



OPCC
Office of the Police &
Crime Commissioner
for Gloucestershire

PCC Governance Board

Revenue Budget 2026/27 and Medium-Term Financial Plan 2026/27 to 2029/30

21 January 2026

1. Purposes of the Report

- 1.1 To present a draft Revenue Budget for 2026/27 and Medium-Term Finance Plan (MTFP) 2026/27 to 2029/30 for the PCC's approval.
- 1.2 To note the PCC's Council Tax precept recommendations for 2026/27.

2. Recommendations

- 2.1 That the budget and MTFP as presented within this paper are approved.
- 2.2 If the Home Office approves additional precept flexibility, an increase of up to £25 in the Council Tax precept will be submitted to the Police and Crime Panel for approval. This would result in a maximum Band D Council Tax of £347.08 for 2026/27, representing a 7.76% increase, or an average 1.13% increase to the overall Gloucestershire precept excluding parish precepts.
- 2.3 If additional flexibility is not approved, a £15 increase in the Council Tax precept will be proposed to the Police and Crime Panel. This would set the Band D Council Tax at £337.08 for 2026/27, an increase of 4.66%.
- 2.4 The PCC will not propose a referendum on additional precept flexibility if the Home Office does not approve a precept above £15 due to cost.

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3. Executive Summary

- 3.1 This budget and MTFP are based upon the priorities of the Constabulary and PCC for the forthcoming years, supported by the funding announced in the provisional settlement announcement by the Home Office on 18 December 2025, supplemented by the letter from the Home Secretary and Policing Minister on 16 January providing more detail on the Neighbourhood Policing Guarantee.
- 3.2 These announcements have caused uncertainty across policing, as there remains incomplete detail of the funding settlement at the time of writing. This report has been produced with the limited information available.
- 3.3 Prior to the provisional settlement, the Constabulary and OPCC had been preparing an MTFP based on expectations of funding using assumptions which had been agreed nationally with the National Police Chief Council (NPCC). Proposed savings and investment plans achieved a balanced budget in 2026/27.
- 3.4 The provisional settlement gives a funding gap compared with these assumptions of £2.3m in 2026/27.
- 3.5 Recognising the pressure created by a lower-than-expected settlement, police forces have been provided with an opportunity to request a higher precept without having to have a referendum.
- 3.6 The Constabulary and PCC have submitted an application to utilise this flexibility to increase the Band D precept by £25 in order to protect front line services and avoid further cuts.
- 3.7 Even with an increased flexibility in precept and the planned efficiencies, there remains a shortfall in funding over the life of the MTFP. Unless grants and precept levels are further increased to cover a significant part of these gaps over the remainder of the MTFP, additional savings will need to be identified which is likely to require fundamental consideration of the way policing in Gloucestershire is organised
- 3.8 If this flexibility is not granted, and the maximum precept of £15 is approved, the Constabulary will need to consider further reductions to staffing and non-pay budgets beyond those already specifically identified within this budget.
- 3.9 Such reductions cannot be classified as efficiency savings but would represent cuts to elements of service and would create operational risks to policing in the County.

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- 3.10 Reserves have been significantly depleted in previous years and using these funds to cover all of the deficit would be imprudent and is therefore not proposed within this budget and MTFP.
- 3.11 During 2025/26, the Constabulary has approached the Home Office for an exceptional grant of £10.5m to support investment in ICT, but there is no indication that this funding will be provided in the final settlement.
- 3.12 This report therefore recommends the approval of a precept of £25 (or the maximum level precept flexibility approved by Home Office, if lower than £25). If such flexibility is not granted, we recommend approval of the maximum precept of £15.
- 3.13 The 2026/27 budget and MTFP assumes a £15 precept as the most probable outcome.

	2025/26	2026/27
	£m	£m
Budget Requirement¹	172.3	183.9
Home Office Funding	(89.7)	(92.2)
Reserves Funding	(2.3)	(6.3)
To be met by Council Taxpayers	80.2	85.4
Less: estimated surplus on Collection Fund	(0.6)	(0.8)
Precept Requirement	79.6	84.6
Council Tax Base	247,075	250,853
Council Tax Requirement	322.08	337.08
Proposed increase in Band D equivalent precept	14.00	15.00

- 3.14 A high-level budget is presented at Appendix 3 showing that if a £25 precept is approved, reductions to staff budgets are £1.6m lower and use of reserves is reduced by £0.9m.
- 3.15 While savings of £15.4m have been identified across the MTFP period, there remains a funding gap of £5.4m to be closed by 2029/30.

¹ Our Budget Requirement is presented differently to previous years in two ways:

- Reserves use is now treated as a funding stream, rather than a reduction of the “Budget Requirement” or Net Revenue Expenditure. This increases the “Budget Requirement” declared in the 2025/26 Budget and MTFP paper presented to the Police and Crime Panel in February 2025 by £2.3m; and
- Confirmation of £1.5m of funding relating to the Neighbourhood Policing Guarantee was received after the presentation to the Police and Crime Panel in February 2025 and is now included in the budget for 2025/26, to enable like-for-like comparison with 2026/27.

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Background

- 3.16 The budget for 2026/27 assumes pressures of £21.4m and savings of £9.8m, as set out in the table below. The net increase of £11.6m compared with 2025/26 will be funded by increased grants, the approval of a £15 precept increase and the strategic use of reserves.

		£m	£m
Pressures	Pay pressures (pay award and NI)	5.0	
	Savings requirement carried forward	6.7	
	Contract inflation	3.9	
	Organisational change (supported by reserves)	5.0	
	Capital financing	3.5	
	Increased income	(2.7)	
	Total Pressures		21.4
Savings	Pay savings	(8.4)	
	Non-pay savings	(0.9)	
	OPCC savings	(0.5)	
	Total Savings		(9.8)
	Movement funded by grant, precept and reserves		11.6

- 3.17 In recent years, the OPCC and Constabulary have not had full flexibility in the allocation of the available budget, particularly in relation to police officers, where numbers had to be maintained at certain levels at the risk of financial penalties. This meant savings had to come from less than 50% of our available budget.
- 3.18 Following a letter from the Home Office on 16 January 2026, the only police officer target is in relation to Neighbourhood Policing, providing greater flexibility. The application of this flexibility will be considered more fully through the operating model review which has recently been commissioned.
- 3.19 The organisation set itself challenging savings targets of £12.3m for 2025/26 and is forecast to achieve £11.7m of these. A significant amount has been achieved through ongoing vacancy management as well as savings on officer overtime and through the Mutually Agreed Resignation Scheme conducted in late 2024.
- 3.20 While a significant number of staff posts have been deleted from the establishment during 2025/26, there remain a considerable number of vacant posts which are being held. Holding vacant posts aren't considered to be a permanent saving which results in these being included in the savings target for the forthcoming year. As the posts are currently vacant this gives confidence that this saving can be delivered but may cause operational issues that need to be monitored by the Staff Establishment Management Panel (SEMP).

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- 3.21 The Constabulary has commissioned a review of its operating model which will provide clarity where officer and staff resources should be deployed across all areas of the organisation. This will enable it to right size the establishment to the available budget, deleting posts and so reducing the need for such stringent vacancy management in the future. Further detail on the savings targets is provided later in this report.
- 3.22 In spite of the need for significant ongoing savings, the OPCC and Constabulary continue to invest in the future of policing in Gloucestershire. The budget and the MTFP therefore include investment in the following key areas:
- Implementation of a revised operating model, delivering a structure more closely aligned to demand, operational and organisational pressures and available funding.
 - Ongoing investment in ICT development, including robotic process automation (RPA) as well as a continuous improvement function to drive ongoing improvement and change.
 - Implementation of a county-wide Estates Strategy, including consolidation of underutilised buildings.
- 3.23 Reserves of £5.0m to fund the impact of change on the organisation have been allocated for use in 2025/26. This utilises nearly 30% of reserve balances and is adds risk given the low level of reserves the organisation is already holding.
- 3.24 Further savings will be required for future years, rising to £5.4m in 2029/30. This is mainly due to the increasing cost of borrowing, reduction in interest income from reduced reserve balances and revenue contributions to capital outlay which will increase from £7.0m in 2026/27 (4.0% of net revenue) to £11.0m in 2029/30 (5.4% of net revenue).
- 3.25 The organisation is aiming to fund more of its capital programme through revenue contributions over the MTFP to reduce future borrowing costs, but those lower costs only come into effect outside of the period of this MTFP. It is, however, imperative to adopt this approach to assure the future financial sustainability of the organisation as borrowing is at an unsustainable level.
- 3.26 The projected future financial gap of £5.4m in 2029/30, even after achieving the savings in 2026/27, means the Constabulary will need to continue to work differently, reduce costs and target resources towards meeting demand more efficiently, effectively and economically in the future.

