

Report to the Police and Crime Panel – 4 February 2025
Proposed Precept for 2025/26



Contents

Report to the Police and Crime Panel – 4 February 2025	1
Proposed Precept for 2025/26	1
Executive Summary	3
Recommendation	5
Introduction from the Police and Crime Commissioner	6
A view from the Chief Constable.....	6
Section 2 Priorities and Challenges facing Norfolk.	8
Financial Challenges	8
Crime and Incident Trends.....	9
Delivery of 2024/25 outcomes – what is being achieved	10
The 2025/26 precept consultation	13
Delivery of the Norfolk Police and Crime Plan in 2025.	14
The Prioritisation of Resources	15
The Economic Context and Unavoidable Cost Pressures	15
Norfolk within the wider economic environment.....	17
Sources of Funding for the budget.....	18
Income received from council tax	18
Precept Option 2025/26.....	18
The Medium-Term Financial Plan (MTFP)	19
Statutory Assurances and Strategies Including Reserves and Capital.....	20
Chief Finance Officer’s statement on the soundness of the budget and adequacy of reserves	21
Assurance	23
Conclusion	23

Annexes are attached separately to this paper

- Annexe A** Precept Consultation 2025/26 Results
- Annexe B** Financial appendices

Executive Summary

This report sets out the proposed budget and precept for decision by the Police and Crime Commissioner (PCC). It delivers one of their key responsibilities as PCC, under the Police Reform and Social Responsibility Act 2011. The report covers important factors and issues that the PCC has had to consider in reaching a proposal on the level of precept for policing in the County of Norfolk. This report sets out the:

- Net budget requirement for 2025/26
- Proposed precept for 2025/26
- Proposed medium term financial plan 2025/26 to 2028/29
- Outline capital budget 2025/26 to 2028/29
- Statement on soundness of budget and the adequacy of reserves.

The budget sets out the allocation of resources to deliver on the outcomes in the Police and Crime Plan for Norfolk. This plan gives strategic direction for policing in the county.

The central theme in setting spending plans is that they have taken into consideration the strategy and vision of the elected PCC. As part of setting out these financial spending plans, it is important to set out the issues that influence and contribute to the build of the budget for 2025/26 and the medium-term financial plan. In determining her budget proposals, the PCC acknowledges:

- Priorities within the Norfolk Police and Crime Plan.
- National policies and strategies which are required to be delivered at a local level.
- The operational advice and guidance provided by the Chief Constable.
- Strategic Policing Requirement.
- The outcome of public consultation.
- The impact of the global economic conditions and the effect of price inflation on the cost of running a police service.
- Government policy on public spending, as set out by the Chancellor in the Autumn Statement and subsequent policing provisional grant settlement which was issued on 17 December 2024.
- Medium term financial obligations.
- Prudent use of and contributions to the financial reserves.
- The drive for continuous improvement and value for money.
- The development of future collaborative arrangements and the risks involved.

- Plans and policies of other partner agencies relating to community safety and crime reduction.

It is within this context that this report outlines the budget and financial impact of the 2025/26 precept option upon which the PCC has consulted.

The report also sets out the Medium-Term Financial Plan (MTFP) 2025/26 to 2028/29 including the Capital Programme, together with various Financial Strategies that must be published by the PCC. A high-level summary of the precept option is set out in the table below. More detail is available on Appendix B(i).

Table 1 Forecast of Council Tax increase by 4.42% per annum (£13.95) from 2025/26, and £12 thereafter.

Forecast of Council Tax increases	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
	£000	£000	£000	£000
Total funding (grant and Precept)	(222,926)	(225,369)	(230,355)	(235,429)
Net Revenue Budget before changes and savings	217,250	224,336	230,202	236,169
Revenue deficit before known changes	(5,676)	(1,033)	(153)	741
Known and expected Changes	11,886	8,659	7,630	10,588
Planned Use of Reserves	(1,701)	(852)	16	(2,420)
Revenue deficit before savings	4,509	6,774	7,493	8,910
Planned Savings	(4,509)	(4,895)	(5,149)	(5,556)
Savings to be identified	(0)	(1,879)	(2,344)	(3,353)
Revenue Deficit or (Surplus) after savings	0	0	0	0

The PCC has discussed with the Chief Constable various options for saving money across current staffing capability and activity. The Constabulary has been forecasting an overspend in 2024/25 which is due to external factors and has highlighted how challenging producing a balanced budget is. This continued demand has put pressure on the budget process for 2025/26 requiring a budget gap of c£4m to be closed and has severely restricted the opportunity to increase operational capacity.

Resources are limited moving forward and demand for policing services is growing, and policing cannot compromise. It is in this light, that the PCC, following public consultation, is recommending a 4.42% increase to council tax to contribute towards a balanced budget that helps maintain key services provided by Norfolk Constabulary but still sees some areas needing to reduce service levels. The financial pressure from pay awards that are nationally set and only partially funded, along with the restrictions on reducing officer numbers through the national officer Uplift programme and other pressures, mean that decisions must be taken as to what services can continue to be maintained with the available funding.

In recommending an increase of the precept, the PCC has considered all the other sources of funds available and the constabulary's ability to make further savings before asking the public for their support.

Consultation on the Precept level took the form of a survey - available both online and in hard copy – with people also having the opportunity to submit their views by email, letter or by telephone. The results of the police budget and tax 2025/26 consultation show that most people (55%) were in favour of increasing the police precept of council tax by more than £12.96, with 25% in favour of an increase of exactly £12.96 and 20% wanting no increase.

This equates to 80% in overall support of a precept increase in contrast to 20% of the total respondents who did not support a precept increase.

