



Enquiries to: Mrs L Curran
Telephone: 01768 217734 (op2)

Our reference: LC

Date: 6th February 2026

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER'S PUBLIC ACCOUNTABILITY CONFERENCE

The Police, Fire and Crime Commissioner's Public Accountability Conference will take place on **Thursday 12 February 2026 at 10:00.**

The purpose of the Conference is to enable the Police, Fire and Crime Commissioner to hold the Chief Constable to account for operational performance.

If you would like to join the meeting as a member of the public or press, please contact Louisa Curran on Louisa.Curran@cumbria.police.uk. Following the meeting papers will be uploaded on to the Commissioner's website.

G Shearer
Chief Executive

Attendees:

Police, Fire & Crime Commissioner - Mr David Allen (Chair)
OPFCC Chief Executive - Ms Gill Shearer
T/Chief Constable - Mr Darren Martland
Constabulary Chief Finance Officer – Mrs Michelle Bellis

Apologies:

PFCC Chief Finance Officer - Mr Steven Tickner

AGENDA

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.

3. QUESTIONS FROM THE PUBLIC

An opportunity (not exceeding 20 minutes) to deal with any questions which have been provided in writing within at least three clear working days before the meeting date to the Chief Executive.

4. DISCLOSURE OF PERSONAL INTERESTS

Attendees are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the agenda. If the personal interest is a prejudicial interest, then the individual should not participate in a discussion of the matter and must withdraw from the room unless a dispensation has previously been obtained.

5. MINUTES OF MEETING

To receive and approve the minutes of the Public Accountability Conference held on Wednesday 05 November 2025.

6. DECISION PAPERS – CAPITAL STRATEGY 2026/27

To receive, note and approve the Capital Strategy 2026/27, comprising:

A) CAPITAL STRATEGY 2026/27 (inclusive of prudential indicators 2026/27 to 2030/31.

B) CAPITAL PROGRAMME 2026/27 TO 2035/36.

C) TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27 (inclusive of Investment Strategy, Borrowing Strategy, MRP Statement).

7. DECISION PAPERS - BUDGET AND MEDIUM-TERM FINANCIAL FORECAST 2026/27 to 2030/31.

To receive, note and approve the Budget and Medium-Term Financial Forecast reports:

A) LOCAL GOVERNMENT ACT 2003 REQUIREMENTS REPORT.

B) BUDGET 2026/27 AND FINANCIAL FORECASTS 2027/28 TO 2030/31.

C) RESERVES STRATEGY 2026/27.

8. PERFORMANCE

To receive a report detailing the Constabulary's latest performance position.

9. ORGANISED CRIME GROUPS

To receive a report detailing how the Constabulary is addressing serious organised crime.



**CUMBRIA POLICE, FIRE & CRIME COMMISSIONER
PUBLIC ACCOUNTABILITY CONFERENCE**

Minutes of the Public Accountability Conference held on
Monday 3rd November 2025
at 14:00 in Conference Room 1, Carleton Hall, Penrith

PRESENT

Police, Fire & Crime Commissioner – David Allen (Chair)

Also present:

T/Chief Constable (Darren Martland);
T/Deputy Chief Constable (Jonny Blackwell);
Assistant Chief Constable (Dave Stalker);
Senior Analyst (Sarah McMeekin);
OPFCC Chief Executive (Gill Shearer);
Chief Finance Officer (Steven Tickner);
OPFCC Head of Legal (Julie Gregory);
OPFCC Accountability Manager (Steph Stables);
OPFCC Accountability Assistant (Louisa Curran) – taking minutes

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

001. APOLOGIES FOR ABSENCE

Apologies for absence were received from the T/Assistant Chief Constable (Mick Bird)

002. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

There were no items of urgent business to be considered by the Committee.

No items required exclusion of the press and public.

003. QUESTIONS FROM MEMBERS OF THE PUBLIC

One question had been received in advance of the meeting from a member of the public.

Question

How many illegal e-bikes and scooters have been seized and crushed during Operation colossus?

Response:

Operation Colossus was launched in August 2025 and runs through to the middle of November. It is a 15-week, high visibility policing operation which sees Operational Support officers, including those from the Roads Policing Unit and Firearms Support unit, working



alongside Neighbourhood Policing Teams to promote road safety and target poor and dangerous driver behaviour.

Since the start of the Operation, the Constabulary has seized and destroyed five illegal e-bikes/scooters.

David Allen has also been to witness the crushing of these bikes and scooters first-hand to send a message to those using them – you will be caught and they will be crushed.

The Police, Fire & Crime Commissioner is asking if anyone sees off-road or e-bikes being used dangerously or illegally to report it to Cumbria Police. Every report helps build the intelligence needed to take action and keep our communities safe for everyone.

At the meeting, this was discussed further:

Operation Colossus, a 15-week high-visibility policing operation, has resulted in multiple arrests and the seizure and crushing of five illegal e-Bikes. While e-Bikes were not the primary focus, enforcement will continue where offences are identified. The importance of prevention messaging was emphasised, noting that e-Bike use on public roads in Cumbria is illegal as it is not part of any pilot zone permitting their use. Communications teams will issue targeted messages, particularly ahead of Christmas, addressing both misuse of legal e-bikes and illegal high-powered models. The Constabulary is working with the Road Safety Partnership and exploring technology, including drones, to track and seize dangerous vehicles.

An action was raised for the Constabulary and OPFCC Communications teams to issue targeted messages around the misuse of legal e-Bikes and illegal high-powered models.

004. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of any personal interest relating to any item on the agenda.

005. MINUTES

The Chair presented the minutes of the Public Accountability Conference held on the 22nd July 2025 which had previously been circulated with the agenda. The minutes were agreed as an accurate record and approved by the Chair.

There were no outstanding actions.

RESOLVED, that, the

- (i) Minutes of the Public Accountability Conference held on the 22nd July 2025 be confirmed as a correct record and approved by the Chair.



006. PERFORMANCE

The Constabulary presented its Financial Year to Date (FYTD) performance report covering April–August 2025, alongside contextual data for the preceding 12 months. The Commissioner welcomed the update and commended the overall progress, while raising several points for clarification and assurance.

All Crime – High-Level Trends

Cumbria recorded 15,720 crimes FYTD, representing a 2.2% decrease compared to the same period last year (355 fewer crimes). The positive outcome rate stands at 18.2%, slightly down from 19.6% in the previous year. Despite this, Cumbria continues to rank among the highest nationally for outcome rates and maintains one of the lowest overall crime rates in England and Wales. The average monthly crime rate is 6.29 per 1,000 population, below the national average.

Offence Group Analysis

Public Order Offences increased by 11.2%, largely driven by harassment, alarm, and distress offences. This rise is partly attributed to improved crime recording practices, including real-time log reviews by the Crime Management Support Unit. It was noted that this increase, alongside the decrease in Anti-Social Behaviour offences are not correlated and one is not being over-recorded at the expense of another. This is supported by Crime Data Integrity (CDI) criteria.

Burglary decreased significantly by 24.8% (127 fewer crimes), supported by Operation THEMIS, targeted KPIs, and media campaigns. Residential burglary fell by 23%, and business/community burglary by 31.5%. It was agreed for both Comms teams would continue to raise awareness of this reduction.

Vehicle Crime reduced by 24.8%, with theft from vehicles down 25.9%. Governance and performance oversight have reinforced this trend.

Drug Offences declined by 16.3%, including a 26.8% reduction in cannabis possession. The Commissioner queried whether this reflects reduced enforcement; the Chief Constable confirmed proactive targeting of supply offences and hotspot stop-search activity remains a priority.

It was noted that the benefit of Op Enhance work has diffused out into the surrounding areas, rather than the crime being displaced elsewhere.

Domestic Abuse (DA)

DA remains a strategic priority. Recorded DA crimes fell by 4.9% to 2,541, with a positive outcome rate of 13.3%. The Commissioner expressed concern that reductions may indicate under-reporting rather than genuine decline, citing feedback from partner agencies. The Chief Constable acknowledged this risk and reaffirmed commitment to victim engagement, proactive targeting of repeat offenders, and quality assurance through BWV reviews.



Initiatives such as DA Matters training and the deployment of an Independent Domestic Violence Advisor (IDVA) in the control room were highlighted as best practice.

An action was raised to evaluate the IDVA role's impact and explore funding for extended coverage.

'Language Matters' training by Dr Patricia Canning-Pask has been a positive, helpful tool in creating a cultural shift in the language used with and about victims. Feedback from staff has been positive so far, and an action was raised to deliver feedback around the impact of this through Executive Board Police once the training has concluded. Cumbria is one of the first forces to take advantage of this and it will be embedded in training going forward.

ACTIONS:

- a) **Domestic Abuse** – The Constabulary to evaluate the impact of the IDVA in the Control Room and to explore options for future funding to extend this project further.
- b) **Language Matters Training** – Following completion of the training, the Chief Constable to provide the Commissioner with an assessment of its impact.

Lots of work is being done to improve investigative quality, recognising DA as a generational issue and maintaining momentum by educating staff and engaging with partners across various agencies. Quality of service is imperative and emphasis is being placed on this accordingly.

The Victim's Journey conference took place recently and the second part is set for Spring 2026, including partners from across the Criminal Justice sector. The victim's journey is being examined forensically for areas of improvement.

Neighbourhood Crime & ASB

Neighbourhood crime decreased by 18.9%, driven by reductions in burglary and vehicle offences. Cumbria now records one of the lowest neighbourhood crime rates nationally (0.31 per 1,000 population).

Anti-Social Behaviour (ASB) incidents fell markedly, with nuisance ASB down 32.6% and youth-related ASB down 30.4%, attributed to Operation Enhance and increased visible patrols.

Thanks were recorded for the hard work and effort that has gone into creating these results, and the Commissioner requested continued emphasis on sustaining reductions without officer fatigue.

Victim Satisfaction

Victim satisfaction declined to 71.4% (down 11.6 percentage points), despite crime reductions and strong outcome performance. The Commissioner expressed concern over



this trend, noting that while although almost three-quarters of victims expressing satisfaction is good, the decrease is significant and concerning.

No particular cause has been identified as to the reason for this decrease in satisfaction. It doesn't match with the results of the England and Wales Crime Survey, in which Cumbria is top nationally in four out of seven criteria. A deep-dive review was commissioned to identify root causes and improve compliance with the Victims' Code. The Constabulary will collaborate with Safer Cumbria and partners to strengthen quality assurance frameworks.

It was agreed that the Commissioner will receive a deep-dive into what the Constabulary is doing to address the fall in victim satisfaction at a future PAC meeting.

ACTION:

- c) **Victim Satisfaction** – The Chief Constable to present a deep-dive report at a future PAC meeting outlining the Constabulary's work to address the decline in victim satisfaction.

Call Handling & Incident Response

Emergency call handling remains strong, with 92.4% of 999 calls answered within 10 seconds and 94.3% of 101 calls within 5 minutes. The abandonment rate for 101 calls is 5.7%, with a median answer time of 3 seconds. Despite public dissatisfaction with the 101 menu system, Cumbria's performance is among the best nationally. The Commissioner suggested enhanced public communication to manage expectations and promote online contact options.

Incident response times remain robust: Grade 1 emergencies average 9m12s, and Grade 2 priorities average 29m26s, exceeding national benchmarks for rural forces. An action plan is in place to sustain performance through leadership visibility, resource optimisation, and targeted demand reduction.

Following the meeting, the Commissioner tested the 101 answering time. The greeting message and options take approximately two minutes, and two minutes were spent on hold before speaking to a member of CCR staff.

Key Crime Types

Shoplifting rose by 10.6% (1,138 offences), reflecting national trends. Cumbria maintains one of the highest positive outcome rates nationally (32.4%). Seasonal operations will target prolific offenders and retail hotspots during the festive period. The role of the CBO in Maryport was highlighted as a successful working relationship and a positive model for other towns.

Rape offences remain stable in volume (190 crimes) but show a concerning 5.5pp decrease in positive outcomes to 6.2%. The Constabulary outlined extensive improvement work



under Operation Soteria, including governance structures, CPD training, and joint scrutiny with CPS. It is hoped that the outcome of these improvement works will become evident with improved data over the coming weeks and months. The Commissioner will continue to receive updates through his Executive Board Police, and a comprehensive report outlining

the Constabulary's work to improve positive outcomes for victims of RASSO will be brought to a future PAC meeting.

ACTION:

- d) **RASSO Performance** – The Chief Constable to provide a detailed report at a future PAC meeting on the actions being taken to improve positive outcomes for victims of RASSO.

Hate Crime fell by 6.3%, though outcome rates declined to 18.3%. Targeted engagement and restorative approaches are being explored to improve victim confidence.

Stalking offences decreased slightly (–2.8%), with outcome rates improving to 13.5%. Multi-agency coordination and the introduction of Evidential Review Officers have enhanced investigative quality.

Road Safety & Operations

Killed and Seriously Injured (KSI) figures rose marginally to 126 (up 3.3%). The Constabulary reaffirmed its commitment to Vision Zero and outlined measures including enhanced Safety Camera Van deployment and new fixed camera sites.

Operation Colossus, launched in August, targets unsafe driving, speeding, and vehicle-related crime. Results to date include 15 arrests, 21 stop-searches, 116 traffic offence reports, and 14 vehicle seizures across seven communities. The Commissioner welcomed this proactive approach and requested continued emphasis on prevention messaging, particularly around illegal e-bike use, ahead of Christmas.

Leadership & Workforce

The Constabulary reported a strong uptake (80%+) of its new modular leadership programme, designed to improve supervisory capability and embed cultural change. Wellbeing remains a priority following recent staff surveys, with action plans under development to address workload pressures and morale.

The Constabulary outlined several significant challenges impacting operational delivery and strategic planning.

Online Child Abuse: Referrals from the National Crime Agency continue to rise, with cases becoming increasingly complex. Investigations are resource-intensive and time-consuming, requiring specialist skills and sustained partnership engagement. Additional training and



internal guidance are being implemented to strengthen investigative capability and safeguarding measures.

South Lakes Islamic Centre (SLIC) Development: Crime and anti-social behaviour linked to the SLIC site remain under close monitoring. While current harm levels are low, the Constabulary is maintaining visibility and engagement with community representatives to manage tensions. The situation will be reviewed as site development progresses.

Recruitment in Furness: Attracting and retaining officers in Furness remains challenging due to geographic isolation and competition from larger employers offering higher salaries. Local recruitment initiatives are underway, supported by welfare and leadership programmes, but the issue persists as a long-term concern.

Child Protection Inspection: Responding to HMICFRS findings will require robust governance and coordinated improvement activity. While initial feedback highlighted positive practices, the Constabulary must address recommendations promptly to maintain confidence in safeguarding standards. It was noted that the submission date for documents for the PEEL inspection in April 2026 is upcoming.

Medium-Term Financial Planning: Budget uncertainty continues to pose risks to service sustainability. The Constabulary is modelling multiple scenarios and exploring efficiency opportunities, including collaboration with Fire and Rescue Services, to mitigate financial pressures.

The Commissioner noted these challenges and acknowledged the proactive steps being taken to manage risks and maintain performance.

Forward Look

Planned initiatives include Operation Limit (festive drink/drug driving), Op Regulate (night-time economy patrols), and Op Elf (retail crime prevention). The Commissioner stressed the importance of maintaining momentum on VAWG, DA, and victim satisfaction improvements while managing resource challenges and financial uncertainty.

ASSURANCE

The Commissioner was assured by the contents of the report and the actions proposed to support continued improvement. However, the decline in victim satisfaction and rape outcomes remains a significant concern. The Commissioner will continue to hold the Chief Constable to account through his internal Executive Board Police, with detailed updates to be provided at PAC throughout 2026.

A summary of the actions arising from the meeting is provided overleaf:



- a) **Domestic Abuse** – The Constabulary to evaluate the impact of the IDVA in the Control Room and to explore options for future funding to extend this project further.
- b) **Language Matters Training** – Following completion of the training, the Chief Constable to provide the Commissioner with an assessment of its impact.
- c) **Victim Satisfaction** – The Chief Constable to present a deep-dive report at a future PAC meeting outlining the Constabulary’s work to address the decline in victim satisfaction.
- d) **RASSO Performance** – The Chief Constable to provide a detailed report at a future PAC meeting on the actions being taken to improve positive outcomes for victims of RASSO.

007. NEIGHBOURHOOD POLICING GUARANTEE

The Constabulary provided an update on the implementation of the Neighbourhood Policing Guarantee (NPG), which comprises five pillars aimed at restoring and strengthening neighbourhood policing. Significant progress has been made, but several challenges remain.

Recruitment and Establishment

The uplift will increase Community Beat Officers (CBOs) from 58 to 84 and maintain 12 sergeants and 6 inspectors. PCSO establishment is set at 60, with 16 already recruited. Recruitment campaigns have been successful, including 14 staff for the command-and-control room to displace officers into neighbourhood roles. However, meeting timescales for recruitment and sustaining resilience through reserve lists remains a key risk.

Public Confidence and Engagement

Crime Survey England and Wales (CSEW) data shows Cumbria ranks among the highest nationally for public confidence:

- 77.1% overall confidence in local policing (highest nationally)
- 72.9% agree police understand local concerns (highest nationally)
- 88% agree police treat people with respect (highest nationally)

These results reflect strong community engagement, supported by “You Said, We Did” communications and bespoke engagement plans for minority communities following critical incidents.

Operational Delivery and Visibility

Four Neighbourhood Policing Teams (NPTs) cover Cumbria, supported by Operation Enhance for hotspot patrols. Visibility is monitored via asset-tracking technology, though short-term absences are expected as officers complete mandatory national training (NPP modules) under Pillar 3.

Anti-Social Behaviour (ASB) and Town Centre Safety

Operation Enhance has delivered significant ASB reductions in priority areas:



- Botchergate: -72.2%
- Whitehaven: -45.5%
- Penrith: -81.8%

Neighbourhood teams work through Local Focus Hubs with partners to address persistent ASB and utilise powers such as Criminal Behaviour Orders and Civil Injunctions. A local ASB Action Plan is in development for April 2026.

Thanks were recorded from the Commissioner for the efforts to deliver the SSSI from the Constabulary and partner agencies. It was noted that it was well-received by the Public and Home Office, and will roll into a Winter Safety Initiative in the coming weeks and months.

Retail Crime and Persistent Offenders

Retail crime is monitored as a KPI under the NPG. Operations Regulate and seasonal initiatives target night-time economy and shop theft. Persistent offenders are managed through bespoke plans and ancillary orders, reviewed at tactical and strategic forums.

Risks and Support Needs

The main risk relates to recruitment timelines and funding uncertainties. The Constabulary seeks OPFCC support in influencing national funding decisions and sustaining initiatives like Operation Enhance. These measures are critical to maintaining momentum on ASB reduction, town centre safety, and community confidence.

ASSURANCE

The Commissioner noted the progress and acknowledged the proactive steps being taken to manage risks while delivering against the NPG.

RESOLVED, that

- (i) The report be noted;

Meeting concluded at 15:50

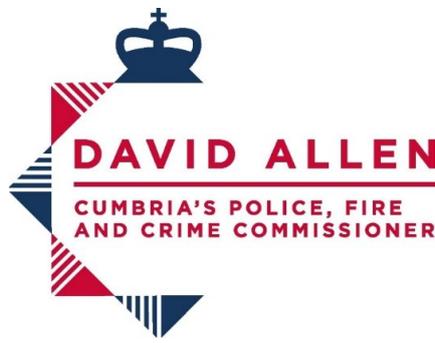
Signed: _____ **Date:** _____

Police Public Accountability Conference

OPEN ACTION LOG



Date of meeting	Minute Number	Minute Topic	Action to be taken	Lead Person/s	Report back to Board	Update	Review Date	Date Action Closed
03/11/2025	006	Performance	Domestic Abuse – The Constabulary to evaluate the impact of the IDVA in the Control Room and to explore options for future funding to extend this project further.	T/Deputy Chief Constable	No	February update: An evaluation conducted by Victim Support has informed an Expression of Interest submitted to the Home Office for potential additional funding. We expect to receive the outcome of this request toward the end of February or early March.	N/A	CLOSED
03/11/2025	006	Performance	Language Matters Training – Following completion of the training, the Chief Constable to provide the Commissioner with an assessment of its impact.	T/Chief Constable	No	February update: Training remains underway and is expected to continue through to the end of April.	22/07/2026	OPEN
03/11/2025	006	Performance	Victim Satisfaction – The Chief Constable to present a deep dive report at a future PAC meeting outlining the Constabulary's work to address the decline in victim satisfaction.	T/Chief Constable	No	This will be brought to a PAC meeting during 2026.	N/A	CLOSED
03/11/2025	006	Performance	RASSO Performance – The Chief Constable to provide a detailed report at a future PAC meeting on the actions being taken to improve positive outcomes for victims of RASSO.	T/Chief Constable	No	This will be brought to a PAC meeting during 2026.	N/A	CLOSED



Request for a Police, Fire & Crime Commissioner Decision

SECTION 1

Please identify who is requesting the decision:			
OPFCC Decision	Y	Decision Number:	PF 020/2026
CCFRA Decision	N	Decision Number:	CF xxxx/yyyy
Constabulary Decision	Y	Decision Number:	CC xxxx/yyyy

(Please indicate whether this is a PART 1 or PART 2 decision (For Part 2 decisions, only the Section 1 is to be published))

PART 1 Decision:	<input checked="" type="checkbox"/>	PART 2 Decision:	<input type="checkbox"/>
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DECISION TITLE: Approval of the Capital Strategy, Capital Programme, Treasury Management Strategy and Treasury Management Practices 2026/27

Executive Summary:

The purpose of this report is to provide information on the proposed capital strategy for 2026/27. The capital strategy (item 08a) is an overarching strategy that sits above the two documents which have been produced historically namely the capital programme (item 08b) and the treasury management strategy statement (item 08c). The capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability. The capital programme is developed in consultation with the Constabulary who are the primary user of the capital assets under the ownership of the Commissioner.

Local Authorities (including the Police, Fire and Crime Commissioner) determine their own programmes for capital investment in non-current (fixed) assets that are essential to the delivery of quality public services.

The Commissioner is required by regulation to have regard to The Prudential Code when carrying out his duties in England and Wales under part 1 of the Local Government Act 2003. The Prudential Code establishes a framework to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure: “within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable”.

In the past, to meet these requirements, all schemes within the 5-year medium term capital programme are only approved on the basis that they are fully funded either through capital grants, capital reserves, capital receipts, revenue contributions or borrowing. The proposed programme meets this test only with the planned increased use of borrowing.

The estimates for 5-10 years are however built on a number of assumptions, which, particularly in rapidly changing sectors such as DDAT are difficult to accurately predict. This means that projected costs in the later years of the capital programme become increasingly indicative and should be treated with caution.

Recommendation:

The Commissioner is asked to:

1.1. **Capital Strategy (Item 08a)** – The Commissioner is asked to

- Approve the capital strategy including the prudential indicators set out in the report.

1.2. **Capital Programme (Item 08b)** - The Commissioner is asked to:

- Approve the capital programme for 2026/27 and beyond as part of the overall budget process for 2026/27.
- To approve the status of capital projects (as detailed in appendices 2 to 5)

1.3. Treasury Management Strategy (Item 08c) - The Commissioner is asked to:

- Approve the Borrowing Strategy for 2026/27 as set out on pages 9-10
- Approve the Investment Strategy for 2026/27 as set out on pages 11-14
- Approve the Treasury Management Prudential Indicators as set out on pages 16-18
- Approve the other Prudential Indicators set out on pages 18 to 22
- Approve the Minimum Revenue Provision Policy Statement for 2026/27 as set out on page 23
- Delegate to the OPFCC Chief Finance Officer any non-material amendments arising from scrutiny of the strategy by the Joint Audit Committee.
- Note that the detailed Treasury Management Practices (TMPs) are currently being reviewed and updated as required by the Code of Practice and will be published alongside the TMSS on the Commissioner's website. The updated TMPs will be provided at the Joint Audit Committee in March 2026.

Police, Fire & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police, Fire & Crime Commissioner. Any such interests are recorded below.

I hereby:	approve	the recommendations as set out above.
	do not approve	

Delete as appropriate:

Police, Fire & Crime Commissioner / Chief Executive (delete as appropriate)

Signature:

Date:

For OPFCC Office Use only:

Date of publication of decision:

Each section below must be completed prior to submission to the Commissioner for decision.

ORIGINATING OFFICER DECLARATION:

I confirm that this report has been considered by the Chief Officer Group / OPFCC Executive Team / CCFRA Executive Team and that relevant financial, legal and equalities advice has been taken into account in the preparation of this report.	
Signed:	Date:

CHIEF OFFICER APPROVAL (where applicable)

Chief Constable / Chief Fire Officer (delete as appropriate)	
I have been consulted about the proposal and confirm that I am satisfied that this is an appropriate request to be submitted to the Police, Fire and Crime Commissioner.	
Signature:	Date:

OPFCC CHIEF OFFICER APPROVAL

Chief Executive (Monitoring Officer) / Chief Finance Officer (Deputy Chief Executive) (delete as appropriate)	
I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police, Fire and Crime Commissioner / Chief Executive (delete as appropriate).	
Signature:	Date:

Media Strategy	
The decision taken by the Police, Fire & Crime Commissioner may require a press announcement or media strategy.	
Will a press release be required following the decision being considered?	YES / NO
If yes, has a media strategy been formulated?	YES / NO
Is the media strategy attached?	YES / NO
What is the proposed date of the press release:	

Public Access to Information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the PFCC website within 5 working days of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead in the Part 2 section of the form. Deferment is only applicable where release before that date would not compromise the implementation of the decision being approved.

Is the publication of this form to be deferred?

YES / NO

Until what date (if known):

If yes, for what reason:

If this is a **Part 2 Decision**, has the Part 2 element of this form been completed

YES / NO



Office of the Police, Fire and Crime Commissioner Report

Public Accountability Conference 12 February 2026

Title: Capital Strategy 2026/27

Agenda Item 06a

Report of the Constabulary Chief Finance Officer and PFCC Chief Finance Officer

Originating Officer: Lorraine Holme, Group Accountant

1. Purpose of the Report

- 1.1. This capital strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2. The aim of this report is to provide enough detail to allow non-financial decision makers to understand how stewardship, value for money, prudence, sustainability and affordability will be secured without repeating in detail the information that is contained in other documents presented as part of this suite of capital and treasury management reports (agenda items 08b & 08c).
- 1.3. These reports meet the reporting requirements of the Chartered Institute of Public Finance and Accounting (CIPFA) Prudential Code for capital finance in Local Authorities 2021 updated guidance.

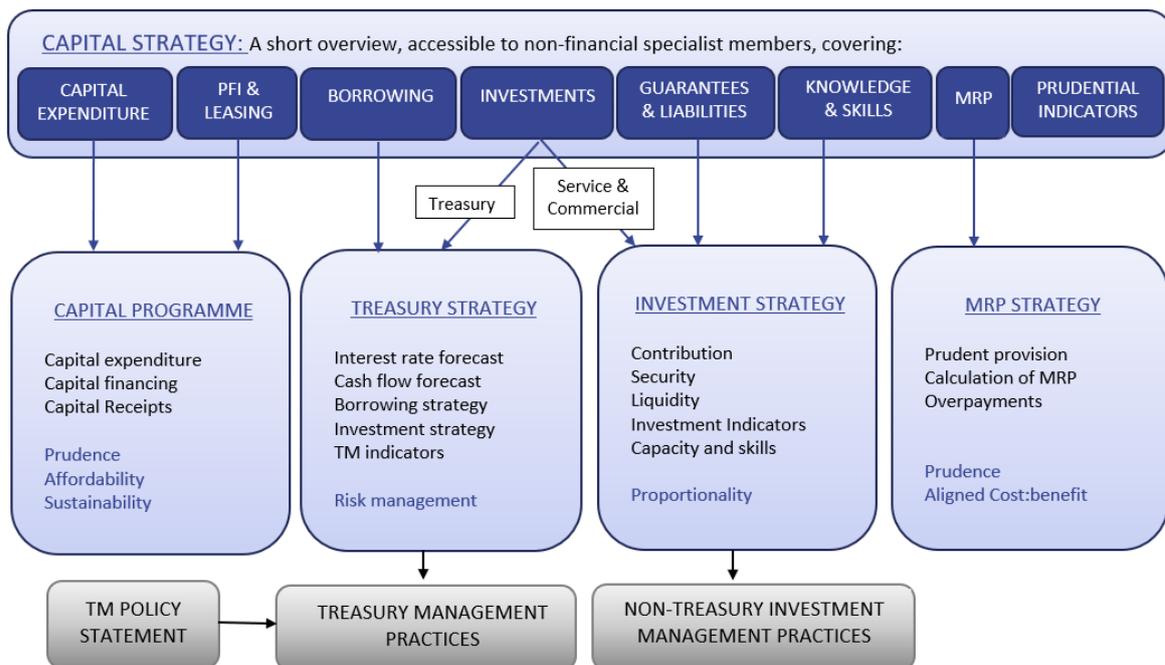
3. Recommendation

3.1. The Commissioner is asked to approve the contents of the report.

4. Introduction

4.1. The CIPFA Prudential Code (the code) and guidance notes were originally issued in 2002 and were later fully revised in 2009, 2011, 2017 and again in 2021. This code requires the Commissioner to look at capital expenditure and investment plans in light of the overall strategy and resources and ensure that the decisions are being made with sufficient regard to the long run implications and potential risks to the Commissioner.

4.2. This capital strategy report summarises the purpose and governance over a range of activities associated with capital investment and financing, which are reported on in detail elsewhere on this agenda item. The diagram below provides an overview of the scope of these activities, their inter-dependencies and reporting structures:



*The MRP Statement, Investment Strategy and the Prudential Indicators of the Commissioner are encompassed into the Treasury Management Strategy.

5. Capital Expenditure and Financing

- 5.1. Capital expenditure is the term used to describe expenditure on assets, such as property, vehicles and Digital Data and Technology (DDaT) equipment, that will be used (or have a life) of more than 1 year. There is some limited discretion on what is to be treated as capital expenditure and assets costing less than £25k will be charged to the revenue account in accordance with the Financial Rules and Regulations (this is known as the deminimis level).
- 5.2. Capital expenditure plans are under-pinned by asset strategies, which are developed by respective service leads linked to delivery of the Commissioner's Police, Fire and Crime Plan and the Chief Constable's Vision (the 4 C's). The principal asset strategies and their objectives are:
- The Digital, Data and Technology Strategy (DDaT), which has six key themes
 - Actively supporting the delivery of the Constabulary Vision and Target Operating Model
 - On-going provision of reliable and trusted DDaT services.
 - A cost effective and affordable DDaT enabling services
 - To implement national DDaT projects
 - To meet local demand to renew and replace Core Systems and Applications
 - Collaboration and Partnership
 - The Estates Strategy, which aims to maintain an Estate which is fit for purpose whilst reducing overhead expenditure and maximising and exploiting existing assets.
 - The Fleet Strategy, which aims to satisfy the Constabulary's vehicle needs within a sustainable financial model.
- 5.3. A workplan is developed annually to support delivery of each strategy. The updated financial implications are distilled early in the financial planning process and subsequently consolidated to produce a ten-year capital programme. The overall capital programme is then subject to a process of financial scrutiny in the context of both available capital funding resources and the overall revenue budget position. The final capital programme and associated asset strategies are subject to approval by both the Constabulary Chief Officer Group and the Commissioner at his Public Accountability Conference.

