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Comisiynydd Heddlu a Throseddu
Dyfed-Powys
Police and Crime Commissioner



Heddlu - Police
**DYFED
POWYS**

2026/7-2030/31 Medium Term Financial Plan

Including:

- A. Precept Proposal**
- B. Reserves Strategy**
- C. Capital Strategy**



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1 Police and Crime Commissioner's Summary and Precept Proposal

- 1.1 I am pleased to continue serving as your Police and Crime Commissioner (PCC) during my third term of office. I remain committed to working closely with communities across the vast and diverse geographical area served by Dyfed-Powys Police. Developing and maintaining strong relationships with residents, partners and stakeholders remains central to my role and underpins my approach to policing and community safety. Partnership working across the four Unitary Authority areas of Carmarthenshire, Ceredigion, Pembrokeshire and Powys continues to be a priority. I am confident that sustaining and strengthening these collaborative arrangements will further enhance service delivery and outcomes for our communities, particularly in the face of increasing demand and complexity.
- 1.2 I remain committed to ensuring that the public has a strong voice in shaping both policing services and the wider criminal justice system at local, regional and national levels. Dyfed-Powys Police is an integral part of our communities, and this unique relationship is of paramount importance. The public must remain central to everything we do and every decision that is made.
- 1.3 Providing a robust evidence base for our actions and investment decisions remains critical. By continuing to harness technology, data and insight to shape service delivery, I am confident that further improvements can be achieved in enhancing the safety, security and confidence of communities across the force area.
- 1.4 The strategic direction for policing continues to be set out within my Police and Crime Plan 2025–2029. The priorities within this Plan remain at the heart of all decision-making and resource allocation and are supported and complemented by the Chief Constable's operational priorities for the Force.
- 1.5 HMICFRS' most recent Police Effectiveness, Efficiency and Legitimacy (PEEL) assessment continues to inform our approach to improvement. While the inspection recognised a number of positive areas of performance, it also identified aspects of operational delivery requiring further development. I am reassured that sustained progress has been made since the inspection, and that continued focus and investment will support further improvement during 2026/27 and beyond. My precept proposal is designed to enable the Chief Constable to continue making prioritised investments in critical areas of service delivery.
- 1.6 My Office will continue to focus on delivering the priorities within my Police and Crime Plan, alongside fulfilling an increasing range of statutory responsibilities, including enhanced scrutiny, assurance and public

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engagement. Commissioned services continue to experience high and complex levels of demand, compounded by rising costs of service delivery. Despite ongoing financial pressures, I remain committed to supporting vital services for victims and vulnerable individuals and will work to ensure that frontline provision is protected wherever possible.

- 1.7 One of my key statutory responsibilities as PCC is to set the policing precept each year. The precept represents the proportion of local council tax that is raised to support policing services. In determining the precept for 2026/27, I have carefully considered a range of factors including the Chief Constable's resource requirements, the sustainability of reserves, public feedback, affordability, and the need for continued investment in workforce capability, estates, digital infrastructure and operational resilience.
- 1.8 The statutory arrangements established under the Police Reform and Social Responsibility Act state that:
 - I must notify the Police and Crime Panel (P&CP) of my proposed precept by 1 February.
 - The P&CP must review the proposed precept by 8 February.
 - If the P&CP vetoes the proposed precept, I must notify the P&CP of my revised precept by 15 February. The P&CP must review the revised precept by the 22 February. I must set a precept by 1 March.
- 1.9 The Chief Constable continues to report financial performance on a regular basis through the Policing Board. Financial management and medium-term financial planning are overseen by the Strategic Finance and Medium-Term Financial Planning Board. My Chief Finance Officer (CFO) continues to work closely and constructively with the Director of Finance (DoF) and the Corporate Finance Team to ensure strong financial governance and assurance.
- 1.10 Detailed discussions have taken place throughout 2025/26 in relation to in-year financial performance and the development of the Medium-Term Financial Plan (MTFP). These discussions have occurred through formal governance structures and through a series of dedicated precept and MTFP meetings involving myself, the Chief Constable, the DoF and my CFO.
- 1.11 A Finance Seminar was also held with members of the Police and Crime Panel, the Joint Audit Committee and Audit Wales to provide an overview of the operational environment, demand pressures, and the financial challenges facing the Force. This session provided valuable context around resource requirements for 2026/27 and the medium term, including budget assumptions, pressures, funding context, savings, efficiencies and investment needs. The seminar also considered wider economic conditions and their impact on public sector finances.

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- 1.12 Dyfed-Powys Police continues to operate within a challenging financial environment shaped by long-term reductions in central government funding, rising costs, and increasing and changing demand for policing services. These pressures are compounded by wider economic uncertainty, including inflationary pressures, labour market challenges and ongoing national and international instability.
- 1.13 Significant progress has been made in delivering savings and efficiencies through the Force Review Programme. The programme continues to focus on innovation, service redesign and best practice, with recent initiatives aimed at releasing frontline capacity, improving victim experience and ensuring resources are deployed where they are most needed.
- 1.14 As we move into 2026/27, the focus remains on maintaining financial sustainability while ensuring that Dyfed-Powys Police is well positioned to meet current and future demand, deliver against strategic priorities, and continue improving outcomes for the communities it serves.
- 1.15 The 2026/27 final settlement was announced by Sarah Jones, the Minister of State for Policing and Crime, on 28 January 2025. At a Force level, the final overall 2026/27 settlement is detailed in the table below:

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Table 1: Grant Settlement 2026/27

Grant Funding	Original Settlement 25/26 (£m)	Additional Pay Award Funding 25/26	Revised Settlement 25/26	Final Settlement 26/27 (£m)	Change From Original 25/26	
Core Grant	66.9	0.9	67.8	72.1	4.3	0.1
Total Core Grant	66.9	0.9	67.8	72.1	4.3	0.1
Officer Maintenance Grant/ Operational Uplift	2.5	0.0	2.5	0.0	-2.5	-1.0
Additional Recruitment Top-up Grant	0.5	0.0	0.5	0.0	-0.5	-1.0
Pension Grant	3.7	0.0	3.7	3.7	0.0	0.0
National Insurance	2.1	0.0	2.1	2.2	0.0	0.0
Neighbourhood Policing Guarantee Grant	1.4	0.0	1.4	2.6	1.2	0.8
Total Direct Grants	10.3	0.0	10.3	8.5	-1.8	-0.2
Total Government Funding	77.2	0.9	78.1	80.6	2.5	3.2%

1.16 The settlement included an increase in the ringfenced Neighbourhood Policing Guarantee grant which replaces the officer maintenance grant. The overall officer headcount target has been removed and replaced with a Neighbourhood Policing target in 2026–27.

1.17 Overall, the settlement announcement represents an increase of 3.2%.

1.18 The police grant settlement announcement confirmed precept flexibility for Police and Crime Commissioners in England for an increase of £15 per Band D property, without triggering the need for a local referendum. This does not apply in Wales, and Section 7 provides further information.

1.19 Police funding arrangements are complex. It is also important to recognise that there are an array of differences and disparities between both England and Wales and between individual forces, meaning that core settlements, grants and precept decisions can impact very differently.

1.20 The removal of capital grant in 2012/13 means that the cost of supporting vital capital infrastructure investment in Estates, Fleet, and Information Technology (both local and national projects) must be met locally. The need for continued investment is significant as this is fundamental to

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delivery of policing services and as an enabler for improved productivity and efficiency, as well as making progress against national carbon reduction targets. The MTFP includes a significant trajectory of increases in revenue contributions to capital over the next 5 years, along with assumptions in relation to prudential borrowing and the consequential revenue costs of financing. Ultimately, both put considerable additional pressure on the revenue budget.

- 1.21 I will continue to review my Reserves Strategy to re-prioritise as appropriate, while maintaining a focus on prudent financial management, resilience and sustainability.
- 1.22 After extensive scrutiny by the Police and Crime Panel (P&CP), I was last year unanimously supported in setting a council tax precept for 2025/26 in Dyfed-Powys of £380.68 for an average Band D property, once again the lowest in Wales.
- 1.23 At every stage within the series of precept and MTFP meetings, and indeed through my scrutiny and review of the in-year financial position, I critically question and constructively challenge aspects of the revenue budget requirement and organisational delivery structure to assure myself of the requirements, progress and ultimate delivery. I also undertook a series of challenge and scrutiny sessions specifically reviewing the Estates, ICT and Fleet Strategies and future capital programme.
- 1.24 To inform my considerations for 2026/27 and to fulfil my responsibilities as Commissioner, I consulted with the public to obtain their views on the level of police precept increase. It was pleasing to see an increase in respondents since 2025/26.
- 1.25 Respondents were also given the opportunity to provide comments. The main themes were around visible policing, road safety and anti-social behaviour. Concerns were raised around the impact of the cost-of-living crisis and the affordability of further increases. I have considered the responses carefully in my deliberations for 2026/27, particularly in light of the current cost-of-living crisis. The results of this consultation are outlined in Section 17 of this report. My team will be undertaking further work in relation to the array of comments and, where appropriate, these will form part of my ongoing discussions with the Chief Constable.
- 1.26 I am painfully aware of the pressures that the cost-of-living crisis continues to put on our communities. There is a fine balance between ensuring an efficient, effective, visible and accessible policing service, addressing operational services demands to ensure the safety of the public, while also ensuring value for money for taxpayers and sound financial management. Having undertaken a comprehensive process, I am confident in the robustness of this MTFP, but this does not underestimate the difficult decisions or indeed mitigate the financial challenges and

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uncertainties which are outside our control.

- 1.27 **I therefore submit my precept proposal for scrutiny by the Dyfed-Powys Police and Crime Panel, which will raise the average Band D property precept by £2.25 per month or £26.95 per annum to £387.63, a 7.47% increase. This increase will raise a total precept of £93.033m. This will provide total funding of £165.1m, representing an £8.8m increase on the revised funding for 2025/26.**
- 1.28 The operational and financial landscape continues to be both unpredictable and challenging. This level of funding will enable the Force to focus on delivery of my Police and Crime Plan for 2025–2029 and improve services across the Dyfed-Powys area.
- 1.29 This report is intended to provide Dyfed-Powys Police and Crime Panel Members with the information necessary to scrutinise my precept proposal and provide information in relation to the operational and financial context, which underpin the resourcing requirements and assumptions for 2026/27 and beyond.

2 Organisational and Operational Context

- 2.1 Spanning 4,188 square miles, Dyfed-Powys is the largest geographical force area in England and Wales. With 13,842 miles of roads, two large ports, 350 miles of coastline and vast areas of countryside, the geography presents us with significant demand and resourcing challenges.
- 2.2 The resident population of 518,062 is spread across extensive rural areas, holiday and market towns and more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents its own implications for crime, anti-social behaviour and roads policing.
- 2.3 Dyfed-Powys Police works in partnership with four local authorities and has coterminous local basic command units. Beyond the four counties, Dyfed-Powys Police also collaborates on an All-Wales basis regarding policing responsibilities in areas such as Armed Response and Serious and Organised Crime.
- 2.4 Despite an overall reduction in recorded crime over the past few years, service demands continue to grow due to the increasing complexity of investigations, mental ill-health, child sexual exploitation and cybercrime. Changes to the way that crimes are recorded nationally have impacted on recorded crime levels and account for some of the decreases.

Table 2: Recorded Crime

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Crime Category	Year								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Recorded Crime (excluding Fraud)	26473	29154	32586	31796	40433	45042	38780	37558	36285
Arson & Criminal Damage	4186	4177	4170	3777	4345	4771	4077	3971	4018
Burglary	1749	1553	1631	1386	1292	1284	1228	1542	1437
Drug Offences	1772	1900	2099	2105	1746	2087	1775	1716	1747
Miscellaneous Crime Against Society	651	736	920	842	841	894	770	918	1053
Possession of Weapons	152	189	245	281	222	300	281	384	437
Public Order Offences	1175	1779	2267	3170	5655	6099	4709	3939	3577
Robbery	42	69	69	55	47	83	74	107	95
Sexual Offences	1230	1428	1450	1248	1559	1734	1563	1616	1980
Theft	5197	5387	4795	3655	3910	4827	4887	4662	4252
Vehicle Offences	940	957	967	723	650	707	580	709	718
Violence Against the Person	9379	10979	13973	14554	20166	22256	18836	17994	16971

For further information on recorded crime, please visit [Police recorded crime and outcomes open data tables published on the GOV.UK website](#).

- 2.5 The service continues to evolve quickly to enable its response to new risks, threats, and changes in technology, many of which have required new ways of working.
- 2.6 Neighbourhood Policing remains at the heart of operational delivery and the additional funding received from the Neighbourhood Policing Guarantee Grant will further increase officer numbers within communities. The Neighbourhood Policing Prevention Teams strive to understand and meet the concerns of our communities, working tirelessly to increase public confidence. They will continue to develop and build relationships to support communities and enable a community-led policing approach. By working closely with communities, partners and third sector organisations, they will integrate community engagement into the Neighbourhood Policing and Prevention operating model by ensuring a collective focus on problem solving, prevention and early intervention to bring legitimacy and improved confidence to communities of the Dyfed-Powys area. The neighbourhood teams will encourage engagement with individuals and communities through regular visibility and engagement opportunities, helping them to identify and prioritise issues that need tackling in local area. The new Neighbourhood Policing Community Messaging App is supporting this work.
- 2.7 To meet the priorities of the Commissioner's Police and Crime Plan, and the priorities of the recently appointed Chief Constable Ifan Charles, a joint vision is detailed below:

Figure 1: Dyfed-Powys Police Priorities

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Dyfed Powys Police Vision and Priorities

Vision: To work together to provide a first-class service to victims and the public, being visible and accessible. To be there when victims and the public need us, acting with fairness and respect in all that we do.



- 2.8 There is continued focus on, and scrutiny of, police performance by both the Home Office and Chief Officers within the Force. This work measures the progress and improvements being delivered across the Dyfed-Powys area. Scrutiny of performance at Force level, alongside the introduction of 'Operational Performance Dashboards', provides officers, supervisors and managers with accurate, reliable, and meaningful data. This not only assists and supports officers but also shows how local performance contributes to, and impacts on, delivery of force-wide priorities and objectives.
- 2.9 An improved Strategic Planning and Assurance Cycle (S-PAC) has been developed and implemented, recognising the importance and complexities of the many interacting organisational facets. Reporting and events throughout the cycle ensure the overall alignment of strategic requirements and Force priorities with a continuous flow of information to support resource allocation and decision-making. Outcomes from both internal and external assessments also feed into this process, enabling us to prepare for the future by exploring options across all areas of our business and operations and setting direction for the next 5 years.

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Figure 2: Planning and Assurance Process (S-PAC)



- 2.10 The most recent Force Management Statement (FMS) was submitted in May 2025. The Force has received positive feedback from HMICFRS for it being a 'very strong FMS' and grading it outstanding or good for all but two areas (step 2 performance assessment and step 3), which were adequate. The next FMS will be submitted by May 2026; HMICFRS will use this to inform their inspection of forces' efficiency, effectiveness, and legitimacy, inform their thematic inspections and to supplement their monitoring of forces' performance.
- 2.11 The new process and the FMS findings have been used extensively to identify and prioritise budget challenges and opportunities as part of the 2026/27 budget and MTFP setting process. The S-PAC is designed to support the Force's investments and decisions with new, as well as existing, operating models to demonstrate where greater efficiency can be achieved and is underpinned by transparency and accountability.
- 2.12 The Force has made considerable progress in addressing the findings reported and areas for improvement highlighted by the HMICFRS PEEL inspection of 2023–25. Significant focus and associated planned investment to bolster service delivery has resulted in all identified areas for improvement being signed off and closed, or met internally, pending further review during the forthcoming 2025–27 HMICFRS PEEL inspection programme, scheduled for May 2026.
- 2.13 In relation to aspects of financial management, it was pleasing to see that the 2023–25 HMICFRS inspection identified that Dyfed-Powys Police uses

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data effectively to manage and understand its finances. This ensures that the Force understands the actual cost of its resources and the level of finance that is available. It has a disciplined approach to using finances effectively and supporting the wider management teams in making savings. They also found that “the Force’s financial plans, including its investment programme, are affordable and will help the Force continue to meet future demands. The Force shows effective financial management. It makes the best use of the finance it has available, and its financial plans are both ambitious and sustainable.”

2.14 In 2022, the Force initiated a three-year change program (The Force Review) to address a requirement to realise a £10m saving over the period. Owing to the effectiveness of the savings achieved during year one, the focus of year two and three was directed at bolstering Uniform Response Teams whilst improving overall organisational effectiveness and efficiency and enhancing the welfare and wellbeing of Police Officers and Staff. Following the closure of the Force Review Programme in early 2025, this work has continued via two new programmes; The Force Operating Model Programme and the Workforce Mix Programme. Each programme consists of several workstreams owned by workstream leads, all of which seek to meet the objectives outlined above.

2.15 Completed Workstreams/Changes

- Created a Prevention Superintendent position from within the existing establishment to reduce demand.
- Improved HR understanding of establishment and ‘Decision Making Culture’ around resourcing.
- Continued investment in the Police Schools Service of 14 FTE constables.
- The expansion of the remit of the Domestic Abuse Virtual Response Unit (DAVRU) delivered a permanent seven-day-a-week Force-wide DAVRU on 14 October 2024. This has increased capacity within Uniform Response Teams by reassigning relevant workload to the DAVRU whilst significantly enhancing the service provided to victims of domestic abuse.
- The deployment of the Cambridge Centre of Evidence Based Policing’s Ebit Crime Triage algorithm that identifies crimes that are not solvable. At time of writing, four algorithms have been deployed which are exposed to Common Assault and S.4 / S.4A Public Order Act, Criminal Damage, Shoplifting and Harassment offences. This is increasing capacity by reducing investigatory workload on crimes that are not solvable thus enabling the pursual of other investigations. It is also improving the timeliness of outcome application and improving victim experience and expectation management.
- A new Response Policing and Custody Rota pattern was implemented on

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8 May 2025. This change seeks to deliver several operational and welfare/well-being improvements by primarily replacing a historic, and unpopular, duty pattern. Workforce benefits include (but are not limited to) additional rest days, consistent shift durations and start times, improved handover periods and improved alignment of resources to demand. This workstream has also increased supervisor numbers (and thus ratios) in high demand areas. This change continues to be fully supported by the workforce.

- A new operating model within the Force Communication Centre began implementation in November 2023. This has since delivered a significant resource increase, a revised Rota pattern and an approach to omnicompetence (including a pay increase for staff). This seeks to enhance service delivery to the public through reduced call wait times and service denial whilst increasing the number of rest days for team members, as well as ensuring more operators are working concurrently to reduce stress. This is well supported by the workforce and has received substantial uptake. The deployment of a Phase 1 of a cutting-edge Contact Management Solution in November 2024 has improved experience for both service users and team members. This significant change program is also addressing a historic retention challenge and is already reducing historically high absence rates. This has resulted in Dyfed-Powys Police's FCC being one of the highest performing Control Room in the UK (in respect of answering times and abandonment).
- The implementation of Phase One and Two of 'Right Care Right Person' has increased the capacity within the Response Teams by ensuring that some requests for service are re-allocated to the most appropriate agency. The implementation of Phase Three, Four and Five is currently being progressed.
- A revised Senior Operational Policing Structure was implemented on 3 March 2025. This intended to improve accountability and enhance performance management, while reducing resourcing tensions by enabling a freer flow of resources between business areas based on local operational need. As a result of this change, Senior Leaders are being further developed through an investment in the acquisition program/project/change management qualifications. This is enabling the application of these methodologies to resolve organisational challenges.
- The delivery of a revised Crime Allocation Matrix on 7 September 2025 provides clarity and a consistent approach to the allocation of investigations commensurate with specialist skillsets, investigatory requirements etc. This ensures that '*the right crime sits with the right investigator with the right skills*'. This also prevents complex investigations being delayed due to the needs of an increasingly inexperienced workforce.
- A new rota pattern and supervisory uplift in CID and Local Investigation Units (LIUs) was implemented on 16 November 2025. This change has

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delivered several operational and welfare/wellbeing improvements including (but not limited to) additional rest days, consistent shift durations and start times, improved handover periods and improved alignment of resources to demand. This will also ensure closer working relationships between Uniform Response Teams, CID and LIUs. It also addresses concerns and feedback raised by the workforce regarding inconsistent working patterns, access to supervisory support, demand outstripping resourcing and a heavy reliance on overtime.

- An operating model and rota change for Joint Investigation Teams (JITs) and Offender Management Units (OMUs) was implemented on 4 January 2026 which delivered four new BCU Protecting Vulnerable People (PVP) Units. This change will see the delivery of a consistent operating model to improve the protection of vulnerable people across the Dyfed-Powys area. It also improves operational delivery by providing 7 day a week coverage and the introduction of omnicompetence thus enabling the force to flex resourcing to meet and align resources to demand. It will also remove the need for JIT/OMU supervisors working in this area to support 'main office' CID, thus increasing oversight over PVP matters. The new rota pattern enhances welfare and wellbeing by increasing the number of rest days for Police Officers and Staff working in this area. As per the CID and LIU review, it also addresses concerns and feedback raised by the workforce regarding inconsistent working patterns, access to supervisory support, demand outstripping resourcing and a heavy reliance on overtime.
- A new rota pattern for Priority Policing Teams (PPTs) and the Serious & Organised Crime Team (SOCT) will be implemented on 4 January 2026. This change will deliver a consistent PPT rota pattern across all BCUs whilst increasing resilience for the teams to better support BCU/LIU/CID reactive investigations. This will improve welfare and wellbeing by reducing the heavy reliance on overtime within the teams.
- The delivery of a Central File Build team seeks to improve case file quality whilst increasing the capacity of frontline teams. This will increase capacity within Uniform Response Teams and LIUs by removing file build for some crime types. This will shorten file submission timescales, reduce 'send-back' culture and result in an enhanced service for victims, witnesses and suspects.

2.16 Workstreams in Implementation Phase:

- A review of the organisational approach to resource management and the remit of the Resource Management Unit (RMU) seeks to improve rota planning, annual leave process and allocation, and day-to-day management of resourcing. This workstream will go-live on 1 February 2026 and will enable RMU to centrally manage all operational resourcing (for example, short notice and planned annual leave, rota planning, etc). Intended benefits include a fairer and more consistent decision-making processes in relation to the management of time off, maintenance of

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desirable resourcing levels and a reduction in the reliance of overtime.

