposes to extend devolution to all parts of England, with more powers and funding for local areas.
- 2.7 It proposes the creation of new 'Strategic Authorities', which would be responsible for strategic planning, transport, and economic development in their areas.
- 2.8 It proposes to give more powers to mayors, including powers over transport, housing, public safety and skills. The paper expresses a preference for unitary local government, with the aim of replacing two-tier systems with single-tier councils. It does not propose any major structural changes to policing itself. It does not suggest abolishing PCCs, merging police forces, or transferring significant policing powers to local authorities. The focus is more on how policing can work more effectively with reformed local government structures to deliver better outcomes for communities. With this may come more resources, but also added responsibilities on policing.

Devolution Priority Programme

- 2.9 The Devolution Priority Programme is an initiative by the UK government to fast-track local government devolution in areas that demonstrate a strong commitment and readiness to embrace greater local control. The programme focuses on establishing Mayoral Strategic Authorities, led by directly elected mayors, which will be granted significant powers over areas such as transport, infrastructure, skills, housing, economic development and public safety including fire and police.
- 2.10 The three upper-tier councils (West Sussex, East Sussex, and Brighton & Hove) expressed a strong interest in joining the Devolution Priority Programme with the three submitting a joint expression of interest. The Government announced on Wednesday 5 February 2025 the following areas agreed to join the programme to create Mayoral Strategic Authorities with a directly elected mayor:
- Cumbria
 - Cheshire & Warrington
 - Norfolk & Suffolk
 - Greater Essex
 - Sussex & Brighton
 - Hampshire & Solent
- 2.11 These six successful areas will now work to a devolution timetable, with full government backing, with consultations set to launch in February 2025.

Challenges and Considerations

- **Change of Governance** – It is not clear at this time how the current role of Police and Crime Commissioner would be discharged under the Mayoral Office. There will be considerations if migrating functions and responsibilities to a mayoral function.
 - **Stakeholder Engagement:** It is crucial to ensure that the Sussex Police is fully engaged in the devolution process and that our voices are heard.
 - **Collaboration:** Successful devolution requires strong collaboration between local authorities, fire, police businesses, and other stakeholders.
 - **Financial sustainability:** The Mayoral Strategic Authority must have the necessary financial resources to deliver on its objectives. Precepts, grants and other finances will therefore be of key interest.
- 2.12 The Devolution Priority Programme presents a significant opportunity for Sussex to gain greater control over its own future. By embracing devolution, Sussex can unlock its full potential, improve the lives of its residents, and create a more prosperous future for the region. However, it is essential to address the challenges and considerations to ensure that devolution is a success and that public safety is maintained during a period of significant change to the governance of Sussex.

Planning for an Uncertain Future

- 2.13 The greater the uncertainty about future central government policy then the greater the need to demonstrate the PCC entity's long-term financial resilience, given the risks attached to its core funding. This MTFS is prepared on the assumption that the legal entities of the PCC and the Chief Constable are both **going concerns**, meaning they will continue in operation for the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of operations.
- 2.14 The Group's revenue budget is primarily comprised of personnel costs (approximately 80%) and other costs (approximately 20%). The primary driver of financial uncertainty and cost is the rate of increase in the pay bill.

Workforce Costs

- 2.15 Police Officer Pay Increases (staff increases are similar)
- 2019-2021: Police officer pay experienced a period of limited increases or even freezes.
 - 2022: A pay increase of £1,900 per officer (4-5%) was awarded.
 - 2023: A further increase of 7% was awarded.
 - 2024: A 4.75% increase was awarded.
- 2.16 Budgetary Impact of Pay Increases - The 7% pay increase approved in July 2023, which exceeded the budgeted amount, necessitated additional funding of £7.1 million. However, this was insufficient to fully cover the increased costs for both officers and staff. A similar situation arose in 2024 with the 4.75% pay increase.
- 2.17 At the end of July 2023, the then Minister of State for Crime, Policing and Fire approved a 7% pay increase for police officers which was higher than budgeted. Fortunately, additional resources of £7.1m were provided to meet the budget shortfall, but they were not sufficient to meet the full costs of the pay increases of both officers and staff.
- 2.18 The underlying issue is the discrepancy between the Home Office's grant allocation formula, which is based on a funding formula rather than the actual profile of officer pay including increments that inflates the costs. This mismatch leads to recurrent costs that are not covered by government grants and must be funded through local council tax resources.
- 2.19 The increase to employers National Insurance Contributions (NIC) and the change in the threshold that they are payable will cost Sussex PCC/Police and estimated £6.2 million for 2025/26. The Home Office has provided a grant of £5.5 million to cover the costs arising from changes but this is not enough to cover the actual estimated cost, leaving a shortfall of at least £700k as the grant does not cover overtime and other pay costs that attract NIC.

Operating Cost Increases

- 2.20 The other expenditure in the Group's revenue budget comprises the costs of enabling policing, services to victims and communities. The costs of the

vehicles including purchase, operating and maintaining buildings, provision of equipment, IT infrastructure and devices, communications devices and systems, services to victims of crime, forensics and many other ancillary items make up the remaining 20% of the budget.

- 2.21 These costs are exposed to price rises. The geopolitical, financial and social situations around the world and in Europe continue to create financial pressures and uncertainties for financial planning. The uncertainty and unpredictability influences costs and makes it difficult to plan our finances accurately. Unlike a manufacturer, retailer, or other supplier we are unable to adjust our income, which in our case are represented by the council tax and government grant we receive, to take account of rising prices mid-year. Once income has been maximised then costs must be reduced to balance the budget.
- 2.22 Whilst the rate of change to inflation has reduced from its double-digit highs, prices are rising month on month just at a slower pace. For context, prices have risen by 34% since Q3 2019. Most of the cost increases are already baked into the operating costs for the Group. In addition, suppliers continue to try, and in some cases succeed, to transfer the financial risk they are exposed to through prices onto the Group. At the time of writing, oil prices were also increasing. This was driven by a combination of rising demand and the weakening of the British Pound against the US Dollar. This situation fuelled concerns that it could contribute to higher inflation.
- 2.23 The increase to employers National Insurance Contributions (NIC) and the change in the threshold that they become payable will impact on suppliers and essential service providers such as Victim Support and charities that supply services to the PCC and Chief Constable. It is expected that those suppliers and service providers impacted will look to negotiate additional funding and/or trim their services to match their costs to remain financially viable.
- 2.24 Some reductions in costs are being experienced with key operating costs, such as utility costs and liquid fuel for the vehicle fleet, but as explained above, these prices are unpredictable.

The Costs of Capital

- 2.25 We also manage the costs of borrowing money for long-term investments, such as buildings or equipment. Interest rates have been fluctuating. While higher rates mean we earn more interest on our savings, they also make new borrowing more expensive.
- 2.26 UK government bond prices (Gilt's) rather than the Bank of England Base Rate play a crucial role in determining the cost of borrowing for local authorities through the Public Works Loans Board (PWLB). PWLB interest rates are determined by adding a margin to the yield on gilts. Fluctuations in gilt yields directly translate into changes in PWLB interest rates, impacting the cost to the PCC to borrow. The UK's long-term borrowing costs increased to the highest level in more than a quarter of a century on 07 January 2025 after the first of a string of government bond sales due over the coming weeks. The 25 year PWLB interest rate was 6.15 percent on 14 January 2025. The Government plans for near record debt sales could increase the cost of

these gilts even further if the market appetite for bonds reduces.

- 2.27 The need to borrow is increasing as our revenue capacity to fund these items outright reduced. Legislation requires that money is set aside to meet the costs of debt even if internal balances are used to fund them in the short term. So, the capital plans are important and a key element of this strategy. Further detail on capital can be found later in this Strategy. In addition, risk is addressed throughout with the detail included in Appendix B.

A Budget Shortfall of £5m after Precept and Grant

- 2.28 The total gross revenue budget for 2025/26 will be £423.6m an increase of £27.1m (£396.5m 2024/25). Grant income from the Home Office provides the largest element of funding for the Sussex Police fund. In 2025/26, the core government grants, excluding one off special grants, will total £245.7m. The balance of £177.3m is funded from local council taxpayers in the form of the local precept. Throughout the years of austerity, when core government grants were reduced or increases limited, the precept has been the key funding source that has enabled the PCC to keep the books balanced. The proportion of funding received from the precept has therefore increased with the local taxpayer paying a growing proportion year on year. In 2013/24 the local council tax precept accounted for 30% of the net funding. In 2025/26 it is estimated to account for 42%. With Sussex Police struggling to meet the costs of operations the opportunity to increase the precept by £14 (5.5%) is welcomed.
- 2.29 Even with the £14 increase to the precept, expenditure will still have to be reduced by £5.0m to balance the budget in 2025/26. Plans are being progressed to mitigate the cost pressures already identified and forecast predominantly through the Transformation programme, and these are set out in this MTFS.

Use of Reserves

- 2.30 Reserves can be split into two main types. Those that are held to mitigate risk, such as the General Reserve and Insurance Reserve, and those that are earmarked for specific purposes. Earmarked reserves including the Change Management Reserve and Delegated Budget Holder reserves hold sums that have been set aside, through prudent budgeting, to smooth the transition of change and to help fund the change programmes required to generate sustainable savings.

Must Sustain Police Officer Numbers

- 2.31 The Home Office Police Uplift Programme has continued to encourage forces to maintain officer numbers through their performance grant mechanism. A financial penalty of up to £7.5m (£9.2m 2024/25) is triggered if the officer numbers are not maintained throughout the year. The details of maintenance grant terms for 2025/26 are not yet published though. However, it is expected that Sussex Police must continue to maintain its target headcount of 3,226 in September 2025 and March 2026 to ensure the full grant is received.
- 2.32 The effective ringfencing of the police officer numbers means that budget

savings cannot be achieved by reducing police officers in 2025/26. This places the burden of further budget savings on all other remaining unprotected budgets including police staff.

Other Strategies

- 2.33 A new Estates Strategy will be published in February 2025 which feeds into this financial strategy. The capital requirements to bring the estate to modern standards is more than the resources that are available to the PCC. The PCC is limited in the borrowing that can be taken to fund capital schemes for the Joint Transport Strategy, Estates Strategy and IT Strategy. This constraint is particularly notable when there are pressures to decarbonise.
- 2.34 Reserves have been carefully reviewed to ensure all monies are properly earmarked or established for purpose. Some of the earmarked reserves are being used to balance the budget in 2025/26. The General reserve has been maintained at 4% of the net revenue budget throughout the MTFS period and more details can be found later in this Strategy.

Finally

- 2.35 After taking account of the known and anticipated issues, the revenue and capital estimates contained in this MTFS are considered robust and that the level of reserves is considered adequate to cover the financial risks faced by the PCC for 2025/26. However, this is with the caveat that it is of the utmost importance that management works to find sustainable savings.
- 2.36 Senior leaders have prioritising leadership time to ensure that plans are realistic, the savings are delivered and the budget balanced. If during the year and the MTFS period it looks as though savings targets will be missed, both the PCC's Chief Finance Officer and Chief Constable's Chief Finance Officer will need to consider mitigating actions as set out required by their statutory responsibilities and duties.

3 Purpose of the Medium Term Financial Strategy

- 3.1 This is the Medium Term Financial Strategy (MTFS) of the Sussex Police & Crime Commissioner (PCC). It covers the planning period of four financial years from 2025/26 to 2028/29 plus the anticipated outturn position for the current year (2024/25).
- 3.2 The MTFS provides options for delivering a sustainable revenue budget and capital investment over the medium term. It also sets out how the PCC can provide the Chief Constable with the resources to deliver the priorities in the new Police & Crime Plan 2024/28, support the mission, vision and values of Sussex Police and meet the requirements of the Strategic Policing Requirement within challenging financial boundaries.
- 3.3 The MTFS sets the financial context for the PCC's revenue budget and capital programme and precept decisions.

4 Benefits of the Strategy

- 4.1 While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential to demonstrate financial resilience and sustainability. It is therefore essential that the PCC has resilient finances and a sustainable financial plan. The financial statements and MTFS are prepared on the assumption that the legal entity of the PCC and the Chief Constable are both **going concerns**, meaning they will continue in operation for the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of operations.
- 4.2 In July 2024 the incoming Chancellor of the Exchequer announced a multi-year spending review to conclude in spring 2025 (SR2025). She also announced changes to the Charter for Budget Responsibility to require spending reviews to be held every two calendar years, covering a spending period of at least three years, saying that this would ensure there will always be up to date medium-term departmental spending plans. The Chancellor indicated that the decision-making in SR2025 would reflect the government's 'mission-led' approach. She further announced that the government would establish a new Office for Value for Money (OVfM) to help it "put value for money at the heart of decision-making" and to recommend system reforms.
- 4.3 Leading up to the SR2025 the government has issued a settlement for just the 2025/26 financial year.
- 4.4 The greater the uncertainty about future central government policy then the greater the need to demonstrate long-term financial resilience of the PCC entity, given the risks attached to its core funding. We therefore must ensure that while the formal publication of the MTFS may only reflect known government settlements, it is the responsibility of the PCC, Chief Constable and senior management and the Chief Finance Officers to have a long-term financial view acknowledging financial pressures. This assists in:
 - Supporting delivery of the Police & Crime Plan 2024/28.
 - Improving financial planning and the financial management of the PCC's resources, both revenue and capital.

- Maximising use of resources available to the PCC and Chief Constable, both internal and external.
- Ensuring that the PCC and Chief Constable demonstrate value for money and continue to drive further productivity and efficiency gains.
- Allowing strategy to be set out in financial terms.
- Reviewing the PCC's policy on the use of reserves, ensuring that the position continues to be sustainable with sufficient resources over the medium term.
- Responding to external pressures, including unexpected and expensive operational costs and the ongoing costs, impacts of inflation and interest rate increases.
- Developing a sustainable budget and financial resilience over the medium term.

5 Principles of the Strategy

5.1 The key principles underlying the PCC's MTFS 2025/26 to 2028/29 are:

- Overall expenditure will be contained within approved estimates each year.
- The PCC will seek to maintain a General Reserve of a minimum of 4% of Net Revenue Expenditure of which 1% is for operational requirements and 3% to cover any major unforeseen expenditure or loss of funding. The PCC will review the cost of maintaining reserves at this level against the benefits of alternative approaches on a regular basis and a flexible approach will be adopted appropriate to circumstances.
- The PCC will maintain earmarked reserves for specific purposes when appropriate, consistent with achieving objectives.
- The PCC will continue to prioritise the achievement of value for money and efficiency in establishing the framework for policing within Sussex and in commissioning and procurement decisions.
- The Chief Finance Officers, and Chief Constable will prepare a rolling programme of four-year budget forecasts to inform the PCC's budget and precept decisions.
- The PCC, supported by the respective Chief Finance Officers, and the Chief Constable, will continue to contribute to national reviews of police funding and make representations on a national basis for the fair and equitable funding of Sussex Police.
- The MTFS includes the resources required by other key strategies including the Estates Strategy, Joint Transport Strategy and the IT Strategy. Those strategies also set out carbon reduction investment plans, targets and cost savings if applicable.

6 Review of the Strategy – Summary

6.1 This 2025/26 to 2028/29 version of the MTFS has been revised to include:

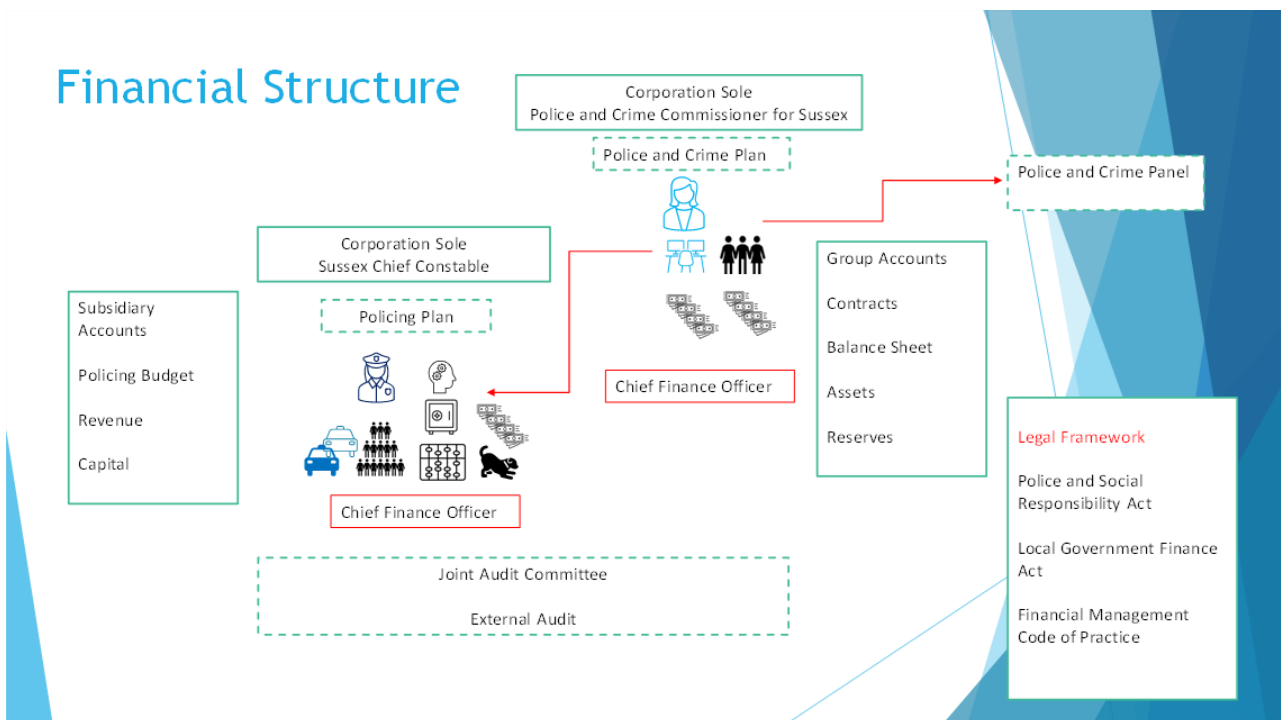
- The addition of a financial year 2028/29.
- The Home Office policing grant settlement for 2025/26.
- The inclusion of a precept increase of £14 for 2025/26 and assumptions of increases in future years.
- Revised revenue and capital budgets including appropriate planning assumptions.
- The inclusion of all savings achieved to date within base budgets and planned forecast savings.
- An updated section on the precept and tax base.
- An updated section on reserves and reserve totals.
- An updated section on financial risks.
- Information and explanation of the assurance framework and sources of third-party validation; and
- Information on the precept consultation and public engagement.

7 Police & Crime Plan 2024/28

- 7.1 The PCC has a statutory duty to set the police and crime objectives for their area through a Police & Crime Plan. The prescribed content of the Plan is set out in Chapter 3 – Section 7(1) of the Police Reform and Social Responsibility Act 2011 (PRSRA).
- 7.2 A new plan replacing the 2021/24 Plan has been published for 2024/28. This process involved a complete review of the police and crime priorities, measurements to determine progress against the Plan and the supporting information included within.
- 7.3 In developing the Police & Crime Plan, the PCC is required to consider the views of the local community and victims of crime. The public priorities were developed following extensive consultation with members of the public and local councils in Sussex to ensure that the Plan reflects accurately the policing, crime and community safety issues that are most important to them.
- 7.4 The PCC will ensure that these issues, ideas and concerns are addressed within the following three priorities:
- Police and Crime Plan Priority 1 – PROTECT: Prevent crime and support victims and witnesses.
 - Police and Crime Plan Priority 2 – CATCH: Investigate crime and bring offenders to justice.
 - Police and Crime Plan Priority 3 – DELIVER: Improve trust in policing and build public confidence.
- 7.5 The Chief Constable works with the PCC to deliver the public's priorities and has set out Sussex Police's three overarching commitments to underpin that work as follows:
- **Protect** our communities.
 - **Catch** criminals.
 - **Deliver** an outstanding service to victims, witnesses and the public.
- 7.6 The Chief Constable has published the Sussex Police policing delivery plan.

8 Managing Resources and Gaining Assurance

- 8.1 The MTFs sets out how revenue, capital and reserves will be spent over the period of the four years from 2025/26 to 2028/29 (reserves figure based on forecast outturn for 2024/25). This section describes how the business is operated and controlled to ensure it remains a going concern.
- 8.2 The Police Reform and Social Responsibility Act 2011 created two separate legal entities, known as corporations sole, The Police & Crime Commissioner for Sussex and The Chief Constable of Sussex.
- 8.3 The PCC is responsible for:
- The finances of the whole Group.
 - Receiving all income and funding.
 - Making all payments for the Group from the overall Police Fund; and
 - Control of all assets, liabilities and reserves.
- 8.4 The Chief Constable of Sussex fulfils functions under the Act within an annual budget set by the Police & Crime Commissioner for Sussex in consultation with the Chief Constable.
- 8.5 The following image provides a pictorial representation of the structure.



- 8.6 A [scheme of delegation](#) is in operation between the two bodies determining their respective responsibilities, as well as local arrangements in respect of the use of the PCC's assets and staff.
- 8.7 There are several legislative requirements that require the PCC to make arrangements for the proper administration of their financial affairs and secure value for money. The Home Office Financial Management Code of

Practice provides details of the financial governance arrangements within policing bodies in England and Wales. [A copy of the July 2018 revised Code can be found here on the.GOV.UK website.](#)

- 8.8 The PCC and Chief Constable have put in place policies, processes, systems and people to meet the requirements, support decisions and ensure money is spent in accordance with legislation. The PCC website sets out the detail above on the [transparency page](#) with key policies included under the [How We Work page](#).
- 8.9 The PCC and the Chief Constable have established a [Joint Audit Committee \(JAC\)](#), which is a key component of the corporate governance arrangements for both corporations sole. The members of JAC provide an independent and high-level focus on the adequacy of the audit, assurance and reporting arrangements that underpin good governance and financial standards and support the PCC and CC and the other statutory officers in ensuring that effective governance is in place. This is achieved by reviewing the comprehensiveness of assurances in meeting statutory officers' needs and reviewing their reliability and integrity.
- 8.10 The Joint Audit Committee (JAC) provides independent assurance to the PCC and CC and helps to ensure that efficient, effective and adequate assurance arrangements are in place for:
- The risk management framework.
 - The internal control environment.
 - Financial reporting.
 - Annual governance processes; and
 - Internal audit and external audit.
- 8.11 The JAC terms of reference, agendas and minutes can be found on the PCC website here: [Joint Audit Committee](#).
- 8.12 The Statements of Accounts for the [PCC Group](#) and [Chief Constable](#) show how public money has been used and demonstrate its financial management and financial health.
- 8.13 Audit plays a vital role in underpinning trust, transparency and confidence in local government bodies. The external auditor Ernst & Young provide external independent opinion on the financial statements, consistency of other information published with the financial statements and concluding on the arrangements for securing economy, efficiency and effectiveness otherwise known as value for money in their [Annual Audit Letters](#). They also issue an opinion on the [Annual Governance Statements \(AGS\)](#) for both corporations sole.
- 8.14 The Statements of Accounts and Annual Governance Statements for the year ended 31 March 2024 were published in draft on 31 May 2024 and can be found on the website at this [link](#). The external auditor advised that due to audit backlogs elsewhere in the public service that they were unable to complete the audit of the PCC Group Statement of Accounts and of the Chief Constable and the Annual Governance Statements by the statutory deadline of 30 September 2024. They are now expected to be approved in February

2025.