Recommendation

It is recommended that the Police and Crime Panel:

- a) notes the Revenue Budget and Capital Programme for 2025/26, the Medium -Term Financial Plan 2025/26 to 2028/29 and the funding and financial strategies, and
- b) endorses the Police and Crime Commissioner's proposed precept increase of 4.42% for 2025/26.

Introduction from the Police and Crime Commissioner

PCCs have the statutory duty to decide what residents should pay in the police precept of council tax, and I was keen to have an open and frank conversation about the funding challenges that policing faces. My consultation about the precept, together with my earlier twelve-week Police and Crime Plan Consultation, allowed me to engage with more Norfolk residents and hear about which areas of policing and services were a priority for the future.

Exercising this statutory duty is probably the single most challenging responsibility I bear. At one end of the spectrum, the law requires me to ensure that Norfolk has a financially efficient and operationally effective police force. At the other end of the spectrum, I am mindful that with the cost of living still being high, paying more in local taxes could further stretch households' finite resources.

This report sets out the financial challenge I face in balancing the policing budget for financial year 2025-2026. It explains that 53% of the budget comes from the Treasury via a Home Office grant while the remaining 47% comes from the households of Norfolk via council tax. The report also explains what policing in Norfolk is forecast to cost in the coming financial year and forecasts a potential funding gap. The report continues to explain how I propose to close this gap and thus the need to increase the police precept by £14 per year, or **27p per week**, for a Band D property.

I believe that the proposed additional investment in Norfolk Constabulary is both sound and necessary. Norfolk Constabulary has a good story to tell. Crime is down. Convictions are up. The Crime Survey of England and Wales, published by the Office of National Statistics, shows that Norfolk is ranked top of the 43 forces in England and Wales for doing an 'excellent' or 'good' job with an approval rating of 86%. However, the Constabulary's ability to continue to deliver this service is contingent on having adequate resources. I do not want to undermine this position by squeezing the policing budget more than it is already by the effects of inflation and other cost pressures.

I am asking Norfolk to pay a bit more toward policing through the precept. I am also giving an assurance that this and all other taxpayers' money will be used efficiently. In return, our Constabulary will continue to work both to keep us safe and to further improve the policing service being provided to Norfolk.

A view from the Chief Constable

The past year has brought unprecedented challenges for policing. Throughout the summer, Norfolk Constabulary deployed across the UK as part of the nation's efforts to quell the violent disorder that followed the awful murders in Southport. We tackled the rapid surge in retail crime, and in doing so achieved the highest detection rate of any force in the country for such offences. We continue to respond to growing volumes of online crimes, particularly child sexual abuse and strive to safeguard the vulnerable from such deplorable offending. Our workload is not limited to crimes; the constabulary continue to investigate high volumes of missing persons, respond to events on our highways and support the vulnerable.

Maintaining the standards that the public expect requires policing to be adequately funded. We need investment in the future technologies that will increase our productivity and enhance the safety that we offer to our County. It requires a skilled and motivated workforce who are appropriately remunerated for the difficult role that they do. Critically, the workforce must contain the right mix of officers and police staff. However, in recent years police funding has been too focused on building and maintaining police officer numbers and as welcome as extra officers are, they are not always the best resource to deploy to every problem. Police Chiefs require a flexible budget so that the right resource, whether that be technological or human, whether it be police officer or police staff, is utilised to address our problems. With a flexible budget, we could deliver better and more efficient policing.

Despite our funding challenges, I am proud of what we achieve and the efforts that our workforce go to as they strive to keep their communities safe. Our low burglary rates, reducing crime levels, and high detection rates only come about because of the dedication of those I lead. We want to build on those successes and make our communities even safer. We want to answer phones quicker and get to jobs sooner. We want to remove dangerous offenders from our streets.

As we enter the next Spending Review period, I will be making the best case I can for better, more flexible funding for policing. I will also be making the case for investments in the technology that could revolutionise our response to the challenges we face. With our current funding being mainly locked into police officer pay and long-term contracts, my scope to achieve the ambitions of our force is limited without more support or flexibility.

Crime is a tax on the economy. The cost of retail crime alone is estimated to be approximately £2bn a year. Investing in better policing makes sense. It leads to safer, more vibrant communities. It makes for safer high streets and supports wider economic growth. We continue to review our budgets on an annual basis, making efficiencies where it is safe to do so. But policing needs investment to ensure that we can maintain the service levels and standards that the public of Norfolk expect and deserve.

Chief Constable Paul Sanford

Section 2 Priorities and Challenges facing Norfolk.

Financial Challenges

The financial landscape in which the decision on the level of precept sits can be characterised by three key themes:

1. **Historic underfunding of pay awards and pension settlements, leading to accumulated pressures.**
2. **Protection of Police Officer numbers, leading to a materially smaller area of expenditure from which savings can be made**
3. **A lack of capital grant which has the potential to lead to significantly increased borrowing costs being a feature of future years' budgets.**

These financial pressures, expanded upon below, sit alongside the operational pressures on the policing service.

Even though rates of inflation have reduced this financial year there is still the legacy impact of the previously high rates of inflation, and the resulting pressure this has put on pay settlements for both police officers and police staff. This is compounded by the fact that pay settlements are only partially funded by central government and the allocation model for this funding is further detrimental to Norfolk Constabulary. This has put police budgets under significant strain and will continue to impact over the period of the medium-term financial plan (MTFP).

