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Gwent Police and Crime Panel
Panel Heddlu a Throseddu Gwent

For all enquiries relating to this agenda please contact Mark Jacques
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Date: 22nd January 2026

Dear Sir/Madam,

A meeting of the **Gwent Police and Crime Panel** will be held at the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Friday, 30th January, 2026** at **10.00 am** to consider the matters contained in the following agenda.

A G E N D A

MEMBERSHIP:
Councillor Malcolm Day, Blaenau Gwent County Borough Council - subject to Home Office approval
Councillor Jen Morgan, Blaenau Gwent County Borough Council
Councillor Marina Chacon-Dawson, Caerphilly County Borough Council
Councillor Colin Peter Mann, Caerphilly County Borough Council
Councillor Tony Easson, Monmouthshire County Council
Councillor Tony Kear, Monmouthshire County Council
Councillor Farzina Hussain, Newport City Council
Councillor Debbie Jenkins, Newport City Council
Councillor James Peterson, Newport City Council
Councillor Lynda Clarkson, Torfaen County Borough Council
Councillor Nick Byrne, Torfaen County Borough Council

Co-opted Members- Mrs. G Howells and Ms. K Stevenson

By Invitation

Ms J. Mudd, Office of the Gwent Police and Crime Commissioner
Ms E. Thomas, Office of the Gwent Police and Crime Commissioner
Mrs S. Curley, Office of the Gwent Police and Crime Commissioner
Mr D. Garwood-Pask, Office of the Gwent Police and Crime Commissioner

And Appropriate Officers.

Gwent Police and Crime Panel
Panel Heddlu Gwent a Throseddu

GWENT POLICE AND CRIME PANEL

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE ON FRIDAY 12TH DECEMBER 2025 AT 10.00AM

Present:

Mrs G. Howells – Chair

Councillors M. Chacon-Dawson and C. Mann – Caerphilly County Borough Council
Councillors A. Easson and T. Kear – Monmouthshire County Council
Councillors F. Hussain, D. Jenkins, and J. Peterson - Newport City Council
Councillor N. Byrne – Torfaen County Borough Council

By invitation:
Ms J. Mudd - Police and Crime Commissioner for Gwent
Mr M. Hobrough – Gwent Police Chief Constable
Ms E. Thomas - Deputy Police and Crime Commissioner for Gwent
Mrs S. Curley - Chief Executive, Office of the Police and Crime Commissioner for Gwent
Mr D. Garwood-Pask – Chief Finance Officer, Office of the Police and Crime Commissioner for Gwent
Mr S. Slater – Head of Strategy, Office of the Police and Crime Commissioner for Gwent
Mr R. Guest – Head of Communications and Engagement, Office of the Police and Crime Commissioner for Gwent
Ms. E. Lionel – Principal Commissioning and Finance Manager, Office of the Police and Crime Commissioner for Gwent

Together with:
Mr M. Jacques (Scrutiny Officer - CCBC), Mrs L. Lane (Head of Democratic Services – CCBC) and Mrs E. Sullivan (Democratic Services Manager - CCBC).

A minute's silence was held at the commencement of the meeting following the sad passing of former Panel Member Councillor Christine Forehead in November. The Chair also placed on record her thanks to former Panel Member Cllr Amanda McConnell who had left the panel to take up a position on the Cabinet of Caerphilly County Borough Council.

1. DECLARATIONS OF INTEREST

No declarations of interest were declared by Members.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillors L. Clarkson (Torfaen County Borough Council), M. Day (Blaenau Gwent County Borough Council nomination – pending Home Office approval),

J. Morgan (Blaenau Gwent County Borough Council) and Ms K. Stevenson – Co-opted Member.

3. TO APPROVE AND SIGN THE FOLLOWING MINUTES: Gwent Police and Crime Panel held on 26th September 2025

RESOLVED that the minutes of the Gwent Police and Crime Panel meeting held on 26th September (minute no. 1 – 6) be approved as a correct record. The accuracy of the previous meeting's minutes was unanimously approved by those Members present.

4. UPDATE BY THE POLICE AND CRIME COMMISSIONER FOR GWENT

The PCC highlighted the launch of the Children and Young People's Charter, a successful White Ribbon Day which raised awareness about violence against women and girls, Gwent Strategic Safer Communities Board progress on establishing priorities, and the signing-off of the annual accounts for Gwent Police and the OPCC by the Auditor General. The PCC also commented on the changes to policing governance announced in November. Members heard how apart from a briefing on the day itself the PCCs were not consulted prior to the Policing Minister's announcement on the abolition of the PCC role across the UK, and that the PCC herself thought the manner of announcing such a change in policy was "unprofessional". The PCC and OPCC Chief Executive made Gwent OPCC staff aware of the planned changes just prior to the news breaking via media outlets. Members then heard how the well-being of staff was a key area of focus for the PCC. The Policing Reform White Paper had been delayed and was now expected in early 2026. Statutory duties of the PCCs would be carried out by Deputy Mayors in England but it was still unclear what would happen in Wales which did not have elected Mayors. But discussions were taking place between the WLGA, the Welsh Government and the Home Office to develop some design principles.

The Chair thanked the PCC for her update and highlighted that the Panel should be consulted if they could provide any support during the transitional process.

One Member observed that policing should be a devolved matter and managed by the Welsh Government. Another Member expressed concern about the decision to abolish the PCC role and questioned the merits of the decision from a cost-cutting perspective. The PCC agreed that the changes would place an additional burden on the public purse in her view.

A Member enquired what prompted the decision by the Government. The PCC replied that it was unclear but added there were several points in the Ministerial Statement which she would dispute. In particular, the point that there was a lack of public awareness of the PCC role. The PCC reminded Members about a point that she had made previously around Parliamentary Candidates receiving funding to send electoral literature to every constituency household and that it was unfair that funds were not provided for similar electioneering by PCC candidates. Members heard how the PCCs had written to the Home Secretary about this matter. The lack of public awareness point was one finding from a survey held in 2020. The PCC disputed a prevailing view within the UK Government that PCC governance of policing was a "failed experiment."

One Member made a comment about the support received by many community organisations in her ward by the OPCC. The PCC provided assurances that this work would continue until May 2028 and then a transition process would follow. The DPCC also outlined the OPCC's total commitment to deliver the current Police, Crime and Justice Plan.

A Member observed that he was shocked by the announcement, questioned the reasons from a financial perspective, and was surprised that the Police Federation welcomed it. The PCC highlighted to Members that the responsibilities would remain and that it was only the elected role and supporting office which would be abolished. This would only create one-off savings. The PCC disagreed with the national position of the Police Federation and highlighted the positive working relationship with the federation at a Gwent level. The Member also received assurances around his concerns about the uncertainty for Gwent Police and OPCC staff at this time.

A Member highlighted the proactive work conducted by the PCC and her team in his ward and commented on the resulting increased visibility.

One Member sought clarity on funding work with the Third Sector. The PCC provided further detail on this work and outlined the reciprocal arrangements that took place. For example, GAVO helped facilitate supportive measures on farmer welfare concerns which were raised as part of rural crime initiatives. The Member also praised the Gwent Police App.

A Member enquired how the Children and Young People's Charter would have an impact on sex exploitation rates. The PCC advised on the commitment within the Charter which was made by partners and highlighted that the issues raised by the Member could only be addressed through partnership working.

5. TO RECEIVE AND ANSWER ANY QUESTIONS TO THE POLICE AND CRIME COMMISSIONER FOR GWENT

The Chair had submitted a question requesting an explanation for the delay in providing the Panel with a breakdown of the £1M set aside for the implementation of the PCC's Strategic Plan during the budget setting process in January 2025. A full breakdown of the actual and committed spend of this £1M was requested by the Chair.

The PCC advised that the delay was caused by the need to plan, research and build the cases and processes necessary to allocate the funding appropriately. Members heard how £100K had been allocated to a new community engagement fund involving the Third Sector, an additional £200K to expand the PCC's Community Fund which was oversubscribed, £30K to replace the Police Innovation Fund with a small grant partnership fund, £100K for Community Safety Partnership campaigns, £85K had been committed for a Police welfare van for use at crime scenes and at Public Order events, £40K had been invested in a Gwent Crime Survey, a further £27K to expand community safety funding, £20K to establish the "Ask for Angela" scheme across licensed premises in the region, £40K to establish a domestic outreach worker to support the Police with domestic abuse cases, £50K for online safety campaigns on issues such as "spiking" and knife crime, and £20K for the improvement and expansion of a joint victim satisfaction survey. The PCC advised that the remaining balance had been assigned to various priorities including anti-stalking measures, but the OPCC was still developing business plans around this funding.

The Chair thanked the PCC for her detailed response and observed that of the £1M was recurring for each budget setting process, a prompt breakdown for the funding would be required. The PCC gave assurances that details on the remaining funding could be provided to the Panel when finalised.

A Member had submitted a question prior to the meeting seeking assurances on Gwent Police's ability to support and protect elected representatives in carrying out their duties with due diligence.

The PCC outlined that she had every confidence in Gwent Police's ability to support and protect elected representatives and that it was also the responsibility of Councils and politicians to follow safety guidelines. Members also heard how there was a designated officer within Gwent Police who advised elected Members on safety issues. Command Structures were also in place for forthcoming Senedd and Local Government elections. Training was also provided by Local Authorities and there was good advice available in the Bluebook which had been distributed to public officials. The PCC also advised that the WLGA had developed online training sessions on safety for elected officials. The Member thanked the PCC for her response to the question.

6. OPERATIONAL CONTEXT AND REQUIREMENTS FOR THE FINANCE STRATEGY

The Chief Constable delivered a detailed presentation to Panel Members which recapped his Delivery Plan and set out the current position from an operational perspective. Highlights included an outline of Policing challenges, the national impact on local resourcing through mutual aid requirements at major events, the results of the HMICFRS Peel Inspection 2025, Gwent Police's new operating model, a pledge to neighbourhood policing despite there currently being no national guarantee on further funding, an overview of incoming demand on a typical day, a continuation of improvements seen in 2023/24, process efficiency through technology, limited opportunities for savings, and continued pressure on overtime budgets because of ongoing demand. The Chief Constable sought support for a budget that enabled further transformation, meets the legislative and national changes and challenges faced by policing and helps Gwent Police build on and restore public confidence.

The Chair thanked the Chief Constable for his presentation and commented on the unquantifiable budget pressures due to the changing environment. It was also observed that previous opportunities for savings were possibly no longer an option.

One Member praised the work of the Community Action Team highlighted in the presentation. The Chief Constable thanked the Member for the feedback.

A Member sought clarity on the cost of the operational model. It was confirmed that it had a recurring cost of just over £700K and that the changes were necessary and had brought in greater resilience. The Chief Finance Officer also advised that the funding had come in two tranches, and both had previously been presented to Panel.

One Member queried the current position on funding for the replacement to the Airwave TETRA system. The Chief Finance Officer gave an update on the Police ESN (Emergency Service Network) transition and advised that borrowing had been deferred until interest rates were more favourable.

A Member asked the Chief Constable if he had a figure in mind for what constituted an adequate budget. The Chief Constable did not want to commit to an actual figure at this stage as contributions were required between his Head of Finance and the OPCC's Chief Finance Officer. The Chief Constable's focus was on future direction and requirements from an operational perspective. The Chief Finance Officer advised that the provisional settlement from the Home Office would be received next week and that there would be greater clarity afterwards on the funding for initiatives such as neighbourhood policing for example.

One Member observed that progress was being made operationally because of previous budget settlements and he requested an update on the shortfall previously identified. He also enquired about performance areas that still required further focus. The Chief Finance Officer highlighted that the Gwent Police figures that support the operational context showed an increase in deficit, but he and colleagues were in the process of analysing the finance strategy proposal in terms of the pressures, assumptions and efficiencies before more assured figures could be presented. It was confirmed that currently the deficit was greater than previously announced but was subject to OPCC checks and balances. In response to the second part of the question the Chief Constable highlighted an improved investigation rate and changing the mindset of the workforce in terms of better collective connection between the three delivery plan pillars of engagement, operational effectiveness, and conduct and culture. One aspirational action under engagement was a more creative use of mobile police stations within communities, allowing youths to meet and socialise in them for example. The Member also asked about improvements in terms of staff welfare. The Chief Constable stressed that this area was a key priority and that the metric would be closely monitored through staff surveys and the PDR (performance) system.

A Member highlighted the importance of public confidence in Policing. He also commented on the number of meetings held under the operational structure and queried their effectiveness. The Chief Constable provided assurances that the structure was reviewed to ensure that it was fit-for-purpose. The Member also raised concerns over irresponsible use of e-bikes in communities. The Chief Constable highlighted some of the work being done to address these concerns such as using drone technology and partnership working with Trading Standards departments across Gwent. The Members made a comment about the need to improve sickness rates and the Chief Constable agreed that this was an area that needed addressing and he gave details of how Gwent Police was doing this through staff well-being initiatives.

On the financial pressures the Chair asked the PCC about assurances received on the predicted outcome in terms of the 2025/26 financial position and how the finalised Estates Strategy will reflect into the 2026/27 budget and she sought an update on actions. The PCC advised that the figures were currently being analysed and that an update with supporting information would be presented at the Panel meeting in January. It was also highlighted that there would be an all-Member briefing ahead of the principal meeting on 30th January 2026 which would allow further Member input. The Chair enquired if papers would be distributed ahead of the briefing on 16th January. The PCC advised that Members would receive supporting information ahead of the main Panel meeting in January and that the OPCC did not have the resources to provide additional further information. Members would have necessary details to enable an informed discussion at the briefing, but the format of this information would depend on the time pressures of authors. During the ensuing discussion it was agreed that PowerPoint slides of the emerging financial picture and the Quarter 2 2025/26 Finance Report would be available ahead of the briefing.

7. FORWARD WORK PROGRAMME

The Scrutiny Officer (Mr M. Jacques) asked Members to review the Panel's Forward Work Programmes and advised that due to availability issues it was requested the Gwent PCP meeting scheduled for 26th June 2026 be rescheduled for 10th July 2026 instead.

The Chair thanked CCBC staff for their work facilitating the Panel throughout 2025, wished everyone a Happy Christmas, and asked the Chief Constable to pass on the Panel's appreciation and thanks to Police Officers who were working over the holiday period.

Meeting Closed at 13:05 pm.

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OFFICE OF POLICE AND CRIME COMMISSIONER

LEAD CHIEF OFFICER: CHIEF FINANCE OFFICER

TITLE: POLICE AND CRIME COMMISSIONER FOR GWENT'S BUDGET REQUIREMENT AND COUNCIL TAX PRECEPT PROPOSAL 2025/26

DATE: 30th JANUARY 2026

TIMING: ROUTINE

PURPOSE: FOR DECISION

1. RECOMMENDATION

The Police and Crime Panel considers the Police and Crime Commissioner's Budget Requirement and Council Tax Precept proposal 2026/27, as supported by the Chief Finance Officer's appended report, which confirms:

a) A budget requirement for 2026/27 of £196,626,892 (Appendix 2b, supported by Appendices 3, 4, and 5);

b) The initial Capital Programme as described in Appendices 6a and 6b;

c) The planned efficiency savings in 2026/27 of £730k and further planned efficiency savings of £2.040m (totalling £2.770m) detailed in Appendix 7b;

d) A further proposed underwriting of the remaining deficit with Reserves and Committed Funds of £5.395m to balance the 2026/27 budget (Appendix 8); and

e) The 2026/27 proposed Council Tax Precept to be levied in respect of general expenses of £93,321,176. This reflects an annual increase in Band D of 6.99% or £26.37 on the 2025/26 Council Tax Precept level. This is 51p per week for a Band D property and would set a 2026/27 Band D Council Tax Precept of £403.68. This overall Council Tax Precept sum will be apportioned to each Unitary Authority according to the following table:

Unitary authorities	£	Council Tax Base Band D equivalent
Blaenau Gwent	8,562,105	21,210.13
Caerphilly	25,317,930	62,717.82
Monmouthshire	19,768,084	48,969.69
Newport	25,686,405	63,630.61
Torfaen	13,986,652	34,647.87
Total	**93,321,176**	**231,176.12**

The Council Tax Precept shown in the above table generates the following amounts of Council Tax Precept for the various bands:

Council tax band	£
A	269.12
B	313.97
C	358.83
D	403.68
E	493.39
F	583.09
G	672.80
H	807.36
I	941.92

2. INTRODUCTION & BACKGROUND

Section 25 of the Local Government Act 2003 requires the Police and Crime Commissioner's Chief Finance Officer to report on:

a) The robustness of the estimates made for calculating the Council Tax Precept; and

b) The adequacy of the proposed financial reserves.

The same section requires the Police and Crime Commissioner to have regard to their Chief Finance Officer's report when making decisions about Council Tax Precept.

The Chief Finance Officer's report and Appendices is appended to this report, and at page 46 confirms that they are content with both the robustness of the estimates and the adequacy of the proposed financial reserves.

3. ISSUES FOR CONSIDERATION

1. One of the most important responsibilities of the Police and Crime Commissioner is to set the police and crime budget every year, to ensure that the Office of the Police and Crime Commissioner (OPCC) and Gwent Police have the resources to deliver an effective and efficient service to protect and safeguard the people of Gwent. From tackling serious violence, child exploitation, and reducing offending, to preventing crime, improving services for victims and investigating crime; policing delivers across all communities in Gwent each and every day. It is essential that the need to run an efficient and effective service is met, whilst also setting a Council Tax Precept that is affordable for residents.

2. Times are incredibly tough for many people and, at the same time, rising costs are placing an immense pressure on all aspects of public service. The continuing cost of living crisis; coupled with the legacy of the Covid-19 pandemic and Brexit; continuing war in Ukraine and instability of the Middle East; and national financial turmoil since 2022, continue to exacerbate the challenges faced by communities and public services. Policing is not immune to these challenges.

3. I am required to publish a four-year Police and Crime Plan and, on an annual basis, the Annual Budget Requirement, including the Police Precept element of the Council Tax (Council Tax Precept). Since taking Office in May 2024, I have been engaging with the citizens of Gwent; my OPCC; Gwent Police; and key partners to help shape and now deliver my Police, Crime and Justice Plan 2025-2029. The priorities of my Plan fundamentally influence the Strategic and Financial Planning process; and are therefore considered in this Budget Requirement and Council Tax Precept Proposal.

4. The increased complexity and evolving nature of demand has placed growing financial pressures on the OPCC and Gwent Police to be able to deliver for communities. As Police and Crime Commissioner I know how much the public values visible policing in their communities through local Police Officers and Police Community Support Officers (PCSOs). Historically, Gwent OPCC has invested significantly in this area, increasing the number of Police Officers by more than 350. In recent years Gwent has also benefitted from the UK Government's Police Uplift Programme for 20,000 more Police Officers (Operation Uplift) and also the Neighbourhood Policing Guarantee for 13,000 extra additional Police Officers, PCSOs and Special Constables into neighbourhood policing roles by the end of this Parliament.

5. However, the responsibility for meeting the increasing annual costs of these Police Officers, PCSOs and Special Constables including their ongoing training and equipment now sits with local Police and Crime Commissioners. These issues, combined with rising costs; future funding uncertainty particularly on the Neighbourhood Policing Guarantee; and a reduction in 'real-term' funding from UK and Welsh Governments, put the OPCC and Gwent Police in an increasingly challenging financial position.

6. Despite the challenges outlined above, Gwent remains one of the safest places in the UK. The Chief Constable and I are rightly incredibly proud of this and have a shared commitment to ensuring that this remains the case. It is essential that Gwent Police and the OPCC have

the resources they need, in the right place, to manage the growing demands on its Police Officers, PCSOs and Police Staff, and to keep communities safe.

7. Over the last few months, the OPCC has undertaken substantial work to fully analyse the budgetary pressures facing Gwent Police and develop sound financial budget proposals based on all current evidence. This includes the robust operational and financial case put forward by the Chief Constable, Mark Hobrough, at my Accountability and Assurance Board in December and Police and Crime Panel later in the month.

8. Furthermore, I have undertaken a full review of the Commissioned Services and grants awarded by the OPCC to organisations with a view as to how they will support my Police, Crime and Justice Plan 2025-2029, and which currently complement the work of Gwent Police. There is a need for increased investment in Commissioned Services in relation to delivering safer communities through early intervention and prevention initiatives; improving Community Cohesion; and tackling Violence against Women and Girls, in particular tackling domestic violence.

9. One of the key foundations of the Police, Crime and Justice Plan 2025-2029 for Gwent is to be financially and environmentally sustainable, which will mean ensuring value for money - i.e. how limited financial resources are used to provide an efficient and effective policing and crime service is critical. The Chief Constable has committed to a significant programme of change to deliver service improvements and value for money through the new Operational Policing Model, but the reality is that making significant cuts, year on year, is not a sustainable solution for the future. This is coming into sharper focus with the new Government's 'Safer Streets Mission' which aims to reduce serious harm and increase public confidence in policing, and in the criminal justice system.

10. The Government is clear that this mission will not be achieved through further investment alone. As such, the Safer Streets mission will include a programme of police reform – to raise standards, harness technology, increase efficiency and improve accountability. It is also expected that further phases of the Neighbourhood Policing Guarantee will be funded through Policing efficiencies (estimated to be £354m), which are being coordinated through the Police Efficiency and Collaboration Programme.

11. On 16 January 2026, Police and Crime Commissioners received letters from the Home Office, outlining further financial details relating to the Provisional Settlement. Having considered feedback on the Provisional Settlement, the Home Secretary decided to provide an additional £50m nationally, to support the further roll-out of the Government's Neighbourhood Policing Guarantee. This second phase will aim to deliver a further 1,750 individuals into Neighbourhood Roles during 2026/27. As Commissioner in Gwent, I expect my share of this funding to be about £500k, with a targeted growth in Neighbourhood roles of 18 individuals.

12. The full financial effect of this grant will be determined in due course, as and when the detailed requirements of this grant are received and understood. The level of grant due to be received, on face value, creates further financial and operational risk for the Chief Constable and I, as the additional funding does not fully cover the costs of a further 18 posts.

13. There remains a need for greater investment from UK Government in policing, particularly in relation to capital. To this end, my Police and Crime Commissioner colleagues and I lobby the UK and Welsh Parliament/Senedd for this vital financial support. However, there is currently only one direct variable that I can control in terms of funding, and that is the amount of Council Tax Precept paid by local people.

14. Gwent citizens have told me that they value the essential services provided by Gwent Police. I know from extensive public engagement throughout 2025 that most people are prepared to pay a little more for these essential services. The increase to the Council Tax Precept proposed in this report presents a balance between affordability for residents in order to deliver against their priorities and what is needed to continue to run an efficient and effective policing service as set out in my Police, Crime and Justice Plan 2025-2029 for Gwent.

