

Strategic Oversight Board

24th June 2025

Report of the Assistant Director of Resources

Budget Monitoring Outturn Report to the year ended 31st March 2025 – Policing and Crime

1. Executive Summary

1.1 Purpose of the Report

1.2 On the 27th February 2024 the former PFCC agreed the revenue Budget for Policing for 2024/25 which was based on the receipt of income totalling £221,012k. In addition to the Revenue Budget the former PFCC also agreed a Capital Programme that was initially set at £12,017k for 2024/25.

1.3 This report is to provide the Deputy Mayor with the final position of the financial performance against both the Revenue and Capital budgets for the financial year 2024/25.

1.4 The financial information contained in the report could be subject to change as a result of the annual audit, if any changes are required an update will be provided to the Deputy Mayor.

2. Recommendations

The Deputy Mayor is asked to **agree**:

2.1 That the Force formally report in writing to each Strategic Oversight Board setting out clearly their plans for the delivery against both the Neighbourhood Policing Guarantee, and their performance against those plans, as well as the Police Officer maintenance targets to ensure appropriate oversight and scrutiny of this area of risk.

The Deputy Mayor is asked to **note**:

2.2 The **Office for Policing, Fire Crime and Commissioning's** budget of £1,520k was revised up to £1,584k and **overspent by £106k**. This overspend was funded from a OPFCC earmarked reserve.

- 2.3 The £7,500k budget to support **Commissioned Services** reduced by £49k to £7,451k and overspent by £134k. This overspend was funded from a Partnerships and Commissioning Earmarked Reserve.
- 2.4 The **Asset Management** budget of £775k **underspent by £49k**.
- 2.5 The **income budget** increased during the year by £4,794k to £225,807k, reflecting additional income that resulted in additional expenditure. The total income received in year was £2,123k higher than the revised budget, leading to an **under spend of £2,123k** in this area.
- 2.6 The budget allocated to the **Force** at the start of 2024/25 has increased by £6,757k to £214,207k. The Force are reporting an **over spend against this revised budget by £1,624k**, which is offset by higher 'Force' Income of £1,311k, resulting in a **net overspend of £313k for the Force**. Further details are set out in the report from the Force.
- 2.7 Planned, agreed or necessary **transfers to reserves** and to the Capital Programme were **£1,740k lower than the initial budget**.
- 2.8 **The total revenue outturn at the end of 2024/25 is that there has been an overall underspend of £75k which has been added to the Partnerships and Commissioning Earmarked Reserve.**
- 2.9 The original **Capital** budget of £12,017k, was increased by £2,442k to £14,459k as further uncompleted schemes and carry forwards were highlighted as part of the 2023/24 outturn. This was revised down to £13,773k during the year.
- 2.10 The final position for 2024/25, is spend of £12,284k, with further slippage of £1,151k into 2025/26 and an **underspend of £338k**.
- 2.11 Details of the performance against Capital is also included within a separate report from the Force.
- 2.12 **No external borrowing was undertaken** during the year with £4,205k of Capital expenditure funded from internal cash balances
- 2.13 The Reserve Strategy approved in February 2024 forecast that there would be Reserves of £21,458k at the end of 2024/25. The **actual Reserves** at the end of 2024/25 was lower than this at **£21,073k**.
- 2.14 This is the second year in a row where there has been a considerably better overall financial performance from the Force in terms of its revenue budget, this is in stark contrast to the 3 years prior to this and **one that the Force should be congratulated on**.
- 2.15 As also set out within this report delivery against the 2024/25 Capital Programme from a financial perspective by the Force has also been the best it has been in any of the last 10 years. This is also a welcome improvement.

3. Reasons

3.1 When setting the budget for the financial year 2024/25 the former PFCC allocated the income forecast to be received during the year, of £221,012k, into the following areas:

- £1,520k to run the Office of the PFCC
- £7,500k for Commissioned Services and Community Safety Initiatives
- £700k for Asset Management Costs
- £207,450k to the Police Force
- £4,936k to the Capital Programme
- £1,094k from Earmarked Reserves

The following sections will look at the above areas in more detail and discuss the outturn for each area.