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4. National budget overview, activity from the last year from the Police and Crime Commissioner and the perception of crime survey 2025

- 4.1 Presenting the budget report this year has been, without doubt, one of the most challenging tasks since I was first elected in 2021. The last two budget reports in particular detailed the significant efficiency challenge facing the Constabulary and efforts to reduce the funding gap. In preparing for this budget, my team has worked with national colleagues to adopt and utilise agreed assumptions based on national information received. We knew and planned for the efficiencies challenge over the MTFP accordingly.
- 4.2 The recent grant settlement however poses further challenges for achieving a balanced budget and meeting statutory obligations. The Police and Crime Panel must, by law, be informed of the proposed precept level by 1 February, requiring budget preparation to be completed by mid-January. However, the level of uncertainty in the settlement announced on 18th December 2025 severely complicated this process. For this reason, I feel it is necessary to present to the Panel an overview of the concerns raised nationally by the Association of the Police and Crime Commissioners (APCC) which I share. This is a cross-party network of PCCs and PFCCs and these concerns were articulated in a letter to the Home Secretary on 07/01/26 by Emily Spurrell, PCC for Merseyside and Chair of the APCC.

National settlement concerns

- 4.3 **Insufficient detail:** The settlement does not fully account for pay increases or inflationary pressures. Any additional recruitment or investment announced at a later date will require central government funding, as the deadline for exceptional precept flexibility will have passed.
- 4.4 **Discrepancies and uncertainty:** The June 2025 Comprehensive Spending Review projected a £0.9bn increase for policing in 2026/27, yet the settlement allocates only £0.8bn. Uplift funding has shifted from a per-head grant to a formula-based approach, creating disparities and risking reductions in officer numbers particularly for forces [like Gloucestershire] that supported the national uplift programme.
- 4.5 **Impact on local taxation:** Pay represents approximately 80% of police budgets. With a 2.8% grant increase against a 4.2% pay award, the shortfall will likely require maximum precept increases, transferring core policing costs to local taxpayers.

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- 4.6 **Precept flexibility:** While PCCs can apply for limited additional flexibility, timelines are tight and criteria for “exceptional” cases remain unclear.
- 4.7 **Risks and consequences:** Nationally it is recognised that budget-balancing measures may include reductions in personnel which are unpopular and inefficient. Constraints on technology and AI investment could undermine long-term effectiveness and public confidence.

Recent local activity

- 4.8 During 2025/26, I launched my new [Police and Crime Prevention Plan \(2025-2029\)](#) to help address these challenges locally and support national efforts to improve community safety referenced in the [Strategic Policing Requirement](#). This update sets out examples of activity undertaken to support the Police and Crime Prevention Plan by the Constabulary and OPCC and what we presently know about future funding.
- 4.9 Through Operation Shield, Gloucestershire implemented the national Safer Streets Summer Initiative, aligning local delivery with the Government’s Neighbourhood Policing Guarantee. Multi-agency engagement, visible patrols, and community outreach with launches and activity days drawing broad public participation. In addition, the Hotspot Action Fund (Operation Ash) continued to target ASB, serious violence, and knife crime in concentrated urban grids across Cheltenham, Gloucester, Stroud, Tewkesbury. Cirencester and Coleford.
- 4.10 Future Home Office funding for hotspot policing beyond the 2025/26 period remains unclear, which could affect continuity of targeted patrols and associated analytics.
- 4.11 The Domestic Abuse Needs Assessment 2024 has been published to inform the Tackling Domestic Abuse Strategy 2025–2028, with the delivery plan now in development. This includes thematic sub-groups across partner agencies. Two new multi-agency groups are focusing on adolescent domestic abuse and the intersection of domestic abuse and suicide prevention, supported by thematic analysis of Domestic Abuse (DA) Related Death Reviews.
- 4.12 Funding settlements for Ministry of Justice victim grants, including DA and SV, are uncertain beyond 2025/26.
- 4.13 The regional, PCC-led Operation Scorpion continues to make the Southwest a hostile environment for drug supply, with over 1,000 arrests, significant cash recoveries, and seizures of drugs and weapons since 2022. Locally, the OPCC has amplified prevention through storytelling of lived experience and by contributing to the Alcohol and Drug Arrest Referral Scheme (AARS/DARS),

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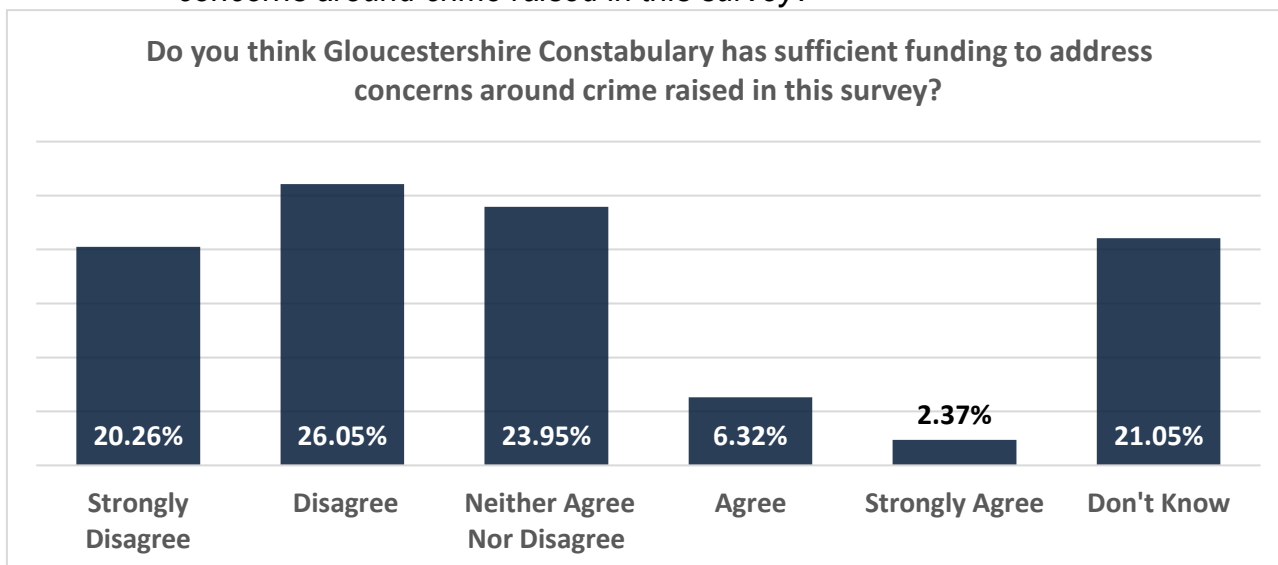
achieving 79% compliance among offenders required to attend three support sessions.

- 4.14 Youth prevention is being expanded through the My Future programme (pilot scheduled for February 2026). This is co-produced with young people and evaluated by the University of Gloucestershire, alongside a countywide public health approach establishing SkillZONE (primary prevention) and My Future (secondary prevention) as core delivery models.
- 4.15 Funding for activities under the Serious Violence Duty beyond March 2026 has yet to be confirmed.
- 4.16 Serious Violence Duty grants for 2025/26 are sustaining interventions at SkillZONE, Friendship Café, and St Giles Trust, with a strengthened multi-agency partnership now embedding prevention across Community Safety Partnerships. The Constabulary's crime improvement programme progresses (including Rapid Video Response (RVR)), with positive Op Soteria self-assessment findings and targeted developments in specialist crime functions, child protection, and missing children capabilities.
- 4.17 National Victims Code of Practice (VCOP) measurement updates and sentencing reforms remain pending, with budget confirmations delayed following Government changes.
- 4.18 A new Trust and Confidence Survey has been launched via the Neighbourhood Alerts app, designed to measure perceptions of policing, including ASB and visible patrols. The Constabulary has appointed a Superintendent for Culture and Legitimacy, consolidated recommendations into a Cultural Action Plan, and is drafting a new approach to improving trust, confidence, and legitimacy under a jointly chaired board. Targeted operations such as Op Express (retail/business crime) and increased patrols in Stroud in response to ASB are being used to reduce harm and build confidence among our communities.

