



Report to the Accountability and Governance Board – 2026/27 Draft Revenue Budget and Precept Recommendation

Date: 27 January 2026

Report of: PCC Chief Finance Officer

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1 Purpose

- 1.1 This report sets out the Police and Crime Commissioner's draft 2026/27 Revenue Budget, Capital Programme and Precept. It also contains information relating to Reserves sufficient to support the precept recommendation.

2 Recommendation

- 2.1 That the Band D precept for 2026/27 be set at the maximum allowed under excessiveness principles, currently expected to be **£244.50** per annum, which is an increase of **£15.00** per annum, when compared with 2025/26.

3 Background

- 3.1 The Government is expected to announce the police funding settlement for 2026/27 by 31st January 2026 and this paper is built on the assumption that this will match the draft settlement published on 17th December 2025.
- 3.2 This paper is based on using the maximum precept flexibility allowed to the Police and Crime Commissioner (PCC) under the excessiveness principles for 2026/27. These set out the maximum increase available before a referendum is needed.
- 3.3 There is a statutory requirement for the PCC to set the precept by 1 March, however, the Commissioner seeks to set the annual budget and precept by mid-February to assist Billing Authorities with early dispatch of Council Tax Bills.
- 3.4 Regulations require the PCC to notify the Police and Crime Panel (Panel) of the proposed precept by 1 February, to enable the Panel to review the precept by 8 February 2026.
- 3.5 The panel does have the power to veto the proposed level and if the veto is exercised the Commissioner would need to consider the Panel's views and respond by 10 February for review by the Panel by 17 February. The Panel must respond by 17 February, but rejection cannot prevent the Commissioner from issuing the precept.
- 3.6 The Panel's schedule of meetings in February accommodates this timetable should it be needed.

4 2026/27 Provisional Government Grant Settlement

4.1 The main points to note from the settlement are as follows:

- A 4.0% increase in Core Grant for all areas, £382.3m in total, £23.4m for West Midlands
- The opportunity for PCCs to raise their precept by up to £15 per year per Band D property in 2026/27

4.2 The provisional core grant settlement for the West Midlands in 2026/27 is £658.5m, which is an increase of £20.6m on the 2025/26 Settlement. This was not consistent with the Commissioner's medium-term financial planning assumptions, derived from the Comprehensive Spending Review.

4.3 The draft settlement contained a single table which showed core grant and precept.

4.4 The lack of detail in the provisional settlement has meant that we do not fully understand the difference in the core grant allocation compared to the total we were expecting, but it is believed to be due to:

- £12.2m reduction due to a top slice of £198m, purpose yet to be announced
- £2.8m reduction due to the reallocation of specific Top Up grant funding

4.5 The additional funding of £20.6m is less than even the increase in Police officer pay and increments of £33.6m, before any other increases are taken into account.

4.6 It is assumed that the £12.2m given for the first year of Neighbourhood Policing Guarantee is included in this core grant settlement.

4.7 Additional specific Home Office grant funding allocations which are currently received of £33.6m will not be announced in time for this paper and the budget has been prepared assuming that they will be received, which is a best-case scenario.

5 Formula Funding review

5.1 The formula used to derive the allocations between Police Force areas has once again been used, containing data from 2013, and frozen in terms of the rollout and release of damping, in 2016.

5.2 The allocation received therefore continues to ignore the distribution of new crime types, such as scooters and XL Bullies, and areas such as the West Midlands with higher than average population growth.

5.3 Many commentators have spoken about the need for a funding formula review over the past decade:

- Home Affairs Select Committee 2015
- Public Accounts Committee November 2018
- NPCC Report: Strategic Assessment of Workforce: August 2023
- Chief Inspector of HMICFRS in his Annual Assessment of Policing 2023

5.4 The HMICFRS PEEL assessment of the Force in December 2023 noted that, in relation to the West Midlands, the impact of the lack of a formula funding review is that "West Midlands Police's funding reduced by 13 percent per capita between the year ending 31 March 2014 and year ending 31 March 2020. This means that it has been affected disproportionately compared to some other forces and has

little opportunity to obtain additional funds from increasing the police precept. West Midlands Police need to have enough resources to prevent crime and protect the public effectively.”

5.5 It remains the case that the single issue which has capacity to increase the resources available to policing and crime reduction in the West Midlands is to reform the funding formula, ensuring that it reflects the current distribution of crime and population in England and Wales.

