



**OPCC**

Office of the Police &  
Crime Commissioner  
for Gloucestershire

**Appendix 1**  
**OPCC Budget Paper**  
**Medium Term Financial Plan (2024/25 to 2027/28)**  
**Including the Budget for 2024/25**

**1. Purpose of report**

- 1.1. To present the Police and Crime Commissioner's (PCC's) Revenue and Capital Budgets for 2024/25.
- 1.2. To present the Medium Term Financial Plan (MTFP) for the four year period to 2027/28.
- 1.3. To identify the key risks and assumptions within the planning period.
- 1.4. To confirm the Chief Finance Officer's recommendation of the budget to the Panel.
- 1.5. To confirm the Chief Constable's recommendations in relation to the budget, capital programme and MTFP.

**2. Key highlights**

- 2.1. For 2024/25 the PCC intends to use the maximum precept flexibility allowed by the Government; an increase of £13 per Band D household. He has also indicated his intention to use the maximum flexibility across the Spending Review period, which has been assumed as a £10 increase per Band D household.
- 2.2. In July 2019 the Prime Minister promised 20,000 extra police officers, recruited over the subsequent three years. In addition to the original allocation to Gloucestershire of 153 officers, bids were invited from forces to recruit extra officers; these bids were in 3 batches and are still ongoing. The batches are:
  - Batch 1: 21 police officers in 2023/24 (ongoing funding allocated in core grant as part of the Settlement)
  - Batch 2: 6 police officers (funding allocated for 2023/24 only at this time with a bid made for funding for 2024/25. It is not anticipated that this tranche will continue beyond 2024/25)
  - Batch 3: 9 police officers for 2024/25 (bidding process commenced, no funding confirmed at time of writing).

- 2.3. This makes a total uplift of 180 recruits as at 31<sup>st</sup> March 2024, with the additional 9 from batch to be delivered in 2024/25 (subject to funding).

Year	Constabulary	ROCU
2020/21	46	-
2021/22	44	2
2022/23	58	3
2023/24	27	-
	<b>175</b>	<b>5</b>

- 2.4. In order to balance the MTFP it will be necessary to identify savings and efficiencies. The proposed actions to address this in the imminent future are set out in this report.

### 3. Police and Crime Prevention Plan

- 3.1. The Police and Crime Prevention Plan is the PCC’s strategic plan, which reflects the priorities of our communities. The outcomes of the Plan aim to ensure that Gloucestershire remains a safe place to live, work and visit. The golden threads running through the plan remain as:

- Public Health Approach
- Trauma informed
- Restorative Practices
- Child Friendly
- Neighbourhood Policing

- 3.2. The six priorities in the Plan are:

- Creating Safer Communities
- Tackling violence against women and girls
- Strengthening your Constabulary
- Targeting the causes of crime
- Supporting Victims and reducing reoffending
- Empowering local communities.

- 3.3. The Budget for 2024/25 responds to the Chief Constable’s request for resources to deliver the Police and Crime Plan and seeks to ensure that the valuable work of the OPCC in commissioning services to support victims, witnesses and other vulnerable groups can continue.

- 3.4. It is, however, recognised that there are not sufficient resources to deliver all of the desired developments for 2024/25 and beyond. Work will continue to review the current resource allocation to identify ways in which it might be adjusted to enable some of those developments to be delivered.

### 4. HMICFRS Assessment: VFM

- 4.1. In their most recent published assessment in 2021, following a change of direction in their assessment in some key areas, HMICFRS rated Gloucestershire Constabulary as inadequate for efficiency, and VFM.

4.2. This assessment was based on two findings the first one being that:

- *“Budgets and plans were not balanced over the medium term”*
- *“There was not a strong enough link between the budget, the medium term planning and demand analysis.”*

4.3. The follow up review during 2023/24 acknowledged that both of these areas for improvement had been addressed and were **no longer causes for concern**. The Constabulary recognises that although there have been significant improvements in this area, a continued focus on delivering efficiencies and savings is required to meet the fiscal challenge across the medium term.

4.4. During 2023/24 the Constabulary introduced a Value for Money (VFM) Board, chaired by the Director of People and Business Services. The Constabulary VFM Board will:

- provide leadership and advice to enable a strong focus on efficiency and productivity across the Constabulary
- champion a VFM approach across the Constabulary and be a focal point for the collation and reporting of financial and non-financial benefits of service improvements
- review and advise on the national VFM profiling data and task actions as required
- receive and assess commercial opportunities and income generation proposals
- be the recipient for the Constabulary’s response to national (NPCC) programmes of work to identify VFM and approve all submissions on efficiency and productivity required nationally
- foster an approach of innovation and creativity across the Constabulary to deliver benefits through continual improvement.

The board will use all available benchmarking data including HMICFRS VFM profiles and CIPFA police finance resilience index to assess opportunities to reduce cost and instil VFM.