3.2 Income and Funding

The former PFCC set the budget based on receiving income and funding of £221,012k during 2024/25 from the areas summarised in the table below, the in-year changes, the actual levels of income received and variances are shown below. In addition to current year figures the comparator figures for 2023/24 is also shown.

2023/24 Budget	In Year Changes	2023/24 Revised and Final Budget	2023/24 Actual Income	Variance	Summary of Income to be Received by the PFCC	2024/25 Budget	In Year Changes	2024/25 Revised Budget	2024/25 Forecast Outturn	Variance
£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(83,766)	0	(83,766)	(83,766)	0	Government Grants	(88,770)	0	(88,770)	(88,770)	0
(92,454)	0	(92,454)	(92,454)	0	Precept	(97,445)	0	(97,445)	(97,445)	0
(2,152)	0	(2,152)	(2,152)	0	Council Tax Freeze Grant	(2,152)	0	(2,152)	(2,152)	0
(5,746)	0	(5,746)	(5,746)	0	Council Tax Support Grant	(5,746)	0	(5,746)	(5,746)	0
(100,351)	0	(100,351)	(100,351)	0	Precept related funding	(105,343)	0	(105,343)	(105,343)	0
(8,791)	(6,900)	(15,691)	(16,921)	(1,230)	Specific Grants	(17,733)	(4,180)	(21,913)	(22,881)	(968)
(700)	0	(700)	(1,674)	(974)	Interest Receivable	(1,352)	0	(1,352)	(1,196)	156
(7,765)	(1,133)	(8,898)	(9,745)	(848)	Force allocated Income	(7,814)	(615)	(8,429)	(9,740)	(1,311)
(17,256)	(8,033)	(25,289)	(28,341)	(3,052)	Other Funding	(26,899)	(4,794)	(31,693)	(33,816)	(2,123)
(201,374)	(8,033)	(209,407)	(212,459)	(3,052)	Total	(221,012)	(4,794)	(225,807)	(227,929)	(2,123)

3.3 In terms of overall income, the Mayor received £227,929k during 2024/25 for Policing and Crime, this was £15.5m, or 7.3%, higher than 2023/24.

3.4 The total income received in 2024/25 was also £6,917k (or 3.1%) higher than the original 2024/25 budget, and £2,123k higher than the revised budget.

3.5 This is a significant amount of additional income and therefore it is important to understand where it was received from and also how it was spent.

Specific Grants

- 3.6 The amount of Specific Grants received by the Mayor was £4,766k higher than the budget set in February 2024. Of the increase £3,798k funded additional expenditure and has therefore been reflected in the Budget Changes below, while a further £968k was received that did not require any additional expenditure/budget and therefore is being reported as an under spend.

<u>Specific Grant Movements</u>	<u>Budget Change</u>	<u>Underspend</u>
	<u>£k</u>	<u>£k</u>
Pay Award Grant	(1,593)	0
Additional Uplift Grant	0	(432)
Victim Services Grant	(379)	0
Home Office PS Grant	(1,241)	(36)
Immediate Justice Grant	500	0
Special Police Grant	(1,380)	(43)
Apprenticeship Levy Income	423	(52)
Disclosure and Barring Grant	(119)	4
ASB Grant	0	80
Proceeds of Crime Income	0	(89)
Major Incidents Income	0	(162)
Elected Officials Grant	0	(36)
Other Smaller Changes	(9)	(202)
Total Changes	(2,205)	(968)

Pay Award Grant

- 3.7 The Government agreed a 4.75% pay award for Police Officers for 2024/25 and has also agreed to provide additional funding to Policing nationally to fund the difference between a 2.5% pay award and a 4.75% pay award. This position was replicated for Staff.
- 3.8 The Government allocated the £175m national funding, after an element of top-slicing, via the Funding Formula mechanism which has resulted in the allocation of £1,593k to the DMPFC.
- 3.9 As highlighted previously this was not sufficient to meet the full costs to the Force and OPFCC by over £700k in 2024/25.