15. The array of services that policing provides is vast and touches on all parts of society. I know that people across Gwent want to live in safer, stronger communities where everyone feels supported and protected. To help achieve this, I will continue to invest in projects and organisations that tackle crime and anti-social behaviour, support victims and vulnerable people, and build community cohesion. I have increased my funding for local groups to more than half a million pounds per year to help achieve this. I have launched a Community Engagement Fund to help increase confidence and trust in public services for marginalised and minoritised communities across Gwent

	with a focus on sexual orientation, race, gender and disability. My office and I will further our commitment in the coming year to ensuring that children and young people are heard and that their rights are championed within the criminal justice system, as set out in my Children and Young People's Charter. We will also continue expanding our commitment to tackling violence against women and girls, domestic abuse and sexual violence. 16. Investments continue to be made by Gwent Police to help keep communities safe, such as increased funding to tackle dangerous dogs, as well as the establishment of the Citizen's First Project, which will see improved updates to victims of crime and more efficient processes in the Force Control Room. We will also look to expand on the successes of initiatives like the Community Action Team. The team is made up of 16 PCs, 10 PCSOs, and is led by two team sergeants and a dedicated inspector. It enables Gwent Police to put more officers on the ground in the areas that need them most, tackling issues like illegal off-road bikes, drugs and vehicle crime. 17. All of this will continue and be expanded upon with this Budget Requirement and Council Tax Precept proposal. 18. The UK Government will shortly publish a Police Reform White Paper which will set out proposals for changes to policing in England and Wales, including proposed changes to policing governance. Until there is further clarity on these proposals, particularly in relation to both policing governance and the further centralisation of key operational activities there remains a level of uncertainty going forward which presents additional risk to the Chief Constable and I, in terms of our future planning. 19. However, the delivery of my Police, Crime and Justice Plan 2025-2029 remains my focus and that of the wider OPCC. Ultimately, I have a duty to ensure that the OPCC and Gwent Police receive the financial support necessary to overcome the many challenges it faces both now and in the future; and it is within this context that I commend this report to you.
4.	**NEXT STEPS** The Police and Crime Panel are required to review the proposed Council Tax Precept and make a report to the Police and Crime Commissioner on the proposed Council Tax Precept by 8 February 2026.
5.	**FINANCIAL CONSIDERATIONS**

	This is a major financial report with clear financial implications. These are fully articulated within the appended report.
6.	**<u>PERSONNEL CONSIDERATIONS</u>** The majority of the Policing and Crime Budget covers Police Officer and Police Staff salaries and employer's contributions. This report articulates how personnel considerations arising from the setting of the annual budget will be managed in a sensible and timely manner.
7.	**<u>LEGAL IMPLICATIONS</u>** Setting the budget requirement and Council Tax Precept are statutory responsibilities of the Police and Crime Commissioner. The Police and Crime Commissioner must notify the Police and Crime Panel of their proposed Council Tax Precept by 1 February in any given financial year.
8.	**<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>** This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group. Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.
9.	**<u>RISK</u>** A timely decision on the Council Tax Precept will minimise the risk of failing to achieve the statutory deadline.
10.	**<u>PUBLIC INTEREST</u>** This report is suitable for publication and will be placed on the website of both the Police and Crime Commissioner and the Police and Crime Panel.
11.	**<u>CONTACT OFFICER</u>** Darren Garwood-Pask, Chief Finance Officer.
12.	**<u>APPENDICES</u>** 1. Letter of Support from Chief Constable Hobrough; and 2. Chief Finance Officer's report to the Police and Crime Commissioner.

Gwent Police
Police Headquarters
Llantarnam Parkway
Cwmbran
NP44 3FW

15th January 2026

Members of the Gwent Police and Crime Panel

Dear Panel Members,

I am writing to confirm my support of the Police and Crime Commissioner's proposal in relation to the Budget Requirement and Council Tax Precept for 2026/2027. I am confident that my bid to the Police and Crime Commissioner has been given full consideration and is appropriately reflected within her report. I very much hope that the presentation I delivered in December provided the necessary operational context to demonstrate how we will meet our ever-increasing demands, protect our communities and deliver the Police, Crime and Justice Plan. My bid to the Commissioner was also clear that it is vital that we receive sufficient funding to do so.

I understand the very difficult role you play in balancing the affordability for residents with the requirements to fund an efficient and effective policing service for the people of Gwent. I can continue to offer my commitment to closely scrutinise spend, make efficiency savings where possible, invest appropriately and seek value for money in all financial decisions.

Your sincerely,

Mark Hobrough

Chief Constable, Gwent Police

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Office of the Police and Crime Commissioner

TITLE: **Commissioner's Chief Finance Officer's Report to the Police and Crime Commissioner for Gwent on the Budget Requirement and Council Tax Precept Proposal 2026/27**

DATE: **30th January 2026**

TIMING: **Routine**

PURPOSE: **For Decision**

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BACKGROUND

1. The Police and Crime Commissioner for Gwent (Commissioner) is required to determine the budget for 2026/27 and then set the Police Precept element of the Council Tax (Council Tax Precept), following review by the Police and Crime Panel. The Commissioner must also make arrangements, before the first Council Tax Precept for a financial year is issued, to obtain the views of the people in that police area and the relevant business ratepayers' representatives, on the proposals of the Commissioner for expenditure in that financial year.

2. The majority of the budget (around 97%) will be allocated to Gwent Police for operational purposes, with the remaining retained to cover the cost of the commissioning of services from organisations other than the Chief Constable, as well as funding the Office of the Police and Crime Commissioner (OPCC).

3. In determining the Budget Requirement and Council Tax Precept Proposal for 2026/27, the Commissioner will have considered the Government's 'Safer Streets Mission'; Police, Crime and Justice Plan 2025-2029; Policing Vision 2030; Strategic Policing Requirement; the Chief Constable's view of the financial resources required to deliver their operational requirements; the level of resources to be allocated for commissioning other than from the Chief Constable; and the cost of running the OPCC. Due regard has also been taken of the Prudential Code which requires at least three-year projections of revenue and capital expenditure in order to identify funding requirements and assess affordability and sustainability of planned expenditure.

GOVERNANCE AND SCRUTINY

4. The Chief Constable's Budget Requirement 2026/27 to 2030/31 report (Chief Constable's Budget Requirement), providing the Operational context to the Commissioner's overall Budget Requirement and Council Tax Precept Proposal 2026/27, was formally received and scrutinised at the Commissioner's Accountability and Assurance Board (AAB) on 2nd December 2025. The Chief Constable's Budget Requirement presentation and associated report confirmed that it had been subject to detailed financial scrutiny, but was further scrutinised by the Commissioner in terms of its Funding assumptions; the public benefit of proposed investments; and importantly being prepared for those external Government-level external factors for which local Commissioners have no control of. Evidence of the Chief Constable's Budget Requirement report presented to AAB can be found at the following link:

   https://www.gwent.pcc.police.uk/en/transparency/accountability-assurance-board/agendas-and-minutes-2025/2nd-december-2025/

5. The Chief Constable's Budget Requirement has also been scrutinised in detail by the Commissioner's Chief Finance Officer with the Chief Constable's Chief Finance Officer throughout the budget setting process, both before the AAB meeting and subsequently. This scrutiny included detailed reviews of the underpinning assumptions, new cost pressures, savings realised, future savings plans and the impact of the proposed Capital Programme on borrowing and Reserves. The assumptions and detail of the Chief Constable's Budget Requirement have been triangulated with other Forces in Wales via the Welsh Police Finance and Resources Group (WPFRG) attended by the Commissioner's Chief Finance Officer as well as the Chief Constable's Chief Finance Officer. The Chief Constable's Budget Requirement and the Commissioner's overall Budget Requirement and Council Tax Precept Proposal 2026/27 has due regard to the broader national financial context and approaches being taken by Forces across England and Wales through the Police and Crime Commissioners' Treasurers' Society (PACCTS) and through regular dialogue with Home Office, Welsh Government and Ministry of Justice (MoJ) Officials.

6. The Police and Crime Panel received information on the 2025/26 updated Medium-Term Financial Plan (MTFP) on changes that arose post-budget setting on 15th September 2025 at an All-Members briefing. The meeting was well attended, and members raised a number of important points and areas for scrutiny (which were included in the circulated notes of the meeting) that were explored in a further meeting on 16th January 2026.

7. The Chief Constable's Budget Requirement was also considered by the Joint Audit Committee (JAC) on 4th December 2025, (who will also consider the Commissioner's 2026/27 Treasury Management and 2025/26 Reserves and Committed Funds Strategies in due course). Furthermore, the same meeting considered a presentation on His Majesty's Inspectorate of Constabulary and

Fire & Rescue Services (HMICFRS) Value For Money (VFM) Profiles (see paragraphs 86 to 91).

8. The Police and Crime Panel meeting on 12th December 2025 received a presentation on the Operational Context to the Chief Constable's Budget Requirement (Appendix 1). Within the presentation were their plans for Gwent Police to improve performance through delivering the Police, Crime and Justice Plan 2025-2029; the UK Government's Safer Streets Mission; and Policing Vision 2030. This highlighted the continuing uncertainties of:

a) Rising Complexity – Including Policing protests and increased cross-border responsibilities;

b) Legislative Change – The Crime and Policing Bill, Sentencing Bill and the Police Reform White Paper;

c) Funding Pressures – Increasing unavoidable service pressures such as pay-awards and inflation, all to the backdrop of the cost-of-living crisis;

d) National Priorities – Such as delivering the Strategic Policing Requirement;

e) Challenges around Community Cohesion; and

f) Innovation is Needed – Continued investment in digital tools and smarter ways of working.

PUBLIC ENGAGEMENT

9. The OPCC again used a dual approach for capturing the opinion of a wide selection of Gwent residents, balancing digital engagement with face-to-face engagement in communities.

10. It was agreed, prior to the launch of the survey, that a representative sample size of 600 would be used. This provided a confidence level of 95%, including a +/- 4 margin of error. This was in line with targets for previous surveys.

11. The OPCC engaged with the residents of Gwent about the budget throughout the year. This began in June 2025 with the start of the summer engagement programme. This saw the OPCC engage with more than 8,000 residents at 14 community events across Gwent, totalling more than 200 hours of engagement.

12. In addition to this, the OPCC organised 20 bespoke face-to-face engagement sessions in Gwent promoting the survey, which totalled 114 hours of engagement.

13. The survey was promoted digitally, both on the OPCC's channels and by key partners such as Local Authorities and Gwent Police.

14. In total, 1,185 people formally had their say, with 801 people completing a survey in person and 384 people digitally. This is significantly more than the statistically required 600. Of these, 1,166 answered the question "Would you support the principle of increasing the Policing part of your Council Tax by up to £2.75 a month (based on a band D property) to maintain Policing Services?"

15. In total, 44% of respondents were supportive, with 34% not and 22% unsure. There was a lot of feedback included on police visibility, the service received from Gwent Police, affordability, value for money, and a desire for increased service. This was reflected in the thousands of people who engaged with the OPCC during this time, but who didn't formally complete a survey. Engagement was predominately positive about Policing.

16. All the gathered information will continue to shape the delivery of the Commissioner's Police, Crime and Justice Plan 2025-2029 and the Commissioner's Budget Requirement and Council Tax Precept Proposal for 2026/27.

CONTEXT TO POLICING IN GWENT

17. Gwent Police is one of the smallest Police Forces in England and Wales both geographically and by budget. However, within its boundaries it deals with the entire remit of the Policing pressures that are faced nationally across England and Wales, it is in short, a microcosm of the national Policing landscape. As examples, Gwent Police deals with inner city issues as well as rural crime; Organised Crime Groups exist in Gwent as well as links to terrorism and domestic extremism; the M4 and major trunk roads bring their own Policing needs; and the proximity to Cardiff and the International Convention Centre at the Celtic Manor Resort brings additional operational challenges to Policing in Gwent.

18. For further local context, Appendix 1 provides the Operational Context to the Chief Constable's Budget Requirement and included within is a typical day in Gwent Police.

19. At the National level, a major series of reforms to Policing, which were announced by the then Home Secretary in November 2024 alongside other Government commitments which were highlighted in last year's Budget Requirement and Council Tax Precept Proposal 2025/26 Report, are summarised below:

    a) Safer Streets Mission
        i. Halve knife crime and halve Violence Against Women and Girls (VAWG) within a decade;
        ii. Overhaul the Policing response to domestic abuse and introducing stronger measures to tackle stalking and spiking;
        iii. Ban lethal weapons and working to ensure dangerous blades do not end up in the wrong hands; and
        iv. Deliver the Neighbourhood Policing Guarantee and put 13,000 additional Police Officers, Police Community Support Officers (PCSOs) and Special Constables into Neighbourhood Policing roles.

    b) Accountability Review
    A series of reforms across 8 strands to address longstanding concerns with accountability systems and improve standards in Policing; and

    c) Major Policing Reforms
        i. A new Police Performance Unit to track national data on local performance and drive-up standards; and
        ii. A new National Centre of Policing to harness new technology and forensics, making sure Policing is better equipped to meet the changing nature of crime.

20. The Government's Police Reform White Paper, which will include the previous and latest Policing reform announcements and sets out further powers to improve standards, while restoring local Neighbourhood Policing, is now expected to be published in 'early 2026'.

21. To support its commitment to Neighbourhood Policing, the government expects to increase total Police funding by an average of 1.7% per year in real terms over 2025/26 to 2028/29 – for context Policing received total funding of £19.9bn in 2025/26. **The Labour Party manifesto however, set out how the Neighbourhood Policing Guarantee would be paid for by tackling waste through a Police Efficiency and Collaboration Programme.**

22. The Home Office consulted extensively with Police stakeholders – including BlueLight Commercial and the National Police Chiefs' Council – to assess the scope for efficiency savings. It is targeting potential savings of up to £354m over 2025/26 to 2028/29 through the Police Efficiency and Collaboration Programme. According to the National Audit Office (NAO), at September 2025, the Home Office had not yet decided how to meet this ambition. The Home Office had assessed over half of these savings as 'high' or 'medium' risk and had not established what funding is available to deliver the potential savings. The scope to achieve savings also varies across Police Forces – who are under no obligation to use national frameworks – and some of the potential savings may require new legislation.

23. The Government provided £200m in 2025/26 to support Police Forces to deliver an additional 3,000 Police Officers, PCSOs and Special Constables into Neighbourhood Policing roles by 31st March 2026. As at September 2025, the NAO went on to point out, the Government had not committed further funding for 2026/27 to 2028/29.

ECONOMIC FACTORS

24. In the build up to the 2026/27 Budget setting round, a number of economic factors are highlighted below for reference.

Spring Statement 2025 and March 2025 Economic and Fiscal Outlook

25. On 26th March 2025, the Chancellor of the Exchequer, Rachel Reeves M.P. announced the Spring Statement 2025 in a speech in the House of Commons. The Statement was less significant than those of previous Chancellors, with the current Chancellor looking to maintain the Government's commitment to holding only one full fiscal event per year in the Autumn Budget "to give families and business stability and certainty". As is standard in the twice-yearly announcements on Public Finances by the Chancellor, the Spring Statement 2025 was accompanied by the Office of Budget Responsibility's (OBR) Economic and Fiscal Outlook (EFO).

26. The key headlines from the Spring Statement 2025 were as follows, but there weren't any direct references to Policing:

a) UK Gross Domestic Product (GDP) growth forecast halved for 2025 to 1%, but forecasts improve from 2026 onwards;

b) Consumer Price Index (CPI) Inflation was forecast to be 3.2% for 2025, returning to target (circa 2%) thereafter. This is significantly lower than the double-digit CPI witnessed in recent years;

c) Between 2026/27 and 2029/30, English Authorities are expecting to see average Council Tax Precept increases of 4.3% per annum, and annual Council Tax Base increases of 1%. The figures for Welsh Authorities are lower at 4.1% and importantly 0.5% respectively;

d) The fiscal headroom of £9.9bn from the Autumn Budget 2024 has been wiped out, falling to a £4.1bn deficit as a result of the cost of Government debt increasing. However, as a result of new measures taken, the £9.9bn stability headroom has been restored, with forecasts showing that the Government is on track to meet this rule two years early;

e) Defence spending will rise by over £5bn in 2025/26, an extra £2.2bn compared to previous plans. This totals 2.36% of GDP, which will rise to 2.5% from 2027, with an ambition to reach 3% by the next Parliament;

f) The Government is rebalancing the payment levels in Universal Credit, to address perverse incentives in the system. The Universal Credit health element will be frozen for existing claimants until 2029/30. For new claims, the Universal Credit health element will be reduced to £50 a week in 2026/27 and then frozen until 2029/30; and

g) The Government aims to achieve a 15% reduction in the administrative expenses of Whitehall Departments by 2030.

Spending Review 2025 Outcome

27. On 11th June 2025, the Chancellor of the Exchequer, announced the outcome of the Spending Review 2025 (SR 2025). SR 2025 sets out revenue funding allocations for each Government Department over the next three financial years (2026/27 to 2028/29) with an additional fourth year for capital allocations. SR 2025 is the first multi-year Spending Review since 2021, and the first to happen outside of a pandemic since 2015. As SR 2025 took place outside of a fiscal event process, there was no accompanying updated forecasts by the OBR. The SR 2025 documents provide a breakdown of the funding decisions.

28. Ahead of SR 2025, the Institute for Fiscal Studies (IFS) highlighted four major decisions that will shape SR 2025:

a) Balancing NHS and Other Public Spending
The Government faces a choice between increasing healthcare funding or maintaining spending across other Departments. The NHS accounts for a significant portion of day-to-day Departmental spending, and any increase in its budget could lead to cuts in unprotected areas (such as Policing);

b) Defence Spending Commitments
The Government has pledged to raise Defence spending to 2.5% of GDP by 2027, with discussions about further increases (the stated aim being 3% of GDP). This could limit available funds for other priorities (such as Policing);

c) Public Service Investment
While capital spending remains historically high, most of the increase has already been allocated to Defence. This makes it difficult to prioritise additional investments in public services, net zero initiatives, and economic growth; and

d) Fiscal Constraints and Tough Choices
Manifesto promises and fiscal rules means the Chancellor has limited room for borrowing or tax increases, meaning spending decisions must be carefully managed.

29. At the total Home Office budget level, SR 2025 provides a total Departmental Expenditure Level (DEL) of £22.3bn in 2028/29. This is a real term decline, on average, of 2.2% over the SR 2025 period. However, the SR 2025 document states that ‘the reduction in the Home Office’s budget that will result from the planned reductions in asylum support costs, [means that] the Home Office’s total DEL grows in real terms’. The SR 2025 also includes a £200m Transformation Fund to try and end the use of asylum hotels in this Parliament, and accelerate transformation of the asylum system by clearing the backlog and increasing appeals capacity. Moreover, there is an additional £280m per

year for the establishment of a Border Security Command, as part of the 'Plan for Change', to help tackle the people smuggling gangs.

30. According to the SR 2025, 'Police Core Spending Power' will increase by an average of 2.3% per year (2023/24 to 2028/29), in real terms, over the SR 2025 period. **However, this only equates to 1.7% over the period from 2026/27 to 2028/29.** The Chancellor said this funding will be used to support frontline Policing levels and help restore public confidence. This reflects the Government's Plan for Change commitment to put an additional 13,000 Police Officers, PCSOs, and Special Constables into Neighbourhood Policing roles over the course of this Parliament.

31. Importantly, Police Core Spending Power refers to the projected total Police Settlement funding **including Counter Terrorism funding, and from additional income, including estimated funding from Police Council Tax Precept.** Despite including income from Council Tax Precept there is no indication of the level of Council Tax Precept increase used in the calculations for future years – that said the Home Office has hinted that it has assumed it to be at roughly the same level as it has been in the last few years. Further details will be provided in the Police Settlement(s).

Autumn Budget 2025 and October 2025 Economic and Fiscal Outlook

32. On 26th November 2025, the Chancellor announced the Autumn Budget 2025 in a speech in the House of Commons. This was the Chancellor's second Autumn Budget, taking place almost a month later than previous Autumn fiscal events. Civil servants cited the delay being due to a later-than-planned Provisional Local Government Finance Settlement - despite publication of the policy statement in the preceding week. The Chancellor said this would be a budget with "fair and necessary choices" to deliver "the biggest drive for growth in a generation". However, the Chancellor's delivery was somewhat marred by the mistaken early release of the OBR's EFO prior to the start of the Prime Minister's Questions, which preceded the Budget.

33. As mentioned above, the OBR also published its assessment of the Chancellor's economic policies and economic forecasts, earlier than planned, in its EFO. They had been widely expected to downgrade their productivity forecasts, leaving a gap when it came to meeting the Chancellor's current spending plans. The key headlines from the Autumn Budget 2025 were as follows:

a) GDP Growth for 2025 has been revised up from 1.0% in the Spring Statement 2025 to 1.5%. 2026's GDP forecast has been revised down from 1.9% to 1.4% and with GDP in 2027, 2028 and 2029 forecast to be 1.5% (down from 1.7% - 1.8%) in the Spring;

b) The Government's new Fiscal Rules for 'Stability' and 'Investment' (introduced in the Autumn Budget 2024) are on target to be met. The OBR forecast that the Chancellor has around £22bn 'headroom' to meet their

Stability rule by 2029/30 – that day-to day spending is met by revenues and the Government will only borrow for investment. In addition, the Chancellor is also set to meet her Investment rule - to have net debt falling as a share of GDP, again by 2029/30;

c) CPI Inflation is forecast to be higher than the Spring forecast (but has been judged to have peaked); from 3.2% to 3.5% in 2025 and 2.1% to 2.5% in 2026, before arriving at the 2% target in 2027 (the same as the Spring forecast);

d) Departmental Spending for the Home Office to be the same in 2028/29 as it is for 2024/25. The Home Office therefore remains cash flat by 2028/29, which is a real-terms cut of 2.4%;

e) Income Tax, National Insurance, and Employer NIC thresholds frozen for 3 years from 2028/29;

f) Minimum Wage – increase as announced: up by 50p an hour to £12.71 for over 21s in April 2026; and

g) 'High Value Council Tax Surcharge' ('Mansion Tax') introduced on properties valued above £2m from April 2028, and to be administered by Local Authorities with proceeds going to His Majesty's Treasury.

34. In all announcements to date, there has been no mention of revisions to the Police Funding Formula.

Policing Specific Factors

35. Policing was not mentioned during the Chancellor's speech, or discussed at length within the Autumn Budget 2025 document. However, it did state the Government is 'clamping down on consultancy in the Home Office, with funding repurposed for frontline police'. It also stated that the Treasury will save over £250m a year to 2030/31 'by cutting the cost of politics'. This includes the move away from the Police and Crime Commissioner model and reorganising Local Government structures, with the potential to reduce the number of Councillors in Local Authorities by around 5,000'.

36. There has been an overall cash increase in Central Government Grant Funding for Policing between 2010/11 and 2026/27 of 29.2%. However, when the effect of inflation and pay awards is built in, the real reduction is actually 17.1% over the past 16 years.

37. Inflationary pressures remain a concern for Forces, though they are diminishing compared to previous years. After peaking in October 2022, inflation has generally been on a downward trend. However, the CPI rate remains above the Bank of England's target of 2% at 3.2% for the 12 months ending November 2025. This is a decrease from 3.6% in October, primarily due to falling food, clothing and tobacco prices. Remaining a key pressure point,

between 2026/27 and 2028/29, Forces are forecasting £302m of inflationary pressures. This is further compounded by capital financing pressures of £243m over the same time period. This level of CPI is in-line with the 3% inflation assumption for non-pay expenditure that underpins the Chief Constable's Budget Requirement.