- Work continues to release 50 FTE Police Officers from back-office functions to Neighbourhood Policing & Prevention Teams (NPPTs) and Uniform Response Teams via the recruitment of 50 FTE (back-fill) Police Staff funded by the U.K. Government Neighbourhood Policing Guarantee and local Police & Crime Commissioner Precept increases. This will return increase numbers of Police Officers in frontline teams and reapportion the investigation of Theft by Shoplifting offences from Uniform Response Teams to NPPTs freeing up capacity. This also provides new development and career pathways for Police Staff into traditionally operational functions.
- A revised approach to Crime Recording to improve NCRS (national crime recording standards) timeliness and CDI (crime data integrity) will seek to deliver criming at the 'nearest' point of contact. This will likely increase the capacity of frontline officers by providing a team of subject matter experts to perform the crime recording function. It is becoming increasingly likely that this workstream will require a significant uplift in resourcing to achieve its objectives. Consequently, this workstream has been temporarily paused until the financial settlement is better understood.
- A new workstream is soon to commence to better coordinate pre-existing people data, available from within multiple systems, and to present it within a dashboard to provide strategic, tactical and operational insights to aid decision making. This will, by proxy, enhance workforce planning initiatives in support of the maintenance of operational capability.

2.17 Completed Workstreams Subject to Evaluation:

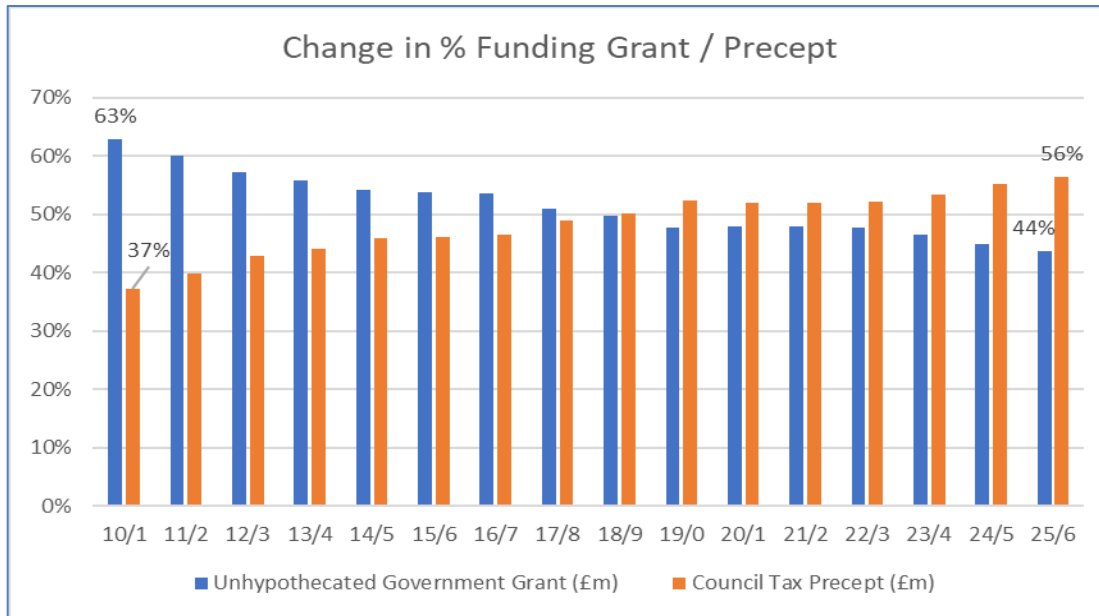
- The first change implemented during the Force Review Year 2 Programme was the realignment of Roads Policing Officers to Uniform Response Teams on 2 June 2024. This was implemented to deliver a 24% increase to Uniform Response Team resourcing. A 12-month qualitative and quantitative post-implementation review proposed several changes for delivery in two phases. Phase 1 saw the re-realignment of Roads Policing Officers from Uniform Response Teams back to the Specialist Operations Department governance structure by mid-November 2025. Phase 2 will consider other changes including Rota patterns, locations of operational bases, etc.

3 Dyfed-Powys Police – Funding Context and Police Precept

- 3.1 Financial challenges affecting the Force have been well documented, and the following graph sets out the context of grant funding since the Comprehensive Spending Review 2010 (CSR2010):

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Figure 3: Central Grant Reductions

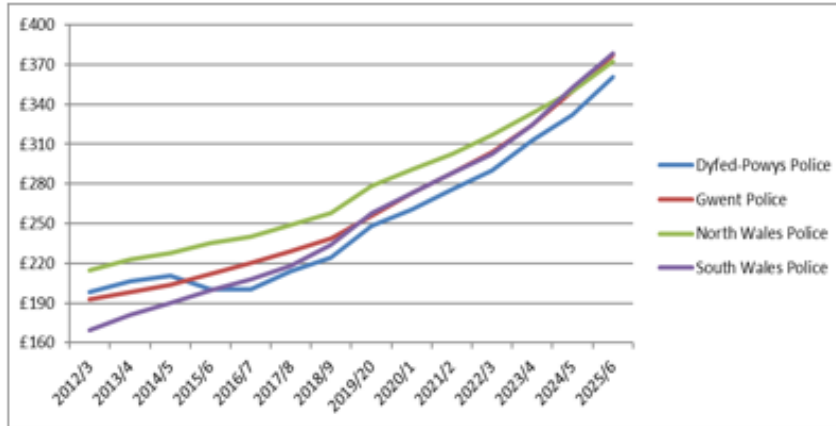


- 3.2 The real terms reduction in grant presented great challenges, with inflationary increases needing to be offset by comprehensive efficiency/savings plans and reductions set against the landscape of changing and increased complexity of demand for policing services. It is also important to note that increases in police funding over more recent years have been to support the Police Uplift Programme, which has come with very clear expectations, targets and requirements for Police Officer recruitment.
- 3.3 Historically, central government funding provided the vast majority of Dyfed-Powys Police’s funding, but the proportion received from core grants has decreased significantly over time. The percentage of funding being met through local taxation has risen significantly over time. The proportional split or ‘gearing’ trajectory is likely to continue to increase, as more funding is required to be met from the local taxpayer. It is also important to note again that core grant increases in recent years have been to support the Police Uplift Programme, the Neighbourhood Policing Guarantee and pensions/National Insurance increases, and they have not met the array of other inflationary and cost burdens.
- 3.4 The proportion of funding raised through council tax differs significantly between forces nationally. For 2025/26, Northumbria’s council tax precept made up 19.4% of their total funding, followed by West Midlands at 20.5% and Merseyside at 22.8%. Conversely, Surrey has 54% of their funding from council tax precept. In Wales, Dyfed-Powys is at 56.3% and North Wales are at 54%. Nationally, 34.5% of policing budgets are funded by

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local council tax precept. English forces also benefit from Council Tax Freeze/Support Grants which clearly impact on historic precept levels, generally meaning that their precepts are lower making direct comparisons difficult.

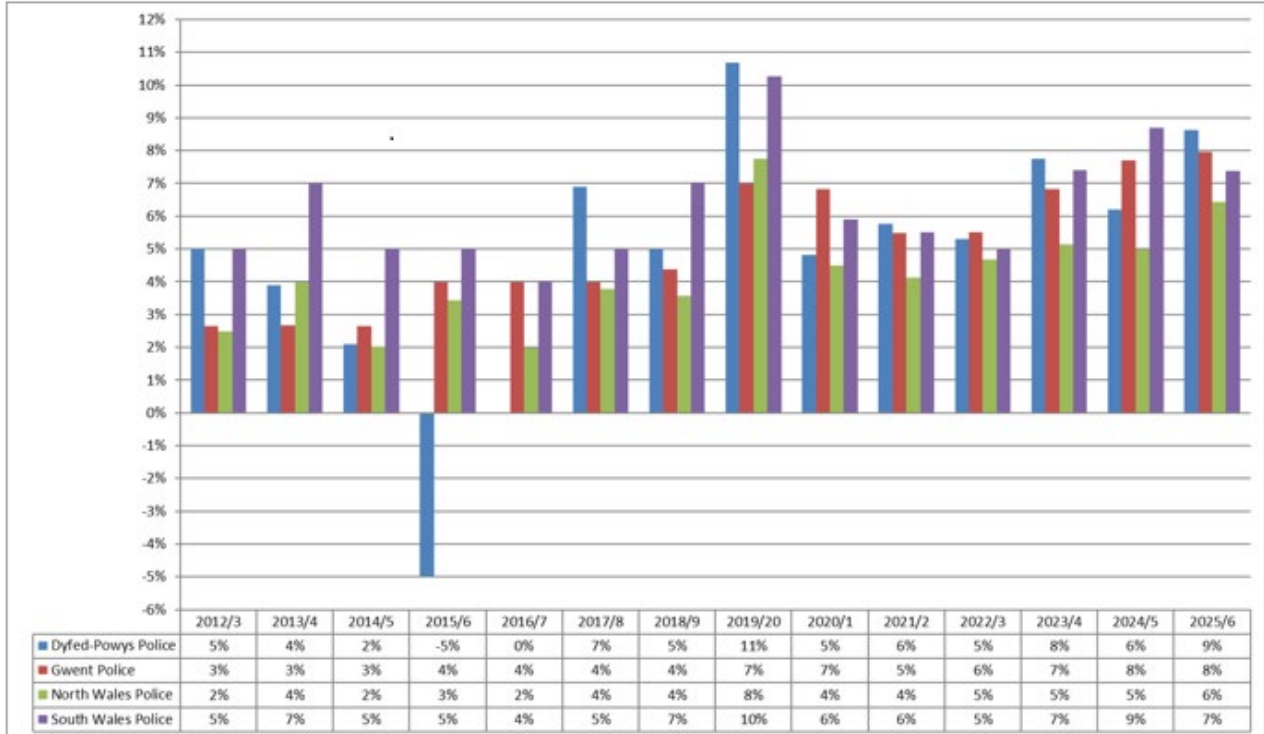
Figure 4: Welsh Council Tax Levels at Band D (£)



Council Tax at Band D (£)	2024/25	2025/26	%
Dyfed Powys Police	332.03	360.68	8.6%
Gwent Police	349.52	377.31	8.0%
North Wales Police	349.65	372.15	6.4%
South Wales Police	352.67	378.67	7.4%
Wales	347.55	373.55	7.5%

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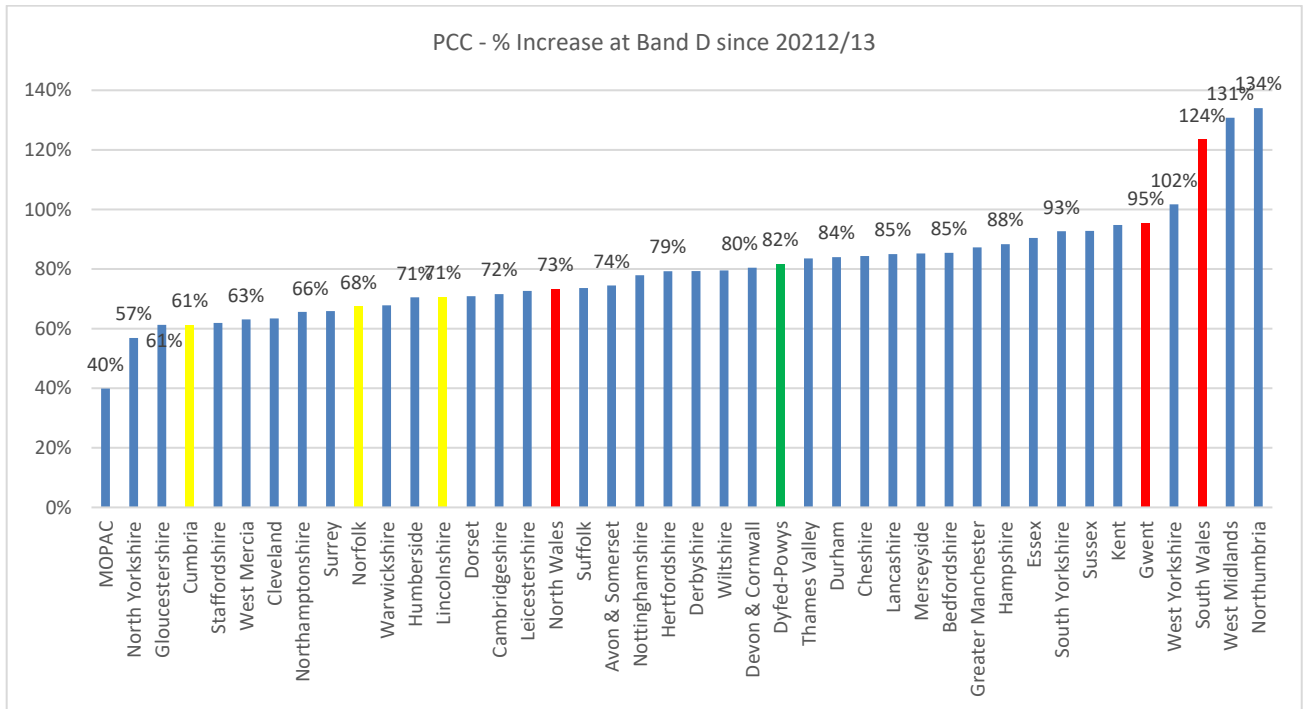
Figure 5: Council Tax Increase at Band D (%)



3.5 Residents in the Dyfed-Powys area have the lowest Band D police precept in Wales. The table below highlights the comparative position with most similar forces, and the other Welsh forces. It should be noted that English forces also receive additional Council Tax Freeze/Support Grant which are not included in the below:

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Figure 6: National % Band D Precept Increase



*Red – Welsh forces; *Yellow – Most similar forces

3.6 Since the inception of Police and Crime Commissioners in 2012/13, the increase in council tax at Band D in the Dyfed-Powys area has been 82% which is around the average in England and Wales. Further details of the annual increases in Wales are shown in the Table below:

Table 3: Precept levels in Wales since 2014

Year	Dyfed-Powys Band D Precept £	% Increase	Dyfed Powys Band D £	Gwent Band D £	North Wales Band D £	South Wales Band D £	Average Band D £	Dyfed Powys % Increase	Gwent % Increase	North Wales % Increase	South Wales % Increase	Average % Increase
2014/5			£ 210.60	£ 204.16	£ 227.61	£ 190.34	£ 208.18					
2015/16	£ 200.07	-5%	£ 200.07	£ 211.62	£ 235.44	£ 199.86	£ 211.75	-5.0%	3.7%	3.4%	5.0%	1.8%
2016/17	£ 200.07	0%	£ 200.07	£ 220.06	£ 240.12	£ 207.85	£ 217.03	0.0%	4.0%	2.0%	4.0%	2.5%
2017/18	£ 213.87	6.9%	£ 213.87	£ 228.24	£ 249.21	£ 218.24	£ 227.39	6.9%	3.7%	3.8%	5.0%	4.8%
2018/19	£ 224.56	5.0%	£ 224.56	£ 238.84	£ 258.12	£ 233.52	£ 238.76	5.0%	4.6%	3.6%	7.0%	5.1%
2019/20	£ 248.56	10.7%	£ 248.56	£ 255.53	£ 278.10	£ 257.52	£ 259.93	10.7%	7.0%	7.7%	10.3%	8.9%
2020/21	£ 260.56	4.8%	£ 260.56	£ 272.96	£ 290.61	£ 272.72	£ 274.21	4.8%	6.8%	4.5%	5.9%	5.5%
2021/22	£ 275.56	5.8%	£ 275.56	£ 287.96	£ 302.61	£ 287.72	£ 288.46	5.8%	5.5%	4.1%	5.5%	5.2%
2022/23	£ 290.16	5.3%	£ 290.16	£ 303.80	£ 316.80	£ 302.11	£ 303.22	5.3%	5.5%	4.7%	5.0%	5.1%
2023/24	£ 312.65	7.8%	£ 312.65	£ 324.52	£ 333.09	£ 324.47	£ 323.68	7.8%	6.8%	5.1%	7.4%	6.8%
2024/25	£ 332.03	6.2%	£ 332.03	£ 349.52	£ 349.65	£ 352.67	£ 345.97	6.2%	7.7%	5.0%	8.7%	6.9%
2025/26	£ 360.68	8.6%	£ 360.68	£ 377.31	£ 372.15	£ 378.67	£ 372.20	8.6%	8.0%	6.4%	7.4%	7.6%

4 Council Tax Base

4.1 The police precept, which is raised through local council taxpayers, is allocated to the billing councils based on the relevant tax bases notified by them. The tax base is calculated from the number of properties in each

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area allocated to each property band with factors for single occupancy, empty homes, second home premiums and assumptions on collection rates within the context of economic and development factors. The tax base is expressed as a Band D equivalent as follows:

Table 4: Tax Base Levels

Authority Area	23/24	24/25	25/26	26/7	26/7
Powys	64,256.51	64,536.48	64,771.66	65,692.50	1.43%
Carmarthenshire	75,071.95	76,460.40	77,243.48	77,238.01	-0.01%
Ceredigion	32,767.99	33,768.51	34,421.81	34,492.54	0.21%
Pembrokeshire	59,851.19	64,261.61	63,013.04	62,581.12	-0.67%
	231,947.64	239,027.00	239,449.99	240,004.17	0.23%
	0.80%	3.05%	0.18%	0.23%	

- 4.2 The police precept is added to the amounts collected by Unitary Authorities and forms part of the overall council tax demand bills.
- 4.3 Under the regulations, the billing authority must determine a schedule of instalments for payments to precepting authorities. The agreement is that the unitary authorities will pay the Force in 12 instalments on or before the last working day of each month.
- 4.4 It should also be noted that when announcing the police settlement, the UK Government makes assumptions regarding the tax base changes, using information provided by the Office of Budget Responsibility (OBR). For Wales, a 0.4% increase was assumed.
- 4.5 The actual increase for Dyfed-Powys Police for 2026/27 is lower at 0.2% next year. This is the second year that the actual tax base has been below the assumed levels. The main reason for the reduction is decisions to reduce the premium for second homes. It should be noted that changes in the profile of second homes, empty properties and collection rates continue to cause uncertainties on future funding levels.

5 Economic Landscape and Autumn Statement 2025

- 5.1 This section of the report sets out the economic landscape and is based on the Chancellor's Autumn Statement Report 2025.
- 5.2 The government's decisions in the Autumn Budget 2025 seek to raise sufficient income to ensure that public finances remain on a secure footing, while also avoiding adding any new inflationary pressures.
- 5.3 The Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) by 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by

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0.3%, from 1.3% to 1.0%, but much of that influence was offset by upgrades to near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to meet her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.

- 5.4 The Chancellor also chose to raise spending by a net £11.3bn by 2029/30. To pay for that and the increase in headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- 5.5 Some of those tax increases start from 2027/28, however the impact of the bulk of tax rises will not be felt until 2029/30 and 2030/31 (i.e. mostly after the next scheduled General Election in mid-2029).
- 5.6 Looking at some of the detail, the OBR raised its 2025 real GDP growth forecast from 1.0% to 1.5%. However, the OBR's more pessimistic view on productivity growth means it now expects real GDP growth to average 1.5% from 2027 onwards rather than 1.7–1.8% in March.
- 5.7 Some of the downward influence from weaker real GDP growth on nominal GDP growth was offset by an upward revision to the OBR's inflation forecast, which usually boosts tax revenues. More persistent wage growth than previously expected, alongside higher food price inflation, led the OBR to revise up its CPI inflation forecast to 3.5% in 2025 and to 2.5% in 2026, 0.2% and 0.4% respectively higher than in its March forecast.
- 5.8 The OBR's fiscal multipliers imply that any drag on the economy from the new policies will be small and will not offset increases in government spending until 2028, when the income tax threshold freeze comes into effect. In fact, if anything, the multipliers suggest the new policies (driven by the increases in government spending) may add 0.1% to GDP growth in 2026.
- 5.9 Since the Budget, our treasury management advisors, MUFG Corporate Markets, have updated their interest rate forecast. Their previous update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December 2025.
- 5.10 Surprisingly, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of

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the Committee. Instead, it was left to Bank Governor Andrew Bailey to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.

- 5.11 Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a “gradual downward path”, suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be “a closer call”, and Governor Bailey observed there is “limited space as Bank Rate approaches a neutral level”.
- 5.12 Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer while more data is garnered, and then a further rate cut to 3.25% in Q4.
- 5.13 However, threats to that central scenario abound. What if wage increases remain stubbornly high? There are several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, if the government’s performance is disappointing there may be mounting pressure on the Starmer/Reeves team from within their own party. If so, how will gilt markets react to these variables, and will there be additional geo-political factors to consider, particularly from the US regarding the Federal Reserve’s monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- 5.14 Accordingly, MUFG Corporate Markets’ updated central forecast is made with several caveats. They are sure that their forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and they have marginally brought forward the timing of the next rate cut(s). However, for the 10-, 25- and 50-years part of the curve, the level of gilt issuance and the timing of its placement will be integral to achieving a benign trading environment. That is not a “given”, and additionally the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November 2026.
- 5.15 Our advisor’s revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.

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MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

5.16 Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

6 2026/27 Police Funding Settlement and National Context

6.1 The 2026/27 final Settlement was announced on 28 January 2026 in a written statement by the Minister of State for Policing and Crime, Sarah Jones.

The headlines are as follows:

- Overall funding increased £1.3bn from 2025-26 to £21.0bn in 2026-27 (6.7% cash, 4.4% real terms) but this includes Counter Terrorism funding.
- Funding to police forces has increased by £796m from 2025-26 to £18.4bn (equivalent to 4.5% in cash terms and 2.3% in real terms).
- Of the £796m increase - £364m (46%) comes from the assumed £15 Band D precept increase.
- The £432m additional grant funding, includes £50m for Neighbourhood Policing Priorities.
- Now just one 'conditional workforce grant' in 2026-27: the Neighbourhood Policing Ringfence, which replaces the Officer Maintenance Grant, totalling £363m in 2026-27.
- Exceptional Financial Support for Lincolnshire and the Met Police, worth £12m and £20m respectively in 2026-27.
- Significant increase in Capital Grant – from £123.1m in 2025-26 to £599.1m in 2026-27.

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- £119m investment for police reform for 2026-27 to be used for new capabilities including the national centre for AI.

7 Council Tax Capping/Referendum – Wales versus England

- 7.1 The 2026/27 Provisional Settlement increase headline figures incorporated council tax precept flexibility of £15 in England, without the need to call for a local referendum. Under devolution, the arrangements for Wales are that the power to determine capping levels on the council tax are administered by the Welsh Government.
- 7.2 There are two forms of capping designation and nomination. Welsh Government may designate or nominate an authority for capping its precept, if in their opinion its budget requirement is excessive.
- Designation requires an authority to reduce its budget requirement and rebill the council taxpayers at the force's expense (through the unitary authorities).
 - Nomination effectively puts an authority on notice that Welsh Government will stipulate a budget limit for the following year. Welsh Government is responsible for determining the criteria (the principles) for capping for all local authorities and police forces in Wales. The principles must include a comparison between the calculated budget requirement with that calculated for a previous financial year. Ministers are free to include in the principles any other matters they consider relevant.
- 7.3 Both the Commissioner and Chief Constable have maintained effective communications with both Ministers and Welsh Government through the Policing Partnership Board for Wales. The continued strengthening of the relationship of the Police Liaison Unit (PLU) has provided a valuable and additional opportunity to highlight the financial pressures and operational demands that are being faced by Dyfed-Powys Police and the wider police service in Wales.
- 7.4 It is for locally accountable Commissioners to consult and take decisions on local precept, explaining to their electorate how additional investment will help deliver a better police service.
- 7.5 Assuming each PCC increases their precept by the maximum allowed, £15, combined with tax base growth assumptions of 0.9% for England and 0.4% for Wales, this would provide an additional £364m of resources for policing from council taxpayers.