Uplift Grant

- 3.10 The Force were successfully in their request for increased Police Officer recruitment. The commitment was to have 9 additional Police Officers (above the Uplift+ Target of 1,664 (headcount)) at both the end of Sept-24 and March-25.
- 3.11 The Force did not incur any additional costs in delivering these Officers as the former PFCC had already provided sufficient funding to deliver this number of Police Officers and therefore the additional £432k income is reported as an underspend.

3.12 Other changes in Specific Grants result from the following:

- The budget assumed that the Grant and expenditure for Victims Services would be reduced in comparison to 2023/24, and while this has happened the funding hasn't been reduced by as much as the budget has anticipated. This has allowed Victims Service to continue at the level delivered in 2023/24.
- The former PFCC was notified on the 8th April 2024 that it would be allocated £992k in relation Protective Security Grant – this has since increased to £1,241k and has been made available to the Force, via increasing the Force budget to deliver against this specific grant.
- It was announced, by the previous Government, that there would be £500k allocated to North Yorkshire, along with a number of other Force areas, to progress with work around Immediate Justice from October 2024, following pilot work in some Force areas. The new Government announced that this grant and work will not continue and therefore the budget reflects that neither the income nor the expenditure will be incurred.
- Most of the Special Grant received in year related to the operation that took place at Drax during 2024/25, with the Government providing £1,168k of Special Grant towards the total cost of £3,168k
- Apprenticeship Levy income was adjusted in the revised budget, along with the corresponding costs within the Training budget. This income is for the payments that will be made to the University for the delivery of the Police Officer training

3.13 The final underspend on Specific Grants was £418k higher than the position reported at the end of December, this is predominantly in relation to the income received for Proceeds of Crime, Major Incidents and Elected Officials Grant.

3.14 'Force' Allocated Income

3.15 Details relating to the increase in income budgets of £615k are referred to in the report from the Police, along with the £1,311k underspend.

3.16 Beyond this, the **interest receivable** budget was increased from £700k in 2023/24 to £1,352k for 2024/25 however interest rate reductions during the year and funding capital from cash balances resulted in interest receivable being £1,196k, and **£156k lower than budget.**

3.17 **The Office for PFCC**

The 2024-25 budget of £1,520k for the **Office for PFCC** was increased during the year to £1,584k to reflect a role that is funded from reserves. This revised budget overspent by £102k.

3.18 This overspend was driven by 3 main areas:

- Exit costs relating to the former Corporate Director of OPFCC
- External Review of Complaints
- External Audit Costs

- 3.19 The additional costs were funded from an OPFCC reserve from previous years underspends. The costs associated with the review of complaints is an area that will need to be reduced and managed going forward to prevent underspends in future years. The other costs are expected to be one-off budget pressures.
- 3.20 Asset Management
This budget area includes borrowing costs associated with the £6m of loans that the organisation currently has. The amount that is required to be set aside to repay this debt (referred to as minimum revenue provision) and other banking fees and charges.
- 3.21 A **small underspend of £49k** was expected and delivered against the original budget.
- 3.22 Commissioned Services
The former PFCC allocated an original budget of £7,500k to support Commissioning and Partnerships, as set out in the table below. In year movements reduced this budget by £49k as set out in the table below, with the final budget for 2024/25 being £7,451k.

	Original 2024/25 Budget	In-Year Movements	Revised 2024/25 Budget	Actual 2024/25 Spend	(Under)/ Over spend
<u>Commissioning and Partnerships</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Supporting Victims	2,297	1,277	3,574	3,600	26
Community Safety	1,197	(127)	1,070	1,138	68
Street Triage and Mental Health Services	474	12	486	486	(0)
Youth Justice	375	11	386	386	0
Child Sexual Assault Services	315	(10)	305	301	(4)
Safeguarding Communities	246	0	246	246	(0)
SARC Services	191	(9)	182	181	(1)
Community Fund	250	0	250	250	0
Safer Streets	355	0	355	309	(46)
ASB Hotspot Policing	1,000		1,000	920	(80)
Immediate Justice	500	(500)	0		0
Staff Pay	609	(18)	591	834	242
Serious Violence Duty	261		261	260	(1)
Domestic Homicide Reviews	40	0	40	13	(27)
Non-Pay	33	(14)	19	5	(14)
Total Costs	8,143	622	8,765	8,929	164
Income	(643)	(671)	(1,314)	(1,345)	(31)
Total Net Budget	7,500	(49)	7,451	7,584	133

- 3.23 Expenditure against this revised budget was however £133k higher resulting in an overspend. Most of this overspend was in relation to higher staff costs as additional roles funded from earmarked reserves sit within this area. The reserve was released to meet these additional costs as expected.

