Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH
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CAMBRIDGESHIRE POLICE AND CRIME COMMISSIONER

CAPITAL MEDIUM TERM FINANCIAL STRATEGY

2026/27 TO 2029/30

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1 Introduction

1.1 This capital strategy provides a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of policing services in Cambridgeshire and delivery of strategic outcomes. It also provides an overview of how associated risk is managed and the implications for future financial sustainability for the period 2026/27 to 2029/30. It has been produced in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) requirements.

1.2 The Police & Crime Commissioner (Commissioner) has developed the capital strategy in consultation with the Chief Constable and Constabulary, who are the primary users of the capital assets.

1.3 The Capital Strategy supports planning and corporate working across the two Corporations Sole (PCC and Chief Constable) helping to ensure that assets are used and managed well. The Capital Strategy shows how the capital programme is prioritised, monitored, delivered, and evaluated.

2 Governance

Identification of Capital Requirements

2.1 The Constabulary uses the Cambridgeshire Strategic Threat and Risk Assessment (CAMSTRA) to identify operational requirements to aid decision making around use of estate, ICT and fleet.

2.2 The Chief Constable ensures the operational need for estate and other assets are communicated to the Commissioner to develop the capital programme. As part of this the Chief Constable considers a range of factors such as those set out below which is not exhaustive:

- **Agile working** – most officers and staff have personal issue laptops or mobile devices that mean they can work from any location. At key locations across the estate there are agile working rooms where staff/officers can work from as required ensuring a more optimal use of space.

- **Partners** – many partner agencies extend a welcome to officers and staff working with them to work from their premises. Where appropriate this is explored further. In addition, the estates principles used within the BCH collaboration are considered on a case-by-case basis, these are outlined further in paragraphs 3.2 – 3.6.

- **Efficiencies and Productivity** – the Government continues to maintain a focus on maximising value in policing by reducing inefficiency and enhancing productivity. The Police Collaboration and Efficiencies Programme (PCEP) was instigated in 2025/26. There is some cross over to capital expenditure in through the purchase of fleet vehicles which will be driven through PCEP and Blue Light Commercial to seek standardisation in specification and supply. End User Devices including laptops and mobile phones are also in the PCEP plans. The strategy will adopt any national approaches that benefit efficiency and productivity.

- **Digital** - as new digital capabilities become available, the constabulary will utilise and adapt working practices in line with the new capabilities such as the effective use of artificial intelligence. This will help to provide benefit by increasing productivity creating system wide benefits through, for example, more officer time / capacity through improved business processes.

- **Optimising Space** – additional requirements on the estate continue through the need to accommodate increasing demands for space whilst rationalising the estate to ensure optimum utilisation.

- **Sustainability** – both in terms of sustainable estate solutions and the net zero carbon target as part of the Sustainability Strategy.

- **National Guidance and Legislation** – the requirements of any new legislation and / or guidance where they impact on the estate, for example the review of police custody, health and safety requirements, accreditation requirements and new ICT / digital technology as it emerges.

Governance Process

2.3 Capital expenditure is where money is spent on assets, such as property, vehicles or ICT that will be used for more than one year. The Commissioner has some discretion on what counts as capital expenditure, for example assets costing less than £10k are not capitalised but are charged to the revenue account in year. This de-minimis value for capital expenditure is defined within the accounting policies.

2.4 Governance and decision making relating to the capital programme for both capital expenditure and capital financing is undertaken by the Commissioner's Police Accountability Board (PAB). However, there are other meetings in place before the PAB approves the capital programme where operational and capital requirements are considered.

2.5 The capital expenditure and financing are approved prior to the start of the financial year through the Medium-Term Financial Strategy (MTFS). The MTFS incorporates this Capital Strategy and the associated Capital Programme, which sets out the capital expenditure and financing plans for the forthcoming budget year and MTFS period.

2.6 The development of the Capital Programme is discussed at internal meetings as part of its development each year before presentation and sign off through the MTFS at the PAB:

  - **Chief Constable's Chief Officer Team (COT) and Force Executive Board (FEB)** – consider capital programme requirements from an operational perspective to be put forward to the Resources Board and PAB for consideration.

- **Resources Board** – an internal OPCC and Chief Constable meeting where key operational requirements and associated capital projects are discussed and where appropriate taken forward to the capital programme for formal decision.

- **BCH Collaboration Governance** – Joint Chief Officers Board (JCOB) is a meeting in the BCH collaboration of Chief Officers where capital projects and requirements relating to BCH services are considered. Where approved capital projects are then remitted into each Forces internal governance process, as described above, and where appropriate for consideration at the Strategic Alliance Summit (SAS) consisting of the Police and Crime Commissioners from each BCH force.

