Strategic Oversight Board

2nd June 2026

Policing and Crime Budget Monitoring Outturn Report 2025/26

Report of the Assistant Director of Resources

1.0 Purpose of the Report

1.1 On the 25th February 2025 the Mayor agreed the revenue Budget for Policing for 2025/26 which was based on the receipt of income totalling £232,295k. In addition to the Revenue Budget the Mayor also agreed a Capital Programme that was initially set at £11,114k for 2025/26.

1.2 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 2025/26 in relation to Fire.

1.3 The financial information contained in the report could be subject to change because of the annual audit, if any changes are required an update with be provided to the Deputy Mayor.

2.0 Recommendations

The Deputy Mayor is asked to note:

2.1 The **PFC Directorate's** original budget of £1,530k has increased by £66k, due a post that is being funded from reserves, to £1,596k and **overspent by £56k**.

2.2 The £6,345k budget to support **Commissioned Services** increased by £54k to £6,399k, because of the receipt of additional income during the year. Expenditure against this increased budget **overspent by £112k**.

2.3 The **Asset Management** budget of £1,000k **underspent by £239k**.

2.4 The **income budget** has increased during the year by £5,300k to £237,596k, reflecting additional income that resulted in additional expenditure. The total income received in year was £324k higher than the revised budget, leading to an **under spend of £324k** in this area.

2.5 The budget allocated to the **Force** at the start of 2025/26 increased by £4,974k to £225,104k. The reasons for this increase are linked to the additional income received in year. The Force have **underspent against this revised expenditure budget by £27k.** Further details are set out in the report from the Force.

2.6 **The total revenue underspend at the end of 2025/26 is therefore £346k.**

2.7 The original **Capital** budget of £11,114k, was increased by £1,151k to £12,265k as further uncompleted schemes and carry forwards were highlighted as part of the 2024/25 outturn.

2.8 In-year increases of £523k to the Capital programme bring this to £12,788k. However total **slippage of £3,764k** has been requested into future years to leave a **final Capital Budget of £9,024k**.

2.9 There was an **underspend of £278k against the significantly lower Capital budget**.

2.10 Despite the approval to borrow £4,211k during 2025/26 to fund the Capital Programme, **no external borrowing was undertaken** with £2,614k of Capital expenditure funded from internal cash balances.

2.11 The Reserve Strategy approved in February 2025 forecast that there would be Reserves of £13,934k at the end of 2025/26. The **actual Reserves at the end of 2025/26 was significantly higher than this at £19,816k**

The Deputy Mayor is asked to **approve** that:

2.12 The Force undertake a prioritisation exercise of their Capital Programme for 2026/27, in a similar way to 2024/25, to provide the required assurances that the approved Capital plans remain deliverable.

2.13 The £346k overall revenue underspend is added to the following reserves:

- £283k to the Pay and Pensions Reserve to reflect risks in this area.
- £63k to the PFC Directorate Reserve to replace funds used during 2025/26.

3.0 Background

3.1 When setting the budget for the financial year 2025/26 the Mayor allocated the income forecast to be received during the year, of £232,295k, into the following areas:

- £1,530k to run the PFC Directorate
- £6,345k for Commissioned Services and Community Safety Initiatives
- £1,000k for Asset Management Costs
- £220,130k to the Police Force
- £3,315k to the Capital Programme
- £125k from Earmarked Reserves
- £100k to General Reserves

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

3.2 **<u>Income and Funding</u>**

The Mayor set the budget based on receiving income and funding of £232,295k during 2025/26 from the areas summarised in the table below. In addition to this, 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 2024/25 are also shown.