4. Police Force

- 4.1 The vast majority of the funding available to Mayor was provided to the Police Force. The Force was initially allocated a budget of £207,450k for 2024/25, this was increased by £6,757k, to £214,207k as per the table below:

	Original 2024/25 Budget	Revised 2024/25 Budget	Movement since original 2024/25 Budget
Police Force Financial Summary			
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Pay			
Police Pay	106,717	107,753	1,036
Police Overtime	2,613	4,296	1,683
PCSO Pay (incl Overtime)	6,770	6,861	91
Staff Pay (incl Overtime)	47,390	48,742	1,352
Pay Total	163,490	167,652	4,162
Non-Pay Budgets			
Other Pay and Training	4,731	4,500	(231)
Injury and Medical Police Pensions	4,475	4,856	381
Premises	5,561	5,511	(50)
Supplies and Services	26,079	27,874	1,795
Transport	3,114	3,260	146
Non-Pay Total	43,960	46,555	2,595
Total Planned Force Expenditure	207,450	214,207	6,757

- 4.2 This increase is because of the receipt of additional income totalling £4,525k that has funded an increase in the Force budget and also the use of £2,233k from Reserves as set out in the table below:

Additional Income		£000s
Pay Award Grant		1,593
Special Grant		1,380
PS Grant		1,241
Other Income		615
Apprenticeship Grant		(423)
Disclosure and Barring Grant		119
Total Additional Income allocated to the Force		4,525
Release of Reserves		
Additional Funding for Op Infusion		1,654
Release of Insurance Reserve to fund in-year pressure		544
Other Reserve movements		35
Total Additional Income reserves release to support to the Force		2,233
Total Increase to Force Budget		6,757

- 4.3 Further details of the movements are included within the report from the Force which is included elsewhere on today's agenda

- 4.4 The summary of how this was spent, including over and under spends are included in the table below:

	Original 2024/25 Budget	Revised 2024/25 Budget	Final Spend during 2024/25	Over/ (Under) spend for 2024/25
Police Force Financial Summary				
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	106,717	107,753	108,245	492
Police Overtime	2,613	4,296	5,326	1,030
PCSO Pay (incl Overtime)	6,770	6,861	5,608	(1,253)
Staff Pay (incl Overtime)	47,390	48,742	48,551	(190)
Pay Total	163,490	167,652	167,731	79
Non-Pay Budgets				
Other Pay and Training	4,731	4,500	3,753	(747)
Injury and Medical Police Pensions	4,475	4,856	6,565	1,709
Premises	5,561	5,511	5,772	261
Supplies and Services	26,079	27,874	28,167	293
Transport	3,114	3,260	3,289	29
Non-Pay Total	43,960	46,555	48,100	1,545
Total Planned Force Expenditure	207,450	214,207	215,831	1,624

- 4.5 The details underpinning the Force financial performance are included within the report from the Force.
- 4.6 The £1,624k overspend on Expenditure is offset by an over-recovery on 'Force' income of £1,311k, resulting in a **net overspend position being shown by the Force of £313k.**
- 4.7 The overall Force overspend of £313k plus the £554k allocated to the Force to address the additional costs of increasing the insurance provision to the required level, has been funded through a reduction of the same amount from the Change Pipeline.
- 4.8 This is the second year in a row where there has been a considerably better overall financial performance from the Force, this is in stark contrast to the 3 years prior to this **and one that the Force should be congratulated on.**
- 4.9 To really become outstanding there are always areas for development and improvement, and with this in mind the Deputy Mayor might be interested in the following area within the Force's financial performance.
- 4.10 **Police Overtime** – This is reported as an overspend of £1,030k in 2024/25, and while there are some mitigations within the report from the Force as to why this area has overspent, it is perhaps worth noting that this is the 9th time in the last 10 years that the Police Overtime budget has overspent.
- 4.11 This perhaps suggests that there is a recurring problem in this area that has yet to resolved about realistically budgeting for the right level of spend in this area and/or a lack of control about spend – while there is an obvious reflection that Overtime is mostly demand led there is still a need to operate within the overall Force budget.