- 8.15 The challenges facing the existing framework for local authority audit are well-documented and have been highlighted by auditors, the Redmond Review, the National Audit Office, the Public Sector Audit Appointments Ltd (PSAA), the Local Government Association and Parliament. The Government's proposals to reset the system of local authority audit so that auditors able to focus on providing assurance on public bodies' most recent financial statements was entered into legislation in Autumn 2024. The reset is now as follows:
- 8.16 It set a backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates:

Financial Year	Backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 8.17 The audited accounts and AGS for 2022/23 were presented to the Joint Audit Committee and recommended for signature on 5 December 2024 and approved for signature. The 2023/24 accounts and AGS are due to be approved in February 2025.

Police Efficiency, Effectiveness and Legitimacy

- 8.18 His Majesty's Inspectorate of Constabularies Fire and Rescue (HMICFRS) complete a range of inspections as part of their PEEL assessment (Police Efficiency, Effectiveness and Legitimacy). HMICFRS also publish their annual [Value for Money](#) profiles. They provide a useful tool for comparing a wide range of financial and other information and they help to inform and shape this MTFS.
- 8.19 They provide:
- Comparative data on a wide range of policing activities.
 - Comparison of Sussex performance, and the costs of achieving it, with that of other forces.
 - Highlight what differences exist between individual police force areas, rather than the reasons why they exist; and
 - Aim to help individuals ask the right questions.
- 8.20 The Police and Crime Panel (PCP) provide a further layer of external scrutiny and assurance through their [statutory role](#). The [Sussex PCP](#) provides checks and balances in relation to the performance of the PCC. Its role is to scrutinise the performance of the PCC and ensure transparency.

Force Management Statements

- 8.21 HMICFRS introduced Force Management Statements (FMSs) in 2018/19. They are instruments of self-assessment by forces, covering for each of the following four years the Chief Constable's evaluation and projection of:
- The demand which the force is likely to face.
 - The condition, capacity, capability, serviceability, performance and security of supply of the force's workforce and other assets (such as ICT).
 - The force's plans to improve the efficiency with which the workforce and force assets are used; and
 - The force's financial income.
- 8.22 HMICFRS state that FMSs will simplify, strengthen and streamline the information which forces are asked to provide. They enable HMICFRS to make decisions about where a force's principal risk areas lie, and so design their inspection fieldwork and analysis to focus on them.
- 8.23 FMSs provide local policing bodies – PCCs and their metropolitan equivalents – with information of great value, enabling them to assess the force for which they are responsible and the extent to which the objectives of their police and crime plans will be successfully attained, and at what cost.

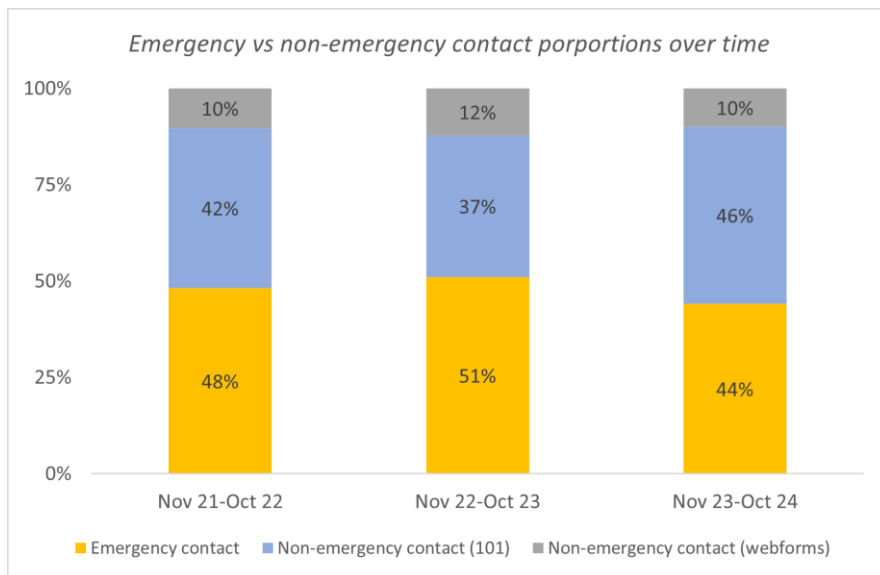
9 Sussex Police – Managing Complex Demand: Protect, Catch, Deliver

9.1 A Changing Landscape for Policing in Sussex

- 9.1.1 The successful delivery of policing requires the Chief Constable to manage a complex set of resources, demands and priorities whilst reviewing and revising plans to meet changing needs. Policing is always evolving as it responds to the social, legal, political and economic landscape in which it operates. Although these changes provide challenges and opportunities, the focus for Sussex Police remains constant in protecting the public, catching criminals and delivering an outstanding service.

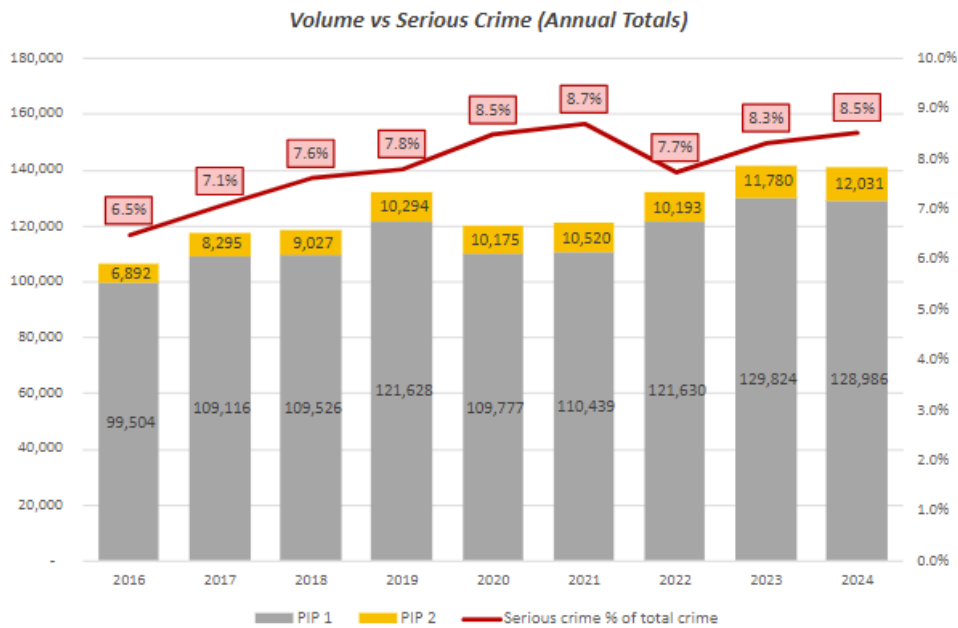
9.2 Context and Demand

- 9.2.1 Home Office data offers reassurance that Sussex is a safe county – neighbourhood crime remains low – Sussex is the 13th lowest force nationally (of 43 forces) for risk of crime, having a rate of 745 crimes per 100,000 population.
- 9.2.2 Over the last 12 months, the profile of contact from the public has changed with the force experiencing a 10% reduction in emergency calls (999) and 30% increase in non-emergency calls (101) when compared to the same period the previous year. Non-emergency contact now constitutes 56% of total contact demand.



N.B this data excludes email contact which ceased as a contact channel in July 2022

- 9.2.3 Despite the reduction in 999 calls the volume of Emergency Response (Category A) incidents has been increasing, and the force attends on average 231 emergency incidents per day.
- 9.2.4 Over the last 12 months the benefits of the investment in new contact management technology and contact officer training have been realised. Sussex Police is now one of the best performing forces for 999 call answering time within its similar group (MSG) of forces, and consistently one of the top performing forces in the country. Sussex Police's 101 abandonment rate has almost halved over the past year, and average 101 call wait times are routinely under three minutes.
- 9.2.5 Public safety/welfare incidents make up the largest proportion of total incidents that the force attends. There has been a notable rise in mental health related emergency incidents, which are becoming increasingly complex and time consuming for officers. Efforts with partners continue to ensure the public receive help and support from the most appropriate service in these instances.
- 9.2.6 Total recorded crime has risen year on year since 2017 (with the only exception being the pandemic year of 2020). 2023 saw a peak in recorded crime and levels remain high in 2024. There have been some fluctuations in the profile of recorded crime, particularly a sustained increase in retail crime and low-level violence without injury. Neighbourhood crime, such as burglary and vehicle crime, has not grown, and Sussex is not seeing the same rises as some other areas in the country.
- 9.2.7 In 2024 Sussex Police recorded the highest volume of serious crime since 2016, highlighting the continued protection of the force's proactive capabilities in disrupting drug crime. The investment that the force has made in pro-active activity has led to an increase in the number of drug trafficking offences uncovered and solved.



- 9.2.8 Sexual offences continue to rise year on year, driven in part by the growth of digitally enabled offending such as circulation of self-generated indecent imagery. This is a nationally growing issue, and demand in this area is anticipated to rise with the increased use of smartphones and time online.
- 9.2.9 The number of reported rape offences has remained consistently high with the force recording on average six per day. The Op Soteria national operating model has become embedded in force since its implementation in July 2023. Since then, enhanced training has been delivered to specialist investigators and first responders, resourcing has been increased, and the force has focused on investing in and building upon its public protection capacity. Charged outcomes for rape offences have subsequently increased but this is an area of considerable pressure for the force and therefore a programme is underway to restructure and specialise Public Protection rape and safeguarding investigation teams.
- 9.2.10 In addition to the force’s growing investigative demand, Sussex Police continues to service both unplanned protests and pre-planned events. The force manages planned demand well by ensuring event organisers make an appropriate contribution to the resourcing of these occasions. However, large scale events such as Lewes Bonfire, and Premier League football matches are resource intensive and must be balanced against daily demand. Unplanned demand is a growing risk for the force, highlighted by the local resources needed, and the mutual aid requirement to support other forces during the rioting in response to the attacks in Southport in the summer of 2024.

9.3 Looking forward

- 9.3.1 Against an increasingly challenging economic backdrop, Sussex Police is likely to continue to see growth in crime reporting. Data-driven demand modelling and analysis of recent trends show a shift towards increased complexity and adapting criminal behaviours. Incidents that they are attending are becoming more complex and taking more time. In 2016 the average time an officer spent at an incident was 36 mins. In 2024 the

average time at scene was 48 minutes, an increase of 33%.

- 9.3.2 The standards required by CPS for a charging decision have become higher which means more work is involved for each individual case. Building evidence is also taking longer and involves more specialist skills because offending often has an element of virtual/online activity (for instance stalking cases routinely involve criminal activity on social media platforms). This shift is creating substantial workloads for officers related to evidential material, disclosure and file build complexity.
- 9.3.3 Child Criminal Exploitation and County Lines continues to pose a threat, and often involve vulnerable victims with complex needs. The impact of rising prices for living expenses has exacerbated poverty levels in the UK over the past two years, leading to poor economic opportunities and increased social isolation for some citizens. Rising rates of school absence and children missing in education provide opportunities for recruitment and abuse by criminal networks.
- 9.3.4 Organised Immigration Crime is an area of concern nationally with law enforcement working more closely than ever with partners to tackle the enablers. This is a risk that the force anticipates increasing as the number of small boats and illegal landings has risen, creating more opportunities for criminal exploitation.
- 9.3.5 The internet, social media and online services will continue to give rise to new opportunities for criminals which are likely to result in increased reports of fraud, data theft, grooming, and child sexual exploitation. The prevalence of digital platforms in all crime types has grown and in turn that increases the complexity of crime investigation and the workloads for individual investigators. To respond to these challenges Sussex Police must ensure that it has the most effective and efficient model for policing, with the right resources in the right place at the right time.
- 9.3.6 Sussex Police continues to develop sound partnership arrangements with intelligence, detection and enforcement capabilities to deliver against its priorities. It is continuously forging closer relationships with local, regional and national agencies and organisations to share information, and to ensure specialist resources are brought together to tackle complex emerging threats.
- 9.3.7 Regional collaboration and information sharing with Thames Valley Police, Hampshire Police and Surrey police forces continues to identify opportunities for efficiency and enable closer working.
- 9.3.8 Over 2023/24, Sussex Police established a dedicated programme – Op Unify – which bolstered their core investigative functions using Operation Uplift and precept funded posts and improved their initial call grading and response to crime. This capacity is already being felt on the frontline and is improving the force’s response to the public as well as crime outcomes.

9.4 **Capability and resourcing – smarter policing**

9.4.1 The force achieved its aim under the government’s Uplift programme of having 3,251 officers (headcount) by 31st March 2024, and is committed to maintaining a total headcount of at least 3,226 police officers (this includes 60 extra posts which were funded as additional uplift for two years by government).

9.4.2 The new capability delivered during the Operation Uplift period has strengthened the force’s capacity to respond to neighbourhood crime and anti-social behaviour as well as tackle serious and organised criminality. New units such as the Rural Crime Team and the Tactical and Specialist Enforcement Units have had a significant impact. Uplift also enabled a more visible presence and better engagement with communities (both physically and online) as well as improved specialist proactive resources.

- Rural Crime Team
- Specialist Enforcement Unit
- Response Investigation Teams
- Intelligence Development
- Response
- Investigative functions

9.4.3 However, due to the growth in investigative workload demand, particularly for serious crime and sexual offences, a strategic risk for the force is our investigative/detective capacity. Increasing the number of and retaining detectives is a national issue and ongoing priority for the force. The strength to establishment gap in detectives across the force has improved over 2024/25 as new detectives have been recruited and the force has put in place new plans for retention and wellbeing, but this is still an area of pressure for the force.

9.4.4 The force continues to modernise with an ongoing programme of work dedicated to the improvement of digital forensics (recognising the importance of effectively and ethically managing mobile phone data). The force also has a comprehensive digital and data strategy which sets out the force’s ambition to move towards more efficient cloud-based services, and to renew our technology and technical skills model to be fit for the future. Sussex Police aspires to be a leading force in using data to improve operational effectiveness and efficiency and to ensure resources are appropriately targeted.

9.5 **Use of Investment**

9.5.1 Sussex Police has improved services by targeting the additional police officers funded via Operation Uplift on the delivery of the public policing priorities in the Police and Crime Plan. Remodelling frontline services to deal with the growth in emergency incidents, the wider demand from incidents and crime, and transforming enabling functions to ensure the organisation is as efficient and effective as possible.

9.5.2 The force’s activity has been focused on sustaining and improving its operating model to capitalise on the investment. This activity has been

targeted as follows:

9.5.3 **Police and Crime Plan Priority 1 – PROTECT: Strengthen policing, tackle crime, prevent harm and anti-social behaviour**

- Continued channeling of the Operation Uplift additional police officers into local Response teams has meant that over the last 12 months, officer strength, a measure of filling vacant roles, in Response has increased from 87% to 98%.
- Under Op Unify, a new call grading process has sharpened Sussex Police focus on ensuring their response to the public is appropriate, efficient, and effective. Implementation is still in its early stages, but there have been notable benefits in terms of increased Response team capacity. This has enabled them to respond to calls for service in a timely manner as well as generating more opportunities for proactive policing including arresting outstanding suspects.
- A significant feature of the new call grading policy is the creation of a new remote team, the Initial Investigation Unit, to service reports of non-emergency crime, where victims do not require in person police attendance. Victims are now offered an appointment and speak with a police officer via telephone within 72 hours of the report. The benefits of using technology to respond when appropriate are tangible, improving victim service as well as response times to those emergency incidents which require in person attention.

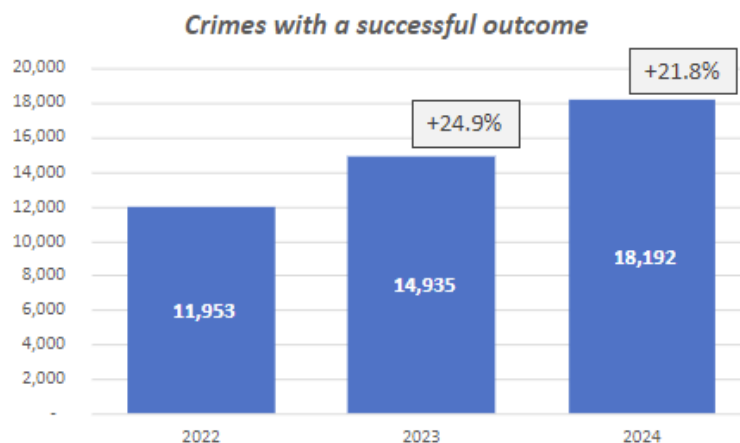
9.5.4 **Police and Crime Plan Priority 2 – CATCH: Relentless disruption of serious and organised crime**

- The Specialist Enforcement Unit targets and disrupts serious, organised, and persistent criminals across the Sussex road network. Intelligence led, the team have the advanced driving skills and assets to conduct operations and support other force departments in their policing objectives.
- Op Safety, Op Sceptre and the Habitual Knife Carrier matrix all contribute to the prevention of serious violence in Sussex, an initiative that has been recognised nationally as good practice.
- Sussex Police was selected as one of four forces to trial Serious Violence Reduction Orders (SVROs). As of September 2024, the force had issued 24 orders and continues to actively promote their use with an additional 60 cases being scoped for suitability.
- In late 2023 Sussex Police and partners from the Community Safety Partnership launched Clear, Hold, Build (CHB) in Northgate, Crawley, a Home Office approved tactic in response to serious organised crime in communities. The project is now in the Build phase and awaiting results of an impact evaluation, but early indications are positive.

9.5.5 **Police and Crime Plan Priority 3 – DELIVER: Support and safeguard victims and tackle violence against women and girls**

- Last year Sussex Police delivered a dedicated improvement plan for vulnerability in the force's control room, increasing opportunities to identify vulnerability as early as possible and ensure performance continues to improve.

- Following the successful adoption of the Op Soteria principles and mobilisation of a dedicated rape investigation team, the force is undertaking a restructure of its Public Protection model aiming to increase the number of specialist investigators and embed best practice in anticipation of an increase in future demand.
- As part of the Op Unify changes, Sussex Police is specifically addressing Domestic Abuse performance (response and investigations) as a key area under the Force's Priorities Delivery Plan. Increases have already been seen in the number of solved crimes, and work continues to improve response times to calls for service.
- The impact of previous years precept and uplift investment is visible in their performance: in 2024 Sussex Police solved 50% more crimes than it did in 2022.



9.5.6 Looking forward, Sussex Police faces a significant challenge. Investigative workloads are continuing to grow, and the processes involved in dealing with crime are becoming more complex. Like other organisations, Sussex Police has been affected by growth in inflation which has impacted both pay and non-pay costs for the force and will continue to do so. This means that, despite substantial savings already made, Sussex Police will need to generate further efficiencies to balance their budget.

9.6 **Finally**

9.6.1 Sussex Police need sufficient money to maintain the resources and protect what has been built up over the past four years against the real pressures of rising prices, tough performance measures and limited grant and precept.

9.6.2 The increased precept in 2025/26 will be critical for Sussex Police to maintain the progress that has been achieved to date, sustaining the operational capacity that has been built, enabling them to make the most of their data and technology to deliver better value for money for the public. It will ensure that Sussex Police can retain an effective operating model, keeping new recruits on the frontline attending more calls, more swiftly, getting more positive outcomes for victims.

10 Police Officers and Staff

- 10.1 On 5 September 2019, the then Prime Minister announced the Police Uplift Programme (Operation Uplift), a commitment to recruit an additional 20,000 police officers (headcount) in England and Wales by 31 March 2023. Throughout the associated recruitment campaign, a quarterly statistical bulletin on 'Police officer uplift' was published, which included progress on the recruitment of an additional 20,000 police officers (headcount) in England and Wales by 31 March 2023.
- 10.2 There were [147,746 full-time equivalent \(FTE\) officers](#) in post as at 31 March 2024 in the 43 territorial police forces in England and Wales this was an increase of 0.2% on March 2023 (up 312 FTE from 147,434 officers). The government stated that was the highest number of police officers since comparable records began (in the year ending March 2003), higher than the previous peak of 147,434 FTE police officers in March 2023. [Sussex proportion](#) is approximately 2.15% of the national total.
- 10.3 Following Operation Uplift, Sussex Police must maintain a Police Officer baseline of 3,166 Officers (headcount). In addition to this number the force has committed to recruit an additional 60 Police Officers in the financial year 2024/2025 with an enhanced target of 3,226 Officers. As of 31 March 2012, the police establishment for comparison was 2,959.
- 10.4 The maintenance funding grant is split evenly over the financial year and paid according to Officer headcount, Sussex Police must ensure that the baseline was met on 30 September 2024 and 31 March 2025 in order to be able to claim the full grant amount. The Home Office will withhold £40,000 per officer under the baseline, to a threshold of 30 Officers or 1.5% of the total officer headcount if the target has not been reached on these dates. Sussex Police achieved the officer headcount as of September 2024 and is planned to achieve the same as at the 31 March 2025. The details of the terms of the new maintenance grant 2025/26 are due to be published in January 2025.
- 10.5 To avoid any financial penalties Sussex Police must maintain a healthy pipeline of candidates for the entry routes of becoming an Officer. There are four entry routes for Police Officers: The Police Constable Degree Apprenticeship (PCDA), The Police Constable Entry Programme (PCEP), The Detective Degree Holder Entry Programme (DDHEP) and the Detective Constable Entry Programme (DCEP). Each entry route has its own eligibility criteria that follows national guidelines where candidates have to pass a behavioural style questionnaire and situational judgement test, attend an Online Assessment Centre and an in-person interview before pre-employment checks can commence. These checks consist of completing the fitness test, medical clearances, biometric vetting, substance misuse testing, vetting and reference checks.
- 10.6 A dedicated Attraction Team have created tailored recruitment campaigns and materials to appeal to suitable candidates with the right skills, behaviours, and experience to perform the role. Utilising, the forces' employer brand of "I am Sussex Police" they attend local colleges, universities and other opportunities such as Career Fairs with external partners to promote the force. The Attraction Team also run Webinars for

interested candidates to learn more about the role and offer one-to-one conversations for greater understanding on the role or the recruitment process. Campaigns also incorporate plans to increase representation from the local communities.