2.7 Business cases and capital proposals are considered over the course of the year as they emerge. If agreed, they are incorporated into the Capital Programme during the MTFS update each year. The MTFS is key in pulling together all capital schemes for consideration in the context of affordability in both capital and revenue terms. This is becoming increasingly important with no capital grant funding provided by government and the capital demands resulting from the condition of the ageing estate.

2.8 There are times when capital expenditure needs to be progressed more urgently. In such situations the capital scheme, expenditure and proposed financing are considered by the Chief Finance Officers for the PCC and Constabulary and is reported to the Chief Constable's FEB for approval and subsequently to the PAB for final approval and inclusion in the capital programme.

2.9 Major projects that are identified will have their own specific governance arrangements put in place with a Capital Programme Board and workstream leads with regular meetings and reporting. Where Capital Programme Boards are in place, regular monitoring and key decisions are taken through the governance process outlined above.

Capital Programme Monitoring

2.10 The arrangements for monitoring capital projects and associated expenditure follows the same process as the revenue budget monitoring. The Finance team support capital budget managers with monthly budget forecasts and to obtain project updates. Finance representatives are also members of key governance meetings and project teams which supports the capita monitoring. The information is incorporated into the monthly Budget Monitoring Report covering revenue, capital and reserves and is signed off by the Chief Finance Officer. The monitoring report is presented to the Chief Constable's FEB for discussion and any required approvals and to the PAB for discussion and final decision where required.

Medium Term View of Capital Plans

2.11 The medium-term view of the capital expenditure over the next 4 years is contained in the Capital Programme of investment contained at Appendix 2. The Capital Programme consists of the major estates schemes that are due to be carried out over the next four years. It also contains forecast spend for the vehicle fleet and ICT programmes along with the Capital Financing for the Programme.

2.12 The risk that the Commissioner faces for future years is how to sustain the funding of the capital programme. The Constabulary currently occupies an older estate with only 7% of the assets constructed post 2000. Many of the properties provide poor working conditions with significant refurbishment required. The portfolio is substantially freehold which has led to a culture of remaining on the same site, and making the best of accommodation, even when the location is less than ideal. The estates strategy is to achieve a smaller, better, greener estate to manage the impact of the age of the estate and the affordability impact on the capital programme.

2.13 Although a rolling maintenance programme exists, there are capital condition and refurbishment projects that are needed to provide operational resilience. With many of the buildings being obsolete in terms of design, they are difficult to refurbish due to their method of construction, layout and use of materials, which include asbestos. Where feasible grant funding is sought to offset these costs to the programme. The increasing demands from the maintenance programme have necessitated the major works capital budget to increase from £900k in 2026/27 to £1,050k in 2029/30, which is likely to have to increase further in the years beyond the MTFS.

2.14 The financing of the proposed capital programme is predominantly through external or internal borrowing from existing cash balances with borrowing of £8.1m planned across the 4-year MTFS. This represents 19.1% of the total programme of £42.5m to 2029/30. These are for planned, operationally essential developments, including the capital works on agreed site to maintain a Cambridge city centre policing presence, essential fire compartmentalisation works and moves across the business as part of our future estates plan to meet the needs of the business. Works also include a new planned ICT building with the current building being end of life and the continuation of works to meet our sustainability target through ultra-low emission vehicles and building works. Other key operational works include investment in digital innovation and technological solutions and the roll out of the Taser T10. The implementation of the new Emergency Services Network (ESN) is planned in later years of the programme.

2.15 The cost of ongoing borrowing to fund capital expenditure are forecast to have a significant impact on the revenue budget. The high interest rates are still in place but rates have come down with the Bank of England base rate currently at 3.75%. MUFG's borrowing advice is that the long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.50%. As all PWLB Certainty rates are currently significantly above this level, borrowing strategies should be reviewed in that context. Overall, better value can be obtained with shorter term loans and short-dated fixed local authority market borrowing when appropriate. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts. Inflation on construction costs and the supply of materials and labour are likely to continue into the future.

2.16 Funding options for the capital programme include the benefit of disposal proceeds from a range of assets held by the Commissioner. These are continually under review. Our capital plan currently assumes capital receipts are used to fund our future capital programme therefore minimising the need to borrow. Capital Receipts can only be used for specific purposes. These are set out in Regulation 23 of the local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section

15 of the Local Government Act 2003. The Flexible use of capital receipts was updated in March 2025 to allow capital receipts to also be used on expenditure where incurring up-front costs will generate ongoing savings such as improved delivery or transformation reorganisations. Examples of qualifying expenditure and guidance is included below with these one-off costs generally being treated as capital. The Capital Strategy does not plan for the use of capital receipts in this way.