- 4.12 **Training** – The Force have reported a £529k underspend on Training in 2024/25, with a number of reasons for this set out within the report from the Force. This follows on from a reported £405k underspend on Training in 2023/24.
- 4.13 This is surprising given that this is usually an area where demand outstrips both availability and money.
- 4.14 Despite this the training course fees budget for 2025/26 is almost £900k higher than the amount spent in 2024/25 and £700k higher than was spent in 2023/24.
- 4.15 Given that training is the 1st of 4 areas highlighted for investment within the Force's Plan on a Page, the Deputy Mayor may want to understand the plans the Force has in place for 2025/26 and how it will ensure that the funding and growth within the 2025/26 Force budget will be managed and delivered given the financial performance in this area over the last 2 years.
- 4.16 **Neighbourhood Policing Guarantee** – there was a large underspend on the PCSOs pay budget during 2024/25 of £1,253k, this means that there has been an underspend against PCSO pay in 8 out of the last 10 years.
- 4.17 As with this year those underspends have been driven by being unable to recruit enough PCSOs to reach the budgeted establishment. With the Force reporting only 119 FTE PCSOs in post at the end of the financial year, against a budgeted position of 150 FTEs.
- 4.18 While it is noted that the lower levels of PCSOs in 2024/25 was part of the Force plan to move to a different workforce mix in this area, the requirement to deliver a certain number of PCSOs and by a certain time to receive the Neighbourhood Policing Grant means that there are financial implications of not delivering in this area in 2025/26.
- 4.19 In addition to PCSO numbers the number of Police Officers within the Force, and now where they are located within the Force, has a significant amount of income attached to them.
- 4.20 The Force reported that at the 31st of March 2025 they had a headcount of 1,673 Police Officers, which was exactly the level needed to receive the full uplift grant. Just one Police Officer less and the Force would have missed the target and the full funding would not have been received.
- 4.21 Given the newly implemented targets and funding around the Neighbourhood Policing Guarantee for both Police Officers and PCSOs for 2025/26, this is an area that will need to be managed closely, delivered in line with the agreed targets and plans otherwise there could be significant shortfalls in funding, as well as less service delivery than would otherwise be possible.

- 4.22 It is recommended that the Force report formally to each Strategic Oversight Board setting out clearly their plans for delivery against their Neighbourhood Policing Guarantee Plans, including clearly setting out:
- The Police Officer and PCSO baselines and agreed targets
 - The Actual and profiled Officers and PCSOs that will be physically in Neighbourhoods at the end of each month
 - The Actual and profiled Officers in the Force against the Uplift Target
 - The number of Officers and PCSOs in training but destined for Neighbourhoods
 - The phasing and timelines to meet the targeted numbers.

5.0 Overall Financial Summary for 2024/25

- 5.1 The following table summarises the finances for Policing and Crime for 2024/25 showing the original budget, the revised budget, spend against the revised budget and ultimately the (under) and over spends against the revised budget

