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The Office of the Police and Crime Commissioner for
Devon, Cornwall and the Isles of Scilly
Alderson Drive
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CC/DW/SDB

Dear Commissioner

Budget Proposal 2025/26

1. Introduction

I write to outline my operational budget proposal for the following four years. The proposal incorporates the government funding settlement announcements in December and has regard to the new Police and Crime Plan 2025-29, the Force's Strategic Roadmap, the Force Management Risk Register and Force Management Statement. The budget calculation has been undertaken in discussion with your Chief Financial Officer.

In the short space of time I have been the Chief Constable, it has been clear to me that the Force is fully committed to embedding the improvements required under the HMICFRS Engage process, and significant progress has been made. In September 2024 the Cause of Concern relating to responding to the public was lifted, and performance in this area is now above national benchmarks. Based on December 2024 data, 94.2% of 999 calls were answered in ten seconds or less – an improvement of 6% compared to the previous 12 months. In addition, 89.4% of 101 calls were answered in threshold, with a 16.6% abandonment rate – an improvement of more than 37.8% compared to the previous 12 months. The abandonment rate in the last 4 months has been consistently below 20% and was decreasing further still with abandonment at 6.3% during December 2024. The performance turnaround in this area is impressive.

My top priority is to address the two remaining Causes of Concern that relate to crime data integrity and investigating crime, so we can be removed from the Engage process without delay. I have confidence in the operational plans that are in place and performance in this area is improving, but this needs to be sustainable and embedded. We are not complacent and recognise that every missed crime potentially represents a missed opportunity to support a victim. My other priorities are building public confidence in the Force and ensuring all officers and staff adhere

to the highest standards of professionalism and conduct. The investments within the budget align to these priorities.

Devon and Cornwall Police's purpose is to deliver community policing with competence, compassion and a common-sense approach. This straightforward approach rests on more complex resourcing and funding arrangements. This paper outlines savings and investments, and estimates for future years' budgets, and considers the robustness of the 2025/26 budget. This year's settlement covers a single year, ahead of an expected comprehensive spending review in Spring 2025. It is hoped that financial settlements that cover more than one financial year will be provided in the future to enable more meaningful medium term financial planning. The medium term financial strategy (MTFS) has been prepared using reasonable assumptions and proposals for addressing future anticipated funding shortfalls.

My 2025/26 budget requirement is balanced at a 2025/26 council tax increase of £13.70 (4.99%). The full details of my budget proposals are included in the MTFS, which is attached.

2. Efficiency and Savings Plans

Last year's MTFS was built on the previously agreed programme of targeted reviews to further improve efficiency, effectiveness and productivity. This programme covered Crime, Vulnerability, Criminal Justice, Custody, support departments, workforce mix options and non-staff savings.

During the year, good progress has been made achieving the targeted savings in most areas, with governance across the programme. I have developed proposals that are in line with the MTFS to find savings of £2.2m in 2025/26 through workforce mix initiatives. These include reviewing and removing police staff vacancies that can be released and reviewing the number of Sergeants so that some can be released and re-invested as constables. This rank restructure would add to front line resources and addresses an area where the Force is an outlier compared to others. If successful, it would be my intention to look for further savings across the police officer rank mix in future years. There are also a small number of roles currently undertaken by police staff that are better suited to police officers due to the specific skills and accreditation requirements. I will only undertake such changes where they can be implemented without creating redundancies and where there are tangible service benefits. There have been some delays in the achievement of savings in Criminal Justice due to our preferred approach of freeing posts through natural wastage rather than redundancies.

In addition, £2.8m has been identified as savings in 2025/26 from non-pay budgets as a result of changes to contracts, better procurement and spend control. I will continue to drive savings in non-pay areas to avoid pressures on staffing, however these savings will always be limited as non-pay costs account for only 15% of the delegated budget.

There have been some areas where the delivery of planned savings is challenging. The first the review of custody provision. Whilst some savings have been achieved, you will be aware of the major work undertaken and the complex and interconnected

dependencies that work has identified. A further study has been commissioned and we anticipate this review will not report until summer 2025. The second area is public contact, and having reviewed the options to achieve the planned saving I have drawn the conclusion that the risks to performance and delivery by doing so are not justified. Therefore, I intend to find compensating savings from other areas of the delegated budget and reprofile some of the planned savings. This has been reflected in the budget and MTFS.

Based on the funding assumptions and economic outlook, the MTFS will require savings of £16.0m to be found over the four-year period to 2028/29. £6.0m of budget savings are included in the proposed budget for 2025/26, and the remaining £10m will be required in the latter years of the strategy. This level of reduction will have an impact on the Force, but it is necessary to offset the unavoidable cost increases and likely funding levels.