Guidance on the flexible use of capital receipts (updated March 2025) - GOV.UK

2.17 The total of the capital plans over the MTFS period is provided in Appendix 2 and is summarised below. The ongoing levels of external borrowing will continue to create revenue commitments through borrowing costs (interest costs and minimum revenue provision costs) in the long term for the Commissioner which will have to be met over the life of the loans. These are included in the revenue MTFS.

Capital Financing	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	Total Financing 2026/27 - 2029/30
Revenue Contribution to Capital (RCCO)/POCA	3,800,000	3,511,000	2,300,000	2,300,000	11,911,000
Sustainability funding	-	-	-	-	-
ESN Reserve	105,000	255,000	2,900,000		3,260,000
Taser Reserve	280,000	280,000	280,000	280,000	1,120,000
RCCO (from Collaboration Vehicle recharges)	540,000	540,000	540,000	540,000	2,160,000
Capital Carry Forward Reserve	-	-	-	-	-
Capital Receipts	7,381,747	5,088,529	3,529,724	-	16,000,000
Borrowing		-	1,760,639	6,320,416	8,081,055
Total Financing	**12,106,747**	**9,674,529**	**11,310,363**	**9,440,416**	**42,532,055**

Financial Guarantees and Long-Term Liabilities

2.18 The Commissioner’s exposure to financial guarantees and long-term liabilities are limited in nature. The most significant long-term liability in the Statement of Accounts of the Commissioner is the pension fund liabilities, which are not linked to the capital expenditure and financing contained in this Capital Strategy.

2.19 The Commissioner does hold long-term liabilities in respect of the creditors related to external borrowing to fund the capital programme. As outlined in paragraph 2.15, the long-term liabilities will increase as further borrowing is undertaken to fund the capital programme.

Advice and Expertise

2.20 Section 6 sets out the knowledge and skills available to the Commissioner for implementing this strategy. In addition, specific skills and knowledge required to manage major projects are provided by consultants where this cannot be provided in-house.

3 Strategic Financial Principles

3.1 The Commissioner works to a set of overarching strategic financial principles which are set out below:

- **Financial Planning** - To ensure that the Constabulary's financial planning processes enable decisions on resource allocation to be aligned to the achievement of the Policing Plan priorities, taking full account of changes brought about through new legislation.

- **Capital Expenditure** - To seek to ensure that capital investment proposals are appraised in a structured and consistent manner to ascertain whether the plans are affordable, prudent, and sustainable providing value for money and contributing to the delivery of the Policing Plan priorities.

- **Capital Financing** - To maximise the generation of capital resources available to the Commissioner to support the planned investment programmes. The Commissioner aims to minimise external borrowing as far as possible although this is becoming increasingly difficult.

- **Financial Management** - To manage the Constabulary's and Commissioner's financial resources in a prudent manner which recognises the requirements of all stakeholders and facilitates the achievement of the Policing Plan objectives.

- **Prudential Code** - To set out the framework for the borrowing requirement for the future. The Prudential Code recognises that in making capital investment decisions, authorities must have explicit regard not only to affordability and sustainability but also to the wider issues of value for money, the stewardship of assets, service objectives and practicality. Robust strategic capital planning will therefore also need to identify how those plans are affordable, prudent and sustainable.

- As part of the **Sustainability Strategy** the Commissioner will keep under review opportunities to improve the Constabulary's carbon footprint by reducing energy consumption where possible and facilitating initiatives to benefit the environment such as installing electric vehicle charging points and electrification of the fleet where possible. Specific funding sources such as Government grants will be sought where the opportunity exists. The MTFS Capital Programme includes capital budget for these purposes.

  Efficient working practices continue to be sought to make greater use of technology and optimise the use of the estate to help rationalise the number of buildings required and reduce / eliminate the carbon they require for use and occupation – driving towards a smaller, better, greener estate.