2024/25 Budget	In Year Changes	2024/25 Revised Budget	2024/25 Forecast Outturn	Variance	Summary of Income Received by the Mayor	2025/26 Budget	In Year Changes	2025/26 Revised Budget	2025/26 Actual Outturn	Variance
£000s	£000s	£000s	£000s	£000s	**Funding**	£000s	£000s	£000s	£000s	£000s
(88,770)	**0**	**(88,770)**	**(88,770)**	**0**	**Government Grants**	**(92,069)**	**0**	**(92,069)**	**(92,069)**	**0**
(97,445)	0	(97,445)	(97,445)	0	Precept	(104,645)	0	(104,645)	(104,645)	0
(2,152)	0	(2,152)	(2,152)	0	Council Tax Freeze Grant	(2,152)	0	(2,152)	(2,152)	0
				0	Pension Grant	(4,622)	0	(4,622)	(4,622)	0
				0	NI Grant	(2,856)	0	(2,856)	(2,856)	0
(5,746)	0	(5,746)	(5,746)	0	Council Tax Support Grant	(5,746)	0	(5,746)	(5,746)	0
(105,343)	**0**	**(105,343)**	**(105,343)**	**0**	**Precept and non-core funding**	**(120,020)**	**0**	**(120,020)**	**(120,020)**	**0**
(17,733)	(4,180)	(21,913)	(22,881)	(968)	Specific Grants	(11,834)	(4,170)	(16,004)	(16,238)	(234)
(1,352)	0	(1,352)	(1,196)	156	Interest Receivable	(995)	0	(996)	(830)	166
(7,814)	(615)	(8,429)	(9,740)	(1,311)	Force allocated Income	(7,377)	(1,130)	(8,506)	(8,762)	(256)
(26,899)	**(4,794)**	**(31,693)**	**(33,816)**	**(2,123)**	**Other Funding**	**(20,205)**	**(5,300)**	**(25,506)**	**(25,830)**	**(324)**
(221,012)	**(4,794)**	**(225,807)**	**(227,929)**	**(2,123)**	**Total**	**(232,295)**	**(5,300)**	**(237,596)**	**(237,920)**	**(324)**

3.3 In terms of overall income, the Mayor received £237,920k during 2025/26 for Policing and Crime, this was £10m, or 4.4%, higher than 2024/25.

3.4 The total income received in 2025/26 was also £5,624k (or 2.4%) higher than the original 2025/26 budget, and £324k 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 how it was spent.

3.6 Specific Grants

3.7 The amount of Specific Grants received by the Mayor was £4,404k higher than the budget set in February 2025. Of the increase £4,170k funded additional expenditure and has therefore been reflected in the Budget Changes below, while a further £234k was received that did not require any additional expenditure/budget and therefore is being reported as an under spend.

Specific Grant Movements	**Budget Change £k**	**Underspend £k**
Pay Award Grant	(1,167)	0
Home Office PS Grant	(1,327)	0
ASB Grant	(938)	(2)
Pension Remedy Grant	(275)	0
Apprenticeship Levy Income	(100)	
Elected Officials Grant	(71)	(3)
Mayoral Renewables Fund	(181)	
Asset Recovery		(115)
Other Smaller Changes	(111)	(115)
Total Changes	**(4,170)**	**(234)**

3.8 Pay Award Grant - £1,167k

3.9 The Government agreed a 4.2% pay award for Police Officers for 2025/26 and has also agreed to provide additional funding to Policing nationally to fund the difference between a 2.8% pay award and a 4.2% pay award.

3.10 The specific grant income budget has therefore increased by £1,167k to reflect this additional allocation to the Force.

3.11 Home Office Protective Security Grant - £1,327k

3.12 The Written Ministerial Statement on the draft Police Settlement, laid in Parliament on the 17 December 2024, confirmed continued funding for Counter-Terrorism Policing (which includes this Grant) of over £1 billion.

3.13 Funding allocations for 2025-26 reflect scrutiny by Homeland Security Group's Royalty, VIP and MP Security Unit of force level delivery proposals against the requirement identified by the Executive Committee for the Protection of Royalty and Public Figures, with £1,204k being initially allocated to North Yorkshire for this work. The final costs are matched to the final Grant expected and have funded additional costs incurred by the Force to deliver against the requirements of this area of policing and therefore the budget available to the Force has been increased to reflect this.

3.14 ASB/Hotspot Action Fund - £938k

3.15 After the budget for 2025/26 was agreed the Mayor was allocated £1,000k for 2025/26 to enhance the visibility of the police and other uniformed presence in the streets and neighbourhoods worst affected by serious violence, knife crime and ASB.

3.16 However, only £938k of this grant was spent and claimed during the year and therefore this has been reflected in the increased funding.