5.4. The capital expenditure estimates for the current year and medium term are shown below:

Capital Expenditure	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Expenditure	3.9	7.2	6.2	4.3	4.6

5.5. The profile of capital expenditure fluctuates annually. Across the current five-year programme, annual average expenditure typically comprises £1.9m to replace fleet vehicles, £1.2m on estate schemes (although by their nature these investments tend to be more lumpy) and around £2.3m for replacement of DDaT systems and equipment.

5.6. The 2026/27 capital programme includes DDaT expenditure on the roll out of mobile technology and smartphones, consideration of options for DDaT infrastructure and a move to more cloud based systems. In addition, work on the national programme to replace the Police Radio System (Airwave) with an Emergency Services Network (ESN) will continue, in advance of significant expenditure to implement the system in future years. Investment in the on-going replacement of vehicles in accordance with the Fleet Strategy will continue. Upon the conclusion of condition surveys on all premises the Estates Strategy will reflect the results and direction of travel. During 2026/27 the programme will be dominated by the expiry of the existing PFI arrangement in the west of the County.

5.7. In accordance with Financial Regulations B3 – Capital Programme, capital projects are split into three categories, Indicative, Delegated and Firm as outlined below. All schemes will begin as indicative when the medium term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceed to procurement in the MTFF.

- **Indicative** – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. All schemes requiring a business case are presented to COG, followed by Executive Board – Police prior to proceeding. The information requirements for schemes will be subject to Constabulary CFO approval in consultation with the OPFCC CFO.
- **Delegated** – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the Constabulary CFO, in consultation with the OPFCC CFO, for final approval. Constabulary CFO delegations are

limited to the financial amounts included for the scheme within the capital programme plus a variance of up to 10% or £100,000 whichever is the lower. The Constabulary CFO in consultation with the OPFCC CFO, may vire from capital reserves to fund any balance for the scheme within the delegated limit.

- **Firm** - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

No capital expenditure shall be incurred unless the specific scheme is included in the capital programme approved by the PFCC or as subsequently modified.

- 5.8. The capital programme must be financed from a combination of capital grants, capital receipts, reserves, direct support from the revenue budget and, unlike the revenue budget, borrowing is permitted. Whilst it is a statutory requirement that the Commissioner agrees a balanced revenue budget, the Prudential Code requires the capital programme to be demonstrated as ‘Affordable, Prudent and Sustainable’, it is up to each authority how it determines these criteria. Cumbria has previously defined an ‘Affordable, Prudent and Sustainable’ programme as being fully funded (from the sources outlined above) for the medium term financial forecast (MTFF) period of 5 years. The estimates for 5-10 years are built on a number of assumptions, which, particularly in rapidly changing sectors such as DDaT, are difficult to accurately predict. This means that projected costs in the later years of the capital programme become increasingly indicative and should be treated with caution. As the capital programme is fully funded over ten years, it meets the test of being Affordable, Prudent and Sustainable. The revenue budget and MTFF must also fully reflect any revenue implications of the capital programme including servicing costs of borrowing.
- 5.9. The difficulty facing Cumbria is that capital grants have been reduced to zero, the potential to generate future capital receipts is low and capital reserves are mainly utilised in 2025/26. This means that the only viable options in future to fund capital expenditure are directly from the revenue budget or through borrowing, which itself has implications for the revenue budget. The challenge for the PFCC and Constabulary will be the need to find an appropriate balance between capital and revenue expenditure, which is sustainable.

- 5.10. In the context of requiring significant revenue savings to balance the revenue budget in 2026/27 and beyond primarily due to increased inflation, the decision has been taken reduce the revenue budget support to the capital programme to around £0.4m per annum with the balance being financed through an increased use of borrowing requirement that will be repaid over the life of assets bought. The revenue effects of borrowing decisions have been reflected in the MTFF.
- 5.11. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debts. Capital financing assumes that all capital receipts will be used to finance new assets rather than reduce existing debt.
- 5.12. Full details of the 10 year programme and associated financing can be found in the separate report 'Capital Programme 2026/27 to 2035/36 (item 08b on this agenda).

6. Treasury Management

- 6.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet spending needs while managing the risks involved. Surplus cash is invested until required while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Police, Fire and Crime Commissioner is generally cash rich in the short term due to the level of cash-backed reserves currently held and revenue grants being received in advance of spend, but cash poor in the long term due to capital expenditure being incurred in advance of being financed.
- 6.2. Treasury Management involves the management of large sums of money and is therefore inherently risky. Accordingly, treasury activities are strictly controlled and managed in accordance with CIPFA's Prudential Code. The Treasury Management Strategy is approved annually by the Commissioner at his Public Accountability Conference, with activities being reported upon a periodic basis through the same meeting. The Joint Audit Committee also provides scrutiny of treasury management activities. Responsibility for treasury activities is delegated to the PFCCs Chief Finance Officer, who delegates responsibility for day to day management to the Constabulary Chief Finance Officer. The Treasury Management Strategy incorporates subsidiary investment and borrowing strategies, which are summarised below.

6.3. **Investment strategy** - Treasury investments arise from receiving cash before it is paid out again. The Commissioner makes investments because he has a cash surplus as a result of his day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments). The Commissioner does not make investments to support local public services by lending to or buying shares in other organisations (service investments), or to earn investment income (known as commercial investments where investment income is the main purpose).

The Commissioner's policy on treasury investments is to prioritise **security** and **liquidity** over **yield**; that is to focus on minimising risk rather than maximising returns. The risk that an investment counter-party defaults is very real as illustrated by the BCCI and the Icelandic Banks scandals, which impacted on public sector bodies. The investment strategy seeks to mitigate this risk by only investing in high quality, trusted counter-parties and spreading the investment portfolio across organisations. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy (subject to strict criteria) and the Commissioner may request his money back at short notice.

Whilst the Commissioner has historically held significant investments, these balances are being reduced as the Commissioner has undertaken internal borrowing to support the capital programme (see below) and reserves are drawn down to support the revenue budget.

Further details on treasury investment strategy are on pages 11 to 14 of the treasury management strategy (agenda item 08c).

6.4. **The Borrowing Strategy** – As indicated the Commissioner currently holds no external debts, other than a PFI arrangement described in section 6 of this report, with all external borrowing with the PWLB (Public Works Loans Board) having been repaid during 2012/13. However, there is an underlying need to borrow, known as the Capital Financing Requirement (CFR),

arising from historical decisions to finance capital expenditure from borrowing within prudent limits. To date this has been met from internal borrowing.

- 6.5. The capital financing requirement (CFR) is a measure of the amount of capital spending that has not yet been financed by capital receipts, grants or contributions, it is in essence the amount of internal debt finance of the Police, Fire and Crime Commissioner. The CFR increases each time there is new capital expenditure financed by debt and decreases with MRP repayments, capital receipts assigned to repay debt or by making additional voluntary contributions. The CFR for the 31 March 2026 is forecast to be £25m.

Internal Borrowing – the practice of using reserves and provisions that have been set aside for future use to fund capital expenditure plans now. External borrowing comes with interest payments of currently around 5.80% where investments are currently making around 3.90% return, rates are forecast to fall during 2026/27 and as such, there is an incremental cost to borrow in advance of need (known as cost of carry). This is therefore discouraged if there are cash balances available that can be drawn down as an alternative to borrowing.

- 6.6. The main objectives when borrowing is to achieve a low but certain cost of finance, while retaining flexibility should plans change in future. These objectives are often conflicting, and the Commissioner would therefore have to strike a balance between low cost short-term loans (currently available at around 4.6%) and long-term fixed rate loans where the future cost is known but higher (currently 5.80%). In previous financial years forecasts have shown that a small amount of short term borrowing, probably from other local authorities, may be required at the start of the new financial year to bridge a shortfall in cash whilst the new financial year's revenue grants are received. This is not forecast to be necessary for 2026/27. Borrowing will be kept constantly under review with advice taken from our treasury advisor's, MUFG, on when is the most appropriate time to undertake external borrowing.

Given the rate of borrowing it is unlikely that the Commissioner will actually exercise long-term external borrowing until these reduce. As such financing decisions have long term consequences and should be taken in this context, long term interest rates will be carefully

monitored with the aim of deciding the most advantageous time to take on long-term liabilities.

Liability Benchmark - The 2021 code requires Authorities to define their own 'Liability Benchmark' which will provide a future basis for developing a strategy for managing interest rate risk.

As an assurance that borrowing is only undertaken for capital purposes and is sustainable, the Commissioner is required to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with the statutory guidance a lower 'operational boundary' is also set as a warning level should debt approach the limit.

Further details on the borrowing strategy are on pages 9 to 10 of the treasury management strategy (agenda item 08c).

7. Other Liabilities

- 7.1. In relation to other external liabilities the Commissioner's balance sheet currently shows debt of £3.4m in relation to a private finance initiative (PFI) scheme for the provision of the Basic Command Unit deployment centre in West Cumbria. This debt is scheduled to reduce gradually through annual unitary charge payments met from the revenue account, until August 2026 when the primary arrangement comes to an end. The intention is to purchase the premise, as permitted in the terms of the contract, and negotiations with the provider are progressing.

- 7.2. The Commissioner's balance sheet also shows long term liabilities totalling £978m in respect of the Local Government and Police Officer Pension Scheme deficits. These will be met through a combination of payments from the revenue budget over a long period and support from central Government. A sum of £2.4m has been set aside to cover risks from legal claims and insurance liabilities. The Commissioner is also at risk of having to pay for an unlawful discrimination claim arising from the transitional provisions in the Police Pension Regulations 2015 but has not put aside any money because there is no clarity of the scale of the claim and no certainty over who will bear the costs at this time.

7.3. The risk of these pension liabilities crystallising and requiring payment is monitored by the Financial Services team. Further details on liabilities and guarantees are on page 96 of the 2024/25 statement of accounts.

8. Prudential Indicators

8.1. Both capital expenditure plans and treasury management are supported by a range of Prudential Indicators, whose purpose is to act as an early warning system that these activities are falling outside prescribed limits and may no longer be affordable, prudent or sustainable. Prudential Indicators, other than those using actual expenditure taken from audited statements of accounts must be set prior to the commencement of the financial year to which they relate. Indicators may be revised at any time, and must, in any case, be revised for the year of account when preparing indicators for the following year. The PFCCs Chief Finance Officer has a prescribed responsibility under the Code to ensure that relevant procedures exist for monitoring and reporting of performance against the indicators. The Prudential Indicators when initially set and whenever revised, must be approved by the body which approves the budget, i.e. The Commissioner at his Public Accountability Conference. Details of Prudential indicators are set out on pages 16-22 of the treasury management strategy (agenda item 08c).

9. Revenue Budget Implications

9.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable.

9.2. The Commissioner is also required to set aside a sum each year from the revenue budget to repay borrowing, which is linked to the life of the asset being financed. This is known as the minimum revenue payment (MRP) and can be likened to the minimum repayment on a credit card debt. The estimates for the repayment of internal borrowing from the revenue budget is shown below:

Minimum Revenue Provision	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Minimum revenue provision for the financial year	0.9	0.9	1.4	2.0	2.7

9.3. The net annual charges to the revenue account are collectively known as financing costs, which are compared to the net revenue stream i.e. the amount funded from council tax and

general government grants as a key prudential indicator of the affordability, prudence and sustainability of capital expenditure plans see below.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Investment income	1.1	1.2	0.9	0.8	0.8
MRP	0.9	0.9	1.4	2.0	2.7
Financing Costs	-0.3	-0.3	0.5	1.2	1.8
Net Revenue Stream	138.3	146.6	148.8	152.2	155.6
Ratio	-0.20%	-0.21%	0.34%	0.80%	1.19%

The financing costs are forecast to increase, reflecting the decision to make increased use of borrowing over the MTFF period in lieu of direct revenue contributions highlighted earlier in the report. Nonetheless, the ratios of financing costs to the revenue budget above are considered sustainable.

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred over the MTFF period may extend for up to 50 years into the future. The PFCC Chief Finance Officer is satisfied that the proposed capital programme is **prudent, affordable and sustainable**.

10. Knowledge and Skills

- 10.1. The Commissioner employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.
- 10.2. Where employees do not have the knowledge and skills required, use is made of suitably qualified external advisers. The Commissioner currently employs MUFU Treasury Services Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Commissioner has access to knowledge and skills commensurate with his risk appetite.



Cumbria Office of the Police, Fire and Crime Commissioner

**Public Accountability Conference 12 February 2026
Agenda Item 06b**

Title: Capital Programme 2026/27 & Beyond

Report of the Constabulary Chief Finance Officer and PFCC Chief Finance Officer

Originating Officers: Lorraine Holme, Group Accountant; Sarah Walker, Financial Services Manager

1. Purpose of the Report

1.1. The purpose of this report is to provide information on the proposed capital programme for 2026/27 and beyond, both in terms of capital expenditure projections and the financing available to fund such expenditure. The capital programme is developed in consultation with the Constabulary who are the primary user of the capital assets under the ownership of the Commissioner.

2. Recommendations

2.1. The Commissioner is asked to note the proposed capital programme for 2026/27 and beyond as part of the overall budget process for 2026/27.

2.2. At the next Executive Board – Police meeting The Commissioner is asked to approve the status of capital projects as detailed in appendices 2 to 5.

3. Capital Funding and Expenditure

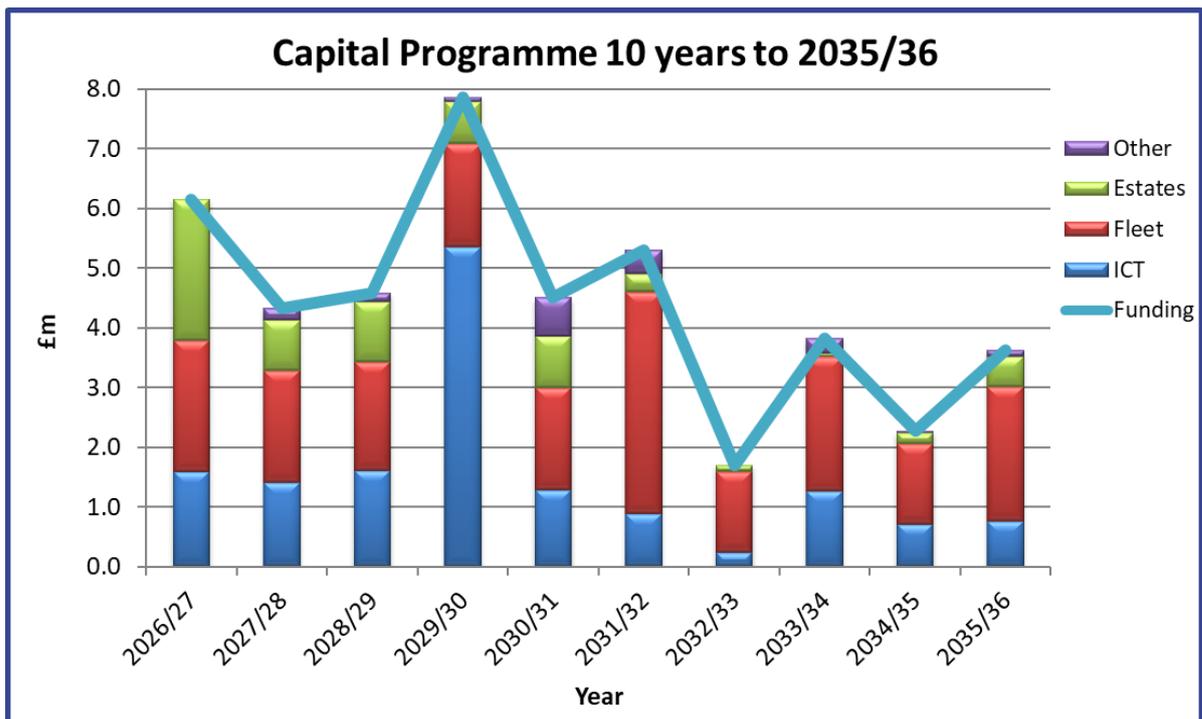
- 3.1. Local Authorities (including the Police, Fire and Crime Commissioner) determine their own programmes for capital investment in non-current (fixed) assets that are essential to the delivery of quality public services. The Commissioner is required by regulation to have regard to The Prudential Code when carrying out his duties in England and Wales under part 1 of the Local Government Act 2003. The Prudential Code establishes a framework to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure: “within a clear framework, that the capital investment plans of local authorities are **affordable, prudent and sustainable**”. The test applied to meet these requirements states that all schemes, within the 5-year medium term capital programme, are only approved on the basis that they are fully funded either through capital grants, capital reserves, capital receipts, revenue contributions or planned borrowing.
- 3.2. There are three main recurring elements to the Commissioner’s capital programme namely: Fleet Schemes, Estates Schemes and DDaT (Digital Data & Technology) Schemes. In addition to these, there are currently a small number of “other schemes” which do not fall into the broad headings above and include the replacement of firearms equipment, tasers, body armour and CCTV equipment.
- 3.3. The profile of capital expenditure fluctuates annually. Across the current ten-year programme, annual average expenditure typically comprises £2.0m to replace fleet vehicles and around £1.5m for replacement of DDaT systems and equipment. DDaT Expenditure reflects the Constabulary Strategy to invest in digital technology. The profile of Estates schemes is ‘lumpier’, with peaks of expenditure when major buildings or life cycle components are replaced.
- 3.4. The table below provides a high-level summary of the proposed capital programme and associated capital financing over the five-year timeframe of the medium-term financial forecast (2026/27 to 2030/31).

Capital Expenditure	Yr 0 2025/26 £000's	Yr 1 2026/27 £000's	Yr 2 2027/28 £000's	Yr 3 2028/29 £000's	Yr 4 2029/30 £000's	Yr 5 2030/31 £000's	Yr 1-5 Total £000's
ICT Schemes	3.7	1.6	1.4	1.6	5.4	1.3	11.2
Fleet Schemes	2.3	2.2	1.9	1.8	1.7	1.7	9.3
Estates Schemes	1.2	2.4	0.8	1.0	0.7	0.9	5.8
Other Schemes	0.1	0.0	0.2	0.2	0.1	0.7	1.1
Total Capital Strategy	7.2	6.2	4.3	4.6	7.9	4.5	27.4

Capital Financing	Yr 0 2025/26 £000's	Yr 1 2026/27 £000's	Yr 2 2027/28 £000's	Yr 3 2028/29 £000's	Yr 4 2029/30 £000's	Yr 5 2030/31 £000's	Yr 1-5 Total £000's
Capital Receipts	(1.5)	0.0	0.0	0.0	0.0	(1.0)	(1.0)
Contributions from Revenue	(1.0)	(0.4)	(0.5)	(0.5)	(0.4)	(0.4)	(2.2)
Revenue Reserves - DRC	(0.5)	(0.1)	0.0	(0.0)	0.0	(0.0)	(0.2)
Capital Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing	(4.2)	(5.6)	(3.8)	(4.1)	(7.5)	(3.1)	(24.1)
Total Capital Financing	(7.2)	(6.2)	(4.3)	(4.6)	(7.9)	(4.5)	(27.4)

(Excess) / Shortfall	0.0						
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3.5. The diagram below shows the composition of the capital programme over 10 years. The large block of Estates work in 2026/27 relates to the purchase and modernisation of the deployment centre in West Cumbria at the end of the current PFI contract. The large increase in DDaT expenditure in 2029/30 includes £3.5m for the replacement to the current airwave radios with a new national Emergency Services network (ESN), this scheme has previously been delayed. The increase in the fleet budget for 2031/32 incorporates a year whereby the rolling program for replacement vehicles every 4 years & 5 years are due within the same year, resulting in a year with more vehicle purchases.

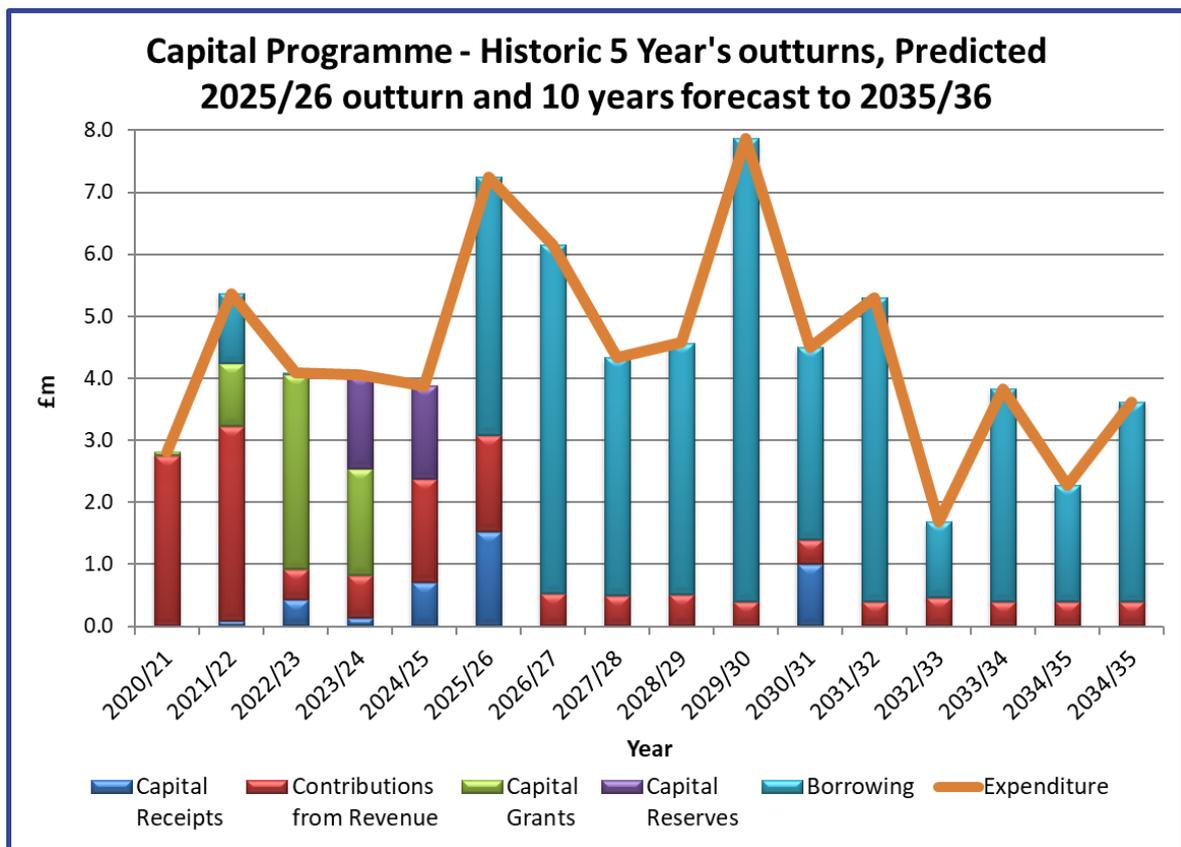


- 3.6. Historically, the capital programme has been financed through a combination of capital grants, capital receipts, capital reserves, borrowing and contributions from the revenue budget.
- Reserves are earmarked to specific projects and the timing of their use is matched to the expenditure. Reserves are largely exhausted by 2026/27.
 - In addition, the Government's grant settlements over recent years had successively reduced the amount of capital grant to the point where it was removed altogether in 2022/23. All of the grants were used to fund capital expenditure in 2023/24 leaving no capital grants to apply to any future years.
 - A similar situation has arisen with the 'unapplied capital receipts' reserve. An historic programme of estate rationalisation has resulted in sale receipts being received but not always used to fund expenditure in the same financial year. Some of these receipts have been reserved and the programme presented here shows that £1.5m will be used in 2025/26, depleting the reserve. In 2030/31, the final year of the medium term plan a scheme to address fleet garage provision is included along with a capital receipt arising from the current premises. This receipt will be fully utilised to provide the new facilities.
- 3.7. As a result of the reducing funding sources described above, the choices for future financing of the capital programme are largely limited to contributions from the revenue budget or borrowing. In the past borrowing has been confined to long life assets such as Estates and as a result the capital programme has become increasingly reliant on contributions from the revenue budget to finance capital expenditure. Historically, the annual contribution from the revenue budget was set at £1.2m but from 2017 the revenue contribution has steadily increased in each budget setting round to a level of £3.6m.
- 3.8. In recent capital programmes, as a result of the current inflationary pressure on the revenue budget, the decision was taken to reduce revenue contributions in both 2022/23 and 2023/24 by £3.0m p.a. and to replace this with borrowing as a means of balancing the revenue budget in the short term. As a result of some reprofiling there has been no need to undertake any of this borrowing to date however from 2025/26 borrowing against DDaT and Fleet assets will become necessary.

3.9. As a result of continued inflationary pressures, contract price increases, reduced government grants, the core revenue contribution has been reduced to £0.4m p.a. with borrowing being used to balance the capital funding.

3.10. A summary of the 10-year capital programme is provided for information at **Appendix 1**. The appendix shows that the capital programme is fully funded over the medium-term five-year period and the longer 10-year period. This has been achieved by assumed borrowing of £38.7m over the 10-year MTF. The estimates for 5-10 years are built on a number of assumptions, which, particularly in rapidly changing sectors such as DDaT, are difficult to accurately predict. This means that project costs in the later years of the capital programme become increasingly indicative and should be treated with caution.

3.11. The chart below illustrates capital expenditure and funding over a historic five-year period and forecast for ten-year period which illustrates how the capital programme will become almost entirely dependent upon borrowing in the future with a small amount of revenue funding.



3.12. DDaT Schemes

The DDaT Capital Programme primarily provides for the cyclical replacement and improvement of the full range of DDaT equipment, hardware and application software to meet the strategic and operational needs of the Constabulary. However, over the period of the medium-term financial forecast it also supports the Constabulary strategy to invest in technology to modernise the police service that is delivered to our communities.

The DDaT capital programme supports the delivery of Constabulary's Digital Strategy.

The DDaT Capital Programme also makes provisions for a number of national DDaT programmes, which include changes of major strategic importance, in particular, the programme to replace the Police Radio System (Airwave) with an Emergency Services Network (ESN). The ESN scheme was previously included in the capital programme at an estimated cost of £9.6m over 10 years. The scheme has been consistently postponed, due to national delays on the project. Benchmarking has been carried out with similar forces to understand their ESN strategies, and on this basis the budget has been reduced to £3.4m, commencing in 2029/30. Details of requirements are still emerging, and it won't be clear as to the financial commitment needed locally until the Home Office release further information and devices are developed.

The pandemic provided the Constabulary with an opportunity to move to a more agile working environment. The infrastructure is currently a consolidation of server hardware in an on-site data center and cloud storage. The desire is to move away from this expensive hardware and towards cloud storage remains and budget of £2.1m is included in the programme to continue the infrastructure improvements over the 10-year strategy.

The DDaT programme also covers local and mandated national police systems such as the main crime and intelligence system, command and control, forensics management, prisoner information systems, case and custody, including digital files for sharing with criminal justice partners and the police national data base that supports the sharing of information between forces.

Work is continuing in partnership with Mark 43 following the replacement of the record management system, allowing the Constabulary to keep ahead of the evolving complexities of policing technologies and join all information in one place. Work is progressing well and has moved onto the Case and Custody phase (phase 2). Phase 3 is linked to the national DCF (Digital Case File) project, this final phase will be much smaller and managed within the work stack of Business Development. Working in partnership to develop the system means that capital expenditure has been kept to a minimum. The scheme has cost £0.6m to date with an expected expenditure of £0.5m by end of 2027.

Over recent years significant investment in mobile and digital ICT has been undertaken and was successful in allowing the Constabulary to work effectively from home during the pandemic. The capital strategy presented provides £7.1m over 10 years to provide a Modern Workplace, and the subsequent replacement of existing mobile devices as they reach end of life. Budgets for hardware also provide for the costs of all the different technology used to access systems, including traditional desktop computers, laptops, tablets as well as smartphones that use application technology (police apps), but importantly provide end user access to all systems and applications.

An in-depth analysis & benchmarking exercise has been carried out during the year on the DDaT capital budget, with savings being identified. A number of planned replacements have been pushed back and rolling replacement budgets have been smoothed over the 10 years to more accurately reflect the capacity of the teams to roll out new devices. This work will continue and the smartphone budget will be next to be reviewed with the aim of removing the peaks and troughs for a level replacement programme.

If the large schemes are discounted, the programme shows that the DDaT capital programme presented remains broadly flat over the 10 years at an average of £1.3m per annum. This provides for the cyclical replacement and improvement of the full range of DDaT services: the networks and security and that ensures information can be moved securely between the different systems and device end points through which it is entered, processed and stored.

Appendix 2 provides a high-level analysis of the DDaT capital programme.

3.13. Fleet Schemes

The Constabulary fleet replacement programme consists of 300 vehicles. The capital programme provides for the replacement and kit out of these vehicles on a periodic basis at the end of their useful life. The fleet schemes are supported by the fleet strategy, an update of which was presented to the Commissioner as part of the budget setting process in September. The fleet strategy sets out the Constabulary fleet requirements over the coming years. The main aim of the fleet strategy is to provide a cost-effective fleet service to meet the needs of operational policing. The majority of vehicles are procured through a national framework agreement which ensures value for money is achieved.

During 2025/26 53 vehicles were planned for replacement (including 7 where delivery was delayed from 2024/25) at an estimated cost of £1.6m. Of this, 15 vehicles had their life



extended by one year delaying purchase to 2026/27 at an estimated cost of £0.4m. An additional 16 vehicles have been added during the year at a cost of £0.5m, 4 uplift vehicles, 2 Sprinter Vans, 3 vehicles donated and 7 vehicles have been written off, the

funds for these vehicles have been brought forward from 2026/27. 36 vehicles in the programme for 2025/26 have been received, it is hoped the remaining 18 will be delivered by the end of March 2026.

A further review of vehicle requirements is currently underway, including an evaluation of the overstrength vehicles currently being held.

A new scheme for the introduction of vehicle telematics has progressed well. This provides in-car data recording to improve vehicle utilisation, and it is anticipated that the detailed data provided will result in efficiencies in future years.

The plan for 2026/27 is to replace 62 vehicles with a budget of £2.2m, this is made up of a mix of mainly operational vehicles across all commands. The budget has been created on pricing from current frameworks and recent purchases with a caveat that prices are volatile & rapidly increasing, and there is potential that the budget requirement will increase.