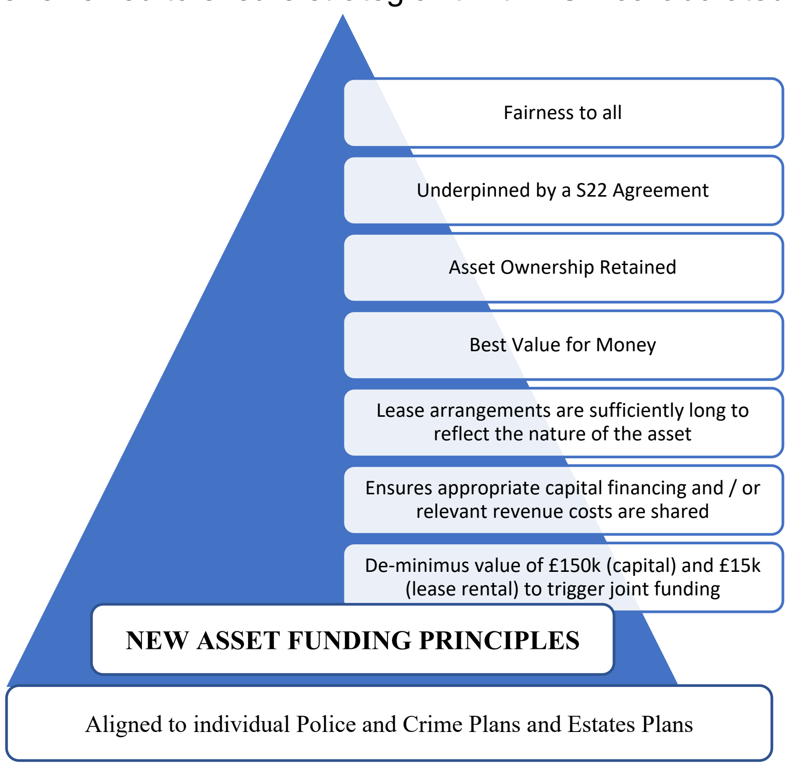
- The Commissioner's principle for **future disposals** is to obtain best consideration to generate capital receipts to support the financing of the capital programme given the capital programme demands, lack of capital grant funding and to minimise exposure to external borrowing. Disposals will be reviewed on a case-by-case basis and opportunities for revenue generation will be considered if proved to be the best option and within the powers of the Commissioner.

- The Commissioner also aspires to maximise the use of estates, and to look for opportunities to **share buildings with partners**.

- **Investments** - investment activity covers those investments which arise from the organisation's cash flows and debt management activity. It represents balances which are available for investment until the cash is required for use. These arrangements are managed through the Treasury Management Strategy Statement and practices.

Collaboration

3.2 Cambridgeshire are in a longstanding collaboration with Bedfordshire Police and Hertfordshire Constabulary (BCH). A set of Estates principles are in place as set out in the diagram below and explained in the following commentary. These principles continue to be reviewed to ensure strategic fit with BCH collaborated projects.



3.3 The funding model ultimately put in place by BCH must be fair to all partners and be the subject of a formal Section 22 (S22) Agreement as the new asset is jointly funded. This is important in the sense that property assets typically have a useful life of 40 years plus and the rigour must be in place to ensure that the funding arrangements are in place over the life of the asset. The S22 would also be the mechanism by which each Force is protected financially in the event of any external future changes or a change in strategic direction by any one Force.

3.4 The funding model must provide best value for money, which may vary based on economic conditions such as interest rates, active markets for leasehold opportunities. Lease agreements between the partners will be developed as appropriate to facilitate the cost sharing arrangement over the life of the asset. This is subject to discussion and agreement by the respective PCCs and their CFOs.

3.5 For new assets initial costs relating to feasibility and project costs will be captured and incurred by the force that will own the asset. Any costs incurred will be identified and shared between the tri-force on a net revenue expenditure (NRE) basis as the project develops, and costs incurred will also be shared if the project is ceased. The NRE apportionment will be reviewed on a periodic basis to ensure force contributions remain fair and equitable.

3.6 Any BCH projects will follow the governance arrangements of the Joint Chief Officer's Board (JCOB) consisting of Chief Constables, CFOs and Chief Officers and then the Strategic Alliance Summit (SAS) led by the BCH PCCs. For Cambridgeshire any discussions on BCH projects follow the same governance route as internal capital projects which is through Resources Board, Force Executive Board and then Police Accountability Board.

Treasury Management

3.7 The Commissioner has a duty to operate a balanced budget. Treasury Management ensures that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Commissioner's risk appetite, providing adequate security and liquidity before considering investment return.

3.8 The second part of Treasury Management is the funding of capital plans and the borrowing need of the Commissioner.

3.9 The CIPFA Treasury Management Code recognises that some local authorities are entitled to make investments for policy reasons outside of normal treasury management activity. These may include service and commercial investments. However, like all Police and Crime Commissioners, Cambridgeshire does not have a General Power of Competence (GPoC). Capital expenditure on investment properties and assets is considered by the Commissioner under existing legislation, and the Government and CIPFA's guidance in this area of activity.

3.10 The current Treasury Management Strategy is provided below:

TMSS%20AIS%2020
26-27%20Cambridge

3.11 **Borrowing Strategy** – the Commissioner can set their own borrowing levels based on the capital need and ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so the Commissioner needs to ensure the cost of borrowing (repayment and interest costs) are affordable and can be funded in the long-term.

The Commissioner is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Commissioner's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated in 2026 even if further rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 Treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in borrowing rates, then, where possible, borrowing will be deferred.
- if it was felt that there was a significant risk of a much sharper rise in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years where permissible to do so and whilst not borrowing in advance of need.