## 5. **Current Year (2023/24) overview**

5.1 The revenue forecast at the end of the third quarter is reporting a net overspend of £700k after use of reserves and other mitigation. The main cause of the overspend is the cost pressures of police officer overtime to meet operational demand. This is being closely monitored as the gaps in the Constabulary operating model are being populated and controls on approval processes are improved.

## 6. **Revenue funding 2024/25**

6.1. The available funding for 2024/25 is **£158,354,648** (including ringfenced grant of £4.488M), an increase of £12.6M if the precept increase of £13 is supported, the increases being as follows:

	2023/24 £m	2024/25 £m
Core Grant	65.453	69.400
Pension Grant	1.198	3.800
Legacy Council Tax Grants	6.082	6.082
Local Council Tax Support Grants	-	-
Precept	70.530	74.484
Collection Fund	0.424	0.100
Available Funding	143.688	153.867
Ringfenced grant	2.100	4.488
Total Available	145.788	158.355
Increase from prior year	5.803	12.567
% of funding from Council Tax	48%	47%

6.2. These increases would mean that the funding split between central and local funding is:

- Government Grant 53%
- Local Council Tax 47%

6.3. The central government funding for Gloucestershire for 2024/25 is £83.8M, made up as follows:

	2023/24 £m	2024/25 £m	Increase %
Police Core Settlement	41.961	45.419	8.2%
DCLG Formula Funding	23.491	23.981	2.1%
Ringfenced Uplift Grant Funding	2.100	4.488*	113.7%
<b>Core Funding</b>	<b>67.553</b>	<b>73.888</b>	<b>9%</b>
Pension Grant Allocation	1.198	3.800	217.1%
Legacy Council Tax Grants	6.082	6.082	0.0%
<b>Total</b>	<b>74.833</b>	<b>83.770</b>	<b>12%</b>

\*includes £288k for batch 3 officer allocation funding bid.

6.4. The Core Grant for Gloucestershire for 2024/25 is £73.9M, an increase of £6.3M, which is made up as follows:

	£m
<b>Increase in Government Grant</b>	
Core Grant	3.947
Ringfenced Uplift Grant	2.388
	<u>6.335</u>

6.5. The council tax base has increased by only 1.16% for 2024/25, which is slightly lower than that expected when the MTFP was last created in February 2023.

- 6.6. The forecast Collection Fund Surplus for 2023/24, to be passed on to the OPCC in 2024/25 is £0.100M. Any additional surpluses will be reviewed in line with in year cost pressures.
- 6.7. A precept increase of £13 (4.4%) equates to £0.25 per week and would increase the Council Tax on a Band D property across the County to £308.08. and this is detailed in Annex E. The increase in the amount generated from council tax funding will be:

	£m
<b>Increase in Council Tax</b>	
Increase in Council Tax (£13)	3.107
Increase in Tax Base	0.847
Increase in Collection Fund	-0.324
	3.630

- 6.8. The Capital Grant for 2024/25 is £nil – a fourth year of no award and there is no indication that this will change for coming years despite the need for significant investment in infrastructure such as that for electric vehicle charging.
- 6.9. Part of the funding for the increase in officer numbers is ring fenced so that the Government can ensure that progress in recruitment is maintained and to track the use of this investment efficiently. For the current year (2023/24) the ring fenced funding was £150M nationally and Gloucestershire received £2.1M. For 2024/25 £4.5M (including £0.3M to fund the additional 6 police officers in tranche 2 bid as referred to in para 2.2) of the additional funding has been ring fenced and Gloucestershire will receive that money only if it keeps to the Uplift target numbers by 31 March 2025. While the grant per officer for the uplift is £48,000, the financial penalty for not maintaining officer numbers is £80,000 per officer.
- 6.10. The SR21 set the expectation that precept flexibility would be limited to a further £10 p.a. increase although in the December 2023 Provisional Settlement this was extended to £13 for 2024/25 only. The MTFP has assumed that the maximum £10 p.a. increase will continue throughout the Medium Term period. However the Formula Funding review, which is now needed to reset the formula nationally, is still overdue and we believe that in an increasingly digital age, rural communities and rural Forces are still underfunded as a result.

## 7. Net budget requirement

- 7.1. The budget requirement for 2024/25 is **£158,354,648**. This is an 8.6% increase on the previous year's budget. The increases are as follows:

	2023/24 £m	2024/25 £m
<b>Base Budget</b>	139.985	145.788
Pay Inflation & Increments	4.619	8.157
Pension contributions	-	2.130
Price Inflation	1.389	2.245
FTE growth	1.090	2.098
Capital Charges	0.716	1.226
<b>Continuation Budget</b>	147.798	161.644
Uplift Costs	-	1.134
Enhancement Costs (decrease)	2.464	-1.896
Other Additional Costs	1.037	1.240
OPPC budget	0.369	0.342
Commissioners Fund (increase)	-	0.170
Investment income (increase)	-0.005	-0.425
Grant (increase)	-0.387	-0.307
Other income (increase)	-0.953	-0.556
<b>Savings Requirement</b>	-1.125	-2.457
<b>Contribution from Reserves</b>	-3.410	-0.534
<b>Budget Requirement</b>	145.788	158.355
<b>Budget Increase %</b>	4.1%	8.6%

7.2. A detailed analysis is shown in **Annex A**.

## 8. Medium Term Financial Plan (MTFP)

8.1. In order to develop the MTFP it is necessary to make a number of assumptions regarding funding and costs for 2025/26, 2026/27 and 2027/28. The assumptions below are very likely to change and will be kept under review.

