Financial Overview Report – June 2026

For noting

Please ensure ALL sections of this report are fully completed after discussing with the subject expert and a version control included.

Meeting name:	**Joint Independent Audit Committee**
Date of meeting:	**30 June 2026**
Title of paper:	**Finance Update – June 2026**
Author:	Matt Ulyatt, Chief Finance Officer
Sponsor/ Board member:	Matt Ulyatt, Chief Finance Officer

Executive summary:

This report provides a short update on the activities of the Finance department outside of the budget monitoring, MTFP and efficiencies processes. We provide in the body of the report an update on:

- National Finance Updates
- Police Efficiencies and Collaboration Programme;
- National Fraud Initiative;
- Internal and External Audit Recommendations;
- Contract Monitoring Update;
- Staffing;
- NPCC Review of MTFP; and
- Pensions Remedy.

Recommendation(s):

The Committee is asked to:

- Note the progress made against outstanding audit recommendations;
- Confirm whether the approach taken to monitoring and follow-up meets their expectations; and
- Note the contents of the report.

Specific business benefits:-

- Shows ongoing improvements and engagement with internal and external audit recommendations and the value attached to these services.

Person responsible for implementation:-

Matt Ulyatt, CFO

Once approved by the relevant Board member who will present this paper, please submit it to the **Executive Support** mailbox two weeks before the date of the meeting.

<table>
<tr><td colspan="2">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.</td></tr>
<tr><td>Is this a decision of significant public interest?

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</td><td>No</td></tr>
<tr><td>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</td><td>Record which section(s) applies and explain why.

N/A</td></tr>
</table>

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	**Comments These sections must not be left blank**
Has legal advice been sought on this submission if required?	No
Has the Chief Finance Officer been consulted, if required?	Yes
Have equality, diversity and human rights implications been considered, as appropriate?	No – N/A
How is the recommendation consistent with the Police and Crime Commissioner`s objectives?	N/A
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 – discussed in report
Has this paper / proposal been submitted through any other Constabulary boards? If so, please detail along with the result.	Yes – version to be presented to CGB

1. Purpose / key drivers of report

1.1. To update the Committee with progress made against external and internal audit recommendations.

2. Finance Update

National Policing Finance update

2.1 The CIPFA Achieving Excellence in Policing (AFEP) programme was set up a number of years ago to convene finance leaders across the sector on a regular basis to share good practice, learn from others in the sector and aid networking.

2.2 A conference was held in June 2026 which provided updates including from Lord Bernard Hogan-Howe on the Independent Review of Police Force Structures and progress made to date with back and mid-office shared services for policing.

2.3 The NPCC Finance Co-ordination Committee meets quarterly, chaired by Norfolk Chief Constable, Paul Sandford and attended by all force Chief Finance Officers. The June meeting was held as a hybrid meeting at West Midlands Police HQ in Birmingham and discussed a number of key matters.

2.4 Police Reform remains the main topic of conversation at the current time, including increased political focus on the pace of reform, including the National Police Service (NPS), the establishment of which by mid-2028 will require substantial financial and governance preparation. A Police Reform Delivery Authority has been established to accelerate reform coordination.

2.5 Also discussed were the evidence provided to the Police Remuneration Review Body (PRRB) with particular concerns raised regarding affordability. A report has now been submitted to the Home Office (HO) and a decision is pending for 2026/27 pay award.

2.6 Recent changes to HMRC approved mileage rates (from 45p to 55p) are expected to cost policing roughly £5m p.a.

2.7 A recent Finance Survey (co-designed by NPCC and Home Office) was completed by all forces and the findings of this will used to support financial submission to Home Office and results will be presented at NPCC Finance Co-ordination Committee (FCC) on 29 September, with earlier individual force briefings.

2.8 Policing leaders are also preparing the ground in the event of a further Spending Review next year, with a clear objective of ensuring investment cases are better articulated and clarity on outcomes is made

2.9 The recent Sentencing Review costs have been estimated at £0.4bn across policing, and surveys are being undertaken at the moment across all forces to assess changes to demand to place a more robust figure on this and to assess how much is being recovered.

2.10 Emergency Services Network (ESN) national financial impact has been assessed, but notes that funding treatment is not consistent across forces. Gloucestershire Constabulary has assumed ESN is funded through reserves and borrowing.

PECP

2.11 Blue Light Commercial continue to lead on the procurement workstream of PECP to seek to find efficiencies in national procurement activity and are bringing forward a third stream of the End User Device procurement framework (laptops, etc.) with which the Constabulary will seek to engage.

2.12 There is minimal additional progress to report against PECP workstreams at this time, although Blue Light Commercial recently provided an update on the cashable and non-cashable efficiencies achieved during 2025/26 as reported to them by forces. This was enhanced this year to report against individual Police Objective Analysis codes to identify where savings have been achieved. A summary of savings by force is shown in the table at Appendix B.