3.17 Pension Remedy Grant - £275k

3.18 Additional Government funding is provided to compensate for the additional costs that arise from the 'Remedy' mechanisms that have been put in place to deal with discrimination that was identified in terms of national government-imposed changes made in relation the Police Officer Pension Scheme.

3.19 This additional funding is matched to expenditure made within the Force and therefore this Grant is used to increase the funding available to the Force.

3.20 Elected Officials Grant - £71k

3.21 The Government has provided funding to continue the roles of Force Elected-Official Advisor to protect locally elected representatives have provided both the full funds to support this role within Force, and a commitment to continue to fund these roles going forward.

3.22 This funding has been allocated to the Force to fund the role that undertakes this work.

3.23 Mayoral Renewables Fund - £181k

3.24 Policing was successful in applications to the Mayoral Renewables fund and has received £181k to invest in Solar within the Police estate. This additional funding has been passed into the Capital Programme to fund the costs of the Solar Panels.

3.25 There was a small over-recovery/**underspend expected across Specific Grants of £324k.**

3.26 Interest Receivable

Due to both lower interest rates and lower cash balances, there was a **pressure on the interest receivable budget of £166k**.

3.27 The lower cash balances were because of not taking out a loan in year to support the Capital expenditure, in the expectation that interest rates may reduce further. Delaying these loans had a positive impact on the forecast for interest payable of £223k, that more than offset this pressure, and is referred to later in this report.

3.28 'Force' Allocated Income

3.29 Details relating to the increase in income budgets of £1,130k are referred to in the report from the Police, along with the £256k underspend.

3.30 **The Policing Fire and Crime (PFC) Directorate**

3.31 The 2025-26 budget of £1,530k for the **PFC Directorate** has increased by £66k due to the use of reserve to fund a post within the Office. This revised budget overspent by £56k.

3.32 The additional costs were funded from a PFC reserve from previous years underspends.

3.33 Asset Management

3.34 This budget area was set to reflect borrowing costs associated with the £6m of loans that the organisation currently has, the costs for planned borrowing in year of £4.211m and 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.

3.35 As referred to earlier the £4.211m loan that was planned to be taken out at the start of the financial year was not needed for cash flow purposes. It is now forecast that this loan will be taken out in 2026/27 which **reduced the interest payable this year by £223k**.

3.36 In addition to this, lower than budgeted MRP charges (£20k), offset by bank charges being higher than budget by £4k resulted in an **overall underspend in this area of £239k.**

3.37 Commissioned Services

3.38 The Mayor allocated an original budget of £6,345k to support Commissioning and Partnerships, as set out in the table below.

3.39 In year movements increased this budget by £54k as set out in the table below, with the final budget for 2025/26 being £6,399k.

	Original 2025/26 Budget	**In-Year Movements**	**Revised 2025/26 Budget**	**Forecast Actual 2025/26 Spend**	**Forecast (Under)/ Over spend**
Commissioning and Partnerships	£000s	£000s	£000s	£000s	£000s
Supporting Victims	3,471	115	3,587	3,745	158
Community Safety	1,615	8	1,622	1,508	(114)
Street Triage and Mental Health Services	451	35	486	486	(0)
Youth Justice	386	0	386	386	(0)
Child Sexual Assault Services	305	0	305	324	19
Safeguarding Communities	246	0	246	246	0
SARC Services	182	1	183	190	7
Community Fund	250	(20)	230	455	225
Staff Pay	654	0	654	926	272
Domestic Homicide Reviews	40	0	40	13	(27)
Non-Pay	35	(35)	0	(1)	(1)
Total Expenditure Budget	**7,636**	**104**	**7,740**	**8,278**	**538**
Income	(1,291)	(50)	(1,341)	(1,767)	(426)
Total Net Budget	**6,345**	**54**	**6,399**	**6,511**	**112**

3.40 Expenditure against this revised budget was **however £112k higher resulting in an overspend**.

3.41 Many of the areas of overspend shown in the table above on the expenditure budgets are offset by additional income, for example:

- The £225k overspend on the Community Fund is offset by the receipt of £243k income from the Mayors Movement, Activity and Sports Fund.

- The £158k overspend on Supporting Victims was offset by additional funding from the MoJ of £37k and £63k from the Mayor Employability Trailblazer Fund – leaving a **pressure of £58k which is mostly from additional Community Counselling**.