8.2. The assumptions for the MTFP are summarised in Annex B and are:

- There will be a pay rise for officers and staff in September 2024 of 2.5% and this will be repeated across the planning period. Any increase above this will be funded by the Government as happened in 2023.
- Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR).
- Grant funding will increase by the Constabulary's national share of funding of the amounts announced for the spending review period – we have allowed for a 2% increase.
- There will be no formula funding review during the planning period.
- It is assumed that the tax base will increase by 1.0% per year for the next three years. For 2024/25 the tax base has increased by 1.16%.

- The MTFP assumes that there is a small Collection Fund surplus in line with 2023/24 collection performance.
- The PCC will put the council tax up each year by the maximum flexibility, assumed to be £10.
- No further investment in officers beyond the bid for 15 (6 continuing beyond 31 March 2024 and 9 additional) made for 2024/25 and no further investment in police staff. Therefore any further investment during that period would need to come from additional efficiency savings. The guidance for ASB Hotspot funding is expected shortly, but plans are being formulated locally include an increase of up to 7 in the PCSO establishment.
- No additional service delivery pressures arise which require a response without Government funding.
- Government grants for commissioning services continue at a similar level to that in place in 2023/24.
- Based on the above assumptions, the budget requirement and funding available for the MTFP period would be as follows:

	2025/26 £m	2026/27 £m	2027/28 £m
Core Grant	70.788	72.204	73.648
Uplift Grant	4.284	4.370	4.457
Pension Grant	3.800	3.800	3.800
Legacy Council Tax Grants	6.082	6.082	6.082
Local Council Tax Support Grants	-	-	-
Precept	77.671	80.914	84.214
Collection Fund	0.100	0.100	0.100
<b>Available Funding</b>	<b>162.725</b>	<b>167.470</b>	<b>172.301</b>
Increase from prior year	4.371	4.744	4.832
% of funding from Council Tax	48%	48%	49%

8.3. A more detailed analysis of the MTFP is provided in **Annex D**.

## 9. Savings and efficiencies

- 9.1. The increased national funding for additional police officers, funding of the full year effect of the 2023 pay award for officers, and the funding of the police pensions increase is welcomed. However, there is still considerable pressure on the Constabulary to deliver substantial savings to meet increasing cost and service delivery pressures.
- 9.2. Shortfalls in funding for police staff pay awards and non-pay inflation total approximately £3.5M and the limitation of Council Tax precept increase at £13 resulted in £0.5M less funding than was anticipated in the MTFP last February. In addition, £3.4M of additional expenditure was approved during 2023/24, to address service needs leading to the exit from HMICFRS Engage status.

- 9.3. The Constabulary is fully committed to continuous improvement, ensuring VFM and driving out efficiencies whilst maintaining and improving its services to the public. In 2024/25 there will be increased scrutiny and governance to ensure savings are identified, monitored and delivered. Some of these mechanisms are set out in the paragraphs below.
- 9.4. The Director of People and Business Services will Chair the Resource and Management Panel, which will ensure that a risk informed vacancy management approach is embedded across all police staff roles and it is anticipated that this, coupled with a recognition of an inherent vacancy factor, will deliver £7.2M of savings.
- 9.5. The Constabulary is benefitting from collaboratively negotiated reduced rates for its utility costs, which not only protects from future price fluctuations but delivers a reduction of £0.3M against current consumption. This, coupled with a continuing review of all non-pay costs and maximising collaborative procurement opportunities, will allow the Constabulary to deliver a balanced budget for 2024/25.
- 9.6. To continue the focus on cost reduction and efficiency, a Gold Group, chaired by the Director of People and Business Services, has been already been established and tasked to:
- review and reduce all discretionary, non-pay spending areas
  - monitor all financial pressures requiring “growth” to deliver national mandates or new legislation
  - explore opportunities for income generation and sponsorship
  - ensure that a sustainable savings plan is developed and monitored for 2024/25 and across the medium term.
  - for 2025/26 and beyond, establish and embed a methodology which incorporates the principles of zero based budgeting but combines a detailed service review to allocate budgets on a priority basis. This should present a risk informed service level choice.
- 9.7. Alongside this work, the Director of People and Business Services will ensure that all new investment requests require a fully costed concept paper, and full business case if approved at concept level, and be governed through the Constabulary Change Board.
- 9.8. As part of the 2024/25 funding settlement the Home Office are providing a total of £11M to UK policing to fund the ongoing work to improve productivity in policing, which includes increasing the investment in innovative technology as the Policing Productivity Review 2023 recommends. This year has seen an accelerated delivery in automated redaction; investment in giving the public a choice in how they contact the police with increased digital contact; and investment in using facial recognition to increase the chances of bringing offenders to justice more efficiently. Gloucestershire Police will endeavour to ensure it receives maximum benefit from these national projects.
- 9.9. During 2024/25 the Constabulary will be introducing a replacement operating policing and records management system (NICHE) which will facilitate significant



process efficiencies and officer and staff productivity gains. The cashable savings from staff efficiencies and the removal of legacy systems are being evaluated and monitored and will form part of the savings plans for 2025/26 and beyond.