2.13 Further reporting is planned in this area to note where savings have resulted in service reductions, although many forces, including Gloucestershire Constabulary do not currently have sufficient detail to report in this manner. This will be an important point to highlight to Home Office colleagues however, to indicate that funding constraints are resulting in reductions to service across the police service around the country.

2.14 The first meeting of the PECP Cost Recovery Panel will have convened between the writing of this report and the JIAC meeting and an update will be provided at that point.

National Fraud Initiative (NFI)

2.15 Following the last JIAC, we noted a need to address issues arising from one duplicate payment of £2k which had been identified. A No PO, No Pay policy has been drafted and will be implemented in the coming months to reduce the risk in this area.

2.16 At the time of writing, we still have four matches without comment in the “Payroll to Pensions” and “Payroll to Council Tax Reduction Scheme” that are awaiting our payroll provider updating the portal. This position hasn’t changed since the last JIAC. Gloucestershire County Council, as our payroll provider has been chased on this, but due to some staff changes this had not been concluded at the time of writing.

Internal and External Audit Recommendations

2.17 Following our last report to JIAC, we have been able to update the SWAP dashboard with more up to date information and have been working with SWAP to mark off recommendations as complete where possible.

2.18 This will enable us to report directly from the SWAP dashboard in future rather than use a manual spreadsheet update process. The ownership for update of Finance, Transport Services and Estates recommendations, which make up the majority of recommendations (due to areas of internal audit attention) is now allocated within Finance for quarterly updates.

2.19 Transport Services recommendations relating to a Fleet Management review in 2024 have been escalated within the Transport Services team and progress against these has been set as a PDR objective for 2026/27 due to the priority nature of these recommendations.

2.20 SWAP require differing levels of audit evidence to close recommendations of differing priorities and therefore while the Constabulary may report recommendations as closed, this is not reflected in the dashboard until SWAP are satisfied that sufficient audit evidence has been provided. This results in a perceived backward movement from previous reporting, though this is a factor of timing rather than negative progress.

2.21 64 recommendations now remain outstanding at the time of reporting, split by audit title and status as per the tables below at Appendix A. As part of the review work, in a number of cases we have agreed revised implementation dates with SWAP, which reduces the overdue recommendations to 41 from 65.

2.22 Recommendations continue to be reported to the Recommendations, Improvements and Learning (RIaL) Board (chaired by the DCC) on a quarterly basis.

2.23 As the organisation introduced NICHE in February 2026, we should see further progress against a number of other recommendations which are reliant on process enhancements which will be achieved through NICHE.

2.24 The need to continue a robust and regular review process against internal and external audit recommendations is imperative as the Constabulary seeks to show ongoing engagement with the audit process (as well as the HMICFRS related inspection regimes). The reporting mechanism through RIaL Board is an ideal route for this as it provides the Deputy Chief Constable with a clear overall picture of progress against all types of recommendations and enables her to hold to account where progress is not deemed sufficient.

2.25 As noted previously, the reporting of progress had been immature and iteration of this reporting will continue, in order to provide RIaL Board and JIAC with evidence of attention to the outstanding recommendations at the moment. We will therefore seek to iterate the nature and style of this reporting (to RIL and JIAC) to provide clearer expectations of progress and highlight areas of concern.

Contract Monitoring Update

2.26 At the March JIAC meeting, a SWAP audit on Contract Monitoring was reviewed, providing limited (low) assurance on processes around contract monitoring and noting a high level of organisational risk associated with the area of audit.

2.27 The recommendations made were for the Chief Finance Officer to:

1. Implement interim measures to ensure the contracts register is complete, accurate and regularly updated. This includes assigning responsibility for maintaining the register to an existing staff member, identifying and completing missing contract data, and engaging with SWPPS to align plans for the future compilation of local contracts onto a system that provides more effective contract management and monitoring.
2. Establish governance arrangements to provide appropriate scrutiny, oversee delivery of the action, and monitor progress until a permanent arrangement is in place.
3. Ensure that the implementation of In-Tend effectively addresses weaknesses in current processes by clearly defining roles, responsibilities, and ownership for supplier performance management, centralising the storage of contract and performance management information, and supporting succession planning. Appropriate assurance should be obtained to confirm that the system functionality meets these requirements.
4. Implement interim arrangements to strengthen supplier performance management until In-Tend is in place. This will include clearly assigning contract ownership for all active contracts, as well as a deputy, establishing minimum expectations for performance management evidence, and ensuring relevant documentation is centrally stored and accessible.

2.28 Since the report was completed in February 2026, we have engaged with the OPCC to secure temporary resource to commence the process of collation and development of a more complete contracts register. In addition, we have successfully interviewed for a permanent Procurement Business Partner who is currently in vetting. The timing for completion of this activity is noted in the report as December 2026.