	Original Budget 2024/25	Revised Budget 2024/25	Spend to March 2025	(Under)/ Over spend at Year End
Funding	£000s	£000s	£000s	£000s
Funding for Net Budget Requirement	(194,113)	(194,113)	(194,113)	0
Other Funding				
Specific Grants	(17,733)	(21,913)	(22,881)	(968)
Interest Receivable	(1,352)	(1,352)	(1,196)	156
Partnership Income/Fees and Charges	(7,814)	(8,429)	(9,740)	(1,311)
Total Funding	(221,012)	(225,807)	(227,929)	(2,123)
%age Change in Funding	3.0%			
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,520	1,584	1,687	102
Commissioned Services	£000s	£000s	£000s	£000s
Total Commissioned Services	7,500	7,451	7,584	134
Asset Management	£000s	£000s	£000s	£000s
Total Asset Management	700	775	726	(49)
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	106,717	107,753	108,245	492
Police Overtime	2,613	4,296	5,326	1,030
PCSO Pay (incl Overtime)	6,770	6,861	5,608	(1,253)
Staff Pay (incl Overtime)	47,390	48,742	48,551	(190)
Pay Total	163,490	167,652	167,731	79
Non-Pay Budgets				
Other Non Salary	4,731	4,500	3,753	(747)
Injury and Medical Police Pensions	4,475	4,856	6,565	1,709
Premises	5,561	5,511	5,772	261
Supplies and Services	26,079	27,874	28,167	293
Transport	3,114	3,260	3,289	29
Non-Pay Total	43,960	46,555	48,100	1,545
Total Planned Force Expenditure	207,450	214,207	215,831	1,624
(Surplus)/Deficit before Reserves and Capital	£000s (3,842)	£000s (1,789)	£000s (2,102)	£000s (312)
Planned Transfers to/(from) General Fund	0	0	0	
Contribution to Capital Programme	4,936	3,605	3,606	0
Planned Transfers to/(from) Earmarked Reserves	(1,094)	(1,816)	(1,579)	237
Final Under Spend	(0)	0	(75)	(75)

- 5.2 The overall underspend after required/planned/approved reserves transfers was £75k.
- 5.3 This has been added to a Commissioning and Partnership Earmarked Reserves to support activity in this area in line with the Mayors Police and Crime Plan.

6.0 **Capital**

- 6.1 The Force put forward a Capital Programme for the former PFCC to approve, that was **initially set at £12,017k** for 2024/25.
- 6.2 After this, additional year-end **slippage from 2023/24, of £2,442k was added** to the 2024/25 budget.
- 6.3 In addition to this, changes made during the year in terms of additional capital schemes, removal of some schemes and savings captured from others, resulted in a **net increase in the Capital Programme of £152k**.
- 6.4 The resulted in total Capital Schemes of £14,611k.
- 6.5 Against this overall total, budgets totalling £1,989k have been carried forward into 2025/26. Leaving an overall budget of £12,622k, against which the Force spent £12,284, resulting in an underspend of £338k, which will help reduce the gap within the future capital plans.
- 6.6 A full report on the performance against the Capital Programme is provided in a separate report from the Force however **of significant note** is:
- Delivery against the 2024/25 Capital Programme from a financial perspective has been the best in 10 years.
 - The expenditure in 2024/25 of £12.3m is significantly higher than the average over the last 5 years of just £5.4m.
 - Slippage of £2m (less than 14%), with only £1.1m (less than 8%) not planned and agreed before December **is excellent and shows significant improvement from any of the last 10 years.**
 - This compares to last year where just over 50% of the budget was spent in year and resulted in the Mayor asking for *'a realistic assessment from the Force as to what can actually be delivered in 2024/25, and for this to be reported to the July Executive Board.'*
- 6.7 **Moving into 2025/26**
- 6.8 The Force put forward plans for 2025/26 for a Capital Programme of £11,114k, the performance at the end of 2024/25, and the additional slippage requested means that a further £1,151k of slippage will be added to this programme.
- 6.9 **The Capital Programme for 2025/26 is therefore expected to start the year at £12,265k.**
- 6.10 This is a significant programme to deliver in 2025/26 and given the improved performance in 2025/26, the Deputy Mayor might consider whether a similar assessment from the Force, as provided in 2024/25, is produced.

7.0 **Reserves**

The approved 2024/25 budget was to be supported by £1,094k from Earmarked Reserves. This was made up of the following transactions:

- £781k from the Pay and Pension Reserve
- £54k from the Commissioning Reserve
- £80k from the Council Tax Reserve
- £170k from the Cost of Change Reserve
- £19k from the Training Reserve
- £30k from the Firearms Licence Reserve

- With a net transfer into the Confiscated Money Reserve of £40k

7.1 In addition to this, £4,936k was to be used to support the Capital Programme during 2024/25.

7.2 When setting the 2024/25 Budget in February 2024 it was forecast that Total Reserves as at the end of 2024/25 would be £21,458k, the actual outturn position is £21,073k, so £385k lower.