6 Balances and Reserves

6.1 The prudent use of reserves to support spending, continues to be a key factor in the Medium-Term Financial Strategy. The following table details the anticipated level of reserves as of 31 March 2026 and the estimated level of reserves by 31 March 2027, as per the plans outlined within this budget report. **Appendix 6** contains the proposed Reserves Strategy.

Planned Movements in Reserves relied upon in the 2026/27 budget are as follows:

Reserves (Forecast position) £m	Balance at 31 st March 2026	Planned Movement in Reserves 2026/27	Balance at 31 st March 2027
Funding for Planned Expenditure on Projects & Programmes - Revenue			
Regional / National / Collaboration Reserve	9.2	-	9.2
Change Programme / Estates Strategy Reserve	17.9	(7.1)	10.8
Carry Forward Reserve	10.4	(3.4)	7.0
Drug Squad / PPA Reserve	2.0	(0.1)	1.9
POCA	0.5	(0.3)	0.2
Reserves held in accordance with sound principles of good financial management			
Budget Reserve	32.7	(6.1)	26.6
Uniform and Equipment Reserve	11.0	0.5	11.5
National Contingency Reserve	2.7	(0.3)	2.4
Total Earmarked Reserves	86.4	(16.8)	69.6
General Fund Reserve	16.7	-	16.7
Total Reserves	103.1	(16.8)	86.3

6.2 Details of the planned movement in Reserves are as follows:

6.2.1 **Regional / National / Collaboration reserve** – This reserve will be unused in 2026/27 as there are no plans which require drawdowns and the regional ROCU reserve is expected to be kept at a £0.25m with any underspend in 2025/26 being returned to Forces.

6.2.2 **Change Programme / Estates Strategy Reserve** – This reserve has been combined to more effectively use the reserve to meet the needs of change. In 2026/27 most of the planned usage is on large refurbishment programmes in the estate, as well as investing in digital media hubs to improve the investigation of

digital crimes and the service to victims.

- 6.2.3 **Carry forward Reserve** - where approved one-off investments and changes cannot be made within a financial year it is customary to allow those to carry forward into the following year to enable work to complete. The use of this fund in 2026/27 is to enable key CBRN equipment to be purchased for regional use.
- 6.2.4 **Drug Squad / PPA Reserve** – The Police Property Act allows the Police to retain in full the money and other assets seized from criminals where that is not recovered under PACE. This contribution is used to partially fund the Commissioner’s My Community Fund, which supports projects across the West Midlands.
- 6.2.5 **POCA Reserve** – The Proceeds of Crime Act 2002, allows some of the value of seized criminal assets to be returned to Forces over time as criminal prosecutions come to court. The money is also distributed to other parties involved in these prosecutions. Any amount over that relied upon in-year, to support economic crime and other teams targeting seizures, is returned to this reserve to smooth the time delay between workload, seizure of goods and the return of money through the ARIS mechanism. In 2025/26 and 2026/27 this reserve is also being used to fund Operation Fearless, an operation to enhance problem-oriented policing in key high crime neighbourhoods in the West Midlands.
- 6.2.6 **Budget Reserve** - The budget reserve is held to reduce the impact of financial pressures on service delivery. Due to the scale of the savings required to balance the medium-term plan, the Force has continued to drive savings in 2025/26 from increased income opportunities and reviewing staff vacancies. This will be transferred to the budget reserve and drawn down to help balance the medium-term plan allowing time to generate further long-term sustainable solutions.
- 6.2.7 **Uniform and Equipment Reserve** – This reserve is being utilised to support the initial higher costs of purchasing non-ICE vehicles, estimated at £1m, and £0.6m to fund the first year of the new Taser contract which was delayed from 2025/26.
- 6.2.8 **National Contingency Reserve** – This reserve is being utilised to support the purchase of new Tasers which is a nationally mandated upgrade.
- 6.3 The Commissioner needs to maintain an adequate General Reserve balance because:
- As a substantial organisation with a net budget requirement of almost £0.9 billion, there are no other such reserves to call on.
 - There are no budgeted contingencies for very major incidents, which may require significant resource levels for a long period.
- 6.4 The considerations in determining how much of the earmarked reserves should be used in 2026/27, are:
- Retaining the maximum level possible, to support spending in 2026/27 and later years, when resource levels may be constrained, within the context of a tough CSR settlement,
 - Striking a fair balance between how much should be used to support spending over the planning period and by how much the precept should increase,