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- 7.6 Due to historic differences in council tax, the proportion that £15 represents can vary significantly between force areas. The £15 increase means that Northumbria's percentage increase is 8.6% followed by the West Midlands at 7.5% and Surrey and Norfolk at 5.3% and 5.4% respectively. Conversely, £15 represents a 4.5% increase for Gwent, South Wales, Dyfed-Powys and North Wales. The impact of Council Tax Freeze/Support Grants in England clearly has impacted on historic precept levels, which generally mean that their precepts are lower and making comparisons difficult to make.
- 7.7 These inherent differences in both historic core grants and local precept decisions mean that it is very difficult to draw meaningful comparisons between force areas in Wales but also in England.

8 Dyfed-Powys Police – 2025/26 Financial Context

- 8.1 The following table summarises the range of financial risks and opportunities over the short and medium term, which were presented to the Police and Crime Panel, Joint Audit Committee and Audit Wales in late November 2025:

Figure 7: Financial Risk and Opportunity Balance Sheet

Financial Risk and Opportunity Balance Sheet	
Risks	Opportunities
<ol style="list-style-type: none"> 1. Settlement announced in CSR June 2025 below pay award, inflation & real living wage 2. Impact of sentencing review and continued protests etc. on workloads and capacity 3. Continued high inflation and long-term interest rates are extending financial risk 4. Significant unavoidable increase in costs being passed on by suppliers – pay awards real living wage / employer's NI / tariffs etc. 5. Cost of living impact on communities 6. Workforce planning – Officer Uplift targets and Neighborhood Policing Guarantee year 2 targets, options and funding unclear 7. Officer / PCSOs numbers linked to Grants / Police Staff structure already revised 8. High Officer / staff turnover - Grant / inexperience front line / response 9. Capacity in support functions to fill vacancies / change / training / vetting at pace. 	<ol style="list-style-type: none"> 1. Baseline Budget within target in current year and resilient - additional pay award grant 2. Reserves and borrowing levels – better picture than predicted through slippage 3. Force Review arrangements in place - Year 2 and 3 in progress – productivity / FLP gains – now as BAU 4. Innovation and investment leading to service improvements and savings 5. Further technology opportunities to reduce workload / demand and a willing workforce / RPA /AI /Victim updates etc. 6. Chance to improve crime prevention and engagement with children / young people 7. Neighborhood Policing Guarantee – additional people to enhance front line 8. Force Management Statement commended by HMICFRS – Strategic Planning and Assurance Cycle 9. Sustainability and Premises Savings 10. Capital investment requirements well understood and modelled.

- 8.2 Many of these risks and opportunities have begun to materialise and will be

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detailed further in the following sections, and the financial consequences will be addressed in Section 10 and consolidated as part of the MTFP for 2026/27.

- 8.3 The 2025/26 in-year financial position as at the end of December continues to be positive and based on current monitoring, a planned underspend of £1.6m is forecasted. The main variances are due to staff recruitment slippage.
- 8.4 Again, the factors accounting for the underspend in 2025/26 have been fully reflected in the 2026/27 budget outlined in detail in Section 10, for example in terms of an increased vacancy assumption for police staff from 5% to 6.4%, and cost reductions in terms of Estate Utilities costs, etc.

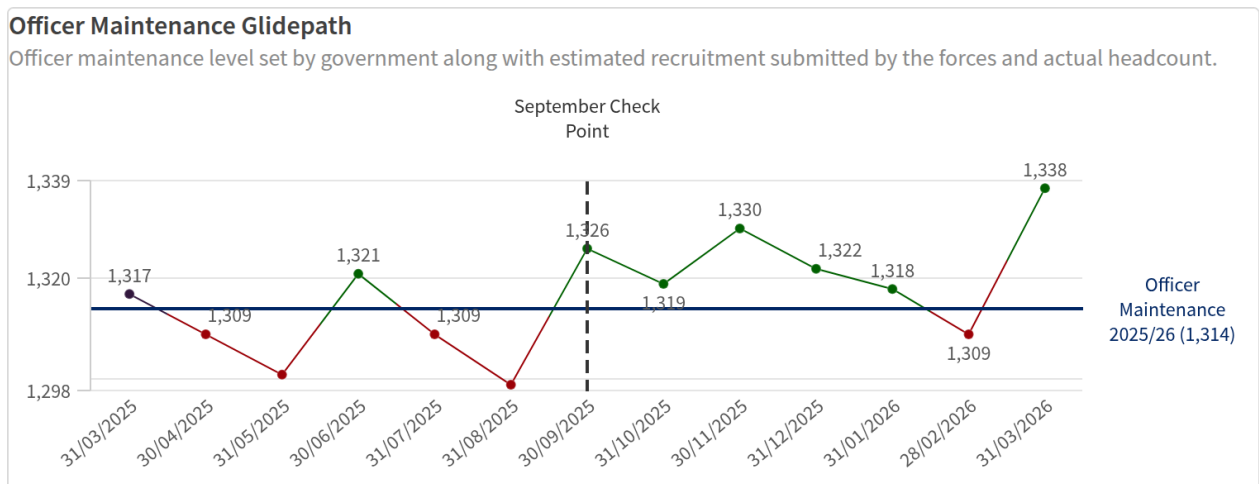
9 Workforce Plan

- 9.1 The Strategic Workforce Plan 2025–2029 sets out a comprehensive approach to ensuring that Dyfed-Powys Police has the capability and capacity to meet current and known future challenges, while ensuring a workforce that is diverse, inclusive, and resilient.
- 9.2 The budgeted establishment for 2026/27 includes growth for both officers and staff, which is then maintained for the remainder of the period.

	Police Officers FTE	PCSOs FTE	Police Staff FTE	Total FTE
Budgeted Positions 2024/25	1292	144	836	2272
Budgeted Positions 2025/26	1299	132	863	2294
Budgeted Positions 2026/27	1311	132	925	2368
Budgeted Positions 2027/28	1311	132	925	2368
Budgeted Positions 2028/29	1311	132	925	2368

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- 9.3 The growth in police staff posts in 2026/27 comes from the realisation and recruitment of posts from previous decisions in 2025/26. This included a £1.417m grant from the Neighbourhood Policing Guarantee, supporting the recruitment of 33 additional staff posts to release 33 officer posts to Neighbourhood Policing Teams, which is on track for full delivery by the end of March 2026. A further 17 staff positions to release officer posts were funded through savings and/or precept agreed for 2025/26, and it is anticipated that the growth will be fully delivered by summer 2026. This is in addition to new roles created to enhance prevention, intervention and engagement of children and young people, as outlined in the Police and Crime Plan.
- 9.4 The Neighbourhood Policing Guarantee grant for 2026/27 is £2.6m, which will further increase resourcing by 11 officers. This has been built into the workforce plan. The Force's priority will be on increasing the officer establishment, specifically for neighbourhoods. The change in focus will allow the finalisation of the previous police staff recruitment activity and recognises the complexities of continuing this approach.
- 9.5 The final settlement has confirmed there will no longer be a requirement to meet the uplift targets previously agreed. The Force will have greater flexibility in appointing support function roles and assessing if a warranted police officer or staff member would be most appropriate. The predicted establishment numbers forecast for the end of March 2026 are planned to enable full draw down of the Neighbourhood Policing grant in 2026/27, if made available.

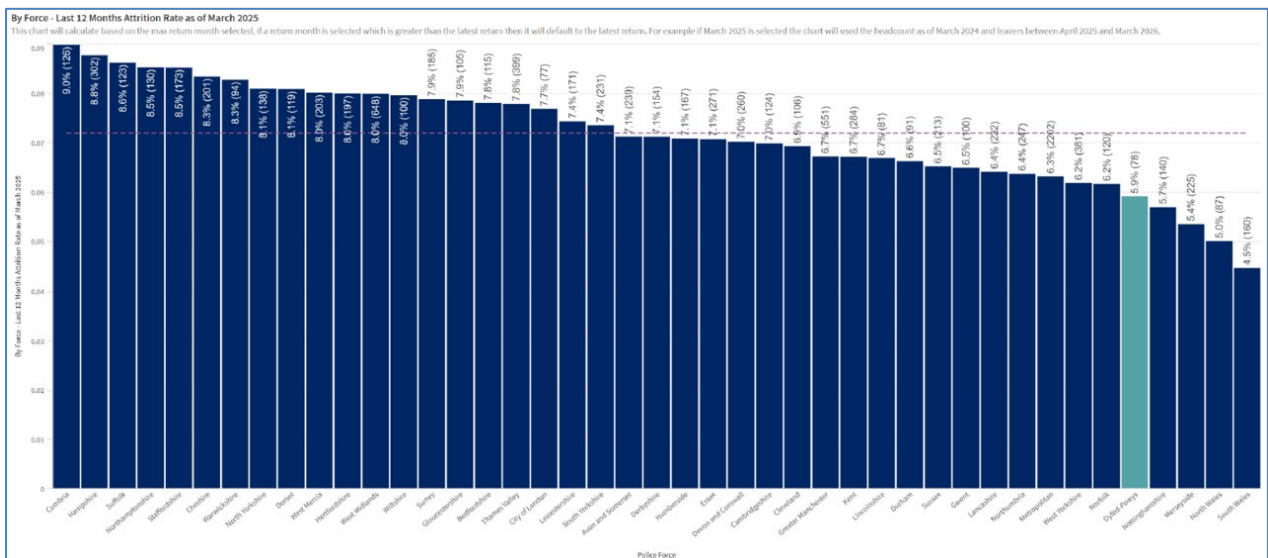


- 9.6 In March 2025, the Force adopted a simplified entry route (Police Constable Entry Route), which is accredited by the University of South Wales to diploma level. The new routes were designed to address some of

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the feedback from student officers, also reflected in attrition, regarding the difficulties in juggling academic work with a new career and operational challenges.

- 9.7 The new entry route has the added benefit of fewer abstractions from operational duties and lower costs with the academic provider, thereby providing better value for money. A review of the entry route will be undertaken once officers have passed through the whole process, to enable a full evaluation.
- 9.8 Force attrition rates for officers have fallen in previous year from 6.6% to 5.9%, which is currently the 5th lowest rate in England and Wales.



- 9.9 The increase in police staff roles provides greater opportunities for career pathways with lateral development or progression within the workforce. However, the time taken to hire, specifically relating to the pre-employment checks, are causing a delay in filling vacancies, which impacts on the capacity and capability of the hiring department. Whilst a police staff member can generally leave the organisation with a month's notice, it takes on average 5–6 months to recruit into roles, without considering any training requirements. A snapshot of data shows that the period has increased significantly over the last year.

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Number of days between start date and:	1st Jan to 30th Sept 2024	1st Jan to 30th Sept 2025	Change
Time to hire (<i>conditional offer made to offer accepted</i>)	80.30	88.60	+10.3%
Time to hire (<i>application received to offer accepted</i>)	115.94	134.30	+15.8%

- 9.10 This is a key priority area to support enabling functions (Recruitment, Vetting, and Occupational Health) to reduce the time taken to hire, to ensure there is capability and capacity to deliver across Force functions.
- 9.11 The Force Review has transitioned into a programme of work focused on the Force Operating Model, while overseeing progress relating to the Neighbourhood Policing Guarantee. The decisions made through governance arrangements will continue to shape the workforce plan. Whilst several of the workstreams are now being embedded, others have yet to be realised.
- 9.12 Key pieces of work under this programme yet to be delivered include:
- Desirable Operating Numbers – including resourcing requirements within Response, NPPT, CID and Specialist Operations. This will be achieved through the manipulation of simulation models provided by Process Evolution, with the first report due in Spring 2026.
 - Crime Recording – to deliver recording crime at the 'nearest' point of contact, which will assist in addressing National Crime Recording Standards (NCRS) and Crime Data Integrity (CDI) challenges whilst improving services to victims. The investigative approach for the Crime and Incident Hub (CIH) will be considered alongside the increase of resources within NPPT and the capacity to deal with a range of neighbourhood crimes within that team.
 - Trent Optimisation – to better coordinate pre-existing people data, processes and performance data within the Trent HR System, to enhance reporting capability and aid workforce planning. This work will start in April 2026.
 - Approach to Performance & Sickness Management and Restricted & Limited Duties – the scope of this work is currently being determined.
- 9.13 This programme of work has placed significant additional demand on all People and Organisational Development Teams in support of multiple change processes, recruitment and training activity, which has been undertaken on top of business as usual.

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- 9.14 The College of Policing and NPCC recognise that Artificial Intelligence (AI) has the potential to transform policing, improving the speed and accuracy of policing activities and enabling officers to focus more on the front line. However, there is recognition that policing, and the Force specifically, will need to develop its digital infrastructure, skills and experience in this area to achieve meaningful and lasting benefits, as well as considering wider safety, ethical and legal matters to ensure trust and confidence in the service is maintained. There is a need to develop a strategy in relation to use of new technologies, including AI, and to understand how this will change the Force's skills and workforce requirements - this work is being progressed.
- 9.15 The Strategic Workforce Plan will be reviewed and updated through relevant governance and be subject of an annual review. Any submissions relating to the Strategic Planning Assurance Cycle (S-PAC) will not be included within the plan until all budget processes and financial settlements have been finalised for 2026/27. A workforce planning section has been added as a requirement to future S-PAC submissions by Heads of Departments.

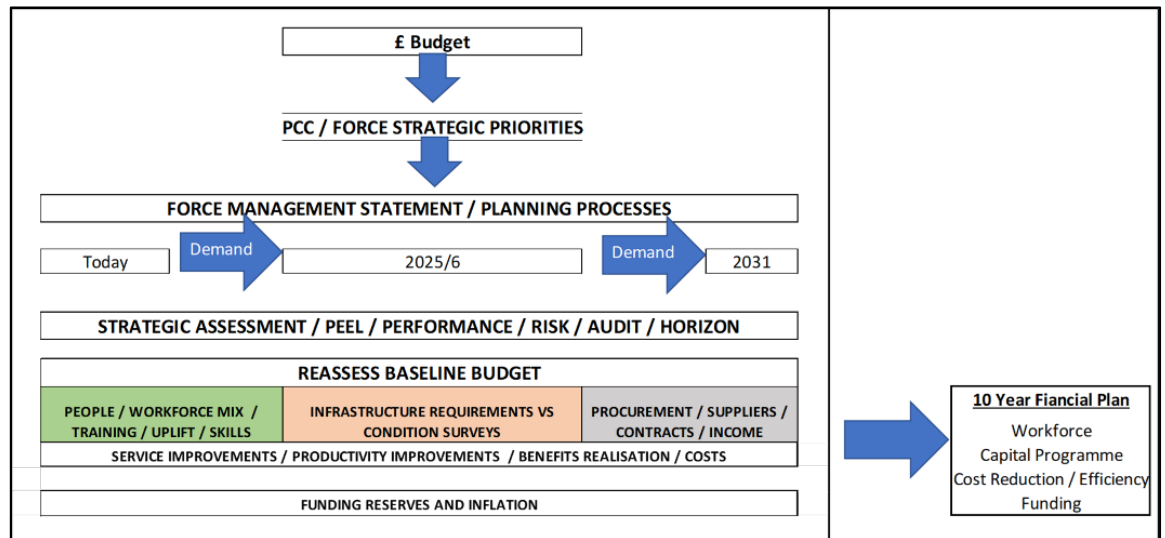
10 Budget Process and Budget Requirement for 2026/27

- 10.1 Work continued during 2025 to further embed the budget setting process as a key part and product of the wider strategic planning and assurance process. This approach has seen Finance Business Partners continuing to work closely with service managers and budget holders, to fully review baseline budgets and critically assess demand and cost pressures, while also seeking to identify efficiencies and savings in their respective business areas.
- 10.2 The relationship between in-year financial monitoring and budget setting has been strengthened each year. The aim of the process is to channel resources towards the delivery of key priorities while ensuring a clear link between the budget, MTFP and underpinning workforce and capital investment plans and requirements.
- 10.3 The 2026/27 budget setting process was incorporated within the wider Strategic Assurance and Planning Cycle, which has further developed the important link between Strategic Planning and budget setting. This incorporates the production of the Force Management Statement – an annual assessment process that considers the capability and capacity of Force assets (people, skills, ICT equipment, buildings and fleet, etc.) against current and likely future demand.
- 10.4 The process has also considered HMICFRS Areas for Improvement and audit recommendations, as well as being tied into Strategic Risk

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Management and Project Management arrangements as depicted in the following graphic. This has ensured that resources, budget allocation decisions and the workforce plan all reflect Strategic Priority requirements in terms of capacity, risk and future demands. This is also underpinned further by detailed Departmental Plans compiled and updated in a standard format.

Figure 8: Financial Monitoring Setting (FMS) and MTFP Linkage



- New Planning and Assurance Cycle (PAC) Process
 - Force Management Statement - June 2025 (Positive Feedback)
 - HMICFRS / Audit Requirements / Projects and Funding Group / Strategic Presentations / Chief Officer Prioritisation
 - Workforce plan / Costed Training Plan / Departmental Plans
- Capital Programme Requirements
 - Strategic Estates Group / Operational Estates
 - IT Strategy Group
 - Fleet Strategy Group
- Chief Officer Prioritisations
- PCC / Chief Officer Meetings

10.5 The Strategic Finance and MTFP Board, within the formal governance structure, has continued to oversee the delivery and timeliness of this approach, with financial planning also being a key focus for the Strategic Estates Group/Operational Estates Group, ICT Strategy Group and Fleet Strategy Group particularly linked to prioritisation in relation to capital-related schemes and projects.

10.6 The use of both the Chartered Institute of Public Finance and Accountancy (CIPFA) and HMICFRS Value for Money profile benchmarking data continues to develop, as this is helpful to assess demand and value for money considerations. The following table provides some high-level benchmarking and comparator data for 2025/6 derived from National ONS people data. The data shows the significant impact that the Force's (and most similar forces') geography has on staffing requirements, for example for custody, investigations (including Protecting Vulnerable People (PPVP))

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and armed response functions in comparison to the rest of Wales.

- 10.7 The Force operating model has seen significant changes over recent years, and this is reflected in Table 5. There are some 75 fewer positions across Response, Neighbourhoods, Control Room and Roads Policing functions compared to other Welsh forces on a proportionate basis. More officers are now more directly involved in crime and justice activities. The workforce modernisation, Neighbourhood Policing Guarantee, and further technology and operating model work being conducted under the governance of the Senior Sponsors Group, is seeking to ensure that the balance between response and crime remains appropriate. Further work has been commissioned on this which is due to be concluded in spring 2026.
- 10.8 Compared with other English non-Metropolitan forces, the Force has 39 more officers in response and neighbourhood functions.
- 10.9 From a crime investigation perspective, the data shows that the Force employs roughly the same FTE as other English non-Metropolitan forces in the category "Investigations and Vulnerable People". This is significantly higher than in other Welsh forces and most similar forces. This is believed to be mainly down to categorisation and crime allocation policies between response and investigation teams, as well as there being more generalist and fewer specialist Investigation and Offender Management Teams in Dyfed-Powys Police compared to most similar forces.
- 10.10 Investigation structures have already been reviewed as part of the Force Review, which has concluded that this level of resource was appropriate from an investigations demand versus resource requirement perspective. However, with further work now being commissioned in terms of response resource requirements as alluded to above, the operating model may yet require some further refinement during 2026/27.
- 10.11 Enabling services such as ICT have considerably fewer staff allocated as a proportion of the overall workforce in Dyfed-Powys Police than elsewhere. The resource requirement is being reassessed as part of updating of the Force Innovation and Technology Strategy and delivery requirements which are incorporated as part of this Plan.
- 10.12 Other support services show a slightly higher number of staff employed across functions such as Estates, HR and Training, and Finance and Administration in Dyfed-Powys Police. However, the degree to which functions are outsourced has a significant impact on these, particularly in relation to comparisons with most similar forces. Further benchmarking work will be undertaken on these areas once CIPFA releases financial

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benchmarking data on 2025/26 budgets, which is imminent.

Table 5: Benchmarking of Workforce Data – September 2025

Category	Dyfed Powys					Other Forces		
	Police Officers	PCSOs	Police Staff	Total	%	MSF	Wales	English Non Met
	FTE	FTE	FTE	FTE		FTE	FTE	FTE
Response and Neighbourhoods	602	130	34	767	34%	-8	34	-39
Force Control Room	7	-	135	142	6%	41	16	54
Investigations and PVP	428	-	167	595	27%	-58	-64	2
Criminal Justice and Custody	54	-	123	176	8%	-7	-20	-34
Armed Response Units	48	-	-	48	2%	12	-16	-11
Roads Policing	15	-	18	33	1%	7	25	30
Specialist Operational Support	28	-	7	35	2%	5	5	9
National Policing	38	-	9	47	2%	-5	19	-5
Enabling Services								
Estates	-	-	20	20	1%	-10	1	-3
ICT	-	-	37	37	2%	40	27	7
Fleet	-	-	18	18	1%	-1	-6	-5
HR and Training	45	1	67	114	5%	-8	-9	6
Finance and Administration	1	-	55	56	3%	-3	-9	2
Professional Standards	11	-	21	31	1%	1	-7	-1
Support Services	15	-	98	113	5%	-5	4	-12
	1,291	131	809	2,232	100%	0	0	0

Standstill Budget Position

10.13As highlighted in the Finance Seminar in November 2025 by the Director of Finance, the Force has an array of cost pressures on a standstill basis that reflect unavoidable national factors and issues. These add £8.4m, or 5.4%, to the overall budget requirement in 2026/27. These are shown in Table 6 below:

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Table 6: 2026/27 Standstill Requirement

Cost Category / Description	Budget Requirement	% of NRE
	£m	
Opening Baseline Budget 2025/6	156.3	
Correct for Pay Award – September 2025 (2.8% to 4.2% for 7 months)	1.2	0.8%
Full-Year Effect – September 2025 Pay award (4.2% for 5 months)	2.5	1.6%
Part-Year Impact of September 2026 Pay Award (3.0%) (7 months)	2.5	1.6%
Impact of Real Living Wage on Lower Grade salaries	0.1	0.1%
General/Specific Inflation (at 3% for non-specific headings)	1.0	0.6%
Officer and Staff Increments/Bank Holidays	0.6	0.4%
Legislative Requirements – Control Room Investment	0.1	0.1%
Unavoidable Standstill Cost Pressures (Insurance/Interest Rates)	0.4	0.3%
Total Unavoidable National Issue Costs	8.4	5.4%
Net Standstill Budget Requirement for 2026/27	164.7	5.4%

- 10.14 The starting point for constructing the budget for 2026/27 was to correct the pay inflation assumptions made during the budget process for 2025/26.
- 10.15 As per the steer from the Home Office last autumn, the budget for officers and staff was set at an assumed 2.8% increase from September 2025. The actual pay increase awarded in the summer was, however, 4.2%. It is estimated that the part-year impact of this correction to the base budget of 0.8% is £1.2m on a part-year basis (i.e., from September 2025 to March 2026). A further £2.5m or 1.6% needs to be added to the baseline budget as full impact of the 4.2% award for the 5-month period from April to August 2026.
- 10.16 Assumptions on inflation and pay awards for the next financial year remain challenging as forecasts from the Office of Budget Responsibility (OBR) continue to be revised. The “Economic Evidence to the Pay Review Bodies 2026–27 Pay Round” report published on 15 December 2025 states that the OBR expects CPI inflation to have peaked at 3.9% in Q3 2025 and forecasts it to fall to 2.2% in 2026/27. Equally, the OBR expects nominal average weekly earnings growth to decline to 3.2% in 2026/27 and to

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remain between 2.1% and 2.3% between 2027/28 and 2030/31.