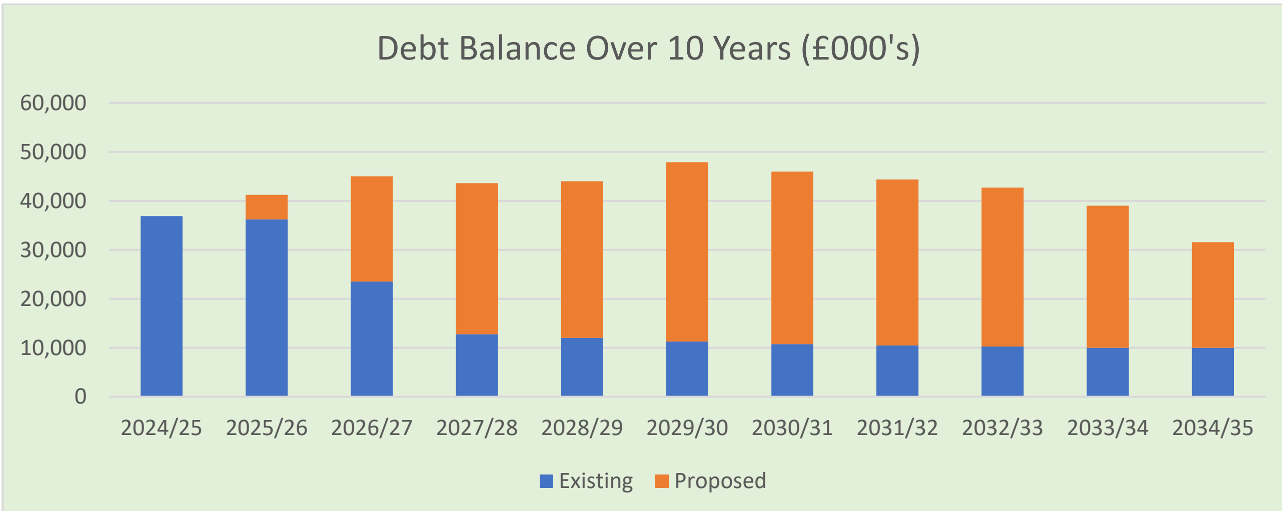
Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.12 The cash balances relating to external borrowing at the date of this Capital Strategy are set out below:

PWLB Loans	Balance as at 31/12/2025	Cash Balance as at 31/12/2025
Loan 1	£378,553.70	£378,553.70
Loan 2	£713,910.56	£713,910.56
Loan 3	£1,557,504.55	£1,557,504.55
Loan 4	£1,865,247.18	£1,865,247.18
Loan 6	£10,000,000.00	£10,000,000.00
Loan 7	£5,000,000.00	£5,000,000.00
Loan 8	£5,000,000.00	£5,000,000.00
Loan 9	£12,000,000.00	£12,000,000.00
Total	£36,515,215.99	£36,515,215.99

In line with our current cashflow forecasts it is likely that further additional borrowing of £5m will be required at the end of 2025/26 and £5m in 2026/27. However, this will be monitored closely and will only be taken if required. The timing of the sale and amount received for capital disposals is a key dependency to the borrowing requirement in later years. Further borrowing is expected in 2028/29 and 2029/30 of an additional £8.1m to cover the planned capital programme.

3.13 The maturity profile of the Commissioner's forecast debt for the period of this MTFS is provided below and the liability relating to these loans is accounted for through the Minimum Revenue Provision (MRP) budgeted for in the revenue account. The loan book contains a mix of annuity loans and loans payable on maturity. Any further financing required to fund the capital programme is set out in the financing of the programme and approved through the governance processes outlined above.



3.14 The cost of the existing loan portfolio is made up of interest costs and capital repayments in the form of MRP. The borrowing cost for the prior year, 2025/26 and for future years is shown in the table below, which includes interest from investment income. By the end of the MTFS period the borrowing costs are estimated to be 2.28% of the net budget. This represents an increase from the current 0.99% cost which is due to the capital requirements outlined in this strategy and the need to finance capital expenditure predominantly through external borrowing.

Ratio of Financing Costs		2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Plan	2028/29 Plan	2029/30 Plan
Interest cost on existing borrowing		503	1,546	1,515	903	372	337
Interest cost on new borrowing		-	-	347	1,027	1,374	1,737
Gains/losses on debt rescheduling		-	-	-	-	-	-
Interest and investment income		(1,015)	(1,050)	(750)	(600)	(500)	(400)
MRP & VRP		1,338	1,544	2,244	2,585	3,172	3,730
Total Financing Costs	(A)	**826**	**2,040**	**3,356**	**3,915**	**4,418**	**5,404**
Net Budget Requirement	(B)	**188,686**	**205,244**	**217,397**	**225,163**	**231,225**	**237,275**
Ratio of financing costs	(A)/(B)	**0.44%**	**0.99%**	**1.54%**	**1.74%**	**1.91%**	**2.28%**

3.15 **Risks** – the approach to investments is security, liquidity and yield. The Commissioner's exposure to the markets is limited and risk mitigated as far as possible although it can never be eliminated entirely. The future capital programme requires significant borrowing to meet operational policing requirements. The Minimum Revenue Provision (MRP), in essence the debt repayment, will impact on the revenue budget as demonstrated in the table above.