- The £272k on Staff Pay is offset by additional income from the recharge of staff into the Fire Service, and costs that are charged against the Serious Violence Duty Grant, the Trailblazer Grant with one role also funded from Earmarked Reserves. **The remainder of the overspend in this area is from pay**, partly due to higher pay awards and some in year transition costs from the staffing restructure.

3.42 The specific earmarked reserve for Partnerships and Commissioning, built up from prior year underspends, was used to fund the overspend in this area.

4 Police Force

4.1 Most of the funding available to the Mayor has been provided to the Police Force. The Force was initially allocated a budget of £220,130k for 2025/26, this has increased by £4,974k, to £225,104k as per the table below:

Police Force Financial Summary	Original 2025/26 Budget	Revised 2025/26 Budget	Movement since original 2025/26 Budget
Police Force Planned Expenditure	£000s	£000s	£000s
Pay			
Police Pay	114,189	115,325	1,136
Police Overtime	3,762	5,259	1,497
PCSO Pay (incl Overtime)	5,876	5,683	(193)
Staff Pay (incl Overtime)	51,019	52,012	993
Pay Total	**174,846**	**178,280**	**3,434**
Non-Pay Budgets			
Other Pay and Training	3,850	3,973	123
Injury and Medical Police Pensions	4,484	4,759	275
Premises	5,563	5,591	28
Supplies and Services	28,181	28,956	775
Transport	3,206	3,349	143
Provisions		0	0
Non-Pay Total	**45,284**	**46,629**	**1,345**
Projects	0	**196**	196
Total Planned Force Expenditure	**220,130**	**225,104**	**4,974**

4.2 The increase is predominantly because of the increases in income that are referred to elsewhere within the report, the below table summarises the overall increase in budget for the Force:

Additional Income	**£000s**
Pay Award Grant	1,167
Home Office PS Grant	1,327
ASB Grant	938
Pension Remedy Grant	275
Apprenticeship Levy Income	100
Elected Officials Grant	71
Mayoral Renewables Fund	181
Firearms Licencing Income	330
Secondment Income	377
Ring-fenced Income	371
Other Income	221
Total Additional Income allocated to the Force	**5,357**
Release of Reserves	
Reserve movements	(383)
Total Additional Income reserves release to support to the Force	**(383)**
Total Increase to Force Budget	**4,974**

4.3 The summary of how this was spent, including final outturns are included in the table below:

Police Force Financial Summary	**Original 2025/26 Budget**	**Revised 2025/26 Budget**	**Actual Spend for 2025/26**	**Actual Over / (Under) Spend for 2025/26**
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	114,189	115,325	115,769	444
Police Overtime	3,762	5,259	5,287	27
PCSO Pay (incl Overtime)	5,876	5,683	5,333	(350)
Staff Pay (incl Overtime)	51,019	52,012	53,139	1,127
Pay Total	**174,846**	**178,280**	**179,528**	**1,248**
Non-Pay Budgets				
Other Pay and Training	3,850	3,973	3,386	(586)
Injury and Medical Police Pensions	4,484	4,759	5,733	973
Premises	5,563	5,591	5,479	(113)
Supplies and Services	28,181	28,956	26,668	(2,288)
Transport	3,206	3,349	3,341	(8)
Provisions		0	747	747
Non-Pay Total	**45,284**	**46,629**	**45,353**	**(1,276)**
Projects	0	**196**	**197**	1
Total Planned Force Expenditure	**220,130**	**225,104**	**225,077**	**(27)**

4.4 The details underpinning the Force financial performance are included within the report from the Force.

4.5 The £27k underspend on Expenditure is increased by an over-recovery on ‘Force’ income of £256k, resulting in a **net underspend position being shown by the Force of £283k.**

4.6 This is **the third 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 them **and one that the Force should again be congratulated on**.

4.7 **Areas that might be of particular interest to the Deputy Mayor**

4.8 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 areas within the Force's financial performance.

4.9 **Training**

4.10 The Force have reported a £371k underspend on Training in 2025/26, with several reasons for this set out within the report from the Force. This follows on from a reported £529k underspend in 2024/25 and a £405k underspend on Training in 2023/24.