38. Wages account for around 80% of Gross Revenue Budgets for Forces nationally, an area in which there has been a significant upwards pressure over the past couple of years. The most recent pay award stood at 4.2% with most Forces budgeting 2.8%. However, the Home Office provided a 'one-off' £120m grant to cover the difference in-year. No specific pay award funding has been provided in the Provisional Settlement for 2026/27, with an overall increase of Core Police Grant Funding across Police and Crime Commissioners of £382.1m. Additionally, Police Officers that were recruited under the UK Government's Police Uplift Programme for 20,000 more Police Officers (Operation Uplift), in addition to those Policing resources recruited under the Neighbourhood Policing Guarantee are becoming more expensive as they progress up their respective pay bands. The Chief Constable's Budget Requirement reflects a pay award for Police Officers and Police Staff in 2026/27 of 3%, which is discussed further in this report.

39. The levers the Commissioner has to mitigate these inflationary pressures and maintain current Policing service in Gwent are therefore increasingly restricted. The requirement to maintain the post Operation Uplift target of at least 1,506 whole time equivalent (wte) Police Officers; the Neighbourhood Policing Guarantee; match funding requirements for Welsh Government funded PCSOs; continued ring-fencing of Specific Grants within the overall Central Government Grant Funding remaining at flat-cash; and the ongoing investment requirements for short-term assets, all reduce the areas available to generate further savings on a sustainable basis. Excluding External Borrowing, the level of Reserves and Committed Funds also continues to fall in 2026/27, as Reserves and Committed Funds are utilised in line with the Commissioner's Reserves and Committed Funds Strategy 2025/26.

FUNDING (Appendices 2a, 2b and 3)

Central Government Grant Funding from the Home Office – 2026/27

40. The Provisional Settlement for Policing which was announced via a Written Ministerial Statement (WMS) by the Minister of State for Policing and Crime on the 18th December 2025, confirmed that overall Central Government Grant Funding for Police and Crime Commissioners would be £11,889.9m, an increase of £382.1m between 2025/26 and 2026/27.

41. However, the Provisional Settlement announcement lacked the significant detail of previous years:

   a) No detail or breakdown of individual constituent grants that make up overall Central Government Grant Funding;

   b) No information on the total of reallocations and the detailed allocations;

   c) Nothing on the Provisional Settlement consultation and deadline for responses;

   d) The Police Grant Report (England and Wales) 2026/27 would not be laid until the new year, as opposed to being laid at the same time as the Provisional Settlement announcement; and of most acute importance

   e) The Home Office confirmed that that they would be setting out their approach to the future funding of the Neighbourhood Policing Guarantee in January 2026.

42. It is generally understood that the delay in releasing key financial information at this stage is due to the timing of the Police Reform White Paper. In the WMS, the Minister of State for Policing and Crime stated "We will publish a Police Reform White Paper in early 2026 which will set out a vision to bring Policing into the modern age with the technology, innovation and structures they need to ensure Policing can focus on the crimes that matter to the public and to drive out waste and inefficiency."

43. Due to the lack of detailed financial information from the Home Office at the time of witing this report, the following paragraphs provide the assumed breakdown of the overall Central Government Grant Funding.

44. Core Police Grant Funding assumed to amount to £9,868.6m, an increase of £382.1m.

45. Ringfenced Specific and Special Grant Funding are assumed to amount to £2,021.3m, the same figure as 2025/26 and are separately listed below:

   a) Legacy Council Tax Grants, which are only for English Police and Crime Commissioners, of £552.4m;

b) Pensions Grant of £398.1m. For context, the Provisional Settlement provided an additional Home Office grant to Gwent of £4.038m for 2026/27 to cover the cost of previous increases in the police pension scheme contributions, but as before this is delivered as a ring-fenced grant rather as part of the Core Police Grant Funding. This results in a shortfall each year that needs to be covered locally and amounts to £3.7m in 2026/27;

c) Total Police Officer Uplift Maintenance Funding (for ongoing funding and Additional Recruitment Grant) of £376.8m. Police Forces will still be expected to meet Police Officer number targets in return for this funding;

d) National and International Capital City Grant of £255.2m. The Metropolitan Police Service and the City of London Police continue to receive National and International Capital City grant funding worth £255.2m in recognition of the unique and additional demands of Policing the capital city of the United Kingdom. Despite regular lobbying, no such allocation is provided in recognition of Cardiff's status as the capital city of Wales and the associated events held there that draw resources from South Wales Police and its neighbouring Forces. The Home Office considers the additional demand that Cardiff's status creates to be comparable with a large English city such as Bristol. Similarly, the demand upon Policing in Gwent from the expansion of the International Convention Centre for Wales (ICCW) at the Celtic Manor Resort, continues to be part of the ongoing dialogue with the Home Office;

e) National Insurance Contributions (NIC) Grant amounts £230.3m. It is assumed that this funding will continue to be distributed on headcount and not necessarily on additional NIC costs at the individual Police and Crime Commissioner level;

f) Phase 1 of the Neighbourhood Policing Guarantee Grant amounts to £200.0m. The significant risk is that the Provisional Settlement appears not to provide specific ring-fenced funding to deliver Phase 2 during 2026/27. Paragraph 21 to this report outlines the Government's desire that this would ultimately be paid for by tackling waste through the Police Efficiency and Collaboration Programme. The position is further compounded in that it appears that the previously received Phase 1 grant, may have been transferred into Core Police Grant Funding; and

g) Council Tax Precept Grant amounts to £8.5m. In recognition of the City of London Police not benefiting to the same degree as other Police Force areas from the increase in Council Tax Precept.

46. Reallocations (also referred to as 'top slices') for national Policing programmes retained by the Home Office totalled £914.3m for 2025/26. For 2026/27 the figure is unknown, so at this stage it is assumed to be broadly similar. For context, these Reallocations equate to a potential loss of nearly £10m of Central Government Grant Funding into Gwent.

47. The Provisional Settlement appears welcome in the headline investment figures with continued overall increases in Policing Service funding and increased Council Tax Precept flexibility for English Police and Crime Commissioners of a £15 p.a. increase on a Band D property for 2026/27, without triggering a referendum. Furthermore, in exceptional cases English Commissioners can apply for further Council Tax Precept flexibility if required, to ensure the financial resilience of the Force, as expanded upon in Paragraph 59 below.

48. However, as stated previously in this report, within the Provisional Settlement, the Minister of State for Crime, Policing and Fire stated "We will publish a Police Reform White Paper in early 2026 which will set out a vision to bring Policing into the modern age with the technology, innovation and structures they need to ensure Policing can focus on the crimes that matter to the public and to drive out waste and inefficiency".

49. As clarity emerges of the financial implications of the above, particularly in relation to the funding of Phase 2 of the Neighbourhood Policing Guarantee, Panel Members will be updated as part of their deliberations in considering the Commissioner's Budget Requirement and Council Tax Precept Proposal 2026/27.

50. Taking the above England and Wales figures, in summary the increase in Central Government Grant Funding for the Commissioner between 2025/26 and 2026/27 is set out below. Whilst the total Central Government Grant Funding figure is known, it is the constituent allocations between the different headings which is assumed. Compared to the expected level of Central Government Grant Funding set out in the Chief Constable's Budget Requirement, the Provisional Settlement's total Gwent Central Government Grant Funding of £114.431m is almost exactly (with rounding) what was expected. This accuracy is predominantly down to the National Police Chiefs' Council (NPCC) Finance colleagues working with Home Office officials to analyse the published figures for the 2026/27 financial year from SR 2025, and subsequently sharing their analysis across the Policing Sector:

	2025/26 £m	2026/27 £m	Increase/ (Decrease £m
Core Central Government Grant Funding (Police Grant, NNDR, Revenue Support Grant)	97.348	103.306	5.958
Total Core Police Grant Funding	**97.348**	**103.306**	**5.958**
Pension Grant[1]	4.038	4.038	0
Operation Uplift Maintenance Grant	3.594	3.594	0
Neighbourhood Policing Grant[2]	2.054	0	(2.054)
Operation Uplift Additional Recruitment Grant[3]	1.106	1.106	0
National Insurance Grant[4]	2.387	2.387	0
Total Special/Specific Grants	**13.179**	**11.125**	**(2.054)**
Total Central Government Grant Funding	**110.527**	**114.431**	**3.904**

Notes
1. The current shortfall to Gwent Police on Pension Grant is circa £3.7m in 2026/27, which needs to be covered locally through either increases in Council Tax Precept or additional cashable efficiency savings within the overall budget;
2. It is understood that this has been rolled into the increase in Core Police Grant Funding;
3. The allocation of Operation Uplift Additional Recruitment grant will be moved from a cash to a Police Funding Formula basis for 2026/27 – impact to be determined; and
4. The actual additional costs associated with the increase in Employer National Insurance contributions for 2026/27 amounted to £2.6m – therefore, as Note 1 above, this £209k shortfall will need to be covered locally by the same means as above.

51. The majority (by number) of Central Government Grant Funding is provided as ring-fenced Special/Specific Grants rather than Core Police Grant Funding. The risk remains therefore that this funding can be removed or provided on a flat-cash basis at any future Settlement. Furthermore, any future shortfalls would therefore need to be funded locally, such as in the case of the previous Pension Grant.

52. Similarly, the growth in the Core Police Grant Funding is 4% year on year (after removing the effect of 'rolling in' the Neighbourhood Policing Grant of £2.054m). This effectively means a real-terms cut in funding for day-to-day Policing services again for 2026/27 once the costs of inflation and pay awards within existing budgets; new service pressures and budget developments; and capital funding are taken into account. These existing pressures will still need to be met by a combination of efficiency scheme savings and importantly Council Tax Precept growth, a point which the UK Government clearly

recognises by allowing a degree of Council Tax Precept flexibility for the ninth year in a row for English Police and Crime Commissioners in 2026/27.

53. The Provisional Settlement did not however, confirm or bring to conclusion the following outstanding issues and risks, which remain unclear and subject to further dialogue:

a) Since the introduction of the Apprenticeship Levy in April 2017, Welsh Forces have been disadvantaged to English counterparts in access to the Apprenticeship Levy to offset the costs of delivering the Police Education Qualifications Framework (PEQF). The Home Office and Welsh Government have been lobbied for a number of years to establish parity. Therefore, since 2022/23, there has been a non-recurrent annual contribution of £2.4m from the Home Office, in respect of delivering the PEQF across Welsh Policing, to be shared on a Police Funding Formula basis. This is significantly short of the £8.1m gross costs of the Apprenticeship Levy, plus administering the PEQF in Wales. It is assumed that the Home Office will continue to make a contribution towards compensation for Welsh Forces, not able to utilise their full Apprenticeship Levy contribution in recent years. This contribution is assumed to total £2.4m in 2026/27 with the Home Office previously stating that this "will address this issue in full." Gwent's share of the £2.4m has been budgeted at £480k. Whilst this continues to be welcome, this is the fifth year of specific flat-cash funding against a backdrop of ongoing pay awards. Chief Finance Officers in Wales continue to work with Home Office officials to determine the appropriate amount of funding to Welsh Police and Crime Commissioners, to provide an equal footing with their English counterparts;

b) The lack of capital funding directly to Police and Crime Commissioner's from Central Government continues to place the burden of maintaining and continuing to improve the Estate and investing in short-term assets on existing revenue budgets and local funding sources;

c) Dangerous Dogs - Police Forces across England and Wales say the costs of kennelling thousands of seized dangerous dogs, often for months at a time, have risen sixfold to £25m a year and many facilities were at capacity. The costs of this are currently being born locally, and in Gwent Police's case the budget rose to £520k in 2025/26, with a further £300k contingency build in for 2026/27. The summer of 2025 saw the conclusion of lengthy negotiations between the NPCC and Association of Police and Crime Commissioners (APCC) with the Department for Environment, Food and Rural Affairs (DEFRA) and the Home Office, regarding financial support to Forces for the costs incurred by enforcing the new legislation. During 2025/26, the Policing Service was awarded £9.5m to reimburse an element of the 2024/25 kennelling costs. Gwent's share was £295k;

d) In 2024/25, the then UK Government provided an additional £66.3m for 'Hotspot Policing' of specific areas to tackle serious violence and ASB. Each Force received a minimum of £1.0m in 2024/25 and 2025/26, but there is no insight as yet as to whether this initiative will be continued into 2026/27; and

e) Finally, the Provisional Settlement also makes no further comment on progress with the Home Office's review of the Police Funding Formula, used to allocate Government funding to individual Police Force areas. Previous indications in 2015 of the impact on Gwent showed a potential cash cut in Central Government Grant Funding of £6m to £10m. In prior years, it has been assumed that any implementation of a new Police Funding Formula would be phased in over time, and this had been reflected from year three onwards in the five-year MTFP. However, because of this lack of information on progress and the age of the estimated impacts, any potential loss of future funding has now been removed from the MTFP until the position is clarified by the Home Office. The Police Funding Formula does remain one of the factors reflected in the financial position risk included in the organisational risk register for Gwent Police and the OPCC.

Central Government Grant Funding from the Ministry of Justice – 2026/27

54. Since 2013/14, Police and Crime Commissioners have received flat-cash MoJ funding to provide services to victims of crime. For the 2024/25 financial year, the Commissioner received £691k in grant which was used to support Victims' Services and provide additional services for victims of crime. In December 2024 however, the Commissioner was notified of their 2025/26 allocations from the MoJ, confirming that the amount receivable was reduced to £662k, a cash cut of £29k or 4.2% (on top of the real-term cuts on this grant since its inception). In December 2025 however, it was gratefully received that the MoJ had committed to multi-year funding of two years for financial years 2026/27 and 2027/28, providing a 2% increase to the Commissioner's Victims Funding budget, year-on-year, in recognition of the increasing costs of service delivery.

55. The Commissioner will therefore receive £675k in 2026/27 (£13k increase) and £689k in 2027/28 – moving someway in reinstating the amount received back in 2024/25 of £691k. Due to the importance of the service provided to victims, the funding to maintain its purchasing power will again be supplemented from the Commissioner's funding from the Council Tax Precept.

56. In addition to the MoJ funding for generic Victims' Services outlined above, for 2026/27 and 2027/28 the Commissioner will also receive £587k and £599k respectively of MoJ specific funding to commission services for victims of Domestic Abuse and Sexual Violence. This is an increase of £12k over the 2025/26 allocation of £575k. Originally, these funding streams were expected to only run to the end of the 2024/25 financial year, beyond which their continuation was unknown. These grants will therefore continue to be reflected in the MTFP going forward at the 2027/28 level.

57. In the accompanying e-mail to the grant allocations, the MoJ highlighted that 'In light of the announcement to move away from the PCC function in May 2028, we will explore changes to the delivery of victims funding to ensure this is

delivered in the best way in the future. This will include extensive engagement with partners, including PCCs, to ensure we can continue to provide the right support to victims.'

Welsh Government Grant Funding – 2026/27

58. The Chief Constable's Budget Requirement currently identifies 144 wte PCSOs, funded 70 wte by Welsh Government and 74 wte by the Commissioner (including 9 wte via the Neighbourhood Policing Guarantee). Therefore, match funding by the Commissioner is exceeded. The Welsh Government Draft Budget was published on the 14th October 2025, and it was noted that a budget of £16.273m had been maintained by Welsh Government for PCSO funding, a slight growth of £270k from 2025/26. The movement appears down to the removal of £50k set aside for an evaluation of PCSO effectiveness in 2025/26 and the use of £320k of Reserves. On this basis, it is expected that the 2026/27 Welsh Government PCSO funding will be maintained at 70 wte PCSOs with a grant of £3.236m, with 74 wte Commissioner/Neighbourhood Policing Guarantee funded being maintained as per the Chief Constable's Budget Requirement; so potentially 144 wte in total. With match-funding being exceeded, this does not cause immediate concern, although the details of the Welsh Government grant award will be eagerly anticipated.

Council Tax Precept and Council Tax Base Funding – 2026/27

59. The Provisional Settlement also made the following points in relation to Council Tax Precept increases:

a) As stated previously, in England, the Government sets the level of Council Tax Precept increase above which a referendum is required. The WMS accompanying the Provisional Settlement on the 18th December 2025 confirmed that English Police and Crime Commissioners would be able to increase their 2026/27 Band D Council Tax Precept by up to £15, without triggering a referendum. Actual Council Tax Precept increases will remain a decision for individual English Police and Crime Commissioners;

b) However, the Home Office also recognises that in some exceptional cases, there may be case for further Council Tax Precept flexibility, if required to ensure the financial resilience of the Force. The Local Government Funding Settlement published on 17th December 2025 states that 'the Government will consider requests for limited flexibility on the police precept referendum principles', where 'a police authority (sic) views additional increases on the police precept as critical to maintaining their financial sustainability... Requests will be considered on a case-by-case basis and will only be agreed in exceptional circumstances and following careful consideration of the police authority's (sic) specific circumstances.';

c) The decision on whether a Police and Crime Commissioner will receive an exceptional Council Tax Precept increase is the joint responsibility of the Home Office and Ministry of Housing, Communities and Local Government

(MHCLG). Police and Crime Commissioners should approach the Home Office in the first instance as soon as possible if they are considering submitting a request to be considered for additional Council Tax Precept rises;

d) Assuming each Police and Crime Commissioner increases their Council Tax Precept by the maximum allowed of £15, combined with Council Tax Base growth assumptions of 0.9% for England and 0.4% for Wales from the OBR, this would provide an additional £364m of resources for Policing from Council Tax payers;

e) Due to historic differences in Council Tax Precept, the proportion that £15 represents can vary significantly between Force areas. The £15 increase means that Northumbria's percentage increase is 7.66% followed by the West Midlands at 6.54% and Essex at 5.76%. Conversely, £15 represents between a 3.96% and 4.16% increase for Welsh Commissioners. The lowest increase amongst English Commissioners would be seen in Surrey at 4.44%; and

f) The proportion of funding raised through Council Tax Precept differs significantly between Forces. Northumbria's 2025/26 Council Tax Precept makes up 19.4% of their total funding, followed by West Midlands at 20.4% and Merseyside at 22.8%. Conversely, Surrey has 54.0% of their funding coming from Council Tax Precept, followed by Dyfed Powys at 52.9% and North Wales at 50.4%. On average 34.2% of budgets are made up from Council Tax Precept, a decrease from 34.4% last year. If the Commissioner's Council Tax Precept Proposal were set at a £15 p.a. increase (3.98%), the 2026/27 deficit would increase by a further £2.628m to £8.023m.

60. At the time of writing, no official announcement has been made by the Welsh Government in relation to the levels of Council Tax Precept rises over the forthcoming years, which would be deemed unreasonable and therefore capped. Historically, indications have been given that increases in Council Tax Precept for Police and Crime purposes of up to 5% would not be considered unreasonable; and actual increases of over 7% in previous years by Welsh Police and Crime Commissioners have not been challenged. For the purposes of parity however, capping principles must be considered in the light of any flexibility afforded to English counterparts in 2026/27.

61. MTFPs that have previously been issued during this budget setting cycle have assumed Council Tax Precept increases of 6.82% p.a. over the five-year projected period. The Chief Constable's Budget Requirement requested this level of 6.82% (or £25.73 p.a.) in-line with previous years and an agreed longer-term approach to Council Tax Precept Funding. Prior to the receipt of the Provisional Settlement, this 6.82% increase would not have provided the funds to meet the Chief Constable's Budget Requirement, resulting in a projected deficit after known savings in 2026/27 of £5.675m, and thereby not achieved a balanced budget for 2026/27.

62. However, since the Chief's Constable's Budget Requirement and receipt of the Provisional Settlement, a number of further funding impacts have occurred which have altered the level of the projected deficit. They are:

a) As described in paragraphs 55 and 56 in December 2025 the Commissioner was notified of their 2026/27 allocations from the MoJ, confirming that the amounts receivable for both grant streams were increased by £13k and £12k respectively, a cash increase of 2% over 2025/26, but still representing real-term cuts on these grants since its inception;

b) December 2025 saw the confirmation of Local Authority Council Tax Bases. This growth is higher at 0.85% than the 0.73% growth originally assumed in the Chief Constable's Budget Requirement. However, this is still on par with Council Tax Base growth in Wales but will be historically below English Force areas where average growth is regularly well above 1% (as borne out consistently in OBR forecasts). This additional increase in the Council Tax Base would yield an additional £107k on overall Council Tax funding, from that assumed in the Chief Constable's Budget Requirement; and

c) The receipt of the Chief Constable's Budget Requirement in December 2025, saw the stark reality of the financial pressures facing Gwent Police over the medium-term. A number of these financial challenges, such as Dangerous Dogs legislation, the Taser replacement programme and continuing development of data analytics had been accounted for within the Chief Constable's Budget Requirement. However, further significant future financial challenges were not accounted for within the Chief Constable's Budget Requirement. These include the unfunded delivery of Phase 2 of the Neighbourhood Policing Guarantee (£5m between 2026/27 to 2028/29); the Policing consequences of the UK Government's Sentencing Review (£3m over 2026/27 and 2027/28); and the as yet unfunded transition from Airwave to the Emergency Services Network (ESN) from 2028 (£6m of transition costs). Therefore, with at least £14m of financial pressures not currently shown in the MTFP, coupled with a budgetary deficit in 2026/27 of £5.675m (since amended to £5.395m), the Commissioner felt it prudent that a small increase in Council Tax Precept from the 6.82% (£25.73 p.a. increase) contained in the Chief Constable's Budget Requirement, to the 6.99% (£26.37 p.a. increase) forming the Commissioner's Council Tax Precept Proposal 2026/27, would be endorsed by the public of Gwent to support their Police Force. This movement results in increased funding from Council Tax Precept of £148k.

63. The effect of the changes highlighted above, can be summarised as follows:

	2026/27 £m
Net deficit per Chief Constable's Budget Requirement – December 2025	**(5.675)**
Add:	
MoJ Victims Services funding increase	0.025
Net deficit post Provisional Settlement – December 2025	**(5.650)**
Add:	
Council Tax Base growth above assumptions (0.73% to 0.85%) – Plus compounding	0.107
Council Tax Precept proposal impact (6.82% to 6.99%)	0.148
Net deficit per Commissioner's Council Tax Precept Proposal - January 2026	**(5.395)**

64. Even with an increase in the proposed Council Tax Precept to 6.99% to partly mitigate future financial challenges; beneficial growth in the Council Tax Base; and slightly better MoJ Funding than expected, the updated projected budgetary deficit for 2026/27 remains at £5.395m.

65. This Council Tax Precept Proposal recognises the increased need being placed on local Council Tax payers and in no way undermines the integrity, robustness and justification of the Chief Constable's Budget Requirement. Instead, it is a simple case of having to risk-manage the entire Policing, Crime and Justice budget over the medium-term in the light of reduced real-term Central Government Grant Funding, in order to provide a continued level of Policing services to Gwent residents.