- 10.17 Based on an assumed increase for budget-setting purposes of 3.0% in pay for officers and staff from September 2026, a further £2.5m or 1.6% needs to be added to meet the part-year impact on a standstill basis.
- 10.18 Inflation on goods, services and contracts is largely linked to CPI which is projected to be around 3.0% for most cost categories, adding a further £1m or 0.6% in budget terms. This assumption incorporates a higher growth than anticipated by the OBR to reflect the higher-than-expected inflation rate experienced in the 2025/26 financial year.
- 10.19 An inflationary increase of 15% has been incorporated for forensic services-related contracts because of long-standing difficulties being experienced in that sector and linked to a new national contract.
- 10.20 The costs of national ICT systems are likely to increase by 5.9% next year due to the rollout of the National Law Enforcement Database and other systems. Training costs are also projected to increase by 5.9% as the College of Policing moves to pass on the impact of central grant reductions into its charging arrangements. This is reflected in the overall increase of £1m.
- 10.21 Police officers and staff are entitled to annual increments, and a net increase of £0.6m is needed for 2026/27. This figure also incorporates the costs of policing an additional Bank Holiday during 2026/27, compared with 2025/26.
- 10.22 In terms of legislative requirements and unavoidable costs, an increase of 8 additional DCS Radio Ports is required to ensure that the Force is compliant with the Manchester Arena Inquiry national recommendations and to ensure that critical information can be communicated to key critical partners during a major incident. Associated cost will be £0.1m per annum.
- 10.23 The Force is also facing an increase in insurance premiums due to an increasingly hardening market, particularly in relation to vehicle insurance across the sector. In addition, there is a projected loss in interest receipts income overall due to projected falling interest rates and reserves connected to the profile of capital spending linked to the major capital schemes. Taken together, it is estimated that these will add some £0.4m, or 0.3%, to the baseline budget for 2026/27.
- 10.24 In relation to specific grants, the Neighbourhood Policing Grant has replaced the Uplift grant. It is understood that there will no longer be a

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requirement to maintain uplift targets for overall police officer headcount. There will, however, be a focus on Neighbourhood Policing resourcing.

- 10.25 In relation to other specific grants, no further changes have been assumed other than a 2% increase that has been initially indicated in relation to the Welsh Government PCSO Grant. This equates to the funding of approximately 51 Police Community Support Officers for 2026/27. Dyfed-Powys Police plans to fund an additional 81 FTE, to maintain a total standstill establishment of 132 as required to maintain the Neighbourhood Policing Guarantee commitments.
- 10.26 The following table sets out the array of specific grants as adjusted for notified increases and reductions:

Table 7: Specific Grants

	2025/26	2026/27	Change
	£m	£m	£m
Welsh Government Grants			
WG PCSO	-2.361	-2.408	0.047
WG PFI Grant	-0.245	-0.221	-0.024
WG School Liaison	0	0	0
Total	-2.606	-2.629	0.023
Home Office Grants			
Uplift Grant	-3.006	0	-3.006
Special Branch	-0.735	-0.727	-0.008
Disclosure Grant	-0.321	-0.615	0.294
Royal Protection	0	0	0
Pensions Grant	-3.731	-3.731	0
Capital Financing Grant	-0.164	-0.164	0
Total	-7.957	-5.237	-2.72
Other Grants			
PCC – Ministry of Justice	-1.386	-1.386	0
Other Grants/PEQF	-0.617	-0.465	-0.152
NCTPHQ – Counter Terrorism	-3.189	-3.069	-0.120
Total	-5.192	-4.92	-0.272
Total Before New Grants	-15.755	-12.786	-2.969
<u>New Grants for 2025/26</u>			
National Insurance Grant	-2.13	-2.18	0.50
Neighbourhood Policing Guarantee	-1.417	-2.591	1.174
Total New Grants 2025/26	-3.547	-4.771	1.674
Total/Change – All Grants	-19.302	-17.557	-1.745

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Local Cost Pressures

10.27 Having updated the baseline budget requirement on a standstill basis, there are some other critical growth pressures which are aligned to both the Police and Crime Plan and Chief Constable's priorities/Force Management Statement requirements that have been incorporated into the budget requirement. These costs are unavoidable in terms of the budget but result from local rather than national decisions.

10.28 These are detailed in the following table and further described below:

Table 8: Local Cost Pressures and Cost Reduction Plan

Cost Category / Description	Budget Requirement £m	% of NRE
Standstill Budget for 2026/27 Carried Forward	164.7	5.4%
Minimum Revenue Provision/Capital and Estates Costs	0.2	0.1%
Full Year Impact of National Policing Guarantee/2025/26 Growth	0.4	0.3%
Removal of Items Funded by Reserves 2025/26	0.2	0.1%
NP Guarantee Recruitment plans – April 26 (+11 Officers)	0.4	0.2%
Additional grant (NPG)	-1.2	-0.8%
Other Cost Pressures – Self Generated	0.0	0.0%
Standstill budget Requirement (£+8.2m)	164.7	5.4%
Reduction in Police Staff Employers Contributions (16.8% to 12%)	-1.8	-1.2%
Force Cost Reduction Plan – Recurring Reductions	-2.1	-1.3%
Net Cost of Force Cost Reduction Plan	0.4	0.3%
Total Cost Reductions/Savings Plan in Year	-3.5	-2.2%
Budget Requirement Before Service Improvements (£+4.9m)	161.2	3.2%

10.29 The need for a replacement station in Llanelli was well documented, and this became operational in 2024, funded by borrowing. In addition, the building of a new joint firearms range in collaboration with South Wales Police and Gwent Police was unavoidable, with the existing facility not fit for purpose and in danger of losing its operating license. Additional revenue interest costs, running costs and a minimum revenue provision, reflecting a depreciation charge in respect of these plus other more minor

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estates schemes, must be provided for within the budget, adding £0.2m for 2026/27.

- 10.30 Growth incorporated in 2025/26, in relation to Criminal Justice and the Neighbourhood Policing Guarantee, was phased in partway through the 2025/26 financial year. A full-year additional budget of £0.4m is required to fund these for a full year recurrently.
- 10.31 In addition, certain activities and income streams that were one-off or pending in nature were partially met through the utilisation of one-off reserves in 2025/26. The reversal of these items adds some £0.2m to the total budget for 2026/27 on a net basis.
- 10.32 In terms of the workforce plan, following confirmation for a second round of Neighbourhood Policing Guarantee funding, plans to recruit a further 11 new officers are underway. This adds approximately £0.4m to the budget.
- 10.33 In total this brings the standstill budget requirement to £164.7m or 5.4%.
- 10.34 The cost increases listed above are mitigated by a reduction in staff employer's pension contributions from 16.8% to 12% based on the outcome of the latest three-year valuation because of an actuarial projected surplus against the funded scheme. This is a net reduction of £1.8m against the annual budget, which is most welcome.
- 10.35 In addition, the Strategic Planning and Assurance Cycle and Force Review work has assisted in identifying a further £1.7m in cashable efficiency and cost reduction measures that can be implemented at a cost of £0.4m.
- 10.36 The net effect of these is to bring the budget requirement before strategic developments down to £161.2m, or a 3.2% budget increase.

Table 9: Cost Reduction Plan 2026/27

Cost Reduction Category	Value of Reduction to budget £m
Budget Austerity Measures and Savings	-0.2
Police Staff Vacancies and Slippage in Appointments	-0.4
Local, Collaborative and National Procurement	-0.3
Income Generation and Recharges	-0.2
Insource Training and Invest to save	-0.1
Other Procurement and Sustainability Initiatives	-0.4
Overtime Reductions and Staff Position Reconfiguration	-0.4
Technology Saving	-0.1

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Total Cost Reduction Measures

-2.1

Planning and Assurance Cycle Developments Supported by the Force

10.37 As well as the cost pressures included above, the Force has included a list of prioritised service improvement initiatives in its budget requirement calculation that have been identified as part of the Planning and Assurance Cycle process as described in Section 2. These were also highlighted in the Finance Seminar in large part and total £3.9m or 2.2%.

10.38 Including these initiatives in full would result in a below budget requirement:

Cost Category / Description	Budget Requirement £m	% of NRE
Standstill Budget for 2026/27 Carried Forward	161.2	3.2%
Increase in Recurring Direct Revenue Financing	1.4	0.9%
Strategic Planning Assurance Cycle – Net Requests Supported	2.5	1.6%
Strategic Planning Assurance Cycle – One Off Developments	0.9	0.6%
Utilisation of Reserves and scheduling to fund one off requests	-0.9	-0.6%
Total Net Costs Included – S-PAC	3.9	2.5%
Budget Requirement (£+8.8m)	165.1	5.7%

10.39 The Budget for this year includes an increase in Direct Revenue Financing (DRF) from revenue of £1.448m which takes the total DRF budget from £2.809m to £4.250m.

10.40 Concern has been raised over several years at national level through the NPCC that the lack of funding for capital investment threatens the financial resilience of Commissioners, particularly when faced with significant investment requirements for investment in the estate, fleet replacements (including alternative fuels) and ICT investments (for example, ESN) to deliver policing services sustainably in the longer term.

10.41 The Comprehensive Spending Review outcome in June 2025 has failed to recognise or acknowledge this, leaving little option but to act now to begin to address this long-standing issue. It has been assessed that a provision

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of almost 1% per annum is required in 2026/27, and a further £850k per annum for the next two years is required, to address this issue and minimise borrowing requirements. Capital reserves utilised to fund numerous ICT and fleet replacements are projected to deplete and there is a requirement for these to be replaced by a sustainable funding source in the medium term.

10.42 The Force has continued to develop its Strategic Planning and Assurance (S-PAC) arrangements which have identified gaps in service provision highlighted by internal service leads. Service leads have presented costed plans to address these which have been prioritised by Chief Officers in cognisance of consultation with stakeholders, victims, the public, Force Management Statement arrangements, risk management arrangements, audit reports and inspectorate agency findings, as was highlighted at the Finance Seminar in November 2025.

10.43 In total, budget proposals of £8.1m were brought forward and considered, with some £3.3m of these supported by Chief Officers. Of these, £0.9m were one-off in nature which could be funded by scheduling recurring bids, leaving a net budget increase requirement of £2.5 million. A summary of this is include in the Table below:

	26/7	27/8	28/9	29/0	26/7	27/8	28/9	29/0
	£	£	£	£	FTE	FTE	FTE	FTE
Innovation and Technology	410,500	0	0	0	5	0	0	-5
Legal Costs/Services	185,235	214,311	0	0	5	3	0	0
TIAA Recommendation	0	0	0	2,000	0	0	0	0
Business Support Pressures	417,338	0	0	0	5	0	-1	0
Recruitment and Vetting	89,133	0	0	0	2	0	0	0
Addressing FMS Demand Issues	103,527	0	0	0	5	0	0	0
Skills Development	85,202	0	0	0	1	0	0	0
Change Capacity	174,070	0	0	0	7	0	0	0
Cyber Security	24,600	0	0	0	0	0	0	0
Increased Service Capacity	44,000	0	0	0	0	0	0	0
Prevention Intervention and Engagement	730,711	0	0	0	14	0	0	0
Assets/Equipment	25,000	20,000	0	0	0	0	0	0
Income Loss	55,384	0	0	0	0	0	0	0
Victim Update Solutions	150,000	0	0	0	0	0	0	0
	2,494,700	234,311	0	2,000	44	3	-1	-5

10.44 Generally, the S-PAC proposals that remain in the process relate to:

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- Some unavoidable cost pressures, for example insurance, etc.
- The Prevention, Intervention and Engagement programme, reflecting the public's views from the youth survey that prevention needs to be a focus of policing work.
- Seeking to address victim survey responses which frequently highlight a gap in keeping them informed of progress with crime enquiries.
- Building capacity for change, recruitment, occupational health, development of talent, HR and vetting, etc., given the ambition for change and wellbeing.
- Technology, data and innovation, particularly around services to victims – for example, Victim Management and Crime Recording Modules, My Police Portal and laptops for officers (dependent on the Ceredigion pilot).
- A 2.2% cost reduction target including procurement, estates, pensions contribution reduction, etc.
- Utilisation of reserves and recruitment slippage for one-off initiatives.

10.45 The overall outcome of the settlement, budget required, savings plan and proposed precept has resulted in the following balanced budget being prepared. A fuller breakdown for 2025/26 to 2030/31 is provided in Appendix A.

Table 10: Summary Budget Requirement and Funding 2026/27

Cost Category / Description	Budget Requirement £m	% of NRE
Opening Baseline Budget 2025/26	156.3	
Total Unavoidable National Issue Costs (Table 6)	8.4	5.4%
Other Cost Pressures – Self Generated (Table 8)	0.0	0.0%
Total Cost Reductions/Savings Plan in Year (Table 9)	-3.5	-2.2%
Total Before PAC Service Improvement Requests	161.2	3.2%
Increase in Direct Revenue Financing	1.4	0.9%
PAC Service Improvement Requests (Section 10.29)	2.5	1.6%
Budget Requirement 2026/27	165.1	5.7%
Funded By:		
Core Police Grant	-64.1	
Welsh Government RSG and NNDR Allocations	-8.0	
Total Grant funding	-72.1	
Precept Requirement	-93.0	

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Total Funding	-165.1	5.7%
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11 Medium-Term Budget and Outlook

- 11.1 Despite the announcement by Rachel Reeves, Chancellor of the Exchequer, on 11 June 2025 setting out a three-year settlement from 2026–27 to 2028–29 of a 4.1%, 2.4% and 1.4% core grant increase, the assumptions for the medium-term budget continue to be challenging. The combination of inflationary pressures, geopolitical instability and slower than anticipated economic growth continue to make long term planning challenging. In addition, there is no certainty of future grant funding arrangements to include Police Officer Uplift and Neighbourhood Policing Guarantee.
- 11.2 It is already apparent that the Government faces an array of competing pressures, commitments and priorities. In November 2025, the Home Secretary Shabana Mahmood announced plans to abolish Police and Crime Commissioners and introduce broader policing reform. This announcement was part of the Government’s wider programme of policing reform, with further detail expected to be published in late January 2026. It is hoped the Home Office White Paper will set clear proposals for policing reform and provide clarity on a fair and sustainable funding model.
- 11.3 The discipline of maintaining a Medium-Term Financial Plan (MTFP) based on a set of reasonable assumptions is a vital consideration when assessing and setting the precept for 2026/27. Maintaining financial resilience and ensuring sustainability is important not just for one year but also into the future. The MTFP provides an opportunity to consider and shape this.
- 11.4 It is expected that pay and price inflation will continue to exert pressure on the costs of providing policing services over the planning period of the MTFP. The assumptions are linked to the latest Office of Budget Responsibility (OBR) report, which predicts that inflation will continue to fall but at a much slower rate than anticipated last year or indeed earlier this year. It seems reasonable at this stage to utilise OBR forward forecasts for CPI inflation as a basis, and these are shown in the Table below.

Table 11: MTFP Inflation Assumptions

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Description	Months	Base	PYR Inflation	2026/7	2027/8	2028/9	2029/30	2030/31	2031/32
	Mnths	%	%	%	%	%	%	%	%
Staff Pay Award	7	2.8	4.2	3	2.25	2.1	2	2	2
Officer Pay Award	7	2.8	4.2	3	2.25	2.1	2	2	2
Electricity and Gas	12	0	0	3	2.1	2.1	2	2	2
Fuel and Utilities	12	0	0	3	2.1	2.1	2	2	2
Training Costs	12	0	0	5.9	2.1	2.1	2	2	2
General Inflation	12	0	0	3	2.1	2.1	2	2	2
PUP	12	0	0	0	0	0	0	0	0
PCSO	12	0	0	2	0	0	0	0	0
Grants	12	0	0	0	0	0	0	0	0
PFI	12	0	0	-10	-10	-10	-10	-10	-10
Real Living Wage	12	0	0	4	2.1	2.5	2.5	2.5	2.5
Forensics	12	0	0	15	2.1	3	2	2	2
Income	12	0	0	3	2.1	2.1	2	2	2
Pension Increase	12	0	0	3.8	2.1	2.1	2	2	2
Capital Financing	12	0	0	0	0	0	0	0	0
Reserves	12	0	0	0	0	0	0	0	0
Recharges	12	0	0	0	0	0	0	0	0
Firearms	12	0	0	3.8	2.1	2.1	2	2	2
ICT Contracts (MTA)	12	0	0	5.9	5	5	5	5	5
ICT Contracts	12	0	0	3	2.1	2.1	2	2	2

11.5 Specific grants remain a risk for the organisation, and it is apparent from the previous reductions of PCSO funding and withdrawal of Schools Liaison Programme funding by Welsh Government for 2024/25 that there is no certainty of continuation. The risks surrounding specific grants need to be recognised as these are integral to underpinning a range of policing services. Grants which underpin police officer salaries also carry the attached risk due to the stringent requirements of the Police Uplift Programme.

11.6 Following the CSR update, the MTFP includes core grant increases of 4.1%, 2.4%, 1.4% over the three years (2026/27 to 2028/29), and a 1.4% increase each year thereafter.

11.7 For MTFP purposes, a forward precept assumption of 6% has been assumed from 2027/8 onwards for planning purposes.

12 Future Savings/Cost Reduction Plan and Force Review

12.1 In addition to increases in base costs, a cost and service reduction plan has been developed that aims to deliver additional savings over the next

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four years.

Table 12: Savings Plan/Force Review

Efficiency Programme - 2026/7 to 2029/30					
Measure	2026/7	2027/8	2028/9	2029/30	Total
	£	£	£	£	£
Budget Austerity Measures	-177,547	0	0	0	-177,547
Budget Austerity Saving	-7,000	0	0	0	-7,000
Police Staff Vacancies	-448,001	0	0	0	-448,001
Collaborative Procurement	-300,000	-300,000	-300,000	-300,000	-1,200,000
Income Generation	-13,000	0	0	0	-13,000
Income Generation - Recharges	-69,622	-45,000	0	0	-114,622
Income Generation - Seized Cash / Found Property	-99,112	0	99,112	0	0
Insource Training	-38,755	-5,715	-2,970	0	-47,440
Invest to save Project	-25,000	0	0	0	-25,000
Overtime Savings	-37,000	0	0	0	-37,000
Procurement - Sustainability	-384,260	-20,382	31,260	-150,000	-523,382
Staff Position Reconfiguration	-450,950	0	-14,287	0	-465,238
Technology Saving	-31,786	-407,271	-4,509	0	-443,566
	-2,082,034	-778,368	-191,394	-450,000	-3,501,796

12.2 In addition to the savings identified above, the Strategic Planning and Assurance Cycle will review working arrangements and investment in innovation to continually identify efficiencies and savings. The creation of an Innovation Hub will support this work to accelerate the impact of service delivery.

13 Capital Investment Plans

13.1 Assets are vital to the delivery of efficient services and should be well managed and maintained. Strategies for estates management, ICT and fleet replacements underpin the Capital Strategy, as detailed in Appendix F. Capital Investments are also critical in driving forward innovation, carbon reduction/sustainability and revenue cost reductions as well as being vital for ongoing service delivery.

13.2 The Capital Programme and financing which covers the revised position for 2025/26 through to 2034/35 is summarised below:

Table 13: Capital Programme 2025/26 – 2034/35

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Capital Programme - 2025 to 2035	Updated 2025/6	Original 2026/7	2027/8	2028/9	2029/30	2030/1	2031/2	2032/3	2033/4	2034/5	Total
Scheme / Project	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estates Projects											
Major Estates Projects											
New Station Brecon	262	8,554	-	-	-	-	-	-	-	-	8,816
Joint Firearms Facility	7,659	1,390	-	-	-	-	-	-	-	-	9,049
Refurbishment - Haverfordwest Station	908	1,819	-	-	-	-	-	-	-	-	2,727
Refurbishment - HQ	478	37	398	1,243	845	-	-	-	-	-	3,000
Solar Farm - HQ	171	1,685	-	-	-	-	-	-	-	-	1,856
Estates Minor works											
Other Sustainability and Environmental Projects	343	340	1,660	1,100	375	175	175	175	175	175	4,693
Other / Minor Works	1,237	2,910	2,527	3,110	1,950	4,441	2,950	2,950	2,950	2,950	27,975
Total Estates	11,058	16,735	4,585	5,453	3,170	4,616	3,125	3,125	3,125	3,125	58,116
Fleet / Boat											
Replacements	2,142	1,814	2,292	3,127	3,654	3,703	3,754	3,805	3,857	3,687	31,836
Electric Vehicles / Sustainability	391	180	180	180	180	180	180	180	180	180	2,011
	2,533	1,994	2,472	3,307	3,834	3,883	3,934	3,985	4,037	3,867	33,847
ICT and Equipment											
WAN / ESN	393	1,103	850	2,607	1,329	352	352	50	2,010	1,298	10,344
CCTV	404	1,281	250	50	50	50	50	50	50	-	2,235
Device Replacement	1,939	2,450	1,057	1,073	614	1,711	1,441	1,689	739	540	13,253
Other ICT Innovation and Technology	374	655	925	943	1,020	640	683	412	389	339	6,380
	3,109	5,489	3,082	4,673	3,013	2,753	2,526	2,201	3,188	2,177	32,211
Equipment											
Equipment and Innovation SPAC Bids	857	1,130	1,360	527	475	475	475	475	475	475	6,724
	857	1,130	1,360	527	475	475	475	475	475	475	6,724
Total Capital Programme	17,557	25,348	11,499	13,959	10,492	11,728	10,060	9,786	10,825	9,644	130,898
Own Financing											
Direct Revenue Financing	(2,718)	(4,166)	(5,016)	(5,866)	(6,807)	(8,176)	(10,010)	(9,736)	(10,775)	(9,594)	(72,864)
Capital Receipts	(1,100)	(50)	(1,050)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(2,550)
Capital Reserves and Grants	(3,374)	(3,185)	(1,042)	(1,425)	-	-	-	-	-	-	(9,026)
Additional Capital Financing Requirement	(10,365)	(17,947)	(4,391)	(6,619)	(3,635)	(3,502)	-	-	(0)	-	(46,458)
Estimated External Financing Requirement Cumulative	(20,000)	(27,444)	(34,536)	(32,912)	(33,454)	(32,581)	(30,386)	(28,190)	(25,995)	(23,799)	
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	

13.3 Work has continued through the Strategic Finance and MTFP Board to consider and prioritise financial and investment requirements over a longer time frame. Whilst it contains several assumptions and uncertainties, the Capital Programme covers a 10-year period. This programme will be revisited annually, or as further clarity is received, as part of the formal budget and precept setting.