Appendix 3 provides a high-level analysis of the fleet capital programme.

3.14. Estates Schemes

The Commissioner's estate currently consists of 30 premises (including police headquarters, larger police stations/Territorial Policing Area HQ, which include custody suites, smaller police stations, leased in and leased out property together with surplus assets subject to disposal). The estates schemes are supported by the estates strategy, an annual update of progress against this was presented to the Commissioner as part of the budget setting process for 2026/27. The estates strategy aims to provide a link between the strategic objectives of the organisation and priorities for the estate. The strategy outlines the current and future requirements of the estate and documents the changes that are required to meet these.

The main focus of the strategy in recent years has been on smaller life cycle replacements at various premises, including roof repairs, enhancing the Dog welfare facilities, refurbishment of Appleby and Hunter Lane Police Stations.

The emphasis for the current year has also been to review the options for the West Cumbria deployment centre which is currently part of a PFI arrangement. The PFI arrangement is due to end in 2026 and with the assistance of Home Office specialists the exit negotiations are being progressed. The capital programme includes a budget of £1.1m based on the assumption that the current premises will be purchased and renovated in 2026/27 rather than undertaking a new build. The 2026/27 budget also includes £0.3m investment in the replacement of heating, ventilation and air conditioning at the HQ site along with replacement of paving at Cockermouth that has become unsafe.

The Office of the Police, Fire and Crime Commissioner have recently commissioned condition surveys for all owned premises. This will allow for a thorough review of estate provision and

will look for areas where collaborated working may be possible. The condition surveys will be used shape the future Estates Strategy and will lead to changes in the budgets that support its delivery.

Appendix 4 provides a high-level analysis of the estates capital programme.

3.15. Other Schemes

Other schemes include cross cutting or operational programmes of work and include the replacement of Tasers and Firearms, replacement ballistic shields/body Armour, and works to expand and replace the Countywide CCTV system.

Appendix 5 provides a high-level analysis of the 'other' schemes.

4. Scheme Approval Status

In accordance with Financial Regulations B3 – Capital Programme, capital projects are split into three categories, Indicative, Delegated and Firm as outlined below. All schemes will begin as indicative when the medium-term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceed to procurement in the MTFP.

Indicative – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. All schemes requiring a business case are presented to COG, followed by Executive Board – Police prior to proceeding. The information requirements for schemes will be subject to CC CFO approval in consultation with the OPFCC CFO.

Delegated – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the CC CFO, in consultation with the OPFCC CFO, for final approval. CC CFO delegations are limited to the financial amounts included for the scheme within the capital programme plus a variance of up to 10% or £100,000 whichever is the lower. The CC CFO in consultation with the OPFCC CFO, may vire from capital reserves to fund any balance for the scheme within the delegated limit.

Firm - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

No capital expenditure shall be incurred unless the specific scheme is included in the capital programme approved by the PFCC or as subsequently modified

5. Supplementary information

Attachments

- Appendix 1 Draft Capital Expenditure and Financing 10 years 2026/27 to 2035/36
- Appendix 2 Draft DDaT Schemes
- Appendix 3 Draft Fleet Schemes
- Appendix 4 Draft Estates Schemes
- Appendix 5 Draft Other Schemes
- Appendix 6 Analysis of the change in Capital Strategy between February 2025 and January 2026
- Appendix 7 Sensitivity Analysis

Capital Expenditure and Financing 10 years 2026/27 to 2035/36

Capital Expenditure	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 1-10
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total
	£000's											
ICT Schemes	3.7	1.6	1.4	1.6	5.4	1.3	0.9	0.2	1.3	0.7	0.8	15.1
Fleet Schemes	2.3	2.2	1.9	1.8	1.7	1.7	3.7	1.3	2.3	1.3	2.2	20.3
Estates Schemes	1.2	2.4	0.8	1.0	0.7	0.9	0.3	0.1	0.1	0.2	0.5	6.9
Other Schemes	0.1	0.0	0.2	0.2	0.1	0.7	0.4	0.0	0.3	0.0	0.1	1.9
Total Capital Strategy	7.2	6.2	4.3	4.6	7.9	4.5	5.3	1.7	3.8	2.3	3.6	44.2

Capital Financing	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 1-10
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total
	£000's											
Capital Receipts	(1.5)	0.0	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	(1.0)
Contributions from Revenue	(1.0)	(0.4)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.5)	(0.4)	(0.4)	(0.4)	(4.3)
Revenue Reserves - DRC	(0.5)	(0.1)	0.0	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	(0.2)
Capital Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing	(4.2)	(5.6)	(3.8)	(4.1)	(7.5)	(3.1)	(4.9)	(1.2)	(3.4)	(1.9)	(3.2)	(38.7)
Total Capital Financing	(7.2)	(6.2)	(4.3)	(4.6)	(7.9)	(4.5)	(5.3)	(1.7)	(3.8)	(2.3)	(3.6)	(44.2)

(Excess) / Shortfall	0.0											
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As per section 4 above, all schemes will begin as indicative when the medium-term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceeding.

A more detailed analysis of capital expenditure is provided at Appendices 2-5

DDaT Schemes

Proposed DDaT Capital Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Yr 1-10
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total
	£'s										
Modern Workplace (End User Hardware Replacements)	0.9	0.8	0.9	0.9	0.4	1.0	0.5	0.9	0.4	0.4	7.1
Service Projects	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
Core Hardware Replacements	0.3	0.5	0.6	1.0	0.8	0.3	0.5	0.5	0.4	0.4	5.2
Radio Replacement	0.0	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.0	0.0	3.4
Projects (Infrastructure Solution Replacements)	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
General Reprofile	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Savings	0.0	0.0	0.0	0.0	0.0	(0.4)	(0.8)	(0.2)	(0.1)	(0.1)	(1.6)
Total DDaT Programme	1.6	1.4	1.6	5.4	1.3	0.9	0.2	1.3	0.7	0.8	15.1

As per section 4 above, all schemes will begin as indicative when the medium-term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceeding.

Fleet Schemes

Proposed Fleet Capital Programme	Number of Vehicles in Category	Year 1 2026/27 £	Year 2 2027/28 £	Year 3 2028/29 £	Year 4 2029/30 £	Year 5 2030/31 £	Year 6 2031/32 £	Year 7 2032/33 £	Year 8 2033/34 £	Year 9 2034/35 £	Year 10 2035/36 £	Yr 1-10 Total £
Covert	12	0.1	0.1	0.1	0.0	0.3	0.1	0.0	0.2	0.0	0.4	1.1
Neighbourhood Policing	98	1.7	0.0	0.8	0.9	0.4	2.0	0.0	0.8	0.9	0.4	8.0
Specialist Vehicles	32	0.2	0.2	0.4	0.1	0.3	0.3	0.2	0.3	0.1	0.2	2.2
Dog Vehicles	14	0.1	0.2	0.1	0.2	0.0	0.0	0.1	0.3	0.1	0.3	1.4
Motor Cycles	7	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.2
Pool Cars	31	0.0	0.1	0.1	0.0	0.3	0.2	0.0	0.0	0.0	0.1	0.8
Protected personnel Carriers	9	0.0	0.4	0.0	0.0	0.2	0.0	0.4	0.0	0.0	0.0	1.0
Roads Policing Vehicles	25	0.1	0.6	0.1	0.5	0.1	0.7	0.1	0.5	0.1	0.7	3.5
Crime Command	40	0.0	0.1	0.1	0.0	0.0	0.4	0.1	0.1	0.1	0.1	1.0
Crime Scene Investigators	8	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.3
Garage	5	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
VIP	3	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.2
Partnership Vehicles (Rechargable)	16	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.3
Total Fleet Summary	300	2.2	1.9	1.8	1.7	1.7	3.7	1.4	2.3	1.3	2.3	20.3
Number of Vehicles Replaced Each Year		62	38	48	38	45	103	37	45	31	48	563

As per section 4 above, all schemes will begin as indicative when the medium-term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceeding.

Estates Schemes

Appendix 4

Estates Strategy 2026/27 Onwards Proposed Estates Capital Programme	Yr 1 2026/27 £m	Yr 2 2027/28 £m	Yr 3 2028/29 £m	Yr 4 2029/30 £m	Yr 5 2030/31 £m	Yr 6 2031/32 £m	Yr 7 2032/33 £m	Yr 8 2033/34 £m	Yr 9 2034/35 £m	Yr 10 2035/36 £m	Yr 1-10 Total £m
Appleby Roof Repairs	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Ambleside externals (inc. surfacing)	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Barrow HVAC	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Barrow UPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Barrow CCTV camera replacement	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Barrow window refurb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Cockermouth Paving	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Durranhill Roof Repairs & Glazing	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Durranhill curtain walling life cycles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Durranhill affray	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Durranhill life replacement	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Durranhill CCTV system and cell call	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Durranhill heat and vent plant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Durranhill UPS	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
HQ window conservation	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.2
HQ UPS	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
HQ HVAC	0.3	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.5
HQ Comms Centre Cooling plant	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
HQ Firearms welfare facilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
HQ Fire doors	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.2
HQ LDC life cycle bedrooms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
HQ surfacing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Hunter Lane fire doors	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Kendal Roof Repairs	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Kendal CCTV and Cell Call	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Kendal - yr 10 electrical and plant	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Kendal CCTV	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Kendal cladding	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Kendal tarmac surfacing	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Kendal fire doors	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Longtown - Roof	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Longtown lighting and power	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
NTU externals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Whitehaven life cycles	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Windermere roof	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Windermere externals	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
West Estate Purchase	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Garage Provision - ???	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.5
Strategic Estate development fund	0.3	0.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4
Estate wide fire strategy	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Total Estates Schemes	2.4	0.8	1.0	0.7	0.9	0.3	0.1	0.1	0.2	0.5	6.9

As per section 4 above, all schemes will begin as indicative when the medium-term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceeding.

Other Schemes

Proposed Other Capital Programme	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 1-10
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total
	£	£	£	£	£	£	£	£	£	£	£
CCTV	0.0	0.0	0.2	0.0	0.5	0.4	0.0	0.0	0.0	0.0	1.0
Taser CED migration (T60 package /T7 * 79)	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.4
X26 taser fleet replacement	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Glock Pistol Replacement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Portable Ballistic Protective Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sheilds - Public Order Protective Sheilds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Body Armour	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Total Other Schemes	0.0	0.2	0.2	0.1	0.7	0.4	0.0	0.3	0.0	0.1	1.9

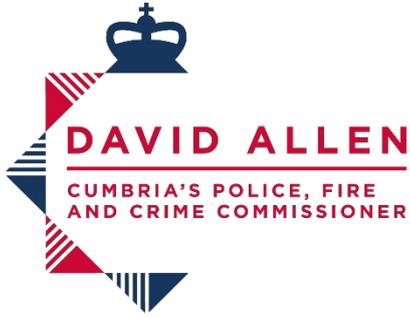
As per section 4 above, all schemes will begin as indicative when the medium-term financial plan is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceeding.

Analysis of change in Capital Programme between Feb 2025 and the Jan 2026 proposals.

EXPENDITURE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	New 1-5 Year
	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	TOTAL £m
Capital Strategy - Approved (February 2025)	4.9	6.0	5.1	4.5	7.4	3.4	26.5
Capital Strategy - Proposed (TODAY)	7.2	6.2	4.3	4.6	7.9	4.5	27.4
Difference (decrease)/Increase	2.4	0.2	(0.8)	0.0	0.4	1.1	1.0
Difference by Type							
- ICT Schemes	1.5	0.1	(1.2)	0.2	0.1	0.5	(0.3)
- Fleet Schemes	0.7	(0.5)	0.2	(0.6)	(0.0)	0.3	(0.5)
- Estates Schemes	0.1	0.6	0.2	0.4	0.4	0.3	1.8
- Other Schemes	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Difference (decrease)/Increase	2.4	0.2	(0.8)	0.0	0.4	1.1	1.0
Explanation of the Difference by Type							
ICT Schemes							
2024/25 carried forward to 2025/26	1.4	0.0	0.0	0.0	0.0	0.0	0.0
Trsf to/from revenue	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Reprofile	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Future Reprofile	0.0	0.0	0.0	0.0	(0.2)	0.2	0.0
Reprofile Laptops and Docs	0.0	0.1	(1.2)	0.2	0.3	(0.0)	(0.6)
Savings	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Fleet Schemes							
Qtr.4 slippage	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Move to 2026/27	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Write off B/Fwd	0.2	0.0	0.0	0.0	0.1	(0.1)	0.0
Additional Vehicle - DT	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Re-profile 1 year	0.0	(0.1)	0.2	(0.2)	(0.1)	(0.1)	(0.3)
Re-profile write off	0.0	(0.2)	0.0	(0.0)	(0.0)	0.2	0.0
Moved back in 2024/25	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Uplift Vehicle	0.1	0.0	0.0	0.0	0.0	0.0	0.0
New carriers Aprvd	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Re-profile + 4 years	0.0	(0.2)	0.0	(0.3)	0.0	0.2	(0.3)
Estates Schemes							
Bfwd from 2024/25 to 2025/26	0.3	0.2	0.0	0.0	(0.0)	0.0	0.1
Tsfr from Revenue	0.1	0.0	0.0	0.0	0.0	0.0	0.0
New Scheme	0.1	0.2	0.1	0.3	0.4	0.3	1.3
Reprofile	(0.4)	0.2	0.1	0.1	0.0	0.0	0.4
Other Schemes							
Bfwd from 2024/25 to 2025/26	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Difference (decrease)/Increase	2.4	0.2	(0.8)	0.0	0.4	1.1	1.0
Balance left to explain	0.0	(0.0)	0.0	(0.0)	0.0	0.0	(0.0)

Sensitivity Analysis

Budget Area	Sensitivity Analysis	2026/27	2027/28	2028/29	2029/30	2030/31	
General	Capital Programme	<i>Current Capital Programme in £m</i>	£6.2m	£4.3m	£4.6m	£7.9m	£4.5m
	Capital Programme	Impact in £m of 1% increase in Capital Expenditure	£0.06m	£0.04m	£0.05m	£0.08m	£0.02m
	Capital Programme	<i>Current debt repayment in relation to Capital Expenditure in £m</i>	£1.1m	£1.9m	£2.6m	£3.2m	£4.6m
	Capital Programme	Impact in £m of a £1m increase in Capital Expenditure	£0.2m	£0.2m	£0.2m	£0.2m	£0.2m



Public Accountability Conference
12 February 2026
Agenda Item No 06c

Joint Audit Committee
25 March 2026
Agenda Item No 17

Office of the Police, Fire and Crime Commissioner Report

**Title: Borrowing, Treasury Management, Investment and MRP Strategies
2026/27 (including Prudential Indicators)**

Report of the Constabulary Chief Finance Officer and PFCC Chief Finance Officer

Originating Officer: Sarah Walker, Financial Services Manager.

Purpose of the Report

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in the Public Services (the CIPFA TM Code) and the Prudential Code require Local Authorities (including the PFCC) to determine the Treasury Management Strategy Statement (TMSS) on an annual basis.

These codes were originally issued in 2002, revised in 2009, 2011, 2017, and again in 2021. The TMSS presented here complies with the 2021 codes and accompanying guidance notes. The TMSS also incorporates the Investment Strategy which is a requirement of the Ministry of Housing, Communities and Local Government's (MHCLG) (Previously Department for Levelling Up, Housing & Communities) Investment Guidance 2018.

This report proposes a strategy for the financial year 2026/27.

Treasury Management in Local Government continues to be a highly important activity. The Police, Fire and Crime Commissioner (“The Commissioner”) adopts the CIPFA definition of Treasury Management which is as follows:

Treasury Management Definition

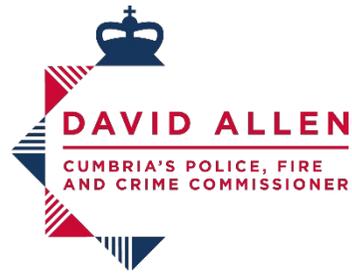
‘The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

Recommendations

The Commissioner is asked to:

1. Approve the Borrowing Strategy for 2026/27 as set out on pages 9-10.
2. Approve the Investment Strategy for 2026/27 as set out on pages 11-14.
3. Approve the Treasury Management Prudential Indicators as set out on pages 16-18.
4. Approve the other Prudential Indicators set out on pages 18 to 22.
5. Approve the Minimum Revenue Provision Policy Statement for 2026/27 as set out on pages 23-24.
6. Note that the detailed Treasury Management Practices (TMPs) are currently being reviewed and updated as required by the Code of Practice and will be published alongside the TMSS on the Commissioner’s website. The updated TMPs will be provided at the Joint Audit Committee in March.
7. Delegate to the PFCC Chief Finance Officer any non-material amendments arising from scrutiny of the strategy by the Joint Audit Committee.

The Joint Audit Committee are asked to review the Treasury Management Strategy Statement and Treasury Management Practices to be satisfied that controls are satisfactory and provide advice as appropriate to the Commissioner.



Borrowing, Treasury Management, Investment, and MRP Strategies 2026/27 (Including Prudential Indicators)

Treasury Management Strategy Statement 2026/27

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Key Messages

Approval of an annual Treasury Management Strategy is a statutory requirement of the Commissioner.

This Strategy aims to provide the Commissioner with a low risk, yet suitably flexible, approach to Treasury Management.

General Principles

The Commissioner is required to approve an annual Treasury Management Strategy Statement in accordance with the CIPFA Code of Practice on Treasury Management, which also incorporates an Investment Strategy as required by the Local Government Act 2003 and which is prepared in accordance with the Ministry of Housing, Communities and Local Government's Investment Guidance 2018. Together, these cover the financing and investment strategy for the forthcoming financial year.

The Treasury Management Strategy has been prepared in line with the model guidance produced by MUFG Treasury Services Ltd, who provide specialist treasury management advice to the Commissioner. However, it should be noted that all treasury management decisions and activity are the responsibility of the Commissioner and any such references to the use of these advisors should be viewed in this context.

Treasury management activities involving, as they do, the investment of large sums of money and the generation of potentially significant interest earnings have inherent risks. The Commissioner regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks. The main risks to the Commissioner's treasury activities are outlined below:

- Credit and Counterparty Risk (security of investments)
- Liquidity Risk (inadequate cash resources)
- Market or Interest Rate Risk (fluctuations in interest rate levels)
- Re-financing Risks (impact of debt maturing in future years)
- Legal and Regulatory Risk
- Fraud, Error and Corruption Risk

Details of the control measures the Commissioner has put in place to manage these risks are contained within the separate Treasury Management Practices (TMPs).

Key Messages

The Commissioner's priority for investments will **always** be ranked in the order of:



General Principles (Continued)

The Commissioner acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management. However, the high profile near failure of major banks in 2008 highlighted that this objective must be sought within a context of effective management of counterparty risk. Accordingly, the Commissioner will continue to search for optimum returns on investments, but at all times the **security** of the sums invested will be paramount. This is a cornerstone of the CIPFA Code of Treasury Management Practice which emphasises “**Security, Liquidity, Yield** in order of importance at all times”. The security of the sums invested is managed by tight controls over the schedules of approved counterparties, which are continually reviewed to take account of changing circumstances, and by the setting of limits on individual and categories of investments as set out at **Appendix A**.

The strategy also takes into account the impact of treasury management activities on the Commissioner's and Constabulary's revenue budget. Forecasts of cash balances, interest receipts and financing costs are regularly re-modelled. The revenue budget for 2026/27 and forecasts for future years have been updated in light of the latest available information as part of the financial planning process.

The guidance under which this strategy is put forward comes from a variety of different places. Principally, however, the requirement to produce an annual Treasury Management Strategy is set out in the CIPFA Code of Practice on Treasury Management published in 2011, 2017 and 2021. There is, in addition, a further requirement arising from the Local Government Act 2003 (Section 15) and the 2018 Ministry of Housing, Communities and Local Government's (MHCLG) Guidance, to produce an investment strategy as part of the wider Treasury Strategy. This is set out below, starting at page 10. Finally, the Commissioner's treasury advisors, Link Treasury Services Ltd, have provided some advice about possible future trends in interest rates and advice on best practice in relation to the format of the TMSS.

In accordance with The Code of Practice for Treasury Management, the Commissioner will approve the Annual TMSS, receive a quarterly summary of treasury activity, a mid-year update on the strategy and an annual report after the close of the financial year.

Key Messages

Scrutiny of the Commissioner's treasury activities is the responsibility of the Joint Audit Committee, including:

- Quarterly Reports
- Year End Report
- Treasury Risk Management
- Review of Assurances

As a minimum a rolling 12-month cash flow forecast is maintained and is audited as part of the statutory accounts to support the principle that the Commissioner is operating as a 'going concern'.

General Principles (Continued)

The Joint Audit Committee will be responsible for the scrutiny of treasury management policy and processes. The Joint Audit Committee terms of reference in relation to treasury management are:

- Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory.
- Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity.
- Review the treasury risk profile and adequacy of treasury risk management processes.
- Review assurances on Treasury Management (for example, an internal audit report, external or other reports).

The MHCLG Guidance on investments states that publication of strategies is now formally recommended, the full suite of strategy documents will be published on the Commissioner's website once approved.

The Commissioner complies with the provisions of section 32 of the Local Government Finance Act 1992 to set a balanced budget. This report fulfils the legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and MHCLG Guidance.

Treasury Management Cash Flow Forecast

Treasury Management activity is driven by the complex interaction of expenditure and income flows, but the core drivers within the Commissioner's balance sheet are the underlying need to borrow to finance its capital programme, as measured by the capital financing requirement (CFR), which is explored in detail on page 8 of this report, and the level of reserves and balances. In addition, day-to-day fluctuations in cash flows due to the timing of grant and council tax receipts and outgoing payments to employees and suppliers have an impact on treasury activities and accordingly are modelled in detail. The Commissioner's level of debt and investments is linked to the above elements, but market conditions, interest rate expectations and credit risk considerations all influence the Commissioner's strategy in determining exact borrowing and lending activity.

Key Messages

Investment returns and borrowing rates have most likely peaked, they started to fall in 2024 and further rate cuts are expected through 2026. However, many factors can impact that forecast.

The availability of reserves is declining and a requirement to borrow to fund the capital programme is anticipated.

Treasury Management Cash Flow Forecast (Continued)

The estimated treasury position at 31st March 2026 and for the following financial years are summarised below:

Estimated Treasury Position	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
External Borrowing	0.0	0.0	0.0	0.0	0.0
Interest Payments	0.0	0.0	0.0	0.0	0.0
Internal Borrowing	16.7	20.4	24.9	26.8	28.3
Investments (Average)	23.2	30.1	26.4	25.0	25.0
Interest Receipts	1.1	1.2	0.9	0.8	0.8

The figures in the table above are based on the approval of the proposed revenue budget and capital programme presented to the Commissioner elsewhere on this agenda and are based on the interest rate assumptions as outlined on page 7 below. The estimate for interest receipts in 2026/27 is £0.9m (latest forecast for 2025/26 is £1.2m), this figure is net with the expectation of utilising internal borrowing as in the table above. Interest receipts are higher this year due to slippage of the capital programme and higher than expected interest rates. The timing of future external borrowing is currently not known and negotiations regarding the exit of the PFI contract are still to be made.

The Commissioner's underlying need to borrow, as measured by the Capital Financing Requirement (CFR), is estimated to be £25.0m at the start of the 2026/27 financial year. This includes £3.1m which is the capital value of the PFI contract as required by changes to proper accounting practices introduced in The Code of Practice on Local Authority Accounting 2009. The capital programme paper elsewhere on this agenda (see item 08b) indicates that the Commissioner will need to borrow to deliver the agreed capital programme.

Under current market conditions, where short term interest rate forecasts are frequently changing, and there are continuing general uncertainties over the creditworthiness of financial institutions, it is assumed that the most prudent borrowing strategy for the present is to meet the capital funding requirement from within internal resources. This has the effect of reducing the cash balances available for investment. Advice will continue to be sought from our treasury advisors as to the most opportune time and interest rate to undertake external borrowing.

Key Messages

Core CPI inflation remained high during 2025 (currently 3.2%), somewhat above the 2% target. Inflation is expected to fall to 2% by April 2026.

The Bank Rate is forecast to slowly reduce to 3.25% from 3.75% in 2026.

Treasury Management Interest Rate Forecast

- GDP has posed tepid growth in 2025 (0.2% quarter on quarter for Q2 and 0.1% quarter on quarter for Q3). Inflation is currently falling (CPI 3.2%) and the November Budget placed more pressure on the majority of households' income. This provided an opportunity for the Bank of England's Monetary Policy Committee to reduce the Bank Rate from 4% to 3.75% on 18 December.
- UK CPI inflation fell to 3.2% in November. Both services and core inflation are currently at rates clearly above those with the 2.0% target (3.2% and 4.4%). The current shape of the yield curve suggests that bank rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.
- The MUFG Corporate Markets currently forecast a rate cut in Q2 2026 to 3.5%, this is likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April, followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.

The Monetary Policy Committee (MPC) has reduced the Bank Rate on 4 occasions over the past twelve months (February, May, August & December), taking rates to 3.75%. At the December meeting a 5-4 majority voted to cut rates to 3.75%. The Bank of England governor made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

Base Rate Estimates	2025/26	2026/27	2027/28	2028/29
Quarter 1	4.50%	3.75%	3.25%	3.25%
Quarter 2	4.25%	3.50%	3.25%	3.25%
Quarter 3	4.00%	3.50%	3.25%	3.25%
Quarter 4	3.75%	3.25%	3.25%	3.25%

Key Messages

Income is sensitive to forecasted interest rates and the average balance of investments for the year.

Treasury Sensitivity Analysis

The central assumption of the Government and most economic commentators is that the current steadying of inflation will continue and ultimately see inflation returning from its current level of 3.2% towards the Government's target of 2%. There is, however, a possibility that the inflationary pressures are more prolonged, and interest rates don't fall in line with current economic predictions. A sensitivity analysis that illustrates the sensitivity of the investment income to changes in key assumptions by 1% on interest rates, and £1m on investment balances, is provided in the tables below for information.

Investment Income	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Impact in £m of 1% increase in interest rates	0.264	0.250	0.250	0.250	0.250
Current interest rate assumption in MTFE	3.50%	3.25%	3.25%	3.25%	3.25%

Investment Income	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Impact in £m of a £1m increase in balances	0.035	0.033	0.033	0.033	0.033
Current Avg balance assumption in MTFE	26.35	25.00	25.00	25.00	25.00

Key Messages

The Commissioner has an increasing Capital Financing Requirement due to the capital programme but has modest investments (after deducting the pension grant receipt), and will therefore need to borrow in the near future.

Borrowing Strategy

Long Term Borrowing

The Commissioner's underlying need to borrow for capital purposes is measured by reference to the Capital Financing Requirement (CFR), which is one of the Prudential Indicators and represents the cumulative capital expenditure of the Commissioner that has not been financed from other sources such as capital receipts, capital grants, revenue contributions or reserves. To ensure that this expenditure will ultimately be financed, authorities are required to make a provision from their revenue accounts each year for the repayment of debt. This sum known as the Minimum Revenue Provision (MRP) is intended to cover the principal repayments of any loan over the expected life of a capital asset. The CFR together with Usable Reserves, are the core drivers of the Commissioner's Treasury Management activities.

Actual borrowing may be greater or less than the CFR, however to comply with the Prudential Code, the Commissioner must ensure that in the medium term, net debt will only be for capital purposes. Therefore, the Commissioner must ensure that except in the short term, net debt does not exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. In compliance with this requirement the Commissioner does not currently intend to borrow in advance of spending need.

The table below shows the Commissioner's projected capital financing requirement for 2025/26 and beyond.

Capital Financing Requirement	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Balance B/fwd	20.8	21.8	25.0	29.2	31.0
Plus Capital Expenditure financed from borrowing	1.8	4.2	5.6	3.8	4.1
Less MRP for Debt Redemption	-0.9	-0.9	-1.4	-2.0	-2.7
Balance C/Fwd	21.8	25.0	29.2	31.0	32.4

The above table shows only capital expenditure that is required to be financed from borrowing. The full capital programme and associated financing is reported in summary within the capital programme elsewhere on the agenda (see item 08b).

Key Messages

Diversification of investments continues to provide a level of liquid cash that is suitable for to cover the Commissioner's expenditure profile whilst total investment balances remain high. This will continue to be monitored as levels of investments fall and if necessary, a minimum level of liquid cash to be maintained will be set.

Short-term borrowing from other Local Authorities may be needed in the future to manage short term cash flow shortfalls.

Borrowing Strategy (Continued)

The Commissioner is not expected to have any external borrowing at the start of 2026/27. Given that the CFR is forecast to be £29.2m by the end of 2026/27, this effectively means that the Commissioner will be funding over £26.3m of capital spend from internal resources (CFR £29.2m less £2.9m in relation to the PFI). The PFI comes to an end during 2026/27, the final details are currently being agreed with the PFI provider.

Medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity) and short-dated fixed LA to LA monies. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts. Consequently, undertaking long-term borrowing at this time is likely to fix higher costs into the revenue account and commit the Commissioner to costs for many years in the future. It is critical that a long-term view is taken regarding the timing of such transactions.

It should also be recognised that by funding internally, there is an exposure to interest rate risk at the point that actual borrowing is undertaken. Accordingly, the Commissioner, in conjunction with its treasury advisors, will continue to monitor market conditions and interest rate prospects on an ongoing basis, in the context of the Commissioner's capital expenditure plans, with a view to minimising borrowing costs over the medium to long term.

The Commissioner's predecessors had previously raised all of its long-term borrowing from the PWLB (Public Works Loans Board) but other sources of finance are now available and being investigated, such as local authority loans and bank loans, that may be available at more favourable rates.

Short Term Borrowing

Short term loans will be used to manage day to day movements in cash balances, or over a short-term period to enable aggregation of existing deposits into longer and more sustainable investment sums. Short term borrowing would probably be from another Local Authority.

Key Messages

The Investment Strategy for 2026/27 remains broadly the same as in previous years as there has been little change in the markets or counterparties but is presented in line with the MUFG Treasury Services methodology.

The investment guidance emphasises “Security, Liquidity, Yield in order of importance at all times”.

The appropriate balance between risk and return is sought.

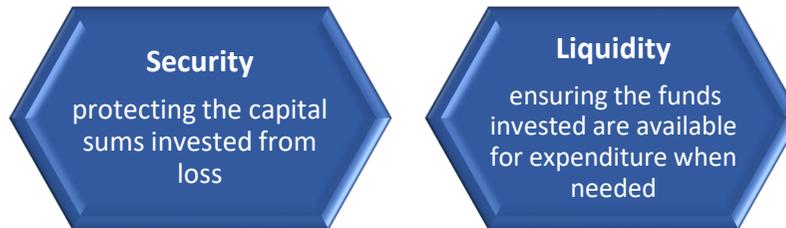
Investment Strategy

Local Authorities (which include the Commissioner) invest their money for three broad purposes:

- because they have surplus cash as a result of their day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
- to support local public services by lending to or buying shares in other organisations (service investments), and
- to earn investment income (known as commercial investments where this is the main purpose).