- Risks and uncertainties in key budget assumptions

7 Proposed Revenue Budget 2026/27

7.1 The Commissioner is proposing a Revenue Budget for 2026/27, based on the following:

- The priorities in the Police and Crime Plan
- The implications of the funding settlement
- Existing budget commitments and inflationary pressures
- The continued recruitment of Police Officers to ensure than planned numbers are maintained as detailed in Section 9
- Providing recurring funding for Operation Fearless, an operation to enhance problem-oriented policing in key high crime neighbourhoods in the West Midlands
- Investing in cyber security, artificial intelligence and robotic process automation to create a resilient police force which uses the most efficient and effective means possible for each task in hand
- Developing digital media hubs in each LPA in order to enhance the forensic capture from mobile devices and increase the speed and quality of investigations
- Providing improved equipment and technology to frontline officers to support capability, safety and welfare
- Continued work on efficiencies and productivity, to redirect resources to frontline policing as a priority
- Continued support for the Estates Strategy, and implementation of Continuous Improvement methodology to deliver savings and efficiencies in the short to medium term. These will help the Force to continually challenge the way services are provided, maximise innovation and drive efficiency and productivity.

7.2 Recognising that in the medium term, there are significant cost pressures to the Force including inflation and other cost pressures. There is a need to strike a careful balance between spending levels, the use of reserves and a precept increase across the medium term.

7.3 The table on the following page analyses the changes between the proposed 2026/27 Revenue Budget, compared to the 2025/26 budget. The subjective analysis of the proposed 2026/27 budget is shown in **Appendix 1**, along with the revised budget from 2025/26.

Revenue Budget Movement	Revenue Budget £m	Reserve £m	Net Budget £m
2025/26 Budget	827.9	(13.9)	814.0
Inflation			
Cost of living pay awards 2025 (4.2%) and estimated 2025 (3.0%), incremental pay banding increases and Full Year impact of NPG Officers	41.3	0.0	41.3
Non-Pay Inflation / Contract Changes	7.5	0.6	8.1
Policing an additional 3 bank holidays	1.7	0.0	1.7
Funding from Reserves			
Remove reliance on reserves (PCC & ROCU)	0.0	0.1	0.1
Movement in Budget Reserve	0.0	(1.4)	(1.4)
ICT Mobility Devices (defer budget to 2027/28 when required)	(1.4)	1.4	0.0
CBRN equipment purchased in 2024/25 to cover 2025/26 to 2027/28	3.3	(3.3)	0.0
Other Budget Movements			
Additional Income Generation	(0.8)	(2.4)	(3.2)
Movement in Change Programme Profile	(1.5)	1.9	0.4
Change in Capital Spend Profile	0.6	1.0	1.6
New Costs			
Change in Demand	7.8	(1.0)	6.8
Approved investments	2.6	0.0	2.6
Savings			
Savings	(13.2)	0.0	(13.2)
Reduction in Police Staff Pension rate from 19.8% to 14.3%	(8.6)	0.0	(8.6)
PCSO Savings (due to re-allocation of Neighbourhood Policing Grant)	(2.2)	0.0	(2.2)
Capital Funding Savings: repayment of loan and MRP	(0.8)	0.0	(0.8)
2026/27 Provisional Budget	864.2	(17.0)	847.2

8 Savings

- 8.1 The revenue budget proposal contains plans to deliver £13.2m of savings derived from a Priority Based Budgeting review. This incorporates reductions from contract management in the cost of IT, utilities, and staff restructures in corporate communications and Forensics as well as the continued implementation of reducing the size of the estate's footprint.
- 8.2 The draft triennial valuation for the LGPS should produce a rebate in the employers' pension contribution for staff, delivering savings of around £8.6m p.a. This is largely a return of monies from the Fund to the employer, recognising that the Fund itself is now more than fully funded. In future years we will not be able to use all of this saving, as we focus on rebuilding a reserve to call upon if contributions need to rise again. This is likely but not definite as the contribution rate is calculated based on 70% of scenarios delivering a 110% funded position.
- 8.3 There are £0.8m of savings in treasury costs as loans are repaid, the Dudley debt relating to the old West Midlands County Council unwinds, and an updated Minimum Revenue Provision profile.
- 8.4 To meet the reduction in grant for specific officer uplift (Top Up), a further £2.2m of savings is proposed by reducing PCSO numbers through natural turnover across the year.