- 10.7 Sussex Police has a flexible workforce plan to manage planned intakes throughout the year and adapt to changes in the attrition levels to ensure the force remains on track to reach the baseline at the check points stated above. The force has a variety of measures to aid retention of Officers (and Staff), such as Flexible working options, Flexible Retirement Options and the Retire & Rejoin Scheme. Data from Exit Interviews, and Stay Conversations which have been introduced, help the force to fully understand reasons why Officers and Staff choose to resign, this is analysed with the aim to resolve any recurring issues.
- 10.8 On 30 September 2024, there were 2,386 members of Police Staff working within Sussex Police, undertaking a variety of roles, such as answering 999 calls, supporting investigations, overseeing the management of the fleet and estate, to support front line policing. Police Staff roles have differing terms and conditions, and recruitment is undertaken when required. The force must maintain a vacancy factor to align to the staffing budget, this is currently set at 10% per department.
- 10.9 Sussex Police is committed to supporting the PCC is providing the role of Police Community Support Officers (PCSOs) across the county. As of 30 September 2024, there were 253 PCSOs in place, out of a budgeted establishment of 295. Attraction to this role has been challenging whilst the force remains open for Police Officer recruitment, as the role is seen as a steppingstone to become an Officer. There are planned recruitment campaigns in place to outline the unique qualities of the role and attract further applications in order to fill the establishment.
- 10.10 The overall budget for 2024/2025 to cover all Police Officer, Police Staff and PCSO Pay is £344,238,150.

11 Partnership Working

11.1 The Sussex PCC and Chief Constable continue to work with Surrey Police, other forces in the South East region and other public and private entities in order to meet the financial challenges of the MTFs, increase resilience, modernise systems and improve service delivery.

11.2 'Policing Together' – Collaboration Programme with Surrey Police

11.2.1 Sussex Police embarked on a Service Transformation Programme jointly with Surrey Police in Summer 2022, to identify opportunities for delivering financially efficient policing that will enable both forces to address the funding gap by 2026/27, whilst preserving performance and service to the public. The programme is in the process of identifying a wide range of options for efficiencies, predominantly in enabling functions.

11.2.2 Sussex Police works closely with Surrey Police, delivering a range of services across both force areas including; Operations Command (including Roads Policing, Tactical Firearms, Operations Support and Planning & Resourcing), Specialist Crime Command (including Major Crime, Surveillance, Serious and Organised Crime, Forensics, Economic Crime and the Cyber Crime Unit), Vetting, Finance, Procurement, Insurance, Transport, People Services (including Occupational Health) and Digital, Data and Technology (DDaT).

11.2.3 A single Chief Finance Officer sits across both Sussex and Surrey Police as the section 151 officer to fully collaborate service delivery across the finance and commercial (estates, facilities, transport, insurance) service teams.

11.2.4 The joint Sussex and Surrey Digital Division continue to coordinate work on the key priorities: Mobile Data, Niche, Public Facing Digital Services (Sussex Police website), NICE Investigate, and Body Worn Video. These work streams are critical to the effective delivery of operational policing and public engagement. The Body Worn Video and Digital Evidence Management systems are now fully embedded, meaning that the force has one continual process from capturing footage of an incident through to sharing the evidence directly with criminal justice partners in the CPS and the courts where appropriate. Taking a continuous improvement approach, this system has been rolled out to other parts of the force.

11.2.5 Sussex Police takes its commitment to the environment seriously and continues to look for efficiencies and, where possible, alternatives to petrol/diesel. The Joint (with Surrey Police) Transport Service (JTS) continues to trial hydrogen fuel cell vehicles and the investment in a fleet-wide telematics solution is a prime example of seeking efficiency. This innovative technology captures a wide range of information including vehicle location and activity, driver behaviour and engine diagnostics, enabling the JTS to understand whether the force is making the best use of its fleet and consequently whether Sussex Police is providing the public with services that represent good value for money. This work is informing the 2020-25 JTS Asset Management Plan and may allow for an overall reduction in the size of the fleet, better deployment of electric vehicles and overall improved ability to meet demand in the most efficient manner.

11.3 **Other Partnership Working**

11.3.1 Serious and organised crime affects more UK citizens than any other national security threat. It leads to more deaths in the UK each year than all other national security threats combined. The South East Regional Organised Crime Unit (SEROCU) is a collaboration between Sussex, Surrey, Thames Valley and Hampshire Police and is aimed at reducing the impact and increasing the disruption of serious and organised crime within the region.

11.3.2 The SEROCU also works in conjunction with the UK Border Force, HM Revenue and Customs (HMRC), the National Crime Agency (NCA) and the Crown Prosecution Service (CPS) to combat cross-border organised crime.

11.3.3 The SEROCU employs both police officers and police staff in a variety of roles. A proportion of Op Uplift additional officers were allocated to SEROCU by member forces including Sussex. Further details can be found at [South East Regional Organised Crime Unit – Protecting Communities from Serious Organised Crime \(serocu.police.uk\)](https://serocu.police.uk)

11.4 Collaboration with other Blue Light and public sector partners has resulted in efficiencies and improves the service offered to the public. Examples include:

- Sussex Police Headquarters is shared with East Sussex Fire & Rescue Service.
- Brighton Police Station accommodates key partners under a single roof including: the Crown Prosecution Service (CPS); the Multi-Agency Safeguarding Hub (MASH); Brighton & Hove Business Crime Reduction Partnership, and the stalking advocacy service Veritas Justice.
- Further joint sites include Crawley Police Station (housing the CPS); Eastbourne Grove Road (Police Reception and NPT); Seaford Police Station (shared with the Town Council, South East Coast Ambulance Service (SECamb), Tourist Information and Citizens Advice Bureau). There are a number of Police Offices accessibly co-located including those based at East Grinstead Arts Centre, Newhaven Fire Station, and Selsey Town Hall.
- The Estates & Facilities Transformation Programme which commenced in 2021/22 was completed in 2023/24 and has enabled greater collaboration between Surrey Police and Sussex Police Estates and Facilities units to enable a fully integrated and adaptable team whilst improving delivery services to stakeholders in Surrey and Sussex.

11.5 Mental Health and Policing is a complex area that touches all departments in the organisation. Sussex Police retains a mental health portfolio responsible for improving the force's response to mental health incidents and working with partners to address systemic challenges and pressures that impact on mental health and policing.

11.6 **BlueLight Commercial**

11.6.1 BlueLight Commercial was established by the Home Office in 2020 to work in collaboration with blue light sector organisations to help transform commercial services. The company is owned by PCCs, with membership comprising policing bodies and other blue light services, to deliver efficient

and effective commercial services in support of this sector. It is a not for profit, private company limited by guarantee, and under the procurement regulations able to act as a contracting authority to create a single voice to the market with an agile commercial engagement model.

11.6.2 The company has a comprehensive workplan and expert workforces and is working on all the categories of supplies and services consumed by police forces including vehicles and air support, property, people and professional services, social value and revenue, suppliers and markets and shared services. Each category is focussed on value for money, generating savings and building resilient supplies. They are also looking at decarbonisation reduction opportunities with energy supplies too.

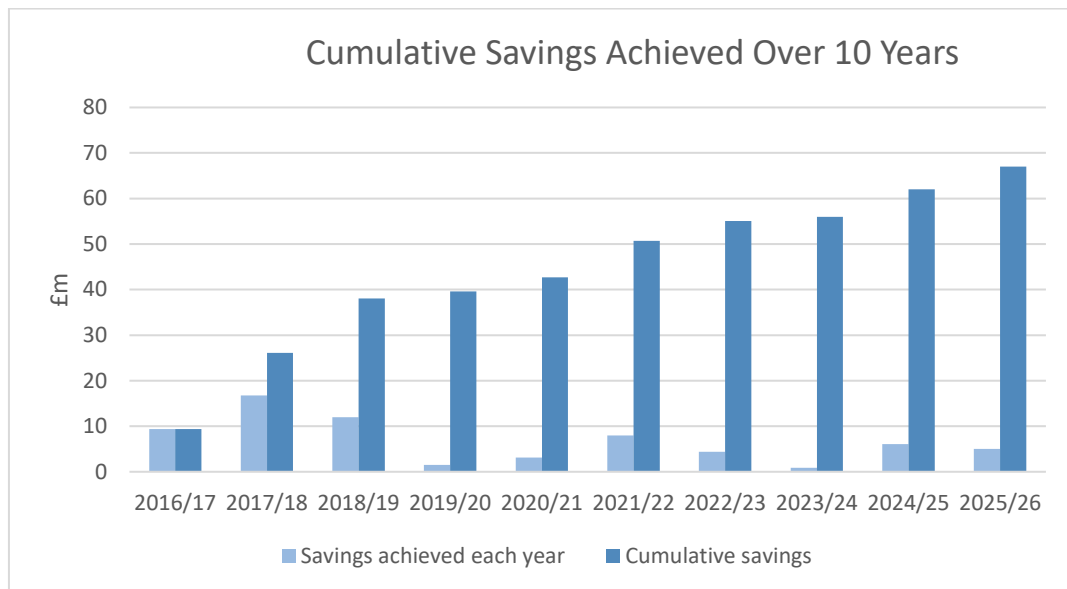
11.6.3 The company has merged with the Police Digital Service into its structure in 2024/25 which will further expand its opportunities to save PCCs and forces buy the right things, at the most appropriate quality and at the right price to save money.

11.7 **Community Safety Partnerships** – In 2024/25, the PCC protected community safety funding in Sussex for the 10th year running and allocated £1.215m to Brighton & Hove City Council, East Sussex County Council and West Sussex County Council and each of the 12 District and Borough Community Safety Partnerships (CSPs). The PCC continues to support the CSPs to address crime and anti-social behaviour at a district level, respond dynamically to emerging threats and issues, and implement local activity in line with their strategic objectives as required. Many of the CSPs continued to explore opportunities to work more collaboratively during the year and it is evident that strong relationships exist with wider partnership members and the local communities. The decision to fund the CSP's will be made in February 2025 for the financial year 2025/26.

11.7.1 Further detail of the wide range of partnership and other collaborative work can be found in the PCC's Annual Report; the latest edition can be found here [SPCC - Annual Report \(sussex-pcc.gov.uk\)](https://www.sussex-pcc.gov.uk/annual-report).

12 Financial Context

- 12.1 Reductions in and the freezing of government grant funding between 2012/13 and 2022/23 and other costs have resulted in Sussex making £67m of reductions and efficiencies over the last ten years to head towards balancing its books. In addition, during that time it also had its ability to raise additional tax revenue from the precept restricted by the government capping and excessiveness principles.



- 12.2 The Government changed its strategic approach to funding policing bodies from the 2016/17 financial year when it promised that funding would be protected in flat cash terms. This would be achieved by offsetting policing grant reductions with rises in the local precept.

Year	Band D Precept Limit
2018/19	£12
2019/20	£24
2020/21	£10
2021/22	£15
2022/23	£10
2023/24	£15
2024/25	£13
2025/26	£14

- 12.3 The council tax referendum limit for English Forces in recent years to provide additional flexibility for all PCCs is provided in the table above.
- 12.4 The Government has invested over £2.7 billion additional funding into government grants to enable the recruitment of 20,000 officers. In March 2023, the Government, in partnership with policing, successfully delivered on its commitment. Sussex Police went above and beyond by recruiting more officers to make up for other forces recruitment shortfalls.
- 12.5 The Government wants forces to maintain police officer numbers throughout 2025/26 so that communities can receive the benefits of this investment.

There is an allocation of £376.8 million for the maintenance of additional officers for 2025/26, to be distributed as follows:

- £106.7 million will be paid to the forces who volunteered to recruit additional officers as an 'additional recruitment top up grant'.
- £270 million will be ringfenced funding, which will be allocated via funding formula shares.

12.6 Sussex Police predicts that it will have 3,296 officers (headcount) by 31st March 2025 against a headcount target of 3,226. As of 31 March 2012, the police establishment for comparison was 2,959. It has also made a concerted effort to maintain police staff numbers, especially Contact Officers and PCSOs.

12.7 The Home Office Police Uplift Programme have continued to encourage forces to maintain officer numbers through the performance grant mechanism. A financial penalty of up to £7.5m in 2025/26 would apply if the officer numbers are not maintained throughout the year. Sussex Police will therefore need to maintain a total headcount of at least 3,226 police officers by 31 March 2026 to avoid a penalty.

12.8 In terms of the national funding context, Sussex has:

- 18th lowest Net Revenue Expenditure (NRE) per head of population nationally at £207.50 (excluding national functions and PCC) (Most similar group = £200.33; nationally = £243.43; (Source: p.4 HMICFRS website 2023/24 [HMICFRS Value for Money Profiles](#))
- 7th lowest precept of any PCC in England and Wales at £252.91 per Band D equivalent household 2024/25.
- 5th lowest total funding per head of population at £196.82 (all grants and precept).

12.1 Resources - Police Grant Settlement 2025/26

12.1.1 The 2025/26 Provisional Settlement was announced on 17 December 2024 in a [written statement](#) by the Policing, Fire and Crime Prevention Minister, Dame Diana Johnson. The provisional Police Grant Report (England and Wales) 2025/26 was laid before Parliament on 19 December 2024.

12.1.2 The Final Settlement was published on 30 January 2025. The [Report](#) sets out the Home Secretary's determination for 2025/26 of the aggregate amounts of grants that she proposes to pay under section 46(2) of the Police Act 1996.

12.1.3 The key elements of the final settlement are:

- Overall funding for policing nationally will increase by up to £1.1 billion compared to the 2024/25 funding settlement, bringing the total up to £19.6 billion for policing in 2025/26. Within this, funding to Police and Crime Commissioners (PCCs) will increase and represent an increase to PCC funding in cash terms of 6.6% (4.1% real terms) above the 2024/25 police funding settlement.

- £200.0 million to deliver the first steps of this Government's Neighbourhood Policing Commitment in 2025-26.
-
- This is a one-year settlement with a comprehensive spending review planned that will provide a three-year settlement.
- For 2025/26 the settlement has determined that the Band D increase is up to £14 without the need for a referendum.
- In 2024/25 the top slices/reallocations total £914.3m, a £123.7m decrease over last year (£1,038m). Primarily, this difference comes from a decrease in Arm's Length Bodies, Forensics, Cyber Crime, Tackling Exploitation and Abuse, Fraud and Police Productivity & Performance. There are increases in Special Grant, Regional and Organised Crime Units and Serious Violence.
- The funding settlement includes the officer pay awards.
- The settlement also includes funding the recruitment and redeployment of more neighbourhood police and PCSOs with an additional £200.0m to kickstart the first phase of 13,000 additional officers, PCSOs and special constables into neighbourhood policing roles.
- The settlement also includes £230.3 million to compensate territorial forces for the costs of the change to the employer National Insurance Contributions from 2025-26.
- The Police Capital Grant to PCCs ceased in 2021/22 but the Home Office does allocate capital to national projects as shown in the table below.

2024/25	Police Capital	2025/26
£m		£m
13.1	Police Aviation	11.5
4.0	Arm's Length Bodies	0
111.6	Police Technology Programmes	111.6
128.7	Total	123.1

12.1.4 The Home Office expect police to raise their ambition on efficiencies and drive forward improvements to productivity while helping to deliver safer streets. To enable this, the Home Office have launched the Commercial Efficiencies and Collaboration Programme which will initially focus on national buying frameworks and cost recovery.

12.1.5 The Home Office expect policing to approach the 2025/26 financial year with a focus on this Government's key priorities:

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

12.1.6 By doing these things, it hopes to increase public confidence in policing.

12.1.7 In 2025/26, funding for areas including Arms-Length Bodies, Cyber Crime,

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

12.1.8 For Sussex, the Home Office settlement is as follows taking account of their assumptions on the taxbase:

Table – Home Office Core Grant and Precept 2024/25 to 2025/26 – Comparison.

£m	Grant	Precept	Total
2024/25	229.6	164.9	394.5
2025/26	243.5	175.5	419.0
Change £	13.9	10.6	24.5
Change %	6.1%	6.4%	6.2%

Proportion	Grant	Precept	Total
2024/25	58.2%	41.8%	100.0%
2025/26	58.1%	41.9%	100.0%

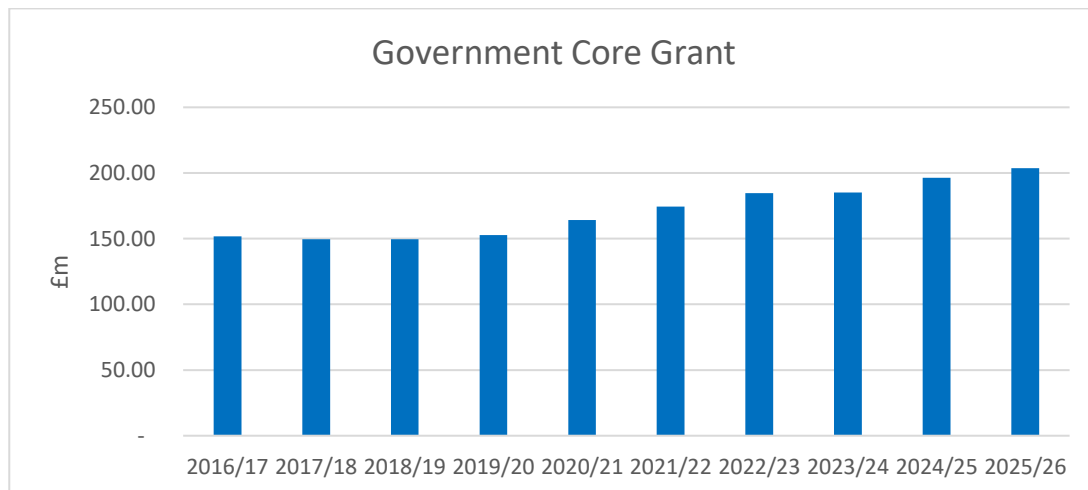
12.1.9 Considering the Sussex position the summary of the comparable grant is set out in the table below.

Grants	2024/25 £m	2025/26 Plan £m	2025/26 Provisional £m
Home Office Police Grant	196.3	196.4	203.6
Other Specific Grants			
Legacy Council Tax Grants	13.2	13.2	13.2
Police Officer Pension Grant	9.1	9.1	8.4
Op Uplift Maintenance Ring Fenced Grant	11.0	9.1	7.5
Additional Recruitment Top Up			3.2
National Insurance Grant		6.2	5.5
Neighbourhood Policing Grant			4.3
Total Funding from Government	229.6	234.0	245.7

- Total grant funding increase of £16.1m (7.0%).
- The police officer pay award has been incorporated into the Home Office Police Grant.
- There is a slight reduction in the pension grant as last year's allocation included a one-off amount for pension systems and administration changes.
- Operation Uplift maintenance has been reduced in response to Forces request for flexibility and the funding moved to Home Office Police Grant. This is detrimental to Sussex as a specific grant supporting cost moves to a grant allocated based on funding formula. To illustrate, if £1m was removed from each Forces specific grant, the £43m then allocated on funding formula basis, Sussex would receive just over £0.9m.

- The previous additional recruitment increases have been included in the financial settlement and reflected in the Additional Recruitment Top Up. The revised maintenance headcount for 2025/26 is 3,226.
- Neighbourhood Policing – not expecting target numbers to be imposed and Forces will be asked for their plan. The Home Office prefer the plans to incorporate officers and PCSO’s however will accept police staff where they back fill officers.
- The national Insurance grant is to meet the additional cost of the change in national insurance rate from April 2025. The funding has been allocated on employee figures reported in March 2024. No provision for allowances or overtime included, the budgeted cost is £6.2m.
- PCC precept flexibility to increase Band D council tax precept by up to £14 would yield £9.3m pre council tax collection fund and tax base improvement.
- Funding for counter-terrorism policing will be paid to forces through dedicated counter-terrorism policing grants.

12.1.10 Core grant sums for Sussex since 2016/17 are shown in the graph below.



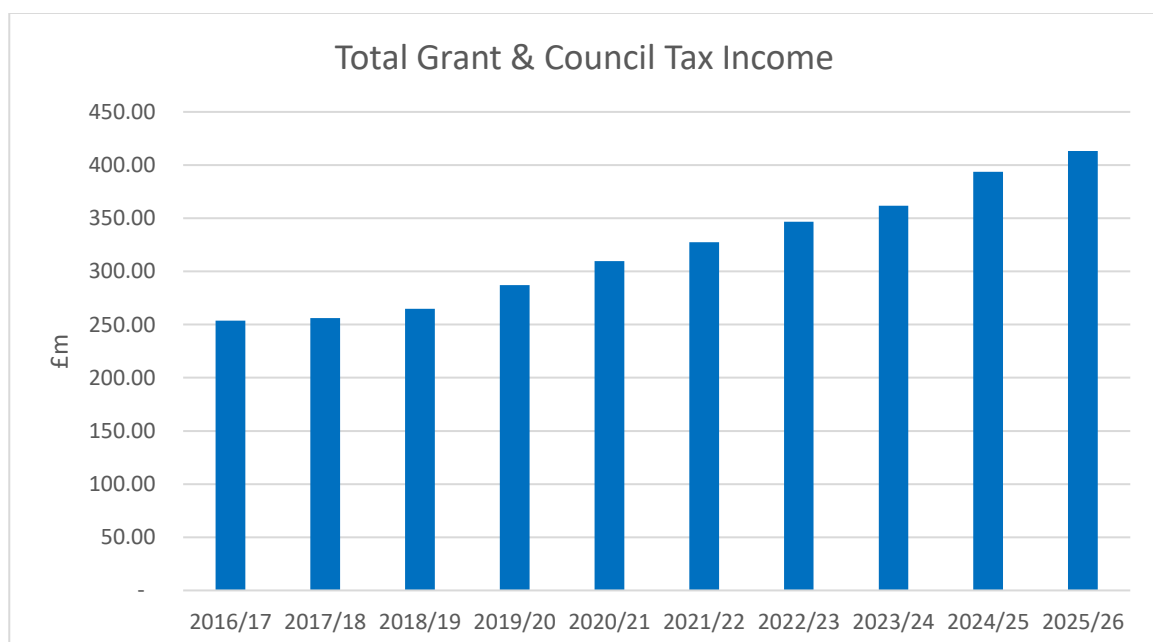
12.1.11 The previous 2024/25 to 2027/28 MTFS had included the assumption of a future freeze to the grant except for the Operation Uplift and a 2% increase to the Band D precept in 2025/26 followed by a 2% increase to the precept in the final three years of the MTFS period.