Given this challenging financial situation, I am of the view that a new approach to how we allocate resources against priorities and ensure value for money for the taxpayer is required. As such, the budget proposal includes investment in a new savings and efficiency programme through 2025/26. This programme will cover all areas of my delegated expenditure, reconsider existing savings proposals and form the basis for ensuring the Force has a sustainable medium term financial position.

3. Robustness of the calculation

As is usual I want to take this opportunity to assure you of the robustness of the budget calculation and to highlight any inherent risks.

3.1 Pay Award, Pensions and Inflation

In 2024/25 the Force budgeted 3% for the pay award which is set nationally. Most other Forces budgeted at 2.5%. Given that staffing costs make up around 85% of my budget, pay awards remain the biggest unknown variable to the budget and therefore the biggest financial risk we face in predicting expenditure. In 2024/25, the pay award was 4.75%, and whilst the government provided additional funding to cover the gap between 2.5% and 4.75%, this did not fully cover the cost of the higher pay award due to the allocation being based on the police funding formula rather than cost. The in-year impact of this was offset only because the Force budget included an assumption of 3%. The budget proposals are based on a pay award in 2025 of 2%, with an additional inflationary contingency included in the budget to cover unexpected increases to expenditure during the year and to mitigate the risk of an increased pay award.

The 2025/26 pay budgets have been built reflecting the increase in employer National Insurance costs, which is estimated to be £6.3m. The funding settlement included £230m nationally to compensate Forces for the additional cost, which has been allocated based on Force headcount. The allocation to this Force is £5.7m, leaving an unfunded gap of £0.6m which has had to be absorbed within the overall budget.

There have been no material changes to pensions costs included in the 2025/26 budget, but the triennial Local Government Pension Scheme valuation is due to impact in 2026/27, and an allowance for the expected cost of this has been included in the MTFS.

Inflationary price increases have generally been more stable over the last year, however, there has been cost pressure on IT contracts with above inflation increases impacting on licencing and software costs, as well as significant unfunded increases in the costs of national arrangements, such as Police National Computer (PNC) and National Police Aviation Service (NPAS). The risk of volatile general inflation is lower than last year; however, the general economic outlook is such that this needs to be carefully monitored over the MTFS.

3.2 Police Officer Uplift Grants and Police Officer Numbers

The national programme for the uplift of police officer numbers has now finished, however the government has set an expectation that officer numbers recruited through this scheme should be protected in 2025/26. Funding has been included in the settlement for this purpose, albeit some of this funding is ringfenced grant which is conditional on meeting the overall officer maintenance headcount and some has been rolled into the funding formula. The result is that the 24 additional voluntary officers we recruited have been included in our overall officer maintenance target, which was a risk highlighted this time last year.

My budget proposal assumes a continuation of 3,610 full time equivalent officers, our highest ever number.

3.3 Neighbourhood Policing Grant

In line with the government's Plan for Change, funding has been allocated to all Forces in 2025/26 to deliver the first steps of this commitment. The allocation for Devon and Cornwall is £2.3m, however no further details on the specific requirements, constraints or monitoring regime associated with this have been received. It is anticipated that this grant will be able to be used flexibly to determine the best workforce mix to increase the number of staff in neighbourhood policing roles that are tailored to local needs and operational contexts. I cautiously welcome this and await the detail, but in the absence of this it is hard to develop any specific plans at this stage or consider the potential impact of any ongoing financial commitments that may arise over and above the funding allocation, such as training and recruitment costs or additional monitoring regimes. For the purposes of budgeting, we have assumed the grant will cover the full costs of any additionality.

3.4 Funding requirements in future years

The funding settlement announced in December 2024 dealt with allocations for 2025/26 only, and as such we have no detail of funding levels beyond this year. We have made prudent assumptions around council tax increases and grant increases for the last three years of the plan, as detailed in the attached MTFS. Budget requirement figures, especially for police pay, have been calculated forwards in

detail. Naturally, the further into the future a projection is made, especially in the absence of funding information beyond 2025/26, the less it can be relied on.

4. Investments

As highlighted in my introduction, the 2025/26 budget is a continuation of the strategy outlined in last years' budget.

4.1 Investigation/Crime

To support our improvement journey around investigation my budget includes a continuation of the temporary funding that supports PIP2 investigators. I appreciate and understand that this temporary funding has been in place for some time and is not currently built into the base budget. My assessment is that it is necessary to extend this funding as it provides short term support whilst permanent resources are recruited and trained and withdrawing it at the moment would jeopardise the improvements made in investigation as part of our Engage journey. As such, the budget proposes that this investment is retained for two years, funded via an allocation from general balances.