Challenging times continue in the medium-term due to the requirement to fund pay and non-pay inflation, tackle increasing demand on policing, the increasing complexity and cost of investigations, and manage pressures from other local, regional and national programmes as well as unfunded statutory and regulatory changes. With the government targets on increasing police officer numbers, savings requirements will have to be met from a much smaller proportion of our budget that excludes officer pay. For 2024/25 this was £55m that the constabulary can make savings from compared to the total gross budget of £223m.

The PCC has been fully involved with the budget setting process during the year with regular briefings on the financial position and the Outcome Based Budgeting process (OBB). These sessions enabled the PCC to explore several options and the impact of potential financial decisions. The precept decision was drawn out of this process.

The decision on precept must also be seen, not as a one-off decision in relation to next year, but as part of a strategy in relation to the changing demands on policing and police and OPCCN budgets over the medium to long-term. With the economic picture remaining volatile and uncertain, and with significant unavoidable cost pressures foreseeable for the medium-term, a precept strategy that helps the PCC meet their outcomes in the PCP is required.

The increase nationally of £991m in government funding announced for the 2025/26 police settlement is dependent on all PCCs precepting by up to £14 per annum for a Band D property (giving c£330m across the UK). In addition, £230.3m of the £991m relates to funding to cover the increased impact of employer's National Insurance costs levied by government. Core grant

has increased by £339m, £75m of which is funding transferred from Ringfenced Uplift funding and is therefore not new. This leaves £264m which falls short of the full year impact of the 2024/25 pay settlement of 4.75% that requires in the region of £330m nationally, and on top of that is expected to fund the 2025/26 pay settlement and non-pay inflation. The £100m announced for the Neighbourhood Policing Grant will provide for additional staffing (Police officers or PCSOs or Police Staff) but will be matched by increased costs and therefore will not help with the unfunded pressures on pay or non-pay.

The 2025/26 strategic financial planning process using an Outcome Based Budgeting approach has been very challenging and has compounded the challenges from recent year's settlements, high levels of inflation, partially funded pay awards and constraints on officer numbers arising from the national Uplift programme.

The full year 2025/26 impact of the 4.75% pay award from 24/25, plus the forecast increase of 2.8% for pay for 7 months of 25/26 added to the budgeted inflation of 2% on all non-pay budgets equates to a total inflationary pressure of £14.7m for 2025/26.

Set against this pressure, the funding from government has increased by £7.6m. The increase is made up of £3.8m increase in core grant which equates to £2.9m to fund the full year impact of 24/25 pay award, the 25/26 pay award and non-pay inflation (as described above the full cost is £14.7m) and £0.9m of funding that is existing Uplift funding moved across into core grant; £3.2m to fund the increase in employer National Insurance increases levied by government; an increase of £0.8m to partially support the increase in the national Uplift officer target for Norfolk by another 11 officers; £1.1m to fund additional roles in neighbourhood policing, that will need to be spent in full. There is a decrease of £0.5m in the grant that funds additional pension costs.

The increase in funding is not adequate and only partially covers the impact of pay and non-pay inflation, as well as partially funding increasing pension costs and means the constabulary has not had any extra funding for investment and in fact is having to make deeper cuts to service. Coupled with additional demand and external pressures the constabulary has had to make an additional c£4m of savings to balance the budget.

In accordance with the requirements of the Police and Crime Panel (Precepts and Chief Constable Appointments) Regulations 2012, a precept is proposed for 2025/26.

Crime and Incident Trends

Norfolk remains a very safe county with recorded crime down by 3% in the 12 months to November 2024 compared to the previous year and a reduction of 9% for the 12-month period compared to November 2020. This, however, follows many years of increases in certain crime areas compared to 2019 levels. For example, sexual offences are 12% higher and the constabulary continues to record over a thousand rape crimes in each 12-month period. These are some of the most complex and demanding investigations the service must undertake, and they require a highly skilled workforce. Domestic abuse crimes have reduced over the last year (down by 2%) however, the constabulary still recorded over 10,000 domestic related crimes which make up 18% of crimes recorded by the force. Nearly all these areas of demand relate to

crimes that occur behind closed doors and in family settings. They require sensitive investigation, but the Constabulary has a determination to identify these offences and bring offenders to justice. In recent months, the constabulary has increased its positive outcome rate and has one of the highest rates in the country.

On average, 350 999 calls are being received a day. This is 17% more than in 2020. Norfolk Constabulary routinely provide one of the speediest services in the country for answering 999 calls. The number of calls received into the switchboard (101 service) for the last 12 months to November 2024 was 626 calls per day, which is an increase of 1% (1500 calls per year) compared to the same time last year. In addition, the public are increasingly using other methods to contact the police – in recent months Live Chat and Single Online Home have been used 2700 times per month - 12% of non-emergency contact. The Constabulary has invested in improved website services and switchboard functions. The Local Policing Delivery Unit (internal continuous improvement team) continue to be engaged in the demand management review with a focus on the Contact and Control Room and the management of volume crime.

The National Uplift Programme allowed additional teams to be established such as the County Lines team and a Community Policing Team. The team supports local policing through, high visibility patrols, the management of problem-solving plans and assisting with engagement events and other community initiatives. The team compliments the work being done by neighbourhood teams to manage demand in the community and, working with partners, find long-lasting solutions to the problems identified in local areas. Project Vigilant is using officers from this team who are trained to spot suspicious patterns of behaviour to target predatory behaviour towards women and girls in the night time economy.

A significant investment was also placed into four Community Support Units, where officers who have completed their tutorship spend the remainder of their first year honing their skills in visible, proactive policing. This has added 30 officers into frontline uniform policing contributing to the improvements in the solving of crime and delivery of response policing.