12.1.12 The following table provides a comparison of the figures between the previous and this new MTFS.

Settlement Factor	2025/26 Previous MTFS £m	2025/29 Current MTFS £m	Change Estimation Difference £m	Notes
Core Grant	196.3	203.6	7.3	MTFS estimate flat Grant (except pay award)
Legacy Council Tax Grant	13.2	13.2	0.0	MTFS assumed a grant freeze
Operation Uplift Performance Grant	9.1	10.7	1.6	Grant to maintain Op Uplift Headcount includes additional recruits
Specific Grant - Pension, NI & Neighbourhood	2.7	18.2	15.5	Funding for National Insurance increase and Neighbourhood Policing
Reserves	0.0	1.4	1.4	MTFS assumed no reserve movement
Council Tax Receipts	164.9	176.6	11.7	MTFS assumed 2% Band D increase and tax base increase of 1%
Total	386.2	423.7	37.5	Potential Total Resources
% Change			9.7%	

12.1.13 This MTFS is based on the assumptions as laid out in the settlement with adjustment for actual tax base increases as advised by the billing authorities of Sussex and the precept.

12.1.14 Total core grant and council tax resources combined since 2015/16 are shown in the graph below.



12.2 **Efficiency and Productivity**

12.2.1 The Home Office state it is essential that we maximise the value of any new investment within policing. The Home Office are driving work to reduce inefficiencies and maximise productivity, freeing cashable savings and officer time to reinvest in frontline activities. All Forces are required to participate in the recently announced Commercial Efficiencies and Collaboration Programme, starting by forces signing up to national approaches to buying energy, vehicles, fuel, temporary staff and software licenses and reforming cost recovery. The Home Office will work with policing to develop this programme, to unlock immediate cost savings and laying the foundations to deliver hundreds of millions of pounds of efficiency savings by the end of this Parliament.

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

- Fleet – Require better use of existing frameworks and working with policing to standardise requirements enabling better value and reducing full life costs.
- Energy – working with the sector to ensure policing can harness wider purchasing power across government and wider public sector.
- ICT – ending the variation in prices for software contracts and then moving to smarter purchasing in other areas of technology.

12.2.3 A productivity review commissioned by the previous government was concluded in 2024 and the reports published. Of note in the publication was mention of Sussex Police which demonstrates its commitment to continuous improvements:

“The Review has found some stronger exploitation of data in some forces. For example, Leicestershire Police and Sussex Police are using Power BI to interface with several systems allowing automatic updating of performance, risk and management information. The forces have used Power BI to create user friendly dashboards to link data, manage resources, locate repeat missing people and manage high harm perpetrators. Analytics are used to manage and identify operational threat and risk by providing live oversight of demand, allowing the force to change how they manage non-urgent crime. Sussex Police reported a 17 per cent increase in crimes finalised plus 23 per cent increase in successful outcomes between July 2022 and July 2023 – as a result of improved sight of demand and improved agility response to it.” (Page 55)

12.2.4 And:

“.....Sussex Police have teams, tools and methodologies in place to help them understand the cost and impact of resourcing – but this approach is nascent for many forces.” (Page 63)

12.3 **Policing Reform**

12.3.1 In November 2024, in her first major [speech at the annual conference](#) hosted by the National Police Chiefs’ Council and Association of Police and Crime Commissioners, the Home Secretary set out her plans to deliver major policing reforms, including:

- a new Police Performance Unit to track national data on local performance and drive-up standards.
- a Neighbourhood Policing Guarantee to get policing back to basics and rebuild trust between local forces and the communities they serve.
- a new National Centre of Policing to harness innovative technology and forensics, making sure policing is better equipped to meet the changing nature of crime.

12.4 **Funding Formula Review**

12.4.1 There is a threat to the sum of future core government funding received by the PCC following a proposed change in the police funding formula.

12.4.2 The Police Funding Formula is the method that the Home Office used to allocate money from its budget to PCC's. The model considers several factors including demand in each area. The Home Office and selected advisors have been gathering evidence and modelling data over a number of years to then revise the model. No date of the implementation of any new model has been given.

12.4.3 A previous review of the formula resulted in Sussex facing a reduction in the grant resources allocated. That review was never enacted due to flaws in the data utilised, but the risk remains that grant resources will be less than under the current formula.

12.4.4 Due to the uncertainty and range of possible outcomes, no assumptions regarding a change to the funding formula and the grant allocated to Sussex have been included in this MTFS.

12.4.5 The risk has been included in the OSPCC Strategic Risk Register and the MTFS financial risk analysis in Appendix B.

12.5 **Devolution Priority Programme**

12.6 The Devolution Priority Programme is an initiative by the UK government to fast-track local government devolution in areas that demonstrate a strong commitment and readiness to embrace greater local control. The programme focuses on establishing Mayoral Strategic Authorities, led by directly elected mayors, which will be granted significant powers over areas such as transport, infrastructure, skills, housing, economic development and public safety including fire and police.

12.7 The three upper-tier councils (West Sussex, East Sussex, and Brighton & Hove) expressed a strong interest in joining the Devolution Priority Programme with the three submitting a joint expression of interest. The Government announced on Wednesday 5 February 2025 the following areas agreed to join the programme to create Mayoral Strategic Authorities with a directly elected mayor:

- Cumbria
- Cheshire & Warrington
- Norfolk & Suffolk

- Greater Essex
- Sussex & Brighton
- Hampshire & Solent

12.8 These six successful areas will now work to a devolution timetable, with full government backing, with consultations set to launch in February 2025. It is not envisaged that this will change the governance of policing until 2028

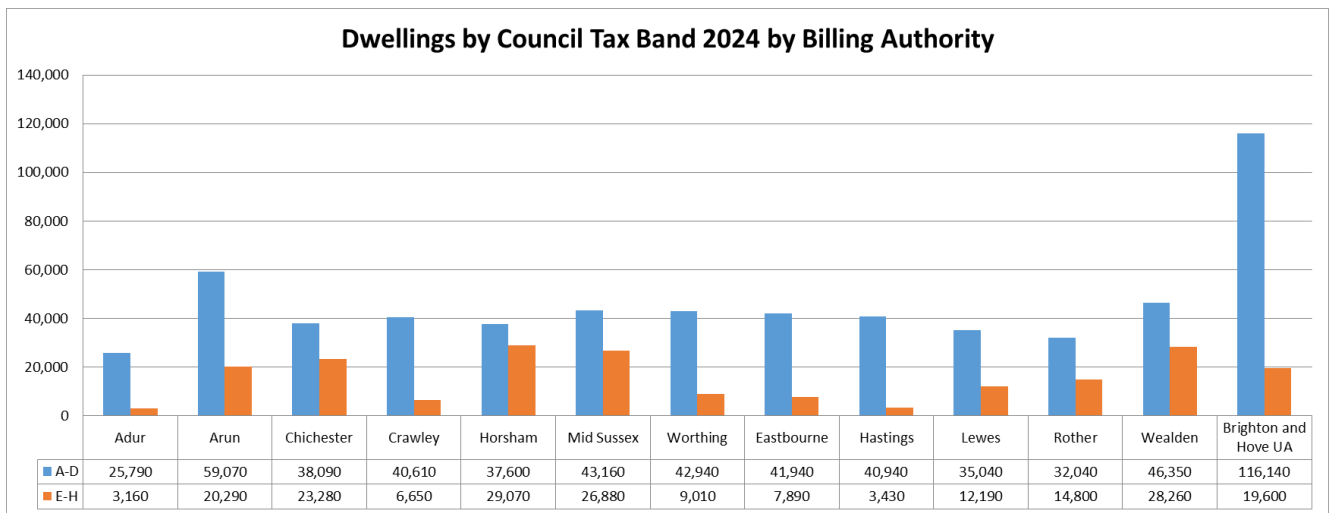
12.9 **Resources – Council Tax Precept**

12.9.1 The PCC raises income from Sussex council taxpayers for policing as a Major Precepting Authority. That sum, which is shown separately on all council tax bills, is known as the precept.

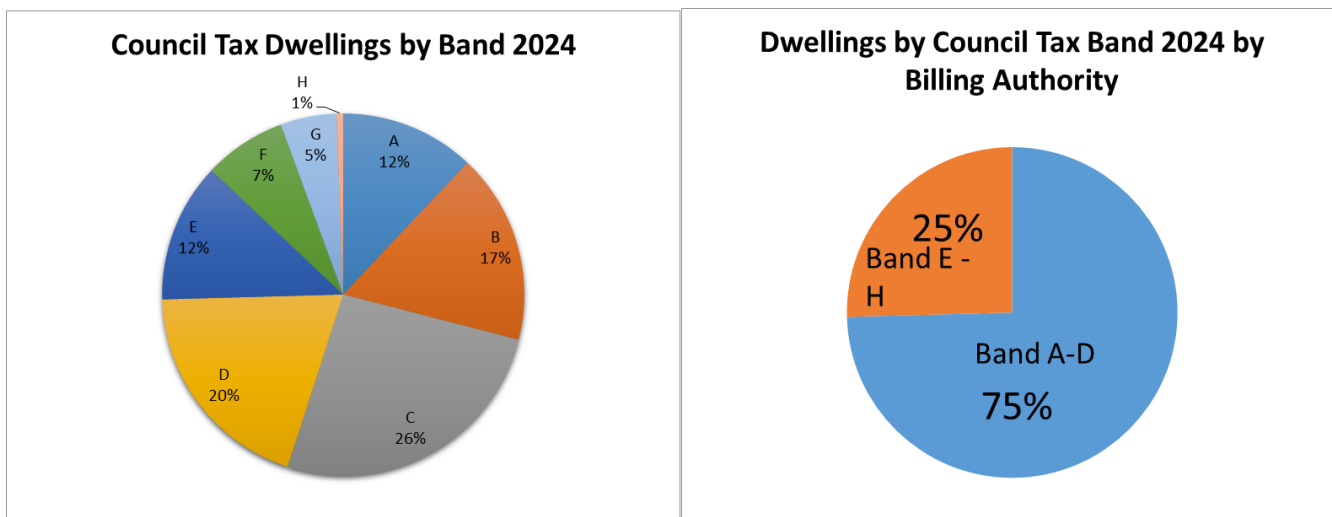
12.9.2 The precept multiplied by the tax base calculates the total receipts that each billing authority will collect from taxpayers and pay to the PCC.

12.9.3 The tax base is calculated by adding up all the properties within Sussex that are subject to council tax.

12.9.4 The following table shows the distribution of properties between valuation band A-D and E-H by billing authority. These totalled 804,220 (797,560 in 2023) dwellings.



12.9.5 In total A-D and E-H of all billing authorities.



12.9.6 The dwellings are then converted to the tax base with adjustments for exemptions, discounts (including single person discount), disregards and local council tax support schemes with a further adjustment for anticipated non-payment and losses. This calculation produces the tax base as the number of Band D equivalent properties.

12.10 Local Council Tax Reduction Schemes – Impact on Precept Income

12.10.1 Billing authorities are required to review their Local Council Tax Reduction Schemes (LCTRS) annually and to consult publicly on any proposed changes. The PCC as a precepting authority is a statutory consultee in this process, but the decision to set or change a LCTRS rests solely with each billing authority.

12.10.2 To help people on low income to pay their council tax every local (billing) authority in England has its own Local Council Tax Reduction Scheme (LCTRS). In April 2013, the Government abolished the national Council Tax Benefit scheme for working age customers and asked each Council to replace it with a local scheme called Council Tax Support, now called Council Tax Reduction. Each scheme is established based on the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 legislation but there are freedoms to vary some of the conditions of the scheme.

12.10.3 The financial impact of LCTRS is to reduce the council tax base and thus the income derived from council tax. Whilst LCTRSs are administered by billing authorities the cost falls also on the billing authority and its precepting authorities which include the PCC, Fire Authority and County Councils.

12.10.4 Some local authorities use a default scheme set in place by the Government. Under the default scheme, if the income of a person is less than the amount the government says they need to live on (called the applicable amount) they will get maximum CTR of 80%. This applies regardless of whether they are a pensioner or someone of working age. However, many have and will move to 100% schemes because they see the benefits to their poorest council tax payers but also a reduction in their own benefits administration costs and a reduction in arrears and associated recovery cost.

12.10.5 Central government has protected pensioners from changes in their council

tax reductions which means that any proposed changes will only affect working age adults.

12.10.6 In 2022/23 Lewes District Council changed their LCTRS and the impact of this change on the tax base is to decrease the funding to the PCC by £108,000.

12.10.7 Brighton and Hove City Council also made changes to their LCTRS with effect from 2022/23 and have increased overall support to 82%. The impact of this change on the tax base is to decrease the funding to the PCC by £46,000.

12.10.8 Wealden and Worthing Councils changed to a 100% scheme from 2023/24. The financial implications are that the Worthing scheme will decrease funding to the PCC by £80,000 and Wealden £68,000, although Wealden will be making changes elsewhere in the discounts and premiums which should limit that cost in future.

12.10.9 Rother District Council will be moving to a 100% scheme in 2024/25. The impact of this change on the tax base is to decrease the funding to the PCC by £140,000.

12.11 Eastbourne Borough Council is consulting on similar changes to its scheme for 2025/26.

12.11.1 It is anticipated that the remaining billing authorities that are currently on the 80% scheme could also consider moving to 'up to' 100% schemes in the future. This risk to council tax receipts is included in the risk assessment in Appendix B.

12.12 **Second Home Premium**

12.12.1 The Levelling Up and Regeneration Bill received Royal Assent on 2 November 2023. It amended the Local Government Finance Act 1992 and reduces the minimum period for the implementation of a premium for empty premises from two years to one year.

12.12.2 It also allows billing authorities to introduce a premium in respect of second homes (dwellings that are unoccupied but furnished), of up to 100%. 'Second homes' are properties held by their owners as a home mainly used by family/friends as holiday home, let to others as a holiday let, or for occupation while working away from home. The first bills including the premium will be issued from 1 April 2025.

12.12.3 Chichester and Adur councils have received significant uplifts to their taxbase for 2025/26 because of the new premiums. For Chichester the impact of introducing the 100% premium has increased the taxbase by 2,948 band D equivalent properties (6.3%). For Adur it has increased the taxbase by 2,327.0 (3.60%).

12.12.4 The stated policy aim of the premium is to free up housing stock for locals. If the aim is achieved, council tax receipts might reduce especially if occupied by single persons who receive a 25% discount. A prudent assumption about taxbase growth has been included in the assumptions for future financial planning.

12.13 **Tax Base**

12.13.1 The calculation of the tax base, billing, collection and payment is carried out independently by each of the 13 local billing authorities.

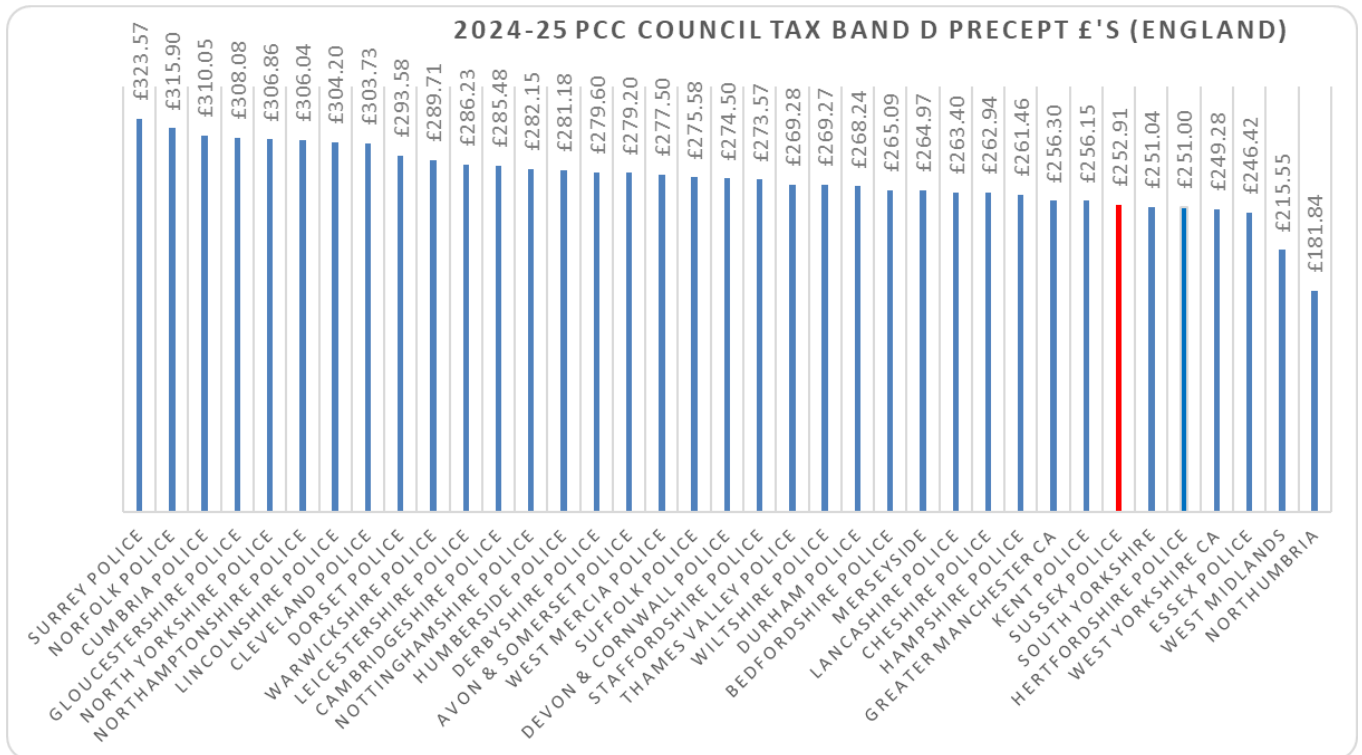
12.13.2 The notified Council Tax base figure for Sussex for 2025/26 is 664,417.8 (2024/25 652,167.7), an increase of 12,250.1 (1.88%) from the previous year.

12.13.3 The tax base is then multiplied by the Band D council tax precept to calculate each individual council tax bill and the total tax receipts.

12.13.4 The PCC works with the billing authorities during the year to prevent and detect fraud to protect tax receipts generated through the council tax system.

12.14 Comparison of the Precept with Other Policing Bodies

12.14.1 The council tax precept for Sussex was one of the lowest - 31 out of 37 - of English policing bodies during 2024/25 at £252.91 per annum for a Band D property. The table shows the range of precepts by policing body in England. The median was £274.50.



12.15 Precept Capping – Limiting Increases

12.15.1 The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered excessive Council Tax, including proposed limits. From 2013 onwards, any PCC that wishes to raise Council Tax above the limits that apply to them will have to hold a binding referendum.

12.15.2 The Police Settlement stated that a referendum would be required if the PCC sets an increase of more than £14 in 2025/26. For Sussex, which has one of the lowest precepts in England, the change is shown in the table below.

Year	Band D Council Tax	Change £	Change %
2025/26	£266.91	£14.00	5.5%

12.16 Precept By Council Band

12.16.1 The precept for 2025/26 by Band is set out in the table below (no discounts applied).

Band	Proportion	2025/26	25/26 Increase		Per Month Increase
A	Band D *6/9	£177.94	£9.33	5.5%	£0.78
B	Band D *7/9	£207.60	£10.89	5.5%	£0.91
C	Band D *8/9	£237.25	£12.44	5.5%	£1.04
D	Band D	£266.91	£14.00	5.5%	£1.17
E	Band D *11/9	£326.22	£17.11	5.5%	£1.43
F	Band D *13/9	£385.54	£20.22	5.5%	£1.69
G	Band D *15/9	£444.85	£23.33	5.5%	£1.94
H	Band D *18/9	£533.82	£28.00	5.5%	£2.33

12.17 Precept Requirement

12.17.1 The local authorities in Sussex also advised of surpluses or deficits on their council tax collection funds equating to a net £1.081m deficit (to be repaid to the billing authorities) for 2025/26 (£0.399m surplus 2024/25) which is reflected in the MTFs.

12.17.2 The increase to the Band D precept by £14 will raise an additional £9.3m for 2025/26. The increase in the tax base will raise a further £3.1m giving additional receipts of £12.4m.

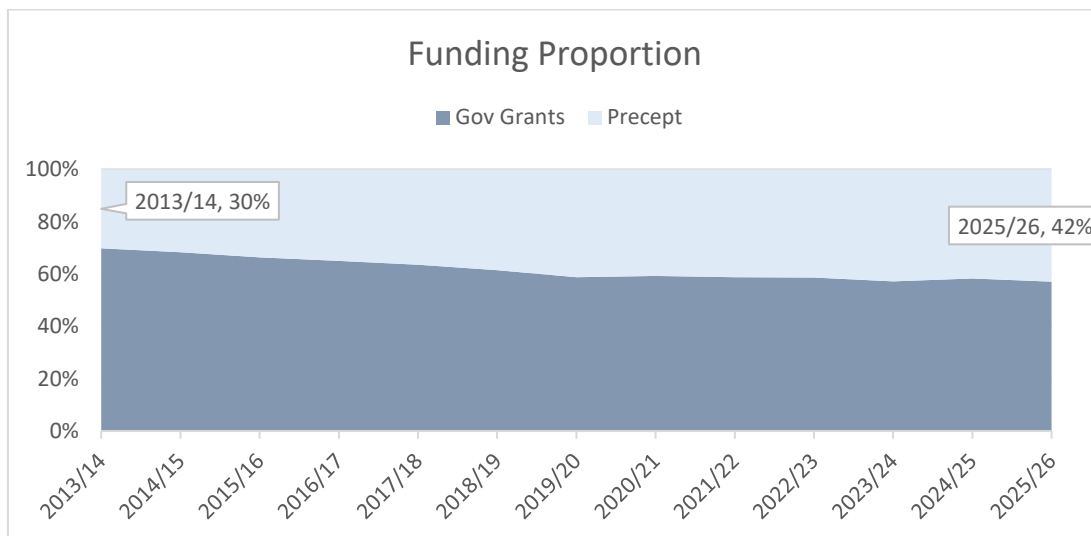
12.17.3 The precept of £266.91 multiplied by the tax base of 664,417.8 will produce receipts of £177.3m (2024/25 £164.9m) for the Police Fund.