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4.19 As part of the survey the following question was added in relation to funding. *Do you think Gloucestershire Constabulary has sufficient funding to address concerns around crime raised in this survey?*



4.20 A free text question was asked to identify thematics for each of the scale points. All of the themes mentioned below had to be present eight times or more to be included in this report. The following findings detail the themes relative to the reasons that respondents chose their answers above:

Strongly Disagree

4.21 The general rhetoric within responses to this question was that policing as a whole is underfunded. The specific themes were:

- **Lack of government funding:** This was specifically mentioned as the public felt that the government cuts on funding police forces have seen a decrease in officers and the ability to localise resources.
- **More funding would mean better visibility of policing:** Many of the respondents to the survey value visibility as a measure of their overall feelings of safety. Many regarded a lack of funding as a reason for the decrease in visibility of officers.
- **The public sector is underfunded:** Many within respondents highlighted that the public sector in general is underfunded.
- **More officers are needed:** Respondents felt that more funding was needed to ensure sufficient staffing levels to ensure that things such as prevention are prioritised.

Disagree

4.22 The respondents who selected disagree, share the same thematics as those who selected strongly disagree. Specifically, government funding, more officers are needed and improved visibility of policing were key thematics that were

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duplicated in these responses. However, there were others that were highlighted by respondents who selected disagree:

- **More resources would improve the current service:** Responses that fell within this theme highlighted that resources would improve services such as investigations, increasing foot patrols and being able to invest in technology.
- **Uncertainty around the Constabulary's savings:** the publicity around the constabulary's savings targets was a frequent theme within responses.

Neither Agree nor Disagree

4.23 The majority of respondents to this question had a lack of understanding around funding and did not know how to answer the question. However, there were a couple of thematics that were present in the remaining answers:

- **There is always a need for more funding:** Respondents recognised that all public services are in need of funding and expressed that funding will always be an issue. It was highlighted policing needs to make do with the funding they have.
- **Need to prioritise spending:** Responses within this thematic detailed the need for the constabulary to prioritise their spending in a more efficient way.

Agree

4.24 As there was a small number of respondents who selected agree, therefore there was only one thematic that came out in these responses:

- **Efficiency in spending and resources:** The majority of respondents to this question felt that policing had sufficient funding but the way in which the funding is spent, and the allocation of resources, should be more efficient.

Strongly Agree

4.25 There were too little responses by those who selected **Strongly Agree** to draw out any specific thematics.

4.26 In conclusion, whilst we face an immensely challenging time financially over the course of this MTFP, I am confident that we remain focused on the continual improvement of the Constabulary. The Temporary Chief Constable and I have a shared vision around achieving excellence in the basics of policing going forward. Investment in change and the tools required for that change will accelerate this improvement along with a renewed focus on intelligence and evidence-based community safety.

**Chris Nelson,
Police and Crime Commissioner**

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5. 2026/27 Budget and Precept Requirement

- 5.1 The funding for 2026/27 is **£183.9m** (including ring-fenced grant of £2.8m for Neighbourhood Policing and reserves funding of £6.3m), an increase of £11.6m if the precept increase of £15 is supported.
- 5.2 If a £25 increase is accepted by the Home Office without the need for a referendum, total funding would increase to £185.5m, including additional precept income of £2.5m and reduced reserves use of £0.9m. Each £1 increase supports an additional £0.25m of expenditure. A precept increase for an amount between £15 and £25 accepted by the Home Office would be supported by the PCC.

Council Tax Requirement

- 5.3 The precept requirement is determined by the cap in the increase set by government, the overall budget requirement, the value of the Police Core Settlement Grants and other funding is provided by the Home Office. The table below shows this requirement for 2026/27.

	2025/26	2026/27
	£m	£m
Budget Requirement	172.3	183.9
Home Office Funding	(89.7)*	(92.2)**
Reserves Funding	(2.3)	(6.3)
To be met by Council Taxpayers	80.2	85.4
Less: estimated surplus on Collection Fund	(0.6)	(0.8)
Precept Requirement	79.6	84.6
Council Tax Base	247,075	250,853
Council Tax Requirement	322.08	337.08
Proposed increase in Band D equivalent precept	14.00	15.00

*Includes Neighbourhood Policing Grant which was received after agreement of last year's budget.

** Split of funding between different grant streams is not clear at time of writing.

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Band	2025/26	Increase (£)	2026/27
	£		£
A	214.72	10.00	224.72
B	250.51	11.67	262.17
C	286.29	13.33	299.63
D	322.08	15.00	337.08
E	393.65	18.33	411.99
F	465.22	21.67	486.89
G	536.80	25.00	561.80
H	644.16	30.00	674.16

- 5.4 An average tax base increase of 1.53% across the County from 2025/26 to 2026/27, coupled with a proposed £15 precept increase, increases precept income by £5.0m. Including the collection fund surplus of £0.8m, local funding totals £85.4m for 2026/27, equivalent to 48.1% of total income for the OPCC. Further detail is provided in Appendix 2.

Police Grant Settlement

- 5.5 For Gloucestershire, the provisional settlement provides for a grant increase from £89.7m (inclusive of Neighbourhood Policing Grant) in 2025/26 to £92.2m in 2026/27, an increase of 2.8%. The breakdown of what is included in the 2026/27 provisional settlement has not yet been provided beyond the high-level figure of £92.2m.

	2025/26	2026/27	Increase/ (Decrease)	
	£m	£m	£m	%
Police Core Settlement Grants ²	76.3	77.5	1.2	1.6%
Neighbourhood Policing Grant ³	1.5	2.8	1.3	82.9%
Other Funding ⁴	11.9	11.9	-	-
Total	89.7	92.2	2.5	2.8%

- 5.6 The pay award, which is agreed nationally, is the most significant inflationary pressure for 2026/27, totalling £5.0m. For 2025/26 this was set at 4.2% which was significantly higher than the budgeted estimate of 2.0%. An inflationary contingency covered an increase up to 2.8% and additional funding was provided from the Home Office to cover the remaining gap in 2025/26. However,

² Assumes both amalgamation of Uplift grants into core funding and change of allocation of Uplift grant to a funding formula basis, rather than FTE basis (per assumptions from NPCC).

³ Confirmed in Home Office letter of 16 January 2026.

⁴ Incorporates legacy Council Tax, NI and pensions grants – all assumed not to inflate. This is consistent with NPCC assumptions.

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this has not been included in the 2026/27 provisional settlement and leaves an unfunded deficit of £2.5m. This deficit has to be covered through precept, and is equivalent to £9.97 per Band D property, before considering non-pay pressures.

- 5.7 An assumption of 3% pay award has been included for 2026/27 which is comparable across the policing sector.
- 5.8 There is no indication of any capital grants for 2026/27, which is the fifth year in which no award has been made. There is no expectation that this will change despite the need for investment in national ICT projects (e.g. Emergency Services Network) and electrification of fleet.

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Overall Budget Position

5.9 The table below shows the proposed budget for 2026/27.

	2025/26	2026/27	Increase/ (Decrease)
	£m	£m	£m
Expenditure			
Police Officers	95.5	100.2	4.7
Police Staff	45.4	44.2	(1.2)
Non-Pay	41.8	49.7	7.9
OPCC	2.1	2.2	0.1
Supporting victims and communities	1.4	0.7	(0.7)
Capital Financing	3.5	7.0	3.5
Income			
Investment Income	(0.5)	(0.8)	(0.3)
Other Income	(9.5)	(11.4)	(1.9)
Specific Grants	(7.4)	(7.9)	(0.5)
Net Revenue Expenditure	172.3	183.9	11.6
Funding			
Government Grants	(83.6)	(86.1)	(2.5)
Precept	(79.6)	(84.6)	(5.0)
Other LA Grants/Income	(6.7)	(6.9)	(0.2)
Reserves Use	(2.3)	(6.3)	(4.0)
Total Funding	(172.3)	(183.9)	(11.6)
Net	-	-	-

*Some figures may not sum due to rounding

5.10 The key assumptions used to calculate the draft 2026/27 budget shown below are:

- 3.0% pay rise in September 2026,
- Incremental drift (the increase in salary costs as officers progress through pay scales) calculated based on current post holders;
- A reduction in employer pension contributions of 3.0% to 15.8%;

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- 4.5% FTE vacancy rate (on non-frozen police staff posts);
- 1.7% general inflation, in line with national assumptions, amended for known contract inflation;
- Known Police Grant uplift;
- Precept increase of £15; and
- Capital programme of £12.0m in 2026/27, £40.2m in the MTFs period 2026/27 to 2029/30.