With the increase in demand of complex investigations, developing the capability of the workforce is an organisational priority. The constabulary has also made significant investment in the Police Education Qualification Framework (PEQF) that will see benefits delivered in terms of equipping students with increased levels of skills before they start their careers. The PEQF programme started in April 2022 and over 300 officers have now embarked on this course with the first officers completing their studies in April 2024.

Delivery of 2024/25 outcomes – what is being achieved

The PCC has continued to prioritise investment to deliver the Police and Crime Plan and ensure Norfolk Police has the resources it needs to effectively respond to the demands and challenges our community continues to face.

As a result of working with the Chief Constable and his team, the PCC has made progress against the objectives in the Plan, some of which are highlighted below.

A summary of activities during the last year:

- For the twelve-month period ending March 2024, police recorded crime in Norfolk (excluding fraud) decreased by 11.6% year-on-year, from 67,240 crimes to 59,471. This equated to Norfolk recording the seventh lowest crime rate per thousand population. Nationally, the overall reduction in crime was 3.2% for England and Wales.
- The PCC monitored the ability of the Chief Constable to respond to the current national threats identified in the Strategic Policing Requirement. Through the PCC's governance and accountability framework, they maintained their assurance that Norfolk Constabulary had both the capacity and capability to respond to the seven national threats identified by the Home Secretary.

Key highlights within the Police and Crime Plan priorities:

- £9.1m was invested through the capital programme with a significant element being invested into the Estates Plan. This will enable the rationalising of the estate, generating millions of pounds of savings in the medium to long term, creating capital receipts to reinvest, reduce backlog maintenance, and increase the overall asset value of the estate.
- Police officer and staff wellbeing remained a priority for the Constabulary as demand for wellbeing services continued. To support this, the force recruited a Wellbeing Coordinator, a joint post with Suffolk Constabulary. The number of Workplace Health referrals stayed consistent year-on-year, but demand for trauma focussed services increased. 500 counselling appointments and 1,076 log-ins to the Employee Assistance Programme app were recorded. The percentage of hours lost to sickness for Police Officers and Staff continued to reduce when compared to both the previous year and long-term average (previous three years).
- New vehicles were introduced to the Response Policing and Dog Section fleets, together with the latest diagnostic equipment and tools.
- Estate works were completed to provide Crime Training, Information and Communications Technology and Drones training accommodation at Hethersett Professional Development Centre. Carbon emissions reduction works were completed at both Broadland Police Station and Hoveton Police Station, with additional solar PV panels installed.
- The Emergency Services Estates Collaboration Programme continued to progress, with plans advancing for future site sharing at Acle, Loddon and Sprowston Fire Stations.
- The overall positive outcome rate (crimes that were solved) for the Constabulary increased from 15.98% in March 2023 to 19.69% in March 2024. The Constabulary is now consistently in the top four forces in the country regarding its rate of solving crime.
- Further enhancements were made to the initial contact service and the Contact and Control Room (CCR). The Constabulary enhanced its 'live chat' provision, adopted the national Single Online Home website, and continued to focus on improving its call handling with the introduction of call scripting. The Constabulary has one of the fastest 999 call handling services in the country and has improved its service for non-emergency

101 calls. The average time for a 999 call to be answered was 5 seconds compared to 7 seconds in the previous year, and the median wait time for a 101 call to be answered by the Switchboard was 17 seconds.

- Further improvements were recorded in the Norfolk Public Perception Survey, demonstrating strong confidence in policing across the county. 87% of respondents felt that Norfolk Constabulary were doing a good or excellent job (two percentage point increase compared to the previous year), and 82% of respondents indicated they had confidence in the police in their local area (three percentage point increase).
- The Constabulary's Professional Standards Department recorded a decrease in public complaints in the last twelve months compared to the same period last year, however, there was a 27% increase in reported conduct cases. This increase can be attributed in part to more police officers and staff reporting concerns, as well as several historic cases being identified.
- The Norfolk Community Safety Partnership and the Domestic Abuse and Sexual Violence Group have driven partnership work focussing on violence against women and girls (VAWG) for Norfolk. This included co-ordinating an audit of the training offered to professionals across Norfolk regarding domestic abuse, supporting the Constabulary to co-ordinate a local strategy for responding to perpetrators of abuse, and working with the county's suicide prevention lead to ensure domestic abuse is a focus within their Suicide Prevention Action Plan.
- The OPCCN continued its commitment to ending VAWG by working on its White Ribbon¹ action plan, which focuses on strategic leadership, engaging men and boys, changing culture and raising awareness. The OPCCN also brought together leaders across Norfolk's public sector to make collective and individual pledges to tackle VAWG and #ChangeTheStory.
- 20 County Lines were closed last year following targeted investigation and enforcement, with 247 arrests for possession with intent to supply drugs and 295 arrests for those concerned in the supply of controlled drugs. Since the inception of a dedicated County Lines team within the Constabulary in 2020, 104 County Lines have been closed and over 500 years of custodial sentences have been handed to those involved in supplying drugs in Norfolk, with over 80 years of these prison sentences having so far resulted from activity which took place in the 2023/24 reporting period.
- Hare coursing remained a focus of the Constabulary's Operation Randall Rural Crime team, who achieved a 20.1% reduction in recorded incidents compared to the previous year. New policing powers became available which were successfully used in several hare coursing cases, leading to the conviction of offenders, the imposition of Banning Orders to prevent dog ownership, and the recovery of kennelling costs incurred when seizing the dogs used during the offences.

¹ White Ribbon is the UK's leading charity engaging men and boys to end VAWG and their aim is to change long established, and harmful, attitudes, systems and behaviours around masculinity that perpetuate gender inequality and men's violence against women.