The Local Government Act 2003, Section 15(1) (a) requires the Commissioner to approve an investment strategy which must also meet the requirement in the statutory investment guidance issued by MHCLG in January 2018. The Commissioner does not currently have, and does not intend to invest in, service investments or commercial investments so the detail below focuses on a Treasury Management Investment Strategy.

The CIPFA Code requires funds to be invested prudently, and to have regard for:



The generation of yield is distinct from these prudential objectives. Once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities. The objective when investing surpluses is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the aim would be to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The treasury management investment strategy operates criteria based on credit ratings to determine the size and duration of investments it is willing to place with particular counterparties. The credit worthiness of counterparties is reviewed on an ongoing basis in conjunction with the Commissioner’s treasury advisors (MUFG).

Key Messages

In accordance with guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Commissioner applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

The key ratings used to monitor counterparties are the Long Term ratings.

Investment Strategy (Continued)

The Commissioner holds significant balances of invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2025/26, the Commissioner's investment balance has ranged between £4.2m and £47.4m. The larger sum was due to the receipt in July 2025 of £17.2m pension top up grant from the Home Office, which is drawn down steadily over the remainder of the year. Balances in 2026/27 are forecast to slowly reduce as expenditure on large capital schemes continues. It is anticipated that, at the peak, when the pensions grant is received in July, balances for investment could approach £39.4m.

Credit Rating - Investment decisions are made by reference to the lowest published long-term credit rating from credit agencies such as, Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. In addition to credit ratings, the Commissioner, and its advisors, select countries and financial institutions after analysis and ongoing monitoring of:

- Economic fundamentals (e.g., net debt as a % of GDP)
- Credit default swap prices (a CDS is a financial derivative or contract that allows an investor to "swap" or offset credit risk with that of another investor)
- Sovereign support mechanisms
- Share prices
- Corporate developments, news, articles, market sentiment and momentum
- Subjective overlay – or, put more simply, common sense.

The investment strategy for 2015/16 was opened up slightly to include some additional classes of investment to allow more flexibility and diversification. The strategy for 2026/27 remains principally the same, however, the methodology used in applying the matrix for the placement of investments has been fully aligned with the MUFG Treasury Services methodology. A full explanation of each class of asset and the creditworthiness policy is provided in **Appendix A** together with a schedule of the limits that will be applied.

The decision to enter into an approved class of investment is delegated to the PFCC Chief Finance Officer. Lending Limits (amounts & maturity) for each counterparty will be set through applying the matrix table. Transaction limits are also set for each type of investment.

Key Messages

The PFCC Chief Finance Officer (subject to consultation with the Commissioner) will be granted delegated authority to amend or extend the list of approved counterparties should market conditions allow.

No plans to use derivatives – this would require explicit approval.

Investment Strategy (Continued)

Classes of investment are also categorised under two types; specified and non-specified, the limits for these are set in the TMP's. Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, even if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year. Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

The Treasury Management Strategy is designed to be a dynamic framework which is responsive to prevailing conditions with the aim of safeguarding the Commissioner's resources. Accordingly, the Commissioner and his advisors will continuously monitor corporate developments and market sentiment with regards to counterparties and will amend the approved counterparty list and lending criteria where necessary. Whilst credit ratings are central to the counterparty risk evaluation process, other factors such as the prevailing economic climate are taken into consideration when determining investment strategy. It is proposed to continue the policy, adopted in 2017/18 that the PFCC Chief Finance Officer, subject to consultation with the Commissioner, be granted delegated authority to amend or extend the list of approved counterparties should market conditions allow.

The Joint Audit Committee will be updated on any changes to policy. The performance of the Commissioner's treasury advisors and quality of advice provided is evaluated prior to the triennial renewal of the contract. Meetings with the advisors to discuss treasury management issues are held on a regular basis.

The use of Financial Instruments for the Management of Risks

Currently, Local Authorities (including the PFCC's) legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Act is not sufficiently explicit.

In the absence of any explicit legal power to do so, the Commissioner has no plans to use derivatives during 2026/27. Should this position change, the Commissioner may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require explicit approval. A derivative is a financial security with a value that is reliant upon or derived from, an

Key Messages

The cash flow forecast is maintained for a minimum rolling 12 months. This allows assessment of the ability to invest longer term and identifies areas where short term borrowing may be required.

Investment Strategy (Continued)

underlying asset or group of assets. The derivative itself is a contract between two or more parties, and the derivative derives its price from fluctuations in the underlying asset.

Liquidity of investments

The investment strategy must lay down the principles which are to be used in determining the amount of funds which can prudently be committed for more than one year i.e., what MHCLG defines as a long-term investment. (The commissioner has set this limit at £2m).

The Financial Services team use a cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Commissioner being forced to borrow on unfavourable terms to meet his financial commitments. For the Commissioner, the total of investments over one year in duration are limited to £2m with a maximum duration of three years. This policy balances the desire to maximise investment returns, with the need to maintain the liquidity of funds.

Under current market conditions there is still little opportunity to generate significant additional investment income by investing in longer time periods over one year. However, as always, investment plans should be flexible enough to respond to changing market conditions during the year. The estimate of investment income for 2026/27 amounts to £0.9m (£1.2m 2025/26) and actual investment performance will be reported regularly to the Commissioner and will be provided to members of the Joint Audit Committee as background information to provide guidance and support when undertaking scrutiny of Treasury Management procedures.

Key Messages

The 'Treasury Management Practices' statement is updated each year, scrutinised by the Joint Audit Committee and published on the Commissioner's website alongside this strategy.

Treasury Risk and Treasury Management Practices

The Commissioner's approach to risk is to seek optimum returns on invested sums, taking into account at all times the paramount security of the investment. The CIPFA Code of Practice and Treasury Management Practices sets out in some detail defined treasury risks and how those risks are managed on a day to day basis. The CIPFA Code of Practice on Treasury Management recommends the adoption of detailed Treasury Management Practices (TMPs). As outlined above, the Treasury Management Code and Prudential Code were updated and additional guidance notes have now been received. The TMP's have been updated. The guidance from CIPFA recommends that TMPs should cover the following areas:

- Risk Management
- Performance Management
- Decision Making and Analysis
- Approved Instruments
- Organisation, Segregation of Duties and Dealing Arrangements
- Reporting and Management Information Requirements
- Budgeting, Accounting and Audit
- Cash and Cash Flow Management
- Money Laundering
- Training and Qualifications
- Use of External Service Providers
- Corporate Governance

Treasury Management is a specialised and potentially risky activity, which is currently managed on a day-to-day basis by the Financial Services Team under authorisation from the PFCC Chief Finance Officer as part of a shared service arrangement for the provision of financial services. The training needs of treasury management staff to ensure that they have appropriate skills and expertise to effectively undertake treasury management responsibilities is addressed on an ongoing basis. Specific guidance on the content of TMPs is contained within CIPFA's revised code of Practice for Treasury Management. Accordingly, the TMPs have been reviewed in detail and where necessary amendments have been made to bring the TMPs into line with The Code.

The PFCC currently has no external debt and does therefore not need to set limits on the maturity of debt in each period.

Treasury Management Prudential Indicators

The key objectives of The Code are to ensure, within a clear framework, that Capital investment plans are affordable, prudent and sustainable (or to highlight, in exceptional cases, that there is a danger this will not be achieved so that the Commissioner can take remedial action). To demonstrate that Authorities have fulfilled these objectives, the Prudential Code sets out the Indicators that must be used. The indicators required by The Code are designed purely to support local decision making and are specifically not designed to represent comparative performance indicators.

The treasury management Indicators are not targets to be aimed at but are instead limits within which the treasury management policies of the Commissioner are deemed prudent. These cover three aspects:

1. Maturity Structure of Borrowing

It is recommended that upper and lower limits for the maturity structure of borrowings are calculated as follows:

Period of Maturity	Upper Limit %	Lower Limit %
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

This indicator is primarily applicable to organisations, which have undertaken significant levels of borrowing to finance their capital programmes in which case it is prudent to spread the profile of repayments to safeguard against fluctuations of interest payments arising from having to refinance a large proportion of the debt portfolio at any point in time. During 2012/13 the Commissioner repaid all outstanding external borrowing and as a result there is currently no requirement to apply stringent limits to the maturity profile of existing debt.

Treasury Management Prudential Indicators (Continued)

2. Principal sums invested for periods longer than a year

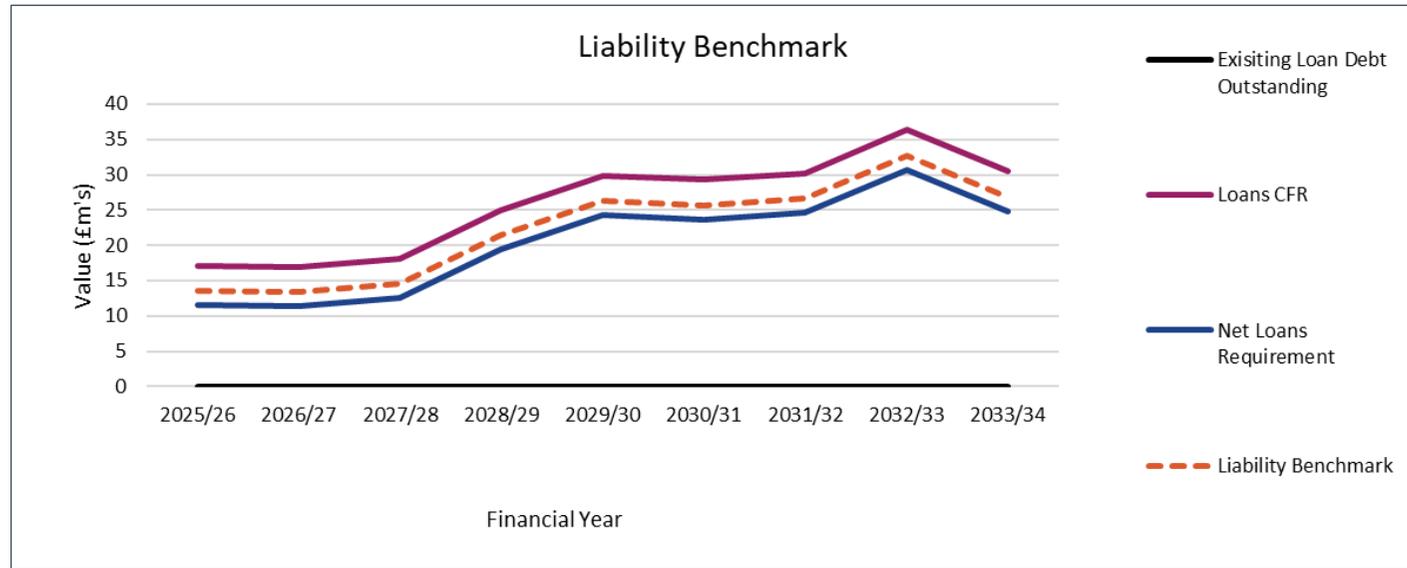
The purpose of this indicator is to contain the Commissioner’s exposure to the possibility of loss that might arise as a result of having to borrow short term at higher rates or losses by seeking early repayment of its investments.

Price Risk Indicator	2024/25	2025/26	2026/27	2027/28	2028/29
Limit on principal invested beyond one year	£2m	£2m	£2m	£2m	£2m

3. Liability Benchmark

The 2021 code requires Authorities to define their own ‘Liability Benchmark’ which looks at the net management of the PFCC’s overall treasury position. The aim of the indicator is to support in the management of treasury risks, namely refinancing risk, interest rate and credit risk. It does this through profiling the borrowing portfolio close to the plotted liability benchmark position.

The graph below shows that the current position for the Police Fire and Crime Commissioner is one of no external debt but a loan requirement just below the capital financing requirement. The gap to the external loans of zero represents the under borrowed position / internal borrowing undertaken.



Compliance with the indicators will be presented to the PFCC Public Accountability Conference and the Joint Audit Committee in the quarterly Treasury Activities report.

Key Messages

* In the current financial climate the decision has been taken to borrow internally rather than from the PWLB which will be reflected in the capital financing requirement indicator.

Setting, Revising, Monitoring and Reporting

Prudential Indicators, other than those using actual expenditure taken from audited statements of accounts must be set prior to the commencement of the financial year to which they relate. Indicators may be revised at any time, and must, in any case, be revised for the year of account when preparing indicators for the following year. The PFCC Chief Finance Officer has a prescribed responsibility under The Code to ensure that relevant procedures exist for monitoring and reporting of performance against the indicators. The Prudential Indicators when initially set and whenever revised, must be approved by the body which approves the budget, i.e. The Commissioner at his Public Accountability Conference.

Other Prudential Indicators 2026/27

As per the 2021 CIPFA Prudential Code for Capital Finance and the accompanying guidance notes the Commissioner is required to produce a number of indicators to assist understanding and to evaluate the prudence and affordability of the capital expenditure plans and the borrowing and investment activities undertaken in support of this.

Capital Expenditure and Capital Financing

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on council tax.

Capital Expenditure	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Expenditure	3.9	7.2	6.2	4.3	4.6

Capital Financing	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Receipts	0.7	1.5	0.0	0.0	0.0
Government Grants	0.0	0.0	0.0	0.0	0.0
Revenue Contributions	3.2	1.5	0.5	0.5	0.5
Total Financing	3.9	3.1	0.5	0.5	0.5
Borrowing*	0.0	4.2	5.6	3.8	4.1
Total Funding	0.0	4.2	5.6	3.8	4.1
Total Financing and Funding	3.9	7.2	6.2	4.3	4.6

Key Messages

Capital Finance Requirement –
'The mortgage you are yet to take'.

Minimum Revenue Provision –
'Annual Mortgage repayments'.

The Authorised Limit is a statutory limit (Local Government Act 2003) above which the Commissioner has no authority to borrow.

Other Prudential Indicators 2026/27 (Continued)

Capital Financing Requirement

The Capital Financing Requirement (CFR) shows the difference between the capital expenditure and the revenue or capital resources set aside to finance that spend. The CFR will increase where capital expenditure takes place and will reduce with the Minimum Revenue Provision (MRP) made each year from the revenue budgets.

Capital Financing Requirement	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Balance B/fwd	20.8	21.8	25.0	29.2	31.0
Plus Capital Expenditure financed from borrowing	1.8	4.2	5.6	3.8	4.1
Less MRP for Debt Redemption	-0.9	-0.9	-1.4	-2.0	-2.7
Balance C/Fwd	21.8	25.0	29.2	31.0	32.4

Authorised Limit

This represents a control on the maximum level of external debt. Whilst not desired it could be afforded by the authority in the short term but is not sustainable in the longer term. The Authorised Limit gauges events that may occur over and above those transactions which have been included in the Operational Boundary. The Authorised Limit must not be breached.

Authorised Limit for External Debt	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Borrowing	23.2	26.9	31.4	33.3	34.8
Other Long Term Liabilities	5.1	4.6	4.3	4.2	4.1
Total Authorised Limit	28.3	31.5	35.7	37.5	38.9

Key Messages

The Operational Boundary limit is not an absolute limit of external debt and may be exceeded temporarily.

Currently the Commissioner has no external borrowing.

Other Prudential Indicators 2026/27 (Continued)

Operational Boundary

The Operational Boundary is a limit beyond which external debt is not normally expected to exceed. This limit is not an absolute limit but it reflects the expectations of the level at which external debt is not normally expected to exceed.

Occasionally, the Operational Boundary may be exceeded (but still not breach the Authorised Limit) following variations in cash flow. Such an occurrence would follow controlled treasury management action and may not have a significant impact on the prudential indicators when viewed all together. Consistent with the Authorised Limit, the PFCC Chief Financial Officer has delegated authority, within the total Operational Boundary, to effect movement between the separately identified and agreed figures for External Borrowing and Other Long-term Liabilities. Any such changes will be reported to the Commissioner and the Joint Audit Committee meeting following the change.

Operational Boundary for External Debt	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Borrowing	21.7	25.4	29.9	31.8	33.3
Other Long Term Liabilities	5.1	4.6	4.3	4.2	4.1
Total Operational Boundary	26.8	30.0	34.2	36.0	37.4

Actual External Debt

The Commissioner's actual external debt as at 31 March 2026 will be £3.1m, comprising only of other long-term liabilities of £3.1m in relation to the PFI. It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investments rates compared to the costs of borrowing. It should be noted that all previous external borrowing with the PWLB (Public Works Loans Board) was repaid during 2012/13.

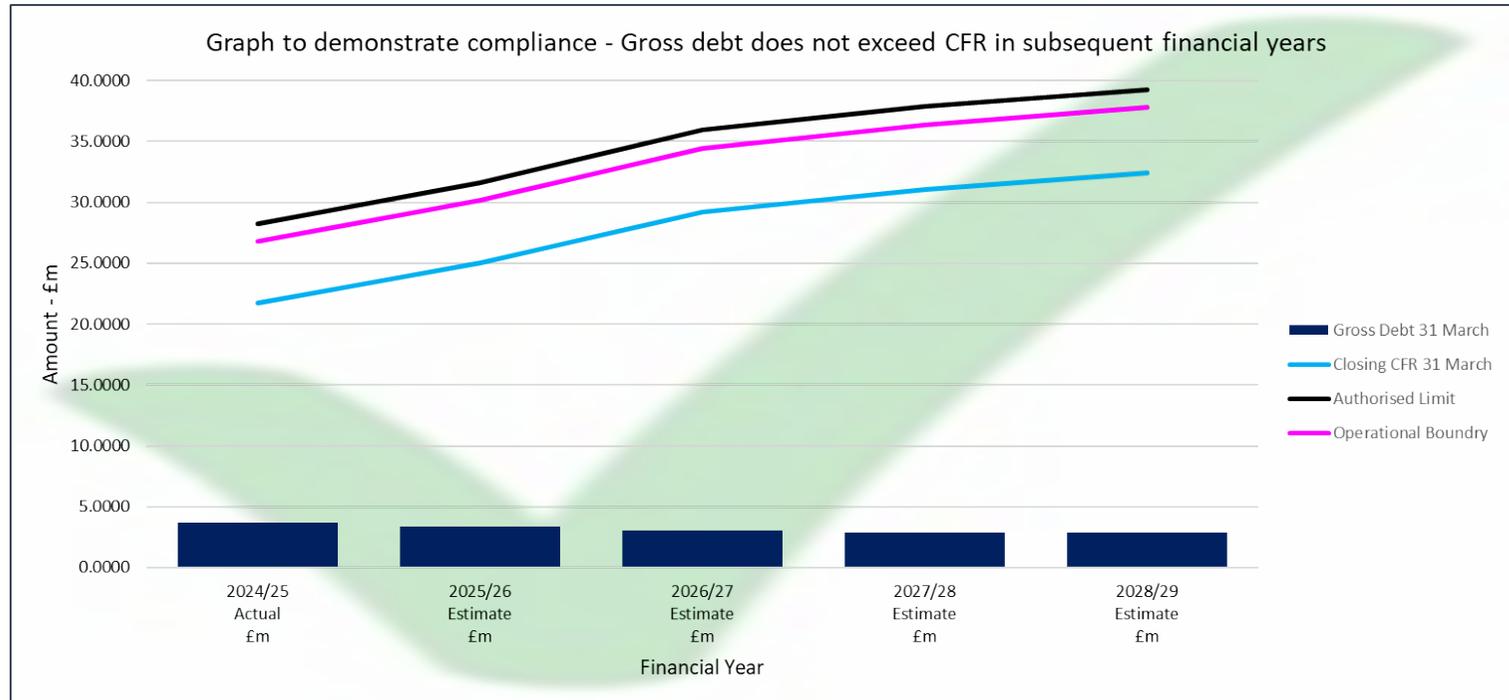
Other Prudential Indicators 2026/27 (Continued)

Gross Debt and the Capital Financing Requirement

The Commissioner should only borrow to support a capital purpose, and borrowing should not be undertaken for revenue or speculative purposes. Gross debt, except in the short term, should not exceed CFR in the preceding year plus the estimates for CFR for the three subsequent years.

Gross Debt and Capital Financing Requirement	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Closing CFR 31 March	21.8	25.0	29.2	31.0	32.4
Gross Debt 31 March	3.4	3.1	2.9	2.9	2.9

Using the figures from the above stated indicators the graph below demonstrates compliance as gross debt remains below CFR, authorised and operational limits for all years presented:



Other Prudential Indicators 2026/27 (Continued)

Ratio of financing costs

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

Financing Costs include the amount of interest payable in respect of borrowing or other long-term liabilities and the amount the Commissioner is required to set aside to repay debt, less interest and investments income. The Commissioner's financing costs can be both positive and negative dependent on the relative level of interest receipts and payments.

The actual Net Revenue Stream is the 'amount to be met from Non-specific government grants and local taxation' taken from the annual Statement of Accounts, budget, budget proposal and medium-term financial forecast. These figures are purely indicative and are in no way meant to indicate planned increases in funding from Council Tax.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Investment income	1.1	1.2	0.9	0.8	0.8
MRP	0.9	0.9	1.4	2.0	2.7
Financing Costs	-0.3	-0.3	0.5	1.2	1.8
Net Revenue Stream	138.3	146.6	148.8	152.2	155.6
Ratio	-0.20%	-0.21%	0.34%	0.80%	1.19%

Key Messages

The broad aim of the Minimum Revenue Provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

Calculation will be based on Option 1 for pre 2008/09 debt and option 3 thereafter.

The Commissioner is also permitted to make additional voluntary payments if required (voluntary revenue provision VRP) although there are no plans to make any in the medium-term forecasts.

Annual MRP Statement for 2026/27

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on authorities to make a prudent provision for debt redemption; this is known as the Minimum Revenue Provision (MRP). The Local Government Act 2003 requires the Authority to “have regard” to The Ministry of Housing, Communities and Local Government’s Guidance on Minimum Revenue Provision most recently issued in 2018. This sum known as the MRP is intended to cover the principal repayments of any loan over the expected life of a capital asset.

The Ministry of Housing, Communities and Local Government recommends that before the start of the financial year, The Commissioner approves a statement of MRP policy for the forthcoming financial year. This is now by agreement encompassed within the TMSS. The broad aim of the policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure, which gave rise to the debt, provides benefits.

The four options available for calculating MRP are set out below:

- Option 1 – Regulatory Method based on 4% of the CFR after technical adjustments.
- Option 2 – CFR Method, based on 4% of the CFR with no technical adjustments.
- Option 3 – Asset Life Method, spread over the life of the asset being financed.
- Option 4 – Depreciation Method, based on the period over which the asset being financed is depreciated.

It is proposed that The Commissioner’s MRP policy for 2026/27 is unchanged from that of 2025/26 and that the Commissioner utilises option 1 for all borrowing incurred prior to the 1st April 2008 and option 3 for all borrowing undertaken from 2008/09 onwards, irrespective of whether this is against supported or unsupported expenditure. This policy establishes a link between the period over which the MRP is charged and the life of the asset for which borrowing has been undertaken. It is proposed that a fixed instalment method is used to align to the Commissioner’s straight-line depreciation policy. MRP in respect of PFI and leases brought on to the balance sheet under the 2009 accounting requirements will match the annual principal repayment for the associated deferred liability. This will not result in an additional charge to the Commissioner’s revenue budget as this is part of the capital repayment element of the PFI unitary charge. There have been some additional voluntary contributions of MRP made in previous years that are available to reduce the revenue charges in later years. No such overpayments or withdrawals are planned for 2025/26.

Key Messages

A new International Financial Reporting Standard 16 (IFRS16) was implemented in the 2024/25 financial year, introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. This has resulted in an increase to the Capital Financing Requirement, external debt (other long-term liabilities), the Authorised Limit and the Operational Boundary, allowing for those leases, which were previously off-balance sheet, being brought onto the balance sheet. The related assets and liabilities have been brought onto the balance sheet increasing long-term liabilities, and as a result has increased the debt liability, this will reduce with annual MRP charges.

Creditworthiness Policy

The lending criteria set is designed to ensure that, in accordance with The Code of Practice, the security of the funds invested is more important than maximising the return on investments. Following consultation with the Commissioner's treasury advisors there are no amendments to the criteria used in determining approved investment counterparties for 2026/27 compared to those in operation for 2025/26.

The criteria for approving investment counterparties have been devised, grouped, graded and investment limits attached as detailed in Schedule A below. The individual, group and category limits are based on a percentage of the potential maximum sums available for investment during the year of up to £50m (previously £40). The counterparty limits, for banks and Local Authorities, for 2026/27, have been increased from £2m to £4m to allow for increasing cashflow balances and permit flexibility within investments. The methodology used in applying the matrix for the placement of investments is fully aligned with MUFG Treasury Services methodology. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

1. "watches" and "outlooks" from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Commissioner to determine the suggested duration for investments. The Commissioner will, therefore, use counterparties within the following durational bands;

- Yellow 5 years *
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The MUFG creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Commissioner uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

UK Government is considered the safest place to invest as it has never defaulted and therefore minimum credit ratings do not apply. All investments are Sterling; therefore, the Commissioner is not exposed to any foreign exchange / currency risk. The Commissioner has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA.

All credit ratings are monitored on an ongoing basis in conjunction with the Commissioner's treasury management advisors, MUFG Treasury Services Ltd, who provide timely updates and advice on the standing of counterparties. The Commissioner is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service. Whilst credit ratings are central to the counterparty risk evaluation process, other factors such as the prevailing economic climate are taken into consideration when determining investment strategy and at the time when individual investment decisions are made. If this ongoing monitoring results in a significant change to counterparty selection during the year, the Commissioner and the Joint Audit Committee will be advised through the quarterly activities report.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively by MUFG. Extreme market movements may result in the downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, the Commissioner will also use market data and market information, as well as information on any external support for banks to help its decision-making process.

Schedule A – Counterparty Groupings and Associated Limits

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

Category	Colour (and long-term rating where applicable)	Money limit	Transaction limit	Time limit
Banks *	Yellow	£20m	£4m	3yrs
UK Banks	Purple		£4m	2yrs
UK Banks	Orange		£4m	1yr
UK Banks – part nationalised	Blue		£4m	1yr
UK Banks	Red		£4m	6mths
UK Banks	Green		£4m	100 days
UK Banks	No Colour		Not to be used	0
Non-UK Bank**	Orange/Blue/Purple	£6m	£4m	1yr
Non-UK Bank**	Red	£6m	£4m	6mths
Commissioner’s banker (where “No Colour”)	No Colour	£1m	£1m	1 day
DMADF	UK sovereign rating	unlimited	unlimited	6 months
Local authorities	n/a	unlimited	£4m	1yr
Housing associations	Colour bands	£10m	£2m	As per colour band
Category	Fund rating***	Money limit	Transaction limit	Time limit
Money Market Funds CNAV	AAA	£20m	£4m	liquid
Money Market Funds LVNAV	AAA	£20m	£4m	liquid
Money Market Funds VNAV	AAA	£20m	£4m	liquid

* The yellow colour category is for UK Government, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.

** Non-UK Bank (£6m) is within the total category limit of £20m for all banks.

*** Please note: “fund” ratings are different to individual counterparty ratings; Pooled funds are in essence the same as AAA money market funds but they require 3 days’ notice for the return of our funds. This slight reduction in cash flow is rewarded by a slightly increased interest rate. Link Treasury Services Ltd suggest that these funds are used for longer term investments and the ordinary money market funds to manage cash flow

Creditworthiness.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Commissioner will not set a minimum rating for the UK.

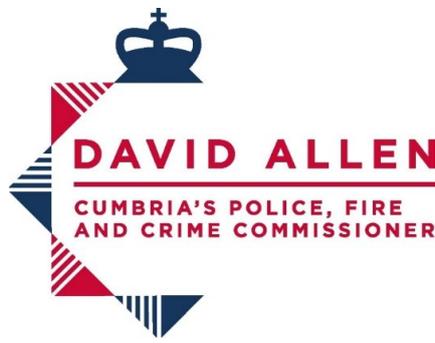
Credit Default Swap (CDS) prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Commissioner has access to this information via its Link-provided Passport portal.

Limits

Due care will be taken to consider the exposure of the Commissioner's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. Non-specified treasury management investment limit. The Commissioner has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being a total of £2m in the treasury management investment portfolio.
- b. Country limit. The Commissioner has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA from Fitch.
- c. No more than £6 Million (12% at full capacity) will be placed with any non-UK country at any time;
- d. Sector limits will be monitored regularly for appropriateness.
- e. Whilst these limits also apply to the Commissioner's own bankers in the ordinary course of business if that bank's lowest rating falls below 'A-' balances will be maintained for operational purposes only and minimised on a daily basis. A non-investment limit of £1m will apply in such circumstances.



Request for a Police, Fire & Crime Commissioner Decision

SECTION 1

Please identify who is requesting the decision:			
OPFCC Decision	Y	Decision Number:	PF 021/2026
CCFRA Decision	N	Decision Number:	CF xxxx/yyyy
Constabulary Decision	Y	Decision Number:	CC xxxx/yyyy

(Please indicate whether this is a PART 1 or PART 2 decision (For Part 2 decisions, only the Section 1 is to be published))

PART 1 Decision:	<input checked="" type="checkbox"/>	PART 2 Decision:	<input type="checkbox"/>
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DECISION TITLE: 2026/27 Budget, Medium Term Financial Forecast, and Reserves Strategy

Executive Summary:

The Commissioner is asked to approve the revenue budget, capital budget and reserves strategy for 2026/27 and the level of council tax to support the budget, having taken into account the advice of the Constabulary and OPFCC Chief Finance Officer in their report on the robustness of the proposed budgets. The papers provide provisional financial information for the years 2026/27 to 2030/31 and for 10 years in respect of the capital programme and reserves.

Recommendation:

The Commissioner is asked to:

- Note the attached Constabulary and OPFCC Chief Financial Officer's report on the robustness of the budget 'the Local Government Act 2003 Requirements' report (item 09a), taking into account their advice in respect of his decisions on the proposed budgets.
- Appendix B of the attached report 'Budget 2026/27 and Financial Forecasts 2027/28 to 2030/31 (item 09b) sets out the budget resolution for decision by the Commissioner in order to formally approve the level of council tax precept. In the context of the budget resolution, it is recommended that:
 - a) The revenue budgets outlined in the report and appendices be approved, having regard to the Local Government Act 2003 Requirements report
 - b) That the budget requirement for 2026/27 be set on the basis of the amount within the budget resolution at appendix B
 - c) The council tax for Band D properties be approved at £338.94 for 2026/27, an increase of £14.94 or 4.61%, being the amount within the budget resolution
- The commissioner is also asked to approve the Reserves Strategy for 2026/27 which is provided as a separate report (item 09c).
- Note that the Charging Policy for 2026 was previously approved at his Executive Board-Police Meeting on 18/12/2025.