5.11 We have recognised the need for an increased focus on Change Management and ICT resourcing to ensure sufficient capacity to enable delivery of key organisational programmes of work, particularly, the National Enabling Programme (including upgrading to Windows 11) and ongoing development of other ICT programmes. This amounts to revenue funding of £0.9m in 2026/27 and 2027/28.

5.12 The more detailed commentary on individual budget lines (from paragraph 5.19) explains the movement from the 2025/26 budget to the 2026/27 budget, but in summary the increase of £11.6m from 2025/26 to 2026/27 can be attributed to the items in the table below, supported by the increase in grant, precept and reserves funding:

		£m	£m
Pressures	Pay pressures (pay award and NI)	5.0	
	Savings requirement carried forward	6.7	
	Contract inflation	3.9	
	Organisational change	5.0	
	Capital financing	3.5	
	Increased income	(2.7)	
	Total Pressures		21.4
Savings	Pay savings	(8.4)	
	Non-pay savings	(0.9)	
	OPCC savings	(0.5)	
	Total Savings		(9.8)
	Movement funded by grant and precept		11.6

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Savings and Efficiencies

- 5.13 As indicated above, to provide a balanced budget, savings of £9.3m have been identified in 2026/27, £15.4m over the MTFP period. These are shown in the table below. The savings below are included in the MTFP for all years, but in years from 2027/28 – 2029/30, additional savings of £5.4m beyond those listed below would be required to achieve a balanced budget, £20.8m in total.

Area	Category	2026/27	2027/28	2028/29	2029/30	Total
		£m	£m	£m	£m	£m
Vacancy management	Pay	5.5				5.5
Third party, regional and national contracts	Non-Pay	0.8	1.0	0.9	0.9	3.6
Service Choice Reviews	Pay	1.3	0.2	0.2	0.2	1.9
Operating Model	Pay	0.6	0.2	0.1	0.1	1.0
Continuous improvement	Pay	0.1	0.3	0.3	0.3	1.0
Overtime	Pay	0.6				0.6
Estates Strategy	Non-Pay		0.1	0.5		0.6
OPCC	Pay and Non-Pay	0.5				0.5
ICT Applications	Non-Pay	0.1	0.2			0.3
Market forces factor review	Pay	0.2				0.2
Annual leave purchase	Pay	0.1				0.1
National Police Air Service	Non-Pay		0.1			0.1
Total		9.8	2.1	2.0	1.5	15.4

- 5.14 The bulk of savings relate to staffing, £8.4m in 2026/27 (equating to 90% of total savings), with £10.3m over the MTFP period (or 69% of total savings). The largest saving, vacancy management, reflects the current levels of vacancies of 14.6% of the police staffing establishment which will need to be maintained until the delivery of the new operating model. General turnover accounts for approximately 4.5% of vacancies, with the remaining 10.1% being held.
- 5.15 The increased flexibility around officer numbers provided by the Home Office letter of 16 January 2026 will allow the Constabulary to consider alternative mechanisms to achieving savings beyond vacancy management of police staff. This will be assessed through the operating model review commission.
- 5.16 To support the staff vacancy management process, the Assistant Chief Officer (ACO) - Director of People and Business Services chairs a Staff Establishment Management Panel (SEMP), which ensures that a risk informed vacancy management approach is embedded across all police staff roles.
- 5.17 A Budget Gold group has been in place since 2024/25 and meets on a fortnightly basis to identify, drive and monitor progress against savings targets.

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5.18 Gloucestershire is part of a regional collaboration on procurement, called the South West Police Procurement Service (SWPPS), as well as making use of the National Blue Light Commercial Services. Membership of this group brings a pooling of expertise around procurement and also a sizeable market share when negotiating contract renewals. The Force has managed to achieve procurement savings in the past and will continue this as an area for potential savings over the coming years where we have assumed a 2% p.a. saving on non-pay costs.

Police Officers

- 5.19 Shortly before the finalisation of this report the Home Office lifted the targets to achieve agreed police officer numbers at two points in the year to ensure receipt of uplift funding. The budget as set out assumes our target headcount remains at 1,345 (plus 23 for Neighbourhood Policing Guarantee). These targets are based on headcount, rather than FTE, so the FTE establishment is lower than headcount due to part time officers. The budgeted FTE for Police Officers as at 31 March 2026 is 1,286.
- 5.20 This position will be considered in greater detail in the coming weeks and through the operating model review commission which has recently been awarded.
- 5.21 The operating model review will also consider officer ratios along with operational structures to determine whether an appropriate mix of ranks exists at all levels across the organisation.
- 5.22 The cost impact of the uplift programme is beginning to be seen through the incremental drift included within the budget. This represents additional budget pressure as police officers move up the incremental scale. The initial impact of the uplift programme was to reduce the average pay at PC level, but this is now moving up towards levels seen pre-2020/21.
- 5.23 The anticipated impact this year of officer incremental drift is now forecast to be c£2.4m per annum.

- 5.24 Following a significant reduction in overtime payments to officers, in excess of the target set for 2025/26, a further savings target has been placed against overtime for the forthcoming year.

Police Officer Budget	£m
2025/26 Budget	95.5
Impact of Pay Award	3.4
Incremental Drift	2.4
Neighbourhood Policing Grant Costs	0.4
Vacancy factor	(1.0)
Savings on Overtime	(0.4)
Other savings	(0.1)
2026/27 Budget	100.2

PCSOs and Police Staff

- 5.25 The budgeted FTE for Constabulary Police Staff and PCSOs as at 31 March 2026 is 1,046. This is lower than the previous year following a reduction through redundancy and the mutually agreed resignation scheme. As a result, the budget for police staff has decreased by £1.2m (2.6%) from 2025/26.

PCSO and Police Staff Budget	£m	£m
2025/26 Budget	45.4	
Impact of Pay Award	1.6	
Staff savings carried forward	9.7	
Overtime	(0.2)	
Reduction in pension contributions	(1.7)	
4.5% General Vacancy Factor	(2.7)	
Sub-Total		52.1
Staffing Savings		
Additional Vacancy Factor	(5.5)	
Service Choice Reviews	(1.3)	
Operating model	(0.6)	
Other savings initiatives	(0.5)	
		(7.9)
2026/27 Budget		44.2

- 5.26 Due to critical operational need and to enable flexibility during the operating model review, we have held c.130 posts vacant rather than delete these at the time of budget setting. This accounts for about 15% of the staff and PCSO

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establishment and places strain on operational activities but provides organisational flexibility in delivery of the operating model review.

- 5.27 We will continue to operate a robust vacancy management process through the Staff Establishment Management Panel during 2026/27 and have therefore built in further savings of £5.5m as a result of this process, equating to a further 10.1% vacancy factor on top of the 4.5% general expected turnover factor.
- 5.28 However, as noted at 5.19 and 5.20, additional flexibility on officer numbers provides opportunity to manage the savings target across a larger element of the budget and this will be considered through the operating model review.
- 5.29 The finalisation of a number of service choice reviews will take place in 2026/27, resulting in anticipated savings of about £1.3m, while the operating model review is forecast to save a further £0.6m and more minor savings initiatives will generate similar amounts of savings.
- 5.30 The local government pension scheme employer contributions are reducing by 3% in 2026/27 to 15.8% and this provides a saving on budget of £1.7m.

Non-Pay

- 5.31 The significant increase to this year's costs is related to the predicted costs of organisational change (which are proposed to be largely funded by reserves). These are one-off costs and hence the underlying recurring increase is £2.5m or 6.0% which reflects an increased investment in ICT to implement planned systems and improvements during the 2026/27 financial year, along with inflation which has been assumed as 1.7% in line with NPCC guidance.
- 5.32 Savings of 2% on non-pay costs have been included in line with expectations of the Police Efficiencies and Collaboration Programme, with which the Constabulary is engaging on a regular basis through conversations with Home Office and Blue Light Commercial colleagues across ICT, Finance and Transport Services (among others).