9.10. The Savings targets in each of the coming years in the Medium Term Financial Plan are:

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
<b>Identified</b>				
Efficient ways of working	2.057	-	-	-
Non Pay – cost constraint	0.400	-	-	-
<b>Unidentified</b>				
Gold Group savings proposals	-	5.242	0.379	1.168
<b>In year</b>	<b>2.457</b>	<b>5.242</b>	<b>0.379</b>	<b>1.168</b>
% of net budget requirement	<b>1.55%</b>	<b>3.22%</b>	<b>0.23%</b>	<b>0.68%</b>
Cumulative	<b>2.457</b>	<b>7.699</b>	<b>8.078</b>	<b>9.247</b>

9.11. Gloucestershire is part of a regional collaboration on procurement, called the South West Police Procurement Service (SWPPS). Membership of this group brings a pooling of expertise around procurement and also a sizeable market share to the market when negotiating contract renewals. In recent years the following procurement savings for Gloucestershire have been reported to the Home Office (these are savings over the period of the contract and include one off savings) and the size of the savings gives comfort to the future plans to continue to deliver ongoing cashable savings from the budget:

- 2019/20 £982k
- 2020/21 £757k
- 2021/22 £670k
- 2022/23 £285k
- 2023/24 £131k to Q2

9.12. This shows that the Force has a good history of making procurement savings and provides a degree of confidence on the level of savings delivery anticipated in the coming budget years.

9.13. Blue Light Commercial Services is an arm's length organisation which is funded from the top slicing of policing budgets nationally. They act on behalf of all forces and provide commercial and legal support as well as leading on national collaboration and procurement contracts. In 2023/24 they reported savings to the value of £16.9M up to Q3 with an annual target of £24M. We will work with this national partner to ensure that the benefits of these cost reductions are delivered wherever possible within our non-pay spend.

## 10. Risks and opportunities

- 10.1. The forward grant assumptions do not take account of any changes in funding due to the implementation of a new distribution formula. This may increase or decrease funding.
- 10.2. The financial settlement for 2024/25 provides little certainty on any future years' funding, either grant or precept flexibility, which builds inherent risk into medium term planning assumptions.
- 10.3. The pay award for officers and staff estimated in the MTFP is 2.5% for officers and staff in the September of each of the forthcoming financial years. This is below the level of inflation and the pay awards of 7% for staff and officers in September 2023. While inflation is currently lower than it was last year, and is falling, without Government support any increase above 2.5% will require offsetting savings in the budget. This is the most significant risk in the medium term as a 1% increase on officer and staff pay combines to a value of £1.2M.
- 10.4. The costs for the uplift officers will increase for a period of ten years, as the new recruits move up the scales within the Constable rank. There is a risk that the Home Office will not be able to provide additional funding to sustain the 20,000 national uplift over time, but given its strong commitment to this major policy initiative, this risk is considered to be relatively low, but may be affected should the suggested General Election take place later in 2024.
- 10.5. The Police Uplift Grant has been given on the basis that numbers can be maintained at 31 March 2025 at the uplift target for 31 March 2024, and there are concerns that the Home Office could recoup money if Forces fall back below previous officer numbers. The penalty levied is proposed to be £80k per officer. This is a risk, as recruitment and retention are difficult in a hard employment market. That said, we have clear recruitment plans to deliver against the uplift targets and these are regularly reviewed for compliance against target.
- 10.6. The current cost pressures of police officer and overtime remains a risk to the budget but will continue to be closely monitored and report to senior stakeholders.
- 10.7. Tight controls on staff vacancies will be in place in 2024/25, the impact of these controls will be regularly reported through the Resource Management Panel to minimise any impact on service delivery.
- 10.8. We are in a period of price volatility in a number of supply areas and whilst we have been able to negotiate utility unit prices for 2024/25 and beyond, we are still exposed to price and demand increases in other non-pay areas. We are also pursuing external grants to supplement our sustainability ambition and to deliver reductions in our utility spend.
- 10.9. A reasonable level of investment in capital is assumed, including business cases in development and not yet approved. If the demand for capital increases or costs on capital projects cannot be constrained, then future year costs may be higher than currently forecast and there will be a requirement to re-profile the capital investment.