12.17.4 The council tax requirement for 2025/26 is shown in the following table:

£m	Proportion %		£m	£m	%
396.525		Total Revenue Expenditure		423.689	
1.539		Less Appropriations (to) / from Reserves		1.709	
394.986		Net Budget Requirement		421.980	
		Less			
196.291		Main Policing & RS Grant	203.597		
3.062		Council Tax Legacy Freeze Grant	3.062		
10.140		Council Tax Local Support Grant	10.140		
11.004		Operation Uplift Performance Grant	10.682		
9.151		Pensions Grant	8.440		
0.000		National Insurance Grant	5.503		
0.000		Neighbourhood Policing Grant	4.297		
229.647	58%	Total Policing Grant		245.721	58%
165.339		Balance to be raised locally		176.259	
0.399		Less net deficit on collection funds		(1.081)	
164.940	42%	Council Tax Requirement		177.340	42%

12.17.5 In common with other policing bodies this MTFS includes a financial planning assumption that the precept will be maximised each year in accordance with government rules – currently £14 Band D for 2025/26, then a planning assumption of a 2% increase for 2026/27 to 2028/29. The actual precept decision will still be determined by the PCC on an annual basis with scrutiny of that decision by the Police & Crime Panel.

12.17.6 The proportion of funding raised from local taxpayers via the council tax precept compared with government grant is 42% for 2025/26. The graph below shows how the proportion has changed between 2013/14 and 2025/26, showing a shift to local funding from 30% to 43% over the period (excluding the use of reserves).



12.18 Other Grant Income

12.18.1 Single purpose grants are notified to the PCC when the settlement is announced by the Home Office. These grants are detailed earlier in the MTFS. Many are time limited to achieve a stated aim and so are only forecast for the known duration of the grant funding.

12.19 Other Income

12.19.1 The PCC will continue to seek additional sources of external funding for policing and to maximise its income, for example through developers' contributions such as the Community Infrastructure Levy and/or Section 106 monies, as well as developing a 'trading mind-set' for some of its more commercially aligned services.

12.19.2 The Police & Crime Commissioner for Sussex Fees and Charges for the Supply of Goods & Services is produced annually in line with NPCC guidelines for charging of Special Police Services and other chargeable items/services under section 25 of Police Act 1996. It can be found at this link <https://www.sussex-pcc.gov.uk/about/financials/fees-and-charges/>

12.19.3 The Government has announced an increase to Firearms Licensing fees starting in February 2025 to allow Forces to employ a full cost recovery. The additional revenue raised is to be retained by police forces to support the important improvements needed in firearms licensing.

12.19.4 The Police Reform and Social Responsibility Act 2011 (PRSRA) gives a PCC the power to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the PCC. This is different from the powers that local authorities have under the Localism Act 2011 which gives them the power to do anything that individuals may do, apart from that which is specifically prohibited. Fire and Rescue Authorities have a functional power to do anything they consider appropriate to the carrying out of those fire functions. This situation restricts opportunities for commercial or income generation particularly in relation to the opportunities relating to the estate.

13 2024/25 Budget and Forecast Outturn

13.1 Throughout the year, the Sussex Police Strategic Planning Board meets monthly to provide oversight, monitoring and high-level control of people and financial resource along with demand analysis.

13.2 The PCC scrutinises the spending of the precept, delivery of the policing investment and performance. Scrutiny is carried out through a variety of public facing Performance and Accountability meetings, monthly Strategic Planning Board, financial monitoring and other monitoring within the scheme of governance.

13.3 The PCC reviews and publishes the overall police fund revenue and capital budget monitoring during the year and approves revisions to those budgets in line with the Financial Regulations. These reviews and decisions are then noted as key decisions on the PCC's website.

13.4 The revenue monitoring forecast as of 30th November 2024 was as follows:

Sussex	2024/25 Revenue Budget £m	2025/26 Forecast Outturn £m	Variance £m
November 2024	396.0	399.3	3.3

13.5 The Revenue Monitoring Update 2024/25 for the 8 months to 30th November 2024 shows the Chief Constable's budget is forecasting a £3.3m overspend.

13.6 The following table shows that the Operational Delivery Budget is forecasting an underspend of £1.2m offset by an overspend of £4.6m within Financial Provisions & Reserves which represents transfers to reserves, resulting in the £3.3m overspend. This is offset by an overachievement in funding of £3.5m which is the Home Office funding for the police officer pay award.

Sussex	Total 2024/25 Budget £m	Total 2024/25 Outturn £m	Variance £m
PCC Budget	4.1	4.0	(0.1)
Financial Provisions & Reserves	7.4	12.0	4.6
Operational Delivery Budget	384.5	383.3	(1.2)
Total 2024/25 Budget	396.0	399.3	3.3
Funding	(396.0)	(399.5)	(3.5)
Grand Total	0.0	(0.2)	(0.2)

13.7 The above figures include the 4.75% pay increase awarded to police officers and police staff.

13.8 Most of the underspend is arising from police staff post vacancies (some of which are planned to achieve savings).

- 13.9 Planned savings of £6.0m have been achieved, taken at budget setting, which includes overachieved savings of £1.1m. Joint Force Change, working with Change Delivery, are developing Programme Business Cases to deliver efficiencies and cashable benefits from 2025/26.
- 13.10 To achieve the Operation Uplift Performance Grant, the Force is required to reach its target headcount in September and March. In addition, Sussex had approval from the Home Office to secure a grant of £48k per officer in 2024/25 to exceed the target by 60 officers. The central government uplift performance grant for 2025/26 has been reduced to £7.5m (2024/25 £9.1m).
- 13.11 For Sussex to achieve the Operation Uplift Performance Grant the Force was required to reach its target headcount in September '24 and March '25.
- 13.12 Further Op Uplift grant was provided to Sussex to recruit a further 39 Officers above the baseline for 2023/24. This revised target will be met for 2024/25 which ensures the Op Uplift Performance Grant will be paid in full.
- 13.13 The Capital Monitoring forecast was as follows:

Sussex	2024/25 Capital Budget £m	2024/25 Capital Forecast £m	Forecast Variance £m
Month 8	19.9	17.4	(2.6)

- 13.14 The Sussex Police Finance Performance Board manages slippage and other timing differences arising during the year within the capital & investment programme.

14 Medium Term Financial Budget Considerations

14.1 When calculating the medium-term budget projections, consideration has been given to several budget pressures including:

- Future levels of grant and precept funding.
- Pay and price increases.
- Revenue implications on the capital and investment programme.
- Efficiencies.
- Other cost pressures.

14.2 **Future Levels of Grant and Precept Funding**

14.3 Nationally the financial settlement provides a total of up to £19.5 billion for policing in 2025/26, an increase of £1.0 billion on the 2024/25 funding settlement.

14.4 A review of the grant distribution method, known as the 'formula review', has been in planning for several years. Significant work has already been undertaken by PCCs and police to provide the body of evidence that will be required to convince HM Treasury of the financial requirements for policing bodies.

14.5 This MTFS does not assume any change in the proportion of grant funding but will be updated when more information becomes available. It has been assumed that the core police grants from the Home Office of £243.6m will be maintained at this new flat cash level for the next four years in the MTFS up to and including 2028/29.

14.6 The financial settlement has resulted in government grants increasing by £13.9m (including the annual funding for the over recruitment of police officers) this consists of a small decrease in the pension grant, the funding for the police officer pay award in September 2024 at 4.75%. The Operation Uplift Performance Grant of £7.5m which has decreased (£9.1m 2024/25). Sussex Police must continue to maintain its target headcount of 3,226 in September 2025 and March 2026 to ensure the full grant is received.

14.7 The financial settlement also provided PCCs with the flexibility to increase their Band D precept level up to £14 for 2025/26 without the need for a Referendum. For planning purposes, a precept increase of £14 has been included in 2025/26 and 2% in 2026/27, 2027/28 and 2028/29.

14.8 The funding settlement is provided to PCCs after some re-allocation of funds to meet Home Office held costs and development projects. The table below details the specific areas of expenditure. The MTFs assumption is these remain static in total.

Top Slicing / Reallocations	2024-25	2025-26	Change
	(£'m)	(£'m)	(£'m)
Special Grant	34.0	49.0	15.0
PFI	71.2	70.5	(0.7)
Arm's Length Bodies	65.7	-	(65.7)
Police Technology Programmes	500.9	500.9	-
National Policing Capabilities	49.8	48.4	(1.4)
Forensics	13.0	-	(13.0)
Police Aviation	-	1.5	1.5
Fraud	18.1		(18.1)
Regional and Organised Crime Units	31.6	38.2	6.6
Serious Violence	45.6	49.7	4.1
Drugs / County Lines	30.0	30.0	-
NPCC Programmes	7.7	3.0	(4.7)
Capital Reallocations	128.7	123.1	(5.6)
Cyber Crime*	13.1		(13.1)
Tackling Exploitation and Abuse	17.6		(17.6)
Police Productivity and Innovation	11.0		(11.0)
Total Reallocations	1,038.0	914.3	(123.7)

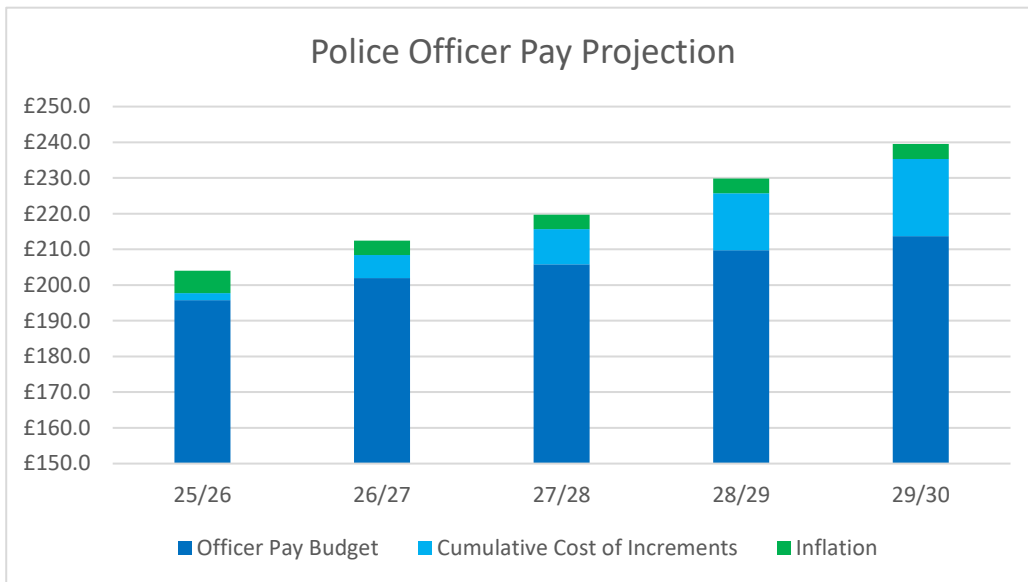
- The Police Technology Programme cater for Airwave, the new Emergency Services Network which will provide 4G access to officers (bringing productivity and operational benefits), Home Office Biometrics and National Law Enforcement Police database.
- Regional Organised Crime Units – funding to support the specialist regional functions.
- Serious Violence Strategy – Sussex have in previous years received allocations to tackle issues such as knife crime and to ensure continuation of Violence Reduction Units and supporting ongoing work to close county lines.
- The Police Special grant caters for national events or incidents that require additional police support.

14.9 As well as investing in maintaining police officers, the Government is committed to going further. As part of their pledge to increase policing visibility, improve public perceptions of the police, and create safer streets for our communities, they are providing £100.0m investment for neighbourhood policing. This will fund the recruitment of additional and redeployed neighbourhood police officers, PCSO's and Special Constables in 2025/26 and will form part of a multi-year programme.

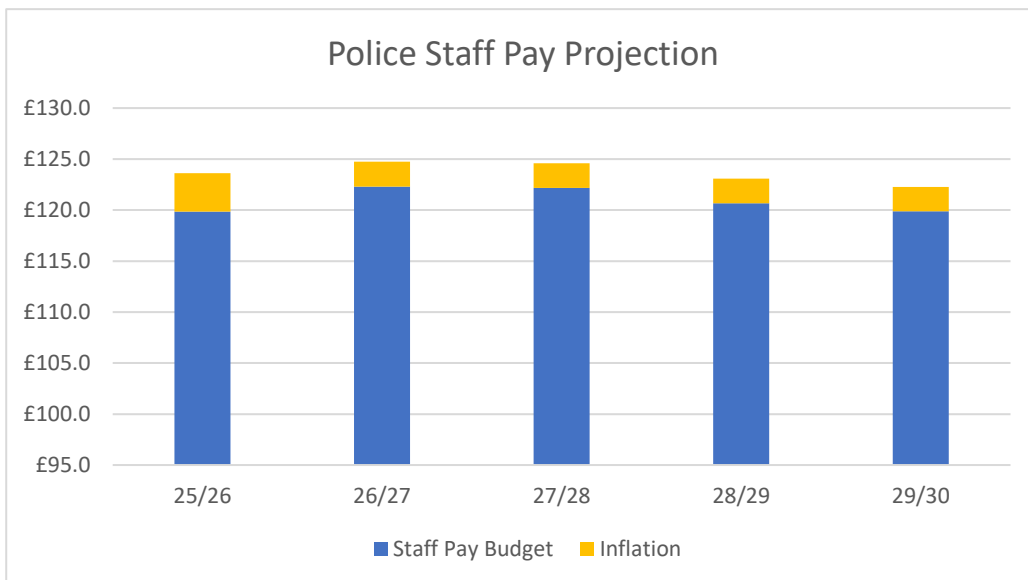
14.10 **Pay**

14.11 The largest proportion of the budget relates to pay for employees. The below charts give the projections of officer pay and staff pay over the next four years along with the inflation proportion each year.

14.12 The graph below shows the police officer cost projection to 2029/30. It is based on the Home Office Op Uplift headcount maintenance figure. It includes estimated incremental progression throughout the period for all officers, includes turnover and relevant factors and the assumed pay awards.



14.13 The staff budget has been adjusted for savings planned for 2025/26 and an assumption of a similar value each year over the next four years.

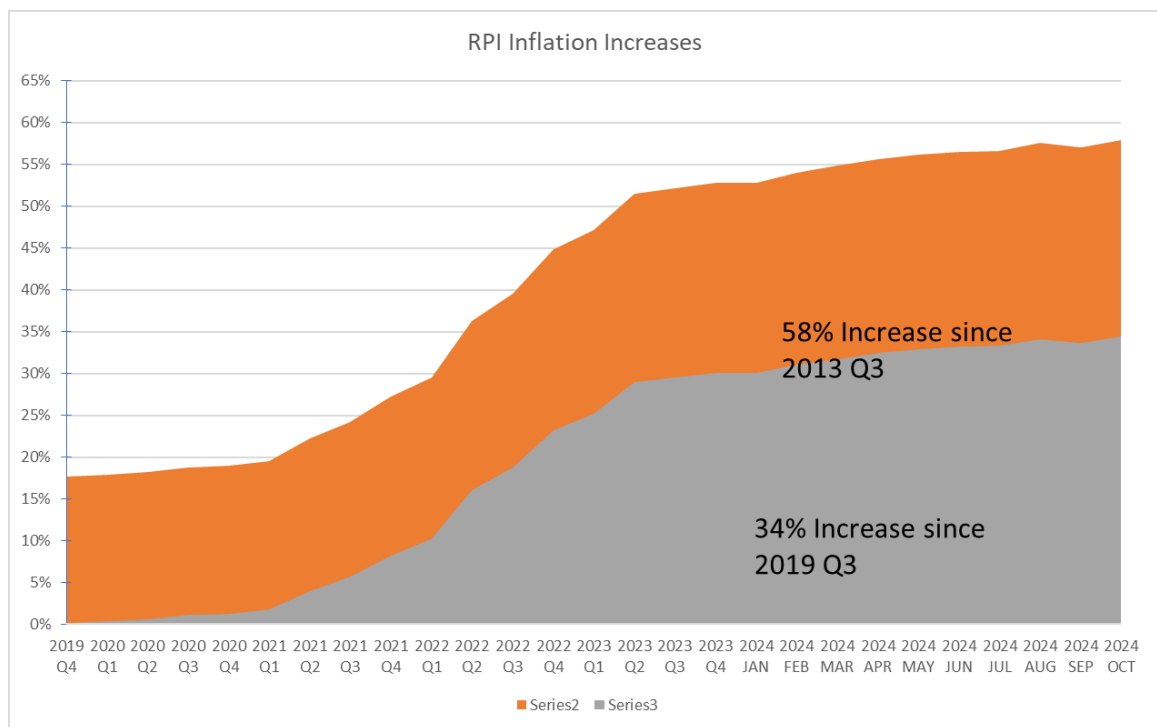


14.14 Price Inflation

14.15 Inflation has proved persistent after a sharp rise in prices attributed, variously, to the war in Ukraine, the fallout from the Covid pandemic, and the UK's exit from the European Union.

14.16 Rising prices for goods and services and the rate at which they increase is known as inflation. Some goods contribute more to the overall inflation rate than others – if some products see a large increase in prices, while others stay more stable, then inflation would be driven by the changing prices in that spending category. So, how the headline inflation rate affects our budget depends on the categories in which we spend.

14.17 Since 2019 prices as measured by the ONS Retail Prices Index have increased by 34.4%.



14.18 Whilst the rate of increase is now slowing as of November 2024, to the great relief of many, the increases are in the cost base.

14.19 Further geopolitical shocks, and taxes and levies including the government increase to Employer National Insurance Contributions from 2025, could fuel prices rises and therefore increase the rate of inflation.

14.20 These risks have been considered and are included in the financial risk assessment in Appendix 2.

14.21 Revenue Implications of the Capital and Investment Programme

14.22 The four-year capital and investment programme is summarised in Capital & Investment Estimates and Financing. The implications of this programme are fully reflected in the MTF5.

14.23 **Other Cost Pressures**

- 14.24 Several contractual arrangements and unavoidable costs were identified over and above the level of inflation. These included: increased IT licences and support costs; increased contribution to external police functions, South East Regional Crime Unit and Op Olympus (post office investigation), Forensic costs and estate maintenance.
- 14.25 The increase in police officers because of Operation Uplift is welcome; however, one of the consequences is the incremental pay cost as the police officers move through the pay scale. With such a large intake over the last four years the rate at which the pay bill increases will be more than just the pay inflation each year as shown in the charts from paragraph 0.

15 Medium Term Financial Forecast

15.1 The table below illustrates the summary of cost changes. It also includes requirement for future savings to meet the budget requirement to 2028/29.

Sussex Medium Term Financial Forecast					
	2024/25	2025/26	2026/27	2027/28	2028/29
REVENUE COST BASE	£m	£m	£m	£m	£m
Base budget	369.4	396.5	423.7	428.4	433.9
Inflation	28.9	11.4	8.1	8.2	8.4
Other Cost Changes	3.2	20.7	6.4	5.3	3.7
Total Cost Increases	32.0	32.1	14.5	13.5	12.1
Gross Budget Requirement	401.5	428.6	438.2	441.9	446.0
Savings Plans	(6.0)	(5.0)	(4.7)	(0.1)	-
Surplus or (Deficit)	-	-	(5.2)	(7.9)	(6.4)
Gross Budget Requirement	396.5	423.7	428.4	433.9	439.6

Sussex Medium Term Financial Forecast					
	2024/25	2025/26	2026/27	2027/28	2028/29
FUNDING	£m	£m	£m	£m	£m
Home Office Grant	196.3	203.6	203.6	203.6	203.6
Legacy Council Tax & Pension Grant	13.2	13.2	13.2	13.2	13.2
Operation Uplift					
Performance Grant	9.1	7.5	7.5	7.5	7.5
Operation Uplift					
Additional Recruits	1.9	3.2	3.2	3.2	3.2
Specific Grant	9.2	18.2	18.2	18.2	18.2
Reserves	1.5	1.4	0.0	0.0	0.0
Precept (including collection fund surplus/deficit)	165.3	176.6	182.6	188.2	193.9
Total	396.5	423.7	428.4	433.9	439.6

16 Savings and Efficiency Plans – The Transformation Plan in Numbers

16.1 The multi-year change programme continued to deliver complex transformation across Sussex Police during 2024/25. The savings will continue to be required. Savings of £5.0m are required in 2025/26 after the use of reserves to balance the budget and £24.3m in the following three years.

16.2 The table shows the planned efficiency savings for the period of the MTFS, grouped by risk category.

2024/25	Risk	2025/26	2026/27	2027/28	2028/29	4 Year Total
£m		£m	£m	£m	£m	£m
0.0	Red	1.4	2.4	0.0	0.0	3.9
0.0	Amber	1.5	2.0	0.0	0.0	3.5
6.0	Green	2.0	0.3	0.1	0.0	2.4
6.0	Total	5.0	4.7	0.1	0.0	9.8
6.0	MTFS Efficiencies Required	5.0	9.8	8.0	6.4	29.3
0.0	Net Efficiencies Required over MTFS	0.0	5.1	7.9	6.4	19.5

16.3 Following on from the work CIPFA completed assisting the Force to develop robust and achievable savings in 2021/22 and 2022/23, the Force identified a savings plan for 2024/25 to achieve a balanced budget. Work is continuing to make further savings as well as recruiting officers and maintaining those increased officer numbers in subsequent years to ensure receipt of central government funding that is subject to the recruitment performance grant.

Service Transformation Programme

16.4 Sussex Police initiated a transformational programme of work in June 2022, in conjunction with Surrey Police, with the aim of addressing a significant forecasted funding gap, at initiation £18.5m for Sussex between 2023/2027. It was clear through early investigation that the force could not close their gap through existing or planned changes, and that a more 'transformational' approach was required if it was to deliver this aim without impacting significantly on service to the public.

16.5 **Scope:** The scope of the Service Transformation Programme (STP) is wide, with only the protection of police officer numbers being non-negotiable due to the Government Uplift Programme which ring-fences officer numbers for both forces. The Programme has a clear set of working principles:

1. To address the funding gap
2. To deliver against the force's priorities, and the priorities of its communities
3. To maintain the force's identity
4. To deliver change and benefits in a sustainable and adaptive manner.