- The Constabulary's Public Protection Unit continued to manage Registered Sex Offenders within the community, by ensuring that all conditions are being complied with, and that Civil Orders are utilised where appropriate to further mitigate risk. Due to the increasing demands associated with managing Registered Sex Offenders, the establishment of the Public Protection Unit increased by another six posts.
- The Norfolk Youth Justice Service (NYJS) and the Constabulary continued to work together to reduce the number of young people aged between 10 and 17 years old entering the Criminal Justice System. The Norfolk figure of 140 entrants per 100,000 population in 2023/24 was lower than the Eastern Region (168) and lower than the average for all of England and Wales (166).
- The Constabulary continued to focus campaigns on the 'Fatal Four' – not wearing a seatbelt, using a mobile phone, drink/drug driving and speeding – as these were identified as the main contributory factors in collisions where there is a serious injury or a fatality. The Young Driver Education Coordinator continued to deliver 'Fatal Four' education to young people aged 15-19 years old, which included 255 sessions delivered to 10,290 students across Norfolk, and 41 e-scooter presentations given to an additional 3,766 students.
- The Constabulary's use of powers under Section 136 of the Mental Health Act continued to decrease over the last twelve months, with a 14.8% reduction compared to the previous year. This is partly due to the increasing alternative provisions now available for people who are in mental health crisis. However, the number of Mental Health Act assessments completed in police custody suites continued to rise, with an increase of 12% over the last twelve months.
- The Constabulary worked with partners to prepare for the launch of the 'Right Care, Right Person' approach. This initiative will ensure that vulnerable people get the right support from the right agency, and it will commence in Norfolk on 29 May 2024.
- Volunteers – including the Police Cadets, the Special Constabulary, Police Support Volunteers and Community Speed Watch – continued to provide invaluable support to the Constabulary across a range of roles and participated in numerous activities, policing operations and community events. Members of the Special Constabulary performed 37,499 duty hours last year, Police Cadets performed over 1,045 duty hours, and the number of recorded hours that Police Support Volunteers delivered for the Constabulary was 11,882 which equated to an increase of 10.8% from the previous year.
- At the end of March 2024 there were 102 Community Speed Watch schemes across the county, supported by 856 members. As a result of the work of these teams, 16,135 warning letters were issued in the last twelve months. A new Community Speed Watch scheme was formed with Norwich City College, and students undertaking the Uniformed Services course participated in several sessions.

The 2025/26 precept consultation

The 2025/26 police budget and council tax consultation took the form of a survey - available both online and in hard copy – with people also having the opportunity to

submit their views by email, letter or by telephone. In total, there were 284 valid responses to the consultation alongside feedback through social media.

All comments received to the consultation by whatever means of communication were provided to the PCC to help inform her 2025/26 policing budget decisions. Recurring themes/messages within the comments included: (See Appendix A for thematic breakdown of responses)

- Respondents would be happy to pay more and understands policing is currently.
- Respondents wants the police to make budget efficiencies.
- Respondents wants more officers on patrol/ frontline.
- Central government should fund the police.

Key Findings

The results of the police budget and tax 2025/26 consultation show that most people (55%) were in favour of increasing the police precept of council tax by more than £12.96, with 25% in favour of an increase of exactly £12.96 and 20% wanting no increase. This equates to 80% in overall support of a precept increase in contrast to 20% of the total respondents who did not support a precept increase.

The PCC launched the consultation with a video that was shown across all social media channels and shared with partners. The PCC consulted with the Norfolk Independent Advisory Group and various organisations and partners via communications such as the newsletter. The link to the online survey was shared via staff signatures, social media posts and via the website.

As standard practice when conducting a public consultation, an Equality Impact Assessment (EIA) was completed before the launch.

A full report on the consultation is included in Appendix A.

Delivery of the Norfolk Police and Crime Plan in 2025.

The PCC's Police and Crime Plan '**Putting Prevention First**' 2025-2029 was approved at the Police and Crime Panel on 13th January 2025 and will be published by 31st March 2025. Following an extensive public consultation three priorities were identified:

- Preventing Crime
- Cohesive Communities
- Reducing Harm

The emerging Police and Crime Plan was discussed at length at the Police and Crime Panel on Monday 13 January 2025 ([see Panel agenda for the draft Plan](#)). The Plan is now being finalised to take account of feedback received from the Police and Crime Panel. The adopted Plan will be accompanied by a Delivery Plan which sets out the potential projects and services associated with the Plan.

The Prioritisation of Resources

The PCC has focused on ensuring the resources she has for policing in Norfolk are deployed efficiently and effectively. Supporting and challenging Norfolk Police to ensure it is a modern, fit for purpose organisation, delivering high quality policing for all communities