Non-Pay Budgets	£m
2025/26 Budget	41.8
Organisational change (including operating model and estates)	5.8
ICT inflation	1.4
Non-ICT and general contract inflation	1.3
Regional contract inflation	0.2
ICT investment	0.2
Contract savings	(1.0)
2026/27 Budget	49.7

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The Office of the Police and Crime Commissioner (OPCC)

5.33 The core functions of the OPCC can be summarised in the diagram below:



5.34 OPCC activity is delivered via two teams: Partnership, Performance and Accountability (PPA) and Victims and Commissioning (V&C). Both teams are supported by a small Communications and Engagement Team.

5.35 In summary, the responsibilities for the PPA team includes the monitoring of performance of the Police and Crime Prevention Plan, the Constabulary and local partnerships and the analysis of the annual local perception of crime surveys carried out by the OPCC. It also includes convening powers to bring partners together such as Safer Gloucestershire, Gloucestershire Criminal Justice Board, Gloucestershire Emergency Services Collaboration Board and the management of Anti-Social Behaviour Case Reviews. Accountability is supported by scrutiny functions such as Independent Custody Visitors, Animal Welfare Volunteers, the Vetting Scrutiny Panel and the management of police complaint reviews on behalf of the PCC.

5.36 In addition, the PPA team is responsible for oversight and delivery of national policy and legislative changes, supporting with holding to account functions as well as monitoring the delivery of Constabulary inspection and audit recommendations.

5.37 Victims and Commissioning includes the commissioning and co-commissioning of local services for victims as well as contract monitoring. This includes for Victim Support, the Sexual Abuse Referral Centre (SARC), Gloucestershire Domestic Abuse Support Service (GDASS) and Homeless Support. In addition,

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grant funding bids are submitted from this team and any subsequent spend and activity is coordinated here.

- 5.38 The V&C team also supports the strategic county oversight of the violence of women and girls (VAWG) priority. Work here includes: consultation with victims and survivors of domestic abuse and sexual violence to ensure their experiences influence future policy and strategy, oversight of Domestic Homicide Reviews for the county to ensure learning is disseminated and adopted, coordination and oversight of all Serious Violence Duty (SVD) activity on behalf of Gloucestershire including the provision of SVD grants as well as administration and coordination of Victim and Witness Scrutiny Panel in support of the Victims' Code.
- 5.39 The OPCC has made savings of £0.5m to reduce the savings requirement in the Force while also covering the costs of pay-awards and inflation. This has been managed by further reductions in staffing in the team and reductions in grants awarded to the third sector to support victims and communities. The budget for 2026/27 is set out in the table below.
- 5.40 This table excludes a potential grant to cover the Serious Violence duty where there has been no communication as yet.

	2025/26	2026/27	Increase/ (Decrease)
	£m	£m	£m
Employees (inc. externally funded)	1.8	1.9	0.1
General costs including audit fees	0.3	0.3	-
Supporting victims - externally funded	1.7	1.5	(0.2)
Supporting victims and communities - core grant funded	1.4	0.7	(0.7)
Sub-total	5.2	4.5	(0.7)
Grant Income	(1.8)	(1.6)	0.2
OPPC - Total	3.4	2.9	(0.5)

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Income

- 5.41 The largest single growth area is within road safety, where additional resource has been recruited to improve safety on the roads of Gloucestershire. We have been able to budget for increased firearms licencing costs this year following the increase in chargeable fees in early 2025, while other contracts grow in line with expected inflation.
- 5.42 A more active approach to investment of our cash is resulting in an increase of 60% on that area.

Income Budget	£m
2025/26 Budget	17.5
Price inflation	0.2
Contract growth	0.3
Road Safety	1.2
Firearms licencing	0.2
Other grant income	0.5
Investment income	0.3
2026/27 Budget	20.2

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6. Medium Term Financial Plan (MTFP)

6.1 In addition to the revenue budget for 2026/27, the MTFP for the period to 2029/30 has been prepared and is set out below. This highlights that there will be an increasing budget gap over the period, requiring cumulative savings of £5.4m by 2029/30. This equates to £2.8m in 2027/28, a further £1.2m in 2028/29 and another £1.4m in 2029/30. This is in addition to the £15.4m of savings, referenced at para 5.13, which are already included in the MTFP.

	2025/26	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m	£m
Expenditure					
Police Officers	95.5	100.2	105.2	110.3	115.8
Police Staff	45.4	44.2	44.9	45.3	45.8
Non-Pay	41.8	49.7	45.1	45.0	46.1
OPCC	2.0	2.2	2.2	2.3	2.3
Supporting victims and communities	1.3	0.7	0.7	0.8	0.8
Capital Financing	3.5	7.0	9.2	10.2	11.0
Income					
Investment Income	(0.5)	(0.8)	(0.4)	(0.4)	(0.4)
Other Income	(9.5)	(11.4)	(11.7)	(12.0)	(12.3)
Specific Grants	(7.4)	(7.9)	(8.0)	(8.0)	(8.1)
Net Revenue Expenditure	172.3	183.9	187.2	193.5	201.0
Funding					
Government Grants	(83.6)	(86.1)	(88.7)	(90.1)	(91.5)
Precept	(79.6)	(84.6)	(89.1)	(93.7)	(98.4)
Other LA Grants/Income	(6.7)	(6.9)	(6.1)	(6.1)	(6.1)
Reserves Use	(2.2)	(6.3)	(0.5)	0.4	0.4
Total Funding	(172.3)	(183.9)	(184.4)	(189.5)	(195.6)
Further Savings Requirement	-	-	2.8	4.0	5.4

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Assumptions underpinning the MTFP

- 6.2 The MTFP above presents the most realistic assumptions. It continues to assume the increased police officer and police staff numbers provided by uplift (while allowing for the dynamic management of vacancies) that have been built in over previous years. Given the inherent uncertainty about future years' funding settlements, as well as pay awards and demand growth, we have made the following assumptions on funding and expenditure growth.

Police officer and staff pay award	3.00%
Council Tax base increase	1.15%
Precept increase	£15 (4.66%)
Inflation – general	1.70%
Grant increase	2.34%

- 6.3 There is a great deal of uncertainty over future funding and caps in precept levels. The impact of approving a £25 (7.76%) precept versus £15, with all other factors remaining the same (barring reduced reserve use) is provided below and still indicates a need for savings of £4.2m over the MTFP period.

If £25 Precept Approved	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
Net Revenue Expenditure	185.5	188.5	194.7	202.2
Total Funding	185.5	186.9	191.9	198.0
Savings Requirement	-	1.6	2.8	4.2

- 6.4 Even with a considerable increase in precept and the planned efficiencies, there remains a shortfall. Unless grants and precept levels are further increased to cover a significant part of these gaps over the remainder of the MTFP, additional savings will need to be identified which is likely to require fundamental consideration of the way policing in Gloucestershire is organised.
- 6.5 In February 2026, the Constabulary is implementing a replacement policing and records management system (NICHE) which will facilitate improved ways of working and officer and staff productivity gains. The cashable savings from staff efficiencies and the removal of legacy systems have been evaluated and will be monitored as they form part of the budget reductions for 2026/27 and beyond.
- 6.6 An Estates Strategy has been drafted and is under consideration at the time of writing. It is planned that this will enable some consolidation of the estate to drive cashable savings for the organisation.

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- 6.7 There is also continuing investment planned in ICT over the medium term, informed by a strategic review by the Interim DDAT Consultant. The investments are focused both on the effective day to day operation of all ICT infrastructure and on significant programmes of work that will enable the Constabulary to be more effective and efficient.

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7. Risks and opportunities

7.1. In order to close the funding gap for the MTFP, a number of decisions have been taken:

- The bulk of the savings are in train. However, some require more detailed work that will be completed before the start of the 2026/27 financial year. These include £0.9m of non-pay savings.
- A significant amount of savings relate to holding posts vacant which could have operational implications. Ensuring the savings are delivered requires tight controls on staff vacancies, the impact of these controls will be regularly reported through the Resource Management Panel and Staff Establishment Management Panel to minimise any impact on service delivery. The implementation of a new Operating Model will mean posts can be deleted, negating the need for holding vacancies for extended periods.

7.2. In the event that the identified savings are not achieved in full and that the no reductions are made to meet the unidentified savings need, the draw on reserves would be such that the Constabulary and OPCC would be in a s114 position in 2028/29.