9 Investments

- 9.1 The Force is growing in certain areas of high demand or growing need such as cyber security, artificial intelligence, robotics and process automation, intelligence and major crime. Some of this growth is as a result of a planned partnership with the National Crime Agency to focus on organised crime in the region.

10 Increased Demand

- 10.1 The increased numbers of positive outcomes over the past year has led to a need to spend more on custody services such as interpreters and doctors' statements, as well as digital and telecom forensics and detention escort officers.
- 10.2 There will be a £1.4m increase in vehicle costs and maintenance costs, which is the result of a larger fleet, supporting the highest number of officers that the Force has had since 2010.
- 10.3 There is an increase of £2.6m in the provision for the cost of ill health retirements, although the Force continues to work with external partners to promote measures to prevent ill health and deal with it quickly and effectively when it arises in order to successfully return people to work.

11 Police and Crime Commissioner Office

- 11.1 The Office supports the functions of the PCC, including commissioned services, statutory external audit, supporting victims, engaging with the public, joint internal audit, running grants schemes, custody visiting, managing complaints

appeals and responsibility for overseeing, scrutinising, and leading the police force.

11.2 The Office is responsible for victim services in the region, including supporting victims of domestic abuse and sexual assault. For many of these grant funded schemes, the Office absorbs the overhead ensuring the maximum amount of money is allocated to the recipients of these services.

11.3 The budget has been refocussed on improved governance and a commitment to invest in regular public engagement and surveys. This will improve the ability to hold the Force to account and measure public perceptions.

11.4 The proposed budget for the Police and Crime Commissioner's office for 2026/27, compared to the budget for 2025/26, is shown in the table below. The 2026/27 budget includes provisions for the impact of the pay awards and staff increments.

Office of the Police and Crime Commissioner Breakdown	Budget 2025/26	Proposed Budget 2026/27
	£,000	£,000
Governance	426	416
Staff and Office Support costs	2,756	2,859
Consultation, ICT and Supplies and Services	101	214
Police Misconduct Hearings including Legally Qualified Chairs	40	48
Subscriptions	95	99
Bank Charges and External Audit Fees	186	191
Custody Visiting	15	26
Professional Services	118	123
Gross Budget	3,737	3,993
Use of Reserves	0	(17)
Total Budget	3,737	3,976

11.5 The total budget of the Police and Crime Commissioner's office, including net spending on the Violence Reduction Unit, and Victims grants, as well as community safety funding, amounts to 1.4% of the overall net revenue budget of the Force and OPCC combined.

12 Operational Policing Budget

12.1 The Commissioner will approve an operational policing budget, which is then delegated as detailed within the Scheme of Consent. It should be consistent with policies and priorities included in the Police and Crime Plan. The proposed operational policing budget will be set out in **Appendix 2** in the revised version of this report to be brought to the Board next month, but is currently blank, representing the level of uncertainty following the provisional settlement.

13 Staffing Budgets 2026/27

13.1 The police officer establishment is built upon a number of assumptions; however, as per section 4 above, these are still to be confirmed by the Home Office and are subject to change:

- Maintaining the Target National Uplift headcount of 8,086.
- Maintaining the additional 30FTE agreed by the Commissioner in the 2024/25 budget.
- Maintaining the 150 additional headcount increase agreed as part of year 1 of the Neighbourhood Policing Guarantee.
- Despite the reduction in Top Up grant funding, the draft budget has been prepared including the 177 additional officers funded from that grant.

13.2 Consideration will need to be given to the original uplift baseline depending upon the continuation of the CTU, County Lines and GRIP funding, where we currently employ approximately 500 officers.

The table below breaks down the officer headcount and FTE the budget is built upon.

Officer Headcount Breakdown	Headcount	FTE
Uplift Baseline	6,691	
Uplift Allocation	1,218	
Batch 1 additional recruitment (2023/24)	100	
Batch 2 additional recruitment (2024/25)	77	
Total 2025/26 Maintenance target	8,086	7,946
Precept Uplift	30	30
Neighbourhood Policing Guarantee	150	150
Total 2025/26 Target	8,266	8,126

13.3 As well as maintaining a police officer total headcount, consideration was also given to achieving and then maintaining the target officer and PCSO FTE in Neighbourhood Policing linked to the Neighbourhood Policing Guarantee funding. The current budget assumes the continuation of funding for Year 1; however we are awaiting confirmation of this along with the details around what Year 2 funding might look like.

