OPCC
Office of the Police & Crime Commissioner
for Gloucestershire

PCC Governance Board

Financial Update, incorporating: Revised MTFP and Efficiencies Plan 2026/27

30 June 2026

1. Purposes of the Report

1.1 This paper presents an update on the multi-year savings targets set within the 2026/27 MTFP and the implications on the organisation's wider strategic direction, having consideration for the 2025/26 outturn position, the output of the Whole Constabulary Review and the recommendations from the recent peer review work supported by NPCC colleagues.

2. Recommendations

2.1 That the revised position against the approved budget and MTFP as presented within this paper are noted for revenue, capital and reserves (Sections 5-7), particularly noting the potential changes to assumptions for 2027/28 – 2029/30 (Para 5.2-5.3).

3. Executive Summary

3.1 The draft outturn for 2025/26 indicates achievement of the required savings target and a reduced use of reserves by £1.8m.

3.2 Early review of the approved 2026/27 MTFP has identified some opportunities to reduce the savings pressure in current and future years.

3.3 Considerable activity is still required, but this can be targeted in fewer discrete areas and will allow us to be more considered in our implementation of the recommendations within the Whole Constabulary Review and to plan our strategic direction as we look towards Police Reform in the coming years.

3.4 While a number of savings which had been contemplated may not be required immediately, the consideration of these areas has provided stronger knowledge in these areas, should the financial position vary as a result of changing circumstances.

4. 2025/26 Draft Outturn

Impact of 2025/26 Outturn on 2026/27 Savings

4.1 Significantly improved reporting turnarounds at year end have allowed us to review the 2025/26 closing position and the impact of that on the 2026/27 budget.

4.2 We have therefore been able to identify opportunities to reduce pressure on reserves through prompt revisions to the capital programme and to review the budget at a high level to address early slippage in a number of programmes as well as reviewing more pessimistic assumptions in the original budget.

4.3 As well as some positive movements, we have also considered a number of pressures in particular areas of the organisation (e.g. addressing shorter-term demands within our Police Staff Investigator cohort). By identifying these pressures at an early stage, this provides more time to plan an approach.

4.4 The budget and MTFP for 2026/27 identified a requirement for savings of £9.0m, with £14.6m over the MTFP period. In years from 2027/28 – 2029/30, additional savings of £5.2m beyond those originally identified were required to achieve a balanced budget, £19.8m in total.

4.5 A requirement for a further £1.0m of savings was identified as a result of a predicted additional £1.0m overspend which was forecast at P9. The outturn position indicates that overspend has not materialised and this extra saving is therefore no longer required. The table below therefore presents the savings targets as per the MTFP, for reference.

Area	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Identified Savings	9.0	2.1	2.0	1.5	**14.6**

4.6 Following a review of 2025/26 outturn and the recommendations of the NPCC review, the implications on the overall savings have been considered against these savings to provide an updated picture of the savings target for 2026/27.

4.7 A number of savings have already been achieved at the time of writing or are deemed highly likely as action is underway. This indicates a required focus to achieve savings of £2.1m in two key areas, namely vacancy management and non-pay.

	2026/27 Target	Achieved	Action underway	Remaining
	£m	£m	£m	£m
Vacancy Management	2.5		(1.4)	1.1
Officer Numbers	1.9		(1.9)	-
Staff Numbers	0.3		(0.3)	-
HR policy reviews	0.2	(0.1)	(0.1)	-
Officer overtime	0.4		(0.4)	-
Staff overtime	0.2		(0.2)	-
Service Choice Reviews	0.2	(0.2)		-
Operating Model	0.6		(0.6)	-
Non-Pay Savings	1.7	(0.7)		1.0
OPCC	1.0	(0.5)	(0.5)	-
Total	**9.0**	**(1.5)**	**(5.4)**	**2.1**

4.8 The revised vacancy management target equates to a c.9% vacancy rate across the staffing cohort (including the underlying standard turnover). This is 2% above the national average of 7% and is deemed achievable. This target has been assigned out to departments through targeted budget virement in May 2026.

4.9 The non-pay savings target has been extended to a further £1.0m. Activity is underway to support achievement of the target in this area, supported by OPPC colleagues and the successful recruitment (pending vetting) of a Procurement Business Partner.

4.10 The Operating model sought to save £0.6m in total. Potential savings totalling £0.8m have been identified by PA Consulting and the Constabulary will therefore seek to implement £0.6m of these savings, noting that some decisions will be delayed to the implementation of the Whole Constabulary Review and will therefore feed into future savings.

4.11 In addition, capital financing savings (on MRP and interest on borrowing) due to underspends on the 2025/26 capital programme are forecast to result in an underspend of £0.9m in 2026/27, which it is proposed to use to reduce planned drawdown of reserves, thereby protecting reserves for future years.