4.2 Professional Standards and Legal

The 2024/25 budget included growth to provide an improved service and create the Public Service Team in Professional Standards and public complaints handling as phase 1 of our implementation of the independent reviews into misconduct and complaints. The budget for 2025/26 includes growth for implementation of phase 2, which deals with recommendations arising from the review into misconduct. This investment should result in much shorter timescales for misconduct investigations, which currently stand at an average of 527 days.

The budget also includes time limited investment into Legal Services that has been earmarked for implementing the outcomes of the independent review of Legal Services. This review will be reporting in early 2025 and the budget assumption is that some pump priming funds will be required through 2025/26 to 2027/28 to enable the department to change ways of working so that it can function within current resource levels thereafter.

4.3 Custody

As a result of the new operating model for custody taking longer than anticipated to determine with certainty, it is necessary to invest in the overtime budget for custody to reflect the additional staffing that is required to operate a safe and compliant service across the estate. In addition to this, the capital programme includes investment for necessary compliance works across the custody estate to address health and safety risks, as well as funding over the medium term on a wider custody estates strategy.

4.4 Health and wellbeing

The budget proposals include modest investments in health and wellbeing, reflecting my commitment to the workforce and the challenges they face. This investment includes funds to improve working environments through decoration and maintenance as well as a time limited investment to address backlogs in occupational health so that officers and staff can be assessed more quickly and spend less time absent from work through illness.

4.5 Capital Investment

The capital budget for 2025/26 includes the completion of key schemes at Camborne, Bodmin, Ilfracombe and HQ, as well as the reprovision of police stations. The long term capital programme also considers the cost of electric vehicle infrastructure and the need for significant infrastructure replacement including the new server provision, a project to provide fit for purpose digital storage including for body worn video, and a replacement boat.

5. A Balanced Budget

Whilst we are not in a position to accurately forecast future years' grant funding ahead of a Spending Review, it is important that we can demonstrate sound finance and value for money to HMICFRS and other external stakeholders. It is important for police officers and staff because it provides reassurance on their employer's financial position. Most importantly, the public can be assured their police service is sustainable in the medium term.

The 2025/26 budget requirement (including the investments and savings plans as outlined above) is fully balanced by a combination of government funding as announced in December and a council tax of £13.70. The following years – which include prudent grant estimates and council tax increases - still show areas where detailed savings strategies need to be worked through and these will be developed through the new savings and efficiency programme being launched in March 2025.

My Chief Finance Officer informs me that they consider the four year MTFS is robust because:

- It is fully balanced in 2025/26
- The assumptions in spend, grant and council tax for future years are prudent
- There are a range of feasible plans in place that will balance the budgets in 2026/27 onward
- The unspecified gaps that remain are proportionately small – around 1% of budget each year

6. Conclusion

The Home Office expectation is that the combination of the increase in grant funding and the increased flexibility provided for the precept will cover the inflationary increases to the overall budget requirement. The 2025/26 budget will balance at a council tax increase of £13.70 (4.99%). This is below the maximum council tax


increase of £14.00 announced by the Home Office as part of the overall settlement. Not taking the full £14.00 increase will add around £200,000 to the annual savings requirement. Obviously, the decision on council tax levels remains entirely one for you and I know you are acutely aware of the impact of tax increases on the public.

Nevertheless, I recommend that you support my budget request as outlined in this report. The proposal ensures:

- Officer numbers will be maintained at 3,610 - Devon and Cornwall's highest ever number
- Police Officers will not be placed into inappropriate vacant police staff posts
- Improvements in HMICFRS priority areas continues
- Opportunities can be taken for community policing enhancement through the new Neighbourhood Policing Grant
- Improved performance in priority areas is sustained
- There is a sound financial basis for the next three years

I look forward to developing these opportunities with you. It is my belief that Devon and Cornwall Police are in a strong position with regards to both our financial planning and our improving performance. We are, at some pace now, becoming a Force with a much greater sense of purpose and pride in the service we deliver. We are also becoming much less tolerant of some of the poor performance in our recent past. I believe with this budget proposal we will have the resources we need to continue that improvement. In closing, and with your continued support, I am confident that this Force is in a very good place to deliver competent, compassionate and common-sense policing to the communities of Devon, Cornwall and the Isles of Scilly over the coming years.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Vaughan', written in a cursive style.

James Vaughan QPM MSt (Cantab)
Chief Constable