Police, Fire & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police, Fire & Crime Commissioner. Any such interests are recorded below.

I hereby:

approve

do not approve

the recommendations as set out above.

Delete as appropriate:

Police, Fire & Crime Commissioner / Chief Executive (delete as appropriate)

Signature:

Date:

For OPFCC Office Use only:

Date of publication of decision:

Each section below must be completed prior to submission to the Commissioner for decision.

ORIGINATING OFFICER DECLARATION:

I confirm that this report has been considered by the Chief Officer Group / OPFCC Executive Team / CCFRA Executive Team and that relevant financial, legal and equalities advice has been taken into account in the preparation of this report.	
Signed:	Date:

CHIEF OFFICER APPROVAL (where applicable)

Chief Constable / Chief Fire Officer (delete as appropriate)	
I have been consulted about the proposal and confirm that I am satisfied that this is an appropriate request to be submitted to the Police, Fire and Crime Commissioner.	
Signature:	Date:

OPFCC CHIEF OFFICER APPROVAL

Chief Executive (Monitoring Officer) / Chief Finance Officer (Deputy Chief Executive) (delete as appropriate)	
I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police, Fire and Crime Commissioner / Chief Executive (delete as appropriate).	
Signature:	Date:

Media Strategy	
The decision taken by the Police, Fire & Crime Commissioner may require a press announcement or media strategy.	
Will a press release be required following the decision being considered?	YES / NO
If yes, has a media strategy been formulated?	YES / NO
Is the media strategy attached?	YES / NO
What is the proposed date of the press release:	

Public Access to Information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the PFCC website within 5 working days of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead in the Part 2 section of the form. Deferment is only applicable where release before that date would not compromise the implementation of the decision being approved.

Is the publication of this form to be deferred?

NO

Until what date (if known):

If yes, for what reason:

If this is a **Part 2 Decision**, has the Part 2 element of this form been completed

YES / NO



Public Accountability Conference 12 February 2026
Agenda Item 07a

Local Government Act 2003 Requirements Report

Report of the OPFCC Chief Finance Officer and Constabulary Chief Finance Officer

1. Introduction

1.1 The Local Government Act 2003 requires the Chief Financial Officer to report formally on the robustness of the budget for consideration immediately prior to setting the Budget and Council Tax. The report aims to ensure that the Commissioner is aware of the opinion of the Chief Financial Officer regarding the robustness of the budget as proposed, including the longer-term revenue and capital plans, the affordability of the capital programme when determining prudential indicators and the adequacy of general balances and reserves. The Commissioner is required to take account of this report when determining the budget.

2. Robustness of the Estimates, Medium Term Plans and Tax Setting Calculations

2.1 Preparation for the budget, including decisions on key budget assumptions, takes place between November and February, with the budget being set 14 months ahead of the end of financial year to which it relates. Whilst the final recommended budget will always take account of the latest forecasts, the nature of the budget cycle means that there will always be some level of variation between the budget and actual expenditure. This risk is managed by ensuring that the budget process and estimates are robust and that balances and reserves are set at a level that takes account of financial and operational uncertainty. In giving a positive opinion on the robustness of the estimates and tax setting calculations reliance is placed on the Commissioner's overall arrangements for financial management.

- 2.2 The process for preparing the estimates involves a budget proposal from the Constabulary. The proposal is supported by detailed financial estimates prepared in accordance with guidance issued by the Constabulary Chief Finance Officer. Estimates are prepared under the professional supervision of the Group Accountant and Financial Services Manager and with the support of Financial Services Officers working in conjunction with nominated budget-holders. Estimates are subject to scrutiny by financial services staff and the Constabulary's Chief Officer Group, prior to submission to the Constabulary Chief Finance Officer for further review.
- 2.3 Working papers for review include a full reconciliation between the base budget for the previous financial year and the proposed budget for the new financial year for each section of the budget. This is accompanied by the detail of the management accounts. The working papers support an analytical review of the reasonableness of variations between financial years against budget assumptions. The overall budget consolidates the Constabulary's budget proposal with detailed estimates of the Commissioner's direct expenditure; budgets commissioned with other third parties and estimates of income. The most significant areas of income are in respect of government grant and council tax. Funding is calculated using actual information from the settlement and unitary authority notification of the tax base.
- 2.4 In addition to detailed estimates for the immediate financial year, a Medium-Term Financial Forecast (MTFF) is prepared covering five financial years, which is in accordance with best practice as set out in the financial management code. Key financial risks identified within the forecast are included within the Commissioner's strategic risk register and are subject to review based on the likelihood and severity of the risk. This ensures that the medium-term profile of income and expenditure is based on a sound review of risk and uncertainty that informs budget assumptions and the level of provisions and reserves.
- 2.5 Internal audit undertake cyclical reviews of the main financial systems and processes. Both internal and external audit provide an annual opinion on governance and internal controls. The internal auditors carry out a review of financial sustainability as part of

their annual programme. In addition, the external auditor undertakes a review of financial resilience as part of the value for money conclusion within the audit findings report. Collectively, this work provides assurance about the accuracy and reliability of the financial information used in the budget setting process.

- 2.6 On the basis of the overall arrangements for financial management, and audit of those arrangements, we can confirm that in our view the Commissioner has robust procedures in place for determining estimates, medium term plans and the Council Tax requirements.

3. Determination of the level of resources available

- 3.1 The resources available to the Commissioner to support expenditure primarily derive from Home Office Core Police Grant (£86.1m). The next most significant funding source is Council Tax (£63.9m). The balance of expenditure is funded from specific grants, reserves and fees and charges. The 2026/27 budget is based on actual government grant settlement figures and unitary authority notifications of the Council Tax base. As such, a high degree of assurance can be provided in respect of the level of certainty for 2026/27 in respect of funding. This level of assurance cannot be given to resources beyond 2026/27. A sensitivity analysis of key aspects of the budget is provided at Appendix A.
- 3.2 In June 2025 the government completed a 3-year comprehensive spending review (CSR) which covered financial years 2026/27 to 2028/29. In December 2025 the provisional settlement, and then in January 2026 the final settlement, detailed figures were provided to forces for the 2026/27 financial year only. The lack of a multi-year funding settlement makes it difficult for the Commissioner and Chief Constable to financially plan over the medium term. In 2026/27, a specific ringfenced grant (£3.1m), in relation to the Neighbourhood Policing Guarantee, has been provided and is dependent on the Constabulary increasing the numbers of Police Officers and PCSOs allocated to Neighbourhood Policing. During 2025/26 an additional 40 resources will have been provided, with a further 15 expected in 2026/27. The police officer establishment contained within the 2026/27 budget and MTF is based on 1,359 FTE.

3.3 As part of the overall funding settlement, a total of £86.1m is provided as core grant with a further £13.5m as ringfenced specific grants, giving HO funding of £99.6m in total. Whilst it has been assumed that this specific ringfenced funding will continue in future years, this is not guaranteed, collectively, these factors mean that the calculation of grant funding forecasts beyond the 2026/27 financial year are uncertain:

- Pensions Grant £3.6m to offset much of the financial impact of increased police officer pension contributions which increased from 31% to 35.3% from 1st April 2024.
- National Insurance Grant £2.0m to offset much of the financial impact of increased national insurance contributions, announced in the autumn statement which come into effect from 1st April 2024. This allocation of this grant has been changed for 2026/27 and is now allocated on funding formula share rather than headcount, giving a slight reduction in the funding (£33k).
- Neighbourhood Policing Guarantee £3.1m, see paragraph 3.2 above.
- Legacy Council Tax Grant £4.8m, see paragraph 3.8 below.

3.4 In recent years the Government has protected core police grant funding, but only on a cash basis, whilst providing Commissioners with increased flexibility to raise council tax to fund pay increases and inflation. In relation to future Council Tax forecasts, this gives rise to a risk regarding the sustainability of local taxpayers supporting above inflation precept rises to maintain services over the longer term. The Police, Fire and Crime Commissioner was given the flexibility to increase council tax by up to £15 for a band D property in 2026/27. This was increased from the maximum of £14 previously outlined in the spending review. The MTFE assumes that the higher level applied in 2026/27 will continue over the life of the MTFE. There is a risk that these forecast levels may not be supported by public consultation or may be reviewed by government in the future. This would potentially lead to an increase in savings required.

3.5 Each of the key issues with regard to the availability of resources, and the approach taken to managing the associated financial risk, is set out below. It is our opinion that the approach taken, alongside the Commissioner's position with respect to reserves and balances, is both prudent and robust in view of the level of risk.

Police, Fire and Crime Panel Veto

3.6 The arrangements for budget setting provide the Police, Fire and Crime Panel with a veto over the level of precept increase. The panel may determine that the precept increase is too high or too low. In these cases, the Commissioner is required to either reduce or increase the precept. It is for the Commissioner to determine the extent to which the precept is revised, having considered the views of the panel. For the 2026/27 budget the panel determined not to exercise its powers of veto and the budget is presented based on the precept proposal that was supported by the panel of a £14.94 increase on the band D council tax, which represents an increase of 4.61%. The position of the panel in respect of future year precept increases will not be known until January of the relevant financial year, presenting a risk in respect of the precept increase assumptions in the medium-term budget.

Legacy Council Tax Grants

3.7 Council tax discounts are available to support low income households with the cost of their council tax liabilities. They are administered locally on the basis of schemes developed by unitary councils. Because these benefits were previously administered nationally, and the impact of the change reduces the local tax base and council tax income, a national government grant compensates precept and billing authorities for the funding loss. Further compensation is provided for financial years where decisions have been taken to freeze the council tax precept. Collectively these grants are known as Legacy Council Tax Grants. The amount of grant for Cumbria is £4.8m. This figure has remained constant for a number of years and it is assumed that this will continue over the length of the Medium-Term Financial Forecast.

3.8 There is a level of uncertainty in respect of longer-term methodologies for distributing this funding and the mechanism through which the total amount of grant funding will

be determined nationally. In addition, the calculation of the total national funding and its distribution is based on a number of assumptions. Where local circumstances vary from these assumptions, there will be a financial implication.

3.9 The level of government grant is set at the time of the financial settlement. The main risk in respect of the level of national funding is therefore in respect of future years grant allocations and the extent to which this funding is impacted by overall reductions in government department expenditure allocations. It is also unclear whether any future national review of police funding will result in this and other specific grants being rolled into formula grant. This would result in a change in the distribution methodology with potential impacts from the 2027/28 settlement onwards.

3.10 A further risk is the potential for an increase in local claims for council tax discount. Experience of the last three years suggests that this risk is low as the move to local schemes has not resulted in any significant changes between former benefit and current discount applicants. It is however, known that there are gaps between the proportion of households eligible for discounts and the proportion that actually claim. This risk is heightened by the financial hardships being felt by many households in the current economic climate. Should this risk materialise, there will be an implication for the collection funds managed by the unitary authorities that will be shared with all precepting bodies. A high level estimate of the impact of this risk suggests that a 10% increase in claims would have a financial implication of around £400k for the Commissioner's budget.

Council Tax Base & Collection Fund Surplus and Deficits

3.11 The amount of council tax income is dependent on the level of council tax and the council tax base – the number of households in Cumbria, within property bands A to G, with a liability to pay their council tax bill. The council tax base is known for 2026/27 but may go up or down compared to the forecasts for the four final years of the medium-term financial forecast. The medium-term forecast assumes a 1% annual increase in tax base. Estimates are revisited on an annual basis.

3.12 In any single year the actual council tax income collected from households by unitary councils can be higher or lower than the amount forecast at the time of setting the budget. Any variation is shared with precepting authorities and will impact on the total amount of council tax income in future years. The factors influencing the council tax base and actual income collected are complex and difficult to forecast. There is therefore always a risk that income does not meet budgeted amounts. At this stage there has been no forecast budget included for surplus or deficit in future years.

Council Tax/Council Tax Grant Risk

3.13 Collectively, the factors above mean that the ability to accurately forecast council tax income and the local council tax grant, in the medium term, is complex, reducing the amount of assurance that can be provided from income forecasts particularly beyond 2026/27. However, a high degree of assurance can be provided with regard to the combined income from council tax and council tax grants for the current year. Whilst future income is less certain the finance team liaise closely with the Unitary Council's when setting these budgets to minimise the extent of this risk. Should any underachievement of income arise it is likely to be capable of being managed without having a material impact on the robustness of the budget or financial resilience.

National Funding Settlements

3.14 The budget for 2026/27 is presented based on notifications of the actual financial settlements. The funding settlement for 2026/27 was on the basis of a one year settlement, with no information currently available on future funding. A multi-year funding settlement was expected during 2025 as part of the Comprehensive Spending Review, which reported in June but this now appears to have been reversed. The MTFE currently assumes that Home Office grant funding will increase modestly in 2027/28 and 2028/29 based on high level amounts published in June as part of the CSR, adjusted for the NPG top slice of £50m in 2026/27 and as a result in the change in precept flexibility to £15, assuming that this will continue in future years. For 2029/30 and 2030/31 an increase in core grant of 1% per annum has been assumed.

3.15 In 2021 the Home Office announced its intention to review the Police Funding Formula, which is the mechanism by which funding is allocated across individual forces. There

were subsequently delays experienced with this review, and there have been no further indications with this regard. The medium-term financial forecast currently assumes that any changes to formula funding will have a neutral impact on the budget or will be supported by sufficient transitional funding to allow time to implement required changes in operational services, as the new formula is not sufficiently developed to reach any conclusions on its effect. This is considered to be a balanced approach given the high level of uncertainty regarding the timing and impact of any changes to national funding formula.

Capital Grants and Capital Receipts

3.16 The capital budget has been developed as a 10-year programme. Government capital allocations are only given on an annual basis and in the settlement for 2022/23 the capital grant was removed altogether. Overall funding within the programme is also to some degree reliant on capital receipts and this presents some risk to funding given the economic climate and market conditions. However, the programme is now reliant on support from the revenue budget, supported by limited use of earmarked capital reserves and prudential borrowing, which have been factored into the revenue budget and MTFF at a level to ensure that the programme is balanced over the longer timeframe of 10 years. This provides a high degree of resilience in respect of available funding over the life of the medium-term financial forecast.

4. The affordability of Spending Plans

4.1 Revenue and Capital budget plans are subject to annual review to ensure that forecasts of resources remain robust and can support planned levels of expenditure. Whilst the process for developing budget estimates is comprehensive, there will always be a degree of risk and operational uncertainty in respect of expenditure forecasts. The affordability of the budget has to take account of financial risks and the actions that can be taken to mitigate that risk. In our view the Commissioner's expenditure plans are affordable, taking account of the risks set out below and the plans for how they will be managed.

Capital Expenditure

- 4.2 Recent condition surveys on all premises form the basis of the Estates strategy. The current programme incorporates a scheme in West Cumbria to manage estates resilience issues within the west of the county in the context of the current PFI arrangement coming to an end in 2026. Across the rest of the estate there are a number of life cycle replacements, Heating ventilation and air circulating replacements along with premise security and CCTV schemes. All large capital schemes incorporate risks inherent in delivering to time and budget. The estates team are however highly experienced in the delivery of these type of schemes and have a strong track record of delivering projects within budget. Risks are captured within the estates risk register and are subject to regular review.
- 4.3 The capital programme to 2031 includes a significant number of Digital Data and Technology (DDaT) capital schemes, including the implementation of a new Case and Custody module within the newly created Records Management System, Mark 43; the Emergency Services Communications Network and the continued role out of body worn video and other mobile devices. The experience of past financial years is that DDaT capital schemes can experience delays against the budget. The reasons for the delays are varied and include national schemes that have not progressed, local schemes that have been subject to changes in decision making and issues around capacity to deliver within the team. Whilst delays in capital schemes does not create a financial pressure, the consequent level of reserves can be subject to challenge in the context of budget cuts. There are also reputational implications for the quality of financial forecasting and management. To protect against these risks it will be important to understand the risks and issues inherent in the DDaT programme and ensure that delivery is effectively supported.
- 4.4 The capital programme is currently only sustainable on the basis of annual contributions from the revenue budget, a specific capital reserve for estate modernisation and an increased level of borrowing. In addition, any significant level of capital investment is also dependent on a combination of prudential borrowing, direct revenue contributions and capital receipts. The programme is however forecast over 10 years to ensure

advanced financial planning can be managed and peaks in expenditure are identified at an early stage. As capital reserves are depleted, increasing support for the capital programme from the revenue budget (either through direct revenue contributions or servicing borrowing) will be required. The estimates for 6-10 years are built on a number of assumptions, which, particularly in rapidly changing sectors such as DDaT, are difficult to accurately predict. This means that projected costs in the later years of the capital programme become increasingly indicative and should be treated with caution.

Treasury Management

4.5 Treasury management has the potential to be an area of high budget risk that could have implications for the robustness of the budget should those risks materialise. The treasury management strategy statement provides assurance around the approach to investment and borrowing activity and the way the function is managed that mitigates against this risk. Estimates have been made around interest rate forecasts for both investments and borrowing. Any change in interest rates outside of these forecasts will have an implication on the medium term financial forecasts.

Capital Financing

4.6 The capital programme is financed through direct revenue contributions, capital grants, reserves and borrowing. The Capital Financing Requirement reflects an underlying need to borrow to finance capital schemes, but currently external borrowing has not been undertaken because internal cash flow balances are sufficient to fund schemes. Many of the internal balances are available as a result of the level of short-term reserves. As reserves are spent there will be an increasing need to borrow externally.

4.7 The underlying borrowing requirement is forecast at £25m at the end of the 2025/26 financial year. The exact timing of borrowing will depend on the extent to which capital schemes deliver to budget or are subject to slippage and the overall position on reserves. Borrowing will create a revenue implication in the form of interest charges and repayments that will be incorporated within the revenue budget, in line with cash-flow forecasts.

Inflation/Pay Awards

4.8 Inflationary pressures are currently more volatile than they have been for almost a generation as the world economy emerges from the pandemic and deals with the effects of the wars in Ukraine and Gaza. Against this background, at a local level pay costs are provided for within the budget on the basis of a 3.0% pay increase for 2026/27. The future years of the MTFF assume a lower 2.5% per annum for the remaining years of the MTFF to 2030/31. Pay costs account for by far the most significant element of the budget, which is therefore highly sensitive to variations from the budget assumption. For 2026/27 the majority of the non-pay budget lines have been increased by 2.5% for general inflation, with 2.5% in the remaining years of the MTFF, in line with Bank of England long term forecasts. There is a particular risk that pay awards will be higher than the amounts provided and that the current inflationary pressure is more prolonged than currently assumed, both of which have the potential to impact negatively on the financial position and would need to be managed through draw down of reserves in the short term.

Staffing Costs and Profiling

4.9 Within the budget employment costs are an area of budget that is highly sensitive to changes in the profile of staffing and difficult to forecast as a result of the complexities of and changes to terms and conditions that influence actual pay. Maintaining officer and staff numbers at a planned level can be operationally difficult as a result of the timing of turnover and lead in time to recruit replacements. Estimates of the costs of early retirement and redundancy have to be based on averages until the point in which individual staff are identified as part of the futures programme. These factors can cumulatively give rise to significant variations between budgeted costs for pay. Historically, there has been under spending against these budget heads, although more recently police officer pay budgets, in particular, have come under pressure. Pay budgets are based on detailed workforce plans and overtime targets, which are updated annually as part of the budget process.

4.10 Specific risks regarding the potential financial impact of meeting pensions obligations arising from the McCloud judgement and the implementation of the Emergency

Services Network (ESN) have been specifically recognised and will continue to be closely monitored.

Savings Requirements/Budget Management

- 4.11 The overall savings requirement by the end of the 5 year MTFF timeframe is £6.8m per annum which represents 4% of the net budget requirement. However, given the uncertainties over future funding, planning for a range of financial scenarios is being undertaken through the Constabulary Futures Programme. Having delivered £31m of savings since 2010, additional savings will be challenging to deliver. A number of potential savings initiatives are being pursued including reviews of specific business areas, reviewing the workforce mix, collaboration with other forces and public sector bodies, income generation, consolidating functions to increase capacity and, in particular, ensuring that the full benefits are realised from the investment in new technology. These savings plans will be further developed over the next year as part of a strategic work programme in the Constabulary, known as the Futures Programme and managed by the Deputy Chief Constable. In this context, the current savings requirement over the period of the MTFF is considered to be challenging but manageable, with decisions required within a relatively short term period to enable the budget and reserves strategy to be sustainable.
- 4.12 In respect of budget management, the 2025/26 budget is currently forecast to be broadly in line with the budget and therefore does not point to any fundamental weakness in the financial management process. The in-year effect of savings delivered through the futures programme, in readiness for 2026/27 have been captured and are being used to support the budget and futures programme activity.
- 4.13 The overall financial position in 2026/27 does not present any material risks. However, the tightness of the budget position is indicative of a growing financial pressure, which will require careful management on an on-going basis.

5. General Balances and Reserves

- 5.1 General balances are held as a contingency against risks not provided for in the Commissioner's financial plans or other reserves and provisions. The level of balances, reserves and provisions are assessed annually to ensure they are adequate and take account of known financial risks. This is not a precise science and local circumstances, the strength of financial reporting arrangements and the Constabulary's track record in financial management is also a key influence on the actual potential of any risk materialising.
- 5.2 This report sets out the key risks that have been considered in presenting the budget, including any provision made for that risk. Some risks are currently unfunded whilst others have a level of provision that may be less than the full requirement. General balances should be at an appropriate level to provide cover for those risks. The Chief Finance Officer has set balances at £4.8m for 2026/27. This is around 3% of net expenditure and reasonable in the context of the budget risks set out in this report. The general balances are supported by a budget support reserve of £3.2m, which is intended, alongside savings plans as part of the futures programme, to manage medium term budget pressures arising from increasing demands and constrained funding. A further £3.2m of budget stabilisation, insurance and operational reserves and contingencies can be used to manage budget pressures and unforeseen events in year that are unable to be contained within the set budget, subsequently being replenished as part of the following year's budget process.
- 5.3 Additional cover is provided through the position on specific reserves. Whilst these are earmarked, a number of the reserves are not planned to be used for a number of years. This provides an additional level of resilience in the short term, although the use of these reserves for other purposes would have an opportunity cost in relation to the future ability to undertake the projects for which they were originally earmarked.
- 5.4 Based on the risk assessment, the Commissioner's general balances are sufficient to meet potential risks and earmarked reserves are set at an appropriate level for the purposes intended. More information on reserves and the purpose for which they are

held is included within the Commissioner's Reserves Strategy, included as a separate item on this agenda.

6. The Affordability of the Capital Programme in determining Prudential Indicators

6.1 The Prudential Code requires the Chief Financial Officer to ensure that all matters required by the Code to be taken into account in determining the budget are reported to the Commissioner. The treasury management strategy statement provides assurance in respect of this requirement. In particular, the strategy sets out the prudential indicators and limits calculated under the Code including those that support assurances in respect of the affordability of capital expenditure plans. The Code of practice gives no suggestions as to their appropriate level. These have to be set by the Commissioner based on individual circumstances.

6.2 The conclusions from the strategy following the setting and calculation of indicators is that capital expenditure plans are resourced and levels of borrowing are prudent in relation to income and assets. The strategy is subject to review by the Joint Audit Committee and independent advisors to provide further assurance that the principles of the code and best professional practice is being applied in relation to operational processes and procedures.

7. Conclusion

7.1 Based on the assessment included in this report we have concluded that the budgets as proposed and the associated systems and processes are sound and the level of general balances/reserves is adequate. This is subject to no amendments being made to the budget proposals, which would impact on this assessment. It is our view that the estimates proposed and the tax setting calculations are robust and the provisional capital programme is affordable.

Steven Tickner
OPFCC Chief Finance Officer
12 February 2026

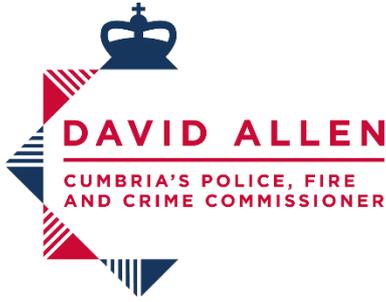
Michelle Bellis
Constabulary Chief Finance Officer
12 February 2026

Budget 2026/27 and MTFF to 2030/31 Sensitivity Analysis

The table below illustrates the sensitivity of the budget and MTFF to increases in key assumptions by 1%, a reduction will produce an equal and opposite change.

Budget Area	Sensitivity Analysis	2026/27	2027/28	2028/29	2029/30	2030/31	
Expenditure	Pay	<i>Current assumption in MTFF</i>	3.0%	2.5%	2.5%	2.5%	2.5%
	Inflation	Impact in £m of 1% increase in pay inflation	£0.8m	£0.8m	£0.8m	£0.8m	£0.8m
	General Inflation	<i>Current assumption in MTFF</i>	2.5%	2.5%	2.5%	2.5%	2.5%
		Impact in £m of 1% increase in general inflation	£0.1m	£0.1m	£0.2m	£0.2m	£0.2m
	Fuel	<i>Current assumption in MTFF</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	Inflation	Impact in £m of 1% increase in fuel inflation	£0.01m	£0.01m	£0.01m	£0.01m	£0.01m
	Police Pensions	<i>Current assumption in MTFF</i>	35.3%	35.3%	35.3%	35.3%	35.3%
		Impact in £m of 1% increase in contribution rate	£0.6m	£0.7m	£0.7m	£0.7m	£0.7m
	Local Govt	<i>Current assumption in MTFF</i>	17.00%	17.00%	17.00%	17.00%	17.00%
	Pensions (CC)	Impact in £m of 1% increase in contribution rate	£0.3m	£0.3m	£0.3m	£0.3m	£0.3m
Local Govt	<i>Current assumption in MTFF</i>	17.40%	17.40%	17.40%	17.40%	17.40%	
Pensions (OPFCC)	Impact in £m of 1% increase in contribution rate	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	
Income	Investment	<i>Current assumption in MTFF</i>	3.3%	3.3%	3.3%	3.3%	3.3%
	Interest Rates	Impact in £m of 1% increase in interest rates	(£0.3m)	(£0.3m)	(£0.3m)	(£0.3m)	(£0.3m)
	NDORS Income	<i>Current assumption in MTFF</i>	£1.6m	£1.6m	£1.7m	£1.7m	£1.7m
Impact in £m of 1% increase in income		£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	
Funding	Council Tax	<i>Current assumption in MTFF</i>	4.61%	4.41%	4.22%	4.05%	3.89%
	Precept	Impact in £m of 1% increase in precept	(£0.6m)	(£0.7m)	(£0.7m)	(£0.8m)	(£0.8m)
	Council Tax	<i>Current assumption in MTFF</i>	£14.94	£14.94	£14.94	£14.94	£14.94
	Precept	Impact in £m of £1 increase in Precept	(£0.2m)	(£0.2m)	(£0.2m)	(£0.2m)	(£0.2m)
	Council Tax Base	<i>Current assumption in MTFF</i>	0.19%	1.00%	1.00%	1.00%	1.00%
	Growth	Impact in £m of 1% increase in taxbase	(£0.1m)	(£0.7m)	(£0.7m)	(£0.8m)	(£0.8m)
	Government Core	<i>Current assumption in MTFF</i>	3.30%	2.20%	1.10%	0.90%	0.90%
Grant	Impact in £m of 1% increase in Govt. grant	(£1.0m)	(£1.0m)	(£1.0m)	(£1.0m)	(£1.0m)	
General	Capital	<i>Current Capital Programme in £m</i>	£6.2m	£4.3m	£4.6m	£7.9m	£4.5m
	Programme	Impact in £m of 1% increase in Capital Expenditure	£0.06m	£0.04m	£0.05m	£0.08m	£0.02m
	Capital	<i>Current debt repayment in relation to Capital Expenditure</i>	£1.1m	£1.9m	£2.6m	£3.2m	£4.6m
	Programme	Impact in £m of a £1m increase in Capital Expenditure	£0.2m	£0.2m	£0.2m	£0.2m	£0.2m
	Revenue Budget	<i>Current Gross Expenditure in MTFF in £m</i>	£194.8m	£198.9m	£201.9m	£207.6m	£213.1m
	Impact in £m of 1% increase in Expenditure	£2.0m	£2.0m	£2.0m	£2.1m	£2.1m	

The table shows increases in income as a negative figures (in brackets) and increases in expenditure as a positive figure.



Cumbria Office of the Police, Fire and Crime Commissioner

Public Accountability Conference 12 February 2026

Agenda Item: 07b

Budget 2026/27 and Financial Forecasts 2027/28 to 2030/31

Report of the Constabulary Chief Finance Officer and the OPFCC Chief Finance Officer

1. Purpose of the Report

- 1.1 The purpose of this report is to recommend to the Commissioner for approval the revenue and capital budget for 2026/27 and the level of council tax to support the budget. The report also provides provisional estimates for the four years to 2030/31, ensuring budget decisions are taken in the context of the medium-term financial forecast.

2. Introduction

- 2.1 It is a legal requirement for the Police, Fire and Crime Commissioner to annually set a balanced budget and to allocate funds to the Chief Constable to secure the maintenance of the Police Force for Cumbria. In doing this, the budget considers forecasts of the income anticipated to be available to Cumbria and expenditure that is expected to be incurred in delivering the functions of the Commissioner and the priorities of the Police, Fire and Crime Plan. This report presents the Commissioner's revenue budget plans to meet these requirements.
- 2.2 This budget report is the second report in a series of papers that provide financial and other information to support the budget setting process. In January, more detailed financial and contextual information was provided to the Police, Fire and Crime Panel. Accompanying the budget report on this agenda is a report covering the Capital Strategy and Programme, Treasury Management Strategy,

Prudential Indicators and the policy on Minimum Revenue Provision (MRP). These reports support the due diligence in respect of the affordability of the capital programme and the revenue implications of that expenditure. The agenda includes the Chief Finance Officer's statutory report on the robustness of the budget and a reserves strategy. The full suite of financial reports is available on the Commissioner's website.

3. Summary Budget and Precept

3.1 The table below sets out a summary of the consolidated budget setting out the plans for income and expenditure based on the 2026/27 government financial settlement for policing bodies.

Medium Term Budget 2026 - 2031	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Total Expenditure	186.0	194.8	198.9	201.9	207.6	213.1
Income & Specific Grants	(41.5)	(39.7)	(40.2)	(38.4)	(36.3)	(36.2)
Use of Reserves	(2.8)	(5.1)	(0.7)	(0.1)	0.3	0.0
Net Budget Requirement (NBR)	141.7	150.0	158.0	163.4	171.6	176.9
External Funding						
Formula Grant	(80.0)	(86.1)	(88.3)	(89.4)	(90.3)	(91.2)
Council Tax Income	(61.7)	(63.9)	(68.0)	(71.5)	(75.2)	(78.9)
Total External Funding	(141.7)	(150.0)	(156.3)	(160.9)	(165.5)	(170.1)
Net Cumulative Deficit / Savings Requirement	0.0	0.0	1.7	2.5	6.1	6.8
Savings Requirement as % of NBR	0%	0%	1%	2%	4%	4%

Appendix A sets out the respective budgets for the Commissioner and the Chief Constable. **Appendix B** provides an analysis of the combined budget over the main expenditure and income headings.