- 10.10. The council taxbase has not increased quite as much as planned during 2023/24, but we continue to work with local authority colleagues across the county to inform our future years' forecast.
- 10.11. Commissioning grants are not secure beyond 2024/25 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.
- 10.12. 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.
- 10.13. There is a recognised risk/opportunity that may emerge as a result of the 2024 elections due to take place for both election of the PCC and proposed general election.
- 10.14. The table below shows in the central column the assumptions used to prepare the 2024/25 budget. For example, the pay award for officers is assumed as 2.5%. If this were 3.5%, then this would cost an additional £0.453M:

2024/25						
	HIGHER		BASE ASSUMPTION	LOWER		Each extra:
Inflation	5.00%	4.00%	<b>3.00%</b>	2.00%	1.00%	1%
Pay Award Officers	4.50%	3.50%	<b>2.50%</b>	1.50%	0.50%	1%
Pay Award Staff	4.50%	3.50%	<b>2.50%</b>	1.50%	0.50%	1%
Taxbase	3.16%	2.16%	<b>1.16%</b>	0.16%	0.00%	1%
Precept	20.00	15.00	<b>13.00</b>	12.00	11.00	£1
	£'000	£'000	<b>£'000</b>	£'000	£'000	£'000
Inflation	1,876	1,501	<b>1,126</b>	751	375	375
Pay Award Officers	6,557	6,104	<b>5,651</b>	5,198	4,745	453
Pay Award Staff	3,935	3,657	<b>3,379</b>	3,101	2,823	278
Taxbase	2,327	1,591	<b>847</b>	118	-	743
Precept	4,835	3,627	<b>3,143</b>	2,901	2,659	242

## 11. Capital

11.1. The proposed capital programme is attached at **Annex F**. The programme for 2024/25 is currently for £17.9M and consists of:

- the replacement programmes in relation to vehicles - £2.5M
- estates fabric first condition - £2.1M
- body armour replacement - £0.1m
- electric charging infrastructure - £0.1M
- replacement ICT equipment - £1.2M
- BWV, Airwave, ANPR - £0.8M
- replacement IT infrastructure, security and compliance - £1.2M
- records Management System (NICHE) £4.4M
- business cases under construction £5.5m
- plus carbon reduction technologies, subject to external grant approval.

11.2. The funding of the capital programme is provided from:

- contribution from Capital Reserves - £5.1M
- revenue Contribution - £1.1M
- borrowing - £11.7M

11.3. Spending on the Records Management Project (NICHE) is due to start shortly and any unused budget will be rolled forward and added to the above capital programme.

11.4. The Prudential Code for Capital Finance in Local Authorities (2017) requires that authorities (including PCCs) should have in place a capital strategy that sets out the long term context in which capital expenditure and investment decisions are made. The capital strategy, published on the OPCC website, provides a high level overview of capital expenditure and capital financing. The capital strategy includes the capital programme and significant capital projects under development. The proposals are in line with the Constabulary Treasury Management Strategy

## 12. Reserves

12.1. The PCC's Reserves Strategy was refreshed alongside this budget and will be published on the OPCC website before the start of the financial year. 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.

12.2. The available reserves will be largely expended by the end of the MTFP, which ensures that the PCC is using the public's money to best effect and not holding on to it instead of reducing council taxes.

### **13. Comments by the Chief Finance Officer for the Chief Constable**

- 13.1. The revenue and capital budgets proposed for 2024/25 present a challenging but balanced position. A budget has been prepared that fully costs the resources required by the Chief Constable to deliver the operational requirement and the Police and Crime Prevention Plan.
- 13.2. The medium term financial plan presents a significant challenge and risks that are detailed within this report. The assumptions built in over the 3 year period will be regularly refreshed with the latest information. There are robust governance plans in place to proactively meet these challenges but difficult service decisions will be balanced against operational delivery and the continuing safety of officers and the public.
- 13.3. The strategy of the PCC will be to maintain a minimum level of General Reserve at the current level of the MTFP period, notwithstanding the need to review this on an ongoing basis in light of the risks which may arise. The level of balances on the General Reserve should reflect the risks the PCC and the Chief Constable are facing, including the robustness of the budgets, external factors, inflation and interest rates and the adequacy of budgetary control.
- 13.4. This plan also proposes the allocation of reserves to fund specific items. Details of the projected Earmarked Reserves are shown in the Reserves Strategy.
- 13.5. The Chief Constable's Chief Finance Officer's advice is that:
  - the current level of reserves is adequate
  - General Reserves should be maintained, over the medium term, at a minimum of 3% of net revenue budget
  - the overall level of reserves should be reviewed annually and adjusted in accordance with known risks facing the PCC and the Chief Constable
  - the financial standing of the PCC and the Chief Constable is sound
  - the proposed budget is robust and achievable.