3.16 A long-term view is undertaken for better management of the risk which includes net present value analysis of funding options to achieve best value for money on major capital projects and consideration of the loan types (annual repayment or maturity) in the context of the maturity profile of loans undertaken.

3.17 Also where cash balances allow, internal borrowing is undertaken to avoid the need to draw down external borrowing on the basis that the borrowing costs are currently at high levels. This approach avoids interest costs.

3.18 The Commissioner can review the MRP policy that is applied to external borrowing to ensure it remains appropriate and prudent. The Commissioner will keep the policy under review for future years.

4 Capital Programme

Land and Buildings

4.1 The Land and Buildings forming the estate owned by the Commissioner can be seen at Appendix 1.

4.2 The Capital Programme consists of the major infrastructure works that are due to be carried out over the next four years. It also contains forecast spend for vehicle replacement and ICT programmes. The Capital Programme as set out in the MTFS is included in Appendix 2 along with the current Capital Financing of the Programme.

4.3 The Constabulary have developed an Accommodation Strategy which provides an overview of the Estate and operational policing requirements. The Commissioner has an Estates Strategy which outlines the future for the estate. The BCH collaboration also has a BCH Accommodation Strategy given increasing demand from collaborated units and some assets used by BCH coming to the end of their life. This BCH Accommodation Strategy forms part of the Commissioner's Estate Strategy for Cambridgeshire.

4.4 Surplus assets are identified in liaison with the Chief Constable where these are no longer required operationally. This has led to capital receipts generation used towards funding capital projects. Receipts in recent years have slowed. A small receipt is expected from the sale of the Chatteris site and work is currently underway for the sale of Parkside.

4.5 Other significant schemes under consideration which have been allowed for in the Capital Programme include investment in the condition of the custody suite in the North of the county, essential health and safety works and investment in a new single storey ICT building at HQ to replace dated portacabin.

4.6 Optimum utilisation of the estate is a key part of the strategy aiming to achieve a smaller, better, greener estate. The capital programme includes budget for net zero carbon initiatives which continue to be kept under review as plans are developed. Achieving net zero carbon will have to be considered in the context of affordability to the Constabulary. Initiatives such as reducing carbon through existing estate by modernising lighting, heating and building management systems is ongoing, and implementing our second phase of a more sustainable fleet is underway centred on the south of the county once Milton Police Station is complete in Spring 2026.

4.7 Funding options for the capital programme include the benefit of disposal proceeds from a range of assets held by the Commissioner as set out in Section 3. These are continually under review.

Fleet

4.8 Cambridgeshire is part of the Chiltern Transport Consortium (CTC). This consortium provides competitive buying power and manages the fleet on behalf of the constabulary.

4.9 The transition plan for the fleet to electric vehicles or ultra-low emission vehicles (ULEVS) is being progressed although the Constabulary, like most police forces, are at an early stage to achieve a more carbon neutral fleet. A second phase of at least a further 13 electric vehicles is planned for 2026/27 with the completion of Milton Police Station and this has been built into the 2026/27 replacement programme.

4.10 A tactical fleet governance group continues to ensure that the fleet is being utilised in the most efficient and cost-effective way, which ultimately affects the capital vehicle replacement programme. Review of our fleet has resulted in 24 vehicles being removed permanently from our fleet.

4.11 Blue Light Commercial (BLC) are a national police procurement entity which has been created. One of the supplies that is being procured by BLC is the national supply for fleet vehicles. CTC will manage the Constabulary's requirements through the BLC arrangements. BLC are also supporting the police service in the sustainability agenda relating to fleet vehicles.

ICT

4.11 There is a national digital policing portfolio which aims to support the evolution of policing, enabling forces to respond and adapt to the increasingly digital world we live in including the use of artificial intelligence technologies. This will deliver nationally consistent digital services to reduce duplication of effort across the country. Many of these systems are software based and are budgeted for within the revenue budget.

4.12 There is a BCH ICT programme and the costs shown in the Capital programme are Cambridgeshire's share of these costs. Continued investment is required to ensure systems and capabilities supporting operational policing are effective and reliable. The Constabulary and PCC will also have to consider digital developments that may flow from the Policing Productivity Review.