66. In conclusion, in order to invest in the current level of Policing and commissioned services to the people of Gwent, the Council Tax Precept Proposal is for an increase of 6.99% (£26.37 increase p.a. or £2.20 per month). This is driven by:

a) The operational requirements of Gwent Police to deliver an efficient and effective service to protect and safeguard the people of Gwent and to:

i. Maintain previous investment in Police Officer numbers;
ii. Maintain investment in PCSO numbers;
iii. Mange future financial risk; and
iv. Minimise any impact on front line delivery.

b) Confirmation from the Provisional Settlement that the entire increase in Central Government Grant Funding from the Home Office in 2026/27 is ringfenced specifically for:

    i. Delivering and maintaining a set number of new Police Officer, PCSO and Police Staff posts and their associated consequential costs over the short to medium-term; and
    ii. Partly contributing to additional expenditure outside of the Commissioner's control in relation to additional Pensions and National Insurance Contributions costs.

c) Confirmation of the MoJ Victims Services Funding and the need to maintain the current level of Victims' services, in light of real-term cuts;

d) The need to provide the suitable infrastructure (buildings, vehicles, ICT) to support significant previous investment in Police Officer, PCSO and Police Staff numbers, requires Police and Crime Commissioners to access capital financing. With none forthcoming from Government through Capital Grant; limited options for capital receipts from asset sales; and Reserves and Committed Funds depleted; the only feasible option is direct revenue financing or from revenue budgets, which are already under significant unavoidable pressure, or through borrowing which has become increasingly unaffordable;

e) The ongoing expectation from Government, as highlighted throughout this report, for Police and Crime Commissioners to maximise Council Tax Precept increases. This is indicated by the £15 p.a. increase allowed in England to invest in the Policing Service and complement Operation Uplift and the Neighbourhood Policing Guarantee – the ninth year of flexibility in a row. Although lower than this Council Tax Precept Proposal, English counterparts have consistently experienced significantly higher Council Tax Base growth than Welsh counterparts; receive Council Tax collection surpluses from their respective Local Authorities; and continue to be in receipt of £552.4m of Government Grant from 'freezing' Council Tax Precept increases in previous years;

f) The ambitious requirements of the new Police, Crime and Justice Plan 2025-2029 to deliver 'Increasing Trust and Confidence in Policing and the Justice System across Gwent', with particular focus of investment on:

    i. Delivering safer communities across Gwent;
    ii. Improving Community Cohesion; and
    iii. Tackling the root causes of violence against women and girls and tackling domestic abuse.

g) The Commissioner's understanding of the support for a Council Tax Precept increase of around £2.75 per month, which was informed by extensive public engagement, and recognition of the financial impact of any Council Tax Precept increase on Gwent residents. The actual £2.20 per month increase is the minimum required to deliver an effective service and the objectives of the Police, Crime and Justice Plan 2025-2029, all of which reflect the priorities identified by the citizens of Gwent; and

h) Constructive engagement with the Police and Crime Panel reaffirmed the public's view, that although they are supportive of Gwent Police, the stark reality of the economic factors beyond Policing, such as unprecedented rises in inflation growth on general commodities and funding changes, places a potentially unaffordable ask at the feet of Gwent Council Tax Precept payers. The Commissioner acutely acknowledges the economic impact of past and current events and the associated inflationary burdens across the Communities of Gwent and to this end, needs to balance the local investment expectations of the Government (which it is expected will be replicated by other Police and Crime Commissioners across England and Wales); those of the Chief Constable to deliver an effective and efficient Policing Service; with the affordability of the increase to Gwent residents. Indeed, it could be argued that those residents most socially and financially deprived require most the services of Gwent Police.

67. With the above eight drivers for this decision highlighted above, the Provisional Settlement has only confirmed the funding for the 2026/27 financial year. The Government published SR 2025 in June 2025 providing Government Departmental resource budgets for three years (2026/27 to 2028/29) and capital budgets for four years (2026/27 to 2029/30), with reviews every two years. As part of this, the Chancellor highlighted that SR 2025 was zero-based, meaning that instead of starting from an assumption of no change, each line of spending was assessed. It is unclear exactly what level of detail the Chancellor went to, but the suggestion is that this was a higher level of detail than previous years. The Chancellor was said to have judged each line of spend on whether it represents value for money and meets the Government's priorities, with budget proposals being scrutinised by so-called 'challenge panels' of independent experts. Further to this, with UK Economic growth stalling, future financial Settlements could be more punitive as OBR forecasts are revised.

68. To the above backdrop, the proposed level of Council Tax Precept does not, however, set a balanced budget in 2026/27 even after taking account of £1.530m of budget savings and £730k of cashable efficiency schemes. The recurrent shortfall of £5.395m will need cost pressures to be robustly risk-managed during the 2026/27 financial year; necessitate extensive further cashable efficiencies to be delivered; or met by a contribution from the Commissioner's Reserves and Committed Funds. Furthermore, this Budget Requirement and associated Council Tax Precept Proposal does not alter the level of borrowing already previously accounted for in base budgets and previous forecasts. This approach provides a degree of affordable 'borrowing headroom' which may be required from the new Estate Strategy. The new Estate Strategy will be published in the new year, in collaboration with the Police and Crime Panel and other key stakeholders. This will realign Operational Policing and the public's requirements (incorporating both the

principles of value-for-money and environmental sustainability), with an appropriately risk-based approach to funding and borrowing.

Future Funding Assumptions – 2026/27 to 2029/30

69. Central Government Grant Funding from the Home Office is forecast to increase again in 2027/28 based on SR 2025 estimates and then remain flat-cash at the 2027/28 level for the remainder of the MTFP. Aside from forecasting a conservative effect from SR 2025, this also assumes no impact on changes to Reallocations and also any future changes to the Police Funding Formula. Although it is certain that these matters will affect future funding, it is impossible at this stage (due to Policing receiving one-year Settlements) to assess their impact.

70. Specific Grants from Home Office, Welsh Government and MoJ have been assessed to remain at 2025/26 levels (where they have yet to be confirmed); their provisional 2026/27 indicated amounts; or removed as per the narrative earlier in this report. With more and more Central Government Grant Funding being awarded as Specific Grant, this increases the risk to the Commissioner of these amounts remaining as flat-cash, or being completely removed in the future.

71. Future Council Tax Precept increases within the MTFP revert back to 6.82% from 2027/28 (which will be reviewed on an annual basis), due to the uncertainty of the funding position. In addition, the Council Tax Base growth p.a. has been estimated at 0.92% - the underlying average over the past three years, not that just seen in the previous year. However, even reverting back to 6.82% from 2027/28 onwards only provides a broadly balanced position by 2030/31 – noting that at least £14m of financial pressures are not currently shown in the MTFP as outlined in paragraph 62 c).

EXPENDITURE ASSUMPTIONS (Appendices 2b, 3, 4, 5, 6a and 6b)

Revenue – 2026/27 to 2030/31

72. In terms of the largest area of spend, Police Officer, PCSO and Police Staff establishments have been set at current authorised levels as determined by the Operational Policing Model review and the Continuous Improvement Programme. These have then been refined for future expected leavers, efficiency schemes and recruitment plans. In summary:

a) Aiming to maintain an establishment of at least 1,535 wte Police Officers and 846.3 wte Police Staff. The Police Officer figure is made up of the Operation Uplift target baseline of 1,506 wte plus 21 wte 'additional' Operation Uplift funded and 8 wte Police Officers under the Neighbourhood Policing Guarantee Programme;

b) The Chief Constable's Budget Requirement includes maintaining 144 wte PCSOs for 2026/27 and beyond; and as stated previously, it is expected that a maximum of 70 wte PCSOs will now be funded by Welsh Government grant, which will be more than matched by 74 wte funded PCSOs via the Commissioner and the Neighbourhood Policing Guarantee. 144 wte PCSOs ensures that operationally there is the equivalent of one PCSO per ward in the Gwent Police area, as well as delivering the Force's commitments under the first phase of the Neighbourhood Policing Guarantee;

c) Police Officer and Police Staff pay awards of 3.0% in September 2026 and then dropping to 2.5% each year beyond. In December 2025, the Government published its 'Economic Evidence to the Pay Review Bodies 2026-27 Pay Round' which will be considered by individual Pay Review Bodies in due course;

d) Non-pay inflation reducing from 3.0% in 2026/27, to 2% thereafter to reflect the current trend; and

e) No change to the contribution from revenue budgets to fund the short-life asset requirements for vehicle replacement, ICT development and capital maintenance in the Capital Programme. The revenue contribution to the Capital Programme of £7.150m however, does not provide sufficient funding to cover investment in long-life assets such as the Estate.

73. These assumptions and the scrutiny provided as part of the budget setting process have refined the additional costs pressures in 2026/27 to £4.7m (excluding the reclassification in the MTFP of Neighbourhood Policing Guarantee Phase 1 Grant from Specific Grants to Core Police Grant Funding), compared to £3.7m in 2025/26, £1.9m in 2024/25 and £3.0m in 2023/24. Gross, excluding adjustments from previous years, the £4.7m is attributable to:

a) £1.202m – Pressures on ICT budgets to undertake Body Worn Video replacement, new maintenance contracts, an increase in National Charges payable to Police Digital Services; and market price/volume increases;

b) £790k – To maintain the purchasing power of existing national collaborations in relation to BlueLight Commercial and Information security; and also those with South Wales Police for such things as the Regional Organised Crime Unit, Joint Scientific Investigation Unit, and the Joint Firearms Unit;

c) £660k – Statutory set aside for Minimum Revenue Provision (MRP) for known borrowing and also to account for the new requirement for MRP in relation to Finance Leases;

d) £621k – Reduction in previously budgeted income in relation to forecast investment income, due to drops in interest rates and a reduction in overall funds for investment; and re-basing of victims' income within the Force;

e) £546k – To fund the forward work programme of the Service Improvement Board for future investments in vetting, Post Implementation Reviews, and ICT convergence;

f) £400k – Nationally identified pressures for such things as Taser replacement and firearms licensing;

g) £300k – Additional Gwent Policing contingency to deal with seized dangerous dogs;

h) £285k – Staffing related pressures, such as overtime, entitlements and training fees;

i) £277k – Operational Policing support pressures, such as Custody medical contract, drugs disposal and specialist operational equipment; and

j) £80k – To meet rent and utilities increases and maintain a fit for purpose facilities management service.

74. Although the marginal changes in expenditure budgets are shown, the totality of the resources provided to the Chief Constable will be the vast majority of total 2026/27 net revenue expenditure of £196.627m. As set out in the Chief Constable's Budget Requirement and the Chief Constable's presentation to the Police and Crime Panel meeting on 12th December 2025, the 'Ask' is:

"Support for a budget that enables further transformation, meets the legislative and national changes and challenges faced by Policing and help Gwent Police build on and restore public confidence".

Capital – 2026/27 to 2030/31

75. As highlighted earlier in this report, in order to provide the suitable infrastructure (buildings, vehicles, ICT) to support the investment in Police Officer, PCSO and Police Staff numbers, Police and Crime Commissioners need access to capital financing. With none forthcoming from Central Government from specific Capital Grant; limited options for capital receipts from asset sales; Reserves and Committed Funds depleted; and borrowing remaining expensive; the only feasible and readily affordable option is direct revenue financing from revenue budgets. These are already under significant unavoidable pressure however.

76. The need for an appropriate future Capital Programme to maintain and improve the infrastructure for modern Policing means the revenue budget will need to contribute either through a revenue contribution to capital or through new affordable borrowing costs. This creates inherent risks, particularly when financing short-life assets such as vehicles and ICT (which do not lend themselves to long-term borrowing); interest rate exposure; and public perception on how the Council Tax Precept is spent to provide the infrastructure to support the front-line.

77. The initial capital investment requirements over the next five years are becoming clearer as the implementation of the existing Estate, Fleet and ICT strategies are progressed. This said however, the current revision to the Estate Strategy, which is due for publication in the new year may bring additional capital financing requirements which may currently be unbudgeted; the same can be said for ESN transition. Therefore, as it stands, Capital Programme Expenditure over the next five years totals £33.990m, of which the 2026/27 element amounts to £11.680m. The equivalent five-year total figure within the 2025/26 Budget Report was £47.869m.

78. Within the current five-year Capital Programme is the remaining £2.263m of Gwent Police's £16.0m contribution to building the new Tri-Force Joint Firearms Unit training centre. As previously reported to Members, this is a collaborative project with South Wales Police and Dyfed Powys Police to provide a new range that delivers the current and future training requirements for Firearms services across Southern and Mid Wales.

79. In the absence of any capital grant from Central Government, implementation of the current Capital Programme will require a combination of:

   a) The underlying recurrent revenue contribution to capital will be maintained at £7.150m p.a. for the life of this MTFP – a total of £35.750m. An additional balance of £468k of revenue funding in 2026/27 will be needed to cover the difference between borrowing and estimated Capital Programme costs. These revenue contributions are necessary in relation to minimising the Commissioner's dependency upon external borrowing in the current economic uncertainty – particularly for short-term assets such as Fleet and ICT;

b) The need to undertake external borrowing of £4.0m in 2026/27, this does not include any requirements of the new Estate Strategy; and

c) Other grant funding relating to one-off, specific funding for Go Safe Safety Camera vehicles of £438k.

80. This Capital Programme investment will realise long-term cashable and non-cashable benefits to the Commissioner and Gwent Police, e.g. appropriate and more sustainable Estate provision; fit-for-purpose Fleet; and maximising returns on ICT investment. A recurrent budget has also been maintained in the Capital Programme to deliver the environmental sustainability strategy. Furthermore, Gwent Police's Continuous Improvement Programme will present further investment requirements which will generate efficiency opportunities, which should present cashable savings.

81. As highlighted above, in relation to the investment in the long-term assets in the Capital Programme, the Reserves and Committed Funds position is such that the Commissioner will need to access public borrowing in late 2025/26 as well as 2026/27 and potentially beyond. These additional funds are necessary to continue the investment in key operational buildings including the Joint Firearms Unit training centre; the Police Station refurbishment programme; and to ensure the entire Estate is legally compliant and operationally fit for purpose. It will also fund the ongoing, long-term and national ICT projects for enhanced services including the 'first point of contact' with the public. The detail relating to the Commissioner's 2026/27 Treasury Management Strategy which provides insight into the Commissioners' future borrowing and investment positions over the medium-term will be published prior to the commencement of the 2026/27 financial year at the following link:

https://www.gwent.pcc.police.uk/en/transparency/publications/treasury-management-strategy/

BUDGETARY SAVINGS AND EFFICIENY OPPORTUNITIES (Appendices 7a and 7b)

82. Since 2008/09, Gwent Police has delivered £55.612m of recurrent, cashable efficiency savings to 31st March 2025. An additional £360k of savings are expected be delivered during 2025/26.

83. Appendix 7a details budgetary savings of £1.530m identified through this budget setting round which have been removed from the 2026/27 budget and beyond.

84. Further to this, the Continuous Improvement Programme will continue to remain focused on delivering a new generation of efficiency savings schemes and maintaining a detailed schedule of planned work to review functions and Departments across the whole of the Force and OPCC. In 2026/27, Appendix 7b shows that Gwent Police is aiming to deliver efficiency savings of £730k on top of budget savings already realised of £1.530m. These have contributed to closing the projected deficit for 2026/27 and maintaining essential services in the face of insufficient Central Government Grant Funding.

85. Assuming an annual Council Tax Precept increase of 6.99% in 2026/27 and then 6.82% from 2027/28 for the remaining life of the MTFP, the MTFP is not broadly balanced until 2030/31. This balancing is achieved after taking account known future budgetary savings and efficiency saving schemes totalling £2.770m, but as stated previously, at least £14m of financial pressures are currently excluded from the MTFP.

86. In addition to internally generated efficiency schemes, Gwent Police uses HMICFRS's value for money (VFM) profiles (via an on-line dashboard) to identify where Gwent is an outlier in expenditure terms when compared to its most similar Forces. These dashboards are publicly available on the HMICFRS's website. These areas are then taken forward by the Continuous Improvement Department as part of its forward programme of service improvement.

87. The VFM profiles were produced annually by HMICFRS between 2009 and 2017. Since 2017, HMICFRS have produced interactive VFM dashboards to help Forces compare performance, outcomes and cost. They are designed for use by Force management, Police and Crime Commissioners, the HMICFRS and the public. The comparisons are across all English and Welsh Forces, but exclude the Metropolitan Police and City of London Police, due to their uniqueness of data. The profiles enable comparison across all Forces (excluding the two named above) and also within an individual Force's 'Most Similar Groups' (MSG), i.e. those Forces that share similar characteristics, such as demographics. The latest VFM Dashboard can be found on the following link:

https://hmicfrs.justiceinspectorates.gov.uk/our-work/article/value-for-money-inspections/value-for-money-dashboards/

88. Noting the weaknesses in the VFM Profiles, the NPCC previously rolled out a new Efficiency Self-Assessment Toolkit which aims to assist Forces in gaining an overview of potential areas of efficiency. The Continuous Improvement Department continues to use the Toolkit to ascertain what is already undertaken and to identify areas of action.

89. Gwent Police are comfortable that it is currently undertaking a proportion of the actions outlined, but the Toolkit has now been ‘RAG’ rated to assist in planning. The focus going forward will continue to be on those areas marked amber and red, whereby an action plan will be put behind these areas.

90. The Toolkit and the VFM profiles will be used together to assess any areas needing further scrutiny and understanding. Oversight of development and monitoring will be provided by Gwent Police’s Productivity and Efficiency Board, Chief Officer Team Meeting and Joint Audit Committee.

91. As a final point under this Section, significant assurance on the Commissioner’s and Chief Constable’s arrangements for securing VFM have been received from Audit Wales, Internal Audit and the wider work of the Joint Audit Committee in its reports over the year. The Commissioner has placed an ongoing requirement on the Chief Constable to continue to seek further cost avoidance and savings measures from within the expenditure budget as soon as possible, in order to contribute to the closing of the recurrent funding gap.

RESERVES AND COMMITTED FUNDS (Appendix 8)

92. Appendix 8 provides a summary of the Commissioner's Reserves and Committed Funds position for the following five years. It reflects an update of the Commissioner's Reserves and Committed Funds as part of this budget setting round. The MTFP and, in particular, the Commissioner's Reserves and Committed Funds Strategy 2025/26 will be considered and discussed at the Joint Audit Committee on 11th March 2026 (along with the 2026/27 Treasury Management Strategy as referenced above). This will enable the Joint Audit Committee to discharge its responsibilities in relation to the budget setting process and the annual financial statements. The Reserves and Committed Funds Strategy 2025/26 will be published prior to the commencement of the 2026/27 financial year at the following link:

    https://www.gwent.pcc.police.uk/en/transparency/publications/reserves-strategy/

93. With the finalisation of the detailed annual budget setting process, the Reserves and Committed Funds position has been updated and will continue to be instrumental in stakeholder engagement and any mitigation strategies.

94. The Commissioner's Reserves and Committed Funds position highlights the overall financial landscape and provides context to the Commissioner's Budget Requirement and Council Tax Precept proposal for 2026/27. The key points are as follows.

95. By the end of the 2030/31 financial year, it is forecast that the Commissioner will have Reserves of £6.000m and Committed Funds of £21.051m (totalling £27.051m – bottom right-hand corner of Appendix 8). This assumes however, that the current outstanding future recurrent budgetary imbalances in 2026/27, 2027/28 and partly in 2028/29 (highlighted in the MTFP at Appendix 2b) will NOT be underwritten from Line C1 in the 'Committed Earmarked Funds Beyond the MTFP' Section. Recurrent budgetary imbalances must be found from recurrent efficiencies – Reserves and Committed Funds should only be utilised to manage annual timing differences. However, if Reserves and Committed Funds are required to balance the budget on an annual basis, the total forecast Reserves and Committed Funds figure to 2030/31 reduces by £7.926m to £19.125m.

96. It is important to note, that in order to maintain the forecast Reserves and Committed Funds position of £27.051m by 2030/31, whilst providing additional funding which may be required for the revision to the Estate Strategy, the Commissioner is currently required to borrow £11.500m across 2025/26 and 2026/27 to fund their Capital Programme.

97. The forecast Reserves and Committed Funds position at 2030/31 does not take into account the following events which would increase this figure:

    a) Additional sales of capital assets than those already identified;

b) Additional sums from further acceleration of the delivery of efficiency schemes; and

c) Underspending in the Capital Programme or slippage which defers spend to future financial years.

98. Similarly, the forecast Reserves and Committed Funds position at 2030/31 does not take into account the following events which would reduce this figure:

a) The impact of transition arrangements following the Police Reform White Paper and the associated announcements already made;

b) The impact on Reserves and Committed Funds from years 2 and 3 of SR 2025, or any transitioning arrangements to a new Police Funding Formula allocation;

c) Further significant investment to deliver over and above the current five-year Capital Programme that is not met from external borrowing – such as the new Estate Strategy and ESN transition;

d) Pump-priming for future phases of the Continuous Improvement Programme; and

e) Overspending in the Capital Programme or acceleration which brings forward spend.

EXTERNAL INFLUENCES

99. On current financial forecasts, by 2028/29, Council Tax Precept payers in Gwent will fund more than half the net budget in Gwent, thereby becoming the 'majority shareholders'.

100. Modern Policing demand is increasingly addressed through 'non-visible' Policing presence:

    a) Dealing with cyber-crime;

    b) Counter terrorism and domestic extremism work;

    c) Safeguarding work with vulnerable people;

    d) Dealing with domestic abuse; and

    e) Tackling child sexual exploitation and modern slavery.

101. Therefore, expectations of the public for visible Policing needs to be carefully managed and communicated.

102. Challenging financial Settlements across the public sector in Gwent increasingly promotes Policing as the service of first and last resort. The Commissioner and Chief Constable are working closely with partners both locally and across Wales to address this.

103. Investment in Policing in Gwent needs to be viewed in the context of for every crime averted, or victim put back on the road to recovery, the economic contribution is often immeasurable.

104. Importantly, from a Policing demand perspective, it is understood that the other three Police and Crime Commissioners in Wales are currently proposing Council Tax Precept increases next year of between 6.9% (£26.13) and 7.5% (£27.05) p.a. Gwent's proposed Council Tax Precept increase is therefore within the range of increases proposed by the other three Welsh Police and Crime Commissioners.

105. In relation to the Council Tax Base, as noted above, Gwent's Council Tax Base has grown by 0.85% for 2026/27. This is a welcome increase on both the Chief Constable's Budget Requirement assumption of 0.73% growth and the OBR forecast growth of 0.4%. Whilst Gwent's increase in Council Tax Base is higher than the growth across the other three Police Force areas in Wales (0.56% average for 2026/27), it must be noted that over recent years Gwent's Council Tax Base growth has been much lower than the other three Welsh Police Forces areas, as they have previously derived recurrent benefit from Welsh Government policies on second home and vacant property Council Tax premiums, which have significantly less effect in Gwent. In addition, the average growth across the other three Welsh Police Force areas in Wales of

0.56% is heavily reduced by one Local Authority electing to cut the Council Tax charge on second homes from 150% to 125%, which further reduced their Council Tax Base from the previous year (as they also reduced it for 2025/26 from 200% to 150%), thus skewing the average. Furthermore, if Welsh Police Force areas are seeing a doubling of the OBR forecast in their Council Tax Base growth, it is reasonable to deduce that English Forces are too. Therefore, English Forces could benefit from Council Tax Base growth on average of well over 1.5%.