4.11 This is surprising given that this is usually an area where demand outstrips both availability and money.

4.12 Despite this the training course fees budget for 2026/27 is over £300k higher than the amount spent in 2025/26 and £600k higher than was spent in 2024/25.

4.13 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 2026/27 and to understand whether underspending on training each year, to mitigate overspends elsewhere within the Force budget is the best place for those underspends to occur.

4.14 It might be worth considering this in the context of a few areas within the HMICFRS Peel report that referred to training and possible areas where additional investments could be made, for example:

- 'Our workforce survey found that the force had provided 169 of the 389 respondents who worked in safeguarding with training about stalking in the past two years.'
- 'The force doesn't have enough training in place for officers who carry out fraud investigations. Our staff survey showed that 144 of 186 respondent involved in managing fraud hadn't received any fraud training.'
- 'The force told us that initial training for custody officers included training on how to support detainees with mental health conditions and/or neurodivergent conditions. But some custody officers we interviewed couldn't recall this training.'
- 'The force doesn't provide regular training days each year to all custody officers and staff for their continuing professional development.'
- 'We found that 80 percent of custody officers and staff were up to date with their officer safety and first-aid training.'

4.15 **<u>Supplies and Services</u>**

4.16 In 2024/25 the Force spent £25,290k on 'Supplies and Services' (excluding Op Fusion), in 2025/26 this increased by 5.4% to £26,668k.

4.17 However, the spend of £26,668k was also £2,288k lower than the budget. So, an **underspend of £2,288k (7.9%) on Supplies and Services**.

4.18 Underspending in this area isn't necessarily a bad thing providing it is planned, understood and being used to support areas of more priority. The area for further development and understanding in 2026/27 is that the Supplies and Services budget for 2026/27 is £29,168k.

4.19 This **is £2,500k (9.4%) higher than the actual spend in 2025/26**.

4.20 While some of this increase is easily attributed to inflation, and increased budgets required to ensure sufficient funding has been allocated to insurance, there are other areas that are less straight forward, for example.

- The ICT licences budget is £1,005k (36%) higher in 2026/27 than the spend in 2025/26.
- The ICT maintenance and support budget is £440k (18%) higher in 2026/27 than the spend in 2025/26.
- The ICT Communication site costs budget is £76k (13%) higher in 2026/27 than the spend in 2025/26.

4.21 The above 3 budget lines have over £1.5m more budget allocated to them in 2026/27 than was spent in 2025/26 and is an example of work that is required to ensure that the budgets in this area are fully understood and aligned to plans, otherwise these budgets could be re-allocated to other areas.

4.22 **<u>Police Staff Pay Budgets</u>**

4.23 When setting the budget for 2025/26 several areas of note were highlighted within the Force's budget. One of which was that '*The budget from the Force is based on being able to afford to have 1,107 FTE Police Staff throughout 2025/26 (after allowing for 120 vacancies).*

4.24 *The Force forecast that they will have around 1,120 FTEs at the end of March 2025. This will therefore mean that <u>the Force will need to hold vacancies and not recruit from the start of the financial year to be able to stay within the Staff Pay budget</u>. Therefore, recruitment and vacancies will need to be very carefully managed to ensure that the Force stay within their overall budget allocation*.'

4.25 The final position being reported from the Force would indicate that this has not happened and therefore an overspend of £1,096k is reported on Staff Pay. The Force are reporting that the overspend is being driven by 2 factors, a lower than budgeted number of vacancies and that these vacancies are lower than the budgeted average cost for a vacancy than was assumed within the budget.

4.26 As mentioned previously it is very difficult to manage an organisation with a 120 FTE/10% vacancy factor both from a financial perspective and from a service delivery perspective.

4.27 It is therefore important to note that the vacancy factor for 2026/27 is 110 FTEs out of an establishment of 1,242 FTEs, so an 8.9% vacancy factor.

4.28 This should also mean that the Force can afford 1,132 FTEs on average during 2026/27, providing the costs of each vacancy are in line with the budgeted average cost assumption.

4.29 On a positive note, and unlike the start of 2025/26 the Force will begin the year with less FTEs than they can afford – the Force are reporting they had 1,116FTEs at the end of 2025/26, which is 16 lower than the budget level, net of vacancies. This should provide scope to manage this area within budget for 2026/27, but it will need to be pro-actively managed.