Neighbourhood Policing Guarantee	Officer FTE	PCSO FTE
31 st March 2025 Baseline	387	245
Year 1 funding uplift (funded)	150	20
Year 1 redeployed (no backfill)	139	0
2025/26 Neighbourhood Policing Guarantee	676	265

13.4 Due to the change in grant allocation for the Batch 2 additional recruitment, we've needed to consider our total police officer and PCSO numbers and made the difficult decision to reduce the number of PCSO's by 60 FTE. This will be a gradual reduction in line with natural turnover; no redundancies will be made. This decision will reduce our overall PCSO establishment as per the table below:

PCSO FTE Breakdown	FTE
2025/26 PCSO Total	300
Savings due to top up recruitment funding reduction	(60)
2026/27 PCSO Total	240

13.5 This reduction however puts the total PCSO's by the end March 2027 below the Neighbourhood Policing Guarantee baseline, at present we are unsure of the implication of this decision whilst we await further details on the settlement and year 2 of the Neighbourhood Policing Guarantee.

13.6 The police staff budget for 2026/27 is based on an establishment of 4,440 FTE, however, there is a 7.5% vacancy factor built (which equates to 333 FTE vacant posts) to set a balanced budget. The consequence of this is that if our strength goes above 4,107 FTE we are at risk of overspending against this budget line. This will be monitored closely throughout the year.

14 Medium Term Financial Plan

14.1 The information provided in the draft settlement is insufficient to fully refresh the MTFP at this time, this will be provided in the report to this Board in February.

15 Risks and Uncertainties

15.1 Details of the risks and uncertainties inherent in these Budget proposals are summarised in **Appendix 8**.

16 Precept Implications

16.1 The statutory calculations, required by Local Government Finance Act 1992, are shown in **Appendix 5**.

17 Chief Finance Officer's Statement

- 17.1 Section 25 of the Local Government Act 2003, requires the CFO to report to the Commissioner on the robustness of the estimates made for the purposes of the statutory budget calculations and the adequacy of financial reserves and the Commissioner must have regard to that report when making decisions about the statutory budget calculations.
- 17.2 This is made challenging due to the partial and incomplete nature of the draft settlement information. However, in relation to the precept decision, there is no doubt that any estimates show that the full precept flexibility is required.
- 17.3 **Appendix 8** analyses the risks and implications if key budget assumptions vary during the year. Any overspendings which cannot be contained within approved budget levels will have to be financed from the Budget Reserve.
- 17.4 Details of the Commissioners general balances and reserves are set out in **Section 4** of the report.
- 17.5 I am recommending that the level of General Balances remains at £16.7m.
- 17.6 The 2026/27 Revenue Budget and Medium-Term Financial Plan requires a use of reserves.
- 17.7 I have advised the Commissioner that I believe this represents an entirely reasonable, balanced and prudent approach, given current levels of crime and anti-social behaviour, the priorities set out in the Police and Crime Plan and the levels of Government resources likely to be available in the medium term.
- 17.8 The Insurance fund will continue to be maintained at a level consistent with the insurance cost borne by the Commissioner's reserve and the level of outstanding self-funding insurance claims at any time. Financing for the Capital Programme includes the use of borrowing, capital receipts, capital grant and revenue contributions. Other earmarked reserves will be applied as expenditure levels and service requirements dictate.
- 17.9 It will be necessary to retain as much flexibility as possible over the levels of reserves.
- 17.10 The total level of revenue reserves is estimated to be around £70.0m by 31st March 2027, depending on the use of earmarked reserves and the other factors influencing the use of reserves in 2026/27.
- I am therefore able to confirm that, in my professional opinion:
 - The estimates made for the purposes of the calculations of the commissioner's budget requirement for 2026/27, under Section 32 of the Local Government Finance Act 1992 contained in the report are robust.
 - The Financial reserves that will remain available to the Commissioner, as a result of agreeing the proposals contained in this report are adequate.

18 Finance Implications

18.1 This report solely deals with financial issues.

19 Legal Implications

19.1 Section 40, Local Government Finance Act 1992, requires the Commissioner to set a budget and precept by 1 March each year.