106. Within Gwent, the draft budgets proposed by Local Authorities include proposed Council Tax Precept percentage increases that range from 4.90% (£78.29 p.a. on a Band D) to 6.25% (£97.54 p.a. on a Band D property). In cash terms, increases range from £78.29 (4.90% p.a. on a Band D property) to £108.19 p.a. (5.95% p.a. on a Band D property). **In comparison, from a local perspective, the Commissioner's proposed increase of an additional £26.37 (6.99%) p.a. for a Band D property would equate to only a 1.53% rise in the average Gwent Local Authority Band D Council Tax Precept. Or put another way, a 6.99% increase on the average Gwent Local Authority Band D Council Tax Precept, would add £120.49 p.a. to a household's bill; as opposed to the £26.37 p.a. a 6.99% increase would add – i.e. 4.57 times the value for the same percentage increase.**

RISKS AND OPPORTUNITIES

107. While the MTFP is designed to reflect the most up to date intelligence, a number of outstanding issues and unquantifiable risks remain that are incapable of being fully reflected at this present time. Briefly these are:

Financial

a) The short, medium and long-term funding consequences of the Neighbourhood Policing Guarantee. The first phase of the Neighbourhood Policing Guarantee of delivering 3,000 additional Police Officers/PCSOs/Police Staff was funded by the Home Office with a £200m Specific Grant, of which Gwent Police's share was £2.053m. The risk is that the remaining 10,000 Police Officers/PCSOs/Police Staff are unfunded with an additional cost pressure for Policing of approximately £500m over the remaining life of the UK Parliament. If unfunded, this adds further financial pressures for Gwent Police of approximately £5m in total over a three-year period (a £2m risk in 2026/27 which is not included in the budget);

b) The short, medium and long-term funding consequences of the UK Government's Sentencing Review which are estimated at £300m - £350m for Policing. If unfunded this would add further financial pressure for Gwent Police of approximately £3m over two years (£1m in 2026/27 which is not in the budget);

c) The future impact of post Covid-19 economic factors (especially on future Council Tax Bases, inflation and further impact on public sector pensions payments); the war in Ukraine (particularly inflation); Brexit; UK/Global recession; post SR 2025 UK Government spending reviews; and the Police Funding Formula Review;

d) Exposure to interest rate fluctuations as a result of the cost of borrowing to fund the Capital Programme;

e) Loss of 'assumed' Council Tax Precept income and localisation of Council Tax support in England, as well as the wider impacts and funding opportunities from Mayoral reform within England which will not be reflected in Wales;

f) Legislative and policy changes having unintended consequences, e.g. as previously seen with the revaluation of public sector pensions; and the implementation of the Apprenticeship Levy;

g) Increasing costs of national ICT programmes and the National Police Air Service (NPAS) and changes to the apportionment method of these across Police and Crime Commissioners/Forces;

h) Potential future increases in the Police Officer and Police Staff pay awards higher than expected;

i) Withdrawal of funding by partners (Home Office, Welsh Government, MoJ and Local Authorities) for jointly commissioned activities and services, as previously experienced in 2024/25 with PCSOs and the Schools Liaison Programme;

j) Increased 'last resort' demand due to others withdrawing service;

k) Failure of the Government to deliver on national programmes of work such as ESN transition (£6m); and

l) Further risks to manage cost savings if actual cost pressures exceed the annual total level of £2.5m assumed for 2027/28 onwards, plus £0.8m for pay increments.

<u>Organisational:</u>

a) The publication of the Police Reform White Paper in early 2026, which will include the move away from the Police and Crime Commissioner model will bring significant organisational uncertainty for both the OPCC and Gwent Police. This transition will also have significant financial and societal implications;

b) Partners re-trench from collaborative ventures (e.g. as a result of the Welsh Government Settlement and the Police Reform White Paper);

c) The financial and non-financial implications of embedding the new Operational Policing Model for Neighbourhood and Response Policing, Criminal Justice, Human Resources, and Learning and Development; and

d) Failure of key efficiency schemes to deliver, particularly those related to national programmes of work.

<u>Societal:</u>

a) Emergent complex crime types and increased safeguarding requirements;

b) Increased crime, ASB and incidents due to the economic and political climate – particularly in respect of the cost-of-living crisis and immigration; and

c) Recruitment challenges.

108. Conversely, a number of opportunities exist which could ease the financial burdens:

a) Adopting and embedding the 'new ways of working' arising from the 'lessons learned' from Covid-19;

b) Increasing productivity through ongoing ICT investment and the automation of tasks;

c) Potential long-term investment by UK Government into Policing;

d) The ongoing development of the Gwent Public Service Board (PSB) promoting a ‘one public service’ ethos to tackle long-standing issues across Gwent;

e) Linked to this, the ability to co-commission services with public and third sector partners, avoiding duplication of effort and maximising returns to the public; and

f) Actively seeking out income generation opportunities, and influencing the legislative agenda to provide wider opportunities.

FINANCIAL AND OPERATIONAL PERFORMANCE (Appendix 9)

Financial

109. A key component in the setting of the 2026/27 budget is the financial performance in the current financial year. Quarterly financial management reports are produced and scrutinised at both the OPCC's Strategic Management Board; Gwent Police's Chief Officer Team meetings; and ultimately at the Commissioner's AAB. From Quarter 2 2025/26, these reports include a financial outturn, indicating the expected variance of total annual expenditure against the full-year budget at the year-end (i.e. 31st March).

110. Appendix 9 confirms that the initial forecast outturn reported at Quarter 2 indicated a non-recurrent £5.863m surplus against Gross Revenue Expenditure of £213.849m; which equates to a 2.74% variance against overall budget.

111. This forecast surplus has primarily arisen from the following non-recurrent savings:

a) £1.190m non-recurrent saving on interest payments, due to the deferment of borrowing into 2026/27, through active cash-flow management;

b) £3.363m of non-recurrent Income received which was unknown at the time of budget setting and the subsequent MTFP revision in June 2025 - £1.232m Pay Award Grant; £1m ASB Hotspot Policing Grant; £295k DEFRA Dangerous Dogs contribution; £442k on asset sales, fees and charges; and £394k on Mutual Aid and Special Police Services;

c) £987k non-recurrent saving due to the reduced spending/deferment on revenue funded long-term projects; and

d) £24k of additional investment income.

The forecast surplus of £5.863m assumes the receipt of £2.714m of Commissioner's Committed Funds to balance the 2025/26 budgetary deficit. Therefore, this Quarter 2 forecast outturn needs to be compared to the fully balanced budget for 2025/26, as opposed to a £2.714m deficit.

112. Over a number of years, the Commissioner's budget has showed a positive variance at the year-end, i.e. a saving on budget. This positive variance is scrutinised to assess whether it has arisen from:

a) Non-recurrent timing differences such as the timing of 'ring-fenced' UK Central Government Grant Funding or when future borrowing is taken out;

b) Changes to assumptions such as interest rates and cash balances for investment;

c) Excess budget being set in certain areas (e.g. over-budgeting on such things as the price and/or volume of fuel); or

d) A planned efficiency scheme occurring ahead of plan (e.g. a Police Staff member leaving early, in advance of the planned removal of their post in a future period).

Overwhelmingly, over the period of austerity between 2010/11 and 2019/20, the reason for the positive variance is d) above i.e. accelerated efficiency savings taking effect. Since this time however, the reasons for the positive variance have been a) and b) above, i.e. timing differences and changes to assumptions. The financial effect of all reasons above are rectified in the budgetary requirements for future years, as part of the detailed bottom-up annual budget setting process.

113. The 'one-off' non-recurrent nature of the 2025/26 underlying surplus is further emphasised in that even after taking account of future planned efficiency schemes in future financial years of £2.770m, the Commissioner is still facing unbalanced budgets for the next four financial years and a broadly balanced budget by 2030/31 (but with the omission of £14m of financial pressures). This non-recurrent underlying surplus does however provide two key benefits. Firstly, it gives a barometer of the continuing sustainability of both previously delivered efficiency schemes and Gwent Police's ability to continue to find more efficiency schemes. Secondly, a positive year-end variance also provides a non-recurrent cash benefit, in that the year-end saving is transferred (when finalised at year-end) to Reserves and Committed Funds which will partly offset future borrowing requirements or bolster the General Reserve. This has been partly reflected in the MTFP, along with a recognition that timing differences from recruitment will give rise to in-year savings against pay budgets on a recurrent basis.

114. The 2025/26 Capital Programme is included in Appendix 6a with long-term Projects and Programmes treated as revenue at Appendix 6b. The original annual budget on proposed schemes for 2025/26 was £22.458m, but this was revised to £16.989m to reflect budget reductions and rephasing of schemes in Estate works; some acceleration of fleet purchases; revision to ICT projects; and also the confirmation of a number business cases through Gwent Police's Service Improvement Board (SIB).

115. At the time of writing, the Quarter 3 financial management report is being compiled, therefore the Commissioner's Chief Finance Officer and Section 151 Officer will provide a verbal update on the forecast year-end position at the Police and Crime Panel meeting on 30th January 2026, if there is a material change.

<u>Operational</u>

116. Each quarter, the Commissioner carries out a range of measures to hold the Chief Constable to account for the performance of Gwent Police against the

priorities of the Police, Crime and Justice Plan 2025-2029. This framework provides the Commissioner with a significant body of evidence to offer assurance on the current delivery against those priorities, on behalf of the communities of Gwent.

117. The majority of the Commissioner's scrutiny is carried out in public (unless discussing sensitive issues not for the public domain); filmed or broadcast live; and then published on the Commissioner's website. Activity and findings are also provided to the Police and Crime Panel each quarter through relevant performance and update reports, enabling members to support and challenge the Commissioner's decisions and provide a critical role.

COMMISSIONER'S CHIEF FINANCE OFFICER'S STATEMENT– REQUIREMENTS OF THE LOCAL GOVERNMENT ACT 2003

118. Section 25 of the Local Government Act 2003 requires the Commissioner's Chief Finance Officer to report on:

a) The robustness of the estimates made for calculating the Council Tax Precept; and

b) The adequacy of the proposed financial Reserves.

119. The same section requires the Commissioner to have regard to their Chief Finance Officer's report when making decisions about Council Tax Precept.

120. Central Government Grant Funding from the Home Office and Welsh Government currently fund approximately 53% of the net revenue Budget Requirement for Policing and Crime services in Gwent. However, this position continues to be eroded, placing an increased emphasis on the level of local Council Tax Precept Funding. A combination of CSR 2010, SR 2013 and CSR 2015 resulted in significant reductions in Central Government Grant Funding from the Home Office and Welsh Government. The reduction in these grants for 2011/12 of 5.1% came on top of an in-year cut in the previous year of 1.3%. Central Government Grant Funding for 2012/13 showed a reduction of 6.7%, 2013/14 a reduction of 1.57%, 2014/15 a reduction of 4.76%, 2015/16 a reduction of 5.11%, 2016/17 a reduction of 0.57%, 2017/18 a reduction of 1.40% and 2018/19 flat-cash. The 2019/20 Final Settlement, on the surface, appeared positive in that Central Government Grant Funding increased by 2.1% and a Specific Pension Grant had been provided, both designed to mitigate the financial impact of the revaluation of Public Sector Pension Schemes. However, the sum of these amounts fell short in meeting Gwent Police's additional pension costs in 2019/20 to the value of £429k – so, in effect, the Final Settlement amounted to a 0.60% cash cut. Cumulatively, the budget available for Policing and Crime in Gwent has experienced over a 27% cash reduction between 2010/11 and 2019/20. When the effect of inflation and pay awards is built in, the real reduction is over 40%.

121. The Settlements since 2020/21 have provided reinvestment through both Operation Uplift and the Neighbourhood Policing Guarantee, although this is ring-fenced additionality and has continued in the Provisional Settlement for 2026/27. Therefore, the overall cash reduction in the Commissioner's budget between 2010/11 and 2026/27 has only been partly addressed. In simple terms, Gwent Police will receive just over 23% more cash from Central Government Grant Funding in 2026/27 as it did in 2010/11. When the effect of inflation and pay awards is built in, the real reduction is 19% over the 16 years.

122. Although the 2026/27 Provisional Settlement has been positive for Gwent Police with an uplift of £3.904m in Central Government Grant Funding, all this new funding is ring-fenced and at risk of being insufficient in future years; therefore additional funds for unavoidable service pressures such as pay-

awards and inflation have not been provided by Central Government. The financial landscape remains uncertain, with significant uncertainty for the economy and the public finances remaining in light of the slowing in economic growth; the US Political position; the continuing war in Ukraine and stability of the Middle East; the cost of living crisis; 'spiralling' wage increases; legacy 'Mini Budget September 2022' issues; Covid-19 and Brexit implications; post SR 2025 uncertainty for years two and three; and growing pressures on public services following years of cuts.

123. From a wholly Policing perspective, despite the lessening of budget cuts over recent years, the latest UK Government intentions to deliver their 'Safer Streets' Mission may not be sustainable in the medium to long-term. Furthermore, the imminent publication of the Police Reform White Paper brings significant uncertainty to the amount of Central Government Grant Funding that will find its way to local Commissioners, as Reallocations could increase to fund the 'centralisation' of Policing services and governance, and also the cost of transition to the new models.

124. Compounding the strain on revenue budgets, in order to provide the suitable infrastructure (buildings, vehicles, ICT) to support the investment in Police Officer, PCSO and Police Staff numbers, the Commissioner needs access to capital financing. With no specific Capital Grants forthcoming from Central Government; limited options for capital receipts from asset sales; Reserves and Committed Funds depleted; and borrowing still an expensive option; the only feasible short-term option is direct financing from revenue budgets. This means the revenue budget will be under more pressure to contribute either through a revenue contribution to capital or through new affordable borrowing costs. This creates inherent risks, particularly when financing short-life assets such as vehicles and ICT (which do not lend themselves to long-term borrowing); interest rate exposure; and public perception on how the Council Tax Precept is spent to provide the infrastructure to support the front-line. The MTFP continues to invest in the capital requirements of Gwent Police to enable Police Officers, PCSOs and Police Staff to deliver more effective and efficient services. This Capital Programme includes the delivery of the 'Greener Gwent' sustainability strategy, continuing investment in electric vehicles and charging infrastructure, and solar panels to reduce Gwent Police's carbon footprint. The Capital Programme for 2026/27 remains substantial at £11.680m but will only be funded partly from revenue budget contributions and Committed Funds. As subsequent Capital Strategies evolve (such as the revision to the Estate Strategy), the funding for the Capital Programme will increasingly be from long-term borrowing, increasing budgetary pressures from financing and interest costs in future years.

125. At this time, the pressures and service developments recognised in the MTFP are largely consistent with those identified within local, regional and national priorities. Gwent Police however needs to continue positioning itself to deliver the Commissioner's Police, Crime and Justice Plan 2025-2029; the Government's Safer Street's Mission; and the Policing Vision 2030; and to recognise more fully the financial implications of these. These requirements

are all to the backdrop of financial constraints; increasing unavoidable service pressures (both nationally and locally driven); Policing more complex crime types (including cross-border responsibilities); Legislative changes; more diverse communities; and Policing in the digital age. Going forward there are a number of longer-term funding issues that need to be addressed as part of the MTFP process covering the five-year period from 2026/27 to 2030/31. These include, but are not limited to:

a) Long-term implications of global events;

b) Inflation and the national cost of living crisis, particularly the ongoing cost of energy and building materials;

c) The increasingly complex and evolving nature of demand from local communities;

d) UK Government Legislation changes and the impact on future funding, particularly in light of the Police Reform White Paper;

e) Maintaining Police Officer numbers under Operation Uplift, Neighbourhood Policing Guarantee and ongoing PCSO funding;

f) Delivering on sustainable Policing through technology, transport and infrastructure; and

g) Achieving the 'Greener Gwent' sustainability strategy.

126. Against these pressures, the Continuous Improvement Programme has continued to be remarkably successful in keeping expenditure within reducing budgets, yet still managing to maintain performance in the service to the public. Year after year, difficult savings targets have been achieved and, as a consequence, Reserves and Committed Funds have been generated. These support the investment necessary to redesign the Estate; maximise ICT opportunities; and pump-prime new initiatives. This success, along with the lessening of UK Central Government Grant Funding cuts in recent years and appropriate Council Tax Precept increases, has allowed Gwent Police to attain (and exceed at times) its full Police Officer establishment for the past four years. Appropriate Council Tax Precept increases into the near future will go some way to maintaining current Policing services in the wake of real-term reductions in Home Office, Welsh Government and MoJ funding; and continue to address areas of demand while realising the benefits to the public of Gwent.

127. The preparation of the budget is now almost a continual exercise, involving the compilation of MTFPs, dovetailing with detailed work across the OPCC and Gwent Police under the supervision of the Chief Constable's Chief Finance Officer and with ultimate direction by the Commissioner's Chief Finance Officer. The involvement of all parts of the Police Service ensures awareness not only of the demands, but also of the constraints upon them. That awareness has grown over the last 12 months with greater emphasis on the need for

sustainable and/or cost neutral solutions to demands. Throughout 2025/26, Members of the Police and Crime Panel and Joint Audit Committee have received progress reports on the 2026/27 budget and beyond. Members were able to examine both the proposals and the process followed. The extent of this preparatory work and engagement has again greatly assisted the Commissioner. **This process ensured that the budget takes into account all those cost and income items that can be reasonably foreseen and that there is no cause to question the robustness of the estimates.**

128. Appendix 8 to this report shows details of the Commissioner's Reserves and Committed Funds position. The Chief Constable's Chief Finance Officer and the Commissioner's Chief Finance Officer have reviewed the adequacy of Reserves, Committed Funds and provisions. In addition, as part of the compilation of the year-end Statement of Accounts and also at the commencement of each budget setting round, the Reserves and Committed Funds are formally reviewed and separately reported upon respectively in the Statement of Accounts and the Reserves and Committed Funds Strategy.

129. The General Reserve is required for working capital and to meet unexpected expenditure in emergency situations or major crime. In reviewing the Reserves and Committed Funds Strategy in January 2026, it was concluded that a General Reserve of £6.000m (an increase of £500k on the previous year) would be a prudent level for Gwent Police and OPCC moving forward. This takes into account the size, local circumstances and the ongoing requirement for savings to address both historic and recent reductions in Central Government Grant Funding and also the significant Operational Policing responses to major crime which could arise.

130. In relation to the Committed Revenue and Capital Funds, programmes of work are already in train, or risks remain, which confirms the need and sufficiency of the amounts reported.

131. **Whilst I am content therefore, with the adequacy of the proposed financial Reserves and Committed Funds, this source of funding to deliver an appropriate Capital Programme moving forward will now be exhausted and will require difficult decisions on borrowing going forward. The long-term funding for Gwent Police's capital infrastructure needs is of grave concern, to the extent that formal representations have been made over the past four financial years to the Home Secretary directly; the Welsh Affairs Select Committee; and to Home Office Officials.**

132. The dialogue on funding of capital infrastructure will therefore continue, both at a local and national level.

CONCLUSION

133. A Council Tax Precept increase of 6.99% (£26.37 a year or £2.20 a month) will fund:

a) The underlying Police Officer and Police Staff establishment;

b) The increased number of Gwent Police-funded PCSOs following Welsh Government Grant Funding changes;

c) The 2026/27 initial requirements of the Safer Streets Mission's Neighbourhood Policing Guarantee (Phase 1, but not as it stands, Phase 2);

d) The unavoidable non-pay service pressures and costs particularly inflation, capital spend and ICT running costs to boost productivity and provide the non-personnel resources needed to deliver services; and

e) The investment required to support commissioned services, interventions and the delivery of the Police, Crime and Justice Plan 2025-2029.

134. This increase will partly fund, because even after this proposed 6.99% Council Tax Precept uplift, the Commissioner is left with an unbalanced budget in 2026/27 of £5.395m.

135. The Commissioner's annual Council Tax Precept percentage increases are not comparable with those of the Gwent Local Authorities – a 6.99% increase for Policing adds £26.37 to a Band D Council Tax bill, while a 6.99% increase on average for a Gwent Local Authority would add £120.49 to a Band D Council Tax bill.

136. In addition, over the past five financial years (2022/23 to 2026/27) Gwent Local Authorities have had, on average, a 28.2% increase in Core Welsh Government Grant Funding. The Commissioner on the other hand has had a 22.0% increase, which is further exacerbated in that the average Local Authority in Gwent is funded around 75% by Core Welsh Government Grant Funding, whilst for the Commissioner around 53% is funded by Core Government Grant Funding.

137. In determining the proposed level of Council Tax Precept for 2026/27, the Commissioner has sought the views of Gwent residents and is acutely aware of the significant pressures on household incomes at this present time. Whilst the largest share of Gwent residents who responded supported an increase in Council Tax Precept, the Commissioner needs to balance the local investment expectations of Government; those of the Chief Constable to deliver an effective and efficient Policing Service; with the affordability of the increase to Gwent's households.

138. The proposed increase in Council Tax Precept therefore has been robustly scrutinised and challenged, to ensure that it is the minimum increase required

to deliver the Police, Crime and Justice Plan 2025-2029; maintain Policing Services in Gwent; and maintain, Police Officer, PCSO and Police Staff numbers in 2026/27.

139. In conclusion, the recommendation of this report supports the necessity to appropriately fund the invaluable public service that Policing provides to the people of Gwent, usually at times when they are at their most vulnerable.

APPENDICES

140. The Appendices to this report set out additional background information supporting this report as follows:

<u>Appendices</u>

a)	Appendix 1	Operational Context to the Chief Constable's Budget Requirement 2026/27 Presentation;
b)	Appendix 2a	Impact of Incremental Council Tax Precept Changes;
c)	Appendix 2b	Medium-Term Financial Projections 2026/27 to 2030/31;
d)	Appendix 3	Medium-Term Financial Projections – Assumptions;
e)	Appendix 4	Gwent Police Establishment;
f)	Appendix 5	Service Pressures and Budget Developments;
g)	Appendix 6a	Capital Programme 2026/27 to 2030/31;
h)	Appendix 6b	Long-Term Project Programme 2026/27 to 2030/31;
i)	Appendix 7a	Identified Budgetary Savings;
j)	Appendix 7b	Continuous Improvement Programme Savings;
k)	Appendix 8	Reserves and Committed Funds Position 2025/26; and
l)	Appendix 9	Quarter 2 2025/26 Income and Expenditure Forecast.