4.13 The Emergency Services Network (ESN) is the replacement of the 'Airwave' system. There will be significant investment required to implement the new network, devices and configuration requirements. The current target date shutdown of the existing airwave is December 2029. Capital costs are currently estimated for Cambridgeshire at around £6.6m over the next 4 years with main costs expected between 2028/29 – 2029/30.

Operational Programme

4.14 There is a BCH JPS and ERSOU capital programme and the costs shown in the programme are Cambridgeshire's share including an estimated £800k towards capital improvement of new acquisition.

4.15 The first phase of the T10 tasers was ordered in December 2025 and rollout will continue over the next five years. Funding for these has been set aside in the Taser Reserve held in the balance sheet.

4.16 Allowance has been made for ANPR replacement as existing units come to end of life and subject to approval on new installation requirements following completion of in year assessments.

5 Funding

5.1 The Sources of funding available to the Commissioner to finance capital expenditure are:

a) **Revenue Budget** – a contribution can be made from the revenue budget to the capital budget. For 2026/27 this will be an amount of £2.5m given the lack of capital grant and the capital programme demands. Revenue contributions have the benefit of avoiding future and long-term financing costs.

b) **Capital reserves** – reserves can be set aside to fund capital projects, and the levels of reserves can be seen in the MTFS. These are currently limited; however, the plan utilises reserves set aside in prior years to meet capital commitments in relation to ESN (although only covering part of the expected cost of implementation) and the cost of the Taser replacements of a further £1.1m.

c) **Capital receipts** - Capital receipts from the disposal of assets where surplus to requirements will be used to support the financing of the capital programme.

d) **Borrowing** – the Commissioner can borrow to fund capital expenditure, provided it is affordable. Borrowing will be within the limits agreed in the Treasury Management Strategy. Borrowing does incur long-term financing costs in the form of interest and minimum revenue provision costs.

6 Knowledge and skills

6.1 The Commissioner and Chief Constable both have a Chief Finance Officer that provide financial advice and guidance to the PCC and Chief Constable respectively.

The Force Finance Department supports both officers in relation to their individual responsibilities.

6.2 The Constabulary also engages MUFG Corporate Markets (formerly Link Group) as Treasury Advisor to the Commissioner. This service complements the skills within the organisation by adding more specific expertise in respect of borrowing options, cash investment opportunities, lease advice and economic market updates. MUFG also provide technical advice on areas such as the minimum revenue provision and technical accounting requirements where necessary relating to treasury management.

6.3 For major capital build projects, the Estates Department will manage the projects and where required engage consultants where additional advice and expertise is required. Similarly, the collaborated ICT department operate in a similar way to manage ICT capital projects and upgrades.

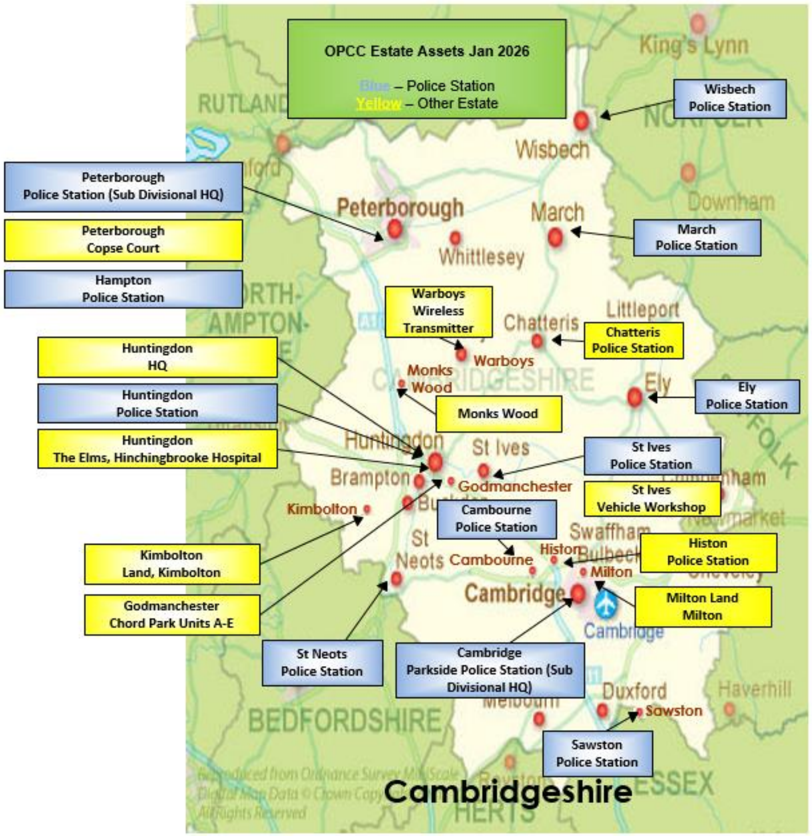
6.4 This combination of internal and external skills is considered appropriate for the level of risk within the Commissioner's capital programme which is based on meeting operational requirements. To date there has been no commercial investment activity by the Commissioner requiring further advice.