13.4 The draft capital programme requires total funding of £130m from 2025/26 to 2034/35, with £17.6m now being planned to be spent in 2025/26. For the current capital programme to be fully financed over the next five years, capital reserves will be depleted by the end of 2028/29.

13.5 It is foreseen that external borrowing will increase to £39m by 2030/31 to fund the programme. Full debt charges associated with this have been built into future revenue budgets in this MTFP. Most borrowing is linked to new assets and funding the building of a new station and custody facility for Brecon; along with providing a solution to the ageing firearms training facility for the Joint Firearms Unit.

13.6 Borrowing will also be required to support extensive investment requirements in maintaining the estate and critical ICT infrastructure to support the effective delivery of policing services, as well as for cost-saving sustainability schemes.

13.7 The Direct Revenue Financing costs have been incrementally increased to 2030/31, to ensure the programme is adequately funded. This will ensure

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the capital programme will not be reliant on borrowing to fund routine capital expenditure.

14 Impact on Reserves

- 14.1 In accordance with the Home Office Financial Management Code of Practice (FMCoP), the Commissioner considers the role of reserves when compiling the MTFP and annual budget. The Commissioner, supported by his Chief Finance Officer (CFO), holds the responsibility for ensuring the adequacy of reserves each year so that unexpected demand-led pressures on the budget can be met without adverse impact on the achievement of the key priorities.
- 14.2 The FMCoP requires the Commissioner to establish a strategy on reserves in consultation with the Chief Constable. This strategy is shown in Appendix D and details the approach for 2025/26 and beyond.
- 14.3 In considering resilience and sustainability factors, the Commissioner keeps earmarked reserves under review, not only formally when completing the Statement of Accounts, but also during the year when considering financial management reports and preparing the MTFP. These assessments, and the in-year financial position have allowed for some planned mitigation of one-off pressures and cost burdens to be met by reserves.
- 14.4 With prudent financial management, financial resilience and sustainability in mind, the 2025/26 in-year forecasted financial position and existing reserves have been critically reassessed with some reclassifications, where appropriate.
- 14.5 The following table provides a summary position with further detail provided in Appendix E.

Table 14: Reserves Projections 2025/26 to 2029/30

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Reserve Heading	FINAL CLOSING BALANCE 31/3/2025	FINAL CLOSING BALANCE 31/3/2026	FINAL CLOSING BALANCE 31/3/2027	FINAL CLOSING BALANCE 31/3/2028	FINAL CLOSING BALANCE 31/3/2029	FINAL CLOSING BALANCE 31/3/2030
General Reserves	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704
Total General Reserve	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704
Sexual Assault Referral Centre (SARC) Reserve	-53,572	-53,572	0	0	0	0
Insurance and Litigation Reserve	-370,542	-370,542	-184,383	-0	-101,918	-101,918
Budget Mitigation Reserve	-731,256	-490,218	-255,652	-255,652	-255,652	-255,652
Police Education Qualifications Framework (PEQF) Reserve	-85,814	0	0	0	0	0
Forensic Alliance Reserve	-137,618	-15,613	0	0	0	0
Chief Constable Operational Fund	-545,755	-545,755	-342,192	-269,493	-269,493	-214,309
Driver Retraining Scheme Reserve - Chief Constable	-391,780	-0	-0	-0	-0	-0
Revenue Transformational Projects Reserve	-252,625	-43,625	-0	-0	-0	-0
Proceeds of Crime Act Reserve	-371,297	-277,297	-240,637	-175,637	-110,637	-63,949
Neighbourhood Policing Guarantee Reserve	0	-1,221,000	0	0	0	0
Commissioner's Fund	-116,503	-116,503	-116,503	-116,503	-116,503	-116,503
Ill Health Retirement Reserve	-215,772	-215,772	-215,772	-215,772	-215,772	-215,772
Forfeiture Reserve	-124,174	-124,174	-59,174	-35,313	-35,313	-35,313
Sale of Found Property Reserve	-18,342	-18,342	-18,342	-18,342	-18,342	-18,342
Driver Retraining Scheme Reserve - Commissioner	-991,815	-848,695	-619,079	-301,232	-38,091	0
Police Race Action Reserve	-76,790	0	0	0	0	0
Innovation Reserve (RPA)	-640,381	-640,381	-390,381	-140,381	0	0
People Services and Organisational Development Reserve	-125,680	0	0	0	0	0
Disciplinary Hearing Reserve	-42,375	0	0	0	0	0
Office of Police and Crime Commissioner Reserve	-83,622	-83,622	0	0	0	0
Commissioning Services Reserve	-157,318	-157,318	-115,960	-115,960	-115,960	-115,960
PCC Innovation Funding Reserve	-1,766,695	-1,327,695	-1,177,695	-1,177,695	-1,177,695	-1,177,695
Police Cadet's Reserve	-59,905	-59,905	-59,905	-59,905	-59,905	-59,905
Total Specific Earmarked Revenue Reserves	-7,359,631	-6,610,029	-3,795,675	-2,881,885	-2,515,281	-2,375,318
Capital Reserves	0	0	0	0	0	0
Other Earmarked Capital Reserves	-7,837,809	-4,569,809	-1,384,809	-654,809	-0	-0
Capital Reserve - CCTV	-1,081,830	-1,081,830	-1,081,830	-769,830	0	0
General Capital Grant	-106,446	0	0	0	0	0
Total Specific Earmarked Revenue Reserves	-9,026,085	-5,651,639	-2,466,639	-1,424,639	0	0
TOTAL USEABLE RESERVES	-21,897,420	-17,773,372	-11,774,018	-9,818,228	-8,026,985	-7,887,022
Less General Capital Grant	106,446	106,446	106,446	106,446	106,446	106,446
Transfer to/from Reserves (Note to the Accounts)	-21,790,975	-17,666,927	-11,667,573	-9,711,783	-7,920,540	-7,780,577

14.6 The General Reserve is planned to be maintained at £5.51m over the course of the MTFP period, which sees overall reserves available for utilisation by the Commissioner fall in a planned manner, from £17.6m in March 2026 to £7.6m by 2030. In terms of financial resilience and prudent financial management, the existence of reserves built up in recent years has been fundamental in allowing the Commissioner to fund one-off costs pressures, ease burdens arising from peaks in expenditure profiles and allowed a balanced budget.

15 Medium-Term Financial Plan Summary

15.1 Based on the assumptions detailed above and taking account of forecasted pressures and cost savings/reductions, a summarised revenue budget position covering the period April 2026 to March 2031 is shown in Appendix A, with a variation statement shown below for the period of the MTFP:

Table 15: MTFP Variation Statement 2026/7 to 2030/31

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	2026/7	2027/8	2028/9	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000
Prior Year	156,310	165,089	172,549	179,685	187,219
This Year	165,089	172,549	179,685	187,219	195,177
Difference	8,779	7,461	7,135	7,534	7,958
	0	0	0	0	0
Respresented By:					
Correction of Baseline Budget for 4.2% Pay awards LYR vs 2.8% for 7 months	1,168	0	0	0	0
Full year effect of Prior Year Inflation @4.2%	2,502	1,902	1,467	1,400	1,380
In Year Pay Award at 3.0% for 7 months	3,566	2,651	2,613	2,561	2,657
Cost Pressures - National / Unavoidable	2,656	2,509	3,136	2,073	3,920
Savings and Cost Reductions	-3,452	-659	-205	1,498	0
Neighbourhood Policing Guarantee	-805	0	0	0	0
S-PAC Process Reinvestment of Cost Savings	2,495	234	0	2	0
One Off SPAC Bids Funded from Reserves	0	436	0	0	0
Reversal of Reserves 2025/6	649	386	124	0	0
Total Variations	8,779	7,461	7,135	7,534	7,958

15.2 Although a balanced budget is presented for future years, it is important to recognise that there are still significant uncertainties and risks attached to this. The cost reduction plan reflected will be further updated as part of the S-PAC process for 2026/7. The risks and uncertainties around inflation, core and specific grant funding, service demands, and the Police Reform impact are uncertain and so the future position may not be fully reflective.

16 Section 25 and Budgetary Risk

16.1 Section 25 of the Local Government Act 2003 requires that the Chief Finance Officer (CFO) reports to the Commissioner, at the time the budget is being set, on the risks and uncertainties that might require more to be spent on the service than planned, as well as the adequacy of financial reserves. This report is shown in Appendix B.

16.2 Allowance is made for these risks by:

- making prudent allowance in the estimates; and, in addition,
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

16.3 It is important that budgetary risk has been minimised when the budget is set. The level of budgetary risk must be formally considered by the Commissioner, and be informed by the advice and judgement of their CFO.

16.4 Appendix C also outlines a risk impact assessment across various budget headings based on the percentage of the net revenue budget and the known factors which could influence levels of actual expenditure or income.

17 Public Consultation and Opinion

17.1 On 24 November 2025, the Commissioner launched a public consultation on the police precept for 2026/27. It was important to the Commissioner that he sought the views of the public and the Dyfed-Powys Police

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workforce. He urged all to voice their opinion on this critical issue, to ensure that Dyfed-Powys Police can continue to safeguard its communities with the highest standard of service available.

To assist the public in providing their views, a survey was created and promoted widely. Below are the four options proposed:

Which one of these options do you most support:

- A. **An approximate increase of £1.50 a month**
- B. **An approximate increase of £2.00 a month**
- C. **An approximate increase of £2.25 a month**
- D. **An approximate increase of £2.50 a month**

Table 16: Public Consultation Responses

Options	Responses
An approximate increase of £1.50 a month	259 (30%)
An approximate increase of £2.00 a month	168 (20%)
An approximate increase of £2.25 a month	117 (14%)
An approximate increase of £2.50 a month	254 (30%)
No Selection	53 (6%)
Total	851

17.2 It was pleasing to see an increase in responses this year's consultation, however the result shows an even distribution of support across the options with 30% supporting the lowest and highest increase surveyed.

17.3 Respondents were also given the opportunity to provide comments, which have been analysed with some broad themes seeing significant levels of support, including the importance of police visibility, with the highest priorities being anti-social behaviour, roads-related crime and violent crime.

18 Conclusion

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- 18.1 As outlined in the Commissioner's summary, given the historic funding decisions and ongoing financial challenges and operational requirements that both Dyfed-Powys Police and the wider police service face, it is vital to secure a police precept which will safeguard policing and support the continued delivery of the priorities set out in the Police and Crime Plan in both a sustainable and prudent manner.
- 18.2 The content of this report sets out the array of internal and external factors and considerations which have informed the development of the MTFP.
- 18.3 The Commissioner submits a precept proposal for 2026/27 and assumptions that underpin the MTFP to 2031/32, which will seek to raise the average Band D property precept by £2.25 per month or **£26.95 per annum to £387.63, a 7.47% increase**. This increase will raise a total precept of £93.033m and will provide a total of core central and local funding of £165.1m, representing a 5.6% increase on the funding level set in 2025/26.
- 18.4 The impact of this police precept on each property banding is shown below:

Table 17: Council Tax Bandings

Tax Band	Basis	2025/26	2026/27	Increase
A	6/9ths	£240.45	£258.42	£17.97
B	7/9ths	£280.53	£301.49	£20.96
C	8/9ths	£320.61	£344.56	£23.95
D	9/9ths	£360.68	£387.63	£26.95
E	11/9ths	£440.83	£473.77	£32.94
F	13/9ths	£520.98	£559.91	£38.93
G	15/9ths	£601.13	£646.05	£44.92
H	18/9ths	£721.36	£775.26	£53.90
I	21/9ths	£841.59	£904.47	£62.88

- 18.5 After taking account of the cost reduction plan, this level of funding will seek to allow the Force to continue to deliver their operational and strategic plans, provide investment in technology to improve service delivery, while expanding youth-centred early intervention programmes that provide young people with support, skills and positive pathways to reduce involvement with crime.
- 18.6 This investment will allow Dyfed-Powys Police to continue delivering an effective and efficient service, while investing in innovation and technology to further improve service delivery. This level of funding should positively impact on the standards of service the public can expect. The financial and operational landscape will undoubtedly remain challenging and will

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continue to be an area of focus for future strategic planning.

Appendix A – Budget 2025/26 – 031/32



Appendix A - Revenue Budget 2025 - 2031							
Heading	25/26 Original	2025/6 Revised	26/27	27/8	28/9	29/30	30/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Police and Crime Commissioner Budgets							
PCC Office Costs	1,633	1,628	1,701	1,746	1,787	1,826	1,866
PCC Commissioning	1,657	1,662	1,767	1,834	1,902	1,968	2,035
Net Costs OPCC	3,290	3,289	3,468	3,580	3,689	3,794	3,901
Budgets Managed by the Chief Constable							
Police Officer	95,135	94,866	98,645	101,395	103,811	106,135	108,479
Police Staff	48,719	48,012	50,952	52,475	53,479	56,777	58,222
Police Pensions	1,873	1,873	1,950	1,997	2,039	2,081	2,123
Indirect Staff Costs	1,917	1,974	1,915	1,949	1,987	2,027	2,068
Premises Related	6,024	6,004	5,822	6,123	6,308	6,441	6,577
Transport Related	2,351	2,347	2,562	2,606	2,661	2,561	2,612
Supplies and Services	15,342	15,830	16,685	16,974	18,547	18,943	21,315
Agency and Contracted	5,291	5,351	5,650	5,915	6,029	6,149	6,272
Capital Borrowing Costs	1,659	1,659	1,760	2,449	2,863	3,232	3,363
Direct Capital Financing	2,718	2,809	4,257	5,107	5,957	6,898	8,267
Total Gross Spending - Force	181,029	180,726	190,199	196,990	203,680	211,243	219,297
Income	-10,386	-10,765	-10,954	-10,999	-11,177	-11,392	-11,611
Welsh Government PCSO Grant	-2,361	-2,361	-2,408	-2,408	-2,408	-2,408	-2,408
Uplift Grant (5/6)	-3,006						
Pensions	-3,731	-3,731	-3,731	-3,731	-3,731	-3,731	-3,731
Neighbourhood Policing Guarantee Grant	-1,417	-1,417	-2,591	-2,591	-2,591	-2,591	-2,591
National Insurance Grant	-2,130	-2,130	-2,178	-2,178	-2,178	-2,178	-2,178
Specific Grants	-5,401	-5,271	-5,261	-5,239	-5,219	-5,202	-5,185
Recharges and Apportionments	-646	-93	-136	-136	-165	-179	-179
Net Spending - Force	151,951	154,958	162,939	169,708	176,211	183,562	191,413
Use of (-) / Contribution to (+) Balances	-1,937	-1,938	-1,318	-740	-217	-140	-140
Total Spending OPCC and Force	153,305	156,310	165,089	172,548	179,683	187,217	195,173
% Increase in Budget	4.0%	7.6%	5.6%	4.5%	4.1%	4.2%	4.3%
Financing							
Police Grant (Croie)	-66,938	-66,938	-68,824	-70,473	-71,435	-72,410	-73,398
Police Officer Uplift (Core) & additional	0	-3,006	-3,232	-3,232	-3,232	-3,232	-3,232
Precept	-86,366	-86,366	-93,033	-98,843	-105,016	-111,575	-118,543
	-153,304	-156,310	-165,089	-172,548	-179,683	-187,217	-195,173

Section 25 of the Local Government Act 2003 requires that the Chief Finance Officer (CFO) report to the Commissioner, at the time the budget is being set on the following matters:

- the robustness of the estimates made for the purposes of the calculations;
- the adequacy of the proposed financial reserves.

Both the Commissioner and the Police and Crime Panel (P&CP) are required to have regard to this report when considering and making decisions in connection with the budget.

1. The last few years have continued to be unprecedented for a variety of reasons, and 2025/26 has once again been characterised by ongoing economic uncertainty, elevated interest rates, global instability including conflicts in Ukraine and the Middle East, and continued uncertainty arising from short-term funding settlements.
2. Extensive pressures within the public sector remain well-documented and are increasingly having implications for service provision and the sustainability of specific grant-funded activity.
3. Detailed discussions have been ongoing throughout 2025/26 in relation to in-year financial management and the Medium-Term Financial Plan (MTFP). These discussions have taken place both informally between the Director of Finance (DoF) and I, through the formal Force and Office of the Police and Crime Commissioner (OPCC) governance structures, and via a series of precept and MTFP meetings involving the Commissioner, Chief Constable, DoF and myself.
4. Having recognised the scale and persistence of future financial challenges, the Chief Constable established a Force Review Team in mid-2022. The team remains well established and continues to proactively review current operating practices and research best practice across policing to ensure that Dyfed-Powys Police remains fit for the future.
5. To set a balanced budget for 2025/26, the Force identified and delivered a savings plan. A further savings requirement has been identified and incorporated into the proposed 2026/27 budget. It is, however, recognised that efficiencies and cost reductions are increasingly difficult to achieve and that the constraints of the Police Uplift Programme continue to limit flexibility in achieving an optimal workforce mix.
6. The proposed budgets presented during the year are based on a comprehensive line-by-line review of inflation and cost assumptions. In

developing these assumptions, both the DoF and I have taken account of a wide range of financial and economic intelligence, including reports issued by the Office for Budget Responsibility (OBR), alongside ongoing engagement with professional finance networks.

7. The Chief Constable has transparently set out his budget requirement at each stage of the process and has clearly documented changes as they have materialised or crystallised. It must be recognised that the construction of the budget relies on a considerable number of assumptions and estimates. This is not, and cannot be, an exact science, and in-year variations are inevitable.
8. Although the MTFP has sought to make appropriate provision for realistic pay and price increases, as well as achievable levels of income, it must be recognised that the overall financial climate remains high risk due to the complexity and interdependency of issues currently affecting policing and the wider public sector.
9. Whilst additional grant funding has been provided in recent years to support pay awards, settlements have not fully covered the total cost of pay, National Insurance increases, or wider inflationary pressures. Given that 76% of the Force's revenue expenditure relates to pay, any variance between assumed and actual pay awards can have a material impact on the financial position.
10. Having regard to public sector pay and inflation forecasts, the planning assumptions within the MTFP include a prudent allowance for pay awards for officers and staff from September 2026.
11. In addition to the revenue pressures already identified, the MTFP reflects increasing cost pressures arising from the funding of the capital programme. Reduced availability of capital grant and the scale of planned investment mean that a greater proportion of the capital programme is required to be funded through direct revenue contributions and borrowing.
12. This places additional pressure on the revenue budget through increased Direct Revenue Financing (DRF), Minimum Revenue Provision (MRP) and interest costs. The current economic environment, including higher interest rates relative to historic norms, has increased the cost of borrowing and reduced the affordability headroom available within the revenue budget.
13. Prudent assumptions have been applied in relation to borrowing rates, capital financing costs, and the phasing of the capital programme. While the capital programme remains affordable over the planning period, it

introduces an additional layer of financial risk. Any further increase in interest rates, delays to capital projects, or reductions in capital receipts would increase reliance on revenue resources.

14. Risks associated with the uncertainty of specific grant funding continue to be a significant concern. Previous reductions in Welsh Government funding, including PCSO grant reductions and the withdrawal of the All-Wales Schools Programme, have demonstrated the inherent fragility of policing activity that relies on specific grants. These funding reductions have had direct impacts on service delivery and, in some instances, interact with national workforce commitments such as those arising from the Police Uplift Programme.
15. Further uncertainty remains in relation to a new Police Reform White Paper, which is expected in early 2026. Details on broader policing reform are expected following the announcement by UK Government to abolish Police and Crime Commissioners in England and Wales by May 2028.
16. Changes in council tax base growth also remain a risk. Variations arising from local authority decisions, including the application of premiums on second homes, empty properties and collection rates, can have a material impact on future tax base calculations and, consequently, precept income assumptions.
17. Reserve levels are considered in the context of overall risk and in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, which states that, to assess the adequacy of unallocated general reserves, authorities must take account of the strategic, operational and financial risks they face.
18. The adequacy of the General Reserve continues to be closely monitored to ensure that it is maintained at a sustainable and prudent level. It should also be noted that, even where Special Grant funding may be available, costs equivalent to up to 1% of the net revenue budget would ordinarily need to be met locally.
19. Ongoing review of earmarked reserves is undertaken to ensure they are aligned to known risks, future commitments, and specific initiatives. In developing the MTFP, consideration has been given to anticipated in-year financial monitoring and the potential reallocation of reserves to mitigate one-off pressures, subject to final year-end outturn positions.
20. Despite assumed increases in council tax precept, the Force will continue to face a requirement to deliver further savings and efficiencies over the life of the MTFP. Combined with uncertainties around future core

Appendix B – Section 25 Chief Finance Officers Report to the Commissioner



and specific grant funding, and the wider economic environment, this means that the financial outlook remains challenging for the foreseeable future.

21. I am satisfied that the MTFP has appropriately considered and documented the known risks, assumptions and uncertainties affecting the planning period and that it supports the setting of a balanced budget for 2026/27. I can confirm that the revenue and capital estimates contained within the MTFP are considered robust and that the level of reserves is considered adequate. Dyfed-Powys Police will, however, continue to operate in a challenging financial environment, requiring sustained focus on financial resilience and sustainability to protect services to the communities of the Dyfed-Powys area.