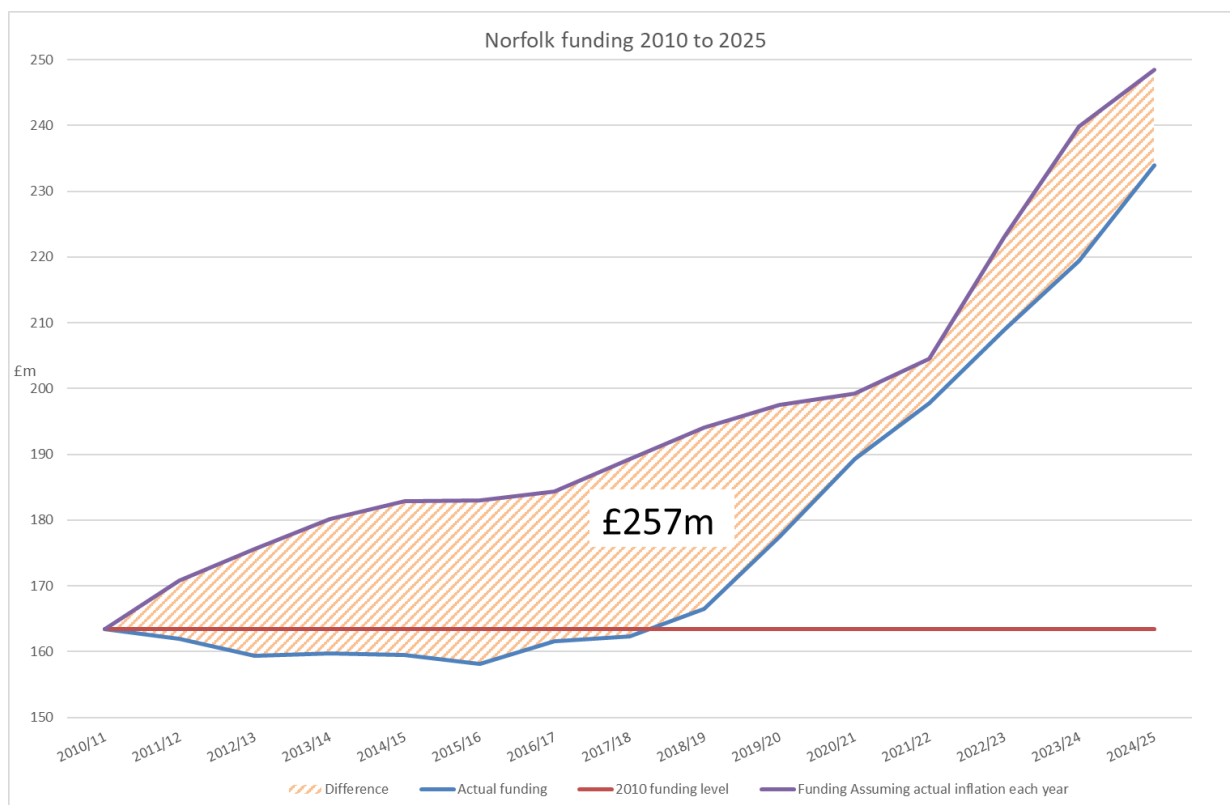
Since 2010 the force has delivered £48.3m worth of annual efficiencies and savings, on top of further cost avoidance and productivity improvements through optimising the way it operates.

In 2024/25 the force is on course to deliver all of the £2.8m of the required savings plan. However, pressure from external sources has put pressure on delivering a balanced budget and pressure on reserves for 2024/25. With the economic crisis squeezing the finances of the public and the public sector the PCC is committed to ensure that Norfolk Constabulary is efficient and effective.

The Economic Context and Unavoidable Cost Pressures

The chart below shows the impact of funding set against rises in inflation since 2010/11. The (red line) straight line shows the level of funding at 2010/11 across all years as a baseline. The (blue line) lower line of shape shows actual direct funding received by the constabulary from the main Home Office grant, precept from households in Norfolk plus all specific grants. The (purple line) upper shaped line represents the level the funding would have been if in line with actual levels of inflation.

While the funding gap was closing through the national Uplift programme, recent levels of inflation have seen the constabulary funding once again falling behind in real terms. Since 2010/11 the constabulary has had to absorb £257m of inflationary pressures.



There is a growing number of additional national regulatory requirements placed on the constabulary that reduce productivity gains. For example, the requirement from the Forensic Services Regulator (FSR) that all police forces must achieve a specific level of accreditation and comply with FSR codes of practice. Similarly, as the College of Policing revised standards across different policing functions, additional costs can emerge that forces then have to absorb as there is no additional funding for these types of requirements. These pressures mean that efficiency gains cannot be fully realised, and funding has to be directed to these areas.

Pension Related Costs and Risks

There are several pension related cost pressures and future risks that are outside of constabulary control. Until 2015/16 His Majesty’s Treasury (HMT) fully funded this “gap” by funding employer contributions through the main police grant, and by providing an additional top-up grant. Therefore, there was no funding required from precept. Since 2015/16 the Treasury has passed an increasing element of this gap on to PCCs, by increasing employer contributions over the intervening period by 9.7% without fully funding this increase. Government now provides a pension grant (£5.1m for 2025/26) but this still leaves the constabulary to pick up £7m of cost pressure each year.

Maintaining Investment in Modernising Technology

To remain as efficient as possible, the Constabulary needs to continue to invest in and refresh technology that keeps the policing model fit-for-purpose and able to meet increasing demand and the changing nature of crime. It is also important to invest in modern enabling technology that help support the drive for increased productivity and efficiency.

These assets then need replacing every 3 to 5 years. The capital programme therefore includes the routine refresh of this growing ICT / digital estate as well as the increasing investment in infrastructure e.g. in networks and servers to deal with the growth in requirements for investigating, transferring and storing large volumes of digital data. The investment for 2025/26 is £6.7m including £3.5m of refreshing equipment, and up to £3.2m of provision for new projects, kit and technologies.

A significant cost within the long-term Capital Programme is the Emergency Services Network (ESN) rollout. This is the replacement for the ageing Airwave system (i.e., the push-to-talk radio communications for officers). The estimated investment of £5m now sits within the medium-term financial planning window. This is a significant future cost that as it stands will have to be met by force budgets / reserves or borrowing.

Norfolk within the wider economic environment

The PCC is conscious that any council tax increases must be justified and provide assurance to households, which are facing significant pressures on their finances, that they are receiving a good level of service from the Constabulary.