16.6 **The Plan:** The early stage of the Programme was broken into tranches. These tranches were designed to allow for consultation with stakeholders and

business owners to identify how each force could close its gap. As a result, the Programme will tackle the funding gap in four ways:

- 16.7 **Transformation Projects:** These will be where the most significant opportunities lie and potentially up to 75% of the funding gap could be closed from these projects. There are several projects identified under four thematic areas to be delivered incrementally from 2024 onwards.
- 16.8 **Planned and Tactical Savings:** 10%-15% of savings can be found from projects underway currently and through senior leaders driving efficiencies from within their own business areas.
- 16.9 **Targeted Reviews:** Began in 2023/24 and continue. A programme of reviews manages various projects within business areas, opportunities will be identified to deliver a function at a lower cost. The methodology can be scaled up or down depending on budget pressures and it is anticipated that 25-40% of the savings needed can be found through this process.
- 16.10 **New Change Management approach:** A new joint Force Change model was implemented during 2023/24 to enable both forces to plan, deliver and realise the true benefits of such a significant Transformational Change Programme and is continuing.
- 16.11 The development of the efficiency plan continues to meet identified funding shortfall in future years. The savings work provides several proposals on which the force can continue to work to be confident in setting a sustainable budget over the MTFS period.
- 16.12 Internal governance arrangements are in place to track achievement of savings and new investments, to monitor the pace of change sufficiently to provide management with early warning should plans not progress as anticipated and ensure any additional action required is undertaken during the year. Detailed business cases to realise savings targets are presented and considered at the Joint Chief Officer Meeting and the Strategic Change Board.
- 16.13 Sussex Police continues to review its efficiency savings and future investment plans to ensure quality service delivery is maintained, future financial risks are considered, and funding can be directed to priority areas.
- 16.14 The new Estates Strategy will also generate revenue savings throughout the term of the MTFS because of the changes to the estate.
- 16.15 The savings plan has been structured into four main strands which are represented in the following table.

2024/25	Saving Strand	2025/26
£m		£m
1.6	Joint Force Change Programmes	3.1
1.4	Change Delivery Projects	0.7
2.0	Tactical Savings	0.0
1.0	Overachieved Savings taken in 2024/25	1.1
6.0	Total	5.0

- 16.16 The Joint Force Change Programme has delivered savings of £1,238,136 through the introduction of a new People services structure in April 2024 and a review of spend in Learning & Professional Development, with substantial savings achieved by changing the detective entry route. Other savings have been achieved in the management of the fleet by utilising telematics data and within the operations of the estate.
- 16.17 Contact – Transformation of the contact centre both shift patterns the technology used. This is now better matched to demand, delivered recurring £1m saving for Sussex as well as reducing call handling times and enabling better service to customers.
- 16.18 Further savings are expected to be confirmed in 2025/26 through the opportunity reviews of the departments in scope and as a result of the workstreams (Automation as an example) within the programme starting to deliver and the introduction of the Citizens Portal.
- 16.19 Tactical savings are a range of savings identified by budget holders which can be reduced in 2025/26.
- 16.20 The Overachieved savings are also savings identified during reviews by budget holders and taken during the 2024/25 financial year. The base budget adjustment is shown in 2025/26.

17 Sustainability

- 17.1 As a public sector body, we take our sustainability responsibilities seriously, sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their needs” (United Nations).
- 17.2 The PCC works with the Chief Constable to reduce levels of carbon and emissions from vehicles and the estate where use cases allow. The respective strategies detail the sustainability aspects in more detail. The Chief Constable also employs a sustainability officer to measure, manage and promote carbon reduction and ‘eco’ activities such as recycling, lighting and heating controls.
- 17.3 During 2024 there has been a year-on-year reduction in carbon emissions of 10.4% and an overall reduction of 24% since the baseline was established in 2019. Activities that contribute to this reduction include:
- 17.4 **Transition from Diesel to Petrol and Low-Emission Vehicles:** A significant driver behind the reduction in total carbon emissions (measured in carbon tonnes equivalent, tCO₂e) in 2023 and 2024 has been the shift from diesel vehicles to petrol, hybrid, and other low-emission alternatives. These fuels have a substantially lower carbon footprint compared to diesel. The fleet requirement is a good example in the shift from carbon fuels to alternatives, which will have significant call on our investment resource to make the transition. The government has launched a consultation to end the sale of new cars powered solely by internal combustion engines by 2030. If they do change the date, it will reverse the previous governments 2035 deadline. The consultation questions ask for opinions on several questions about the end of sales and the transition. Question 11 - What is your opinion on exemptions for Special Purpose Vehicles from the 2030 requirements for

cars and vans – will be of particular interest to policing. A response to the consultation will be submitted by the deadline of 18 February 2025.

- 17.5 **Electricity Usage Reduction:** A major factor in reduced electricity consumption is the transition from fluorescent lighting to energy-efficient LED units, which consume significantly less electricity. This initiative has been a focus in Sussex over recent years, and approximately 95% of the estate now uses LED lighting. Additional reductions can be attributed to the replacement of outdated technology with more efficient alternatives, as well as behavioural changes, such as turning off unused appliances and lights.
- 17.6 **Gas Usage Reductions:** Decreases in gas consumption are due to improved energy management practices and fine-tuning of heating systems. The adoption of electric water heating in some areas, a reduction in our overall portfolio, and the replacement of older gas boilers with more efficient models have also contributed to this trend.

Future projects

- 17.7 **Solar Energy:** Sussex Police currently operates 13 solar arrays, achieving an average monthly saving of £11,677 while also significantly reducing emissions. This year, the plan is to expand solar capacity by installing arrays at 11 additional sites, further increasing our energy production and reducing the carbon footprint.
- 17.8 The Estates Strategy sets out the implications for carbon reduction and the standards for any future changes to the estate.

Governance

- 17.9 Governance of Sustainability is carried out through the Chief Constables sustainability board and the Police and Crime Commissioners Estates Board.

18 Capital Programme – Estimates, Financing and Control

- 18.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 18.2 [The Treasury Management Strategy and Capital Strategy](#) set out how the PCC and Chief Finance Officer will manage all borrowing and investment in accordance with the CIPFA Prudential Code for Capital Finance, CIPFA Treasury Management Code and Local Government Act.
- 18.3 The PCC operates a balanced revenue budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties. The priority is to provide adequate security and liquidity before considering optimising investment return.
- 18.4 The second main function of the treasury management activities is the funding of the PCC's capital programme. The capital programme creates in part a borrowing need of the PCC over a longer-term cash flow period. The management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet the PCC risk or cost objectives.
- 18.5 As part of the main Treasury Management function, the Sussex PCC approves the funding envelope taking into consideration affordability and sustainability of the programme as the required costs of the assets have been increased.
- 18.6 The performance of the Treasury Management Strategy and Capital Strategy including the Prudential Indicators are monitored by the Joint Audit Committee each quarter.
- 18.7 The Sussex PCC retains treasury advisors to assist with treasury management decisions and support the CFO. They provide strategic advice and forecasts that assist in medium term planning for the financial impacts of the capital programme. With the requirement to borrow to fund longer term assets their advice is valuable and ensures that the type of financing method is appropriate and affordable.
- 18.8 The following describes the key aspects of the capital and investment programme.

Capital & Investment Programme Spending Plans

18.9 The following table summarises the five-year capital and investment programme:

2024/25	Sussex Capital & Investment Programme	2025/26	2026/27	2027/28	2028/29	Total
£m		£m	£m	£m	£m	£m
3.2	Information Technology - new	3.8	2.4	1.0	1.0	8.2
0.0	Information Technology - existing	0.6	0.0	0.0	0.2	0.8
0.3	Business Led IT Projects	0.0	0.0	0.0	0.0	0.0
6.0	Fleet Replacement and Equipment	7.8	7.6	7.7	8.3	31.4
3.6	Estate Strategy	9.7	20.6	11.8	18.0	60.1
0.0	Estates BAU	3.5	3.7	2.1	2.0	11.3
1.0	Operational Equipment	0.7	0.6	0.6	0.5	2.4
1.5	Cost of Change	1.9	0.0	0.0	0.0	1.9
15.6	Total	28.0	34.9	23.2	30.0	116.1

18.10 Note that spending funded by Developer Contributions is not included in the forecast programme but will be brought into the plan when the terms of the contributions are met.

Capital Spending Areas

18.11 Key areas to note in the programme are:

- **Information Technology Strategy** (Computers and Communications) – Information Technology (IT) plays a vital role in the delivery of services to communities. Investment is required to support projects and programmes at three distinct levels – National, Regional and Local. Projects as wide ranging as moving to Microsoft Office 365, the need to deliver online self-service platforms to allow individuals to obtain information or access non-emergency services at a time and place which suit their needs, moving to IT cloud-based solutions, data centre phone exchange systems, mobile data technology replacement and digital evidence management systems. Investment will also continue the roll out of devices for frontline staff.
- **IT** – Replacement of hardware and essential equipment.
- **Fleet** (Vehicles and Equipment) – The provision of an efficient, cost effective and sustainable fleet is essential to delivery of policing activities across the county. The pre-planned vehicle replacement programme as stated in the Joint Transport Strategy will therefore continue throughout the MTFS period in line with the Fleet Strategy which will contribute to the carbon reduction programme. The fleet will also benefit from efficiencies and savings from current service configuration changes and the use of telematics.

- **Estates** (Building Works and Estates & Facilities) – The Estates Strategy seeks to provide an estate that supports and improves the delivery of policing services for the public in an affordable and cost-effective way. The Estates Strategy 2025/2029 will be published in February 2025 and will include details of the proposed plan.
- In addition, capital resources have also been set aside for Mechanical & Electrical Asset replacement, custody refurbishment and improvements to the vehicle infrastructure.
- **Operational Equipment** – This includes a range of operational investments: investment within the Operations Department includes Automatic Number Plate Recognition (ANPR) and investments supporting strategic roads infrastructure along with other Operations Command Equipment and drones. Other investment in Communications includes Command and Control system updates, CCTV and communications technology.

Financing the Capital & Investment Programme

18.12 The Sussex PCC can undertake capital investment providing the spending plans are affordable, prudent and sustainable. Capital plans are prepared in accordance with CIPFA's Prudential Code. The PCC expects to require £116.1m to finance the current capital investment plans over the next four years. This will be financed as set out in the table below, noting that plans will be kept under regular review.

2024/25	Capital Funding Summary	2025/26	2026/27	2027/28	2028/29	Total
£m		£m	£m	£m	£m	£m
0.0	Government & Other Grants	0.0	0.0	0.0	0.0	0.0
0.0	Reserve DDaT	0.6	0.0	0.0	0.0	0.6
1.5	Reserve Cost of Change	1.9	0.0	0.0	0.0	1.9
0.5	Reserve SSRP	0.3	0.2	0.2	0.2	0.9
0.0	Reserve SES	3.0	0.0	0.0	0.0	3.0
0.0	Revenue Contribution TMS Receipts	2.3	0.6	0.5	0.4	3.8
4.8	Capital Receipts	8.9	0.3	2.2	10.7	27.1
3.2	Borrowing Long Term Assets - BAU	1.3	3.7	1.8	1.5	8.3
0.0	Borrowing Short Term Assets	2.8	1.9	0.0	0.0	4.7
0.0	Borrowing Estates Strategy	0.0	20.2	9.6	7.3	37.1
0.0	Revenue Contribution	6.9	7.9	8.9	9.9	5.9
15.6	Total	28.0	34.9	23.2	30.0	116.1

Government Grant

18.13 The Government ceased providing a specific annual grant to support the capital and investment programme in 2022/23.

Capital Receipts

- 18.14 Income from the sale of surplus buildings and land can only be used to fund capital transactions. The anticipated receipts are estimated at £27.1m but are subject to review through the Estates Strategy. As highlighted in the risk assessment these are at risk of not being achieved either in quantum or timing. These risks are mitigated by regular review of all major projects and sales of relevant assets through regular monitoring reports to the PCC.

Borrowing

- 18.15 The PCC had funded most capital investment from internal cash balances during 2024/25. This has been highly cost effective for several years by reducing external interest costs but is no longer sustainable in the short to medium term. In December 2021, the PCC borrowed an additional £14.3m at a rate of 1.54% to support the financing of the Estates Strategy and internal borrowing will be considered in 2024/25 where appropriate and advice from our treasury advisors considered.
- 18.16 The PCC is planning to need £80.0m to finance the current capital investment plans over the next four years of which £40m is anticipated to be raised via borrowing.
- 18.17 Due to the high interest rates being experienced (6.15% for a 25-year PWLB loan Jan 2025), internal borrowing might be considered to fund the Capital Programme 2025/26 where the refinancing risk and opportunity cost of the foregone interest on deposits is favourable. Internal borrowing utilises existing financial resources in lieu of borrowing as this can be the most cost-effective means of funding capital expenditure. Further details can be found in [The Treasury Management Strategy and Capital Strategy](#).
- 18.18 The estimated costs of borrowing including those that must be set aside as determined by legislation are included in the MTFs.

Revenue

- 18.19 The purchase of shorter life assets will be financed with contributions from the revenue budget.
- 18.20 The Sussex PCC is utilising interest receipts from temporary deposits to fund short term assets that are capitalised. This year is expected to receipt £3.7m in interest from those deposits. (latest forecast produced for the Treasury Management report QTR2 2024).
- 18.21 The financial plan also sets aside an additional £1.0m of the revenue budget each year to meet the cost of short-term assets and minimise the borrowing required.

Reserves

- 18.22 Earmarked reserves set aside for capital purposes will be used to contribute to the capital programme over the term of the MTFs. These one-off funds have been set aside from previous years budgets to reduce the need to borrow and fund capital from revenue.

Developer Contributions

- 18.23 On behalf of the Sussex PCC, the Estates Team has continued working with various Boroughs and District councils across Sussex to secure funding towards new or improved policing infrastructure.
- 18.24 As of December 2024, the PCC had secured £2.2m of agreements; £1.1m pending/undetermined and received £0.387m paid by developers or reimbursed to the PCC via Community Infrastructure Levy (CIL)
- 18.25 In the previous year, the PCC was successful in securing CIL funding from the South Downs National Park CIL fund. This project has been fully funded through grants and partner contributions and the works to future-proof the building used by the Coastguard, the Chaplaincy and Sussex Police are now completed.
- 18.26 These contributions are not listed in the financing or expenditure table and will be brought into the capital and investment programme when received.
- 18.27 The UK Infrastructure Bill is currently proceeding through parliament, and its specific proposals regarding developer contributions to blue light services are not yet finalised. However, the bill is expected to focus on several key areas, including:
- Modernising infrastructure planning: The bill aims to streamline the planning process for infrastructure projects, making it easier to obtain necessary approvals and reduce delays.
 - Increasing investment in infrastructure: The government plans to increase investment in infrastructure projects across the UK, including roads, railways, broadband, and energy.
 - Ensuring developers contribute to infrastructure costs: The bill is likely to include provisions that require developers to contribute to the cost of infrastructure projects that are necessary to support their developments. This could include contributions to blue light services, such as fire stations and police stations.

Changes to Planning – White Paper

- 18.28 The White Paper was published in November 2025 and it could have the following impacts:
- Pushes compliant schemes through quickly releasing larger land for development.
 - Fuels recovery quicker from housing led demand.
 - Increases housing supply at pace.
 - Will increase the supply of affordable housing (without major change in public grant injection)
 - Will encourage some developers to go for complaint schemes then re-submit subsequent applications based on consent already in place – perhaps reducing affordable housing (Berkeley Homes model).

- Will mean the smaller and challenging sites of size will all go to committee (as they are unlikely to be able to offer the full affordable housing provision).
- Potentially removes the politics of local planning committees on many schemes – which are often rejected, despite being policy compliant on minor grounds which can be overcome.
- Will place a major pressure on local authorities being able to process and consent compliant application at pace – when a national shortage of planning officers is evident.
- Will potentially lessen political planning agenda's impacts on a regional and local levels.

18.29 For the PCC and the transformation plans the following are worthy of note:

- Will increase land value as part of wider recovery.
- We have already agreed via the Summer Estate Board to seek 'policy compliant' offers from bidders – plus non-compliant.
- We need to ensure our 'disposal sites' are clearly defined in the local plans. We have been pushing this already, having done this across Shoreham; Centenary and Chichester sites with the LA's.
- Consider on the smaller sites affordable housing providers being the preferred bidders.

Monitoring of the Capital Programme – Prudential Indicators

18.30 The CIPFA Prudential Code is a professional code of practice to support local authorities in taking decisions relating to capital investment in fixed assets. Local authorities, including police and crime commissioners and fire authorities, are required to have regard to the Code under Part 1 of the Local Government Act 2003. The basic principle of the system is that local authorities will be free to invest so long as their capital spending plans are affordable, sustainable and prudent.

18.31 To demonstrate that they have fulfilled the objectives of the Code, authorities must produce a range of key Prudential Indicators. The Code does not suggest indicative limits or ratios for these indicators, which are designed to support and record local decision making and are not intended to be used for comparative purposes.

18.32 These key indicators can be split into two broad categories, affordability indicators and prudence indicators. Affordability indicators concentrate upon the level of capital investment over the period 2025/26 to 2028/29. Prudential indicators concentrate on the level and composition of external debt and are therefore very closely linked to the PCC's Treasury Management Strategy.

18.33 The Prudential Code introduced in 2018/19 no longer specifies prudential indicators or thresholds. The PCC for Sussex has continued to apply prudential indicators as a best practice approach.

18.34 The PCC's proposed Prudential Indicators are shown at Appendix C to this report and the Capital Strategy will be published in March with the Treasury

Management Strategy Statement (TMSS).

- 18.35 The PCC and the Chief Constable monitor monthly the capital spend and its funding throughout the financial year. In addition, the CFO reports quarterly on the Treasury Management Reports and Prudential Indicators to the JAC (Joint Audit Committee) which scrutinises the affordability and sustainability of the capital programme.

Minimum Revenue Provision

- 18.36 Regulations came into effect from March 2008 regarding preparing an Annual Minimum Revenue Provision (MRP) Statement. MRP is the amount that needs to be set aside to reflect the depreciation of capital assets. There are no proposed changes to the method used to calculate MRP and the Annual MRP statement for 2025/26 is attached at Appendix D.

19 Reserves

19.1 Background Information on Reserves

19.1.1 Revenue and Capital Reserves are an important resource for day to day as well as medium term financial planning despite being one-off in nature. The Chartered Institute of Public Finance and Accountancy consider that PCCs should establish reserves including the level of those reserves based on the advice of their chief finance officers and should make their own judgements considering all the relevant local circumstances.

19.1.2 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when preparing budgets. The Chief Finance Officer is required as part of the budget setting process to provide a statement on the adequacy of reserves.

19.1.3 [The Home Office Financial Management Code of Practice](#) also sets out the following requirements:

- PCCs to establish a policy on reserves including how they may be used.
- Full details of how the reserves and provisions policy will operate locally.
- Ensure that the annual budget includes a realistic amount of operational contingency that is available to the Chief Constable for operational priorities without the need for additional approval; and
- Provision for budgets to be carried forward from one financial year to the next.

19.1.4 The establishment and maintenance of resource backed reserves are held for four main purposes:

- As a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
- Provide funds to cushion the impact of unexpected events or emergencies – this also forms part of general reserves.
- Provide funds for the purposes of managing risk e.g. insurance reserve; and
- As a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the reserves.

19.1.5 The Chief Finance Officer (CFO) has a fiduciary duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Within the existing statutory and regulatory framework, it is the responsibility of the CFO to advise about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

- 19.1.6 In assessing the appropriate level of reserves, a well-managed PCC will ensure that the reserves are not only adequate but are also necessary.
- 19.1.7 The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level despite the pressures to compare between PCCs nationally.
- 19.1.8 One of the key sources of assurance is through risk management and the process of taking appropriate action to mitigate or remove risks where possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. A balance will need to be found between maintaining adequate levels of reserves and investing in risk reduction measures. This balance should form part of the risk management process and be considered as part of the annual budget process.

19.2 **Review of Reserves**

- 19.2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Reserves and Balances (LAAP Bulletin No. 99 July 2014) and the requirements of the Code suggest twice yearly reviews of reserves. By doing this, the visibility of reserves is increased and consideration of their use is placed at the forefront of the decision-making process.
- 19.2.2 In accordance with good practice, reserves are reviewed for adequacy at the time that the statements of accounts are prepared (April/May) and again when the budget and MTFs are prepared (November/December).

19.3 **Outcome of Review**

- 19.3.1 The Riot Compensation Act 2016 (RCA) gives victims of riots the right to claim compensation for damage to their property. It replaced the Riot (Damages) Act 1886. The Act does not set a limit on the amount that can be claimed but each claim is subject to a maximum compensation limit of £1m. There is no limit on the number of claims that can be made.
- 19.3.2 A riot is defined in the Public Order Act 1986 as: When 12 or more people who are together, either use unlawful violence or threaten to use unlawful violence, for a shared purpose, and their behaviour, taken together, would make a reasonable person present at the scene fear for their personal safety, each of those people is guilty of riot. It does not matter if the 12 or more people use or threaten violence at the same time. Their common purpose can be determined by their actions. It is not necessary for a reasonable person to actually be, or likely to be, present at the scene. A riot can happen in a private place as well as in public. Not all public disturbances meet the legal definition of a riot. Under the RCA, claims for compensation are paid by the Police and Crime Commissioner (PCC) for the area in which the riot took place.
- 19.3.3 A financial risk assessment has been completed to assess if there is a need to insure or set aside financial resources to mitigate the potential costs of a riot in Sussex. It is important to weigh the cost of insurance against the potential cost of claims and the level of risk the PCC is willing to accept.
- 19.3.4 In arriving at a conclusion, the following factors were considered:

- 19.3.5 The likelihood of a riot occurring in Sussex. Although there was only one riot damage claim in Sussex in 2000, costing £6,000, the past is not always a reliable indicator of future events. The current political and social climate should be assessed to determine if there is any indication that the risk of a riot in Sussex is increasing.
- 19.3.6 The potential cost of riot damage claims. This could be determined by examining the cost of claims in other areas, considering factors such as the size and population density of Sussex. During the Summer riots 2024, riot damage claims in England and Wales totalled £1,898,083. Merseyside had the highest value of claims, at £728,760. Whilst this is useful information, it is not possible to determine if any of those riots were similar in nature or size to any potential riot that could occur in Sussex.
- 19.3.7 The cost of riot damage insurance. Quotes obtained by the PCC ranged from £39,760 to £64,400 per year for Sussex. These quotes had a limit of indemnity of between £5 million and £10 million and included a £350,000 deductible. The deductible would apply in the event of a riot or a series of riots arising from the same cause within a 168-hour period. It was not possible to obtain a quote for £20 million without using a specialist broker. Riot damage insurance is generally considered to be expensive. It would therefore appear that insurance companies are not keen on underwriting much of the risk.
- 19.3.8 The PCC's level of risk aversion. A risk-averse PCC may be more likely to purchase insurance to transfer the risk to the insurer, even if the cost of insurance is high. If the PCC is willing to accept a higher level of risk, it may decide to self-insure, using funds such as general reserves to cover potential costs, bearing in mind that each claim is subject to a maximum compensation limit of £1m.
- 19.3.9 Ultimately, the decision of whether to purchase insurance or to self-insure is a complex one. There is no right or wrong answer, and the best decision will vary depending on the specific circumstances. In conclusion, it is considered that the resources held in the General Fund would be sufficient to meet one event and if further events were to occur the risk would be reevaluated.