19.2 The Commissioner must ensure that the precept is sufficient to provide for the expenditure estimates it will incur in the year in performing functions, defraying outstanding expenditure incurred earlier, an expenditure before precepts become sufficiently available and any payments into reserves.

19.3 The Localism Act 2011 abolished the council tax capping regime and replaced it with the requirement for precepting authorities to hold a taxpayer's referendum if excessive increase is proposed. In 2026/27, an excessive increase would be £15.01 or greater.

19.4 Information contained in this decision is subject to the Freedom of Information Act 2000 and other legislation. This decision will be made available on the Commissioner's website.

20 Equalities Implications

20.1 The budget provides for the continuation and development of policing services for all people in the West Midlands, irrespective of their protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, regional or belief, sex and sexual orientation. Both the Commissioner and the Force are committed to delivering the principles, strategies and priorities of their respective Equality Schemes.

Schedule of Background Papers

Appendix 1 – Summary of Revenue Budgets for 2025/26 and 2026/27

Appendix 2 – Operational Budget 2026/27

Appendix 3 – Capital Strategy 2026/27 – 2030/31

Appendix 4 – Capital Programme 2026/27 – 2030/31

Appendix 5 – Statutory Council Tax calculations 2026/27

Appendix 6 – Reserves Strategy

Appendix 7 – Statement of Prudential Indicators

Appendix 8 – Risk Assessment

Appendix 1 – Summary of Revenue Budgets for 2025/26 and 2026/27

Income and Expenditure Breakdown	2025/26 Budget £,000	2026/27 Budget £,000
Police Pay	557,360	590,940
Police Community Support Officers	12,485	10,266
Police Staff Pay	221,881	222,977
Other Employee Expenses	17,653	20,111
Sub Total	809,379	844,294
Premises	33,034	32,321
Transport	12,745	13,754
Supplies and Services	81,294	86,079
Third Party Payments	25,959	26,254
Capital Financing	16,089	12,851
External Income	(134,657)	(139,439)
Home Office Specific Grants	(33,580)	(33,580)
Change Programme including Estates Strategy	6,281	9,323
Police Force	816,544	851,857
Office of Police and Crime Commissioner	3,737	3,993
Community Safety Funding	3,520	3,625
My Community Fund	400	412
External Commissioning	2,679	3,011
Victim Services Expenditure	6,697	7,021
Victim Services Income	(6,049)	(6,170)
Violence Reduction Unit Expenditure	5,911	5,593
Violence Reduction Unit Income	(5,587)	(5,118)
Total Office of the PCC	11,308	12,367
Total Revenue Budget	827,852	864,224
Net Use of Reserves	(13,902)	(16,997)
Net Budget Requirement	813,950	847,227
Government Grants	(637,932)	(658,542)
Council Tax including Surplus on Collection Fund *	(176,018)	(188,699)

Appendix 2 – Operational Budget 2026/27

Blank pending further information in the final settlement

Appendix 3 – Capital Strategy 2026/27 – 2030/31

Blank pending further information in the final settlement

Appendix 4 – Capital Programme 2026/27 - 2030/31

The table below details the Capital Programme for 2026/27 to 2030/31.

Capital Programme £m	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Fleet	7.7	7.9	8.0	8.2	8.4	40.2
Body Worn Video	1.0	1.3	1.3	1.4	1.4	6.4
Laptops / Desktops	2.2	3.5	9.4	1.5	3.4	20
IT Infrastructure including CCTV	1.9	1.0	0.8	0.8	0.8	5.3
CTU Capital Programme (estimate)	3.0	3.3	3.1	3.4	3.3	16.1
Estates Strategy	21.3	10.0	0.0	0.0	0.0	31.3
Total	37.1	27.0	22.6	15.3	17.3	119.3
Financed by:						
Revenue Contributions	13.4	14.6	19.5	11.9	14.0	73.4
Capital Grants	3.0	3.3	3.1	3.4	3.3	16.1
Borrowing	0.0	0.0	0.0	0.0	0.0	0
Capital Receipts	20.7	9.1	0.0	0.0	0.0	29.8
Total Funding	37.1	27.0	22.6	15.3	17.3	119.3

Appendix 5 – Statutory Council Tax calculations 2026/27

The table below details the statutory Council Tax calculations for 2026/27.