4.30 The Deputy Mayor may want to seek assurances around how this area is going to be proactively managed during 2026/27 to stay within budget and how the Force are aligning their investments in Robotic Process Automation, Technology and Priority Based Budgeting to their recruitment and **People Strategy** to deliver efficiencies and ensure roles are not recruited into when there might be a more efficient system based solution to some tasks/roles.

4.31 **Injury and Medical Pensions**

4.32 When Police Officers are retired on the grounds of ill health or medical there is a requirement for a payment of 2 x 'Pensionable Pay for the Officer' to be paid from the Force revenue budget into the Police Pension Fund (referred to as a Capital Equivalent Charge).

4.33 Thereafter the proportion of that Officers pension that has been enhanced to reflect the injury/medical condition, will continue to be charged to the Force's revenue budget for as long as it is paid.

4.34 In 2025/26 there were 13 medical retirements agreed by the independent Selected Medical Practitioner, and this followed on from 12 in 2024/25. This is the equivalent of 1.5% of the Police Officer work force being retired on the grounds of ill-health/medical in 2 years.

4.35 The Force only has a budget set that can afford 5/6 of these medical retirements each year and therefore has overspent in this area significantly as follows:

- 2024/25 - £754k overspend on a budget of £550k
- 2025/26 - £720k overspend on a budget of £550k

4.36 The budget for 2026/27 has not increase and has remained at £550k and therefore this area is very likely to overspend in 2026/27 and will need to be addressed for 2027/28 and beyond.

4.37 The Deputy Mayor might want the Force to undertake some analysis of this area to see whether the level of injury/medical retirements within North Yorkshire is higher than the overall national picture.

4.38 This could be combined with a review of why the level of long-term sickness is higher in North Yorkshire, as the HMICFRS Peel report noted that '*The force level of long-term sickness is higher than the typical range for forces in England and Wales. We were pleased to see that the force was working to improve workforce well-being*'

5 Overall Financial Summary for 2025/26

5.1 The following table summarises the finances for Policing and Crime for 2025/26 showing the original budget, the revised budget, spend against the revised budget and ultimately the (under) and overspends against the revised budget:

	Original Budget 2025/26	Revised Budget 2025/26	Spend to March 2026	Actual (Under)/ Over Spend at Year End
Funding	£000s	£000s	£000s	£000s
Funding for Net Budget Requirement	**(204,612)**	**(212,090)**	**(212,090)**	**0**
Other Funding				
Specific Grants	(19,312)	(16,004)	(16,238)	(234)
Interest Receivable	(995)	(996)	(830)	166
Partnership Income/Fees and Charges	(7,377)	(8,506)	(8,762)	(256)
Total Funding	**(232,295)**	**(237,596)**	**(237,920)**	**(324)**
%age Change in Funding	3.0%			
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s
Total Planned Expenditure	**1,530**	**1,596**	**1,652**	**56**
Commissioned Services	£000s	£000s	£000s	£000s
Total Commissioned Services	**6,345**	**6,399**	**6,511**	**112**
Asset Management	£000s	£000s	£000s	£000s
Total Asset Management	**1,000**	**1,000**	**761**	**(239)**
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	114,189	115,325	115,769	444
Police Overtime	3,762	5,259	5,287	27
PCSO Pay (incl Overtime)	5,876	5,683	5,333	(350)
Staff Pay (incl Overtime)	51,019	52,012	53,139	1,127
Pay Total	**174,846**	**178,280**	**179,528**	**1,248**
Non-Pay Budgets				
Other Non Salary	3,850	3,973	3,386	(586)
Injury and Medical Police Pensions	4,484	4,759	5,733	973
Premises	5,563	5,591	5,479	(113)
Supplies and Services	28,181	28,956	26,668	(2,288)
Transport	3,206	3,349	3,341	(8)
Transfer to Provisions			747	747
Non-Pay Total	**45,284**	**46,629**	**45,353**	**(1,276)**
Projects	0	196	197	1
Total Planned Force Expenditure	**220,130**	**225,104**	**225,077**	**(27)**
	£000s	£000s	£000s	£000s
(Surplus)/Deficit before Reserves and Capital	**(3,290)**	**(3,497)**	**(3,918)**	**(422)**
Planned Transfers to/(from) General Fund	100	100	100	0
Contribution to Capital Programme	3,315	3,712	3,712	(0)
Planned Transfers to/(from) Earmarked Reserves	(125)	(316)	(240)	76
Forecast Over/(Under) Spend	**(0)**	**(0)**	**(346)**	**(346)**

5.2 **The overall underspend after required/planned/approved reserves transfers was £346k**.