Since 2010, in response to the challenging financial situation, the Constabulary has been running a successful Change Programme and annual planning process which will have delivered £48.3m (to 31 March 2024) since its inception. A significant element of that programme has been delivered through collaboration with Suffolk Constabulary.

OBB is a method for aligning budgets to demand, performance, outcomes and priorities. This approach analyses the spending of the entire Force. This information is then lined up against the priorities and demands of the FMS and Police and Crime Plan. This allows projects to be developed to target areas that can be made more efficient, as well as reviewing areas requiring more investment.

As a result of this process, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) has previously rated Norfolk as Outstanding in terms of Good Use of Resources (the top rating achievable) in the force's Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection. In the latest round of inspections, the HMICFRS no longer makes a judgement on Good Use of Resources but incorporates financial planning into a much wider assessment of Leadership and Management. In their assessment in 2024 this was judged to be Adequate, but it made specific reference to the fact that "The constabulary's financial plans are affordable and will help it make further improvements in performance...The constabulary has an effective approach to financial management and uses an outcome-based budgeting model to help set its budgets. The forecasts within the medium-term financial plan are based on realistic assumptions about future funding and planned expenditure."

As part of this work, and jointly with Suffolk, the forces have initiated a medium-term transformation programme to complement the annual Outcome Based Budgeting exercise. The programme is looking at thematic and cross cutting initiatives around new technologies such as automation, exploitation of existing technology, and deepening existing collaborations with Suffolk to lever out cashable and non-cashable efficiencies over the life of the plan.

Sources of Funding for the budget

Government grants

The PCC receives most grant funding from central Government, specifically the Home Office and the Ministry of Justice. The principal sources are annual revenue grants, including:

- Core Police Grant
- Council Tax Support Grant
- Council Tax Freeze Grants for 2011/12
- Specific grants to partially cover pension and national insurance costs
- Victims Support Grants from the Ministry of Justice

The Provisional Funding Settlement was announced by the Home Office on 17 December 2024.

Income received from council tax

The taxbase

Council tax base has seen growth of 3.30%. This is worth an additional £3.3m. The assumption is that through the medium term the tax base will continue to grow at a rate of 1%. The larger than usual growth in the 25/26 Council Tax base can be (in part) ascribed to the adoption of a Second Homes Premium Policy by a number of districts. Future year forecasts in CT base are modest, in part due to the unknown response of second-home owners to increased Council Tax bills.

The Collection Fund Surplus/Deficit

For the 2025/26 budget the assumption has been made that there will be a surplus of £0.616m. This will need monitoring for the medium term as people may continue to suffer financial hardship and may need more support to pay their council tax.

Precept Option 2025/26

As part of the provisional government settlement the Home Office announced that PCCs in England and Wales would have the flexibility to raise council tax by £14 on a Band D equivalent property before requiring a referendum.

The proposal of the PCC is that the council tax charge will be increased by 4.42% for a Band D property for 2024/25. This will raise £4.5m. The increase in both the taxbase, and the precept Band D charge, will bring in a total of £7.8m funding.

The Medium-Term Financial Plan (MTFP)

The budget and MTFP are constructed as follows: -

- The base 2024/25 budget (funding current activity) is rolled forward and repriced for inflationary pressures. The full year effect of any 2024/25 part year initiatives / change programmes is added.
- Known / Expected Changes are then added. These include the impact of statutory changes (e.g. pension contributions), service developments (other unavoidable base budget pressures), capital financing costs (of the revised capital programme) and finally any growth required as a result of the strategic financial planning process.
- Use of reserves is then considered. Typically, they will be used to finance short-life capital assets (over and above the budget provision), temporary revenue costs and invest to save initiatives.
- This results in a sub total - Revenue Deficit Before Savings
- Finally, the savings identified as part of the planning process are included to balance the budget.

The following financial planning assumptions have been used.

Table 2 Financial Assumptions for the period of the MTFP

Assumptions	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
Police main grant change	3.7%*	0%	0%	0%
Legacy council tax grants change	0%	0%	0%	0%
Council taxbase change	3.30%	1%	1%	1%
Collection fund surplus	£0.572m	£0	£0	£0
Pay awards - officers	2.0%	2%	2%	2%
Pay awards - staff	2.0%	2%	2%	2%
Non-pay inflation (average)	2%	2%	2%	2%

*Police Main Grant for 25/26 includes £0.8m transferred from the Ringfenced Uplift Grant.

Prudent assumptions have been included for each year of the MTFP as shown above.

It should be noted that assumptions in the table above could change over the period of the medium-term and the impact of these changes can be seen in the sensitivity analysis below.

Table 3 Sensitivity Analysis

Item	Variation %	Variation £m
Main Government grants	1.0%	1.024
Legacy council tax grants	1.0%	0.093
Tax base increase	1.0%	0.991
Precept	1.0%	0.991
Pay awards officers (full year impact)	1.0%	1.249
Pay awards staff (full year impact)	1.0%	0.605
Non-pay inflation	1.0%	0.467

Statutory Assurances and Strategies Including Reserves and Capital

The Capital Budget

The capital programme is a key element of the strategic and financial planning process. As highlighted over the last few years, due to funding constraints, the impact of capital spending, particularly the investment in “short-life” assets, has a significant impact on the revenue budget and will continue to do so over this medium-term plan. The capital strategy gives more detail on the approach to setting the capital programme.

However, it is important to note that the PCC has limited flexibility to generate the revenue capacity to fund the capital programme due to the reducing availability of capital receipts, the total removal of the capital grant, the fiscal impact of austerity and constrained government funding, and the partial funding for pay awards and ongoing policy restrictions on officer numbers that locks in the majority of the revenue budget for spend on officer pay.