19.4 **Sussex Reserves**

- 19.4.1 The PCC must retain adequate reserves so that unexpected budget pressures can be met without having a detrimental impact on normal day to day operational activities. The PCC's policy on reserves is based on a thorough understanding of the organisation's needs and risks. Part of this process is to give a clear explanation of the existing and proposed use of reserves. The detailed reserves policy can be found in Appendix A and summarised over the page.
- 19.4.2 The PCC plans to maintain the general reserve at the 4% of net budget requirement in line with the Reserves Strategy. Specific reserves are only employed for expected risks, for example the Insurance Reserve to meet actuary-assessed claims against Sussex Police or held to manage third party funds such as the Sussex Safer Roads Partnership.

Table – Summary of Reserves

*estimated	2025/26	2026/27	2027/28	2028/29
	£m*	£m*	£m*	£m*
General Reserve	16.8	17.0	17.3	17.5
Earmarked Reserves				
• Insurance Reserve	2.3	2.3	2.3	2.3
• Capital & Investment Reserve	-	-	-	-
• Asset Seizures Reserve	-	-	-	-
• Delegated Budget Holder Reserve	8.4	4.7	3.6	3.4
• Sussex Safer Roads Partnership Reserve	1.2	1.2	1.2	1.2
• Change Management Reserve	5.1	4.6	4.1	4.1
• ICT Reserve	-	-	-	-
Total Earmarked Reserves	17.0	12.8	11.2	11.0
TOTAL RESERVES	33.8	29.9	28.5	28.5

19.5 Movement in Reserve Balances

19.5.1 The following tables provide the expected movement and balances on each reserve categorised across the statutory headings set by the Home Office and a summary table.

Reserves	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
Funding for planned expenditure on projects and programmes over the period of the current MTFS:				
Delegated Budget Holder Reserve brought forward	13.4	8.4	4.7	3.6
to Revenue Budget	(5.0)	(3.7)	(1.1)	(0.2)
from Revenue Budget	0.0	0.0	0.0	0.0
Balance carry forward	8.4	4.7	3.6	3.4
Capital & Investment Reserve brought forward	0.0	0.0	0.0	0.0
to Revenue Budget	0.0	0.0	0.0	0.0
from Revenue Budget	0.0	0.0	0.0	0.0
Balance carry forward	0.0	0.0	0.0	0.0
Change Management Reserve brought forward	7.4	5.1	4.6	4.1
to Revenue Budget	(2.3)	(0.5)	(0.5)	0.0
from Revenue Budget	0.0	0.0	0.0	0.0
Balance carry forward	5.1	4.6	4.1	4.1

Reserves	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
Funding for specific projects and programmes beyond the current MTFS planning period:				
Asset Seizure Reserve brought forward	0.0	0.0	0.0	0.0
to Revenue Budget	0.0	0.0	0.0	0.0
from Revenue Budget	0.0	0.0	0.0	0.0
Balance carry forward	0.0	0.0	0.0	0.0
ICT Reserve brought forward	0.0	0.0	0.0	0.0
to Revenue Budget	(0.4)	0.0	0.0	0.0
from Revenue Budget	0.0	0.0	0.0	0.0
Balance carry forward	0.0	0.0	0.0	0.0
Sussex Safer Roads Partnership Reserve brought forward	2.5	1.2	1.2	1.2
to Revenue Budget	(1.3)	0.0	0.0	0.0
from Revenue Budget	0.0	0.0	0.0	0.0
Balance carry forward	1.2	1.2	1.2	1.2

Reserves	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
General contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management:				
Insurance Reserve brought forward	2.3	2.3	2.3	2.3
to Revenue Budget (to settle claims)	(0.5)	(0.5)	(0.5)	(0.5)
from Revenue budget to meet future liabilities	0.5	0.5	0.5	0.5
Balance carry forward	2.3	2.3	2.3	2.3
General Reserve brought forward	15.7	16.8	17.0	17.3
to Revenue Budget	0.0	0.0	0.0	0.0
from Revenue Budget	1.1	0.2	0.2	0.2
Balance carry forward	16.8	17.0	17.3	17.5
General Reserves percentage of Net Budget Requirement	4%	4%	4%	4%

Total Opening Balance of Reserves	41.3	33.8	29.9	28.5
Total Planned Use of Reserves	(9.5)	(4.7)	(2.1)	(0.7)
Total Additions to Reserves	1.6	0.7	0.7	0.7
Total Closing Balance of Reserves	33.8	29.9	28.5	28.5

19.6 Funding for planned expenditure on projects and programmes over the period of the current MTFS:

19.6.1 The Capital and Investments Reserve is used to support planned one-off and non-recurring expenditure of a capital or revenue nature in line with investment and replacement plans included within the MTFS. This is dependent on the financing requirements of the capital plans included within the relevant asset strategies e.g. the future IT Strategy, the Estates Strategy and the Joint Transport Vehicles Strategy.

19.6.2 The Capital Receipts Reserve contains receipts from the sale of assets which can be used to finance future capital expenditure. The Capital Receipts

received in-year will be applied to fund capital expenditure in year. The balance is zero at this time and so the reserve is not shown.

19.6.3 The Delegated Budget Holder Reserve (DBHR) holds a proportion of balances that have arisen from underspend on the annual revenue budget or a surplus from the collection fund. Underspend transfers to the reserve are agreed annually with the PCC as part of the final outturn and movements in year are agreed by exception. This reserve is then available to support planned expenditure in the following financial year.

19.6.4 Change Management Reserve has been created to meet the expenditure required for change projects that improve the service / improve efficiency. The Service Transformation Programme - that has been initiated to bridge identified future budget pressures - will require funding to implement their plan from this reserve.

19.6.5 The Delegated Budget Holder Reserve and the Change Management Reserve are being deployed throughout the term of the MTFS to fund expected financial demands, some of which are outlined as follows:

- An Estate Strategy Review has been completed and a new Estates Strategy will be published in February 2025. This includes rationalisation and modernisation of the estate. The estate maintenance work focuses on essential and statutory works only due to budgetary restraints. The cost to maintain old and obsolete buildings will continue to rise and not be efficient. It is also a recruitment and retention factor for our employees to be able to operate in a suitable working environment.
- The Estates Strategy will include a costed plan that will require investment, without recourse to the operational revenue or capital budgets, we have the Delegated Budget Holder Reserve which will play a part in meeting that investment.
- The IT infrastructure requires modernisation, it is costing more each year to service and maintain the aged systems, many systems have reached obsolescence and therefore must be replaced. The modernisation work is in progress however some developments are in the formulation stage and when finalised will be included in the costed IT Strategy, with the expectation that significant investment will be needed.

19.7 **Funding for specific projects and programmes beyond the current MTFS planning period:**

19.7.1 The Asset Seizure Reserve holds the balance of income received from the Home Office in respect of the Proceeds of Crime Act (POCA). These monies are to be used during the year following receipt in accordance with Home Office guidance subject to the pre-agreed contingency balance to cover 12 months of costs of the agreed number of financial investigators. The reserve is reviewed on an annual basis and any balance not applied in year is carried forward in this reserve.

19.7.2 ICT Reserve holds a small balance received grant monies from the Home Office for support to charges for licence costs.

19.7.3 The Sussex Safer Roads Partnership (SSRP) Reserve is where the PCC holds

the balance of any SSRP resources on behalf of the SSRP partnership as ring-fenced funding. The movements are based on the latest SSRP strategy plans approved by the SSRP board. The partnership agreement is ending but the balance will remain ringfenced for Sussex Police road safety projects.

19.8 General contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management:

- 19.8.1 The Insurance Reserve is maintained for potential liabilities and costs which fall onto the PCC where no external insurance cover is arranged by or available to the PCC. Potential liabilities include storm damage, business interruption and claims that would fall within the PCC's policy excess limits.
- 19.8.2 It is a requirement that an annual audit of all liabilities relating to the Fund is carried out by an external actuary / firm of actuaries. The last review for Sussex Police was completed on data to 31 March 2024.
- 19.8.3 The review concluded that the balance of the reserve of £2.3m along with a separate provision on the balance sheet is adequate.
- 19.8.4 The General Reserves reserve is set aside for unexpected events or emergencies and provides a working cash balance to help with the impact of uneven cash flows and to avoid unnecessary temporary borrowing.
- 19.8.5 The General Reserve on 1 April 2025 is estimated to be £16.8m. This meets one of the key principles of the MTFS: to seek to maintain the general reserve at a minimum of 4% of the net revenue budget. This includes 1% available to the Chief Constable for operational priorities without the need for additional approval. Due to the increase in the size of the budget the reserve level has been established at 4% of the estimated budget in 2027/28. This will be reviewed on an annual basis to ensure that the minimum of 4% of net revenue budget is maintained. The closing general reserve in March 2028 is estimated to be £17.5m which is 4% of the projected net revenue budget.

20 Indicative Budget Forecasts 2025/26 to 2028/29

- 20.1 All the known budget pressures, budget savings, funding assumptions and proposed use of reserves outlined earlier in this Strategy are summarised below, to show an overall position for the Group representing the combined budget forecasts for the PCC and Chief Constable. Having considered the savings proposals and the availability of reserves to support the medium term plan an important consideration is the precept proposal for 2025/26.
- 20.2 In common with other policing bodies the MTFs includes a financial planning assumption that an increase in the precept will be included in each year of the MTFs. PCCs were given the opportunity to increase the Band D precept by £15 in 2023/24, £13 in 24/25 and a limit has been set for 2025/26, the proposal includes a Band D precept increase of £14 and has been included in the table below. The final years (2026/27 to 2028/29) of the MTFs includes a 2% increase in the precept. The actual precept decision can still only be determined by the PCC on an annual basis considering all the factors.
- 20.3 The key medium term financial forecast planning assumptions are summarised in the following table:

Assumption		2025/26	2026/27	2027/28	2028/29	2025/26 Estimated Value £m
Capital Grant	£m	£0.0	£0.0	£0.0	£0.0	£0.0
Home Office Grants Total	%	6.1%	0.0%	0.0%	0.0%	£22.6
Uplift Performance Grant	£m	£7.5	£7.5	£7.5	£7.5	
Precept		£14	2.0%	2.0%	2.0%	£9.3
Tax base increase		1.88%	1.0%	1.0%	1.0%	£3.0
Collection Surplus/(Deficit) Net	£m	(£0.7)	£0.0	£0.0	£0.0	
Police Staff Pension Employer Contribution rate		18.0%	18.0%	18.0%	18.0%	£18.1
Police Officer Pension Employer Contribution rate *2		35.3%	35.3%	35.3%	35.3%	£46.5
Police Officer pay inflation *		2.0%	2.0%	2.0%	2.0%	£2.3

Assumption		2025/26	2026/27	2027/28	2028/29	2025/26 Estimated Value £m
Police Officer pay contingency *		2.0%				£2.3
Police Staff pay inflation *1		2.0%	2.0%	2.0%	2.0%	£1.4
South East Allowance		£ 2,000	£ 2,000	£ 2,000	£ 2,000	£6.7
General Price inflation		2.4%	2.0%	2.0%	2.0%	£1.4
Income - Fees & Charges *3	Increased in accordance with NPCC and other indices each year					
Income – Specific Grants *4	Based on grants awarded					
General Reserve		4% NBR minimum	4% NBR minimum	4% NBR minimum	4% NBR minimum	£16.8
Vacancy Rates - Police Officer		1%	1%	1%	1%	£1.9
Vacancy Rates - Police Staff		10%	10%	10%	10%	£8.3
Vacancy Rates - PCSO		5%	5%	5%	5%	£0.5

*1 – £m is for the pay award period September – March

*2 – The Police Pension Scheme rate was increased from 2024/25 to 35.3% which was funded by the Home Office.

*3 – Income from fees & charges includes a wide range of income sources including income from the criminal records bureau, local partnerships, alarms and CCTV maintenance, sports events including football, vehicle sales, mutual aid, car parking charges, boarding up services, accident reports, certificate charges, training income, firearms income, court costs awarded and rental income. Due to the variable nature of these sources of income the budget where some sources will increase and others will reduce, a prudent assumption has been taken to maintain the income levels over the MTFS period. Sussex Police will however seek to maximise income generation opportunities through its commercial focus.

*4 – Income from specific grants includes the government grants for PFI and dedicated security posts.

20.4 The Medium-Term Financial Forecast (MTFF) for the total Police Fund budget position is set out below.

Group Budget Forecast					
2024/25		2025/26	2026/27	2027/28	2028/29
£m	REVENUE COST BASE	£m	£m	£m	£m
369.435	Base budget	396.525	423.689	428.417	433.934
28.874	Inflation	11.380	8.078	8.238	8.404
4.259	Growth Pressures	20.771	6.471	5.264	3.706
0.000	New Investment	0.000	0.000	0.000	0.000
(6.044)	Savings Plans	(4.986)	(4.689)	(0.130)	0.000
0.000	Savings Requirement	0.000	(5.132)	(7.855)	(6.425)
27.090	Total Budget Changes	27.165	4.727	5.517	5.684
396.525	Total Budget	423.689	428.417	433.934	439.618

2024/25		2025/26	2026/27	2027/28	2028/29
£m	FUNDING	£m	£m	£m	£m
196.291	Main Policing & RS Grant	203.597	203.597	203.597	203.597
10.140	Council Tax Grant Support Grant	10.140	10.140	10.140	10.140
3.062	Legacy Council Tax Freeze Grant	3.062	3.062	3.062	3.062
9.151	Police Officer Pension Grant	8.440	8.440	8.440	8.440
	National Insurance Grant	5.503	5.503	5.503	5.503
	Neighbourhoods Grant	4.297	4.297	4.297	4.297
9.132	Operation Uplift Performance Grant	7.521	7.521	7.521	7.521
1.872	Operation Uplift Additional Recruits	3.161	3.161	3.161	3.161
164.940	Precept	177.340	182.695	188.213	193.897
0.399	Collection Fund Surplus / Deficit	(1.081)	0.000	0.000	0.000
394.986	Net Budget Requirement	421.980	428.417	433.934	439.618
	Reserves				
0.000	General Reserves	0.000	0.000	0.000	0.000
1.539	Cost of Change Reserve	1.394	0.000	0.000	0.000
0.000	Other Earmarked Reserves	0.315	0.000	0.000	0.000
396.525	Total Funding	423.689	428.417	433.934	439.618

20.5 The Group budget forecast set out above shows how, after the planned use of reserves, savings and the precept, there is a funding gap for the period of the MTFS 2025/26 to 2028/29, which will require further savings of £19.5m to meet the key principle of the PCC's Strategy in that overall expenditure will be delivered within a sustainable budget over the medium term.

20.6 The budget includes resources made available from the proposed 2025/26 precept increase of £14 per annum per Band D. This will be used to mitigate the cost pressures outlined in section 14 and to maintain the significant previous investments to deliver a quality service to Sussex residents.

20.7 The MTFF budget forecast for the police fund is set out below:

2024-25 £m	Chief Constable	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
220.598	Police Officer Pay	237.803	244.102	249.748	255.481
109.141	Police Staff Pay	116.098	119.716	122.098	124.905
12.492	PCSO Pay	13.246	13.598	13.956	14.323
8.045	Other Employee Costs	8.045	8.045	8.045	8.045
350.277	Total Pay Costs	375.192	385.461	393.848	402.755
16.230	Buildings & Premises	17.115	17.099	16.999	16.999
5.624	Transport Costs	5.920	5.920	5.920	5.920
59.322	Supplies & Services	61.041	62.019	64.410	63.044
81.177	Total Non-Pay Costs	84.076	85.038	87.329	89.732
(41.182)	Income & Grants	(41.182)	(41.182)	(41.182)	89.732
390.272	Base Operational Delivery Budget	418.086	429.317	439.996	451.305
	Investment Proposed	0.000	0.000	0.000	0.000
	Savings Plans	(4.986)	(9.675)	(9.805)	(9.805)
	Savings Requirement	0.000	(5.132)	(12.987)	(19.412)
390.272	Operational Delivery Budget	413.100	414.510	417.203	422.088

2024-25 £m	Office of the PCC	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
0.119	Police & Crime Commissioner	0.122	0.123	0.123	0.123
1.910	Office of the PCC	1.948	1.987	2.027	2.067
1.728	Community Safety	1.732	1.736	1.740	1.745
6.118	Victims & Restorative Justice	4.998	4.998	4.998	4.998
	Immediate Justice	0.197	0.000	0.000	0.000
4.262	OPCC Projects	0.000	0.000	0.000	0.000
(5.710)	Grant Income (Victims)	(4.590)	(4.590)	(4.590)	(4.590)
(4.262)	Grant Income (Projects)	0.000	0.000	0.000	0.000
4.165	Total Income & Expenditure	4.407	4.254	4.298	4.343
2.088	Financial Provisions	6.182	9.653	12.433	13.187
2.088	Total Provisions	6.182	9.653	12.433	13.187
6.253	Total OPCC Budget	10.589	13.907	16.731	17.530
396.525	Gross Budget before Reserves	423.689	428.417	433.934	439.618
0.000	Transfer to / (from) General Reserves	0.000	0.000	0.000	0.000
0.000	Transfer to / (from) Other Earmarked Reserves	(0.315)	0.000	0.000	0.000
(1.539)	Transfer to / (from) Cost of Change Reserve	(1.394)	0.000	0.000	0.000
(1.539)	Total Reserves	(1.709)	0.000	0.000	0.000
4.714	Total PCC Controlled Budgets after Reserves	8.880	13.907	16.731	17.530

394.986	TOTAL POLICE FUND AFTER RESERVES	421.980	428.417	433.934	439.618
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- 20.8 The PCC budget includes the direct costs of PCC remuneration, travel and subsistence.
- 20.9 The 'Office of the PCC' includes salary and associated costs of the PCC, Chief Executive, Chief Finance Officer and any other staff employed to support the PCC as well as office-running costs. It also includes other statutory local policing body costs such as internal and external audit, banking and treasury management, the costs of the Joint Audit Committee and misconduct tribunals for example.
- 20.10 Further details of the work that the team carries out to support the PCC and the corporation sole can be found on the [Sussex Police and Crime Commissioner's website at this link](#). In addition the Annual Report provides a detailed summary of the work of the Office and the activities completed.
- 20.11 **Community Safety**
- 20.12 The PCC continues to support Community Safety initiatives and Community Safety Partnerships (CSPs) across Sussex through the dedicated Community Safety Budget. It is planned that the current total allocation will remain over the period of the MTFS.
- 20.13 The budget also includes the Safer in Sussex Community Fund (SISCF) which provides financial support to local community groups, voluntary and third-sector organisations which are working to reduce crime, improve community safety and help people recover from the impact of crime. The PCC will continue to develop and grow this market to provide services which meet the needs of communities and help to keep Sussex safe.

Immediate Justice

- 20.14 In March 2023, Sussex was chosen as one of ten trailblazers for the new 'Immediate Justice' pilot. The Immediate Justice scheme will see offenders paying back to the community through unpaid work and repairing damage and harm they may have caused. The aim is to reduce incidents of ASB, increase confidence in reporting and appropriate action being taken and
- 20.15 The Plan also established a national Anti-Social Behaviour Taskforce bringing together Police and Crime Commissioners, police forces, local partners and agencies to keep a nationwide focus on this subject. The Taskforce oversees the implementation of the action plan. 'Payback' will differ across areas depending upon the age of the offender and it will also focus on prevention of future crimes, helping perpetrators to understand the consequences of their actions.
- 20.16 Funding for the programme has ended as the new Government does not wish to fund the programme. However, the PCC will fund a further £197k to enable the programme to continue to operate for six months in 2025/26 so that it is able to complete the pilot. Further details of the outputs and outcomes from the initiative will be reported in the PCC Annual Report 2024/25.

Victim Services and Restorative Justice

- 20.17 The Police and Crime Commissioner (PCC) holds the statutory function for commissioning services that support victims of crime in Sussex. This is

funded in two ways. The Ministry of Justice (MOJ) provides a core grant which the PCC tops up via the Police Fund. The MOJ also contributes other grant resources as set out below.

- 20.18 The MOJ reduced the 'core' funding allocation for 25/26 by to £1.907m (4.2%). The PCC contributes a further £0.407m to top up the resources for victims.
- 20.19 Quote from Letter from MOJ – "To keep within our departmental settlement, I have made the decision to reduce by 4.2% the 'core' funding allocation for 25/26, which forms part of PCC funding from MOJ. I know that this will be difficult news coming alongside other pressures your commissioned services are facing, and increased demand for services.
- 20.20 Within this budget, I know that we are both committed to tackling Violence against Women and Girls (VAWG), which this Government is committed to halving in a decade. I will do all I can to ensure this becomes a reality for the victims of these horrific crimes. This is why I have decided to protect VAWG victims spending in the Ministry of Justice, by maintaining 2024/25 funding levels for sexual violence and domestic abuse support next year. I have decided that for 25/26 the Rape and Sexual Abuse Support Fund (RASASF) grants will be maintained at their current level, and that funding for the Independent Legal Advisers (ILA) scheme next year will come from a separate funding stream within the wider victim's budgets. I also understand that having flexibility within your budgets is important, which is why for 25/26 I'm streamlining the ringfences into a single new amalgamated fund, which combines the previous ringfence for sexual violence and domestic abuse services with that for ISVAs and IDVAs. I hope you will continue to prioritise victims of VAWG in your core budget to further respond to the level of need and contribute to our shared goals."
- 20.21 This resource specifically allows the PCC to fund support services via a multi-crime contract (Victim Support), a stalking contract (Veritas Justice) and a sexual violence contract (Survivors Network). The sexual violence service is co-commissioned with the three local authorities, who contribute a total of £0.25m
- 20.22 The core grant funding also allows for bespoke services such as the Young Witness Service; Daisy Chain Project; Modern Slavery Victim Navigator; Brighton Safe Space and Project Solah, to be supported.
- 20.23 The MOJ will continue to fund £2.682m to the PCC for domestic abuse and sexual violence services (the provision of IDVAs/ISVAs) on top of the core grant award. This funding was part of a three-year settlement which ends in 2025/26.
- 20.24 The PCC contributes a total of £247,000 from the core grant to the three local authorities to support their statutory duty to provide pan-Sussex services for victims of domestic abuse.
- 20.25 The MOJ Rape and Sexual Abuse Support Fund (RASASF) provides funding to over 60 specialist support organisations. The RASASF in 2025-26 will continue to be managed centrally by MoJ, with organisations in receipt of this supported by their MoJ RASASF grant manager.