3.2 The table shows estimated expenditure based on the budget proposed by and agreed with Cumbria Constabulary. It also includes expenditure for services that will be commissioned with wider partners and the Constabulary in support of the priorities within the Police, Fire and Crime Plan. The budget plan provides estimated funding of **£194.8m** in 2026/27 to support an equivalent level of expenditure. In 2027/28 a budget gap arises of £1.7m and this increases to £6.8m by 2030/31. This arises from the net impact of inflation and other expenditure pressures compared with the forecast growth in funding from Government Grant and increases in Council Tax Income.

3.3 For 2026/27 the Minister of State for Policing and Crime has again allowed PFCCs a degree of flexibility to increase council tax without the requirement to undertake a local referendum. In the funding announcement she gave PFCCs the ability to increase the band D precept by up to £15 for 2026/27 (for 2025/26 the flexibility was given to increase by £14), for Cumbria this sum would represent an annual increase of 4.61%. In combination with the additional grant funding provided by the Government, the proposed increase in the council tax precept for policing of 4.61% has provided funding for 1,359 FTE police officers, 60 FTE PCSOs and 726 FTE police staff. The remainder of the proposed budget has been produced on a broadly continuation basis, which means that current levels of service have been maintained over the life of the five-year forecast.

4. 2026/27 Policing Bodies Grant Settlement

4.1 On the 28th January 2026 the funding allocations for policing bodies in England and Wales were confirmed (provisional settlement figures were announced on 18th December 2025). The outcome of the settlement is a formula funding amount of core police grant of £86.1m for the Cumbria police area for 2026/27, which represents an increase of £6.1m compared to the 2025/26 level of funding. The increase incorporates some previously specific ringfenced grants in relation to the Police Uplift Programme into the core budget. The grant settlement for 2026/27 represents a single year settlement there are currently no commitments to future years funding settlements. A Comprehensive Spending Review (CSR) covering the three years 2026/27 to 2028/29 was published in June 2025 but has not resulted in a multi-year settlement at this stage. The MTFE assumes modest annual increases in funding in line with the CSR.

4.2 The settlement confirmed that the current arrangements for formula funding and damping would continue for 2026/27. This means all policing bodies will continue to receive the same proportion of core Government funding as in 2025/26. In 2021 the Home Office announced its intention to re-visit the Home Office police funding formula, which is used to allocate funding across forces, for implementation as early as 2023/24. Whilst this did not happen in the timescale envisaged, there was a renewed impetus to review funding formula. With a change in Government in July 2024, it is now unclear if or when the formula may be reviewed. In the absence of any information, no provision has been made in the budget or medium term forecast for any potential impact on Cumbria's financial position. The potential that changes to the formula may adversely affect the financial

outlook will, however, continue to be recognised in the Constabulary strategic risk register and will be monitored on an on-going basis.

4.3 In addition to the core formula grant the Commissioner receives a number of specific grants for policing and crime. The key grants against which most funding is received are the Police Pensions Top-Up Grant £13.4m, Home Office legacy Council Tax Grants of £4.9m, a specific pensions grant of £3.6m to offset increased police officer pension contributions, a specific grant of £2.0m in relation to increased employer national insurance contribution and a new specific grant (Neighbourhood Policing Guarantee (NPG)) of £3.1m, which is conditional on the Constabulary maintaining its targeted increase in resources in Neighbourhood Policing Teams. The full requirements in relation to this NPG have not yet been communicated. The Commissioner will also receive income of £1.1m to support responsibilities for commissioning support for victims and restorative justice. For the purposes of financial planning, it is assumed that the legacy, pensions and pay award grants will continue at their 2026/27 cash levels for the remainder of the MTF.

5. Council Tax Income & Other Income

5.1 The net budget for the Cumbria Police area is funded by a combination of formula grant and Council Tax income. Income from Council Tax is dependent on a precept levied on each Unitary Council in Cumbria. Total tax income is dependent upon the amount at which the precept is set, the number of properties charged (tax base) and the Police Area's share of any surplus or deficit on Unitary Council's Collection Funds. The Council Tax Base takes account of expected collection levels and discounts. The surplus or deficit position on each Council Collection Fund reflects the extent to which actual collection and discounts have varied from the budget. Each precepting authority takes a share of the deficit or surplus pro-rata to their share of the precepts. For 2025/26 the district councils are collectively forecasting a deficit providing a combined deficit of £0.6m to be repaid by the Commissioner in 2026/27.

Council Tax 'Band A' is the band into which the highest number of properties in Cumbria fall, for this band the increase is £9.96 per annum or 19 pence per week (from £216.00 to £225.96 per annum).

5.2 The amount of the council tax precept is a decision for the Commissioner, who will take account of the views of the Chief Constable, the Police, Fire and Crime Panel and the results of a public consultation in making that decision. This is providing the proposal on the precept is within the

Government’s Council Tax increase limits. The limits are set by Government each year and inform the percentage increase or fixed amount increase in Council Tax income allowed before the Commissioner would need to hold a public referendum. The Government has formally announced the Council Tax increase limits as part of the formula grant settlement. As discussed above, the limit for Policing Bodies has been set at a maximum of £15 increase on a band D property for 2026/27. **The Commissioner’s budget is based on a precept increase of 4.61%. The financial implications for residents are that the Band D Council Tax amount would increase to £338.94 for 2026/27, an increase of £14.94.**

5.3 Council tax income is forecast using the tax base estimates provided by unitary councils. Calculations of the tax base have taken into account billing authorities’ responsibilities to support low income households with their council tax liabilities. This support is delivered by way of local schemes that provide discounts. The discounts reduce the tax base and therefore also impact precepting bodies. Schemes are subject to review and the Police, Fire and Crime Commissioner is required to be consulted with regard to scheme changes. The Commissioner has supported the schemes currently proposed by the unitary councils through the consultation process.

5.4 The table below sets out the tax base for each unitary authority for 2026/27 and the tax base for the prior year. The table shows that the total tax base is estimated to increase by 352.25 (0.19%) band D equivalent properties. Budgets from 2027/28 are based on an assumed annual increase in the tax base of 1%. The actual updated tax base will be incorporated into future budgets in the year it is notified by unitary councils. If the tax base increases above our estimates this will deliver a small budget benefit whilst a decrease from our estimates will have a negative impact on funding.

Council Tax Base	Tax Base 2025/26	Tax Base 2026/27	Increase (decrease)	% change
Cumberland Council	93,697.66	93,883.21	185.55	0.20%
Westmorland & Furness Council	96,159.80	96,326.50	166.70	0.17%
Total	189,857.46	190,209.71	352.25	0.19%

5.5 In addition to the recurrent grant and tax base income, the 2026/27 budget is reduced by the net impact of a forecast deficit on the 2025/26 unitary council collection funds. The table below shows

the council tax attributable to each unitary authority for 2026/27 and the position on each authority collection fund (surplus/deficit) for 2025/26.

Council Tax Income	Tax base 2026/27	Precept (Band D) £	Council Tax Income £	Declared Surplus/ (Deficit)	Total 2025/26 £
Cumberland Council	93,883.21	338.94	31,820,775.20	(235,200)	31,585,575
Westmorland and Furness Council	96,326.50	338.94	32,648,903.91	(333,620)	32,315,284
Total	190,209.71	338.94	64,469,679.11	(568,820)	63,900,859

5.6 In addition to formula funding and Council Tax income, the budget includes an amount of one-off income to support one off expenditure achieved through a contribution from reserves. The funding available to support the budget is determined annually and takes account of the funding settlement, the need to provide for budget risks and any estimated under spend from prior years. In total the 2026/27 budget is supported by the use of £5.1m of earmarked revenue and capital reserves to support specific projects.

5.7 Fees and charges income is estimated to provide £7.4m in 2026/27 in support of expenditure. This income is primarily derived from reimbursements for services and officers provided to support national and regional policing requirements in addition to some income from driver awareness training and licensing. This income is generated on behalf of the Commissioner by the Constabulary and is netted off the overall funding provided to the Chief Constable.

6. Expenditure Budget & Savings

6.1 Gross expenditure of £194.8m can be supported by budgeted income in 2026/27. However, it is anticipated that beyond 2027/28 funding will fail to keep pace with expenditure pressures meaning that by 2030/31 £6.8m savings will be needed to offset rising costs. The key driver in the level of savings requirements is inflationary pressure. The budget and medium-term forecast is based on assumed increase for pay inflation at 3% in 2026/27, and 2.5% per annum thereafter. General inflation is included at 2.5% across the MTFE in line with Bank of England estimates. Against this backdrop, all expenditure budgets are subject to rigorous scrutiny and many are zero based each year.

6.2 Recognising the need to make further budget savings in the medium term in order to deliver a balanced budget, the Commissioner and Chief Constable have engaged in a number of discussions to

consider areas of the budget that will be targeted for review to provide greater efficiency and or reductions in expenditure. A number of reviews are currently underway as part of the Constabulary 'Futures Programme'.

7. Capital Funding & Expenditure

7.1 The capital programme is developed in consultation with the Constabulary who are the primary user of the capital assets under the ownership of the Commissioner and primarily includes investment in Digital Data & Technology (DDaT), fleet and estates. The programme has historically been funded by a combination of capital grants, capital receipts, reserves, support from the revenue budget and borrowing. Over recent years the level of capital grant has reduced significantly because of national top-slicing from capital allocations and in 2022/23 was removed from the finance settlement altogether. Beyond 2024/25 both reserves and capital receipts will be largely exhausted and as a result revenue contributions and borrowing will be the primary source of capital funding. In 2024/25, the decision was taken to reduce the revenue contributions to the capital programme to around £0.4m per annum (previously £3.6m on average p.a.). The unfunded balance on the capital programme is now shown to be financed by a borrowing requirement over the longer 10-year timeframe. The revenue implications of this are included in the revenue budget.

8. Reserves and Balances

8.1 Over the life of the financial forecast total group reserves are planned to reduce from £24.1m at the start of 2026/27 to £18.6m by end of March 2031, largely due to provision of funding to the support the revenue budget over the next 3 years. Of the remaining £18.6m, the general reserve currently £4.8m but increasing to £5.2 by 2030/31, is held for managing financial risks and unforeseen events, budget support, stabilisation and insurance reserves/contingencies of £5.6m provide further resilience, a small number of other reserves are earmarked for specific purposes including pooled/partnership funds £2.6m, whilst the Commissioner holds reserves of £5.2m to cover the longer-term implications of commissioning commitments and development of the police estate.

8.2 The agenda includes a separate paper, **The Reserves Strategy for 2026/27** (see item 09c). The Reserves Strategy sets out the purposes for which the individual reserves are held and the planned movements over the life of the medium term budget.

9. Consultation & Value for Money

- 9.1 The Commissioner has undertaken consultation on the budget and the Police, Fire and Crime Plan in line with regulatory requirements. Public consultation has taken place through the Police, Fire and Crime Panel and with a specific survey on the Commissioner's website during the budget setting process for 2026/27. A total of 801 individuals responded to the survey and the outcome of public consultation has been that 61% of respondents have agreed with the proposal to increase council tax by £14.94 (4.61%), which is under the maximum allowed amount of £15 on a band D property. The Commissioner has also sought the view of the Chief Constable. The Police, Fire and Crime Panel voted to support the Commissioner's proposal at its meeting on 30th January 2026.
- 9.2 The Police, Fire and Crime Plan is underpinned by a performance framework that supports the Commissioner in holding the Chief Constable to account for delivering priorities and securing value for money. In developing the framework consideration is given to past performance, benchmarking against most similar forces, the level of officer and staffing resources that can be supported by the budget and the impact of the continuing implementation of the savings programme.

10. Summary

- 10.1 This report presents and explains the budget plans for the period from 2026/27 to 2030/31. The 2026/27 budget is balanced based on a precept increase of £14.94 for a band D property which equates to an increase of 4.61%. In future years savings will be required to offset the forecast deficit of £1.7m in 2027/28 rising to £6.8m per annum by 2030/31. The precept proposal will increase the annual Council Tax attributable to the Commissioner by £14.94 for a Band D property resulting in a Band D Council Tax charge of £338.94.

11. Recommendations

11.1 **Appendix C** sets out the budget resolution for decision by the Commissioner in order to formally approve the level of council tax precept. In the context of the budget resolution, it is recommended that:

- a) **The revenue budgets outlined in this report and appendices be approved, having regard to the Local Government Act 2003 report**
- b) **That the budget requirement for 2026/27 be set on the basis of the amount within the budget resolution at appendix C**
- c) **The council tax for Band D properties be approved at £338.94 for 2026/27, an increase of £14.94 (4.61%).**

12. Acknowledgements

12.1 The budget is recommended to the Commissioner with recognition for the hard work and support of the financial services team who provide detailed income and expenditure forecasts and for the work of the Police, Fire and Crime Panel in providing challenge and scrutiny to the budget proposal.

Michelle Bellis

Steven Tickner

Constabulary Chief Finance Officer

OPFCC Chief Finance Officer

12 February 2026

Human Rights Implications

None identified

Race Equality / Diversity Implications

The budget is subject to an Equality Impact Assessment.

Risk Management Implications

There is a legal requirement to set a balanced budget. The Commissioner's strategic risk register recognises the importance of sound financial planning.

Financial Implications

The main financial impacts are described in the paper

Personnel Implications

As identified in the report

Contact points for additional information

Steven Tickner – OPFCC Chief Finance Officer

Tel: 0300 124 0113 Ext: 44957, email: steven.tickner@cumbria.police.uk

Michelle Bellis – Constabulary Chief Finance Officer

Tel: 0300 124 0113 Ext: 48853, email: Michelle.Bellis@cumbria.police.uk

Budget for the Commissioner and the budget for the Chief Constable

Description	Base Budget 2025/26 £m	Base Budget 2026/27 £m	Base Budget 2027/28 £m	Base Budget 2028/29 £m	Base Budget 2029/30 £m	Base Budget 2030/31 £m
Constabulary Funding						
Police Officer - Pay & Allowances	98.2	104.4	107.0	109.3	112.2	114.7
Police Officer - Contribution to Pension Fund A/c	15.7	13.4	13.4	13.4	13.3	13.1
Police Officer - Ill Health & Injury Pensions	1.4	1.5	1.5	1.5	1.5	1.6
Police Community Support Officers	2.1	2.1	2.2	2.3	2.4	2.4
Police Staff - Pay & Allowances	30.9	33.6	34.1	35.0	36.2	37.2
Other Employee Benefits	2.2	2.5	2.3	2.4	2.6	2.5
Premises Related Expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Transport Related Expenditure	2.8	2.6	2.7	2.7	2.8	2.8
Supplies & Services	12.9	13.3	13.1	13.1	13.6	13.9
Third Party Related Expenditure	5.3	6.2	6.3	6.3	6.5	6.7
Earned Income	(5.4)	(7.1)	(7.2)	(6.7)	(7.0)	(7.1)
Total Constabulary Funding	166.1	172.5	175.4	179.3	184.1	187.8
Commissioner's Budget						
Police Staff - Office of the PFCC	1.0	1.6	1.7	1.7	1.8	1.8
Police Staff - Joint Estates Team	1.1	0.8	0.8	0.9	0.9	0.9
Commissioned Services Budget	3.0	2.8	3.3	1.7	1.7	1.7
Premises Related Costs	5.6	5.7	5.7	5.9	6.0	6.2
LGPS Past Service Costs	(0.4)	(2.3)	(2.3)	(2.4)	0.0	0.0
Council Tax Support for Care Leavers	0.0	0.0	0.0	0.0	0.0	0.0
Insurances & Management of Change	1.7	1.8	1.9	1.9	1.9	2.0
Accounting & Financing Costs	2.1	2.1	2.6	3.3	3.8	5.2
Grants & Contributions	(34.7)	(29.0)	(29.6)	(28.0)	(28.1)	(27.9)
Interest/Investment Income	(1.0)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)
Total Commissioner's Budget	(21.6)	(17.4)	(16.7)	(15.8)	(12.8)	(10.9)
Net Budget Requirement (before Use of Reserves)	144.5	155.1	158.7	163.5	171.3	176.9
Use of Reserves						
Movement To/(From) Revenue Reserves	(3.6)	(5.1)	(0.7)	(0.1)	0.0	(0.1)
Movement To/(From) General Fund/Police Fund	0.8	0.0	0.0	0.0	0.3	0.1
Total Use of Reserves	(2.8)	(5.1)	(0.7)	(0.1)	0.3	0.0
Net Budget Requirement (including Use of Reserves)	141.7	150.0	158.0	163.4	171.6	176.9
Formula Grant & Council Tax Income						
General Police Grant	(80.0)	(86.1)	(88.3)	(89.4)	(90.3)	(91.2)
Council Tax Precepts	(61.7)	(63.9)	(68.0)	(71.5)	(75.2)	(78.9)
Total Formula Grant & Council Tax Income	(141.7)	(150.0)	(156.3)	(160.9)	(165.5)	(170.1)
Net Cumulative Budget Deficit / Savings Requirement	0.0	0.0	1.7	2.5	6.1	6.8
Council Tax per Band D Property	£324.00	£338.94	£353.88	£368.82	£383.76	£398.70
Increase over previous year		£14.94	£14.94	£14.94	£14.94	£14.94
Percentage Increase		4.61%	4.41%	4.22%	4.05%	3.89%

Analysis of Expenditure and Income Budgets for PFCC and Constabulary Combined

Medium Term Budget 2026 - 2031	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Expenditure						
Police Pay - Police Officer Pay & Allowances	98.2	104.4	107.0	109.3	112.3	114.8
Police Pay - Contribution to Pension Fund A/c	15.7	13.4	13.4	13.4	13.3	13.1
Police Pay - Ill Health & Injury Pensions	1.4	1.5	1.5	1.5	1.5	1.6
PCSO Pay	2.1	2.1	2.2	2.3	2.4	2.4
Staff Pay	33.0	36.0	36.7	37.6	38.9	39.9
Other Employee Costs	2.2	2.5	2.2	2.4	2.6	2.5
Premises Costs	5.6	5.7	5.7	5.9	6.0	6.2
Transport Costs	2.8	2.7	2.7	2.8	2.8	2.8
Supplies & Services	12.9	13.6	13.4	13.4	13.9	14.2
Third Party Expenditure	5.5	6.2	6.3	6.4	6.5	6.7
Insurances/Management of Change	1.7	1.8	1.9	1.9	1.9	2.0
Commissioned Services	2.8	2.8	3.3	1.7	1.7	1.7
Council Tax Support for Care Leavers	0.0	0.0	0.0	0.0	0.0	0.0
Accounting and Financing Costs	2.1	2.1	2.6	3.3	3.8	5.2
Total Expenditure	186.0	194.8	198.9	201.9	207.6	213.1
Income & Specific Grants						
Home Office Pension Top Up Grant	(15.7)	(13.5)	(13.4)	(13.4)	(13.2)	(13.1)
Other Grants & Contributions	(19.0)	(15.6)	(16.2)	(14.7)	(14.9)	(14.8)
LGPS Past Service Costs (Redistribution)	(0.4)	(2.3)	(2.3)	(2.4)	0.0	0.0
Sales, Fees, Charges & Rents	(5.4)	(7.4)	(7.5)	(7.1)	(7.4)	(7.5)
Interest/Investment Income	(1.0)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)
Total Income & Specific Grants	(41.5)	(39.7)	(40.2)	(38.4)	(36.3)	(36.2)
Use of Reserves						
Movement To/(From) Revenue Reserves	(3.6)	(5.1)	(0.7)	(0.1)	0.0	(0.1)
Movement To/(From) General Fund/Police Fund	0.8	0.0	0.0	0.0	0.3	0.1
Total Use of Reserves	(2.8)	(5.1)	(0.7)	(0.1)	0.3	0.0
Net Budget Requirement	141.7	150.0	158.0	163.4	171.6	176.9
External Funding						
Formula Grant	(80.0)	(86.1)	(88.3)	(89.4)	(90.3)	(91.2)
Council Tax Income	(61.7)	(63.9)	(68.0)	(71.5)	(75.2)	(78.9)
Total External Funding	(141.7)	(150.0)	(156.3)	(160.9)	(165.5)	(170.1)
Net Cumulative Deficit / Savings Requirement	0.0	0.0	1.7	2.5	6.1	6.8

Budget Resolution

Local Government Act 2003 Requirements: That the comments of the Chief Finance Officers on the robustness of the estimates and adequacy of balances and reserves be noted and reflected in the decisions made by the Commissioner in making the following budget determination for 2026/27.

Revenue Estimates 2026/27: That the Commissioner's net **Budget Requirement** of £150.043m be approved.

Council Tax Base 2026/27: That it is noted that the Council Tax base has been calculated at the amount of 190,209.71 for 2026/27. This is the total of the tax bases calculated by the Unitary Councils as required by regulation.

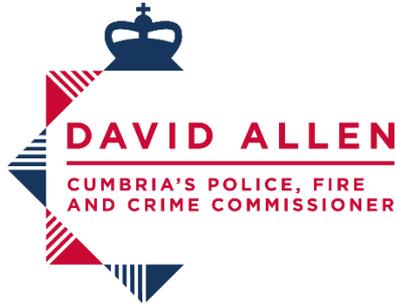
Budget Requirement: That the following amounts are calculated by the Commissioner for the 2026/27 financial year:

Ref	2026/27 Amount £s	Description
(a)	£194,873,928	being the total of gross expenditure
(b)	£44,830,745	being the total of income from specific grants, fees and charges and transfers from reserves
(c)	£150,043,183	being the Budget Requirement for the year to be met from Council Tax and External Finance
(d)	£86,142,324	being the total the Commissioner estimates will be received from external financing, being the Police Grant
(e)	(£568,820)	being the net surplus/(deficit) on unitary authority collection funds
(f)	£64,469,679	being the council tax requirement (the budget requirement less the collection fund deficit and external finance)
(g)	£338.94	being the basic amount of Council Tax for the year (the council tax requirement divided by the tax base)

Valuation Bands and Calculation of the amount of Precept payable by each billing authority:

Valuation Band	Precept 2026/27 Amount £.pp	Proportion
Band A	225.96	6/9 ths
Band B	263.62	7/9 ths
Band C	301.28	8/9 ths
Band D	338.94	9/9 ths
Band E	414.26	11/9 ths
Band F	489.58	13/9 ths
Band G	564.90	15/9 ths
Band H	677.88	18/9 ths

Billing Authority	Tax Base 2026/27	Precept (Band D) £	Amount Payable £
Cumberland Council	93,883.21	338.94	31,820,775
Westmorland and Furness Council	96,326.50	338.94	32,648,904
Total	190,209.71	338.94	64,469,679



Reserves Strategy 2026/27

Public Accountability Conference 12 February 2026

Agenda Item: 07c

Report of the Constabulary Chief Finance Officer and the OPFCC Chief Finance Officer

1. Introduction and Background

1.1 This reserves strategy is produced and published as part of the overall budget setting process. The reserves strategy meets the statutory requirement to consider annually the level of reserves that should be held to meet future expenditure requirements when setting the budget. The strategy seeks to achieve a balance between pro-actively utilising reserves to support services for our communities and providing financial resilience to meet unexpected events. It sets out the purpose for which reserves are held and the planned movement in reserves over a period of 5 years (the medium term financial forecast period). Our reserves are held for three main purposes. These are:

- ◆ a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing,
- ◆ a contingency to cushion the impact of unexpected events or emergencies,
- ◆ a means of building up funds, often referred to as earmarked reserves, to meet known or predicted pressures or liabilities.

1.2 Over recent years, the level of reserves nationally have become a focus of attention for the Home Office and it is now considered best practice to publish a **reserves strategy**, which covers the MTF 5 year timeframe plus a further year, 6 years in total.

1.3 As part of the budget process a capital strategy is produced which includes capital plans over a longer 10 year timeframe, reflecting the cyclical nature of capital expenditure programmes. In order to

facilitate the production of the capital strategy and associated capital financing, reserve balances are projected over this longer 10 year timeframe. For this reason, it has been determined that a reserves strategy should be produced covering a 10 year timeframe (exceeding the best practice requirements).

- 1.4 The level of reserves should take into account the medium term financial plan and not be based solely on short term considerations. Set out in section 2 below is a description of the reserves held by the Commissioner and the Constabulary and the purpose for which they are held. **Appendix A** presents the level of reserves over this longer 10 year timeframe to 31 March 2036 graphically. At **Appendix B** a table is provided which sets out the planned movement in reserves over this longer 10 year timeframe to 31 March 2036.
- 1.5 The medium term financial forecast shows a budget deficit of £1.8m in 2027/28 rising to £6.8m by 2030/31. A savings and efficiency plan is being progressed as part of the Constabulary 'Futures Programme' to address the deficit. In the event that this is not achieved, reserves will be required to bridge the gap and will result in the level of reserves depleting more quickly than indicated in this strategy.

2. Details of Specific Groups of Reserves

- 2.1 **General Reserves:** The general reserve (police fund) is the main contingency for unexpected events, and the management of cash flow. The level of general reserve is planned to be increased from its current level of £4.8m to £5.2m by 2030/31. The amount represents approximately 3% of the net recurrent budget (after specific grants & fees and charges). The level of the general reserve takes account of the risks within the budget, as set out in the Chief Finance Officers report on the robustness of the budget and the level of provision for those risks within specific earmarked reserves and contingencies. CIPFA guidance is that the General Fund / Police Fund should ideally be between 3-5% of NRE so with the above, the PFCC/Constabulary strategy for the General Fund is therefore at the bottom of this range. However, when this reserve is combined with the £1m of operational reserves and contingencies, the total of unallocated / general reserves represents 4% of the net revenue budget which is well within the CIPFA suggested range.
- 2.2 **Earmarked Capital Reserves:** Capital reserves have been fully utilised during 2025/26.

2.3 **Budget Stabilisation and Insurance Reserves** are established to smooth the impact of intermittent costs across financial years. This group of reserves includes:

- ◆ Constabulary Operational Reserve this reserve is to cover any unexpected expenditure that arises during a financial year that cannot be accommodated from existing budgets. The strategy is for this reserve to be replenished if used through the next budget cycle.
- ◆ Insurance reserve to cover the cost of insurance claims below the policy excess.
- ◆ Chief Constable's Contingency this reserve was established when a more risk-based approach to budgeting was adopted thereby removing contingency sums from individual budgets.
- ◆ Management of Change to cover costs arising as a result of the 'Futures Programme'.
- ◆ Ill Health Retirements Reserve to smooth the impact of ill health retirements in the year, the revenue budget includes provision for an average of four such retirements per year. This reserve is drawn down in years where there are more than four arising in the year and contributed to in years where there are less than four.

2.4 **Budget Support Reserve** the budget support reserve was established to meet emerging demands and unforeseen items. In 2026/27, £2.1m has been drawn down from this reserve to provide a balanced budget for 2026/27, leaving a currently unused balance of £3.2m. The budget support reserve may be called upon in 2027/28 and beyond to reduce the impact of the budget deficit while the 'Futures Programme' is progressed and implemented.

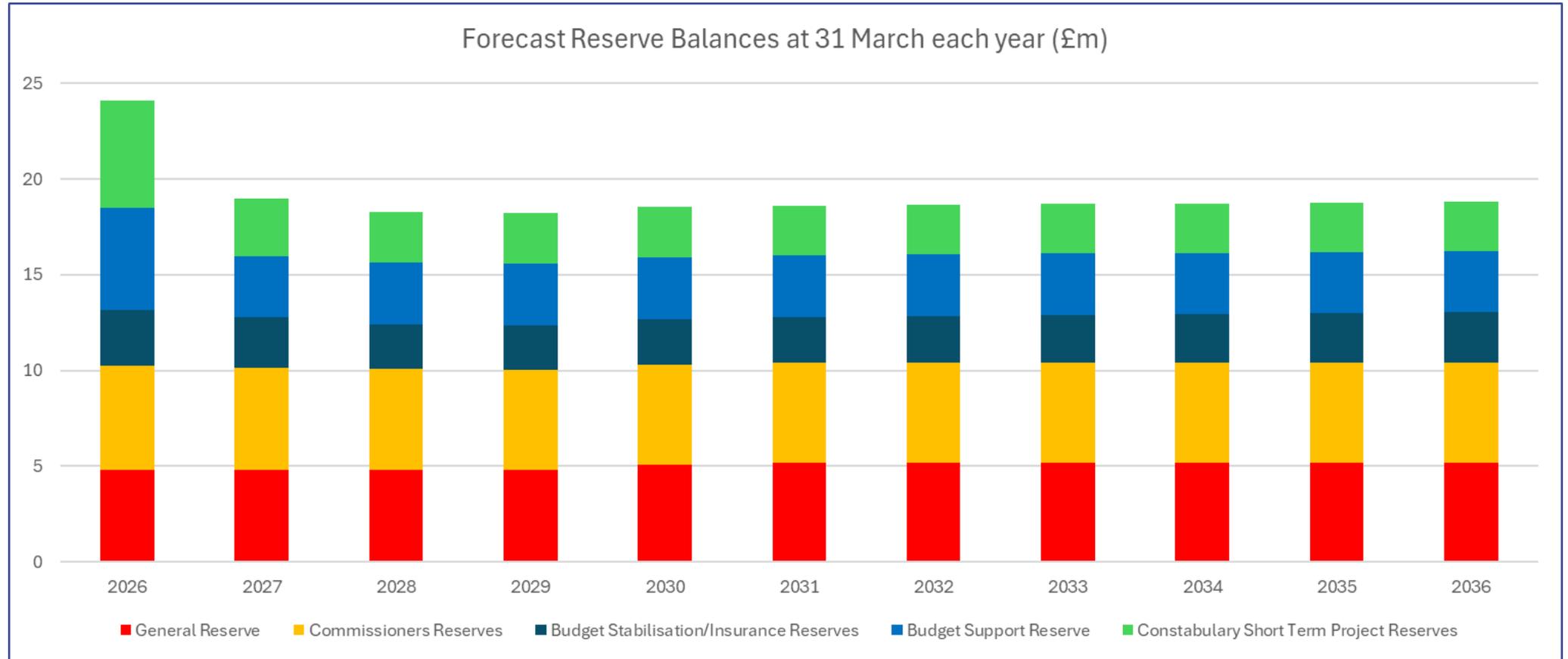
2.5 **Constabulary Short-term Project Reserves** primarily fund the one-off revenue implications of approved projects and also provide for areas within the budget where there is a liability but the amount or timing is uncertain. This group also includes a reserve to fund the cyclical replacement of body armour.