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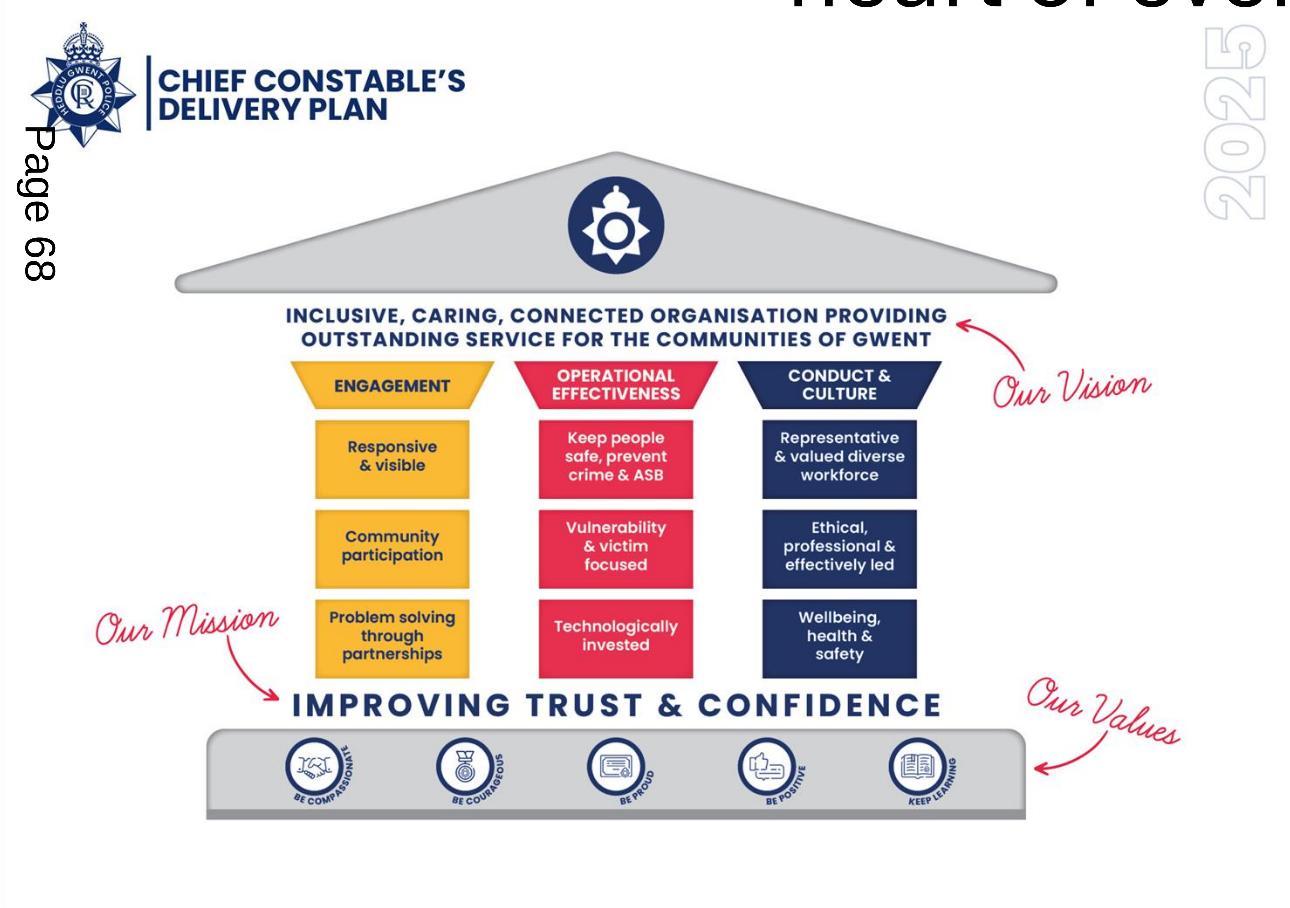
HEDDLU GWENT POLICE

Commitment to improving Trust and Confidence
Working as one team that puts communities at the heart of everything



Engagement – Listening, involving and updating our communities

Operational Effectiveness – Delivering a service that's responsive, visible and fair

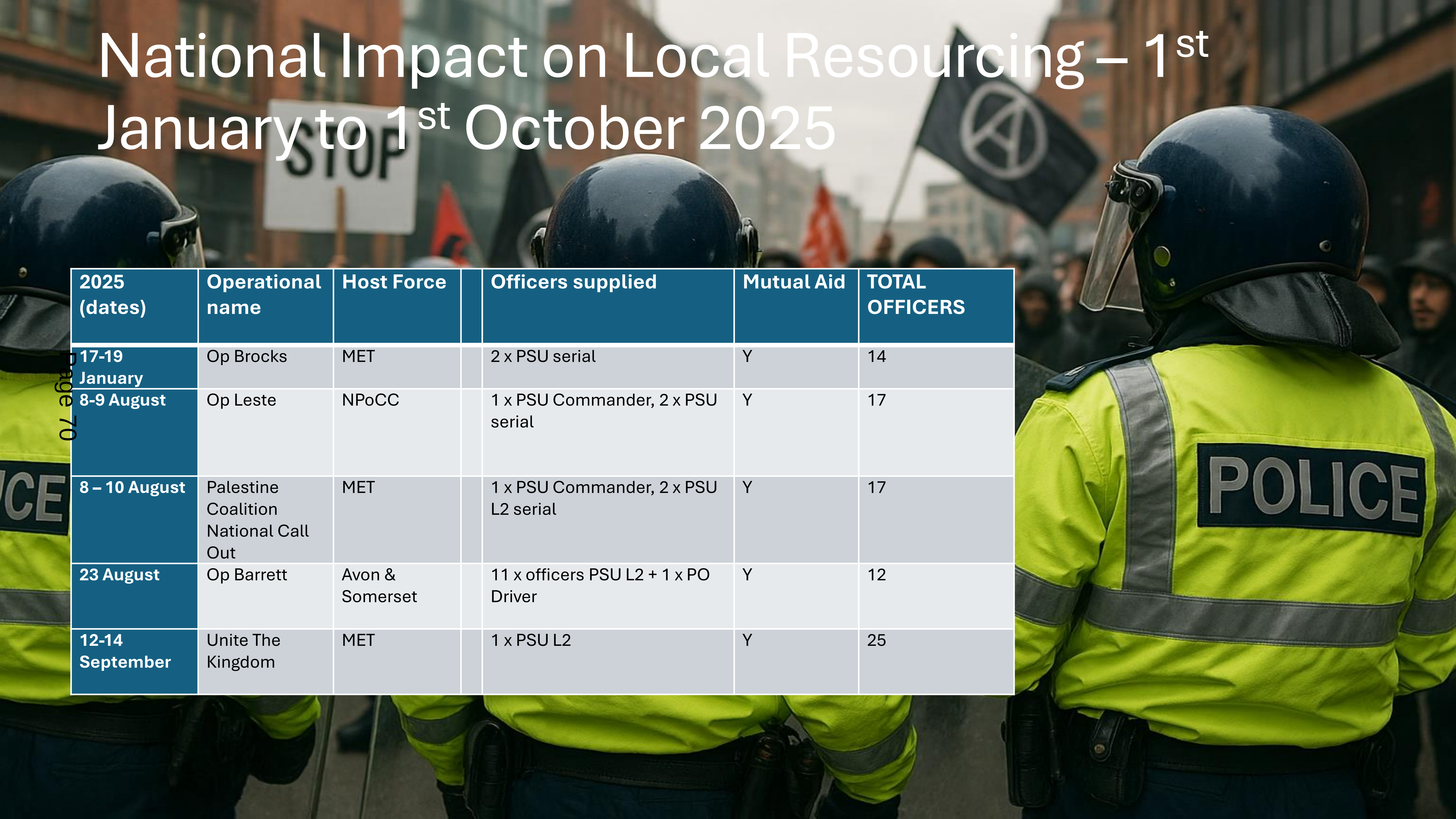
Conduct and Culture – creating a workplace that including, caring and connected

HEDDLU GWENT POLICE

Context

- **Context – 2025 Policing Challenges**
- **Rising Complexity:** Thousands of protests, increased cross-border responsibilities, and new Home Office requirements.
- **Legislative Change:** Crime and Policing Bill, Sentencing Bill, Policing Reform White Paper.
- **Funding Pressures:** Public service budgets squeezed by inflation and cost-of-living crisis.
- **National Priorities:** Vulnerability Action Plan, Beating Crime Plan, Race Action Plan, Strategic Policing Requirement.
- **Community Risks:** Growing hate crime and cohesion challenges.
- **Innovation Needed:** Investment in digital tools and smarter ways of working
-

National Impact on Local Resourcing – 1st January to 1st October 2025



2025 (dates)	Operational name	Host Force		Officers supplied	Mutual Aid	TOTAL OFFICERS
17-19 January	Op Brocks	MET		2 x PSU serial	Y	14
8-9 August	Op Leste	NPoCC		1 x PSU Commander, 2 x PSU serial	Y	17
8 – 10 August	Palestine Coalition National Call Out	MET		1 x PSU Commander, 2 x PSU L2 serial	Y	17
23 August	Op Barrett	Avon & Somerset		11 x officers PSU L2 + 1 x PO Driver	Y	12
12-14 September	Unite The Kingdom	MET		1 x PSU L2	Y	25

HMICFRS Peel Inspection 2025

Outstanding	Good	Adequate	Requires improvement	Inadequate
Recording data about crime		Police powers and treating the public fairly and respectfully	Investigating crime	
		Preventing and deterring crime and antisocial behaviour, and reducing vulnerability	Protecting vulnerable people	
		Responding to the public	Leadership and force management	
		Managing offenders and suspects		
		Building, supporting and protecting the workforce		

- Outstanding areas for improvement 87 down from 128 end of January 2025
- 2025 SOC Inspection – resulting pending
- 2025 Firearms Licensing Thematic Inspection (December 2025)

Crime Data Integrity 95.59 % compliance

Gwent Police is outstanding at recording crime.

HMICFRS estimate that Gwent Police is recording 95.6 percent (+/- 2.3 percentage points) of all reported crime (excluding fraud).

That the force is recording 94.5 percent (+/- 4.2 percentage points) of violent offences.

The force is recording 98.0 percent (+/- 2.4 percentage points) of sexual offences.

Quality of Investigation and Vulnerability Projects

Workstreams have been established and strategic leads assigned, governance in place for both projects.

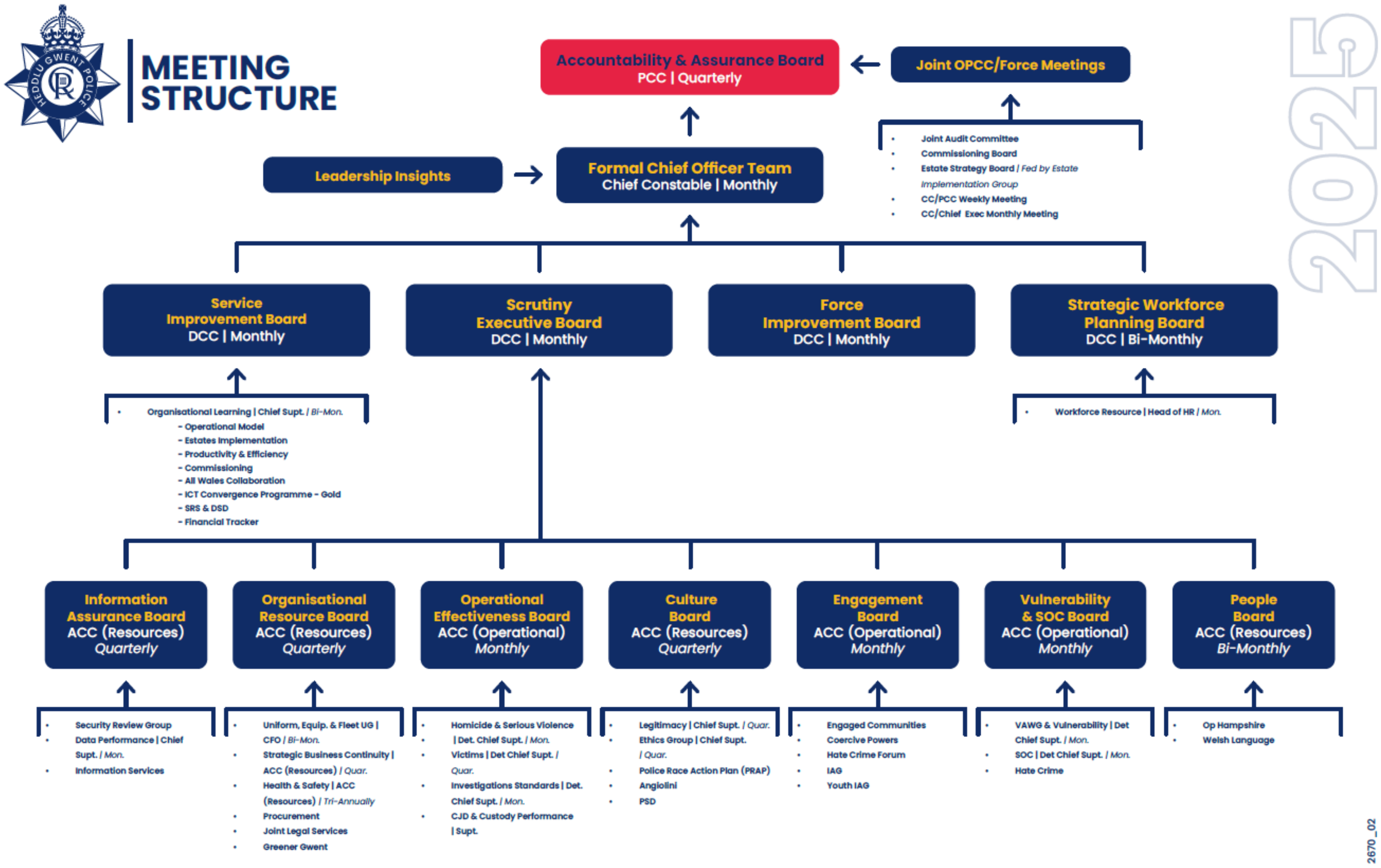
Benchmarking has taken place with top performing forces against HMICFRS Peel Inspections.

Immediate improvements to performance reporting put in place data reviewed and performance dashboards created

Focus on working practices and process improvement

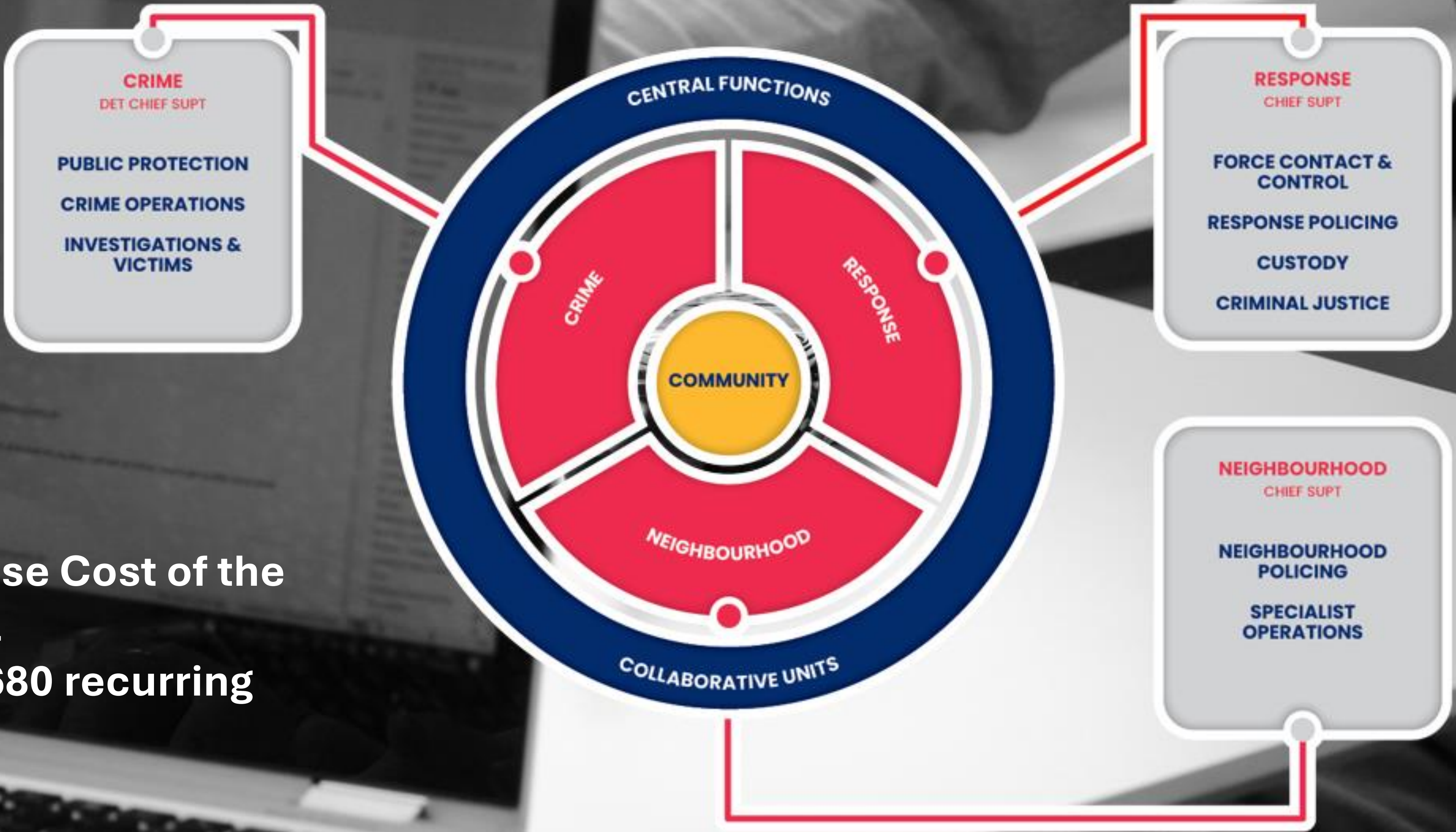
Training reviewed and refreshed programme being delivered

Reviewed the Force Governance Model



HEDDLU GWENT POLICE

OUR NEW OPERATING MODEL



Increase Cost of the model
£701,680 recurring

Impact of the Community Action Team

- **Community Action Team CAT launched to tackle crime and ASB hotspots sits within the Neighbourhood Pillar**

- **Launch Announcement – June 2025**
  Gwent Police launched the Community Action Team to tackle crime and anti-social behavior (ASB) hotspots. The team includes 16 PCs, 10 PCSOs, 2 sergeants, and is led by Inspector Laura Paget. Focus areas include illegal off-road biking, drugs, vehicle crime and increasing neighbourhood visibility.
- **PCC Blog – July 2025**
  PCC Jane Mudd highlighted CAT's role in Caerphilly, supported by local council funding.
- **Early Impact – October 2025**
  In just four months, CAT made 120 arrests and seized over 110 vehicles. Areas targeted include Tredegar, Blackwood, Llantarnam, and Alway. The team also supported investigations into shoplifting and drug-related crimes.
- **Community Engagement and Expansion**
  29 October 2025, CAT expanded its patrols to Llantarnam, Ebbw Vale, Aberbargoed, and Bettws. The team continues to analyse crime trends and engage with communities through initiatives such as Operation Lockwood and a new community messaging service.


Neighbourhood Policing Pledge
£2 million investment has resulted in 22 Police Staff being appointed releasing 22 Police Officers from supporting roles to Neighbourhood Policing posts, 6 Direct Entry Neighbourhood Police Constables, 9 Police Community Support Officers and 5 Special Constables
No national guarantee on further funding at this time

Op Lockwood Funding

37 Hotspots across the force area

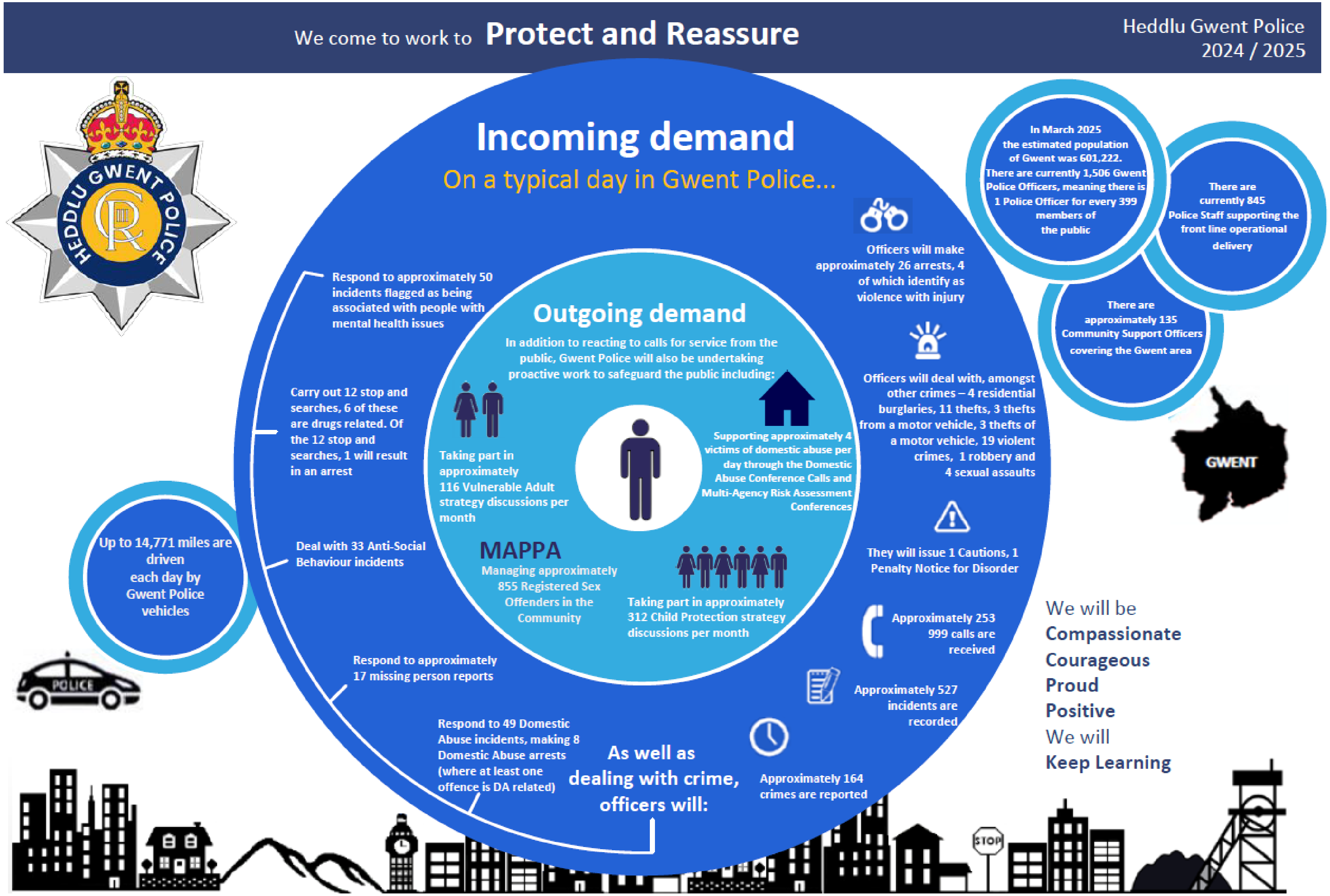
5401additional hours (April – October 25)

50 Arrests (April – September 25)

98 Searches (April – September 25)

Daily Demand for Gwent Police

2024/25



WE HAVE: Made communities safer by

999 Calls – Answered within 10 Seconds

FYTD 2025-26: 97.0%
FYTD 2022-23: 97:0%

101 Calls – Answer Rate

FYTD 2025-26: 91.1%
FYTD 2022-23: 59.0%

101 Calls – Abandonment Rate

FYTD 2025-26: 9.0%
FYTD 2022-23: 41.0%

Crimes Under Investigation

October 2024: 10,347, a reduction of 1,432 since July 2024
This is the earliest comparable data range as this is a manual collection