Nicola Davies

T/Chief Finance Officer (CFO) to the Police and Crime Commissioner for Dyfed-Powys

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
Police Officer Salary Costs and Pensions	61.5%	High	<p>Assumptions have been made in relation to future pay awards but until finalised remain uncertain.</p> <p>This budget is very sensitive to changes in police officer numbers and the complexities of managing retirements, ill-health retirements, transferees, retention and recruitment of new recruits.</p> <p>Meeting the requirements of the Police Uplift Programme and Neighbourhood Policing Guarantee grant.</p> <p>Operational demands require overtime.</p> <p>Future changes in pension valuations remain a risk.</p>	<p>The assumptions around pay awards are based upon an array of financial and economic information which is reviewed on an ongoing basis.</p> <p>People Services has a strategic workforce recruitment plan for the year ahead based on the projected number of police officer retirements, leavers, transferees, and additional officers as part of the Police Uplift Programme and Neighbourhood Policing Guarantee grant. The required intake of probationers is planned and allocated accordingly, with strengthening arrangements to ensure that the Home Office targets are met, with additional reporting to the Home Office throughout the year.</p> <p>There are tight financial controls and management of overtime, both by budget holders and an Overtime Group (chaired by the Assistant Chief Constable).</p> <p>Budget holders are aware of the financial challenges and their responsibilities for prudent financial management, with a strong ethos and awareness of the need for financial control.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
				<p>A Chief Constable Contingency Fund was established to ease the peaks and troughs of major and critical incidents.</p> <p>Finance representation on all Gold groups and other operational investigation groups occurs as a matter of course. This enables overtime and other costs to be closely monitored at each meeting, with timely reporting facilitating decision making.</p> <p>The pay budgets are continually monitored as part of the budgetary control process, with formal reporting throughout the governance structure. Financial performance is discussed regularly by the Commissioner and Chief Constable at Policing Board and financial matters are also covered in the Strategic Finance Board.</p>
Police Staff Salary Costs (including Police Community Support Officers)	32%	High	<p>Assumptions have been made in relation to future pay awards but until they are finalised these remain uncertain.</p> <p>Meeting Welsh Government and Home Office PCSO targets attached to grant conditions.</p>	<p>The assumptions around pay awards are based upon an array of financial and economic information which is reviewed on an ongoing basis.</p> <p>The establishment is monitored through formal governance and in detail by the</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
(PCSOs))			<p>Overspends within overtime because of organisational, operational demands and vacancy levels.</p> <p>Increase in slippage assumption due to recruitment timescales.</p>	<p>Resource Management Board. The Gateway process monitors and controls all changes to establishment and indeed all posts are reviewed and considered fully before being advertised.</p> <p>The pay budgets are continually monitored as part of the budgetary control process, with formal reporting throughout the governance structure. Financial performance is discussed regularly by the Commissioner and Chief Constable at Policing Board and financial matters are also covered in the Strategic Finance Board.</p> <p>Staff pay budgets and overtime are routinely and closely monitored with Finance Business Partners closely engaged with Budget Holders.</p>
Indirect Staff Costs	1.2%	Medium	<p>The cost of the training plan continues to increase to meet increased demand for upskilled staff and officers. Maintaining the uplift requirement and an increase in attrition rates contribute to this risk.</p>	<p>Training budgets have been set to reflect operationally critical requirements. Budgets are monitored monthly, and a Training Prioritisation Group considers training priorities before training is delivered.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
Premises Costs	3.6%	Medium	<p>Despite a programme of work to address the condition of the estate and maintenance backlogs, increased revenue costs may be required to ensure that the estate is maintained as a safe working environment for staff and officers.</p> <p>Uncertainties around future utilities costs and extreme weather conditions remain.</p> <p>Significant savings assumed against utilities and from the delivery of Estates Capital Programme works.</p>	<p>The estates requirements of the capital programme are considered as part of Medium-Term Financial Strategy and annual budget setting process and have been subject to specific review by the Finance and Strategy Board.</p> <p>The Strategic Estates Group brings together key staff from the Commissioner’s office and the Force to meet monthly to discuss estates matters including finances. Considerable work has been undertaken by this group to develop a risk-based prioritisation methodology for maintenance works.</p> <p>National negotiation of energy contracts through Bluelight Commercial.</p> <p>Review of energy utilisation to seek efficiencies and ‘invest to save’ opportunities.</p> <p>The Sustainability Group will consider further opportunities and oversee the Sustainability and Transformation Reserve.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
Transport Costs	1.6%	Medium	<p>Fuel costs are prone to significant market fluctuation which could increase running costs.</p> <p>Increase cost of sourcing parts and challenges within the supply chain.</p>	<p>Fuel prices are monitored, and their impact regularly assessed through the robust budget monitoring procedures that are in place.</p> <p>Telematics data allows the Force to monitor vehicle usage and driver behaviour.</p> <p>The capital programme includes provision for the continued adoption of electric vehicles, which will reap efficiencies and savings.</p> <p>Market conditions continue to be monitored at a local, regional and national level.</p>
Supplies and Services and Commissioning	12.5%	Medium	<p>Orders outside of the approved procurement framework could result in overspends against the budget.</p> <p>Market conditions continue to be challenging because of world events and economic landscape.</p> <p>Continued pressures and impacts of inflationary increases.</p>	<p>Purchase orders are processed with a built-in budget check for high value items.</p> <p>The Procurement Department ensures that the procurement of goods and services are made in accordance with Financial Regulations and Procedures.</p> <p>Robust budget monitoring procedures are in place and adhered to.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
				<p>The establishment of Bluelight Commercial continues to facilitate and reap some national, regional and local savings. The Force is fully engaged in this work.</p> <p>The Commissioner's commissioned services are managed and authorised by the Director of Commissioning and are overseen by the Commissioning Advisory Board.</p>
Agency and Contracted Services	3.5%	Medium	Additional and increasing costs arising from the collaboration arrangements – specifically the Regional Organised Crime Unit (ROCU), Joint Firearms Unit (JFU) and its training facility.	Continued strengthening of governance, financial management and scrutiny surrounding collaborative arrangements.
Capital Financing and Borrowing	3.7%	High	<p>The scale of the capital investment requirements is significant and increases in interest rates would increase borrowing costs.</p> <p>Fluctuations and increases in interest rates cause additional financial pressures.</p> <p>Continued delays and increased costs</p>	<p>External advice from Treasury Management Consultants.</p> <p>The Capital Strategy, Investment Strategy and Medium-Term Financial Plan are aligned.</p> <p>Capital investment requirements will continue to be actively reviewed by relevant boards and parties.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
			<p>for ICT programmes.</p> <p>Increased costs for capital projects.</p>	<p>Regular monitoring of all capital projects, both local and national.</p> <p>Robust assessment and prioritisation of capital investment requirements through appropriate governance.</p>
Specific Grant	-11.9%	High	<p>Critical services that are underpinned by specific grants cannot be sustained causing significant impacts for operational and organisational delivery.</p> <p>Additional financial burdens incurred because of lost/reduced grant funding. Grants should be utilised in accordance with the terms and conditions of grant. Grant providers may cease payments of grant with minimal notice.</p> <p>Delay in announcing Specific Grant amounts and Terms and Conditions in terms of officer numbers and criteria for drawdown for 2026/7 until the Reform White Paper.</p>	<p>Local, regional and national representations continue to be made in relation to the range of specific grants that underpin core policing, emphasising the need for longer term certainty.</p> <p>The assumptions in relation to all specific grants are considered on an annual basis and routinely as part of financial monitoring.</p> <p>Posts funded by grants should be recruited on a temporary basis for the duration of the grant, wherever possible, with all changes to these posts being scrutinised by the Establishment Control Group and authorised by the Director of Finance (DoF) and Head of People Services.</p> <p>All terms of grant are authorised by the CFO.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
				<p>Comprehensive exit plans continue to be developed for each specific activity supported by external grants.</p> <p>Commissioned services supported by specific grants are authorised by the Commissioner and the Director of Commissioning after consultation with the CFO.</p>
Other Income	-6.7%	Medium	Income targets are under-achieved because of lower than forecasted activity levels.	<p>The Strategic Finance and Procurement Group consider opportunities for the maximisation of income generation, with budget holders being actively encouraged to develop opportunities.</p> <p>Income is reviewed and monitored as part of financial management and budgetary control arrangements.</p>
Use of Reserves	-1.0%	High	<p>Unexpected demand-led pressures on budgets cannot be met without an adverse impact.</p> <p>Inflationary pressures higher than those assumed.</p>	<p>Annual review and consideration of the Reserves Strategy, which outlines the approach and arrangements.</p> <p>Operational reserve to mitigate peaks in critical and major incidents.</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
			Reduced financial resilience as reserves reduce.	<p>Other specific reserves considered as appropriate to mitigate against one-off pressures.</p> <p>Formal governance arrangements continue to review medium-term requirements, reserves and funding matters.</p> <p>Regular monitoring of the financial position occurs through the formal governance structure.</p>
Capital	N/A	High	<p>The size, high cost and complexity of capital projects increase the risk of exceeding budgets, time overruns and not achieving the objectives of the original business case.</p> <p>Considerable strains in market conditions because of world events and economic landscape.</p> <p>Continued delays and increased costs for national ICT programmes.</p>	<p>The capital programme is approved and monitored through formal governance arrangements.</p> <p>There has been considerable focus through the Finance and Strategy Board, MTFP Group and within the Strategic Estates, ICT and Fleet Groups to critically review infrastructure requirements over a 10-year period.</p> <p>There has been ongoing strengthening in relation to project proposals and business cases, and this work will continue in earnest to ensure that all investments are fully considered, and options appraised</p>

Appendix C – Risk Assessment of Material Budgets

Budget area	% of net costs	Risk level	Identified Risk	Mitigating factor
				<p>with business benefits being clearly identified.</p> <p>Regular monitoring of all capital projects, both local and national.</p>

RESERVES STRATEGY

RESERVES, BALANCES AND PROVISIONS

1. Introduction

- 1.1. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.
- 1.2. The Financial Management Code of Practice states that the Police and Crime Commissioner (Commissioner) should establish a strategy on reserves (including how they might be used by the Chief Constable) and provisions in consultation with the Chief Constable. This should have due regard to the need to ensure the ongoing funding of policing activities and the requirement to meet exceptional or extraordinary policing operations.
- 1.3. Reserves are an essential part of financial management. They help the Commissioner and Chief Constable cope with unpredictable financial pressures and plan for future spending commitments.
- 1.4. All reserves will be held by the Commissioner and managed to balance funding and spending priorities and to manage risks. This forms an integral part of the medium-term financial planning process.

2. Definitions

- 2.1. Reserves and balances are different to provisions from an accounting perspective. In the case of useable reserves (as opposed to unusable reserves) and provisions, both amounts represented on the balance sheet should be matched by physical cash balances, unless internal borrowing has taken place.
- 2.2. **Usable Reserves** – these are balances which are generally held for three specific purposes and are categorised as general reserves or earmarked reserves:
 - A working balance to help smooth the impact of uneven cash flows – general reserves.
 - A contingency to deal with unexpected events – general reserves.
 - A means of building up funds to meet known or predicted requirements – earmarked reserves.
- 2.3. **Earmarked Reserves** – these are balances that are being held by the Commissioner for specific initiatives and purposes.
- 2.4. **Ring-fenced Reserves** – these are balances that are being held by

the Commissioner on behalf of third parties and cannot therefore be utilised without specific direction.

- 2.5. **Unusable Reserves** – do not have equivalent cash balances and are held for accounting purposes.
- 2.6. **Provisions** – are required for any liabilities of uncertain timing or amount that have been incurred.

3. Governance Arrangements

- 3.1. Minimum governance requirements in respect of reserves and balances are:
 - The Commissioner has a soundly based strategy on the level and nature of reserves and balances it needs which will be considered by the Joint Audit Committee;
 - The required levels of reserves and balances should be reflected in the annual budget and Medium-Term Financial Plan (MTFP);
 - The Commissioner monitors and maintains the level of reserves and balances within the range determined by its agreed policy, advised by the CFO who will ensure that there are clear protocols for their establishment and use;
 - The Commissioner retains adequate reserves so that unexpected demand-led pressures on budgets can be met without adverse impact on the achievement of the key priorities;
 - The Commissioner's strategy for reserves and balances is based on a thorough understanding of needs and risks and is properly and clearly reported at the same time the budget and precept are set. The level of balances is kept under review and managed to ensure that financial standing is sound and supports the Commissioner in the achievement of their long-term objectives;
 - Where target levels for reserves and balances are exceeded, the opportunity costs of maintaining these levels have been established compared to the benefit accrued.
- 3.2. Locally agreed Financial Regulations and the Scheme of Consent should:
 - Contain full details of how the Reserves and Balances strategy will operate locally;
 - Ensure that the annual budget includes a realistic amount of operational contingency that is available to the Chief Constable for operational priorities, without the need for additional approval; and
 - Make provision, where appropriate, for budgets to be carried forward from one financial year to the next.

4. Statutory Responsibilities

- 4.1. The *'CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief*

Constable' sets out the five principles that define the core activities and behaviours that belong to the role of the CFO and the organisational arrangements needed to support them.

- 4.2. For each principle, the Statement sets out the governance arrangements required within an organisation to ensure that CFOs can operate effectively and perform their core duties.
- 4.3. Governance arrangements required in respect of reserves and balances, and which are the responsibility of the CFO, are:
 - Ensuring that advice is provided on the levels of reserves and balances in line with good practice guidance;
 - To report, at the time the budget is considered and the precept set, on the robustness of the budget estimates and the adequacy of financial reserves, as required by Section 25 of the Local Government Act 2003 and in line with CIPFA guidance.
- 4.4. Both should be undertaken in consultation with the Director of Finance (CFO of the Chief Constable).
- 4.5. There are also a range of safeguards in place that militate against the Commissioner over-committing financially. These include:
 - The balanced budget requirement;
 - Chief finance officers' Local Government Finance Act 1988 Section 114 powers, which require the Chief Finance Officer to report if there is, or is likely to be, unlawful expenditure or an unbalanced budget; and
 - The external auditor's responsibility to review and report on financial standing includes a review of the level of reserves, considering their knowledge of the organisation's performance over a period of time. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual organisations.

5. Home Office Guidance on Police Reserves

- 5.1 On 31 March 2018 the Minister for Policing and the Fire Service published new guidance on the information that each Police and Crime Commissioner (PCC) must publish in terms of police reserves.
- 5.2 One of the key requirements is that the information on each reserve should make clear how much of the funding falls into each of the following three categories:
 - Funding for planned expenditure on projects and programmes over the period of the current medium-term financial plan.
 - Funding for specific projects and programmes beyond the current planning period.
 - As a general contingency to meet other expenditure needs,

held in accordance with sound principles of good financial management.

- 5.3 The Minister also outlined that future grant funding levels would take into account the transparent publication of this information across the service.

6. Assessing the Appropriate Level of Reserves

- 6.1 The Commissioner is responsible for ensuring that the level of reserves is appropriate for local circumstances and is accountable to taxpayers for the decisions made. The CFO (Commissioner) has a duty to provide the Commissioner with the advice they need to make good decisions.
- 6.2 Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.
- 6.3 The public's acceptance of the precept is partly reliant on the understanding that the precept is spent on policing and that only a reasonable and prudent amount of any over-funding is being stored away as a general reserve. Conversely, when unforeseen expenditure arises, it is likely that the public would expect that the organisation would have sufficient resources to cover the expense without recourse to overspend.
- 6.4 In order to assess the adequacy of reserves, the CFO (Commissioner) should include an up-to-date assessment of the strategic, operational and financial risks.
- 6.5 Setting the level of reserves is one of several related decisions that must be taken when preparing the MTFP and the budget for a particular financial year.
- 6.6 Assessing the required level of reserves should involve carrying out an analysis of the Balance Sheet on an annual basis and projecting forward the key items of the Balance Sheet. This projection incorporates forecasting levels of reserves and balances over a three-year time horizon to cover the MTFP and capital programme.
- 6.7 In assessing the level of reserves, due consideration is also taken of the UK Government support arrangements:
- Welsh Government Emergency Financial Assistance Scheme to help forces faced with financial burden as a result of providing relief and carrying out immediate work in response to large-scale emergencies. The scheme is subject to a threshold which is set

- at 0.2% of the revenue budget.
- Home Office Special Grant to meet additional costs that would be incurred from policing unexpected and exceptional events within their areas. If approved, forces are expected to meet the additional costs of the event up to 1% of the revenue budget.
- 6.8 An effective Reserves and Balances strategy should consider the organisation’s approach to treasury management, capital expenditure plans and the need for external borrowing, against the use of balances and reserves.
- 6.9 CIPFA guidance suggests that in addition to cash flow requirements, the following factors should be considered:

Budget Assumptions	Financial Standing and Management
The treatment of inflation and interest rates	The overall financial standing of the organisation (level of borrowing, debt outstanding, council tax collection rates etc.)
Estimates of the level and timing of capital receipts	The organisation’s track record in budget and financial management, including the robustness of the medium-term plans
The treatment of demand-led pressures	The organisation’s capacity to manage in-year budget pressures
The treatment of planned efficiency savings/productivity gains	The strength of the financial information and reporting arrangements
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The organisation’s virement and end of year procedures in relation to budget under/overspends at organisational and departmental level
The availability of other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the organisation’s insurance arrangements to cover major unforeseen risks

- 6.10 The Commissioner must have due regard to the need to ensure the ongoing funding of policing activities (including the requirement to meet exceptional or extraordinary operations). The annual budget should include a realistic amount of operational contingency to be available to the Chief Constable to meet operational priorities, without the need for additional approval.
- 6.11 The Chief Constable will ensure that the annual revenue budget is sufficient to finance foreseeable operational needs, by presenting a business case as part of the MTFP and annual budget setting process to the CFO (Commissioner) and Commissioner for one-off expenditure items to be funded from earmarked reserves.
- 6.12 The business case should include consideration of the level of reserves required for major incident investigations and other operational requirements, the amount of reserves required and timescales for their use.
- 6.13 Approval of business cases for the use of reserves will be subject to the authorisation limits set out in Financial Regulations, to assist with day-to-day operational decision making.

7. General Reserves

- 7.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Guidance Note on Local Authority Reserves and Balances' states that a General Reserve is required to act as "*a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves*". A General Reserve is also required to act as "*a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves*".
- 7.2 Whilst CIPFA does not stipulate a minimum or optimal level of general reserve, its general guidance is to establish a reserve representing "*resources set aside for purposes such as general contingencies and cash flow management*".
- 7.3 Setting the level of earmarked and general reserves is just one of several related decisions in the formulation of the MTFP and the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget, alongside consideration of the organisation's financial management arrangements.
- 7.4 The General Reserve General Reserve will be retained at £5.512m, which will provide financial resilience to mitigate extraordinary and unforeseen burdens.

8. Earmarked Reserves including Ring-fenced Reserves

- 8.1 The current accounting Code requires the purpose, usage and basis of transactions of earmarked reserves to be clearly identified. A review of the purpose and level of reserves will be carried out annually during the budget setting process and details of the use of reserves are included in the relevant note to the Statement of Accounts.
- 8.2 Earmarked reserves are categorised as either “usable” reserves or “unusable” reserves. Usable reserves can be applied to fund expenditure. Unusable reserves are not resources backed and therefore do not have equivalent cash balances.
- 8.3 It is the Commissioner’s policy to use reserves to assist in funding non-recurring purchases and mitigate peaks in spending profiles to reduce the impact on the council tax precept. This includes using capital reserves to reduce the Capital Financing Requirement (CFR), if appropriate, which in turn will reduce the Minimum Revenue Provision charged to the revenue account annually.
- 8.4 Reserves will be assessed annually as part of the MTFP process but also both during the year and formally at year end. Consideration will be given to the continued requirement of all reserves which may be reallocated as appropriate. The level of earmarked reserves will therefore fluctuate annually but will always be justifiable and monitored to ensure levels of earmarked reserves are not too high or too low. Should the Commissioner deem that the level of usable reserves that he holds is above and beyond the levels reasonably required and specifically earmarked for future projects, the Commissioner may return reserves to the public. This is to be achieved by first utilising reserves to fund one-off investments.
- 8.5 There are also a number of unusable reserves currently held which include:
- **Revaluation Reserve** – the Revaluation Reserve contains the gains arising from increases in the value of Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are revalued downwards or impaired, consumed through depreciation, or disposed of and the gains are realised.
 - **Capital Adjustment Account** – the Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.
 - **Accumulated Absences Account** – the Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (for example, annual leave entitlement carried forward at 31 March). Statutory

arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

- **Pensions Reserve** – the Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

9. Reporting Framework

9.1 The Commissioner has a fiduciary duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

9.2 The level and utilisation of reserves will be informed by the advice and judgement of the CFO (Commissioner). To enable the Commissioner to reach their decision, the CFO (Commissioner) will report the factors that influenced their judgement and ensure that the advice given is recorded formally within the MTFP. As a minimum, this report will include a statement:

- detailing the level of general reserve and any movements on the fund;
- on the adequacy of the earmarked reserves, relative to spending and an estimate of provisions in respect of the forthcoming financial year and the MTFP;
- how reserves have changed over time;
- on the annual review of earmarked reserves including estimates of the year-end balances. The statement will list the various reserves, their purpose, when they will be utilised and appropriate level; and
- an assessment of the risk of major incidents (operational and non-operational) occurring, which is reflected in the budget and MTFP.

9.3 This report will be provided annually, based on estimates, to the Commissioner prior to approval of the council tax precept, with the reserves position also being considered annually as part of the Commissioner's approval of the Statement of Accounts.

9.4 As outlined above, the Home Office issued specific guidance on Police Finance Reserves in January 2018 which seeks enhanced transparency across the service to demonstrate clear utilisation plans. The reporting framework detailed above addresses these requirements.

10 The "Opportunity Cost" of Holding Reserves

10.1 The external auditor encourages a statement within the Reserve Policy on the opportunity cost of holding reserves. "Opportunity Cost" is an economic theory term which means if you spend something on one thing you cannot spend it on something else.

- 10.2 Applied to reserves, this means that if reserves are held which are too high, then an organisation is foregoing the opportunity to lower the council tax. This theory does not, however, lend itself well in practice where levels of council tax increase can be capped.
- 10.3 During the budget setting process, the Commissioner considers using reserves for one-off investments. This is considered a more sustainable use of 'excess' reserves and reduces the impact on the council tax precept. As reserves reduce, the opportunity to do this reduces.
- 10.4 It is essential that the Commissioner's decisions on reserves are communicated clearly to local taxpayers to promote accountability.

11 Provisions

- 11.1 Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:
- the Commissioner or Chief Constable has a present obligation (legal or constructive) as a result of a past event;
 - it is probable that a transfer of economic benefits will be required to settle the obligation; and
 - a reliable estimate can be made of the amount of obligation.
- 11.2 A transfer of economic benefits or 'other event' is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.
- 11.3 The requirement for provisions will be regularly assessed.