7 Associated Documents

7.1 The Capital Strategy is part of an integrated set of documents which can be read in conjunction with each other as follows:

- Police and Crime Plan
- Treasury Management Strategy
- Constabulary Accommodation Strategy
- Estates Strategy
- Medium Term Financial Strategy and Plan

Appendix 1 - Land and Buildings owned by the Commissioner



Appendix 2 - Capital Programme 2026/27 to 2029/30

Description of Bid	Forecast Programme 2026/27 £	Forecast Programme 2027/28 £	Forecast Programme 2028/29 £	Forecast Programme 2029/30 £	Total Budget 2026/27 - 2029/30 £
A. Estate Programme					
Major Repairs Planned	900,000	950,000	1,000,000	1,050,000	3,900,000
Fire Safety/compartmentalisation - Monks Wood	100,000	-	-	-	100,000
Fire Safety/compartmentalisation - Thorpe Wood	200,000	-	-	-	200,000
Thorpe Wood Operational learning planned move	800,000				800,000
Milton Police Station	725,000	-	-	-	725,000
Cambridge City Centre Police Station	450,000	-	-	-	450,000
HQ Generator Resilience	600,000	-	-	-	600,000
Custody Improvements - Feasibility & works	250,000	250,000	500,000	500,000	1,500,000
Sustainability Strategy - building Infrastructure	250,000	250,000	250,000	250,000	1,000,000
Sustainability Strategy - Vehicle Infrastructure	150,000	200,000	250,000	250,000	850,000
HQ ICT single storey building	800,000	-	-	-	800,000
OCAST relocation to building 4 and breakout refub	450,000	-	-	-	450,000
Section A Totals	**5,675,000**	**1,650,000**	**2,000,000**	**2,050,000**	**11,375,000**
B. Fleet Programme					
Vehicle Replacement Programme	1,650,000	1,732,500	1,819,125	1,910,081	7,111,706
Additional EV agreed in year	150,000	158,000	165,000	173,000	646,000
Section B Totals	**1,800,000**	**1,890,500**	**1,984,125**	**2,083,081**	**7,757,706**
ICT	2,664,004	3,840,765	1,806,622	1,713,377	10,024,768
ICCS WAN and control room upgrade	105,000	255,000			360,000
ESN	-	-	4,084,396	2,153,738	6,238,134
Section C Totals	**2,769,004**	**4,095,765**	**5,891,018**	**3,867,115**	**16,622,902**
Section C Operational Programme					
Digital innovation/AI	250,000	250,000	250,000	250,000	1,000,000
Traka Replacement	165,743				165,743
Mobile Evidential Machine (Breathalysers)	42,000				42,000
JPS	105,000	110,000	115,000	120,000	450,000
ERSOU BAU	200,000	200,000	200,000	200,000	800,000
ERSOU new acquisition capital contribution	200,000	600,000			800,000
Tasers	280,000	280,000	280,000	280,000	1,120,000
ANPR	70,000	48,264	40,220	40,220	198,704
Covert/Other specialist equipment replacement	50,000	50,000	50,000	50,000	200,000
Section C Totals	**1,362,743**	**1,538,264**	**935,220**	**940,220**	**4,776,447**
Section D Contingency					
Chief Delegated Budget	100,000	100,000	100,000	100,000	400,000
Capital Contingency	400,000	400,000	400,000	400,000	1,600,000
Section D Totals	**500,000**	**500,000**	**500,000**	**500,000**	**2,000,000**
Total	**12,106,747**	**9,674,529**	**11,310,363**	**9,440,416**	**42,532,055**

Funding Proposal

Capital Financing	**2026/27 Forecast**	**2027/28 Forecast**	**2028/29 Forecast**	**2029/30 Forecast**	**Total Financing 2026/27 - 2029/30 £**
Revenue Contribution to Capital (RCCO)/POCA	3,800,000	3,511,000	2,300,000	2,300,000	11,911,000
ESN Reserve	105,000	255,000	2,900,000		3,260,000
Taser Reserve	280,000	280,000	280,000	280,000	1,120,000
RCCO (from Collaboration Vehicle recharges)	540,000	540,000	540,000	540,000	2,160,000
Capital Carry Forward Reserve	-	-	-	-	-
Capital Receipts	7,381,747	5,088,529	3,529,724	-	16,000,000
Borrowing		-	1,760,639	6,320,416	8,081,055
Total Financing	**12,106,747**	**9,674,529**	**11,310,363**	**9,440,416**	**42,532,055**