2.6 **Commissioner's Reserves**

This group of reserves includes operational reserves for the Commissioner and reserves in relation to PFCC commissioned services where the approved spend will be drawn down over a number of years. This group also includes reserves to cover the future lifecycle costs in relation to the PFI which is due to end in August 2026, reserves to fund any costs associated with the change programme within the OPFCC and any costs as a result of devolution.

Michelle Bellis, Constabulary Chief Finance Officer and Steven Tickner, OPFCC Chief Finance Officer

Planned Movement in Reserves 2026/27 to 2035/36



Planned Movement in Reserves 2026/27 to 2035/36

Reserves Forecast	MTFF 5 Year Timeframe																						
	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	Forecast	Planned	
	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	
	01/04/26	2026/27	01/04/27	2027/28	01/04/28	2028/29	01/04/29	2029/30	01/04/30	2030/31	01/04/31	2031/32	01/04/32	2032/33	01/04/33	2033/34	01/04/34	2034/35	01/04/35	2035/36	01/04/36		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
General Reserve/Police Fund	(4.8)	0.0	(4.8)	0.0	(4.8)	0.0	(4.8)	(0.3)	(5.1)	(0.1)	(5.2)	0.0	(5.2)	0.0	(5.2)	0.0	(5.2)	0.0	(5.2)	0.0	(5.2)	0.0	(5.2)
Total General Reserve/Police Fund (Paragraph 2.1)	(4.8)	0.0	(4.8)	0.0	(4.8)	0.0	(4.8)	(0.3)	(5.1)	(0.1)	(5.2)	0.0	(5.2)										
Earmarked Capital Reserves																							
Capital Reserves																							
HQ Adaptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Reserves (Paragraph 2.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Constabulary Earmarked Revenue Reserves																							
Budget Stabilisation / Insurance Reserves																							
Constabulary Operational Reserve	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)
Chief Constable's Contingency	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)
Management of Change Reserve (CC)	(1.7)	0.4	(1.3)	0.3	(1.0)	0.0	(1.0)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)
Insurance Reserve	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)	(0.0)	(0.2)	(0.0)	(0.3)	(0.0)	(0.3)	(0.0)	(0.4)	(0.0)	(0.4)	(0.0)	(0.4)	(0.0)	(0.5)	(0.0)	(0.5)	(0.0)	(0.5)
Ill Health Retirements Reserve	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)
Total Budget Stabilisation / Insurance Reserves (Paragraph 2.3)	(2.9)	0.3	(2.6)	0.3	(2.3)	(0.0)	(2.3)	(0.0)	(2.4)	(0.0)	(2.4)	(0.0)	(2.4)	(0.0)	(2.5)	(0.0)	(2.5)	(0.0)	(2.6)	(0.0)	(2.6)	(0.0)	(2.6)
Budget Support Reserves																							
Budget Support Reserve	(5.3)	2.1	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)
Total Budget Support Reserve (Paragraph 2.4)	(5.3)	2.1	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)	0.0	(3.2)
Short-term Project Reserves																							
Body Armour (Future Roll Out)	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)
Records Management System	(0.9)	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Business Intelligence	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Business Transformation	(0.1)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
ESN Grant Funding	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)
Change Management / S&E Facilitation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Firearms Digitisation	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
CCTV - Revenue	(0.2)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)
Annumition Smoothing	0.0	(0.0)	(0.0)	0.1	0.0	(0.0)	0.0	(0.0)	(0.0)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
POCA / ARIS Funding	(2.1)	0.4	(1.6)	0.1	(1.6)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)	0.0	(1.5)
National DDAT - Finance Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National DDaT - Investment Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Budget Carry Forwards	(0.7)	0.4	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)
Safety Cameras	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)
Cambridge Masters	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Op Olympos (Post Office Inquiry)	(0.1)	0.1	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TVPs	(0.9)	0.7	(0.2)	0.1	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)
MAPPA (Income in advance)	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Total Short-term Project Reserves (Paragraph 2.5)	(5.6)	2.6	(3.0)	0.4	(2.6)	0.0	(2.6)	(0.0)	(2.6)	0.1	(2.6)	0.0	(2.6)										
Total Constabulary Reserves	(18.7)	5.1	(13.6)	0.6	(13.0)	(0.0)	(13.0)	(0.3)	(13.3)	(0.0)	(13.4)	(0.0)	(13.4)	(0.0)	(13.5)	(0.0)	(13.5)	(0.0)	(13.5)	(0.0)	(13.5)	(0.0)	(13.6)

Planned Movement in Reserves 2026/27 to 2035/36

Reserves Forecast	Forecast Balance 01/04/26	Planned Gain/(Use) 2026/27	Forecast Balance 01/04/27	Planned Gain/(Use) 2027/28	Forecast Balance 01/04/28	Planned Gain/(Use) 2028/29	Forecast Balance 01/04/29	Planned Gain/(Use) 2029/30	Forecast Balance 01/04/30	Planned Gain/(Use) 2030/31	Forecast Balance 01/04/31	Planned Gain/(Use) 2031/32	Forecast Balance 01/04/32	Planned Gain/(Use) 2032/33	Forecast Balance 01/04/33	Planned Gain/(Use) 2033/34	Forecast Balance 01/04/34	Planned Gain/(Use) 2034/35	Forecast Balance 01/04/35	Planned Gain/(Use) 2035/36	Forecast Balance 01/04/36
	£m	£m	£m																		
Total Constabulary Reserves (From Above)	(18.7)	5.1	(13.6)	0.6	(13.0)	(0.0)	(13.0)	(0.3)	(13.3)	(0.0)	(13.4)	(0.0)	(13.4)	(0.0)	(13.5)	(0.0)	(13.5)	(0.0)	(13.5)	(0.0)	(13.6)
Commissioner's Reserves																					
Operational Reserve	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)
Commissioned Services - Investment Fund	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)	0.0	(2.9)
PFI Lifecycle Reserves	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)
Management of Change Reserve (PFCC)	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)
Specialist Services Accomodation Dilapidation	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Commissioned Services - The Bridgeway	(0.6)	0.1	(0.5)	0.1	(0.5)	0.1	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)
Commissioned Services - Safer Cumbria	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
HQ Security	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)
Public Order Training PortaKabin	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Hunter Lane Refurbishment	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
Estates Feasibility Reserve	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)
Total Commissioner's Reserves (Paragraph 2.6)	(5.4)	0.1	(5.4)	0.1	(5.3)	0.1	(5.2)	0.0	(5.2)												
Total Reserves	(24.1)	5.1	(19.0)	0.7	(18.3)	0.1	(18.2)	(0.3)	(18.5)	(0.0)	(18.6)	(0.0)	(18.6)	(0.0)	(18.7)	(0.0)	(18.7)	(0.0)	(18.8)	(0.0)	(18.8)

Overall reserves are forecast to fall to just £18.6m over the life of the MTFF to 31/03/31, this represents a fall of 23% compared to their current level of £24.1m



Public Accountability Conference

Title: Performance - Financial year to date

Date: January 2026

Executive Summary:

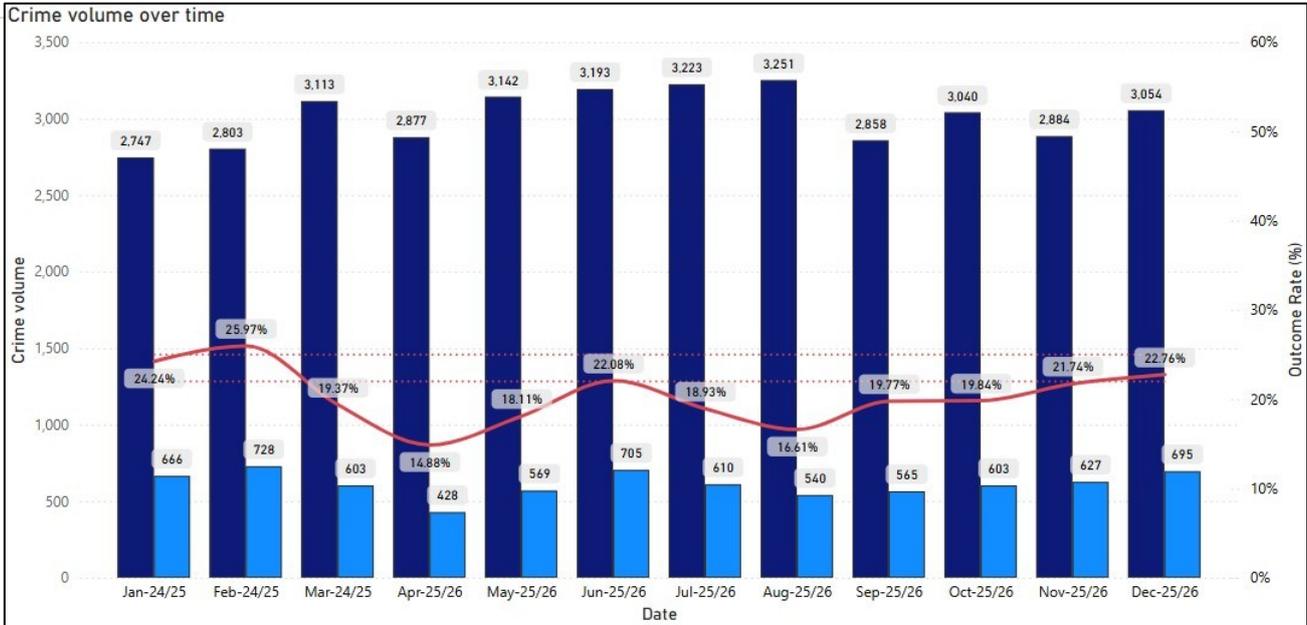
This report provides an overview of Cumbria Constabulary's performance for the Financial Year to Date (FYTD), which includes the months of April-December 2025, as well as performance data for the 2024/25 financial year.

1. Performance Summary

1.1. All Crime – High Level Performance Overview

The chart overleaf provides a visual of monthly crime volumes for all crime (dark blue bars), along with the volume of positive outcomes¹ (light blue bars) and the monthly positive outcome rate (red line).

¹ Positive Outcomes are recorded crimes which have resulted in any of the following outcomes; Outcome 1: Charge / Summons, Outcome 2: Caution – Youth, Outcome 3: Caution – Adult, Outcome 4: Taken into Consideration (TIC), Outcome 6: Penalty Notice for Disorder, Outcome 7: Cannabis / Khat Warning, Outcome 8: Community Resolution



FYTD (01/04/2025 – 31/12/2025): Cumbria Constabulary has recorded 27,520 crimes, which is a 3.0% decrease on the same period last year (SPLY) (850 fewer crimes). The Constabulary’s positive outcome rate for this period is 19.4% which is a 0.9 percentage point decrease compared to the SPLY (20.3%).

FY 2024/25 (01/04/2024 – 31/03/2025): During this financial year, 37,033 crimes were recorded. For this financial year, the Constabulary’s positive outcome rate was 20.9%.

National Data: Latest national data (up to the end of October 2025) indicates that Cumbria has one of the highest outcome rate nationally, with a rate both above the national and most similar group² (MSG) averages.

Cumbria Constabulary’s average monthly crime rate (all crime) per 1,000 population for the FYTD is 6.19/1,000 population. This means that for every 1,000 individuals residing in Cumbria, an average of 6.19 crimes were recorded each month. Latest national data (up to the end of October 2025), indicates that Cumbria’s crime rate is lower than the national average and slightly higher than the average of our most similar group.

1.2 All Crime – Offence Group Performance Overview

The below table provides a breakdown of the 27,520 recorded crimes this FYTD by offence group.

Offence Groups with Crime Volume and Positive Outcome Rate – FYTD Apr-25 – Dec-25

² Cumbria’s Most Similar Group consists of: Cumbria, Lincolnshire, Norfolk and North Wales

OffenceGroup	Crime Vol.	SPLY Vol.	Vol. Delta	Vol. Delta (%)	Total OCs	Positive OCs	Positive OC Rate	PO Rate SPLY
Arson and Criminal Damage	2,991	3,000	-9	-0.30%	2,937	344	11.50%	13.47%
Burglary	762	832	-70	-8.41%	755	107	14.04%	17.67%
Drug offences	1,348	1,492	-144	-9.65%	1,338	1,044	77.45%	78.02%
Miscellaneous Crimes Against Society	803	880	-77	-8.75%	761	193	24.03%	23.07%
Possession of weapons offences	416	401	15	3.74%	408	151	36.30%	42.14%
Public order offences	3,013	2,851	162	5.68%	2,996	591	19.62%	18.41%
Robbery	105	107	-2	-1.87%	102	26	24.76%	27.10%
Sexual offences	1,378	1,393	-15	-1.08%	1,307	170	12.34%	10.91%
Theft offences	3,929	4,000	-71	-1.78%	3,981	781	19.88%	21.05%
Vehicle Offences	529	654	-125	-19.11%	537	45	8.51%	12.39%
Violence against the person	12,246	12,760	-514	-4.03%	11,946	1,889	15.43%	15.92%
Total	27,520	28,370	-850	-3.00%	27,068	5,341	19.41%	20.26%

The increase in 'public order offences' appears largely driven by a rise in reports of 'causing intentional harassment, alarm or distress', which have increased by 8.7% to 2,110 crimes (168 additional) when compared to the SPLY, as well as 'racially/religiously aggravated intentional harassment/alarm/distress - words/writing'. There was an increase of 31.7% (50 crimes) of this offence in comparison to the SPLY, up to 208 crimes. These increases may be partly influenced by improvements in crime recording, with officers from Crime Management Support Unit (CMSU) now working directly in the control room and reviewing live incident logs to ensure crimes are recorded accurately. Analysis demonstrates that this offence is one of the most common offences picked up by CMSU. The offence of 'fear or provocation of violence' has seen a 26.1% decrease to 278 crimes (98 fewer).

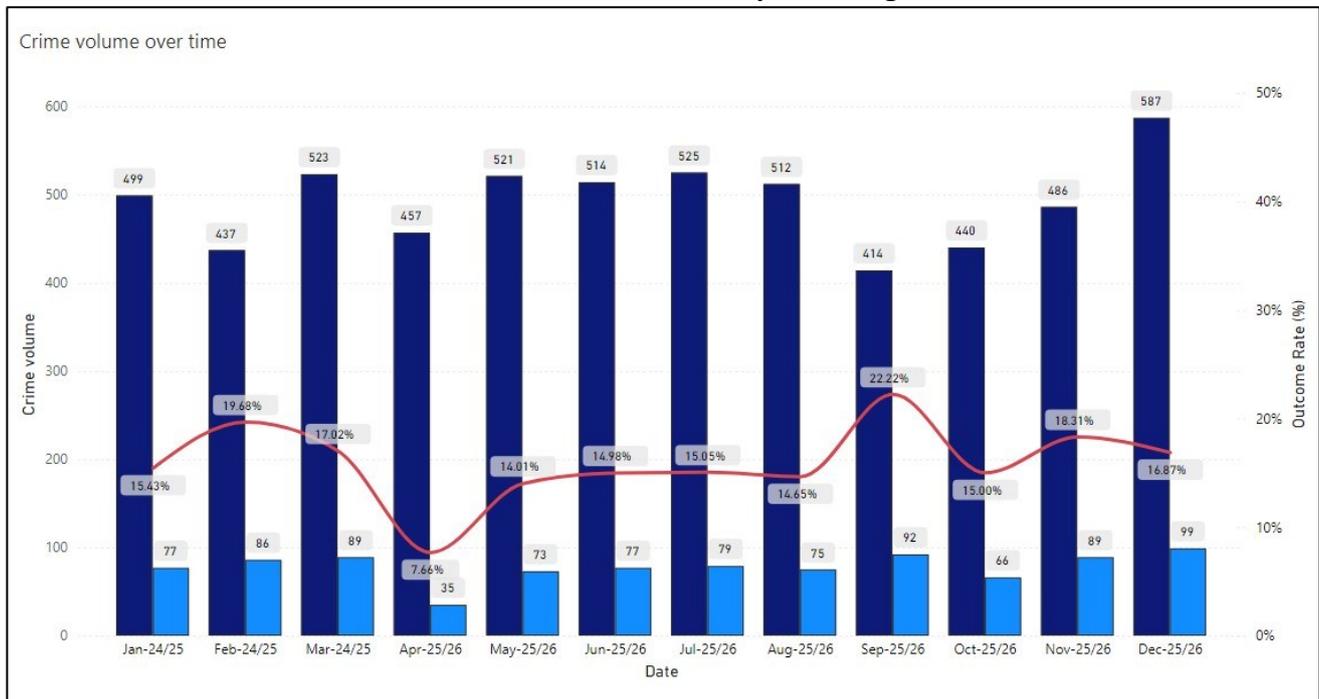
'Vehicle offences' has seen the largest decrease of any offence group, with a drop of 19.1%. The largest volume decrease has come from 'theft from a motor vehicle' with a 28.0% decrease to 201 (78 fewer crimes). All sub offence groups have fallen in volume, with 'aggravated vehicle taking' seeing a decrease of 21.2% to 26 (7 fewer crimes). The decrease is influenced by a forcewide KPI to reduce vehicle crime, along with associated oversight and governance across local and strategic performance meetings.

Overall, 'burglary' has seen an 8.4% decrease this FYTD when compared to the SPLY, down to 762 (70 fewer crimes). This can be attributed to the force wide focus on Burglary with a dedicated operation (THEMIS), weekly tactical meetings, introduction of outcome based and volume reduction Key Performance Indicators (KPIs), and increased media campaigns alerting residents on the importance of securing their belongings and their homes. The offence 'residential burglary of a home' has decreased by 9.7% to 280 crimes (30 fewer than the SPLY), the offence 'attempted residential burglary of a home' has decreased by 21.5% to 51 (14 fewer crimes) and the offence 'burglary business and community' has decreased 12.3% to 242 crimes (34 fewer than the SPLY). Latest national data (12 months to October 2025) indicates that Cumbria's burglary crime rate per 1,000 population is one of the lowest nationally and below the national and MSG average.

'Drug offences' have decreased by 9.7% this FYTD. The offence of 'possession of controlled drugs (cannabis)' has decreased by 19.8% to 644 (down from 803; 159 fewer crimes). This positive trend may be linked to consistent and visible policing that disrupts local drug supply and deters offending behaviour. When combined with support and diversion initiatives, these approaches contribute to a sustained reduction in recorded drug offences across the area.

1.3 Domestic Abuse – Performance Overview

Domestic Abuse Volume and Positive Outcome Rate – Sep-24 – Aug-25



FYTD (01/04/2025 – 31/12/2025): This FYTD the Constabulary has recorded 4,456 DA crimes, a 6.9% decrease compared to the SPLY which saw 4,788 crimes (332 fewer). The positive outcome rate FYTD is 15.4%, a 0.8 percentage point increase compared to the SPLY (14.6%).

Crime rate: For domestic abuse, the monthly average crime rate per 1,000 population FYTD is 1.0/1,000 population, meaning that for every 1000 individuals residing in Cumbria, 1.0 DA crimes were recorded on average each month. National comparison data is unavailable for Domestic Abuse due to the complexities of flag application between Forces.

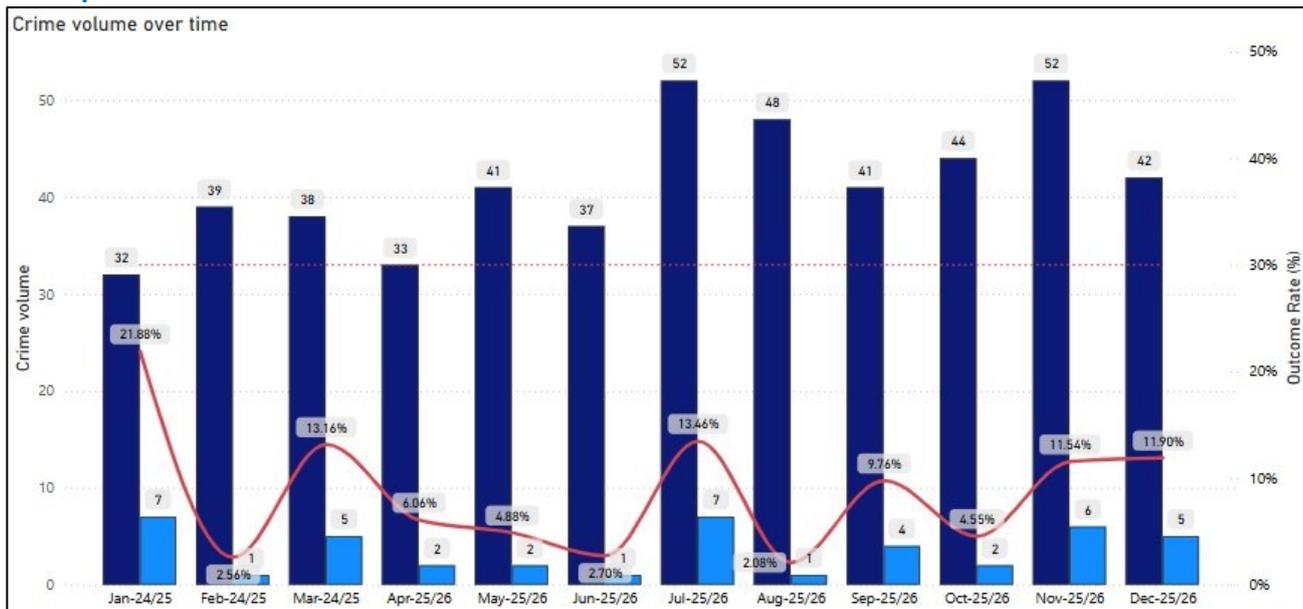
Domestic Abuse continues to be a key priority across both local and strategic performance meetings. A key performance indicator (KPI) is in place for domestic abuse outcome rate to drive and monitor performance in this area.

There remains a strong focus on the quality of officer interactions when responding to DA incidents. This is being monitored through monthly Inspector-led Body Worn Video (BWV) reviews, ensuring that victim care and investigative standards remain consistently high.

Additionally, leadership training modules continue to reinforce understanding of key areas such as 'Think Through the Eyes of the Child' and Coercive Controlling Behaviour, promoting traumainformed and empathetic approaches to DA investigations.

Domestic Abuse outcome rates continue to be reviewed within Unit Performance Meetings, chaired by Inspectors and Sergeants, to ensure accountability, continuous improvement, and sustained progress.

1.4 Rape Offences



FYTD (01/04/2025 – 31/12/2025): This FYTD there have been 395 rape crimes recorded, a 4.8% increase on the SPLY (18 crimes more). The positive outcome rate for the FYTD is currently 7.7%, this is a decrease of 3.3pp from the SPLY positive outcome rate of 11.0%. Latest national data (FYTD up to the end of October) indicates that Cumbria's outcome rate is below the national average and the average of our most similar group.

For rape, Cumbria's monthly average crime rate per 1000 population is 0.09, up from 0.08 in SPLY. To compare, FYTD national average is 0.11 and MGS average is 0.11.

It is worth noting that 'Other Sexual Offences' has seen an increase in performance during the same period of time, with the outcome rate for the current FYTD standing at 14.2%, up from 10.9% against the SPLY.

FY 2024/25 (01/04/2024 – 31/03/2025): In FY 2024/25 there were 481 rape offences recorded. There were 54 positive outcomes assigned with PO rare of 11.2%. During this FY, Cumbria had one of the highest outcome rates nationally, the national average outcome rate was 7.8% and MSG was 6.6%. Cumbria's monthly average crime rate per 1000 population was 0.08, less than national average and the average of MSG.

A Strategic Rape and Serious Sexual Offences Joint Operational Improvement Meeting (RASSO JOIM) has been agreed, with the CPS (Deputy Chief Crown Prosecutor) and the Head of Crime and Intelligence for Cumbria Constabulary. Meeting dates have now been set with attendance from the Deputy Chief Constable.

There is an Operation Soteria, six Pillar Governance structure in place incorporating a Strategic Lead (Det Chief Superintendent), Operational Lead (Detective Superintendent) and pillar leads including Detective Superintendent, Detective Chief Inspectors, Principal Analyst and one

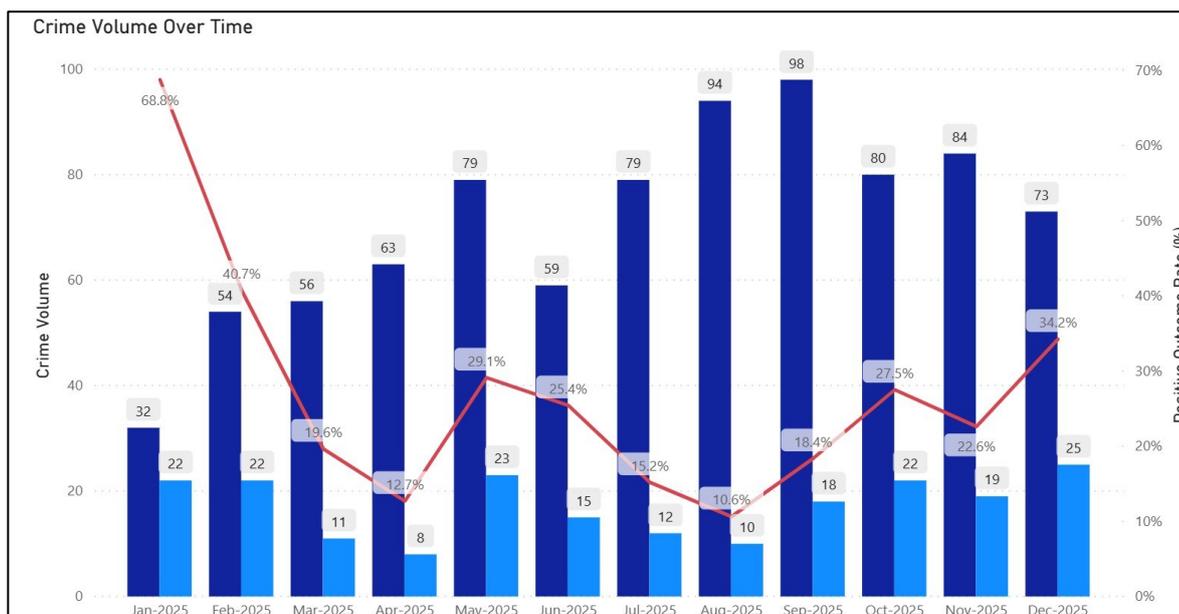
Detective Inspector. A Soteria Pillar Lead Board meeting provides the drive to improve the structures, support for investigators, CPD, training and analytics. For example, Investigators have received CPD sessions and training in recent months including Lived Experience from victim inputs and overview of Soteria; in person training for investigative supervisors and managers, RISDP training and SAIDP training programme has been initiated.

In relation to improving performance, structured Rape Themis meetings with Strategic (monthly chaired by D/Chief Supt), Operational (monthly chaired by DCI) and Investigation review (fortnightly chaired by D/Supt) are in place, and within this structure cases over 6 month and over 12 months receive scrutiny alongside regular assessments of the quality of cases through 'deep dive' assessments.

The operational RASSO JOIM meeting between Police and CPS has recently agreed to increase the frequency of joint scrutiny of cases.

Over the next three months, the Force will focus on progressing its response to the Home Office guidance on specialist rape and serious sexual offence capability (see 6.6).

1.5 Hate Crime



FYTD (01/04/2025 – 31/12/2025): This FYTD there have been 709 crimes recorded with the hate flag, a 15.9% Increase from the 646 hate crimes recorded in the SPLY.

The positive outcome rate for the FYTD is currently 21.1%, this is a decrease of 3.1pp from the SPLY positive outcome rate of 24.2%. National data is unavailable for Hate Crime, again due to the complexity of flag application between Forces.

Hate Crime against Police Officers has seen a 233% increase from 9 assaults last year to 30 assaults so far, this FYTD.

A detailed review of hate crime cases has identified key areas of learning and improvement. These insights are being shared with staff to strengthen understanding and enhance future responses. A Hate Crime Checklist in M43 for Crime Reports has been introduced. This was developed with CPS to provide best evidence to expedite efficient decision making.

Targeted engagement work is underway to address repeat locations, victims and offenders. A number of offences have been identified as occurring within NHS premises and care settings, prompting closer partnership working with those organisations.

Staff engagement sessions are being held to encourage greater victim confidence and support throughout the criminal justice process. In addition, consideration is being given to the use of restorative approaches, where appropriate, as some victims have expressed a preference for this form of resolution and support. The force is reviewing national best practice in relation to hate crime to ensure that cases are concluded in the most appropriate and constructive way. As part of this, we are exploring options to make greater use of Outcome 8 (community resolution) and outcome 22 (diversionary or educational interventions), where suitable, rather than relying on Outcome 16, which is used when evidential difficulties arise because a victim does not support further police action. This approach is intended to better support victims, promote accountability, and address offending behaviour where this can be done safely and proportionately.

The application of crime outcome 22 has increased from 8 Crimes for the same period last year to 13 this FYTD.

1.6 National Crime and Policing Measures³ – Performance Overview

The below table provides an overview of the Constabulary's performance across key National Crime and Policing Measures⁴.

	FYTD (Apr-Dec 25)	SPLY (Apr-Dec 24)	Change
Homicides	1	4	75% Decrease
Drug-related Homicides ⁵	0	0	No Change
Neighbourhood Crime ⁶	1,395	1,558	10.5% Decrease
Overall Victim Satisfaction (Crime)	71.4%	83.0%	11.6pp Decrease

Within "neighbourhood crime", vehicle offences have seen a combined 20.4% decrease to 410 (105 fewer crimes), the offence of "burglary" has seen 70 fewer crimes down to 762 (8.4% decrease), "robbery" has seen a 1.9% decrease (2 fewer crimes) and "Theft from the person" has seen an 15.4% increase to 120 (16 additional crimes). Overall, this FYTD there has been an 10.4% decrease with 163 fewer crimes recorded. For neighbourhood crime this FYTD, the monthly average crime rate per 1000 population is 0.31, meaning that for every 1000 individuals residing in Cumbria, 0.31 neighbourhood crimes are recorded on average each month (down from 0.35 the

previous FYTD), latest national data indicates that this is the lowest crime rate experienced nationally.

3 National Crime and Policing Measures (NCPM) are national priorities and metrics used to measure police performance against key government goals. They are published by the Home Office and are designed to ensure a consistent national focus on addressing specific crime types and improving policing practices.

4 Knife crime and firearm data are unavailable for this report. This data is collated quarterly and requires extensive manual review for accuracy before submission to the Home Office. Data will be available for the next PAC.

5 Drug-related homicides are any homicides involving a drug user or drug dealer, or that is related to drugs in any way. ⁶ Neighbourhood Crime consists of the following offence groups: Burglary, Robbery, Theft of and from a Vehicle, Theft from a person

1.7 Anti-Social Behaviour (ASB)

The below table provides a breakdown of ASB incidents recorded by Cumbria Constabulary this FYTD (01/04/2025 – 31/12/2025).