Emergency Response Compliance

FYTD 2025-26: 81.5%
FYTD 2022-23: 45.8%

Routine Response Compliance

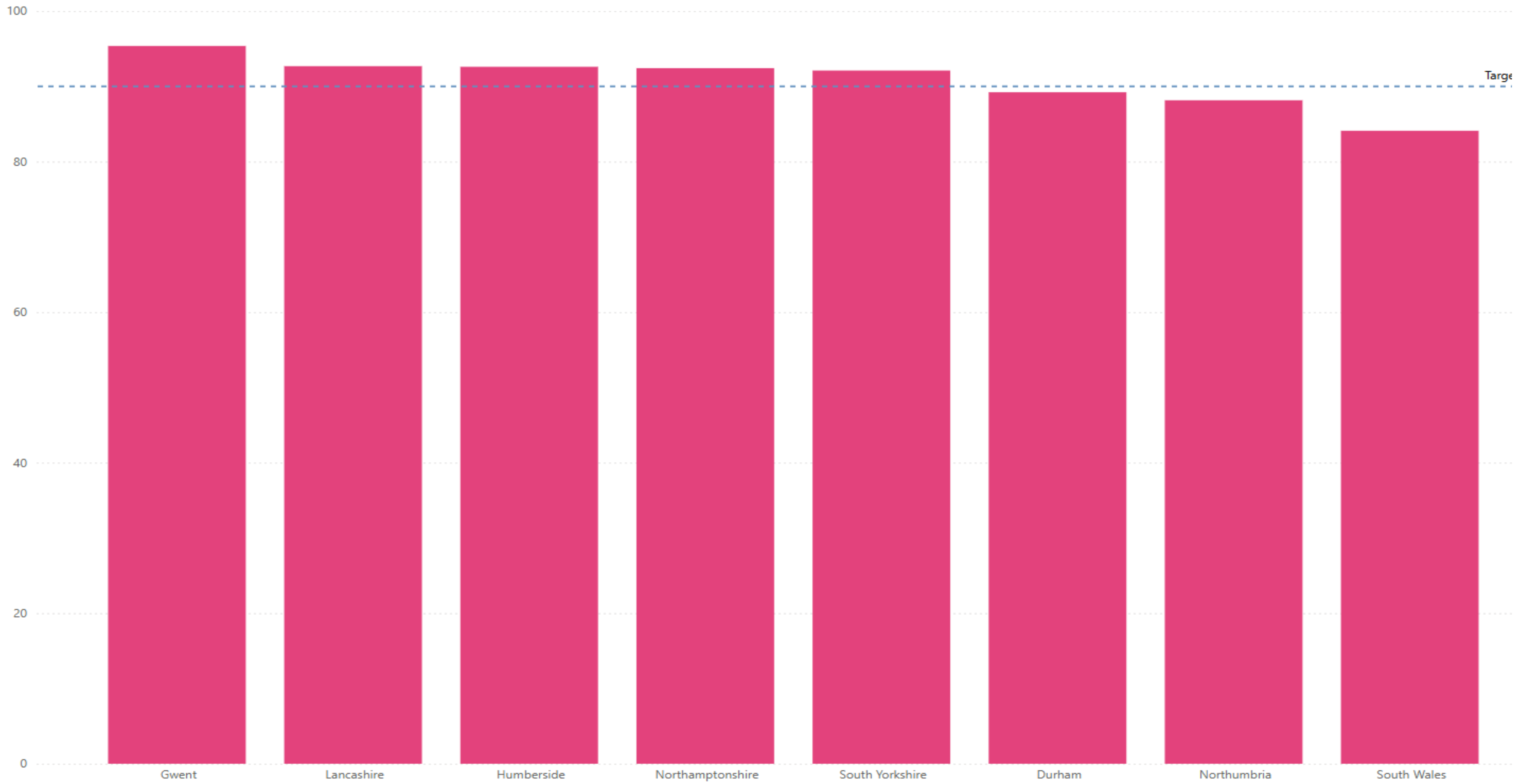
FYTD 2025-26: 86.8%
FYTD 2022-23: 30.9%

Residential Burglary of a Home Attendance

FYTD 2025-26: 96.0%
FYTD 2022-23: 75.0%

OUR FOCUS: Operational Delivery

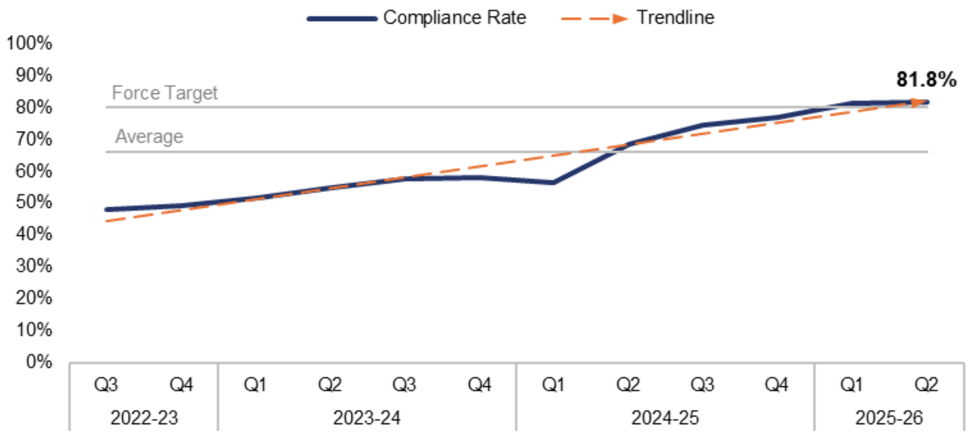
Our Force Contact and Control continue to deliver excellent service to the public and remains in 1st place for answering 999 calls within 10 seconds against our most similar forces a position that has been held since 1st April 2023. UK wide Gwent sit consistently within the top 3.



OUR FOCUS: Operational Delivery

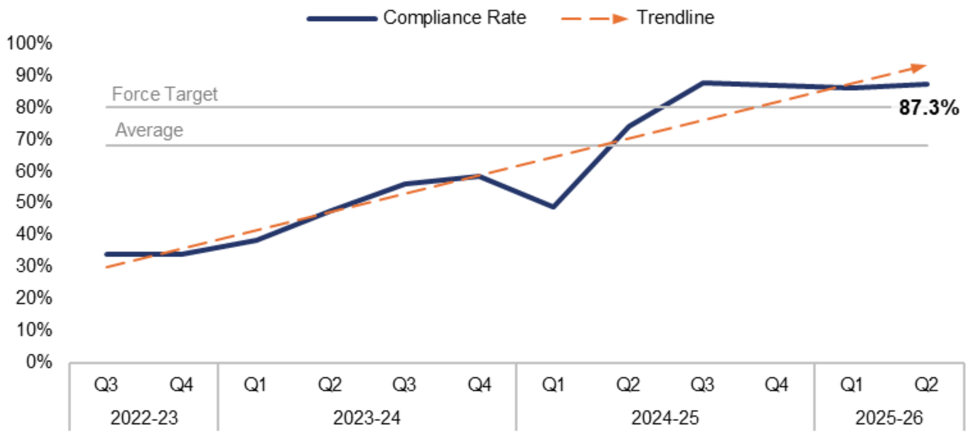
Response Rates

Emergency Response Compliance



Financial Year	21-22	22-23	23-24	24-25	FYTD	25-26
Compliance Rate	47.5%	47.0%	55.4%	68.7%	Compliance Rate	81.6%

Priority Response Compliance



Financial Year	21-22	22-23	23-24	24-25	FYTD	25-26
Compliance Rate	33.2%	32.3%	50.0%	74.5%	Compliance Rate	86.8%

- The force continues to maintain the improvements seen in 2023/2024

We have also investigated crime and brought offenders to justice, resulting in:

Drug Offences Vs FYTD 2022-23

Increased Solved Rate by 3.4pp

Shoplifting Vs FYTD 2022-23

Increased Solved Rate by 10.4pp

Outcome 18 Vs FYTD 2022-23

Reduced 'No Suspect identified' by 2.7pp

Neighbourhood

Newly formed Community Action Team have made 120 arrests since inception

Repeat Victims Vs 12m to October 2023

Reduction of Repeat Victims by 9.2%

Robbery Vs FYTD 2022-23

Increased Solved Rate by 1.4pp

Serious Violence Vs FYTD 2022-23

Increased Solved Rate by 2.2pp

Anti Social Behaviour Vs FYTD 2022-23

Reduction of Personal ASB by 20.4%

Key Areas: Operational Delivery

TECHNOLOGY: M365 Power platform, Process Efficiency Project, GoodSam, Co-Pilot, AI and Innovation, Citizen First Project, Joint Data Analytics Project (JDAP)

ESTABLISHMENT PRIORITISATION: Neighbourhood Pledge, Community Action Team, DC Recruitment, Rape investigation team, Public Protection, Custody and Force Contact and Control Centre

VULNERABILITY Project Formed benchmarking with Humberside and Cheshire following HMICFRS inspection results – improvements made in compliance rates but more to do!

ESTABLISHMENT EFFICIENCIES: CDI, File Management Unit, Operational Model Board – maximizing opportunities through Neighborhood Pledge to release officers from supporting posts

NEIGHBOURHOODS: Neighborhood Strategy, Community Action Team (CAT), Safer Schools Approach, Performance Framework and governance accountability

Our Focus: Our People

WELLBEING STRATEGY: Embedded in organisational delivery at all levels.

OSCAR KILO: Embedded psychological screening programme and wellbeing ambassadors shortlisted to national award

Oscar kilo national survey 67% of officers report physical exhaustion, 58% emotional burnout

TRIM Process (available to all staff following a traumatic incident)

LEADERSHIP FOCUS: A comprehensive leadership programme from core leadership and first-line management to ethical and inclusive, mid-line and senior leadership development

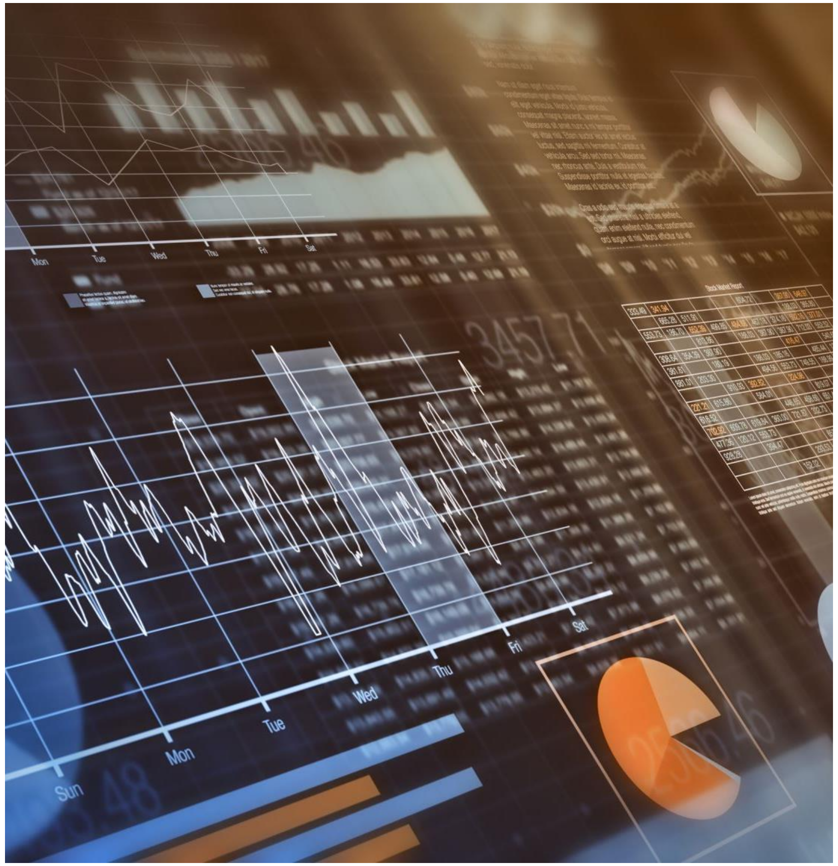
Requirement to reduce sickness and absence rates

College of Policing – LIT Leading Inclusive Teams (behavioral science based initiative designed to foster inclusive culture within policing)

South Wales University – Hydra Programme for Leadership

Process efficiency through technology

- Automate workflows with M365
- AI CoPilot efficiency drive
- Continuous Improvement: streamline Info Governance, Offender & Victim Services, Business Support
- Robotic Process Automation – Niche and Info Services
- Advanced Data Analytics
- Citizen First- putting people at the heart of service



Our Challenges

Managing increasing demand SOC and Cyber anticipated demand increased and vulnerability, increases in partnership demand, increases in disclosure requests

Demand of RIT (Rape Investigation Team) Op Soteria National Programme of Improvement, self assessment feedback was positive in 2025.

Data Analytics the need/want for increased data to inform decisions and direction and the issues of data quality and supporting systems supported by investment in the joint analytics programme

Continuing the building of successful equal collaborative partnerships

Our Challenges

- NPAS (National Police Air Support) increased costs
- Taser replacement programme
- Dangerous Dogs Legislation changes and local impact
- Police Race Action Plan
- Airwave / ESN replacement programme and timeline
- ICT Convergence Programme
- National Litigation challenges
- Evidential Property and Training Provision
- Equality Diversity and Inclusion

Case Study – Victim of Cyber Fraud

- Mrs Edith Thomas is an 82-year-old widow living alone in a rural village in Gwent. She has limited digital literacy but uses her tablet to stay in touch with family and manage her pension online.

- In June 2025, Edith received an email appearing to be from her bank, warning her of suspicious activity. The email contained a link to a fake website where she was prompted to enter her banking credentials. Within hours £4000 was withdrawn from her account.

Case Study – Victim of Cyber Fraud

Police Response

- The local neighbourhood policing team was alerted by her carer.
- A digital forensics officer was deployed to trace the IP address and gather evidence.
- Officers spent over 20 hours liaising with the bank, Action Fraud, and Edith's family.
- Edith was emotionally distressed and required safeguarding support.

Impact on Resources

- **Cybercrime Unit**: Already stretched, diverted from ongoing investigations.
- **Neighbourhood Team**: Time spent on reassurance visits and safeguarding.
- **Mental Health Liaison**: Called in due to Edith's anxiety and confusion.
- **Multi-agency Coordination**: Required with adult social care and financial institutions.

Outcome

- The funds were partially recovered, but Edith remains fearful of using technology.
- No suspect was apprehended due to jurisdictional issues (IP traced to overseas).
- The case highlighted the need for **preventative education**, **digital policing skills**, and **cross-border cooperation**.

Risks:

- Limited opportunities for savings- Police officer numbers are protected by Op Uplift and Neighbourhood Policing Pledge and PCSO numbers
- Ongoing Cost of Living Crisis; on our communities and our people
- Continued pressure on overtime budgets from ongoing demand
- No Funding Formula introduction built into the projections.
- Taser replacement – cost pressure
- Sentencing review & No NPG – Significant risk if no Home Office funding
- Equality Diversity and Inclusion portfolio
- Assumption we will have an establishment of 1535 officers, 144 PCSOs (70 WG GP funded by GP 74) and 849.62 funded staff for the full year.

The Ask:

- Support for a budget that enables further transformation, meets the legislative and national changes and challenges faced by policing and helps Gwent Police build on and restore public confidence.

Mark Hobrough

Chief Constable

Gwent Police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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Impact of Incremental Council Tax Precept Changes
At 30th January 2026

Base Growth %	Precept Growth %	Base Growth £	Precept Growth £	Total Growth £	Increase / (Decrease) £
0.85%	8.00%	732,555	6,976,895	7,709,450	880,781
0.85%	7.50%	732,555	6,542,284	7,274,839	446,170
0.85%	7.00%	732,555	6,105,361	6,837,916	9,247
0.85%	6.99%	732,555	6,096,114	6,828,669	0
0.85%	6.82%	732,555	5,948,161	6,680,716	(147,953)
0.85%	6.50%	732,555	5,670,750	6,403,305	(425,364)
0.85%	6.00%	732,555	5,233,827	5,966,382	(862,287)
0.85%	5.50%	732,555	4,796,904	5,529,459	(1,299,210)
0.85%	5.00%	732,555	4,362,293	5,094,848	(1,733,821)
0.85%	4.50%	732,555	3,925,370	4,657,925	(2,170,744)
0.85%	4.00%	732,555	3,488,447	4,221,002	(2,607,667)
0.85%	3.50%	732,555	3,053,836	3,786,391	(3,042,278)
0.85%	3.00%	732,555	2,616,914	3,349,469	(3,479,200)
0.85%	2.50%	732,555	2,179,991	2,912,546	(3,916,123)
0.85%	2.00%	732,555	1,745,380	2,477,935	(4,350,734)
0.85%	1.50%	732,555	1,308,457	2,041,012	(4,787,657)
0.85%	1.00%	732,555	871,534	1,604,089	(5,224,580)
0.85%	0.50%	732,555	436,923	1,169,478	(5,659,191)
0.85%	0.00%	732,555	0	732,555	(6,096,114)

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
At 30th January 2026

		(a)	(b)	(c)	(d)	(e)	(f)
		2025/26 Forecast £'000s	2026/27 Forecast £'000s	2027/28 Forecast £'000s	2028/29 Forecast £'000s	2029/30 Forecast £'000s	2030/31 Forecast £'000s
1	Effect of increases to Authorised Establishment, Pay Awards and Increments		9,624	3,954	4,179	4,284	4,416
2	Non-Staff Inflation		973	769	823	880	940
3	Apprenticeship Levy Scheme		32	14	14	14	14
4	In Service Pressures / Developments		6,077	2,599	2,800	4,001	2,800
5	Budget Savings Identified		(1,530)	-	-	-	-
6	Finance Costs		661	175	15	(118)	-
7	Unavoidable Cost Increases		15,837	7,511	7,832	9,061	8,170
8	Gross Budget Movement		15,837	7,511	7,832	9,061	8,170
9	Recurring Base Budget Brought Forward		186,915	202,751	210,263	218,095	227,156
10	Projected Budgetary Requirement	186,915	202,751	210,263	218,095	227,156	235,326
11	% Increase on Previous Years Base Budget	6.27%	8.47%	3.70%	3.72%	4.15%	3.60%
12	Funding						
13	Central Government Grant Funding						
14	Core Police Grant	(71,033)	(75,380)	(77,838)	(77,838)	(77,838)	(77,838)
15	Revenue Support Grant	(26,102)	(27,699)	(28,602)	(28,602)	(28,602)	(28,602)
16	National Non-Domestic Rates	(213)	(226)	(233)	(233)	(233)	(233)
17	Total Central Government Grant Funding	(97,348)	(103,306)	(106,673)	(106,673)	(106,673)	(106,673)
18	Council Tax Precept	(86,493)	(93,321)	(100,599)	(108,444)	(116,902)	(126,019)
19	Total Funding	(183,841)	(196,627)	(207,272)	(215,118)	(223,575)	(232,692)
20	**Projected Recurring Deficit / (Surplus) Before Efficiencies**	**3,074**	**6,125**	**2,990**	**2,977**	**3,581**	**2,633**
21	**Efficiencies**						
22	Future Year Continuous Improvement Scheme Savings	**(360)**	**(730)**	**(1,310)**	**(1,890)**	**(2,470)**	**(2,770)**
23	**Reserve Utilisation**	**(2,715)**			**-**	**-**	**-**
24	**Projected Recurring Deficit/ (Surplus) After Efficiencies & Reserve Utilisation**	**(0)**	**5,395**	**1,680**	**1,087**	**1,111**	**(137)**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Assumptions
At 30th January 2026

Description	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Source
Police Officers						
Pay Awards	3.00%	2.50%	2.50%	2.50%	2.50%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Police Staff						
Pay Awards	3.00%	2.50%	2.50%	2.50%	2.50%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Indirect Staff Costs	3.00%	2.50%	2.50%	2.50%	2.50%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Non Staff Inflation						
General (Including Rates)	3.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Utilities - Gas	3.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Utilities - Electric	3.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Utilities - Water	3.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Petrol	3.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Diesel	3.00%	2.00%	2.00%	2.00%	2.00%	CFO estimate benchmarked with Welsh Forces and in line with NPCC national guidance.
Funding						
Central Government Grant Funding	6.12%	3.26%	0.00%	0.00%	0.00%	Reflecting cost-neutrality of future funding increases and no impact of future changes to the Police Funding Formula.
Council Tax Base Increase	0.85%	0.92%	0.92%	0.92%	0.92%	Updated Council Tax Bases for 2026/27 and average growth used for 2027/28 onwards.
Council Tax Precept Increase	6.99%	6.82%	6.82%	6.82%	6.82%	Proposal to protect real-term funding requirements and previous investments.