20.26 The increase to employers National Insurance Contributions (NIC) and the change in the threshold that they become payable will impact on suppliers and essential service providers such as Victim Support and charities that supply services to the PCC and Chief Constable. It is expected that those suppliers and service providers impacted will look to negotiate additional funding and/or trim their services to match their costs to remain financially viable.

Provisions, Treasury and Reserves

20.27 Financial provisions include the revenue and financing costs of the capital programme, interest receivable on cash balances and the pay and price contingency. They have been updated to include the costs of financing the proposed capital and investment plans.

20.28 Investment and borrowing are managed via the [PCC's Treasury Management Strategy](#) which is approved annually in March following a review by the Joint Audit Committee.

20.29 The PCC is responsible for the management of all reserves and the reserves strategy has been explained elsewhere in this MTFS.

21 Risk Assessment

21.1 The MTFS contains the most up to date information at the time of drafting but the PCC's financial position is dynamic. A comprehensive financial risk assessment is undertaken for the revenue and capital and investment budget-setting process to ensure all risks and uncertainties affecting the PCC's financial position are identified.

21.2 The PCC faces several significant financial pressures that could affect the position over the medium term. An assessment of the likelihood and impact of potential risks has been undertaken and the management controls in place are detailed in Appendix B.

21.3 Strategic risks are monitored and managed throughout the year on the risk register with oversight by the Joint Audit Committee.

21.4 Risk Assessment and Adequacy of Reserves

21.4.1 The Local Government Act 2003 requires the Chief Finance Officer (CFO) to undertake an assessment of the robustness of the annual budget and the adequacy of reserves. That assessment and a statement will be included in the key decision annual budget and precept report 2025/26.

21.4.2 The CFO has applied the same principles used to undertake the assessment of the 2025/26 budget to the following three years of the MTFS.

21.4.3 In assessing the robustness of the budgets and forecasts, the CFO will consider the following issues:

- The general financial standing of the PCC.
- The underlying budget assumptions, including an assessment of the major estimates including pay and price increases.
- The future budget pressures identified including changes to pension scheme contributions.
- A risk assessment of expenditure and income estimates including adequacy of budget monitoring and financial reporting arrangements (See Appendix B).
- The impact of the police grant settlement and of subsequent anticipated future settlements including any change to the grant allocation method.
- The precept and planned increases.
- The adequacy of the budget monitoring and financial reporting arrangements.
- The adequacy of the PCC's governance arrangements and internal control system including the risk management system.
- The adequacy of general reserves to cover any potential financial risks faced by the PCC.
- Compliance with the MRP rules and with the Prudential Code.

21.5 The PCC's Chief Finance Officer (CFO) confirms that, after taking account of these issues, the revenue and capital estimates contained in this MTFS are considered robust and that the level of reserves is considered adequate to

cover the financial risks faced by the PCC for 2024/25. The PCC CFO is monitoring the Sussex Police Transformation Plan and the proposed and actual savings. However, this is balanced with concerns that some of the resources to be utilised to balance the budget for 2024/25 are of a one-off nature and will not be available in future years. Other strategies to fund the funding gap rely on keeping high levels of posts vacant or deferring spend.

- 21.6 So, it is of the utmost importance that Sussex Police continues to work as it is on finding sustainable savings. The force has already started this work to identify changes to service provision that can save money, and these will need to be taken forward without delay – See Section 15. The work requires time for business cases to be worked up and, in some cases, requires investment.
- 21.7 Senior leaders are prioritising leadership time to ensure that the savings are delivered and the budget balanced. If during the year and the MTFS period it looks as though savings targets will be missed, both the PCC’s Chief Finance Officer and Chief Constable’s Chief Finance Officer will need to consider mitigating actions as set out required by their statutory responsibilities and duties.

22 Public Engagement and Consultation

- 22.1 The PCC has been listening and talking to Sussex residents and businesses from Chichester to Rye and Brighton to Crawley.
- 22.2 In addition to meetings that the PCC has had with members of the public and elected representatives, her office has conducted several strands of listening and engagement (in person & online) through externally sourced independent surveys, correspondence to her office and on official social media channels.
- 22.3 The PCC received 3,167 responses to the annual #SaferinSussex survey; 2,210 pieces of correspondence; 76k digital engagements: 425k emails to weekly newsletter subscribers.
- 22.4 The office held discussion groups with 110 young people; visited 13 events across Sussex to meet youth workers, businesses, farmers and residents; and has just completed 20 focus groups with councillors, clerks and several chambers of commerce.
- 22.5 The Safer in Sussex survey showed that anti-social behaviour (ASB), dangerous driving and knife crime were the top concerns overall and 24% of the respondents said they had reported a crime to police in the past year.
- 22.6 All 12 local authority areas ranked ASB as the most important issue but violence against women and girls was more of a concern in large towns (Brighton and Chichester). Knife crime and county lines / drug supply ranked higher in Hastings, Crawley and Rother.
- 22.7 When asked what would most reassure residents that crime was being tackled, 50% said a more visible police presence, 19% said better police engagement and 9% said effective initiatives to tackle ASB.
- 22.8 Our community feedback showed that young people were very concerned about knife crime. Councillors and clerks relayed local concerns about drug dealing and consumption in public, organised crime and shoplifting and also spoke about public and retailers not reporting incidents to police.
- 22.9 Participants recognised the funding and demand pressures on Sussex Police and acknowledged the efforts the force had made to achieve efficiencies without reducing services.
- 22.10 Most of the feedback was that all public services needed extra funding and the police were no different, but several councillors said that Sussex Police needed to show more clearly where previous precept increases had led to extra officers and improved neighbourhood policing and higher visibility.
- 22.11 In November and December last year, the PCC also commissioned an independent polling company to survey a demographically representative sample of Sussex residents with 2,524 respondents asked about crime concerns and experiences, their satisfaction with Sussex Police and their views on levels of the police precept. The results are summarised below from paragraph 22.13.

- 22.12 Since the PCC was first elected in 2012, she has made every effort to increase transparency in police governance and accountability including making herself accessible to the media. In the past calendar year there has been 389 pieces published across local, regional, national and international media. Most of the media coverage is about funding and strengthening neighbourhood policing, the police response and the PCC leadership in tackling business and retail crime, anti-social behaviour, serious violence and organised crime.
- 22.13 Each year, the PCC office conducts a poll of Sussex residents to test their views on potential levels of precept increase. Between 13th November and 8th December 2024. A professional polling company was commissioned to get a robust sample of public opinion in each Sussex district, by age, gender, and other demographic and socio-economic classifications.
- 22.14 A total of 2,524 residents completed the survey - which is 372 more than last year. 47% of respondents were male and 51% female (as declared). The confidence interval was plus or minus 1.95% which means that, had the pollsters been able to survey every resident of Sussex, the answer to a given question would fall within plus or minus 1.95% of the actual research result on 95 occasions out of 100. For context, most national surveys operate with confidence intervals of plus or minus 3.00 to plus or minus 4.00.
- 22.15 53% of all residents supported some level of precept increase. 40% oppose any increase and 7% are exempt from paying council tax. 24% are prepared to pay up to an extra £1.75 a month; 15% are prepared to pay an extra £1.25 a month and 14% are prepared to pay an extra £0.83 a month.
- 22.16 Public support for a precept increase has risen by 3% compared to last year.

23 Conclusions

- 23.1 The resources allocated through the four-year 2025/29 MTFS will enable the PCC and the Chief Constable to plan the resource requirements for Sussex Police more effectively. The PCC and the public, as we know from our survey and consultation results, want to maintain the investment that has been made to date in police officers, staff, PCSOs and systems and capabilities. There is no appetite to go backwards.
- 23.2 The approach set out in this MTFS is expected to deliver a balanced budget for 2025/29 but the future is uncertain with £5.0m remaining to be met, based on current assumptions, for 2025/26. It sets out how the general reserve will be resourced up to £17.5m in line with the reserve strategy and maintained through to 2029.
- 23.3 The management of 2025/26 budget is planned to be achieved through well-constructed and managed workforce plans, the use of one-off reserves in a managed way, rationalisation of estates, new operating model efficiencies, non-pay savings and increases to the precept. This will require careful monitoring, scrutiny and commitment to develop realistic and credible savings that will achieve a sustainable budget going forward.
- 23.4 The PCC and Chief Constable are fully committed to taking the necessary decisions to achieve this outcome and the budget plans and actions will be closely assisted, monitored and scrutinised by both Chief Finance Officers.

Mark Streater
Chief Executive, Office of the PCC

Iain McCulloch
Chief Finance Officer, Office of the PCC

Jo Shiner
Chief Constable

Peter Appleton
Chief Finance Officer,
Sussex Police

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APPENDIX A - RESERVES POLICY

Reserve	Level or Target	
Funding for planned expenditure on projects and programmes over the period of the current MTFS:		
Capital and Investment Reserve	To support planned one-off and non-recurring investments of a capital and revenue nature. Change management initiatives providing support for implementing cost-saving initiatives. Financing asset replacement plans and commitments.	In line with investment and replacement plans included within MTFF and dependent on financing requirements of the Capital Strategy. Funded from: approved in year revenue budget surplus; transfers from other reserves; specific approved contributions.
Delegated Budget Holder Reserve	Under and overspendings on the PCC's and Chief Constable's revenue budgets are managed via this reserve in accordance with the PCC's carry-forward policy.	Agreed annually by the PCC as part of the final outturn.
Capital Receipts Reserve	This reserve holds the proceeds from the sale of assets and can only be used for financing capital expenditure in accordance with regulations.	Receipts from the sale of assets are taken to this reserve.
Change Reserve	Has been created to meet the expenditure required for change projects that improve the service / improve efficiency. The Service Transformation Programme that has been initiated to bridge identified future budget pressures will require funding to implement their plan, from this reserve.	Specific reserve set up during 2022/23 to be released over the MTFS period.
Funding for specific projects and programmes beyond the current MTFS planning period:		
Asset Seizure Reserve	Balance of Proceeds of Crime Act (POCA) income received but not spent during the year to be used in accordance with Home Office guidance.	Target level of 12 months costs of financial investigators.
ICT Reserve	Holds the Sussex allocation of the £20m funding provided to meet the additional ICT licensing costs transferred from the Home Office to England and Wales PCC's.	Based on sum allocated.
Sussex Safer Road Partnership (SSRP)	Balance of funding for the Sussex Safer Roads Partnership. The reserve is the balance of cumulative financial year surpluses and deficits. This reserve can be used to finance capital or revenue expenditure for road safety. The level of this reserve may fluctuate year on year as under-spends are transferred in. The partnership is ending but Sussex Police will continue with road safety including the deployment of safety cameras and other activities to reduce killed and seriously injured people on Sussex roads.	Variable based on workplan.

APPENDIX A (continued)

General contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management:		
General Reserve	<p>Provides a working balance to cover day to day cash flow requirements and to cover exceptional unforeseen financial and operational risks. The target level of the reserve is reviewed as part of the annual budget setting process.</p> <p>1% is available to the Chief Constable for operational priorities without the need for additional approval, subject to financial regulations.</p>	4% of Net Revenue Expenditure Budget as of 31 March each year.
Insurance Reserve	<p>Provides for the self-funding of certain uninsurable risks, such as payments of compensation or damages and claims up to the excess level. This Reserve is funded from revenue or transfers from other reserves and adjusted annually, following an independent actuarial review, to reflect inflation and up to date risk management information.</p> <p>To improve consistency in funding claims, there is a need to split claims between a provision on the balance sheet for the cost of claims received and outstanding; and funds held in the reserve to cover claims incurred but not received or quantified. Claims that have been reported and assessed as more likely to be settled are carried as a financial provision whilst known incidents where no claim has yet been made, are covered by the insurance reserve. The revenue account is used to meet any in-year liabilities if they arise. Any year-end variance in the revenue claims budget will not normally be met from or transferred to the general budget but transferred to/from the insurance Reserve. The level of the reserve is reviewed annually.</p>	Assessed as part of the annual insurance actuarial review.

APPENDIX B - FINANCIAL RISK REGISTER

See separate risk register – Appendix B

APPENDIX C – PRUDENTIAL INDICATORS

The Police and Crime Commissioner sets the following prudential indicators as best practice before the beginning of each financial year:

- 1) an operational limit for borrowing to reflect the likely level of borrowing required.
- 2) an authorised limit for borrowing based on an assessment of realistic risk.
- 3) the maximum to be borrowed at fixed rates.
- 4) the maximum to be borrowed at variable rates; and
- 5) the maximum to be invested for a year or longer.

It is recommended that the operational limit be set at £38.6m for 2025/26, based on the current position regarding debt outstanding and the spending and financing plans included in the draft capital programme.

It is possible that the Police and Crime Commissioner may also need to borrow temporarily for cash flow management purposes, pending receipt of income, or to meet a large expenditure flow, or to avoid withdrawing short term investments, where interest rate effects would be detrimental. Longer term borrowing is also planning to support the capital programme. It is recommended therefore that an authorised limit for borrowing of £53.6m should be approved for 2025/26, to encompass the above operational limit and an additional £15m for temporary borrowing.

The Police and Crime Commissioner has long-term debt and would normally expect to borrow at fixed rates and therefore it is recommended that the limit on fixed rate debt be set to match the authorised borrowing limit. Because of market circumstances it may be advantageous to defer long-term borrowing at fixed rates for a period. The alternative would be to borrow at variable rates in the short-term and therefore it is recommended that a 25% limit should be set for 2025/26.

The Chief Finance Officer will continue to deposit surplus cash funds in accordance with the Police and Crime Commissioner's Treasury Management Policy Statement.

The Local Government Act 2003 also requires the setting of prudential ratios and limits in accordance with the requirements of the "CIPFA Prudential Code for Capital Finance in Local Authorities". The Code, which is based largely on self-regulation, sets out the indicators that it expects authorities to use, and the factors that they must consider, to demonstrate that their plans are prudent, sustainable, and affordable. It does not, however, include suggested, indicative limits or ratios. These are to be set by each individual Police and Crime Commissioner. Details of the recommended ratios and limits, required by the Code are summarised in the following table:

Impact of Capital Plans on Council Tax	Budget 2024/25	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
Impact on Council Tax (Band D Equivalent)	252.91	252.91	266.91	272.25	277.69	283.25
Taxbase Increase	5.42%	5.42%	5.54%	2.00%	2.00%	2.00%

Financial	Budget 2024/25 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
Capital Expenditure (excluding leasing and PFI)	15,619	19,938	28,038	34,889	23,205	29,959
Capital Financing Requirement (Inc PFI & Leases) at 31 March	33,704	33,545	33,566	53,953	58,969	61,620
Authorised Borrowing Limit (Actual Debt/Op' borrow limit + £15m)	53,760	53,576	53,601	77,046	82,814	85,863
Operational Boundary (total l/t borrowing + 15%)	38,760	38,576	38,601	62,046	67,814	70,863
Net Borrowing	3,388	(5,412)	1,995	24,493	31,945	36,385
Financing costs	6,000	6,000	6,000	6,000	6,000	6,000
Net revenue Stream (Taxation and Non-specific Grant Income)	(440,326)	(434,410)	(449,911)	(455,297)	(467,689)	(471,313)
Financing costs/Net revenue Stream	1.36%	1.38%	1.33%	1.32%	1.28%	1.27%

Borrowing -MRP	Budget 2024/25 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
Long Term Borrowing - Fixed Rate (PWLB Loan £4.5m)	0	0	0	0	0	0
Long Term PFI Liability - PFI	9,492	9,492	8,529	7,380	5,785	4,157
Long Term Finance Lease Liability - Brighton East	436	436	396	354	310	262
IFRS 16 - Leases impact	2,483	1,708	926	607	410	330
Long Term External Borrowing (PWLB)	19,588	19,588	21,995	44,493	51,945	56,385
Long Term Internal Borrowing	1,705	2,320	1,720	1,119	518	486
Total Long Term Debt	33,704	33,545	33,566	53,953	58,969	61,620
15% x External Debt (Total Long term borrowing)	5,056	5,032	5,035	8,093	8,845	9,243
Operational borrowing limit	38,760	38,576	38,601	62,046	67,814	70,863
£15m additional	15,000	15,000	15,000	15,000	15,000	15,000
Authorised borrowing limit	53,760	53,576	53,601	77,046	82,814	85,863
Investments	(16,200)	(25,000)	(20,000)	(20,000)	(20,000)	(20,000)
Maximum investment level allowed longer than 1 year	(4,050)	(6,250)	(5,000)	(5,000)	(5,000)	(5,000)
Maximum % investment longer than 1 year	25%	25%	25%	25%	25%	25%
Borrowing (actual external borrowing)	19,588	19,588	21,995	44,493	51,945	56,385
Investments	(16,200)	(25,000)	(20,000)	(20,000)	(20,000)	(20,000)
Net Borrowing	3,388	(5,412)	1,995	24,493	31,945	36,385

Treasury Management	Budget 2024/25	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
Compliance with CIPFA Code of Practice	YES	YES	YES	YES	YES	YES
Debt Maturity:						
15-20 Years	100%	100%	90%	73%	79%	83%
10-15 Years	0%	0%	0%	24%	19%	16%
1-5 Years	0%	0%	10%	4%	2%	1%
Maximum % Borrowing allowable at Fixed Rates	100%	100%	100%	100%	100%	100%
Maximum % Borrowing allowable at Variable Rates	25%	25%	25%	25%	25%	25%
Maximum % Investments allowable at Fixed Rates	100%	100%	100%	100%	100%	100%
Maximum % Investments allowable at Variable Rates	100%	100%	100%	100%	100%	100%
Maximum Allowable Principal Invested > 365 days	25%	25%	25%	25%	25%	25%
Maximum Actual Principal Invested > 365 days						

APPENDIX D - MINIMUM REVENUE PROVISION (MRP) STATEMENT 2025/26

The Police and Crime Commissioner is required to pay off an element of the accumulated capital spend each year (the CFR) through a revenue charge (the MRP). Minimum Revenue Provision (MRP) is therefore an annual charge made to the revenue account which reflects the minimum amount set aside to pay off capital expenditure.

All local authorities (including PCCs) are required to make a prudent amount of MRP provision in addition to any interest payable on outstanding loans in line with Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI3146, as amended]. In addition, local authorities (including PCC's) can make additional voluntary payments, known as Voluntary Revenue Provision or VRP. The PCC for Sussex has not made any VRP payments to date.

In guidance issued under section 21(1A) of the Local Government Act 2003, the Secretary of State recommends that before the start of each financial year a local authority prepares a statement of its policy on making MRP in respect of that financial year and submits it to the full council or equivalent level.

This statutory guidance (first released in 2008/09 and revised in 2012) also gave Authorities the flexibility of using one of four options, to calculate a prudent level of MRP.

The four MRP options available are:

- Option 1: Regulatory Method (also known as the Existing practice method)
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

Options 1 and 2 were intended only for Government-supported borrowing and these options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

Options 3 and 4 were meant to be used for all self-financed borrowing.

The Asset Life method has been adopted by the Police and Crime Commissioner for Sussex.

Under option 3, the Police and Crime Commissioner fully expenses to the General Fund the cost of the asset initially financed through borrowing over a period equal to the useful life of that asset.

The Police and Crime Commissioner approves an MRP Statement in advance of each year.

The annual MRP statement indicates how the Police and Crime Commissioner intends to discharge their duty to make a prudent amount of MRP in the forthcoming financial year. A prudent provision is to ensure that debt is

repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The PCC approves the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR (option 2)

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3).

This option provides for a reduction in the borrowing need over approximately the asset's life.

Repayments included in annual PFI or finance leases are applied as MRP.

MRP Statement:

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
External Borrowing (estimate)	19,588	21,995	44,493	51,945	56,385
PWLB Original Loan	0	0	0	0	0
Cumulative Debt Outstanding at 31 March	19,588	21,995	44,493	51,945	56,385
MRP - Debt Outstanding	0	0	0	0	0
MRP - PFI	976	963	1,149	1,595	1,629
MRP - IFRS 16 Leases	737	775	782	320	196
MRP - Finance Lease	37	39	42	45	48
MRP - PWLB Loan 2	714	714	714	714	714
MRP - External Borrowing (estimate)	403	1,035	2,617	3,184	3,623
MRP - Internal Borrowing 1	568	568	568	568	568
MRP - Internal Borrowing 2	32	32	32	32	32
Total MRP	3,467	4,126	5,904	6,458	6,810

APPENDIX E - CAPITAL STRATEGY

See separate Appendices



Capital Strategy
2025_29 IMcC Comm



Capital Strategy 2025
Appendix 250106.doc

APPENDIX F - LETTER FROM THE CHAIR OF THE PCP CONFIRMING PRECEPT DECISION



Councillor Andrei Czolak
Chair of Sussex Police and Crime Panel

County Hall
West Street
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W. Sussex
PO19 1RQ
Switchboard: 01243 777100

Via email

Office of the Sussex Police and Crime
Commissioner
Sackville House
Brookes Close
Lewes
East Sussex
BN7 2FZ

3 February 2025

Re: Proposed Precept 2025/26

Dear Commissioner Bourne,

The proposed policing precept for 2025/26 was considered at a meeting of Sussex Police and Crime Panel on 31 January 2025.

I am writing to confirm that the Panel supported, by a majority of votes, the proposed increased precept of £266.91 (on a Band D property), an increase of £14 (equivalent to a 5.5% increase).

However, citing concerns raised by the Working Group, the Panel wishes to flag that the maximum allowable precept increase appears to have become the default proposal in Sussex, and Panel members question how the cycle of always raising the precept by the maximum amount can be broken.

As I wrote to you last year, I encourage you to continue to lobby government for a funding formula which is fairer for Sussex residents, advocating where possible to the Home Secretary and Minister for Policing the need for reform to the Police Allocation Formula, to ensure that Sussex Police receives the funding necessary to carry out the demands on its services.

We look forward to receiving your response in due course.

Councillor Andrei Czolak
Chair of Sussex Police and Crime Panel

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