7.3. The table below highlights the position if only 50% of identified savings are met and highlights the reserve position falling to zero in 2028/29:

		2026/27	2027/28	2028/29	2029/30
	Ref	£m	£m	£m	£m
Savings, efficiencies and cuts plan	5.13	9.8	2.1	2.0	1.5
Assume 50% not achieved		(4.9)	(1.1)	(1.0)	(0.8)
<i>Unmet savings</i>		4.9	1.0	1.0	0.7
Unidentified savings requirement	6.1		2.8	4.0	5.4
Additional draw on reserves		4.9	3.8	5.0	6.1
Opening Reserve Balance		18.6	7.8	3.5	(1.1)
Planned top-up to reserves	9.4	0.4	0.4	0.4	0.4
Planned draw on reserves	9.4	(6.3)	(0.9)		
Additional draw on reserves		(4.9)	(3.8)	(5.0)	(6.1)
Revised closing reserve balance		7.8	3.5	(1.1)	(6.8)

7.4. The savings detailed will require further staff reductions, although the details of where these will sit has not yet been identified.

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- 7.5. The costs for the uplift officers will increase for several years to come, as the new recruits move up the scales within the Constable rank. Currently, the level of funding provided for the uplift programme is not keeping pace with the incremental drift inherent in the progression of officers through pay scales.
- 7.6. The Home Office letter of 16 January 2026 made it clear that the target around overall officer numbers was being removed to be replaced with a target solely around the growth in Neighbourhood Policing numbers. This provides greater flexibility around deployment of officers and staff as a whole and the implications of this will be explored through the recently commissioned operating model review.
- 7.7. We have come out of a period of significant price volatility in a number of supply areas, but inflation remains above the government's GDP deflators, and this will likely create pressure beyond that assumed in the MTFP.
- 7.8. Several commissioning grants are not secure beyond 2026/27 so if there are any reductions then there is a risk to services currently commissioned or a need to find offsetting savings where there are contractual commitments.
- 7.9. Regional and national reductions for funding to services such as the National Crime Agency and Regional Organised Crime Unit are indicated at the national level. The impact of these reductions on local forces is unclear at this stage, both in terms of future funding and operational capability.

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8. Capital

- 8.1. The proposed Capital Programme and Strategy is discussed through a separate Capital Strategy paper, which holds the Treasury Management Strategy as an appendix, wherein the funding of the Strategy is outlined.

Spend Category	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m
Fleet	1.4	1.6	1.6	1.7	6.5
Estates	3.7	1.2	1.3	1.3	6.5
Equipment	1.2	-	-	-	1.2
ICT	5.7	4.0	3.8	4.5	18.0
ESN	-	4.0	2.0	1.0	7.0
TOTAL	12.0	10.8	8.8	8.5	40.2

- 8.2. The planned funding of the capital programme is set out below:

	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
Revenue Contribution	0.8	1.2	1.8	2.4
Borrowing	7.9	7.0	7.0	6.1
Sub-total	8.7	8.2	8.8	8.5
Designated Reserves	-	1.3	-	-
Capital Receipts Reserve	3.3	1.3	-	-
Sub-total (Reserves)	3.3	2.6	-	-
TOTAL CAPITAL FUNDING	12.0	10.8	8.8	8.5

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9. Reserves

- 9.1. The PCC's Reserves Strategy was refreshed alongside this budget and is attached as Appendix 1 to this report. The strategy includes the level and purposes of the reserves held which together provide for known investments, risks present in the planning environment and unforeseen events.
- 9.2. The MTFP assumes the use of capital receipts reserves to fund the ICT annual replacement project for 2026/27 and 2027/28. There are sufficient reserves to enable this, and it removes pressure from the revenue budget, albeit this MTFP does introduce a phased addition to revenue contribution to capital to protect future reserves and reduce the pressure on borrowing costs.
- 9.3. The planned use of revenue reserves of £6.3m for 2026/27 is extreme. While £5.0m of this is in order to achieve fundamental organisational change and £0.9m is utilisation of specific earmarked reserves for particular purposes, it places a significant draw on the reserves leaving the organisation with almost no flexibility to manage unexpected pressures in future years.
- 9.4. The organisation is forecast to come out of this MTFP period with revenue reserves amounting to only 5.7% of NRE, having entered it with 11.1% (which was already a low figure).

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	Designated Reserves	Specific Earmarked Reserves	General and Insurance Reserve	Capital Receipts and other	Total Usable reserves
	£m	£m	£m	£m	£m
Opening Balance	8.5	2.6	7.5	3.6	22.2
Top-up/ Receipts	-	-	0.4	1.9	2.3
Draw Down	(5.9)	(0.9)	-	(3.3)	(10.1)
Closing Balance (2026/27)	2.6	1.7	7.9	2.2	14.4
Top-up/ Receipts	-	-	0.4	3.3	3.7
Draw Down	(2.2)	-	-	(1.3)	(3.5)
Closing Balance (2027/28)	0.4	1.7	8.3	4.2	14.6
Top-up	-	-	0.4	-	0.4
Closing Balance (2028/29)	0.4	1.7	8.7	4.2	15.0
Top-up	-	-	0.4	-	0.4
Closing Balance (2029/30)	0.4	1.7	9.1	4.2	15.4

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10. Statement on the Robustness of the Budget by the PCC Chief Finance Officer

- 10.1 Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report of the Police and Crime Commissioner on the following matters:
- a) the robustness of the estimates made for the purpose of the calculations;
and
 - b) the adequacy of the proposed financial reserves.
- 10.2 The PCC is required to take this report into account when making the decision on the budget and the level of precept. Section 26 of the same Act places an onus on the CFO to ensure the PCC has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined when finalising the proposed budget.
- 10.3 This report has been prepared by the CFO to fulfil this duty and gives the required advice relating to the 2026/27 financial year including a consideration of the budget proposal as a whole and all the financial risks facing the PCC. It identifies the PCCs approach to budget risk management and assesses the particular risks associated with the 2026/27 budget to inform the advice on robustness.
- 10.4 Gloucestershire Constabulary and the OPCC continue to operate in a challenging environment. While demand and public expectations rise, funding – local and national – is constrained. Furthermore, the predictability of that funding is far from clear, making the preparation of a sustainable MTFP even more difficult. The indications are that national funding settlements are unlikely to become more generous in the near future. Added to concerns about the cost-of-living impact of tax levels, it is also unlikely that there will be greater freedoms for increasing Council Tax. Finally, it is not expected that there will be fiscal headroom for the government to be able to introduce a new funding formula that addresses the inequities of the current one whilst protecting any organisations that might lose funding.

Robustness of estimates

- 10.5 It is anticipated that the Force will overspend the 2025/26 budget by £0.6m which will need to be funded from reserves. As a proportion of spend this is 0.4% of the budget. In previous years, the Force has underspent its budget and has a track record of delivering savings which gives confidence over budget processes.
- 10.6 The areas of the budget in 2025/26 that have overspent, staff and officer overtime and staff salaries where over optimistic assumptions were made on potential reductions and vacancy rates. These have been re-based to a more realistic level in 2026/27 and match expenditure in the last few months of the financial year.
- 10.7 The bulk of savings relate to staffing, £8.4m in 2026/27 (equating to 90% of total savings), with £10.3m over the MTFP period (or 69% of total savings). There is a risk of double counting savings from various staffing savings initiatives. While awaiting the review of the Operating Model before staffing decisions are made is sensible this does mean some changes will only have a part-year effect. The Force will need to ensure that it keeps strong control over salary budgets and vacancy management from the start of the year, including monthly reporting to the OPCC to ensure the total staffing savings are achieved.
- 10.8 There is a risk in relation to reducing third party spend by £0.8m in the year. A high proportion of third party spend relates to contractual commitments and although reductions are feasible, a delivery plan will need to be produced in advance of 31st March 2026. If it transpires that this saving is at risk of not being fully delivered alternatives will need to be identified to avoid an overspend, given the low level of reserves available.
- 10.9 The estimated savings 2027/28 – 2029/30 will need significantly more work to evidence whether they are achievable, even if they are there is still a significant funding gap that will need to be bridged.

Adequacy of reserves

- 10.10 The budget for 2026/27 envisages the use of £6.3m of revenue reserves. £5.9m of this is to fund for organisational change and £0.8m from specific earmarked funds to fund particular items of expenditure, along with a top up to insurance and general reserves of £0.4m. The £2m set aside for time off in lieu is an estimate. This is shown in the table below.