### **14. Chief Constable's recommendations**

- 14.1. As Chief Constable, advised by my Chief Finance Officer, I confirm the soundness of the budget for 2024/25 in relation to the Constabulary, and that the Constabulary will be able to deliver the priorities within the Police and Crime Prevention Plan and the Strategic Policing Requirement with the resources provided, after the identification of necessary savings.
- 14.2. As Chief Constable I support the Government's commitment to increasing the number of police officers nationally by 20,000 and we have contributed significantly in achieving that uplift.
- 14.3. I fully understand the planning uncertainty offered by a one year settlement for policing and hope that the formula funding review adequately recognises the difficulties of small rural forces and the way in which crime has changed and displaced in recent years.

- 14.4. I remain concerned that any unfunded pay and price rises in the economic environment could hinder my ability to achieve the same within the budget, when the funding increases may not match the size of those baseline pressures.
- 14.5. Whilst an increase from 2023/24 of £9.9M may seem generous, once the uplift officer numbers, welcome pay rise for police officers and police staff, increased employers' pension contributions, plus inflationary increases are taken into account, this still represents a budget which requires careful fiscal control to live within its means.
- 14.6. The 2024/25 position is balanced with the need to deliver savings commensurate with the national settlement – whilst challenging, we are satisfied that these savings can be found and the Constabulary has a good track record of delivering savings in its existing costs and contracts through good procurement, and through finding ways of working more efficiently.
- 14.7. However, the 2025/26 position and onwards, on a reasonable set of planning assumptions which we will keep a watchful eye on, suggests that we will need to start to work differently, constrain our costs, and target them towards meeting our demand even more effectively in the future.
- 14.8. I have tasked a member of my Executive Board to convene a Gold Group to oversee a robust approach to cost reduction and a drive for efficiency across the medium term, which is detailed within this report.

## Annex A

## Required Revenue Budget 2023/24

	2023/24 £k	2024/25 £k	Increase %
<b>Constabulary</b>			
Staff Costs			
Police Officers	77,261	87,470	13%
PCSOs	5,074	5,445	7%
Police Staff	39,301	38,826	-1%
Total Staff Costs	121,637	131,741	8%
Training	922	930	1%
Other Employee Expenses	936	1,056	13%
	123,495	133,728	8%
Premises	9,914	10,125	2%
Transport	2,518	2,788	11%
Supplies and Services	19,347	23,024	19%
Third Party Payments	1,427	1,551	9%
	-	-	
Capital Financing	2,573	3,799	48%
<b>Gross Revenue Expenditure</b>	<b>159,274</b>	<b>175,015</b>	10%
Other Income	-5,457	-7,975	46%
Interest Received	-205	-630	207%
	<b>153,613</b>	<b>166,410</b>	8%
Less: Specific Grants	-6,939	-7,147	3%
<b>Constabulary Budget Requirement</b>	<b>146,674</b>	<b>159,263</b>	9%
<b>Office of Police and Crime Commissioner</b>			
Employees	1,553	2,173	40%
Premises	1	5	755%
Transport	19	14	-27%
Supplies & Services	1,731	2,537	47%
Audit Fees	84	180	114%
Income	-1,579	-2,758	75%
<b>OPCC Budget Requirement</b>	<b>1,809</b>	<b>2,151</b>	19%
<b>Commissioning Fund Expenditure</b>	<b>1,170</b>	<b>1,340</b>	15%
<b>Total Budget Requirement before Reserves</b>	<b>149,653</b>	<b>162,755</b>	9%
<b>Contribution to/ (from) Reserves</b>	<b>-3,865</b>	<b>-4,400</b>	
<b>Total Budget Requirement</b>	<b>145,788</b>	<b>158,355</b>	9%

**Annex B****Budget Assumptions**

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Pay increase Officers and Staff (September)	2.5%	2.5%	2.5%	2.5%
Inflation (general)	3%	3%	3%	3%
Council Tax Increase	4.41%	3.25%	3.15%	3.05%
Council Tax Base	1.0%	1.0%	1.0%	1.0%

**National Funding and Core Grant**

The Home Secretary laid the draft Police Grant Report 2024/25 before the House of Commons on 14 December 2023.

The report stated that overall funding for policing for 2024/25 will total up to £18.4 billion, a £0.84 billion increase on the previous year's settlement.

Assuming every force takes the full £13 precept, the total amount of extra funding available for forces is £922M. Of this, £298M would come from council tax. £624M from additional grant.

The £624M increase in Government grant funding to PCCs, which includes;

- £150M announced at Spending Review 2021 to ensure the maintenance of officers for the Police Uplift Programme.
- £515M of funding to support forces with the cost of the police officer pay award of which £185M is additional to the funding provided in-year this financial year. This was announced by the Home Office in July 2023, to be allocated through existing funding formula shares. While the formula remains under review, we do not feel it is appropriate to deviate from the way in which core funding is allocated. This will ensure additional funding for pay is baselined for discussions at the next Spending Review.
- £259M to cover the increased costs of police pensions contributions, which will be allocated using updated shares based on a proportionate average of pension contribution data from 2021-22 and 2022-23, as well as forecasted data for 2023-24 and 2024-25.
- a one-off top-up funding amount of £26.8M to be provided in recognition of the software development and administrator costs associated with the delays to the implementation of the McCloud remedy. Any further costs will be considered at the next Spending Review.