The table below shows a summary of the precept calculation, including the notified Collection Fund net surplus and compares the precept level with last year's figures.

Summary Precept Calculation	2025/26 £m	2026/27 £m
Total Revenue Budget	827.8	864.2
Contribution to / from Reserves	-13.9	-17.0
Net Budget Requirement	813.9	847.2
Police Grant inc. DCLG	-579.1	-609.0
National Insurance Grant	-11.6	-11.6
Pension Grant	-18.9	-18.9
Additional Recruitment Top Up	-9.3	0.0
Council Tax Support Grant	-19.0	-19.0
Surplus / Deficit on Collection Fund*	-0.6	0.0
Precept Requirement	175.4	188.7
Total Tax Base*	764,370	771,777
Band D Precept+	229.50	244.50

* Provisional

+ An increase of £15.00 per annum

This produces a charge for each property for 2026/27 as follows.

Band	Statutory Proportion	2025/26 Precept £: p	2026/27 Precept £: p	Change Annual £: p	Change Weekly £: p
Band A	6/9	153.00	163.00	10.00	0.19
Band B	7/9	178.50	190.17	11.67	0.22
Band C	8/9	204.00	217.33	13.33	0.26
Band D	9/9	229.50	244.50	15.00	0.29
Band E	11/9	280.50	298.83	18.33	0.35
Band F	13/9	331.50	353.17	21.67	0.42
Band G	15/9	382.50	407.50	25.00	0.48
Band H	18/9	459.00	489.00	30.00	0.58

Appendix 6 – Reserves Strategy

Blank pending further information in the final settlement

Appendix 7 – Statement of Prudential Indicators

Blank pending further information in the final settlement

Appendix 8 – Risk Assessment

The table below details the risks and implications if key budget assumptions vary during the year.

Financial Risk Assessment	Likelihood	Impact	Comment
The Capital Programme requirement changes as work streams develop, for example, development of the Estates Strategy.	High	High	The programme has been written with some flexibility built in, but should strategic choices vary significantly the programme would be reviewed and re-shaped in line with the new requirement.
Planned savings the estates strategy included within the Medium-Term Financial Plan are not achievable.	High	High	Budget Managers have considered the planned savings and confirmed they believe them to be achievable, however if circumstances change and the planned level of savings is not achievable alternatives will be sought in year.
Further Cost Transfer from National Programmes / Projects	High	High	Further cost transfers from the centre (e.g., Emergency Services Network and IT company costs.)
Headcount is not kept at the target, to secure Uplift funding	Medium	High	The uplift numbers must be maintained, to keep grant funding. Terms and Conditions of grant funding are not confirmed for 2026/27 but loss of headcount of 120 below target, must be assumed to have financial consequences for the specific grant element of funding.
Medium-Term funding remains unclear.	Medium	High	A one-year settlement was received for 2026/27. Due to the nature of the funding settlement the future years funding remains unclear and could vary significantly to that planned. £1 change in precept results in £0.8m movement and 1% change in grant results in £5.8m movement in grant
Pay awards in the future differ from the assumptions in our financial planning	Medium	Medium	Current assumptions are in line with pay award offers to Police Officers and Staff. If pay awards are higher than this, the budget reserve will be used in year to meet any difference, net of increasing turnover and holding posts vacant to meet costs.

Financial Risk Assessment	Likelihood	Impact	Comment
General inflation is different to the assumptions included in the budget.	Medium	Medium	A 1% increase would cost around £1.5m. Significant increases in building costs in the medium-term capital programme period could have an impact on some estimates.
Increase in volume and/or cost of policing public order incidents linked to the general economic conditions or other factors	Medium	Medium	Depending on the volume and complexity of any incidents, this could place a significant strain on current contingency budgets. In the first instance savings would look to be found across budgets areas. If this were not sufficient then reserves would need to be used.
Interest rates increase	Medium	Medium	The budget reflects the current rates of interest being received on investments. No further borrowing is planned currently.
Short Term Grants not extended by 2025/26	Medium	Medium	There are several short-term grants that are due to end in 2025/26. Not all funding is yet confirmed for 2026/27. The mitigation is to stop the expenditure however this has a cost in terms of efficiency and positive outcomes. These include County Lines £7m, VRP £4.3m and GRIP (guardian) £3.7m
Income levels not achieved	Low	Low	A 1% loss of income (excluding grants & interest) would cost around £0.4m.