5. Medium Term Financial Plan (MTFP)

5.1 Following the peer review conducted by an NPCC colleague, we have considered the current and future year assumptions in the MTFP. This has allowed provisional updates to the MTFP model and an assessment of implications on future years' savings targets.

5.2 The revisions to net revenue expenditure considered are as follows:

- Revision to some known or expected inflationary pressures;
- Capital financing changes following review of programme;
- Reprofiling of operating model and estates strategy support;
- Release of some centrally held budgets due to greater knowledge obtained since budget setting (e.g. Neighbourhood Policing Grant);
- Recognition of emerging internal pressures.

5.3 Funding changes relate to:

- Increasing underlying assumption on base level of precept increase from £14 to £15;
- Budgeting to receive the six-year average collection fund surplus;
- Increasing council tax base rise by 0.1% to 1.25%.

5.4 One further proposal relates to the inclusion of an assumption for receipt £18.50 exceptional precept flexibility for 2027/28 in line with 2026/27. The financial implications of this are shown in the table below as a separate line due to the level of uncertainty associated with this assumption.

5.5 These changes to the assumptions do not balance the MTFP to 2029/30, but significantly reduce the savings, as shown below:

	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
2026/27 MTFP Unidentified Savings Requirement	**-**	**2.6**	**3.8**	**5.2**
NRE Reductions	(0.7)	(1.2)	(0.8)	(0.4)
Funding changes				
Precept change to £15		(0.3)	(0.5)	(0.8)
Collection fund surplus		(0.3)	(0.3)	(0.3)
Council Tax base		(0.1)	(0.1)	(0.1)
Reserves change	0.7	-	-	-
Reduction on savings requirement	**-**	**(1.9)**	**(1.7)**	**(1.6)**
Revised unidentified savings requirement	**-**	**0.7**	**2.1**	**3.6**
£18.50 precept		(0.9)	(0.9)	(0.9)

6. Capital

6.1. The two tables below show the proposed amendments to the capital programme and its funding, indicating a reduction of £1.2m over the four years (representing a 3% reduction), with the reduction coming from borrowing. The amendments largely result in known delays and slowing down ICT replacement programmes, with some adjustments included for the effect of inflation (particularly in ICT).

6.2. The capital cost of Salesforce is also included as a use of existing ICT capital budget.

6.3. The largest single change is in the reprofiling of the ESN spend to tie in with a return submitted to NPCC in January 2026, which occurred after the finalisation of budget papers.

6.4. Further opportunities for review and revision of the capital programme and its funding will be undertaken to ensure affordability.

Spend Category	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m
Original					
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**
Proposed Revision					
Fleet	1.5	1.6	1.6	1.7	**6.6**
Estates	2.5	2.5	1.3	1.3	**6.6**
Equipment	0.7	0.6	-	-	**1.3**
ICT	4.7	3.4	3.9	4.4	**16.4**
ESN	0.8	0.6	2.9	2.0	**6.3**
TOTAL	**10.1**	**8.8**	**9.8**	**9.4**	**38.0**

7. Reserves

7.1. The table below provides an indication of the reserves position given the draft outturn for 2025/26 and the implications of proposed changes to the capital programme, and funding and expenditure assumptions articulated earlier in this paper.

7.2. The suggested increase of £2.6m in the closing balance by the end of 2029/30 is welcome, though this continues to represent a reduction in the proportion of reserves held as a proportion of Net Revenue Expenditure. This indicates the increasingly risky financial position in which the Constabulary and OPCC find themselves.

	2025/26	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m	£m
Budgeted					
Designated Reserves	8.5	2.6	0.4	0.4	0.4
Specific Earmarked Reserves	2.6	1.7	1.7	1.7	1.7
General and Insurance Reserve	7.5	7.9	8.3	8.7	9.2
Capital Receipts and other	3.6	2.1	4.2	4.2	4.2
Total Usable Reserves	**22.2**	**14.3**	**14.6**	**15.0**	**15.5**
Revised					
Designated Reserves	9.9	2.7	1.7	1.7	1.7
Specific Earmarked Reserves	3.0	3.0	3.0	3.0	3.0
General and Insurance Reserve	7.5	7.9	8.3	8.7	9.2
Capital Receipts and other	3.6	1.6	0.9	4.2	4.2
Total Usable Reserves	**24.0**	**15.2**	**13.9**	**17.7**	**18.1**

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Has legal advice been sought on this submission if required?	N/a
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How are the recommendations consistent with the Police and Crime Commissioner`s objectives?	Enable the achievement of those through presentation of a balanced budget.
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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	11/05/26	*Original draft from Matt Ulyatt*
	1.2	13/05/26	*Following review by CC, DCC, ACO and PCC CFO*
	2.0	16/06/26	*May PCC GB Paper adapted for JIAC circulation*

Executive Board member approval:	
Name:	**Matt Ulyatt**
Date:	**16/06/2026**

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