5.3 This will be added to Reserves in line with the recommendation at 2.13, with the £283k proposed allocation to the Pay and Pensions reserve reflecting the likely challenges in 2026/27 referred to at 4.31.

6.0 Capital

6.1 The Force put forward a Capital Programme for the Mayor to approve, that was **initially set at £11,114k** for 2025/26.

6.2 As part of the closedown of the 2024/25 financial year, and as reported in the Outturn report at the June meeting, £1,151k of schemes that were forecast to complete in 2024/25 were not and therefore these additional schemes were carried forward to 2025/26. This therefore **increased the starting Capital Programme for 2025/26 to £12,265k**.

6.3 Proposed and agreed in-year increases of £523k to the Capital programme have increased this to **£12,788k**.

6.4 Expenditure against this budget was as follows:

- Spend in year - £8,746k (68.4%)
- Slippage - £3,764k (29.4%)
- Underspend - £278k (2.2%)

6.5 Full details on the delivery against the Capital Programme for 2025/26 are included within a separate report from the Force.

6.6 Concerns were raised in-year about the ability to deliver the whole of the Capital Programme and this materialised with £3,764k being requested for carry forward into 2026/27.

6.7 This will make the 2027/28 Capital Programme even more challenging/ambitious than the one put forward by the Force in February 2026. The addition of these carry forwards of £3,764k to the approved Capital budget for 2026/27 of £11,433k results in **a starting Capital Programme for the Force for 2026/27 of £15,197k.**

6.8 Other than 2024/25 there have been challenges and concerns raised about the delivery of the Capital Programme in each of the last 10 years, and significant levels of slippage.

6.9 The difference with 2024/25 was that it was recommended that the Mayor request a prioritisation exercise was undertaken by the Force at the start of the financial year, and reported to the Mayor at the July Executive Board

6.10 It is recommended that the Deputy Mayor asks the Force to undertake a similar exercise for 2026/27 to provide the required assurances that the approved Capital plans remain deliverable.

7.0 Reserves

7.1 The approved 2025/26 budget was to be supported by £125k from Earmarked Reserves. This was made up of the following transactions:

- £55k from the Commissioning Reserve
- £80k from the Council Tax Reserve
- £30k from the Firearms Licence Reserve

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

7.3 In addition to this £100k was to be added to the General Reserve to ensure this stays at 3% of the Net Budget Requirement, in line with the minimum requirement set out within the Reserves Strategy.

7.4 Lastly, £3,315k was to be used to support the Capital Programme during 2025/26.

7.5 When setting the 2025/26 Budget in February 2025 it was forecast that Total Reserves as at the end of 2025/26 would be £13,934k, **the actual outturn position is £19,816k, so £5,882k higher**.

7.6 The reason that Reserves are so significantly higher is due to slippage on the Capital Programme at the end of both 2024/25 and 2025/26 in comparison to the plans set out in February 2025. The **Capital Reserve** as the end of 2025/26 is £8,819k which is **£5,887k higher** than it was expected to be.

7.7 Also, total Reserves at the end of 2025/26, of £19,816k, are also £3,505k higher than forecast when setting the budget in February 2026, of £16,311k. This is predominantly because of the additional Capital slippage requested since the budget was set in February 2026, net of underspends, of £2,686k, plus also the re-classification of the Property Act Fund to a Reserve of £781k.

7.8 It is important to recognise that while reserves are higher than forecast this does not provide the organisation with any additional funds to spend. As mentioned above the higher reserves are predominantly because of the slippage and delays in delivering the Capital Programme and if these are ultimately all delivered then this funding is required.

7.9 Finally, total reserves have **reduced by £9.5m over the last 3 years** and the plans of the organisation would still see the overall level of **reserves reduce by another £5m or so to around £14m by the end of 2026/27** – therefore there is **no scope to draw further on these reserves** without a plan to replenish them.