The Home Office has made reallocations of £1.038 billion within the police grant settlement to support national policing priorities.

These reallocations include the following funding:

- £500.9M for the Police Technology Programme including funding for the Emergency Services Network (ESN), which will replace the existing Airwave radio system
- £65.7M for arms-length bodies including the Independent Office for Police Conduct (IOPC) and HMICFRS, and the College of Policing.
- £45.6M for the Serious Violence Strategy
- £30.0M for tackling drugs/County Lines
- £13.1M for Cyber Crime
- £17.6M for Tackling Exploitation and Abuse
- £11.0M for Police Productivity and Innovation.

The settlement provides PCCs with £nil funding for capital expenditure (£nil in 2023/24). Capital funding grant in its previous form no longer exists.

## Annex C

### Officers and Staff

The Budget for 2024/25 projects that, as at 31 March 2025, the organisation will have 2,356 FTE officers, PCSOs and staff and a headcount of 316 volunteer PCSOs and Special Constables.

The **budgeted** establishment excludes officers on secondment, career breaks and maternity leave.

	<b>31/03/2024</b>	<b>Growth</b>	<b>31/03/2025</b>
Officers FTE	1,255	27	1,282
Staff FTE	974	-20	954
PCSO FTE	120	-	120
	<b>2,349</b>	<b>7</b>	<b>2,356</b>
Special Constabulary Heads	256	-	256
Volunteer PCSOs Heads	60	-	60
	<b>316</b>	<b>-</b>	<b>316</b>

### Police Officers

The budget for the police officer establishment will increase in 2024/25 to reflect the funding of 1,282 FTE which maintains the establishment of the 27 (21 plus 6) additional officers through to March 2025, subject to the confirmation of funding from the Home Office.

### PCSOs

The PCSO establishment has been maintained at 120 FTE.

### Police Staff

The budget for 2024/25 assumes 954 police staff. The net decrease of 20 police staff is due to an increase in service areas such as the creation of the Victim's Hub and Firearms Licensing staff offset by the reduction of posts that had been previously funded on a temporary (one year) only basis and the holding of vacant posts to meet the Constabulary's budget requirement.

### Volunteer PCSOs

The Constabulary has taken on a number volunteer PCSOs, to attract a new kind of skillset. It has initially proved popular and, subject to review, we hope to expand this useful role, with a plan of 60 across the MTFP period.

### Special Constabulary

The PCC and the Chief Constable committed to increasing the number of volunteer officers in the Special Constabulary, and have invested in the Citizens in Policing team to encourage greater employer involvement and corporate sponsorship to release larger numbers of employees. The aim is to maintain the number within the Special Constabulary over the MTFP period at 256.

**Annex D****Budget Requirement**

The forecast budget requirement for the three year MTFP period is as follows:

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Base Budget</b>	158.355	162.725	167.470
Pay Inflation & Increments	4.042	3.858	3.970
Pensions contributions	-0.253	-	-
Price Inflation	1.369	1.254	1.272
Capital Charges	0.774	0.493	0.952
<b>Continuation Budget</b>	<b>164.287</b>	<b>168.330</b>	<b>173.663</b>
Uplift Costs	-0.252	-	-
Enhancement Costs	-0.568	-	-
Other Additional Costs	0.218	-0.260	-
OPPC budget	0.054	0.055	0.056
Commissioners Fund	0.103	0.103	0.103
Investment income (increase)	0.070	0.016	0.013
Grant income (increase)	0.050	-0.079	-0.079
Other income (increase)	-0.277	-0.277	-0.287
<b>Savings Requirement</b>	<b>-5.242</b>	<b>-0.379</b>	<b>-1.168</b>
<b>Contribution from Reserves</b>	<b>4.282</b>	<b>-0.040</b>	<b>-</b>
<b>Budget Requirement</b>	<b>162.725</b>	<b>167.470</b>	<b>172.301</b>
<b>Budget Increase %</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>

**Annex E**

	£	£
<b>Budget requirement</b>		158,354,648
Less:		
Home Office Police Grant	45,419,401	
Ex DCLG Formula Funding	23,980,599	
Ringfenced Uplift Grant	4,488,000	
Legacy Council Tax grants	6,082,168	
Pensions Grant	3,800,000	
Local Tax Income Guarantee (estimated)		
Local Council Tax Support Grant	-	
		<u>83,770,168</u>
Collection Fund (Deficit ) / Surplus		100,000
Total Projected Precept 2023/24		<u><b>74,484,480</b></u>

Precept on each District Council

<b>District</b>	<b>Tax Base</b>	<b>Precept £</b>
Cheltenham	43,775	13,486,202
Gloucester	39,331	12,117,002
Stroud	47,012	14,483,549
Tewkesbury	37,624	11,591,202
Cotswold	42,856	13,203,055
Forest of Dean	31,172	9,603,470
<b>Total</b>	<b>241,770</b>	<b>74,484,480</b>