Appendix E – Reserves Strategy

Reserve Heading	Description	Home Office Classification	FINAL CLOSING BALANCE 31/3/2025	FINAL CLOSING BALANCE 31/3/2026	FINAL CLOSING BALANCE 31/3/2027	FINAL CLOSING BALANCE 31/3/2028	FINAL CLOSING BALANCE 31/3/2029	FINAL CLOSING BALANCE 31/3/2030
General Reserves	In accordance with CIPFAs Guidance Note on Local Authority Reserves and Balances, the Commissioner also maintains a General Reserve to act as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, and a contingency to cushion the impact of unexpected events or emergencies.	C	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704
Total General Reserve			-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704	-5,511,704
Sexual Assault Referral Centre (SARC) Reserve	To mitigate anticipated costs arising from the regionalisation project for Sexual Assault Referral Centres.	A	-53,572	-53,572	0	0	0	0
Insurance and Litigation Reserve	To assist in mitigating the financial impacts of changes to self-insured levels as a consequence of increases in insurance premiums and litigation exposure.	C	-370,542	-370,542	-184,383	-0	-101,918	-101,918
Budget Mitigation Reserve	To support one-off, unexpected or unavoidable cost pressures.	A	-731,256	-490,218	-255,652	-255,652	-255,652	-255,652
Police Education Qualifications Framework (PEQF)	Funding for transition from PEQF scheme	A	-85,814	0	0	0	0	0
Forensic Alliance Reserve	Funding for transition project	A	-137,618	-15,613	0	0	0	0
Chief Constable Operational Fund	This reserve assists in mitigating against the consequential costs of notable peaks in operational activity.	C	-545,755	-545,755	-342,192	-269,493	-269,493	-214,309
Driver Retraining Scheme Reserve - Chief Constable	This reserve is to support activities in relation to road and community safety initiatives.	A	-391,780	-0	-0	-0	-0	-0
Revenue Transformational Projects Reserve	This reserve was set up to fund activities seeking to deliver organisational transformational projects.	A	-252,625	-43,625	-0	-0	-0	-0
Proceeds of Crime Act Reserve	Funds are allocated as a result of confiscation orders arising from proceeds of crime. The reserves are utilised to support operational activities which assist in bringing criminals to justice.	B	-371,297	-277,297	-240,637	-175,637	-110,637	-63,949
Neighbourhood Policing Guarantee Reserve	Funding for additional recruits in Neighbourhood Policing	A	0	-1,221,000	0	0	0	0
Commissioner's Fund	This reserve is to support Term 3 Police and Crime Plan priorities.	A	-116,503	-116,503	-116,503	-116,503	-116,503	-116,503
Ill Health Retirement Reserve	This reserve is to fund ill health medicals costs due to delays in the medical assessments arrangements.	A	-215,772	-215,772	-215,772	-215,772	-215,772	-215,772
Forfeiture Reserve	Money seized under Section 27 Misuse of Drugs Act 1971 and following forfeiture at Court is transferred to the Forfeiture Reserve for use by the Commissioner. The reserves are utilised to fund operations targeting drug related crime and drug abuse.	A	-124,174	-124,174	-59,174	-35,313	-35,313	-35,313
Sale of Found Property Reserve	The Sale of Found Property Fund is made up of monies received by the Commissioner from the sale of found property. It is current policy to provide annual donations to local charities.	A	-18,342	-18,342	-18,342	-18,342	-18,342	-18,342

Appendix E – Reserves Strategy

Reserve Heading	Description	Home Office Classification	FINAL CLOSING BALANCE 31/3/2025	FINAL CLOSING BALANCE 31/3/2026	FINAL CLOSING BALANCE 31/3/2027	FINAL CLOSING BALANCE 31/3/2028	FINAL CLOSING BALANCE 31/3/2029	FINAL CLOSING BALANCE 31/3/2030
Driver Retraining Scheme Reserve - Commission	This reserve is to support activities in relation to road and community safety initiatives.	A	-991,815	-848,695	-619,079	-301,232	-38,091	0
Police Race Action Reserve	This reserve is to fund a Police Race Action Plan Co-ordinator position to take forward this piece of work substantively.	A	-76,790	0	0	0	0	0
Innovation Reserve (RPA)	This reserve is to enhance the delivery of RPA, continuous development, and Power BI dashboard development.	A	-640,381	-640,381	-390,381	-140,381	0	0
People Services and Organisational Development	This reserve is to fund changes within the People Services Department. This includes appointing a Head of Training/Talent, Wellbeing Lead, and Counselling Support to manage the wider recruitment and retention challenges.	A	-125,680	0	0	0	0	0
Disciplinary Hearing Reserve	This reserve is to fund a part time post to manage the workloads of disciplinary hearings.	A	-42,375	0	0	0	0	0
Office of Police and Crime Commissioner Reserve	Funding to meet additional costs to backfill statutory role due to long term absence.	A	-83,622	-83,622	0	0	0	0
Commissioning Services Reserve	To support in-year cost increases due to recent changes in contract arrangements.	A	-157,318	-157,318	-115,960	-115,960	-115,960	-115,960
PCC Innovation Funding Reserve	To deliver innovation projects in line with the Commissioners priorities	A	-1,766,695	-1,327,695	-1,177,695	-1,177,695	-1,177,695	-1,177,695
Police Cadet's Reserve	One-off funding to support activity for Cadets	A	-59,905	-59,905	-59,905	-59,905	-59,905	-59,905
Total Specific Earmarked Revenue Reserves			-7,359,631	-6,610,029	-3,795,675	-2,881,885	-2,515,281	-2,375,318
Capital Reserves			0	0	0	0	0	0
Other Earmarked Capital Reserves	This reserve will be used to support the significant capital investment in Estates, Information Communication Technology and Fleet, as outlined within the MTFP and Capital Strategy.	A	-7,837,809	-4,569,809	-1,384,809	-654,809	-0	-0
Capital Reserve - CCTV	Earmarked capital reserve to fund Closed Circuit Television Cameras.	A	-1,081,830	-1,081,830	-1,081,830	-769,830	0	0
General Capital Grant	To support the capital programme	A	-106,446	0	0	0	0	0
Total Specific Earmarked Revenue Reserves			-9,026,085	-5,651,639	-2,466,639	-1,424,639	0	0
TOTAL USEABLE RESERVES			-21,897,420	-17,773,372	-11,774,018	-9,818,228	-8,026,985	-7,887,022
Less General Capital Grant			106,446	106,446	106,446	106,446	106,446	106,446
Transfer to/from Reserves (Note to the Accounts)			-21,790,975	-17,666,927	-11,667,573	-9,711,783	-7,920,540	-7,780,577

Home Office Police Finance Reserve	Classifications
Funding for planned expenditure on projects and programmes over the period of the current medium financial plan	A
Funding beyond the current planning period for specific projects and programmes	B
A general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management	C
<i>Classifications as outlined in the Home \office guidance on Police Finance Reseves which was issued January 2018</i>	



Capital Programme and Strategy

1 Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2021 requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken inline with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 This Capital Strategy sets out the principles that underpin the production of the Police and Crime Commissioner's (Commissioner) forward capital programme. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of the governance arrangements for approval and monitoring of capital expenditure, outlines how associated risk is managed, and considers the implications for future financial sustainability.
- 1.3 The priorities for policing in the local area are detailed in the Police and Crime Plan (PCP). This document is compiled by the Commissioner in consultation with the Chief Constable. The priorities take account of the views of local people and partners, as well as the Commissioner's priorities as the elected representative. The Commissioner published his new PCP in January 2025, and the following priorities underpin all aspects of operational and organisational delivery:
- **Supporting Victims and Preventing Victimisation;**
 - **Supporting Safe Communities by Preventing Harm;**
 - **Supporting a More Effective Justice System.**
- 1.4 The Commissioner and Chief Constable also take account of the Strategic Policing Requirements issued by the Home Secretary. The Chief Constable is responsible for supporting the Commissioner in the delivery of the priorities set out in the PCP and has developed a Police and Crime Delivery Plan to support the PCP. His operational delivery, performance monitoring frameworks and financing decisions focus on these priorities. The Chief Constable also has developed three priorities for the Force which will also support the PCP:
- A compassionate response to victims of domestic abuse and stalking and the relentless pursuit of offenders;
 - Making Dyfed-Powys Police area hostile to those that deal drugs;

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- A compassionate response to victims of rape and sexual assault and the relentless pursuit of offenders.
- 1.5 The Capital Strategy is a tool to support planning and corporate working across the two Corporations Sole helping to ensure that assets are used and managed well. The Capital Strategy shows how we prioritise, monitor, deliver and evaluate our capital programme using the basic principles of the project methodology.
- 1.6 The Dyfed-Powys area is geographically the largest police area in England and Wales, covering over half the landmass of Wales. It is particularly affected by the challenges associated with policing a largely rural area which includes two significant ports, the major installations at Milford Haven, and a vibrant tourist industry. Capital Assets, including police stations, police houses, radio masts, vehicles and ICT, and other operational equipment play a vital role in the delivery of policing services across the area and in terms of delivering PCP priorities.

2 Key Partnerships

- 2.1 In delivering each element of the strategy, the Commissioner plans to take due account of the continuing collaboration agenda and will take every opportunity to engage with neighbouring forces and other constituent authorities in developing strategies to counter common problems. This Capital Strategy takes account of the continuing need to invest in these key priority areas, collaborating with partners in the future.

3 Financial Sustainability

- 3.1 For many years Dyfed-Powys Police has benefitted from significant levels of capital reserves which have been supplemented by the sale of operational buildings or police houses.
- 3.2 These reserves have historically underpinned capital investment, but in recent years the position moved away from the use of reserves into a position of funding through either direct revenue financing or borrowing. This therefore adds pressures to the revenue budget and consequentially to the council tax precept. It must also be noted that it is in a continued period of revenue pressures, increased demand and funding uncertainty.
- 3.3 The strategic approach is therefore to invest in core infrastructure now that will not only offer overall service improvements to the public, but also maximise revenue savings into the future through more efficient and mobile use of police personnel, enabled by improved ICT systems and other core infrastructure – for example, connected vehicle fleet and building assets.
- 3.4 Capital investment will also be influenced by and take account of national visions for policing, the strategic policing requirement, and both regional and local priorities.

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3.5 All project proposals and business cases for capital investments will focus very clearly on business benefit realisation, both from a financial perspective and from a non-financial perspective, which will provide a sound basis to inform critical decision making.

4 Environmental Sustainability and Decarbonisation

4.1 The UK Government has set a challenging timeframe for the UK to be Net Zero/Carbon Neutral by 2050 (*Net Zero Strategy: Building Back Greener 2021*). The Police and Crime Commissioner and Force have recognised the importance of acting in the light of the climate emergency and making early progress against reducing carbon emissions. The Commissioner and Chief Constable have adopted a Sustainability Strategy that is being implemented across Policing in Wales as a collaborative programme.

4.2 As part of the all-Wales approach, Dyfed-Powys Police are firmly committed to playing their part within this strategic context which sets out the ambition for decarbonisation and commitment to a long term, future-sustainable police service. Achieving net zero carbon will require a thorough transformation of the systems that make up the backbone of our operations, including transport, energy use, procurement of goods and services and the built environment.

4.3 A Force Sustainability Policy and Sustainability & Decarbonisation Strategy has also been approved to underpin the wider All-Wales Strategy. This commits Dyfed-Powys Police to becoming a sustainable police force – it aims to deliver social, economic and environmental benefits each of the Local Policing Areas (LPAs) through the provision of a safe place to live and work, that aligns with our Strategic Organisational Plan:

- Establishing a carbon footprint baseline at Force and departmental level through our Annual Balance Carbon Data (ABCD) documents;
- Identifying mitigation potential at departmental level through our Self Evidence Assessment Reports (SEARs);
- Developing plans for decarbonisation at departmental level, using our Adaptation, Decarbonisation Action Plan Trackers (ADAPTs);
- Developing plans for sustainable goals at departmental level through using our ADAPTs and procurement processes;
- Monitoring progress through reviewing progress of ADAPTs and reporting to the Sustainability Steering Board;
- Quantifying benefits through post actions reviews of ADAPT actions, SEARs and analysis of procurement contracts.

4.4 Using the three pillars of sustainability (social, economic and environment), Dyfed-Powys Police aims to build a solid platform from which to deliver its objective outcomes.

4.5 Dyfed-Powys Police is very conscious of its obligations in relation to environmental sustainability and these considerations will form an intrinsic part of all capital investment proposals.

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5 Capital Programme

5.1 Assets are vital to the delivery of efficient services and should be well managed and maintained. Strategies for Estates Management, ICT and Vehicle replacements underpin the Capital Strategy, in providing the details for the longevity and the optimum replacement cycles for these items.

5.2 The Capital Programme and financing which covers the revised position for 2025/26 through to 2031/32 is summarised below:

Table 1- Capital Programme 2025/26 – 2031/32

Capital Programme	Updated 2025/6	Original 2026/7	2027/8	2028/9	2029/30	2030/1	2031/2
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Land and Buildings	11,058	16,735	4,585	5,453	3,170	4,616	3,125
Vehicles	2,533	1,994	2,472	3,307	3,834	3,883	3,934
IT and other strategic spending	3,966	6,619	4,442	5,200	3,488	3,228	3,001
Capital Expenditure	17,557	25,348	11,499	13,959	10,492	11,728	10,060
Borrowing	(10,365)	(17,947)	(4,391)	(6,619)	(3,635)	(3,502)	-
Contributions from Revenue Account	(2,718)	(4,166)	(5,016)	(5,866)	(6,807)	(8,176)	(10,010)
Capital Receipts	(1,100)	(50)	(1,050)	(50)	(50)	(50)	(50)
Capital Reserves and Grants	(3,374)	(3,185)	(1,042)	(1,425)	-	-	-
Capital Financing	(17,557)	(25,348)	(11,499)	(13,959)	(10,492)	(11,728)	(10,060)

5.3 Work has continued through the Strategic Finance and MTFP Board to consider financial and investment requirements over a longer time frame. Whilst it contains a number of assumptions and uncertainties, this Capital Strategy includes a capital programme, shown at Appendix G, which covers a 10-year indicative period. This programme will be revisited as clarity arises and annually as part of the formal budget and precept setting.

6 Estates

6.1 The Commissioner has an Estates Strategy which provides clear guidance and direction around the future strategic and operational Estates requirements for Dyfed-Powys Police and provides clarity for budget allocation and future investment requirements.

6.2 The aim of this strategy is to:

- Create an efficient, fit-for-purpose and sustainable estate that delivers value for money and facilitates flexible working in line with the Police and Crime Plan;
- Deliver an estate which provides an appropriate level of security for officers and staff and information;
- Provide a visible and accessible service which enables multi-agency working and promotes visible policing.

6.3 The main focus will be:

- Investment in the portfolio, as required, to maintain full operational effectiveness;
- Sale of vacant and redundant properties;

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- Consolidation and collaboration with Local Service Board members and partners;
 - Decarbonise the estate through effective asset retrofit/replacement works, revenue maintenance and invest to save projects;
 - Delivering the new Brecon facility to provide collaborative Policing and Custody facility in South Powys.
- 6.4 Governance arrangements around Estates continue to be reviewed and have continued to provide robust scrutiny during 2025/26. This has continued to ensure that all stakeholders are represented, and the inherent linkage between operational requirements and estate provision are aligned to support policing services.
- 6.5 All intended investment and decisions will be assessed to consider the following criteria:
- Location: Operationally Fit for Purpose;
 - Public Facing Status: Customer Facing;
 - Overall Condition of Property and Financial Burden;
 - Where energy generation or energy reduction is a key driver, return on investment is assessed.
- 6.6 The Strategic Estates Group continue to use the Project Risk Based Assessment Criteria to assist with the prioritisation of capital investment aligned with financial affordability criteria:
- Risk to operational effectiveness (to include smarter working);
 - Risk to not meeting a legislative or statutory requirement including International Standards Organisation (ISO) accreditation;
 - Risk to building fabric/system, which increases cost with long-term implications;
 - Risk to Force and Commissioner Reputation (including partnership arrangements);
 - Risk to Health and Safety;
 - Risk to the Security of the Site;
 - Contribution to Decarbonisation and Sustainability.
- 6.7 Continued upgrade works aligned to the historic condition surveys and agreed plan have been delivered within the last period, with pre-construction design and tender stages taking significantly longer than anticipated. This has resulted in a significant underspend in-year and carry over to the next financial period to progress to delivery/construction stage. The consideration and seeking of grant funding continues but scheme opportunities have significantly reduced, and application attempts have been unsuccessful in the last period.
- 6.8 The previous condition survey, benchmarking, and crime recording/response times analysis has helped inform the Estates Strategy in determining which properties to retain, and where future moves and accommodation changes need to be planned to meet operational requirement. This work has

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continued to provide clarity on the optimum operational locations for policing hubs, and has provided direction for future collaboration opportunities which have been mobilised in the last period, and are planned for the next financial year.

- 6.9 The Pembrokeshire Estate Strategy has continued to be a key area of focus which has allowed us to progress planning and acquisition stages for new police bases. These have been progressed allowing planned fit-out and occupation in early next financial year. Significant investment in the Haverfordwest facility aligns with the overall strategy and intent to remain and operate from this hub for many years to come.
- 6.10 The Brecon project to provide a new police base, Custody and Vehicle Maintenance Unit has progressed to RIBA stage 3 (Initial Design and Planning stage). The initial Traditional Construction design and cost route via Willmott Dixon under a Framework agreement was deemed cost prohibitive. This led a to review of other construction methodologies and routes to market, resulting in a review of Modular Custody buildings, site visits, and case studies. This has resulted in a new approach and design which provides a more affordable long-term Custody solution. Greater understanding of scope, cost and timeframe now provide further clarity on the scheme. The budget estimate has risen from £8.5m to £8.9m with the expectation to value engineer and provide greater cost certainty in the next detailed design stage. The scheme will progress to tender stage and planning at the start of the calendar year, with determination and tender cost returns expected to be concluded by Q2 2026. The timing of the scheme delivery is currently anticipated to be across the 2026/27 and 2027/28 financial years.
- 6.11 The requirement for a firearms training facility to support the southern Welsh forces' collaborative Joint Firearms Unit continues. The existing range has been deemed not fit for purpose and a new facility is required to meet the very extensive training needs and legal requirements for firearms officers. The new scheme, which has a total cost of circa £59.3m (with £15.8m being Dyfed-Powys Police's proportionate share), continues to progress well with superstructures and all buildings being watertight with first fix and wider infrastructure and key building elements being progressed. There have been delays incurred due to bad weather and IT/security technology client changes during the period, with practical completion planned for October 2026. Contingency in the scheme is expected to increase with a further burden of £267k anticipated on the scheme before completion. Robust governance at all levels continues, with a Platinum Board chaired by our Commissioner.
- 6.12 In addition to these major developments, there will be a continued risk assessed programme for planned and reactive maintenance. Prioritisation of works is reviewed based on risk factors aligned to condition of fabric and to the occupant, legislative requirements and business continuity considerations, which inform the decision-making process and timescales. Condition surveys have previously been carried out across the whole estate determining the level of investment required at each location by each sub-

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fabric element. This work continues to provide a sound capital forward maintenance plan, which provides a live tool allowing structured and informed decision making, assessed alongside affordability.

- 6.13 It is worthy of note that the Photovoltaic Solar Panel and LED installations, and wider estate heating cooling/controls investments in the previous and in-year period, continue to provide a continues significant reduction in utility consumption and carbon cost to the organisation.
- 6.14 The Solar Farm project at Police Headquarters is progressing well, with approved planning permission and approval from National Grid on the cost and connection to the grid infrastructure. Tender returns have been received, and planning condition works and connection details to the existing infrastructure are being finalised allowing a final business case to be delivered at the end of this financial year. The aim is to deliver the works in Q1 2026/27 when better weather will support swift progress.
- 6.15 The capital budget supplements a centralised revenue budget for planned and cyclical major buildings works, which are programmed based on risk and future strategies for each building. Revenue resources are also held and managed locally for smaller scale repairs, upkeep, and maintenance initiatives/programmes which continue in an informed and structured manner.
- 6.16 The organisation continues to embed decarbonisation of the estate aligned with agile and efficient ways of working. This approach continues to have mid- and longer-term implications for both the estate and ICT functions. Numerous moves, changes and consolidation of space in-year have resulted in increased released space for external blue light tenancy collaboration opportunities to be mobilised. This has reduced our estate burden and increased our income generation opportunities.
- 6.17 The Facilities Management Service provision, working with other public sector parties for the tendering of specific service contracts, has brought further procurement leverage this year. Detailed management information aligned with robust statutory compliance delivery and reporting has allowed us to demonstrate value and rigour in the way the estate is managed and maintained. This continues to be a fundamental priority of the Estates function, with increased reporting and management information being used to guide direct and validating decision making, providing greater assurance for the governance of the function.

7 Fleet

- 7.1 The Force ensures that the Fleet make-up continues to match demand and the evolving operational requirement through the Fleet User Group and the Strategic Fleet Management Group, as well as national guidelines set by the National Police Chiefs' Council (NPCC) and the National Association of Police Fleet Managers (NAPFM).

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- 7.2 The capital programme fully reflects the replacement requirements, based upon value for money considerations around replacements versus servicing costs, as well as considering sustainability goals. Telematics data has been, and will continue to be, used regarding monitoring vehicle utilisation, and adjustments to vehicle demand within certain areas are being assessed.
- 7.3 Dyfed-Powys Police is aware of its obligations in terms of sustainability and has invested in electric vehicles (EV) and charging infrastructure. An initial target of 18.25% for electric and hybrid vehicles, set for 2024/25, has been achieved, with the current fleet being 6.68% electric and 19.60% hybrid, overall making the fleet 26.28% electric or hybrid. As part of the EV transition, we are assessing the introduction of more EVs into CID, NPPT and pool vehicles based on mileage and infrastructure. We have purchased a marked EV response car which will be trialled and assessed for suitability in driver training and operationally. In 2026/27 we are going to purchase and trial a marked EV cell van to assess the suitability for our force area. The Fleet department are working closely with Estates to ensure suitable infrastructure is in place to support the EV transition. As part of this, an EV scoping paper has been written to highlight considerations and challenges that the Force needs to consider through this transition.
- 7.4 In collaboration with Estates, Fleet has been involved with the Police Collaboration Wales CHARGE project, which is a project group to implement consistent EV charging infrastructures across the four Welsh forces. The most recent supplier has removed themselves from the market which has delayed progress, however in 2025/26 a procurement process has taken place to identify a new supplier and DPP are waiting to sign the contract. This supplier should ensure DPP has a consistent EV charging infrastructure which is fully maintained, including a 24/7 helpdesk which will increase reliability and availability. Along with Estates, Fleet are looking to collaborate with other public sector partners to share EV infrastructure and reduce the need to duplicate chargers in similar areas.
- 7.5 Fleet stays up to date with changes to legislation and requirements through the DVLA and the National Association of Police Fleet Managers (NAPFM). In 2025/26 the government announced an Electric Vehicle Excise Duty (eVED) for 28/29, which could have financial implications on the Force. Fleet continue to collaborate and monitor the implications of this as well as any other emerging changes.
- 7.6 A focus group has been implemented to monitor driver behaviour and styles using telematics in 2025/26 however, issues were identified with data accuracy. The aim of the group is to make employees accountable and promote positive behaviour. This in turn will support reducing accident rates, fuel costs, tyre costs and maintenance costs. The data issues have been passed on to the project, and we hope this group will be able to be re-implemented in 2026/27.
- 7.7 The Force monitors fuel costs and predicts that, with the transition to EV, we

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could save 55% on fuel by using EVs when the electricity cost for the Force is due to decrease to 26p per kwh in 2028/29. In 2025/26 we have encouraged use of discount diesel and worked with AllStar to put enforcements on cards to produce further savings. Fleet will continue to work with suppliers and Estates to try and decrease fuel costs where possible.