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Gwent Police Establishment
At 30th January 2026

Description	2026/27 Forecast No.	2027/28 Forecast No.	2028/29 Forecast No.	2029/30 Forecast No.	2030/31 Forecast No.
Officers Baseline					
Officers Baseline - 1st April	**1,506.0**	**1,506.0**	**1,506.0**	**1,506.0**	**1,506.0**
Operation Uplift	21.0	21.0	21.0	21.0	21.0
Neighbourhood Policing Guarantee funded posts	8.0	8.0	8.0	8.0	8.0
Total Authorised Baseline	**1,535.0**	**1,535.0**	**1,535.0**	**1,535.0**	**1,535.0**
PCSOs					
WG Funded	70.0	70.0	70.0	70.0	70.0
Force Funded	74.0	74.0	74.0	74.0	74.0
Total	**144.0**	**144.0**	**144.0**	**144.0**	**144.0**
Police Staff & OPCC					
Baseline	821.3	846.3	846.3	846.3	846.3
Neighbourhood Policing Guarantee funded posts	22.0				
Apprentices - Fixed term contracts	3.0				
SIB Approved Changes inc Investment Funded Posts					
Total	**846.3**	**846.3**	**846.3**	**846.3**	**846.3**
Authorised Establishment Grand Total	**2,525.3**	**2,525.3**	**2,525.3**	**2,525.3**	**2,525.3**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Service Pressures and Budget Developments
At 30th January 2026

	Description	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £
1	Future years' pressures to be confirmed	0	2,000,000	2,000,000	2,000,000	2,000,000
2	Pay increments	0	800,000	800,000	800,000	800,000
3	LGPS Pension Scheme - Triennial valuation	0			1,000,000	
	Sub total future year pressures	**0**	**2,800,000**	**2,800,000**	**3,800,000**	**2,800,000**
	New cost pressures 2026/27					
4	Release of prior year GoSafe shortfall contingency	(204,000)				
5	Release of prior year new Operating Model contingency	(250,000)				
6	Digital Circuits Rental - New BT Account	22,000				
7	IT Hardware - Replacement and new recruit mobiles, plus replacement body worn cameras out of warranty	399,815				
8	IT Software - Maintenance Contracts - upgrades and software renewal increases	450,832				
9	IT Software - New Cyber Investigation software	60,000				
10	IT Software - M365 Licences - charge moved from SRS includes a saving offset	200,884	(200,884)		200,884	
11	National ICT services - Increase in ICT charges plus additional services provided	68,200				
12	Forensic Analysis - Increase in contract prices	124,487				
13	Collaboration contributions - Pay awards and maintain purchasing power	657,140				
14	Partnership Projects - Increase in cost of Information Security provision	8,453				
15	MRP Pressure (Loans and IFRS16)	660,666	175,307	15,133	(117,868)	
16	Investment Income - Expected less income as result of lower funds and interest rates	350,000				
17	Partnership Projects - Remove duplicate income budget for Victims Services	270,876				
18	Forecast cost pressure of business cases progressing through governance - Post Implementation Review findings plus new investments	545,682				
19	Nationally identified risks/pressures - Taser replacement, vetting, firearms licensing	400,000				
20	Dangerous Dog pressure contingency	300,000				
21	Police Officer overnight stay allowance increase	23,965				
22	Bank holiday overtime - 1 additional day 2026/27	125,902	(125,902)			
23	Training fees - Increase in fees for exams for Sergeants	12,964				
24	Overtime budget - increase due to 4.2% pay award	121,910				
25	Custody Medical Contract - additional cost pressures under new contract	183,000				
26	Maintenance costs for Community Engagement App - Neighbourhood Matters	46,850				
27	Disposal of Drugs - Increase in seizures	20,000				
28	Specialist Operational Equipment - Equipment costs required to run Public Order courses	27,000				
29	Professional Subscriptions for Estate Department	5,000				
30	Utilities - Water supply cost increase above inflation	10,000				
31	Rent - Annual rent increases over contract period of leases	22,286				
32	National Non-Domestic Rates - To align rateable values	4,643				
33	Postage & Courier Services - Cost pressure to cover price and volume increases	25,836				
34	Licences - Phonographic Performance Ltd (PPL) License and TV Licenses increase in costs	12,000				
35	Reduction of HO Specific Grant - Phase 1 Neighbourhood Policing Guarantee Grant moved to Core Grant	2,053,000				
	Sub total 2026/27 new pressures	**6,759,391**	**(151,479)**	**15,133**	**83,016**	**0**
	Total pressures in 2026/27 Master Budget and MTFP	**6,759,391**	**2,648,521**	**2,815,133**	**3,883,016**	**2,800,000**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Plan 2026/27 to 2030/31
Capital Programme 2026/27 to 2030/31
At 30th January 2026

		Budget 2025/26 £'000s	Forecast 2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
A	**Estate**							
1	New HQ	0	115	0	0	0	0	0
2	Demolition of old HQ/enabling works	0	(23)	0	0	0	0	0
3	Property and evidence store (Bettws incl Security)	850	100	50	0	0	0	0
4	Ystrad Mynach Custody Unit Refurb (incl 10 cell unit)	1,700	0	0	0	0	0	0
5	Newport Custody Refurbishment	0	0	300	0	0	0	0
6	Cwmbran Refurbishment including feasibility	2,650	50	1,000	0	0	0	0
7	Turnpike Road Feasibility	0	100	0	0	0	0	0
8	Collaborative Joint Firearms Unit	8,300	7,658	2,263	0	0	0	0
A	**Total Estate**	**13,500**	**8,000**	**3,613**	**0**	**0**	**0**	**0**
B	**Vehicles**							
1	Force Vehicle Replacement Programme	1,633	2,479	3,180	1,612	2,808	3,484	2,386
B	**Total Fleet**	**1,633**	**2,479**	**3,180**	**1,612**	**2,808**	**3,484**	**2,386**
C	**Information Systems**							
1	SAN Replacement	50	490	200	(50)	(50)	440	200
2	Server replacement	0	0	0	309	0	0	0
3	FFF	647	647	540	500	500	700	570
	DSD projects:							
4	CRS Project	1,744	64	0	0	0	0	0
5	Voice Recording	0	154	82	0	0	0	0
6	Body Worn Video	0	0	0	1,000	0	0	0
7	JOINS2	400	0	0	0	0	0	0
8	Digital Interview Recording	276	0	0	0	0	0	0
9	Citizen First Project	0	1,581	255	280	264	264	264
C	**Total Information Systems**	**3,117**	**2,936**	**1,077**	**2,039**	**714**	**1,404**	**1,034**
D	**Other SIB Projects / Schemes (Appendix 6b)**	**351**	**689**	**300**	**478**	**1,569**	**368**	**0**
E	**Non Capital Funded Long Term Projects (Appendix 6b)**	**3,857**	**2,885**	**3,510**	**1,505**	**1,509**	**700**	**700**
F	**Total Programme**	**22,458**	**16,989**	**11,680**	**5,634**	**6,600**	**5,956**	**4,120**
G	**Funding**							
1	Capital Grant	0	0	0	0	0	0	0
2	Revenue Contribution to Capital	7,150	7,150	7,150	7,150	7,150	7,150	7,150
3	Funding from Reserves and Committed Funds	0	0	0	0	0	0	0
4	ESN/Airwave Reserve	0	0	0	0	0	0	0
5	Funding from External Borrowing	15,000	7,500	4,000	0	0	0	0
6	Balance to be found in 'In Year Revenue' position	157	671	468		0	0	0
7	Capital Asset Disposal	0	1,517	0	0	0	0	0
8	Other Grant Funding	151	151	62	190	154	16	16
G	**Total Funding**	**22,458**	**16,989**	**11,680**	**7,340**	**7,304**	**7,166**	**7,166**
H	**In Year Surplus Funds**	**0**	**0**	**0**	**1,706**	**704**	**1,210**	**3,046**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Plan 2026/27 to 2030/31
Long Term Project Programme 2026/27 to 2030/31 (Revenue)
At 30th January 2026

	Other SIB Projects / Schemes (Summary of section D on Appendix 6a)	Budget 2025/26 £'000s	Forecast Expenditure 2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
1	ANPR Camera replacement	235	122	54	40	60	0	0
2	Airwave Replacement	72	20	0	156	1,137	156	0
3	RPSO Vehicles/ANPR kit	44	311	10	10	160	0	0
4	Taser Replacement Programme	0	212	212	212	212	212	0
5	Drones	0	24	24	0	0	0	0
6	Other	0	0	0	60	0	0	0
	Total	**351**	**689**	**300**	**478**	**1,569**	**368**	**0**

	Non Capital Funded Long Term Projects	Budget 2025/26 £'000s	Forecast Expenditure 2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
A	**Estate**							
1	Estates Capital Maintenance	500	500	500	500	500	500	500
2	Site Security	100	100	100	100	0	0	0
3	Electric Vehicle Charging Points	200	90	125	100	0	0	0
4	Access Control	584	97	390	235	0	0	0
5	Sustainability	300	0	300	200	200	200	200
6	Works to Lifts	0	0	350	0	0	0	0
7	Maindee Refurbishment	45	20	0	0	0	0	0
8	Rebranding of Signage	50	50	50	50	0	0	0
9	Tredegar Magistrates (JFU Operational Unit)	1,000	100	0	0	0	0	0
10	Boiler Replacement	0	149	300	150	0	0	0
B	**Information Services**							
	SRS projects:							
1	Network replacement	43	89	250	43	680	0	0
2	FCC Maintenance - STORM Upgrade	0	56	0	0	100	0	0
3	FCC Maintenance - Cortex(ICCS)	0	17	0	0	0	0	0
4	Firewalls in Stations	0	230	0	0	0	0	0
	DSD projects:							
5	Telematics	84	74	0	0	0	0	0
6	DEMS	272	295	0	0	0	0	0
7	LEDS	0	93	87	48	0	0	0
8	PEP	500	219	500	0	0	0	0
9	HOBS	50	50	50	0	0	0	0
10	Redaction Project (Riven's DocDefender)	49	50	100	50	0	0	0
11	AFR (Facial Recognition Development))	30	30	0	0	0	0	0
12	Role Based Access Control (RBAC)	50	27	54	0	0	0	0
13	Joint Data Analyticals Project (JDAP)	0	514	323	0	0	0	0
14	Transend	0	20	31	29	29	0	0
15	Icotech - Project Management Solution	0	15	0	0	0	0	0
C	**Total Programme**	**3,857**	**2,885**	**3,510**	**1,505**	**1,509**	**700**	**700**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Identified Budgetary Savings
At 30th January 2026

	Description	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £
1	Volunteer expenses	500				
2	Gas	(9,529)				
3	Rent	238				
4	Rent	105				
5	National Non-Domestic Rates	5,285				
6	Vehicle Fuel	(36,705)				
7	Hire of Vehicles	(13,798)				
8	Police Staff Mileage	500				
9	Office Equipment	(922)				
10	Clothing & Uniforms	(9,706)				
11	Fees and Charges	(100)				
12	Firearms & Ammunition	(111,410)				
13	Rental of Non-Operational Equipment	744				
14	Airwave Service Charges	(96,280)				
15	IT Software - Maintenance Contracts	3,600				
16	IT Software - Licences	(990)				
17	Collaboration contribution - Police force	(2,826)				
18	Partnership Projects	(1,561)				
19	Local Partnership Funding	(4,000)				
20	Cabling Release Income	5,000				
21	Other Sales	4,700				
22	Accident Reports - Income	(60,000)				
23	Certificates - Income	(14,000)				
24	Proceeds of Crime Income	(47,488)				
25	External Training Courses	3,500				
26	Conference / Seminar Fees	1,100				
27	Hire of Venue	(500)				
28	OPCC Mileage	(1,000)				
29	Travel Costs	(4,200)				
30	Stationery	(200)				
31	Catering - Training, Meetings & Ceremonies	(450)				
32	Subscriptions	918				
33	Non-Training Related Accommodation	500				
34	Subsistence	(1,740)				
35	Welsh Government Grant	(8,627)				
36	Difference between staff pension costs at 19.4% and 16.4% Eers rate	(1,130,499)				
		(1,529,841)	**0**	**0**	**0**	**0**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Continuous Improvement Programme Savings 2026/27 to 2030/31
At 30th January 2026

	Description	2026/27	2027/28	2028/29	2029/30	2030/31	Total
		Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	Plans Required £'000	2026-2031 Plans Required £'000
	Operating model						
1	Telematics - Reduction in Servicing & Fuel	50	50	50	50	50	**250**
2	Telematics - Reduction in Fleet	100	100	100	100	100	**500**
3	Single site EPU rent and operating model	85	50				**135**
4	De-carbonisation Fleet - Reduction of running costs	30	30	30	30		**120**
	Technology Enabled Savings						
5	Process Automation (Net of Investment)	50	50	50	50	50	**250**
6	M365 Application Roll Out - Use Cases	20	20	20	20	20	**100**
7	CoPilot / AI Solutions	10	10	10	10	10	**50**
8	Vacant Post Review/Part-time Hours	50	50	50	50	50	**250**
	Collaboration						
	Estates Rationalisation						
9	Blue light Commercial - Electricity/Gas			50	50		**100**
10	Greener Gwent efficiencies	20	20	20	20	20	**100**
	Enabling and Support Services						
11	Telephony Rationalisation (VOIP, Mobile & Teams Telephony)	50					**50**
12	Supplies and Services (National prog. of work)	200	200	200	200		**800**
13	Salary sacrifice (Car scheme admin fee income)	50					**50**
14	Software /savings (Duplication of systems)	15					**15**
	Grand Total	**730**	**580**	**580**	**580**	**300**	**2,770**

	Cumulative savings 2026/27 to 2030/31	**730**	**1,310**	**1,890**	**2,470**	**2,770**

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Plan 2025/26 to 2030/31
Reserves and Committed Funds Position 2025/26
At 30th January 2026

		Forecast Opening Balance 25/26	In £'000	Out £'000	Forecast Closing Balance 25/26 £'000	Close Down Adjustment 25/26	Forecast Opening Balance 26/27	In £'000	Out £'000	Forecast Closing Balance 26/27 £'000	Close Down Adjustment 26/27	Forecast Opening Balance 27/28	In £'000	Out £'000	Forecast Closing Balance 27/28 £'000	Close Down Adjustment 27/28	Forecast Opening Balance 28/29	In £'000	Out £'000	Forecast Closing Balance 28/29 £'000	Close Down Adjustment 28/29	Forecast Opening Balance 29/30	In £'000	Out £'000	Forecast Closing Balance 29/30 £'000	Close Down Adjustme nt 29/30	Forecast Opening Balance 30/31	In £'000	Out £'000	Forecast Closing Balance 30/31 £'000	Close Down Adjustme nt 30/31	Forecast Opening Balance 31/32
	REVENUE RESERVES AND COMMITTED FUNDS																															
A	**Statutory Reserves**																															
1	**General Reserve**	5,500	0	0	5,500	500	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000
	Sub Total	5,500	0	0	5,500	500	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000	0	0	6,000	0	6,000
B	**Committed Earmarked Funds within the MTFP**																															
1	Capital Programme																															
a	Capital Grant	0	151	0	151	(151)	0	62	0	62	(62)	0	190	0	190	(190)	0	154	0	154	(154)	0	16	0	16	(16)	0	16	0	16	(16)	0
b	Capital Receipts	0	1517	0	1,517	(1,517)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Revenue Contribution to Capital Programme	0	7,821	0	7,821	(7,821)	0	7,618	0	7,618	(7,618)	0	7,150	0	7,150	(5,444)	1,706	7,150	0	8,856	(6,446)	2,410	7,150	0	9,560	(5,940)	3,620	7,150	0	10,770	(4,104)	6,666
d	External Borrowing	0	7,500	0	7,500	(7,500)	0	4,000	0	4,000	(4,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	ESN/Reserve Recycling	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Capital & LT Projects Funding b/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Estate Works						0																									
i	Minor Works and Planned Maintenance	0	0	(500)	(500)	500	0	0	(500)	(500)	500	0	0	(500)	(500)	500	0	0	(500)	500	500	0	0	(500)	(500)	500	0	0	(500)	(500)	500	0
ii	Other	0	0	(342)	(342)	342	0	0	(1,350)	(1,350)	1,350	0	0	0	0	0	0	0	500	(500)	(500)	0	0	0	0	0	0	0	0	0	0	0
iii	Collaborative JFU Range	0	0	(7,658)	(7,658)	7,658	0	0	(2,263)	(2,263)	2,263	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	Fleet Replacement	0	0	(2,479)	(2,479)	2,479	0	0	(3,180)	(3,180)	3,180	0	0	(1,612)	(1,612)	1,612	0	0	(2,808)	(2,808)	2,808	0	0	(3,484)	(3,484)	3,484	0	0	(2,386)	(2,386)	2,386	0
i	ICT Investment	0	0	(2,936)	(2,936)	2,936	0	0	(1,077)	(1,077)	1,077	0	0	(2,039)	(2,039)	2,039	0	0	(714)	(714)	714	0	0	(1,404)	(1,404)	1,404	0	0	(1,034)	(1,034)	1,034	0
j	Other Projects/Schemes	0	0	(689)	(689)	689	0	0	(300)	(300)	300	0	0	(478)	(478)	478	0	0	(1,569)	(1,569)	1,569	0	0	(368)	(368)	368	0	0	0	0	0	0
k	Long Term Projects	0	0	(2,385)	(2,385)	2,385	0	0	(3,010)	(3,010)	3,010	0	0	(1,005)	(1,005)	1,005	0	0	(1,509)	(1,509)	1,509	0	0	(200)	(200)	200	0	0	(200)	(200)	200	0
l	ESN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Forecast Accelerated Efficiency Savings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total	0	16,989	(16,989)	0	0	0	11,680	(11,680)	0	0	0	7,340	(5,634)	1,706	0	1,706	7,304	(6,600)	2,410	0	2,410	7,166	(5,956)	3,620	0	3,620	7,166	(4,120)	6,666	0	6,666
C	**Committed Earmarked Funds Beyond the MTFP**																															
1	Future Budgetary Imbalances	5,926	0	0	5,926	2,000	7,926	0	0	7,926	0	7,926	0	0	7,926	0	7,926	0	0	7,926	0	7,926	0	0	7,926	0	7,926	0	0	7,926	0	7,926
2	Commissioning Strategy and Force Initiatives	2,237	0	0	2,237	0	2,237	0	0	2,237	0	2,237	0	0	2,237	0	2,237	0	0	2,237	0	2,237	0	0	2,237	0	2,237	0	0	2,237	0	2,237
3	Airwave	1,045	221	0	1,266	0	1,266	221	0	1,487	0	1,487	221	0	1,708	0	1,708	221	0	1,929	0	1,929	221	0	2,149	0	2,149	221	0	2,370	0	2,370
4	Other Financial Liabilities																															
a	POCA	338	0	0	338	0	338	0	0	338	0	338	0	0	338	0	338	0	0	338	0	338	0	0	338	0	338	0	0	338	0	338
b	Workstream Specific Reserves	1,097	0		1,097	0	1,097	0	0	1,097	0	1,097	0	0	1,097	0	1,097	0	0	1,097	0	1,097	0	0	1,097	0	1,097	0	0	1,097	0	1,097
c	National Hate Crime Project	198	0	0	198	0	198	0	0	198	0	198	0	0	198	0	198	0	0	198	0	198	0	0	198	0	198	0	0	198	0	198
d	SRS/GWP ICT Project	219	0	0	219	0	219	0	0	219	0	219	0	0	219	0	219	0	0	219	0	219	0	0	219	0	219	0	0	219	0	219
	Sub Total	11,060	221	0	11,281	2,000	13,281	221	0	13,502	0	13,502	221	0	13,723	0	13,723	221	0	13,943	0	13,943	221	0	14,164	0	14,164	221	0	14,385	0	14,385
	TOTAL REVENUE RESERVES AND COMMITTED FUNDS	16,560	17,210	(16,989)	16,781	2,500	19,281	11,901	(11,680)	19,502	0	19,502	7,561	(5,634)	21,429	0	21,429	7,525	(6,600)	22,353	0	22,353	7,387	(5,956)	23,784	0	23,784	7,387	(4,120)	27,051	0	27,051
	CAPITAL RESERVES AND COMMITTED FUNDS																															
A	Committed Earmarked Funds																															
1	Capital Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Capital Receipts	1,517	0	0	1,517	(1,517)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL CAPITAL RESERVES AND COMMITTED FUNDS	1,517	0	0	1,517	(1,517)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL RESERVES AND COMMITTED FUNDS	18,077	17,210	(16,989)	18,298	983	19,281	11,901	(11,680)	19,502	0	19,502	7,561	(5,634)	21,429	0	21,429	7,525	(6,600)	22,353	0	22,353	7,387	(5,956)	23,784	0	23,784	7,387	(4,120)	27,051	0	27,051

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Police and Crime Commissioner for Gwent / Heddlu Gwent Police
Medium Term Financial Projections 2026/27 to 2030/31
Quarter 2 2025/26 Income and Expenditure Forecast
At 30th January 2026

	Gwent Police Group Revenue Budget as at period 202506	Annual Budget	Budget YTD	Actual YTD	Variance YTD	Full Year Forecast	Variance
	EXPENDITURE						
1	Police Officer Pay & Allowances	104,794,595	51,760,241	51,287,517	472,725	105,126,197	(331,602)
2	Police Staff & CSO Pay & Allowances	46,077,414	22,748,756	23,056,823	(308,067)	46,255,878	(178,464)
3	Police Officer Overtime & Enhancements	1,724,885	959,704	1,776,584	(816,880)	3,250,155	(1,525,270)
4	Police Staff & CSO Overtime & Enhancements	1,955,944	1,004,528	1,057,884	(53,356)	2,087,768	(131,824)
5	Other Employees Related Costs	4,706,335	2,353,178	1,971,989	381,189	4,764,944	(58,609)
6	Premises Costs	10,914,756	4,872,744	3,991,899	880,846	8,117,421	2,797,335
7	Transport Costs	3,570,108	2,120,947	1,690,733	430,214	3,332,203	237,905
8	Supplies & Services	37,917,009	20,919,194	16,190,795	4,728,398	37,462,430	454,579
9	Major Incident Schemes	376,009	188,004	161,666	26,338	376,009	0
10	Proactive Operational Initiatives	220,413	110,987	62,606	48,381	220,413	0
11	Contribution to Police Computer Co.	1,574,873	787,434	1,621,568	(834,134)	1,621,568	(46,695)
12	Capital Charge	1,840,057	920,028	41,822	878,206	764,711	1,075,346
		215,672,398	**108,745,745**	**102,911,884**	**5,833,860**	**213,379,698**	**2,292,700**
	OTHER APPROVED REVENUE REQUIREMENTS						
13	Development Funds	0	0	0	0	0	0
14	Identified Recurring Savings	0	0	0	0	0	0
		0	**0**	**0**	**0**	**0**	**0**
	INCOME						
15	Investment Income	(750,000)	(375,000)	(399,021)	24,021	(750,000)	0
16	Other Income	(29,258,561)	(19,405,624)	(13,049,689)	(6,355,935)	(32,829,266)	3,570,705
		(30,008,561)	**(19,780,624)**	**(13,448,710)**	**(6,331,914)**	**(33,579,266)**	**3,570,705**
17	**NET EXPENDITURE BEFORE TRANSFERS**	**185,663,837**	**88,965,121**	**89,463,175**	**(498,054)**	**179,800,432**	**5,863,405**
	TRANSFERS						
18	Transfers to Reserves	220,849	0	0	0	220,849	0
19	Revenue Contribution To Capital/Projects Scheme	7,150,500	0	0	0	7,150,500	0
	TOTAL RESERVE TRANSFERS	**7,371,349**	**0**	**0**	**0**	**7,371,349**	**0**
20	**NET EXPENDITURE INCLUDING TRANSFERS**	**193,035,186**	**88,965,121**	**89,463,175**	**(498,054)**	**187,171,781**	**5,863,405**
21	FUNDED BY:						
22	Revenue Support Grant	(26,103,635)	(15,227,121)	(14,055,804)	(1,171,317)	(26,103,635)	0
23	National Non-Domestic rates	(211,151)	(105,576)	(113,694)	8,118	(211,151)	0
24	Police Grant	(71,033,231)	(41,902,410)	(41,902,410)	0	(71,033,231)	0
25	Council Tax	(86,492,507)	(43,246,260)	(43,246,250)	(10)	(86,492,507)	0
26	Specific Grant Income	0	0	0	0	0	0
27	Use Of General Reserves	0	0	0	0	0	0
28	Use of Earmarked Reserves-MB	(9,194,662)	0	0	0	(9,194,662)	0
	TOTAL FUNDING	**(193,035,186)**	**(100,481,367)**	**(99,318,158)**	**(1,163,209)**	**(193,035,186)**	**0**
	(OVER)/UNDER SPEND	**0**	**(11,516,246)**	**(9,854,983)**	**(1,661,263)**	**(5,863,405)**	**5,863,405**

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GWENT POLICE AND CRIME PANEL FORWARD WORK PROGRAMME 2026/27

Meeting Date	Items – Theme
30th January 2026	Panel Questions to PCC (if submitted)
	Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal
Meeting Date	Items – Theme
27th March 2026	PCC Update
	Panel Questions to PCC (if submitted)
	Performance Qtr 3
Meeting Date	Items - Theme
10th July 2026	Elect Chair and Vice Chair
	PCC Update
	Panel Questions to PCC (if submitted)
	Office of the Police and Crime Commissioner for Gwent Annual Report 2025/26
	Performance Qtr 4
Meeting Date	Items - Theme
25th September 2026	PCC Update
	Panel Questions to PCC (if submitted)
	Performance Qtr 1
	MTFP & Budget Setting Timetable
	Welsh Language Standards Annual Report
Meeting Date	Items - Theme
11th December 2026	PCC Update
	Panel Questions to PCC (if submitted)
	Operational Context and Requirements for the Finance Strategy
	Treasury Management Update
	PCP Recorded Complaints Report (Information Item)
	Performance Qtr 2 (Information Item)
Meeting Date	Items - Theme
29th January 2027	Panel Questions to PCC (if submitted)
	Police and Crime Commissioner for Gwent's Budget Requirement and Council Tax Precept Proposal
Meeting Date	Items - Theme
26th March 2027	PCC Update
	Panel Questions to PCC (if submitted)
	Performance Qtr 3

	Date to be confirmed
	Treasury Management Update (from December 2025)
	We Don’t Buy Crime Initiative
	Decarbonisation Report
	Estates Strategy Update
	Serious Violence