**Police related element of the Council Tax**

<b>Council Tax Band</b>	<b>Tax at Band £:p</b>
A	205.39
B	239.62
C	273.85
<b>D</b>	<b>308.08</b>
E	376.55
F	445.01
G	513.47
H	616.17

## Annex F Capital Programme

	2024/25	2025/26	2026/27	2027/28	Total MTFP
	£m	£m	£m	£m	£m
<b>FLEET</b>					
Vehicle Replacement	2.500	2.500	3.000	3.000	11.000
<b>ESTATES</b>					
Estates Condition and Fabric first works	2.000	2.000	2.000	2.000	8.000
Fallback FCR - Estates	0.100	-	-	-	0.100
<b>EQUIPMENT</b>					
Body Armour Replacement	0.075	0.075	0.075	-	0.224
Tasers	-	-	1.175	-	1.175
<b>ENVIRONMENT/ ENERGY</b>					
Charging infrastructure	0.100	0.900	-	-	1.000
Decarbonisation	0.040	0.090	0.090	-	0.220
<b>ICT</b>					
ICT Annual Replacement	1.179	1.174	1.118	1.016	4.486
BWV, Radio, ANPR	0.476	0.620	0.504	0.520	2.120
ICT Infrastructure	0.575	0.735	0.555	0.945	2.810
ICT Security and Compliance	0.551	0.370	0.320	0.270	1.511
Fallback FCR - ICT	0.150	-	-	-	0.150
Airwave Replacements	0.263	0.281	0.300	0.319	1.163
<b>CORE RMS - NICHE</b>					
Records Management System	4.394	0.676	-	-	5.070
Digital Case Files	-	0.280	-	-	0.280
FCR CRM	-	0.350	-	-	0.350
<b>NATIONALLY MANDATED</b>					
Emergency Services Network (ESN)	-	-	-	-	-
<b>BUSINESS CASES IN DEVELOPMENT</b>	5.525	1.165	0.319	0.500	7.509
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>17.927</b>	<b>11.216</b>	<b>9.455</b>	<b>8.569</b>	<b>47.167</b>
<b>FUNDED BY:</b>					
Capital Grant	-	0.891	0.130	0.450	1.471
Revenue Contribution	1.179	1.174	1.118	1.016	4.486
Borrowing	11.672	7.455	8.005	7.103	34.236
Reserves	5.076	1.696	0.203	-	6.974
<b>TOTAL CAPITAL FUNDING</b>	<b>17.927</b>	<b>11.216</b>	<b>9.455</b>	<b>8.569</b>	<b>47.167</b>

## **Replacement Programmes**

There is an annual replacement programme for our assets:

- It has been assumed that the current fleet of vehicles will be replaced over a five year period. Expenditure varies from year to year, and this is smoothed using the Vehicle Replacement Reserve.
- It is assumed that ICT desktops, laptops and monitors are also replaced on a 5 year lifecycle.

## **Fleet**

A general replacement plan is in place but some specific examples of planned spend for 24/25 include:

- Marked Cell Vans (£350k)
- Marked 4x4 (adverse weather) (£450k)
- Marked Response Cars (£600k)
- Specialist Operations Fleet (Dogs, Traffic, ARV, CTSFO) (£500k)

## **Estates**

A condition survey is being undertaken across the estate to establish the cost of maintaining the buildings in their current condition and usage. During 2024 a further environmental condition survey will be completed to establish the cost of bringing these buildings up to an acceptable carbon loss by 2035. The two will be overlaid to draw up a map of investment and replacement of building assets over the next 5-10 years.

## **Fallback Force Control Room (FCR)**

The need for a fallback FCR which is fully operable has been highlighted for a number of years and the amount allowed is just to bring the current room up to a reasonable standard to ensure that all the facilities and systems in the main room are available for future emergencies and Local Resilience Forum (LRF) events.

## **Environment/Energy**

Energy resilience is beginning to become a problem in some areas where the increase in technology and EV is increasing the drain on power supplies to the point where they need to be upgraded. PV Panels are also being introduced to both manage this strain and deliver savings to offset very high electricity and gas prices. An external funding bid has been submitted to enhance the heat pumps at a further number of sites. Early indications are that this will be successful.

## **ICT**

The Head of ICT has performed a thorough review of the ICT capital requirements including a replacement strategy. The results of this review have informed a re-profiled spending plan over the medium term.

## **Nationally Mandated Programmes**

The final business case and project plan for implementation have not yet been approved so the cost of replacement of the Airwave radio system known as Emergency Services Network (ESN) has been pushed back to beyond the current planning period of the MTFP. In addition, this delay has necessitated a spend of £1.163M on Airwave headset replacements over the same period as devices become end of life and not replaced by new ESN technology.

### **Business Cases In Development**

There are a number of projects in the development pipeline but without formal approval or a final business case. The amount shown in the table above is the current total of those projects in future years, which have been reflected in the forecast minimum revenue provision and reserves calculations across the medium term financial planning period.