The constraints listed above mean that the PCC and constabulary will reach the limits of reserve capacity to help support revenue budget funding of short life assets in the capital programme and in fact may result in reserve levels falling below target levels as set out in the reserve strategy.

Without a change in policy position on officer numbers and/or the reintroduction of the capital grant, this will result in the need to borrow to fund short life assets, using the Minimum Revenue Provision (MRP) mechanism, over the medium term and the revenue costs are included in the MTFP on that assumption.

The revenue impact for long-term estates assets continues to be spread over the years through the (MRP) mechanism. As flagged over recent budget reports, as the estate has continued to be modernised in line with the Estates Strategy, additional external borrowing has been required and interest payments have started to be made. This borrowing remains affordable, and more details are in Appendix A. It should be noted that the investment in the Estates Strategy is enabling the rationalisation of the estate, including the disposal of some buildings and the exit from leased properties. This will result in savings of c£14m to the force over 40 years resulting in significant savings over the life of that investment.

The proposed capital programme has been updated to 2028/29 and is set out in detail at Appendix E. The revenue consequences of the proposed capital programme have been fully taken into account in preparing the MTFP.

Reserves strategy

The use of a significant proportion of reserves over the life of the Medium-Term Financial Plan is an important element of the financial strategy.

Each year the CFO carries out an assessment of the risks facing the PCC to determine the level of reserves which the PCC needs to continue to hold. This is increasing each year to meet 2.5% of NRB therefore the requirement is £5.260m at 31/3/25 and £5.540m at 31/3/26. The OPCC specific reserves are being utilised to support key initiatives, including the creation of a new “PCC Local Commissioning Reserve” further details are included in Appendix D.

The PCC’s target is to keep total reserves at 5% of NRB – This will prove to be a challenge towards the back end of the MTFP, requiring regular monitoring.

Treasury Management

Government regulations require the PCC to approve the investment and borrowing strategies and borrowing limits for 2025/26 prior to the start of the year. This is incorporated within an overarching Treasury Management Strategy which is reviewed by the Joint Audit Committee.

Chief Finance Officer’s statement on the soundness of the budget and adequacy of reserves

In setting the MTFP, the PCC needs to consider the revenue budget, implications of the investment in capital and the level of reserves held. The PCC holds a General Reserve, Earmarked Reserves and Capital Reserves. These will in part be governed by known or likely commitments and in part by the appetite for risk.

To assess the soundness of the budget and adequacy of reserves I have considered compliance with the 7 key principles in CIPFA's guidance.

- **The treatment of inflation and interest rates.**

The budget has reflected the assumption as to what price increases are likely to be during the financial year.

An informed assessment is made of interest rate movements using information provided from the Spending Review and OBR predications and from sector updates provided by our Treasury Management Advisors.

- **Estimates of the level and timing of capital receipts.**

The PCC and Norfolk Police make a prudent assumption of future capital receipts. There is a process of rationalisation as part of the wider estates' strategy, which identifies potential disposals and estimated receipts.

- **The treatment of demand level pressures.**

The force has implemented an Outcome Based Budgeting process over recent years to inform budget setting and it has continued to embed this into business processes to provide a robust programme to feed into the 2025/26 budget setting

- **The treatment of planned savings and productivity gains.**

The force has made substantial cash savings over the last 14 years. The cumulative level of budget reduction, compounded with central government policies that restrict flexibility, will inevitably mean that operational budgets will come under greater pressure and/or risk of overspending in future years. The force consistently achieved its annual efficiency target in previous years.

- **The financial risks inherent in any significant new and existing funding partnerships, collaboration, major outsourcing, or major capital developments.**

The financial consequences of partnership, collaborative working, outsourcing arrangements, or capital investment are reported to the PCC as part of the medium-term planning process.

- **The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.**

The 2025/26 budget has been set to meet both the recurring revenue spend commitments and priorities, whilst recognising there are risks that need to be managed. This has taken account the level of government grants and other sources of income.

There has been an assessment of the adequacy of general reserves to meet unplanned budget impacts. The overall assessment is that the minimum of general fund balances should be maintained at 2.5% of the net annual revenue budget. This has been achieved.

- **The general financial climate to which the authority is subject.**

The provisional police settlement for 2025/26 was announced on 17 December , providing additional funding towards pay and pension increases. These do not cover all

the costs for Norfolk and requires the force to look for further savings to balance the budget.

Assurance

Section 25 of Part 2 of the Local Government Act, as amended by the Police Reform and Social Responsibility Act 2011, places responsibility on the PCC Chief Finance Officer to report on the robustness of the budget estimates, the adequacy of balances and reserves and issues of risk.

The estimates have been put together by qualified finance staff and reviewed thoroughly.

The biggest area of uncertainty is cost pressures rising from increased demand, pay increases and regulation changes. There is an awareness of the risks with these pressures and are monitored through the Strategic Risk Policies of both the force and the OPCCN.

As outlined the 2025/26 budget and the MTFP have been prepared in a properly controlled and professionally supported process. It has been subject to due consideration within the Constabulary and by the PCC.

The PCC CFO confirms that all the required statutory assurances can be made.

Conclusion

Based on the information contained in this report and having considered the position and information presented by the Chief Constable, the PCC proposes to raise the policing part of local council tax by 4.42% (21pence per week at Band B/ 27 pence at Band D) to broadly maintain its service levels to the communities of Norfolk while managing increasing demand in 2025/26 and unfunded inflation and pressure on pay settlements.