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	£m	£m
Organisational change	3.0	5.9
Time off in Lieu funding	2.0	
ICT and change resource	0.9	
Specific earmarked funds use	0.8	0.8
Top Up	(0.4)	(0.4)
Total		6.3

10.11 A net £1.5m of capital receipts reserve is being used to fund short life assets in IT that would normally be funded through the revenue budget. This is not ideal, but it has not been realistic to identify additional savings to cover the cost pressures identified without having a detrimental impact on service delivery.

10.12 The level of revenue reserves is set out in the Reserves Strategy in Appendix 1 of this report. The projected reserves position is set out in the table below:

As at	Revenue				Capital	Total Reserves
	Earmarked	Insurance	General	Sub-Total	Receipts	
	£m	£m	£m	£m	£m	
31-Mar-2025	13.9	1.1	6.0	21.0	5.4	26.4
31-Mar-2026	11.1	1.2	6.3	18.6	3.6	22.2
31-Mar-2027	4.3	1.2	6.7	12.2	2.2	14.4
31-Mar-2028	2.1	1.3	6.9	10.4	4.2	14.6
31-Mar-2029	2.1	1.4	7.3	10.8	4.2	15.0
31-Mar-2030	2.1	1.4	7.7	11.2	4.2	15.4

10.13 The General Reserve is maintained at between 3.6%-3.8% of net revenue expenditure (NRE) over the MTFP, although Earmarked Reserves fall from 6% at 31.03.26, the beginning of the period to 1% by 31.03.30. This presents a risk for the organisation, especially where such a large level of savings are required.

10.14 In conclusion, having reviewed the underpinning assumptions of the budget, they have been prepared on a robust basis, although there remains delivery risk. The level of reserves is no longer adequate and ideally should be at a higher level, this would be a particular issue if savings are not achieved. The impact on reserves of just achieving 50% of planned savings is set out in paragraph 7.3 above, showing that reserves would be fully used in 2028/29, prompting a s114 notice. Additional savings are unlikely to be achievable to increase reserves given the scale of reductions the Constabulary is now facing,

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and hence additional funding will be sought to ensure the ongoing stability and feasibility of the organisation.

- 10.15 Given the level of savings and low levels of reserves early monitoring of savings will be required to ensure that the budget is delivered. The OPCC is not at risk of having a s114 notice issued in 2026/27 as has occurred in a number of Local Authorities. The Constabulary will however need to ensure that robust savings are delivered over the course of the MTFP to bridge the emerging budget gap. This is because reserve levels are not adequate to subsidise the budget in future years as has been required in 2024/25, 2025/26 and is planned for in 2026/27.

Peter Robinson
PCC Chief Finance Officer

We are committed to being an anti-discriminatory organisation. This means not only acting in a non-discriminatory way, but addressing systemic inequalities, disadvantage and discrimination.

19.01.2026

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Appendix 1 – Reserves Strategy

Police and Crime Commissioner for Gloucestershire Reserves Strategy to March 2030

1. Purpose

- 1.1. This document sets out the reserves strategy for the Police and Crime Commissioner for Gloucestershire for the period to 31 March 2030. This includes details of the reserves currently held, the purpose of the reserves and the projected balances by 31 March 2030.
- 1.2. This report is based on the reserves included in the PCC's Accounts for the year ended 31 March 2025, and the estimated level of reserves as at 31 March 2026.

2. Reasons for Holding Reserves

- 2.1. Reserves are maintained by the PCC based upon the principle that a General Reserve is held to cover operational uncertainties, including as a contingency for major incidents. Up to 1% of net budget requirement must be spent on three incidents before central government are obliged to step in with additional support and so the target for the general reserve is to be at least equal to 3% of net budget requirement. This limit is likely to be breached as a result of the funding shortfall expected as a result of the provisional funding settlement announced on 18 December 2025.
- 2.2. Reserves are also used to fund investment in the organisation for:
 - Known or predicted non-recurring requirements in the future, and to fund expenditure which is required over more than one financial year;
 - Cash-flow management;
 - Capital investment; and
 - Invest to save projects, which will reduce annual revenue costs in the medium-to long-term and support the delivery of a more affordable operating model.

3. Schedule of Reserves

- 3.1. The table in **para 3.2** details the level of reserves held and the forecast levels of reserves over future financial years to 31st March 2030.

3.2. Schedule of reserves to 31 March 2030:

	31/03/25 £m	31/03/26 £m	31/03/27 £m	31/03/28 £m	31/03/29 £m	31/03/30 £m
Held in accordance with principles of good financial management						
General	6.0	6.3	6.7	7.0	7.3	7.7
Insurance	1.1	1.2	1.3	1.3	1.4	1.4
ESN	1.2	1.2	1.2	-	-	-
Pay & Pensions	3.4	2.7	-	-	-	-
Vehicle	0.1	0.1	0.1	-	-	-
Sub-total	11.9	11.6	9.2	8.3	8.7	9.2
Planned expenditure on projects and programmes over the MTFP						
ICT	1.0	0.8	0.4	-	-	-
Change	5.2	3.7	0.9	0.4	0.4	0.4
Specific Earmarked Funds	2.9	2.6	1.6	1.6	1.6	1.6
Total planned	9.1	7.0	3.0	2.0	2.0	2.0
Total Projected Reserves	21.0	18.6	12.2	10.4	10.8	11.2
Capital Reserves	5.4	3.6	2.2	4.2	4.2	4.2
Total Reserves	26.4	22.2	14.4	14.6	15.0	15.4

Schedule of Reserves as a % of Net Revenue Expenditure to 31 March 2030:

	31/03/25 £m	31/03/26 £m	31/03/27 £m	31/03/28 £m	31/03/29 £m	31/03/30 £m
Net Revenue Expenditure	162.8	172.3	183.9	187.2	193.5	201.0
% TOTAL	12.9%	10.8%	6.6%	5.5%	5.6%	5.6%
% Earmarked Reserves only	9.2%	7.1%	3.0%	1.8%	1.8%	1.7%
% General Fund only	3.7%	3.7%	3.6%	3.7%	3.8%	3.8%

4. Reserves Strategy

- 4.1. The PCC has a strategy to maintain a minimum level of General Reserve of at least 3% of net revenue expenditure. This is considered prudent to cover the risks the organisation faces and to provide a contingency for unexpected events and emergencies.
- 4.2. Reserves should be used to fund non-recurring expenditure and to enable investment in longer-term projects which enhance the economy, efficiency and effectiveness of the organisation.
- 4.3. Some reserves have been set aside to support the Commissioning Fund, to ensure that funding is provided to meet commitments entered into for more than one year.
- 4.4. Capital receipts from the sale of land and buildings are used in accordance with CIPFA guidance and the [guidance](#) on use of capital receipts to fund one-off costs of transformation - capital receipts flexibility.
- 4.5. Reserves are set aside to fund expenditure on national projects, where there is a shortfall in the funding provided nationally, and forces are expected to contribute to the costs.

5. Description of Reserves

The following sections provide an explanation of each reserve:

- 5.1. **General Reserve**

The PCC maintains a reserve as a contingency against unexpected events or emergencies and to fund major incidents, which may require significant resource levels for a long period of time. In order to ensure longer-term resilience, the PCC has determined to uplift the general reserve by 5% p.a. throughout the course of the MTFP.
- 5.2. **Insurance Reserve**

This reserve was set up to meet the cost of any exceptionally large claims paid in one year, should the excesses on the insurance policies be increased significantly. This reserve is subject to an annual review of the Organisation's insurance arrangements, and the level of deductibles on the insurance policies. This reserve is increased by 5% p.a. across the MTFP period, in line with the policy on the general reserve.
- 5.3. **National Projects Reserve**

This reserve was set up to fund nationally mandated policing priorities and projects where Gloucestershire may be required to contribute funding or may need to fund additional costs arising from the project. This reserve is currently intended to contribute towards the costs of the Emergency Services Network (ESN), which replaces the Airwave radio system. The introduction of ESN has been significantly delayed, although progress is expected in the latter half of 2026/27.

5.4. **Pay and Pensions Reserve**

This reserve has been set up to cover the cost of making payments under the Pension Remedy arising out of the McCloud judgement and to cover potential staffing costs associated with a move to the new duty management system. It is expected to be fully utilised in 2026/27, with any remainder transferred to the Change Reserve.