7.10 Overall reserves have reduced by £1,247k during 2025/26 as per the summary included below, which shows all reserves held by the Mayor for Policing and Crime purposes:

	Balance at 31 March 2025 £000	Tranfers In 2025/26 £000	Tranfers Out 2025/26 £000	Balance at 31 March 2026 £000
Funding for planned expenditure on projects and programmes over the period of the current				
Police, Fire and Crime Directorate Reserve	144	63	(101)	105
Capital Reserve	10,048	3,712	(4,941)	8,819
Major Capital Reserve	0			0
Firearms Licence Reserve	404	6		410
Investments Reserve	64		(23)	40
Training Reserve	63			63
Council Tax Reserve	112		(91)	21
ESMCP	739			739
Commissioned Services Reserve	380		(156)	224
Total Reserves within current MTFP	**11,954**	**3,781**	**(5,313)**	**10,423**
Funding for specific projects and programmes beyond the current planning period.				
Confiscated Monies Reserve	537	298	(172)	663
Police Property Act Fund	0	781		781
Total Reserves beyond current MTFP	**537**	**1,079**	**(172)**	**1,444**
As a general contingency or resource to meet other expenditure needs held in accordance wi				
Insurance Reserve	36			36
Pay and Pensions Reserve	1,069	283		1,352
Major Incident Reserve	432			432
Total General Contingency Reserves	**1,538**	**283**	**0**	**1,821**
Total Earmarked Reserves	**14,029**	**5,143**	**(5,485)**	**13,687**
General Reserves	**6,029**	**100**		**6,129**
Total Usable Reserves	**20,058**	**5,243**	**(5,485)**	**19,816**
Capital Receipts Reserve	**1,005**	**186**	**(1,191)**	**0**
Total Reserves	**21,063**			**19,816**
Movement				**(1,247)**

7.11 It is important to reflect that these reductions are **not** being used to fund recurring revenue expenditure.

8.0 Conclusions

Revenue Budget

8.1 The final reported underspend of £346k, was in line with the forecast underspend of £100k provided on the December forecasts and is significantly better than the forecast of £925k overspend reported in August. The revenue outturn therefore provides no additional pressures to the starting position for 2026/27.

8.2 There have been several challenges during the financial year, from the following:

- Higher than budgeted (and funded) pay awards
- Higher levels of Police Staff than budgeted
- An increase in the insurance provision
- Significant additional injury/medical pension costs

8.3 These have been offset by:

- Significant underspend on Supplies and Services
- Underspends from lower than budgeted PCSOs
- Underspends on Training

8.4 There will be challenges and pressures during 2026/27 and therefore it will be important that expenditure is tightly managed and areas of variance in 2025/26 are fully understood and factored into 2026/27 forecasts.

8.5 The overall Force position net of ‘Force’ Income was an underspend of £283k which was over £700k better than the position reported at the end of December.

8.6 This is the third 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 again 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 £278k.

8.9 Last year I reported that the overall performance and delivery against the Capital Programme had been significantly improved in 2024/25 in comparison to any of the last 10 years, with the amount of the overall programme delivered, the lower levels of slippage and the relatively small underspend all positive signs.

8.10 I also indicated that this improvement would need to continue into 2025/26 to deliver a programme that would start the financial year at almost £12.3m. Unfortunately, this improved performance was not possible, this is picked up within the separate report from the Force, which sets out that £3,764k (around 30%) of schemes have been carried forward into 2026/27.

8.11 The starting budget for the Capital Programme for 2026/27 will therefore be £15,197k, which is almost £6.5m (74%) more than was spent in 2025/26, and is around £6m more than the average capital spend that has been possible across the last 4 years, of £9.2m.

8.12 It is highly unlikely that this level of expenditure will be possible in 2026/27, and it is recommended that the Force undertake a prioritisation exercise of their Capital Programme for 2026/27, in a similar way to 2024/25, to provide the required assurances that the approved Capital plans remain deliverable.

9.0 Contact Details

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Background papers:

DN1/YNYCA/M/2025 - 2025/26 Police Budget, Medium Term Financial Plan and Associated Papers - York and North Yorkshire Combined Authority – Policing, Fire and Crime Team

YORK & NORTH YORKSHIRE COMBINED AUTHORITY