ASB Incidents: Force Wide - Apr-25 to Dec-25

Incident type	FYTD	SPLY	Difference	% Change
ANTI-SOCIAL BEHAVIOUR - ENVIRONMENTAL	103	150	-47	-31.33%
ANTI-SOCIAL BEHAVIOUR - NUISANCE	1705	2332	-627	-26.87%
ANTI-SOCIAL BEHAVIOUR - PERSONAL	202	392	-190	-48.47%
Total	2010	2874	-864	-30.06%

All categories of anti-social behaviour have decreased this FYTD, when compared to the SPLY. The largest decrease in terms of volume was under “nuisance” which saw 627 fewer incidents and a 26.87% decrease. “Personal” saw the largest decrease in terms of percentage, with a 48.47% decrease (190 fewer incidents). These significant reductions continue to reflect the impact of enhanced policing activity and increased visibility within key hotspot areas. This proactive approach has been supported through additional government funding and delivered under Operation Enhance, which focuses on reducing anti-social behaviour and improving community safety.

The below table provides a breakdown of Youth related ASB incidents recorded by Cumbria Constabulary this FYTD.

Youth ASB Incidents: Force Wide - Apr-25 to Dec-25

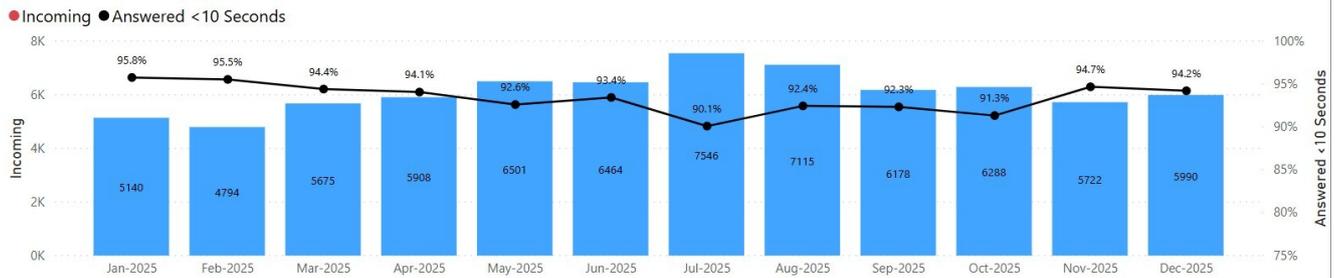
Incident type	Incidents	SPLY	Difference	% Change
ANTI-SOCIAL BEHAVIOUR - ENVIRONMENTAL	20	28	-8	-28.57%
ANTI-SOCIAL BEHAVIOUR - NUISANCE	736	877	-141	-16.08%
ANTI-SOCIAL BEHAVIOUR - PERSONAL	43	62	-19	-30.65%
Total	799	967	-168	-17.37%

Youth ASB, in each category, has seen a decrease this FYTD, when compared to the SPLY. Again, as with all ASB incidents, the largest decrease in volume can be seen under “nuisance” with 141 fewer incidents and a 16.08% decrease. The largest percentage decrease comes from “personal” with 30.65% (19 fewer incidents). As discussed above, this is influenced by the continued increase in police activity, that is part of Operation Enhance.

1.8 Call Handling

999 Calls Answered within 10 Seconds – 01/01/2025 – 31/12/2025

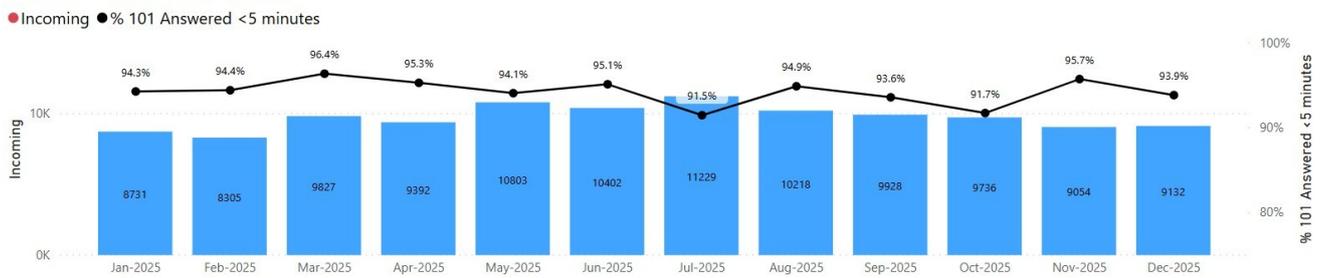
999 Calls - % answered in 10 seconds



For the FYTD, 92.7% of 999 calls have been answered within 10 seconds (2.0 percentage points lower than it was SPLY; 94.7%). Performance generally over the last 12 months has been stable, with all months being at or above the target of 90%.

101 Calls Answered within 5 Minutes – 01/01/2025 – 31/12/2025

101 Calls - % answered in 5 minutes

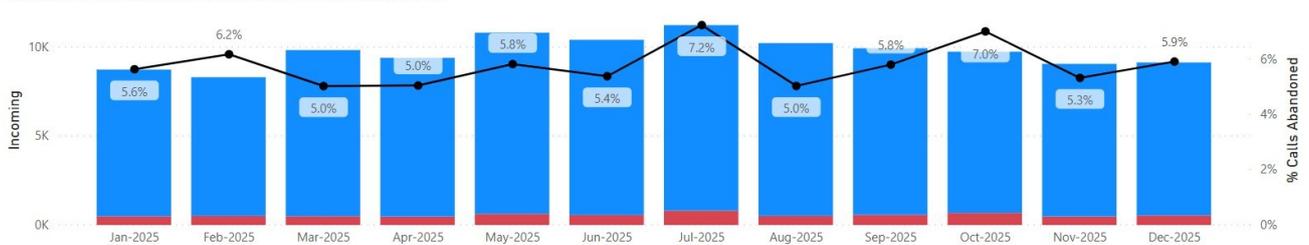


For the FYTD, 93.9% of 101 calls have been answered within 5 minutes (2.2 percentage points lower than it was SPLY; 96.1%).

101 Calls % Abandoned – 01/01/2025 – 31/12/2025

101 Calls - % abandoned

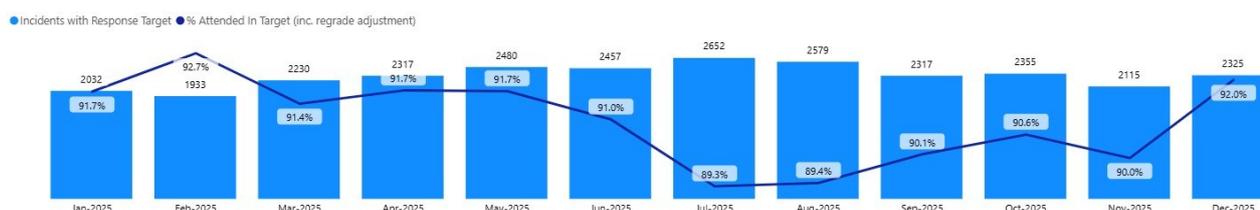
CallResult ● Abandoned ● Answered ● Calls Abandoned



FYTD, 5.9% of 101 calls have been abandoned (1.1 percentage points higher than it was SPLY; 4.8%). The median average time to answer a 101 call FYTD is 3 seconds (equal to SPLY), the most recent national data available indicates the national average is 36 seconds³. The median average time to abandon a 101 call FYTD is 56 seconds (2 seconds more than SPLY at 54 seconds).

1.9 Incident Response

Grade 1 (G1 – Emergency) Incident Response & Attended in Target performance (AIT)

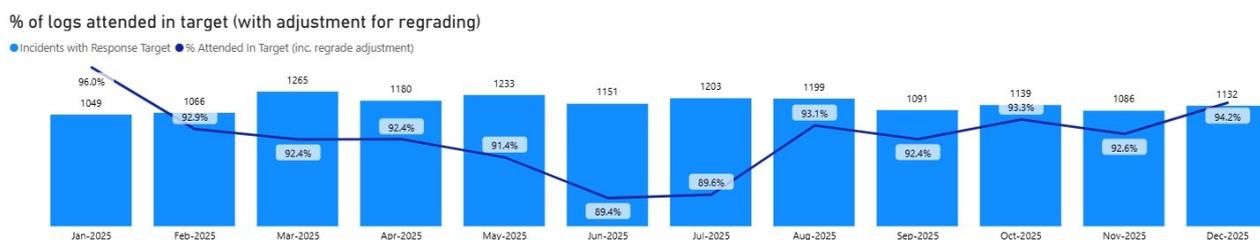


FYTD, Cumbria Constabulary have attended 21,423 G1 Emergency incidents (an increase of 5.2% from SPLY). We have responded to 90.6% of those within target (1.0 percentage points lower than SPLY). The median response time in the current FYTD, from answering the call to arrival at scene is 9 minutes and 9 seconds.

Due to the geographic nature of the county, our SLA is split between rural and urban areas, as defined by the Lower Super Output Areas (LSOAs) from the Office of National Statistics (ONS). Our Grade 1 target time for rural areas is 20 minutes, with the target for urban areas being 15 minutes.

For the FYTD we attended 9,0265 rural Grade 1 incidents, meeting the target for 83.9% of those incidents, the median response time is longer due to the increased travel duration of these areas, with a median time from answer to arrive of 12 minutes 52 seconds. We attended 12,358 urban Grade 1 incidents, meeting the target for 95.6% of these incidents and having a median answer to arrive time of 7 minutes and 35 seconds.

Grade 2 (G2 – Priority) Incident Response & AIT



FYTD, 16,555 G2 incidents have been attended (a 2.8% increase from SPLY). We have responded to 90.9% of those within target (2.4 percentage points lower than it was SPLY). The median response time from answering the call to arrival at scene is 29 minutes and 13 seconds.

³ <https://www.police.uk/pu/your-area/cumbria-constabulary/performance/101-performance-data/>

An action plan has been developed to enhance incident response performance. The plan focuses on strengthening leadership visibility, accountability and operational efficiency through the following key actions:

- **Ensuring consistent visible senior leadership** presence across all quadrants to provide guidance, support and oversight
- **Reinforcing accountability** amongst first- and second-line managers, ensuring clarity of roles and expectations
- **Strengthening governance** through regular local performance meetings to monitor progress and drive improvement
- **Maximising deployable resources** by reducing abstractions, improving collaboration with the Resource Coordination Team, and ensuring effective utilisation of available officers
- **Enhancing workforce capability** by prioritising suitable areas for incoming transferees and students, and by reviewing fleet availability to ensure operational readiness.
- **Reducing demand** through targeted initiatives, including a bespoke Night Time Economy (NTE) operation and fully staffing Neighbourhood Policing Teams (NPTs).

1.10 Killed and Seriously Injured Road Traffic Collisions (KSIs)

FYTD (01/04/2025 – 31/12/2025): This FYTD there have been 205 KSIs, a 1.5% increase on the SPLY (3 additional KSIs)

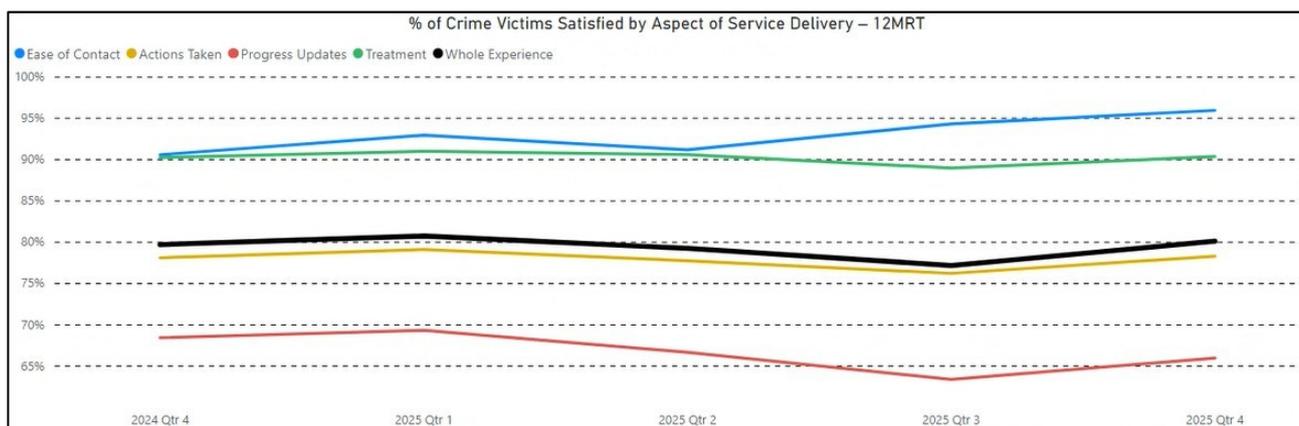
The Constabulary currently has a Key Performance Indicator (KPI) to reduce KSIs by at least 6.6%, with the overall objective of eliminating fatalities and serious injuries on Cumbria's roads by 2040 (Vision Zero).

Section 4 of this report provides an overview of activity aimed at reducing KSIs in Cumbria.

2. Victim Satisfaction

2.1 Victim Satisfaction

At the time of writing this report, Victim Satisfaction data is only available to November 2025. We are reflecting the most recent 12-month period (December 2024-November 2025)



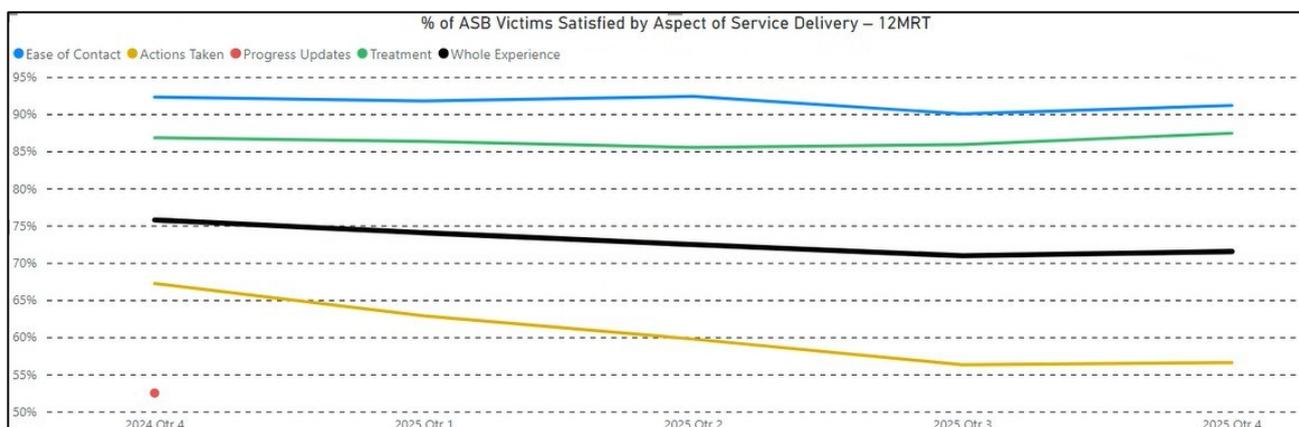
During this period 322 interviews were conducted with victims of crime, compared to 628 for the previous 12 months. The reduction in the number of interviews is a direct result of the introduction of the Constabulary's new Crime Recording System (M43) in March 2025. This resulted in data not being available for several months. This issue has now been resolved, and it is anticipated that interview levels will return to normal in the coming months.

Overall, 80.1% of respondents said they were happy with the **whole experience**. This is an increase of 0.2% compared to the previous 12-month period.

During the same reporting periods, the Constabulary saw a 1pp fall in satisfaction rates with regards to **actions taken** (from 79.3% to 78.3%), in addition to a 3.4pp fall in satisfaction rates with regards to **progress updates** (69.4% to 66%). Conversely, **treatment by staff** has increased marginally by 0.1pp from 90.3% to 90.4%.

The above graph demonstrates an increase in satisfaction in the most recent quarter for all aspects of service.

176 Anti-social Behaviour (ASB) related interviews were conducted December 2024–November 2025. A reduction of 165 (-48.4%) from the previous 12 months which completed 341 ASB Interviews.



When looking at satisfaction levels with regards to victims of antisocial behaviour, 71.6% of all victims interviewed during the most recent 12-month period (December 2024-November 2025), said they were satisfied with the **experience overall**. This is a decrease of 4.6pp compared to the previous 12-month period.

During the same reporting periods, the Constabulary saw an 11.5pp fall in satisfaction rates with regards to **actions taken** (from 68.1% to 56.6%). By contrast, satisfaction levels relating to **treatment by staff** increased by 0.4pp from 87.1% to 87.5%.

2.2 Crime Survey England & Wales⁴

The below provides some findings from the latest national data published by the Crime Survey England & Wales, which includes data for the 12-month period ending June 2025. The survey provides estimates around public perception of police across each policing area nationally.

Public Perception of Police The

Survey estimated that:

- **65.1%** of residents within Cumbria agree that **police treat them fairly**. This figure was the fourth highest figure nationally of all 43 forces and above the national average of 59.1%
 - **71.7%** of residents within Cumbria agreed that **police understand local concerns**. This was the highest figure nationally, and above the national average of 59.2%
 - **58.3%** of residents within Cumbria agreed that **police deal with local concerns**. This was the highest figure nationally, and above the national average of 46.9%
 - **76.3%** of residents within Cumbria agreed that the **police in their area can be trusted**. This was the tenth highest figure nationally and above the national average of 71.6%
 - **59.7%** of residents within Cumbria agree that **police can be relied on when needed**, this was above the national average of 53.2%, and the second highest figure seen nationally.
-
- **88.7%** of residents within Cumbria agree that the **police would treat them with respect**, this was the highest figure seen nationally, and above the national average of 82.2%
 - The estimated **overall confidence** in Local Policing was **77.0%** for Cumbria Constabulary. This was the second highest figure seen nationally, and above the national average of 67.6%

Ratings of Police

The Survey estimated that:

- **60.2%** of residents within Cumbria say the **police are doing a good or excellent job** within their local area. This is the highest figure nationally, and above the national average of 49.4%
- **59.3%** of residents within Cumbria agree **police and local council are dealing with the ASB and crime issues that matter** in their local area. This is the second highest figure nationally, and above the national average of 48.4%

⁴ The Crime Survey for England and Wales (CSEW) is a large-scale victim survey conducted by the Office for National Statistics (ONS) to gather information about crime and its impact on individuals and households. It asks people aged 16 and over about their experiences of crime in the past 12 months, including both reported and unreported crimes. Link to Source Data: [Crime in England and Wales - Office for National Statistics](#)

As demonstrated, the CSEW highlights a very positive public perception of policing in Cumbria. Across all key measures, Cumbria Constabulary ranks amongst the highest nationally, consistently exceeding national averages. Residents express high levels of trust, fairness and confidence in their local police, with particularly strong results in understanding and dealing with local concerns. The findings suggest that Cumbria Constabulary's community engagement and policing approach are both effective and valued by the public. Overall, the results reflect a strong relationship between the police and the community, reinforcing confidence in local policing and public safety across the county.

3. Post Christmas

An operation was implemented over the winter period to provide a coordinated and proactive response to the anticipated increase in demand, risk and criminality typically associated with the festive season. This operation focused on key priority areas including Domestic Abuse, Violence Against Women and Girls (VAWG), retail crime, drink and drug driving, and offences linked to the night-time economy. Working alongside partners such as Women's Community Matters, the operation aimed to disrupt offending, safeguard vulnerable individuals, and improve support and engagement with victims.

The Operation also encompassed a number of supporting operations, each targeting specific areas of risk and demand. An update on these individual operations is provided below.

Overall, performance during this operation demonstrated strong levels of activity, partnership working, and visibility, with notable outcomes across prevention, enforcement and victim support.

The operation was successfully conducted over the Christmas period, with 222 arrests made, 770 breath tests conducted, 67 dispersal notices issued, 234 VAWG interventions, 224 drug wipes, 358 Licenced Premises visits undertaken, and a combined 347 stop searches conducted under various powers, primarily under Section 23 of the misuse of drugs act. In addition, there 168 traffic offence reports (TORs) issued and 1,485 vehicles stopped.

In addition the following operations delivered the following:

- **Op Limit** – ran from 1st December to 1st January and is a national policing response to the potential increase in road traffic collisions which could accompany festive celebrations. The operation resulted in a total of 165 arrests Forcewide, 89 arrests under section 5a (Over prescribed limit for drugs), 45 arrests under Section 5 (OPL Alcohol), 19 arrests for failing to provide a specimen for analysis, 2 arrests for failure to comply with a drugs wipe, 5 arrests for Section 4 unfit through drugs, 2 arrests for section 5 unfit through drink and finally 3 arrests under section 4 drunk in charge of a vehicle.
- **Operation Elf** - In 2025, Operation Elf involved officers deployed across Furness, undertaking proactive visits of numerous licensed premises and conducting licencing checks, including cocaine wipes being conducted in toilets. Officers visibly patrolled the NTE – including traveling

on the last trains between ULVERSTON and BARROW. Pre-emptive dispersal authorities were put in place for the key dates and used to deter offending with the NTE. There were 34 persons in total dispersed from Barrow Town Centre area over the Festive key NTE dates to mitigate the risk of Crime & Disorder, in addition there were two people arrested for breach of dispersal notice on Boxing Day.

- **Op Regulate** – For the FYTD (01/04/2025 - 07/01/2026) there have been 251 formal licensed premise visits using the regulate app. During which compliance is checked with the terms of the premises licence and any issues are fed back to the Licensing team for positive action in collaboration with the Licensing Authority.

104 hours have been spent in total conducting targeted Operation Regulate activity recorded through the App. Specifically over the Festive period - 1st December 2025 to 5th January 2026 - There were 70 formal Licensed Premises visits using the Regulate App. There were 16 returns requiring action to be taken to address issues identified in licensed premises during the visit. There were 10 positive indications of cocaine following police tests conducted in premises toilets

The App covers questions relating the lawful operation of a premises including - correct display of premises licence, SIA door staff displaying licenses, compliance with Annex 2 Licence conditions, promotion of the Ask For Angela campaign, and Operation Makesafe, CCTV operation and toilet checks for drug activity.

The Welfare Hub ran on the 19th of December in Barrow and on the 27th and 31st December in Bowness. At both, sites anti-spiking items and advice were provided to members of the public and the Welfare Hub offered a refuge for those who found themselves vulnerable or in need of assistance.

- **Op Colossus** – This is a high visibility policing operation, combining both Neighbourhood and Operational Support resources to target road user related criminal activity in our communities. The operation is in response to community concerns raised through PACT meetings and our focus is on speeding and un-safe vehicles, anti-social use of motor vehicles and drink or drug driving. The initial operation started in August 2025 and ran for 15 weeks, with the following results observed:

- Vehicle stopped: 1530
- Arrests - 22 (majority for drug driving)
- Stop search - 27
- Vehicle tickets - 206 - MOT, Speeding, illegal tyres, insecure load, no insurance, no tax, no Driving license, mobile phone
- Intelligence recorded - 34
- Vehicles seized/prohibited - 29
- E-Bikes/Scooters seized 6

Operation Colossus is now being progressed into business as usual, with plans for one Colossus deployment per quadrant, one day each month, alongside development of a hotspot mapping approach using RTC data, Traffic Offence Reports (TORs), prosecution outcomes and public feedback to better target ASB and dangerous driving.

- **Operation Dark Night** focuses on the protection of vulnerable road users, especially pedestrians, cyclists and horse riders in the autumn and winter period. There is a national focus around eyesight tests for vulnerable drivers as the winter nights draw in. This operation is a collaborative effort across Roads Policing, Cumbria Fire & Rescue Service, and our Rural Crime colleagues focussing on visibility and hi-visibility clothing, with effective social media use to highlight the issues.

Cumbria Fire Engagements were held in 2025 in relation to Op Dark Night.

- An event held for Kirklington Young Farmers on the 11th November had 20 young people in attendance
- Lamplugh Young Farmers on the 18th November with 10 young people in attendance
- Sellafield Event on the 19th November with 130 employees in attendance
- Op Dark Night event held in Carlisle had 25 members of the public & Police Volunteer Horse Watch.
- There was also an event held at Ulverston Secondary School.

4. Workforce Wellbeing and Engagement

Operation Momentum is the Constabulary's formal response to the national wellbeing survey and subsequent staff engagement activity. It has been developed directly from feedback gathered through focus groups, leadership events, and staff engagement sessions held across the force.

The programme is structured around five strategic strands: Leadership, Resourcing, Workloads, Wellbeing & Welfare, and Training, Equipment & Technology. Each strand receives senior leadership oversight and is supported by targeted workstreams designed to deliver meaningful improvements.

Since the previous Public Accountability Conference, several tangible actions have been implemented:

Leadership

- A new development programme for first- and second-line leaders has gone live, with flexible booking now available via the intranet
- A review of Organisational Development is underway to ensure more consistent and equitable support for officers and staff across the force

Resourcing

- Two new inspector posts have been created to improve local resourcing control, alongside a review of the central resource function
- Neighbourhood policing uplift will see an increase in officer numbers by March 2026 (from

58 to 84)

- Additional transferees have been confirmed to strengthen frontline capacity

Workloads

- A review of investigative demand is progressing, with short-term funding already in place under Op Salvo
- CIT review proposals have been approved to transfer lower-risk investigative demand away from patrol officers, supporting workload reduction

Equipment & Technology

- New uniform options are being trialled following staff feedback
- Work is underway to improve digital systems to better support workload management, welfare monitoring and performance oversight

Police Staff Engagement

- A Police Staff Network is being established to embed staff voice across all strands of work

In addition to these workstreams, each Commander has been asked to develop a bespoke Command wellbeing plan, fed by locally managed wellbeing focus groups. This will provide a voice to officers and staff across the force and will lead to locally managed responses to address concerns raised. Commanders will present their implemented structures and bespoke plans to Organisational Board in January 2026.

The governance to oversee the progress of the strategic level initiatives, in addition to the Command level response plans, will be heard at Organisational Board on a bi-monthly basis. Updates will then be provided to the Strategic Management Board as required.

Branding for Momentum has been agreed, and internal communications will follow the Organisational Board to keep staff updated. These communications will also be reinforced within the Command wellbeing groups.

5. Priorities and Challenges – next 3 months

5.1 PEEL Inspection

An organisational priority for the next three months is the HMICFRS PEEL inspection and the continuous improvement activity that sits around it.

During this period the Force will focus on ensuring we are fully prepared for inspection, that we provide open and transparent engagement with HMICFRS, and that we respond positively and at pace to any learning, recommendations and areas for improvement identified.

This will include:

- Supporting HMICFRS with timely, accurate and high-quality information and access.
- Ensuring officers and staff understand the inspection process and expectations.
- Actively addressing any findings or areas for improvement as they emerge
- Embedding learning into everyday practice to drive sustainable improvement

Our approach is to use the PEEL inspection not simply as an inspection, but as an opportunity to improve effectiveness, efficiency, and legitimacy, and increase public confidence.

5.2 Financial Uncertainty and Precept Readiness

Over the next three months, the Force will prioritise managing a period of significant financial uncertainty while preparing for the forthcoming precept decision.

National and regional developments, including potential policing reforms, outcomes from the Police Productivity Review, and emerging devolution arrangements, create an uncertain funding landscape. In addition, preparatory work for the financial wind-up of the Force's PFI agreement in August 2026 will require careful planning and robust financial assurance.

During this period, we will:

- Maintain strong financial governance and risk management
- Deliver existing savings plans while protecting frontline policing
- Manage financial risks arising from national policy changes
- Prepare effectively for the PFI wind-up and associated audit scrutiny
- Provide the OPFCC with clear, evidence-based information to support precept considerations

Our focus is to remain financially resilient, manage uncertainty responsibly, and ensure sustainable policing for our communities.

5.3 Neighbourhood Policing Uplift and the Neighbourhood Guarantee

Over the next three months, the Force will prioritise embedding the neighbourhood policing uplift, including the recruitment of an additional 26 posts, finalising delivery of the Neighbourhood Policing Guarantee, and normalising Operation Enhance as business as usual.

In line with the Neighbourhood Policing Guarantee, we will ensure communities have identifiable local officers, clear ways to contact their neighbourhood teams, and confidence that local concerns are acted upon. We will also work to sustain the visible foot patrols delivered through Operation Enhance, particularly in areas affected by antisocial behaviour and serious violence.

Our focus is to deliver a sustainable, visible, and responsive neighbourhood policing that improves public confidence and reduces community harm.

5.4 Development and implementation of Custody Investigation Teams (CIT)

A key area of focus over the next three months will be the development and implementation of the new Custody Investigation Teams.

This will involve an uplift of investigators and sergeants dedicated to managing lower-risk investigative demand currently carried by patrol officers. By transferring this work into dedicated teams, we will reduce frontline workload pressures, improve investigative focus, and create greater capacity for patrol officers to respond to immediate public demand.

The aim of the new model is to create a more sustainable operating model that supports frontline officers, improves investigation quality, and delivers better outcomes for victims.

5.5 Continuing to improve outcomes for victims

A further focus will be the continued improvement of outcomes for victims, with particular emphasis on vulnerability-related and other victim-based crimes.

We will maintain momentum in improving the quality and timeliness of investigations, ensuring that victims receive a consistent, professional, and effective service. This will be supported by targeted use of Operation Salvo overtime to review investigative workloads, progress outstanding enquiries, and reduce unnecessary delays in case progression.

We will also continue our THEMIS oversight arrangements, which provide structured scrutiny of investigations, including serious sexual offences and burglary, to ensure all reasonable lines of enquiry are pursued, and no evidential opportunities are missed.

This will help ensure that investigations are progressing effectively, backlogs are managed, and victims experience a more consistent and timely service.

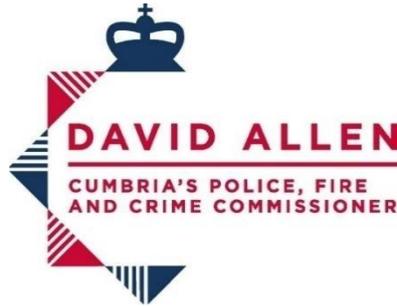
The Police, Fire & Crime Commissioner is:

- Assured
- Partly assured
- Not assured

by the information provided.

Comments:





Public Accountability Conference

Title: Organised Crime Groups

Date: February 2026

Summary:

Cumbria Constabulary outlined in detail during the meeting, the approaches it's taking towards serious and organised crime, including the following highlights

Over the past year

- 281 arrests of criminals involved in organised crime
- Over 300 children and vulnerable adults safeguarded
- 467 kg drugs seized
- Over £4 million cash seized from criminals

Plus

- A number of initiatives to work with children and vulnerable people to prevent them being drawn into organised crime
- Regular enforcement operations in local towns to target drug dealing
- Working closely with other agencies to identify and prevent organised crime.

Members of the community were able to ask questions about the approaches, but overall there was very positive feedback regarding the assurances provided in the meeting.

The Police, Fire & Crime Commissioner is:

- Assured
- Partly assured
- Not assured

by the information provided.

Comments: