



Home Office

Sarah Jones MP
Minister of State for Policing and
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Rt Hon Dame Karen Bradley DBE MP
Chair, Home Affairs Select Committee
House of Commons
London
SW1A 0AA

17 December 2025

Dear Dame Karen,

CAPITALISATION SUPPORT FOR SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY

I am writing to inform you that the government has today published on gov.uk details of capitalisation support provided to South Yorkshire Mayoral Combined Authority to manage one-off and local financial pressures within the South Yorkshire Police. This followed the identification of a series of historic accounting errors, which resulted in South Yorkshire becoming the first police force in England and Wales to issue a S114 notice. South Yorkshire Police uncovered these historic issues when PCC responsibilities were transferred to South Yorkshire Mayoral Combined Authority in September 2024. The force has therefore been issued with a capitalisation direction for £17 million for 2024-25.

In 2025–26 the Government has provided a significant increase in police funding. The settlement delivers up to £19.6 billion for policing in England and Wales — an increase of £1.2 billion compared to last year. This includes £17.6 billion for police forces, a 7.1% cash increase and 4.6% real terms increase. This is in addition to £120 million one-off funding to support forces in meeting the cost of the 2025-26 pay award. The Chancellor has announced a real terms increase in police spending power over the Spending Review period. As with previous years more detail on force funding allocations will be set out at the provisional police settlement later this year. However, South Yorkshire Police have been issued with a capitalisation direction to support them in correcting a historic and unforeseen financial error which, if left unaddressed, would have prevented them from setting a balanced budget and maintaining efficient and effective policing in future years.

The capitalisation direction issued in this case therefore reflects a rare and exceptional set of circumstances, including historic accounting issues and ongoing costs related to legacy issues, including legal settlements. The Home Office has processes in place to monitor the financial resilience of all forces and engages regularly with sector finance leads to assess financial pressures. The Government expects all forces to maintain strong financial governance and accountability, including taking early action to manage pressures and setting balanced budgets. Although there are fiscal constraints, we are committed to working with the sector to ensure the right resources are in place to deliver better outcomes for the public.

It is in this context that we have agreed to provide support to South Yorkshire Mayoral Combined Authority. Support is being provided through capitalisation, a financial flexibility where the government permits councils, in special circumstances, to treat revenue costs as capital costs.

The Home Office has been working with South Yorkshire Police to better understand the cause of the accounting omissions and they have undertaken robust assurance processes to ensure the support provided is proportionate and necessary. As part of this, South Yorkshire Police have commissioned a CIPFA review into how the errors were made to ensure lessons are learnt and that this does not happen again. We are building our capability and expertise within the Home Office to provide support to forces under financial pressure.

My Department will continue to work closely with South Yorkshire Police and South Yorkshire Mayoral Combined Authority to ensure they make the necessary savings and continue to provide effective and efficient policing for residents. We will also continue to work with the wider sector, including policing leaders such as the NPCC and APCC, to ensure the right resources are in place to deliver better outcomes for the public. I will arrange for a copy of this letter to be placed in the Libraries of both Houses.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'SJ', with a long horizontal flourish extending to the right.

Sarah Jones MP
Minister of State for Policing and Crime