7.3 Total Reserves at the end of 2024/25, of £21,073k, are however £1,714k higher than forecast when setting the budget in February 2025, of £19,359k.

7.4 It is important to recognise that while reserves are higher than forecast this does not provide the organisation with any additional funds to spend. The higher reserves are predominantly as a result of the slippage and delays in delivering the Capital Programme.

7.5 **The plans of the organisation would still see the overall level of reserves reduce to around £10-12m in 2 years' time – therefore there is no scope to draw further on these reserves without a plan to replenish them.**

7.6 Overall reserves have reduced by £5,624k during 2024/25 as per the summary included below, which shows all reserves held by the Mayor for Policing and Crime:

	Balance at 31 March 2024 £000	Tranfers In 2024/25 £000	Tranfers Out 2024/25 £000	Balance at 31 March 2025 £000
Funding for planned expenditure on projects and programmes over the period of the curr				
OPFCC Reserve	475		(331)	144
Capital Reserve	5,835	4,213		10,048
Firearms Licence Reserve	440	(6)	(30)	404
Investments Reserve	87		(23)	64
Training Reserve	92	(10)	(19)	63
Council Tax Reserve	181		(69)	112
ESMCP	739			739
Commissioned Services Reserve	519	85	(214)	390
Total Reserves within current MTFP	8,368	4,282	(686)	11,964
Funding for specific projects and programmes beyond the current planning period.				
Confiscated Monies Reserve	465	72		537
Cost of Change Reserve	173		(173)	0
Total Reserves beyond current MTFP	638	72	(173)	537
As a general contingency or resource to meet other expenditure needs held in accordance				
Insurance Reserve	638	6	(608)	36
Pay and Pensions Reserve	1,850		(781)	1,069
Major Incident Reserve	432			432
Total General Contingency Reserves	2,921	6	(1,389)	1,538
Total Earmarked Reserves	11,927	4,360	(2,248)	14,039
General Reserves	6,029	0		6,029
Total Usable Reserves	17,955	4,360	(2,248)	20,067
Capital Receipts Reserve	8,741	343	(8,079)	1,005
Total Reserves	26,697			21,073
Movement	(2,666)			(5,624)

8.0 Conclusion

Revenue Budget

- 8.1 The final reported underspend of £75k, was in line with the forecast underspend of £180k provided on the December forecasts. This therefore provides no additional pressures to the starting position for 2025/26.
- 8.2 There have been several challenges during the financial year, from the following:
- Costs of the operation at Drax
 - Higher than budgeted (and funded) pay awards
 - Police Overtime that has overspent again
 - An increase in the insurance provision
 - Significant additional injury/medical pension costs
 - Significant additional pension abatement costs.
- 8.3 These have been offset by:
- Significant underspends from lower than budgeted PCSOs
 - Higher levels of income received
 - Significant support from Reserves.
- 8.4 The challenges and pressures are likely to continue into 2025/26 however most of the mitigations/offsets from 2024/25 will not be available in 2025/26 and therefore it will be important that expenditure is tightly managed.
- 8.5 The overall Force position net of 'Force' Income was an overspend of £313k which was in line with the position reported during the year.
- 8.6 This is the second year in a row where there has been a considerably better overall financial performance from the Force, this is in stark contrast to the 3 years prior to this **and one that the Force should be congratulated on.**
- 8.7 While there are still areas for development and improvement, this financial rigour and control should help underpin the improvements that the organisation continues to make, and help deliver the ambitions that it has.

Capital Budget

- 8.8 As with revenue there was also a small overall under spend on the Capital Programme and this totalled £338k.
- 8.9 As set out within this report the overall performance and delivery against the Capital Programme has been significantly improved in 2024/25 in comparison to any of the last 10 years.
- 8.10 The amount of the overall programme delivered, the lower levels of slippage and the relatively small underspend are all really positive signs.
- 8.11 This improvement will need to continue into 2025/26 to deliver a programme that will start the financial year at almost £12.3m

Michael Porter
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