- 7.8 The Force continues to collaborate through a shared fleet management system with Gwent and South Wales Police. A new system is due to be implemented in 2026/27 which should provide efficiency savings within Fleet. In 2025/26, DPP has continued to complete work for South Wales Police which produces some income for the Force. Fleet has signed a contract with the Bannau Brycheiniog National Park in 2025/26 and now complete a small volume of work, which is another source of income for the Force. In 2026/27, Dyfed-Powys, Gwent and South Wales Police’s telematics system contract comes to an end. Fleet have been liaising with the other forces to understand the market and ensure we have data accuracy and value for money.
- 7.9 Dyfed-Powys Police will also continue to collaborate with NAPFM (National Association of Fleet Managers) to continually assess emerging technologies whilst linking in with other police forces nationally.

8 Information Technology

- 8.1 The delivery plan referenced in the ICT Digital Strategy for the period 2024–2030 continues to drive the digital aspirations of the Force and the supporting infrastructure required for the next six years. It reflects the PCC’s priorities and the linked Chief Constable’s delivery plan objectives. It also incorporates the aims of the National Police DDAT (Digital, Data and Technology) Strategy, and the goals set out in the UK Government’s Cyber Strategy. Since the launch of the Strategy the focus has been on delivering to the plan articulated in the strategy, and progress is monitored quarterly in the ICT Strategy Group.
- 8.2 To accompany the ICT Digital Strategy two other strategies have been produced this year that emphasise the Force’s commitment and focus on data, technology and innovation and cyber security, namely the Data, Technology and Innovation Strategy 2025–2029 and Cyber Security Strategy 2025–2029.
- 8.3 The DIAG (Digital Ideas Assessment Group) is now established and functioning well, with a regular stream of ideas being submitted. It provides a single channel for submission of digital ideas, and provides a consistent method of assessment and clear and strong governance. The developed solutions are currently based on four different technologies: 1) creation of an OEL or document template in Niche; 2) automation via Robotic Process Automation (RPA); 3) MS Forms/Power App/Power Automate; or 4) creation of a Power BI dashboard. This will soon be extended to include a fifth option of AI, as the Force introduces Microsoft’s AI product Copilot.

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- 8.4 Digital automation remains an area of high interest across the Force. Digital automation in its various guises is seen as a realistic and proven approach to deliver savings and increase resource capacity. In 2025, RPA development has increased; a number of automations have been successfully delivered across several business areas including: the SRAU process in the Vulnerability Hub, with a success rate of 98%; specific checks within the Vetting background checks process; College Learn Account Creation process; the Firearms Licensing application renewal reminder process, with a success rate of 98%; Firearms Licensing background checks with a success rate of 98%. The Force is an active member of the Southern RPA Pathfinder Group of forces where processes and best practice are shared. Similarly, we have established the Centre of Excellence for the area of Microsoft 'Power Applications' and 'Power Automate' to ensure proper governance and controls are in place. Numerous requests have been received from the business where we have either managed to exploit and adapt existing national apps or developed our own. The Aide Memoire Search App has been re-purposed for both CSI guidance, available for officers to access at the scene, and also action cards relating Op Plato type incidents. AI is the next area the Force will be exploring, with many forces already seeing areas where it can be applied and significant time savings and efficiencies made.
- 8.5 The renewal of our Microsoft Enterprise agreement has taken place, and the Force is now a fully E5 estate, thereby simplifying the management of the licences and enabling Teams Telephony for all, as well as other more advanced features such as auto-labelling. The cost of the contract has increased due to the growth in users, additional servers for the CMS solution, and general price increases.
- 8.6 The Force has migrated across to Windows 11 by the deadline of date of October 2025, as Windows 10 is no longer supported. A very small number remain on Windows 10 with extended Windows support as these more complex devices require further work prior to being migrated. The standard laptop replacement budget was used to cover the gap identified and used for purchasing Windows 11 compatible devices.
- 8.7 Replacement SAN (Storage Area Network). The current SAN equipment is coming up to 5 years old. The new SAN will be like-for-like in both the HQ site and the DR site, thereby increasing our resilience in terms of DR by creating N+1 redundancy. It also has improved levels of immutable backups covering the whole SAN, and Malware protection at the hardware level.
- 8.8 Work has been carried out as part of the Commissioner's reinvestment in CCTV provision across the Force. As a part of the new contract for the support and maintenance of the Force public space CCTV system, the wireless network replacement was included in the new contract, and this work is being carried out during 2025/26. This continued investment in CCTV will ensure the solution remains secure and operationally effective.

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- 8.9 NIAM – National Identity Access Management is now live in force and being used for access to NLEDs. The Force has developed an automated RBAC and entitlements process to manage identities and also access to LEDS functions via entitlements, linked to the training that has been completed.
- 8.10 Corporate telephony is largely covered by either MS Teams Voice or MDTs. There is a need for shared desk phones in certain areas across the Force, such as within the Custody suites. For this reason, the Microsoft Teams Shared Device Licence has been purchased along with Teams-capable phones. The investment in devices has been funded from capital budget and the licences from the revenue budget.
- 8.11 During 2025 the M365 cloud to cloud backup was implemented and is now in place and fully operational.
- 8.12 The forward capital strategy takes account of several local strategic ICT projects, as well as a number of re-procurement projects involving technologies and ICT solutions that have reached the end of contract or end-of-life of essential equipment. The key ICT capital projects which are planned for the 2026/27 period are:
- Phase 1 of the new Contact Management System successfully moved into live operation in November 2024. Phase 1 covered emergency telephony, Integrated Communication Control System (ICCS). Phase 2 will see the implementation of the CRM (Customer Relationship Management) element. This has been delayed and is currently being trialled and tested by West Yorkshire Police. It is now anticipated that this will be delivered later in 2026. The new CMS will integrate with both Niche and STORM systems.
 - A precursor to implementing the CMS CRM is the need to upgrade the Force Command and Control system STORM. This will see the Force moving from STORM MA to Smart STORM, which will need to take place in 2026.

The ongoing investment in our strategic RMS Niche continues with:

- Additional modules such as “Missing from Home” will be implemented in 2026. The intention is to align with Cheshire’s implementation of MFH. There is no additional cost as it is included in the licence.
- Dorset Portal – three of the consortium forces are keen to implement the Dorset Portal integrated to Niche, which will provide a rich briefing capability for forces. The intention is for this to take place during 2026.
- DCF (Digital Case File) is anticipated to be included in the 2027 Niche upgrade. This project has been delayed as additional development work was required around disclosure. South Wales Police, as the lead force, are expected to undertake disclosure

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testing in February 2026 and implementation in October 2026, with the new National Roll-Out of Tranche 1 forces taking place between 1 May 2027 and 31 Aug 2027.

8.13 Pronto Mobile Data Application.

The Force continues investing in the ongoing development of PRONTO – the mobile data application. Key updates for 2025 are listed below:

- Delivery of eBit 2, Criminal Damage, and eBit 3, Shoplifting, both successfully implemented on 13 May 2025 to align with Niche Upgrade.
- Delivery of eBit 4, Harassment, was successfully implemented on 24 September 2025.
- Later in 2025 – DARA and Stalking & Screening toolkit and Mental Health form. Mental Health Process scoping work took place in summer 2024. This will be reviewed and implemented Q1 2026.

In 2026 new functionality will be added to Pronto: the 'copy to' function will be introduced, allowing copying of data between forms, reducing re-keying, and also introduction of some additional forms.

8.14 Further Wide Area Network (WAN) improvements are required over the coming years. The Force is engaging a third-party network specialist company to assist with the design of the future network for the Force, taking into consideration how modern security approaches will influence the design. The equipment at HQ is end of life in 2025/26 and will need replacing, with the divisional equipment needing replacing in 2027/28 to ensure continuity of service. Discussion is ongoing currently with PSBA with regards the future of PSBA in order to inform on the investment needed in the short term to replace unsupported hardware.

- New Multi-Function Devices (MFD) contract will be in place as of 1 April. The new contract sees a small increase in the number of MFD devices for the Force, with devices being rolled out to smaller stations.
- Rollout of NEC Docdefender – Automated Redaction Tool. This tool will enable faster identification and redaction, to mask or remove sensitive content in the form of personally identifiable information (PII), from transcripts.

8.15 Rollout of AXON Body 4 (AB4) cameras to Response officers and AXON Body 3 cameras to CID. AB4 has better audio and video quality over AB3, and extended battery life and enhanced field of view.

8.16 The Telematics contract with Light Bulb Analytics ends in 2026 and there will be a requirement to procure a new solution. The procurement process is underway jointly with South Wales and Gwent Police.

8.17 Rollout of Artificial Intelligence (AI) in the form of Microsoft Copilot in early 2026 will introduce Copilot Chat, which provides improved

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productivity and efficiency using the free AI assistant for work. The Force are planning to purchase 100 full Copilot licences that will allow the Force to gain even greater efficiencies through introducing AI agents and Agentic AI into specific business areas and address specific use cases.

- 8.18 BT Lines – with the implementation of new SIP circuits and BT announcing the end of analogue telephony services, the ICT department will be removing analogue telephone lines from the estate.
- 8.19 A small number of MDTs (Mobile Data Terminals) will be purchased to cover new starters/breakages, with a plan to replace the estate of Samsung XCover 6 Pro devices in 2027.
- 8.20 The forward capital strategy takes account of national programmes of work that are being taken forward by the National Police Chiefs’ Council (NPCC) and the Home Office. There are numerous schemes being taken forward nationally including the following:
- 8.21 Rollout of the fully functioning version of Law Enforcement Data Service (LEDS). LEDS is the modern and intuitive replacement for PNC and needs to be fully rolled out in 2026, with a key milestone of March. However, it is likely to take the remainder of 2026 to complete all the interface work between systems that take feeds from LEDS.
- 8.22 Digital Public Contact – Single Online Home has a detailed future capability roadmap that is planned over the next few years, which will require continued support from the organisation to ensure our public-facing website develops in line with the national programme, has the latest advancements, and is Welsh language compliant. My Police Portal is an area also being considered.
- 8.23 National Automatic Number Plate Recognition Service – there is a lot of change happening at national level and this is being monitored closely.
- 8.24 The National Enabling Programme has now come to a close and work is continuing under three strands:
- The ongoing management of the M365 Blueprint and Design Refreshes is being undertaken on behalf of policing by PDS. We are currently in the process of promoting the use of the full functionality of Microsoft Teams, aiming to get wider adoption of its rich feature set. This includes simple compliant methods for requesting a guest and a team. The project team are assisting with the migration of on-premises documents and files across onto SharePoint online on a departmental basis, with the intention of adding in methods that will provide staff with a simple way to set appropriate nationally directed retention labels. Due to the new requirement for ensuring that SharePoint and Force data is not overshared in readiness for Copilot rollout, we have enlisted the help of a Microsoft partner to make sure that the target environment is set up correctly.
 - IAM (Identity and Access Management) is now embedded, with

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work ongoing with South Wales Police and Gwent Police to assist with collaboration across the region. An all-Wales ICT technical collaboration group has been set up and will look at better ways of allowing access in the case of Joint Units.

- NMC (National Monitoring Centre) has been in place for some time and is functioning well. As an enhancement to the service, we have moved to using Microsoft Sentinel, a cloud-native security information and event management (SIEM) platform. The Force is alerted to issues identified and passed to the Force to address. The NMC are looking to expand on the services being offered to forces and is likely to include Cyber Forensic capabilities in the event of a cyber incident.

8.25 Emergency Services Network (ESN) Mobile Communications Programme has gone through a programme reset with the main suppliers of the new service being EE and IBM. The current project re-start date for ESN is 2025, with delivery planned between 2028–2030. IBM have contracted with Telent to visit all forces to discuss resources required for the implementation of ESN; this is planned to occur in 2026. This has led to the need to consider (at a national level) Airwave sustainability and how best to keep the Airwave network fit for purpose until 2026 and beyond. We will continue to need Airwave radios and Mobile Data Terminals (MDTs) for the foreseeable future. The Force has purchased two years extended support for the current devices rather than purchasing new; this option is a significantly lower cost. By extending the support it allows the Force to sweat the existing assets and await clarity from the ESN programme as to delivery timescales and what devices will be available to replace the Airwave equipment.

8.26 Dynamic Decision and Case Management System – a procurement exercise is under way to acquire (for policing) a national interoperable ICT solution, providing a coordinated and consistent capability to record operational action and information, informing decision making at the highest level, supporting end-to-end case management. Current plans show that the product is unlikely to be ready for rollout to forces until mid-2027.

8.27 NFLMS (National Firearms Licencing Management System) Replacement contract was awarded end of October 2025, with rollout to all forces by the end of 2027.

8.28 OMIS 360 (Offender Management and Insights System 360) is a replacement for IDIOM (Intelligence Driven Integrated Offender Management). The offender tracking tool provides a way to monitor Integrated Offender Management nominals and report on reoffending rates. Replacement of current system by March 2026.

8.29 ARIT (Asset Recovery IT) is a replacement for JARD, an operational DB that stores details of end-to-end asset recovery cases (used by ROCUs

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and Local Financial Investigators). Deployment starts in July 2026.

8.30 MAPPS - Multi-Agency Public Protection System is a replacement for VISOR. Deployment date is not known at this time.

9 Capital Requirements and Resources

9.1 Since the withdrawal of central government capital funding in 2023/24, this erosion has caused additional burden on revenue budgets with capital funding needing to be met from reducing capital reserves, increased direct revenue contributions from revenue and prudential borrowing, which brings long-term additional burdens on the revenue budget to fund both interest and minimum revenue provisions.

9.2 In addition to the array of investment requirements for critical local and regional infrastructure, there are also financial burdens arising from a number of mandatory national ICT projects, which in the main are outside of the control of Dyfed-Powys Police. These projects continue to cause concern both in terms of delays and cost increases, with much dialogue continuing between the Association of Police and Crime Commissioners (APCC), the NPCC and the Home Office. The HMICFRS State of Policing report for 2021 also made specific critical comment.

9.3 As part of his integrated service and financial planning arrangements, the Commissioner estimates the level of capital resources available for subsequent years in order to draw up a forward capital programme.

9.4 The Commissioner and Chief Constable have prioritised investment in the capital programme towards strategic priorities, unavoidable spending, and towards areas that reduce future revenue expenditure and a revised capital programme for 2025/26 to 2034/35 totalling £130.898m.

9.5 To meet future capital investment requirements and mitigate the cessation of capital grant funding, the Medium-Term Financial Plan and capital programme include an increasing trajectory of revenue contributions to capital with external prudential borrowing to support major scheme investment in critical infrastructure.

9.6 The profiled level of capital investment and external resources are used to assess the need for both short- and long-term borrowing. The strategy also feeds into the considerations that the Commissioner makes annually in setting prudent, sustainable and affordable borrowing levels and indicators.

9.7 Local authorities, including the police, can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. Borrowing costs are not supported by the UK

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Government, so Dyfed-Powys Police need to ensure it can fund the repayment costs. The authority's Minimum Revenue Provision (MRP) Policy sets out a prudent approach to the amount set aside for the repayment of debt. These are set out separately under the Treasury Management Strategy, which is considered and approved by the Joint Audit Committee. The Code is explicit that the authority must not borrow to invest primarily for financial return.

- 9.8 In addition to their own capital programme, the Commissioner and Chief Constable work with other partners to secure additional capital and revenue resources to further partnership, transformation and sustainability objectives wherever and whenever possible. These are dealt with through complementary processes.

10 Governance Arrangements

- 10.1 As outlined, the capital programme has been prioritised by the Commissioner and Chief Constable, who appraise requirements against strategic priorities. The processes recognise the varying scale and complexity of capital projects and incorporate a proportionate approach to capital project appraisal, monitoring and evaluation.
- 10.2 The Commissioner manages his capital strategy operationally through the Policing Board, which oversees the major change projects for both capital and revenue. In addition, the Finance and Strategy Board will support delivery and monitor specific programme risks. Detailed implementation work is assigned to key individuals and overseen by the Strategic Estates, Strategic ICT and Strategic Vehicle User Groups or at specific Project Boards, including the Capital Build Group, which are established to oversee and govern major capital schemes.
- 10.3 Major projects are managed in accordance with project management best practice in terms of compliance with PRINCE2® project methodology. Links have been established between benefits management on key projects, efficiency planning and costing information.
- 10.4 A project proposal form has been developed to capture project considerations, risks, costings, timescales and business benefits in a consistent manner across the organisation. A Projects and Funding Group has been established to review all requests for funding which will be escalated to the Change and Transformation Group for consideration.
- 10.5 Capital project proposals are considered and prioritised with reference to a business case and are considered against the following factors:
- Strategic importance – how the bid supports the Commissioner's priorities and wider national and regional priorities;
 - The outcomes that will be achieved and the specific benefits and impacts;
 - Financial sustainability – whether costs are realistic and the level of future revenue implications;

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- Environmental sustainability;
 - What options have been considered;
 - What other funding sources may be available;
 - The degree to which the proposals support partnership working.
- 10.6 Particular consideration is given to ongoing revenue costs stemming from capital projects within the appraisal process. All potential capital bids identify ongoing revenue costs and consider how these can be met. Revenue costs stemming from capital schemes, including any prudential borrowing requirements, are built into the Medium-Term Financial Plan.
- 10.7 Prioritisation is then made based on four categories which are listed below in order of priority:
- Unavoidable (statutory, contractual or tortuous liability);
 - Corporate Priority (relating directly to the corporate aims and priorities for improvement);
 - Service Priority (meeting stated service priorities);
 - Other (payback, invest to save, leverage of external funding etc.).
- 10.8 Lower priority projects which cannot be delivered within available resources can only be considered and undertaken if additional resources or an under-spend on the approved capital programme is identified during the year.
- 10.9 Progress against capital schemes is reported as part of financial reporting to the Finance and Strategy Board and Policing Board. Specific projects and reports are also considered by the respective governance groups which sit below these Boards i.e. Strategic Estates Group, Capital Build Group, Strategic ICT Group and Strategic Fleet User Group, with risks and highlight reporting escalated through the governance structure as appropriate.
- 10.10 Following approval of the capital programme, a project manager and a user representative is identified for each capital project. The project manager is responsible for managing the project implementation and delivering its objectives. For all projects within the capital programme, an officer is identified as project sponsor.
- 10.11 The user representative is responsible for representing users and customers and for defining the quality requirements. Both roles reflect the underlying principles of the PRINCE2® project management methodology. The project manager produces a project plan for approval. Progress against the project plan is reported to the Programme Management Board and Project Sponsor.
- 10.12 Once projects have been completed, the project manager completes a post implementation review for the major capital projects. This includes identifying at what stage the post project review will be carried out. The post implementation report is reviewed by the Change and Transformation Group and escalated to the Policing Board, if required.

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10.13 To evaluate the actual success and outcomes of capital projects, a post project review is also carried out. The depth of this review is proportionate to the scale of the project and the benefits set out in the initial Project Initiation Documentation.

10.14 This review is, in effect, a check of performance against the original proposal. It focuses on the outcomes achieved, the extent to which the benefits claimed are being realised, the actual costs, both revenue and capital, and the impact of other funding and partnership working. Dyfed-Powys Police can then use this information to learn lessons and make any improvements identified during project implementation.

10.15 The ongoing success of projects is monitored through a number of mechanisms such as officer feedback, public consultation and customer feedback.

The Disposal of Assets

10.16 The Commissioner and Chief Constable recognise the Force need to dispose of surplus or unsuitable assets to help achieve its corporate aims and deliver its capital programme, and the detailed process for disposal of assets is included in the Corporate Governance Framework. A number of properties have already been disposed of and plans to market further properties will be done in conjunction with delivering the Estates Strategy in line with the Commissioner's wider responsibilities.

11 Conclusion

11.1 This Capital Strategy considers all aspects of capital management, sets out the methods for assessing capital projects and assets, and outlines the revised capital programme for the period 2025/26 to 2030/31, with wider outlook to 2034/35. The strategy should be read in conjunction with the detailed Estates, ICT and Fleet Strategies, Sustainability and Decarbonisation Strategy and the Treasury Management Strategy, which covers the requirements of CIPFA's Prudential Code.

Appendix G –Capital Programme 2025/26 to 2034/35



Capital Programme - 2025 to 2035	Updated 2025/6	Original 2026/7	2027/8	2028/9	2029/30	2030/1	2031/2	2032/3	2033/4	2034/5	Total
Scheme / Project	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estates Projects											
Major Estates Projects											
New Station Brecon	262	8,554	-	-	-	-	-	-	-	-	8,816
Joint Firearms Facility	7,659	1,390	-	-	-	-	-	-	-	-	9,049
Refurbishment - Haverfordwest Station	908	1,819	-	-	-	-	-	-	-	-	2,727
Refurbishment - HQ	478	37	398	1,243	845	-	-	-	-	-	3,000
Solar Farm - HQ	171	1,685	-	-	-	-	-	-	-	-	1,856
Estates Minor works											
Other Sustainability and Environmental Projects	343	340	1,660	1,100	375	175	175	175	175	175	4,693
Other / Minor Works	1,237	2,910	2,527	3,110	1,950	4,441	2,950	2,950	2,950	2,950	27,975
Total Estates	11,058	16,735	4,585	5,453	3,170	4,616	3,125	3,125	3,125	3,125	58,116
Fleet / Boat											
Replacements	2,142	1,814	2,292	3,127	3,654	3,703	3,754	3,805	3,857	3,687	31,836
Electric Vehicles / Sustainability	391	180	180	180	180	180	180	180	180	180	2,011
	2,533	1,994	2,472	3,307	3,834	3,883	3,934	3,985	4,037	3,867	33,847
ICT and Equipment											
WAN / ESN	393	1,103	850	2,607	1,329	352	352	50	2,010	1,298	10,344
CCTV	404	1,281	250	50	50	50	50	50	50	-	2,235
Device Replacement	1,939	2,450	1,057	1,073	614	1,711	1,441	1,689	739	540	13,253
Other ICT Innovation and Technology	374	655	925	943	1,020	640	683	412	389	339	6,380
	3,109	5,489	3,082	4,673	3,013	2,753	2,526	2,201	3,188	2,177	32,211
Equipment											
Equipment and Innovation SPAC Bids	857	1,130	1,360	527	475	475	475	475	475	475	6,724
	857	1,130	1,360	527	475	475	475	475	475	475	6,724
Total Capital Programme	17,557	25,348	11,499	13,959	10,492	11,728	10,060	9,786	10,825	9,644	130,898
Own Financing											
Direct Revenue Financing	(2,718)	(4,166)	(5,016)	(5,866)	(6,807)	(8,176)	(10,010)	(9,736)	(10,775)	(9,594)	(72,864)
Capital Receipts	(1,100)	(50)	(1,050)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(2,550)
Capital Reserves and Grants	(3,374)	(3,185)	(1,042)	(1,425)	-	-	-	-	-	-	(9,026)
Additional Capital Financing Requirement	(10,365)	(17,947)	(4,391)	(6,619)	(3,635)	(3,502)	-	-	(0)	-	(46,458)
Estimated External Financing Requirement Cumulative	(20,000)	(27,444)	(34,536)	(32,912)	(33,454)	(32,431)	(30,236)	(28,040)	(25,845)	(23,649)	
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%