

Northumbria PCC Business Meeting Minutes

Title: Business Meeting

Date: 27 March 2025 **Duration:** 12.30pm-1.30pm **Location:** Teams/MEL

Present:

Susan Dungworth – Police and Crime Commissioner (PCC)
Clare Penny Evans – Deputy Police and Crime Commissioner (DPCC)
Ruth Durham – Chief of Staff of the OPCC
Gail Thompson – Deputy Head of Finance (NP)
Vicki Wilson – Minute Taker (OPCC)

OPEN SESSION

1. Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29

The MTFS set out the key financial issues facing the PCC over the period 2025/26 to 2028/29 and provided options for delivering a sustainable budget and capital programme over the medium term. It also set out how the PCC could provide the Chief Constable with the resources to deliver the priorities in the Police and Crime Plan.

The MTFS financial forecast presented set out one scenario for what the overall funding might look like for Northumbria Police over the four years. The report had been outlined in detail with the following points being highlighted.

The MTFS has made prudent assumptions about pay and price increases through national pay awards and inflation which would continue to be reviewed on an annual basis. Pay awards were included at 2.5% for 2025/26, and 2.0% for 2026/27 through to 2028/29.

The revenue budget forecast would fully maintain the Northumbria share of the National police officer Uplift across the medium-term. The original Uplift target set for Northumbria of 615 officers was expected to be maintained. In addition, the force had been allocated a further 109 officers from the 2,025 'additional recruitment' nationally. The total Uplift allocation for Northumbria in 2025/26 was therefore 724 officers, unchanged against 2024/25. An Uplift non-conditional grant of £5.743m was payable in 2025/26 in respect of the additional recruitment representing £0.053m per officer.

The ring-fenced grant for maintaining Uplift in 2025/26 was £10.781m. The MTFS assumption for future years was that the Uplift grant was maintained in flat cash terms each year, alongside continued maintenance of Uplift officer numbers (724 officers).

The assumption for future years 2026/27 to 2028/29 was that Northumbria continued to receive the formula funding share (3.08%) of an estimated £100m national increase each year. This was a prudent level based on the minimum in recent years.

The actual tax base movement for 2025/26 was an increase of 2.19%. Future year estimates were set at a prudent level of 1.2% per year which was just above the Office for Budget Responsibility national tax base estimates.

The Collection Fund Surplus/Deficit was confirmed on an annual basis by each Local Authority and generally there was a net surplus each year across the six local authorities. The net position estimated on the Commissioners share of Collection Fund balanced at 31 March 2025, across the six local billing authorities, was a surplus of £1.084m and this amount would be received in 2025/26. Future years were estimated at a prudent net surplus of £0.800m.

The expected General Reserve at 31 March 2025 was £12.295m equating to 3.0% of the revenue budget of £405.444m for 2025/26.

The forecast General Reserve balance of £12.295m met one of the key MTFS principles to seek to maintain the General Reserve at a minimum of 2.0% of the net revenue budget. The closing General Reserves at 31 March 2029 were estimated to remain at £12.295m equating to 2.8% of the net revenue budget of £436.400m.

A table of all earmarked Reserves had been outlined in detail.

It was recommended that the PCC agreed the principles set out in the MTFS and approved the MTFS for 2025/26 to 2028/29. The PCC approved the Key Decision.

2. Capital Strategy 2025/26 to 2028/29 including Capital Programme and Prudential Indicators

The Capital Strategy formed a key part of the PCC's overall Corporate Planning and Governance Framework. The Strategy set the framework for all aspects of the PCC's capital and investment expenditure, including planning, outcomes, prioritisation, management, funding, and repayment. It formed a key part of the PCC's MTFS.

The four year Capital Programme had a total of £144,569 which covered Building Schemes, Digital Policing & Digital Transformation, Vehicles & Equipment, NEROCU Schemes, and Funded Schemes; all of which had been outlined in detail. The total of £144,569 included £131.116 of prudential borrowing.

The Prudential Indicators 2025/26 to 2028/29 had been outlined within the report.

It was recommended that the PCC adopt the Capital Strategy 2025/26 to 2028/29, approve the Capital Programme & authorise the Joint Chief Finance Officer to undertake the appropriate financing, and to approve the Prudential Indicators. The PCC approved the Key Decision.

3. Reserves Strategy Statement as at 31 March 2025

The Financial Management Code of Practice required each PCC to produce an Annual Reserves Strategy to be published on their website. The Reserves Strategy Statement 31 March 2025 was fully aligned with the PCC's Budget 2025/26, MTFS and Capital Strategy 2025/26 to 2028/29. The PCC's Reserves Strategy was reviewed twice yearly.

The PCC's MTFS 2025/26 to 2028/29 set out the planned use of reserves over the medium-term period. Usable reserves estimated at £54.7m as at 31 March 2025 were forecast to reduce to £21.0m by 31 March 2029 under the MTFS; a reduction of £33.7m (62%).

It was recommended that the PCC approve the Reserves Strategy Statement 31 March 2025. The PCC approved the Key Decision.

4. Treasury Management Policy and Strategy 2025/26 to 2028/29

The Treasury Management Policy Statement and Strategy 2025/26 to 2028/29 was considered and scrutinised by the Joint Independent Audit Committee (JIAC) at its meeting on 24 February 2025. At the meeting, JIAC recommended the Treasury Management Policy Statement and Strategy to be presented to the Police and Crime Commissioner for adoption.

The Treasury Policy 2025/26 to 2028/29 had been included within the report and detailed the overarching approach to the provision of Treasury Management which included the Treasury Strategy, Investment Strategy, and appropriate delegations.

The Treasury Strategy for 2025/26 to 2028/29 covered the specific activities proposed for the next four years in relation to both borrowing and investments and ensured a wide range of advice was taken to maintain and preserve all principal sums, whilst obtaining a reasonable rate of return, and that the most appropriate borrowing was undertaken. The primary objective of the investment strategy was to maintain the security of investments at all times. The Strategy was included within the report.

It was recommended that the PCC adopted the Treasury Policy Statement and Treasury Strategy 2025/26 to 2028/29. The PCC approved the Key Decision.