5.5. **Vehicle Reserve**

This reserve provided for a smoother profile of expenditure across years; it will be fully utilised by 2027/28. The full cost of fleet replacement has been itemised and built into the Capital Programme, hence this reserve will no longer be required after that point.

5.6. **ICT Reserve**

This reserve was set up to fund the ICT Strategy. The reserve will be used to support investment into resourcing to improve the capacity of the ICT department to enhance and improve services to the Constabulary.

5.7. **Change Reserve**

This reserve was created in 2020/21 to recognise increasing price pressures and pay awards that were projected to be much higher than budgeted levels. This reserve is being utilised to support the organisation across the MTFP period, particularly in relation to strategic reorganisation.

5.8. **Specific Earmarked Reserves**

A number of specific funds are held, when the expected spend for the project is likely to be over a number of years. These have been monitored closely during 2025/26 and authorised for re-purpose where possible. These funds will be subject to continued annual review and include:

- PCC Priorities: The uncommitted element of the funding remaining from the PCC's manifesto initiatives has been ring-fenced to meet further priorities.
- PCC's Commissioning Fund: This reserve is used to fund projects funded or commissioned by the PCC. Most of these funds are committed to long term projects.
- Set aside relating to match costs incurred on Neighbourhood Policing Grant in 2025/26.

6. Balance of Reserves at 31 March 2030

- 6.1. The projected balance on revenue reserves at 31 March 2030 is £11.2m and represents funds set aside as a general contingency and for resources to meet other expenditure needs held in accordance with sound principles of good financial management.

7. Comments by the Chief Finance Officer for the PCC in respect of Reserves

7.1. Under the Local Government Act 2003, the PCC has a responsibility to ensure that Reserves are adequate and in doing so should take advice from his Chief Finance Officer (CFO).

7.2. The CFO should take account of the strategic, operational and financial risks facing the PCC, including external and internal risks. CIPFA guidance on reserves recommends that the following factors are taken into account in assessing the level of reserves:

- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings and productivity gains.
- The financial risks inherent in significant new funding partnerships, major outsourcing arrangements or major capital developments.
- The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions
- The general financial climate.

7.3. The CFO's advice is that:

- The current level of reserves are barely adequate.
- General reserves should be maintained, over the medium term, at 3% of the revenue budget for the year.
- The overall level of reserves should be reviewed annually, adjusted in accordance with known risks facing the PCC and the Chief Constable and ideally increased by delivering cost reductions in excess of those planned in the revenue budget.
- The financial standing of the PCC is sound but has significant risks in maintaining this position over the MTFP period.

Peter Robinson, CFO to the PCC, February 2026.

Appendix 2 – Council Tax Base and Precept Values per Authority

	£	£
Budget requirement		183,861,723
<i>Less:</i>		
Home Office Police Grant		(77,487,574)
Neighbourhood Policing Grant		(2,793,080)
Legacy Council Tax grants		(6,082,168)
Pensions Grant		(3,531,835)
National Insurance Contributions Grant		(2,281,775)
Collection Fund Surplus		(815,267)
Reserves Use		(6,312,600)
Total Projected Precept 2026/27		84,557,425
Precept on each District Council		
District	Tax Base	Precept
		£
Cheltenham	45,009	15,171,533
Gloucester	40,328	13,593,695
Stroud	48,250	16,264,090
Tewkesbury	39,907	13,451,868
Cotswold	45,261	15,256,743
Forest of Dean	32,098	10,819,496
Total	250,853	84,557,425
Police related element of the Council Tax		
Ratio to Band D	Council Tax Band	Precept
		£
6/9	A	224.72
7/9	B	262.17
8/9	C	299.63
1.00	D	337.08
11/9	E	411.99
13/9	F	486.89
15/9	G	561.80
18/9	H	674.16

Authority	2025/26			2026/27		Estimated Surplus/ (Deficit) on Collection Fund
	Tax Base	PCC Precept	Increase in tax base	Tax Base	PCC Precept	
Cheltenham	44,450	14,316,520	1.26%	45,009	15,171,533	123,781
Gloucester	39,831	12,828,801	1.25%	40,328	13,593,695	215,087
Stroud	47,762	15,383,179	1.02%	48,250	16,264,090	108,970
Tewkesbury	38,785	12,491,831	2.89%	39,907	13,451,868	(16,400)
Cotswold	44,456	14,318,440	1.81%	45,261	15,256,743	201,149
Forest of Dean	31,791	10,239,142	0.97%	32,098	10,819,496	182,680
	247,075	79,577,913	1.53%	250,853	84,557,425	815,267

Appendix 3 – 2026/27 Budget if £25 precept approved

	2025/26	2026/27	
	£m	£m	
	Budget	£15 Precept	£25 Precept
<u>Expenditure</u>			
Police Officers	95.5	100.2	100.2
Police Staff	45.4	44.2	45.8
Non-Pay	41.8	49.7	49.7
OPCC	2.1	2.2	2.2
Supporting victims and communities	1.4	0.7	0.7
Capital Financing	3.5	7.0	7.0
<u>Income</u>			
Investment Income	(0.5)	(0.8)	(0.8)
Other Income	(9.5)	(11.4)	(11.4)
Specific Grants	(7.4)	(7.9)	(7.9)
Net Revenue Expenditure	172.3	183.9	185.5
<u>Funding</u>			
Government Grants	(83.6)	(86.1)	(86.1)
Precept	(79.6)	(84.6)	(87.1)
Other LA Grants/Income	(6.7)	(6.9)	(6.9)
Reserves Use	(2.3)	(6.3)	(5.4)
Total Funding	(172.3)	(183.9)	(185.5)
Savings Requirement	-	-	-

THIS SECTION IS REQUIRED FOR ALL PAPERS

Public Access to Information

Information continued within Constabulary papers is subject to the Freedom of Information Act 2000. Reports which are submitted for consideration at PCC Governance Board are likely to be made public. If the paper contains sensitive information, then please detail below.

Is this a decision of significant public interest?

N/a

This includes a decision with any impact on the community, expenditure in excess of £50,000, or any decision that would be of obvious interest to the media or the general public.

Does this report contain sensitive information?

Does this report contain any information which falls into these categories?

- a) would, in the view of the chief officer of the police, be against the interests of national security.
- b) might, in the view of the chief officer of police, jeopardise the safety of any person.
- c) might, in the view of the chief officer of police, prejudice the prevention or detection of crime, the apprehension or prosecution of offenders, or the administration of justice; or
- d) is prohibited by any enactment.
- e) breaches commercial sensitivity

Record which section(s) applies and explain why.

N

ORIGINATOR CHECKLIST (MUST BE COMPLETED)

**Comments
These sections must not be left blank**

Has legal advice been sought on this submission if required?

N/a

Has the Chief Finance Officer been consulted, if required?

Yes

Have equality, diversity and human rights implications been considered, as appropriate?

N/a

How are the recommendations consistent with the Police and Crime Commissioner's objectives?

Enable the achievement of those through presentation of a balanced budget.

Has consultation been undertaken with people or agencies likely to be affected by the recommendation?

N/a

Has communications advice been sought on areas of likely media, community, staff or partner interest and how they might be managed?

No

Have all relevant implications and risks been considered?

Yes

Has this paper/proposal been submitted through any other Constabulary boards? If so, please detail along with the date and result.

No

Version history – summary of previous versions and amendments

Version, date and change history:	Version	Date	Summary of change history
	0.1	18/12/25	<i>Original draft from Matt Ulyatt</i>
	0.2	23/12/25	<i>Updates from Peter Robinson</i>
	0.3	23/12/25	<i>Updates from Matt Ulyatt</i>
	0.4	24/12/25	<i>Review from Peter Robinson</i>
	1.0	24/12/25	<i>Addition of further tables and data around officer numbers</i>
	2.0	13/01/26	<i>Updated post PCC GB to include £25 precept assumption and additional CT surplus Updates from Ruth Greenwood and Matt Ulyatt</i>
	2.1	18/01/26	<i>Updated post 16 January letter from Home Office around officer numbers and NPG. Updated for PR comments.</i>
	3.0	20/01/26	<i>Update following CGB and PCC review comments.</i>
	3.1	21/01/26	<i>Update following PCC GB</i>

Executive Board member approval:	
Name:	Matt Ulyatt
Date:	21/01/2026

Security marking:
Official