2.29 Gloucestershire Constabulary is partaking in the Phase 1 roll out of a new national policing commercial system (Atamis) which will supersede In-Tend. Therefore, the progress on recommendation 3 will be reliant on Atamis roll-out, which is expected in the late Summer/early Autumn 2026.

2.30 A Contracts Management Panel had been in place in previous years, but ownership of this group had diminished following staff turnover. It is not proposed to re-introduce this Panel, but rather to ensure that contract owners and managers are supported through the Procurement Business Partners on an ongoing basis, informed by the organisation's procurement pipeline.

Staffing

2.31 The department continues to suffer from long-term sickness, with losses of staff at all levels of the team, which has impacted on the ability of the team to meet all the expectations of the organisation in a timely manner.

2.32 However, a recent Service Choice Review has made some recommendations to change the structure of the team which are subject to management of change processes. In the interim, we have agreed a secondment into the Senior Commercial and Finance Business Partner role from Avon & Somerset Police, who started in March 2026. The permanent recruitment for this role is due to go live shortly.

NPCC Review of MTFP

2.33 As reported to the last JIAC, we engaged with an NPCC colleague (Gary Ridley) who has supported us with a peer review of our MTFP process, documentation, review of scheme of delegation and a line-by-line budget review.

2.34 While noting that our MTFP was based on solid assumptions, he identified a number of recommendations split into key areas of focus:

- MTFP
- Reserves
- Treasury Management
- Police Objective Analysis
- Pay Budget
- Non-Pay Budget
- Capital Planning and Funding
- Workforce
- Scheme of Delegation

2.35 The recommendations are being prioritised with a view to the impacts on the 2026/27 budget forecast and the forthcoming 2027/28 MTFP.

Pensions

2.36 A recent change was made at short notice by HM Treasury to the SCAPE discount rate for the Police Officer Pension Scheme (which impacts the value of commuted pensions for officers on retirement). Due to the potential impact to decisions by officers, this has received significant attention from NPCC and Police Federation colleagues.

2.37 Four colleagues were in the process of receiving payments as the regulations changed and the amounts they have received were based on old rates, resulting in an overpayment to these individuals. This decision is consistent with the national position as agreed by all CFOs and we are awaiting further national guidance on the position for these officers.

2.38 XPS, as our pension scheme administrators, are in contact with the affected officers and the Chief Constable is aware of the position.

2.39 Our pension administrators and the Chief Constable, as pensions scheme manager for Gloucestershire Constabulary, are bound by regulation to apply these changes but we are keeping in close contact with national colleagues.

2.40 The impact of the SCAPE rate changes could be to reduce costs of pension payments by £0.7bn–£1.0bn for policing annually. There has been suggestion that this will be clawed back by HM Treasury through the pension grant, although CFOs noted that when costs went up, the grant did not increase by the requisite amount, creating an uneven treatment.

2.41 Pension Remedy activity has moved into a business-as-usual activity, with this managed through a collaboration agreement with the Dorset, Devon & Cornwall Alliance. This arrangement is being formalised into a section 22 agreement to place it on a clearer legal footing.

2.42 The level of activity relating to Remedy has returned to low levels, with queries relating to more complex areas (e.g. Pension Sharing Order treatment) taking more time to respond.

2.43 We do receive occasional complaints about the time taken for XPS (the pension administrator) to respond to queries, but this is quickly remedied by them as these are raised.

2.44 Further to the Written Ministerial Statement regarding the ‘on hold’ Contingent Decisions, we have now reviewed and approved the four ‘on hold’ cased held by GC. There is one additional, more recent Contingent Decision case currently under review by Dorset, Devon & Cornwall Alliance.

2.45 A Written Ministerial Statement was issued on 19 May confirming that HM Treasury has increased the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate. The SCAPE discount rate determines how expensive pensions look today and is a key assumption used across all unfunded public service pension schemes. As a result, the Government Actuary’s Department (GAD) was required to review and issue revised actuarial factors for use in police pension calculations. Due to the immediate implementation of this change, many lump sum calculations remain on hold or delayed. As of today (16 June), we have five GC officers with lump sums on hold.

3 Equality and Diversity impact assessment
It is not thought that this paper is affected by this requirement.

4 Environmental impact assessment
It is not thought that this paper is affected by this requirement.

5 How will this report contribute to the delivery of the PCC`s priorities?
Strengthening your Constabulary

Departmental contact

Matt Ulyatt, CFO

Appendices/ attachments/ lessons learnt (if appropriate)

Relevant background papers or appendices (if publishable). **Ensure any relevant reference is added to each paper, for example: *CGB Business case***
Appendix A – Audit Recommendation Status

Appendix A – Audit Recommendation Status

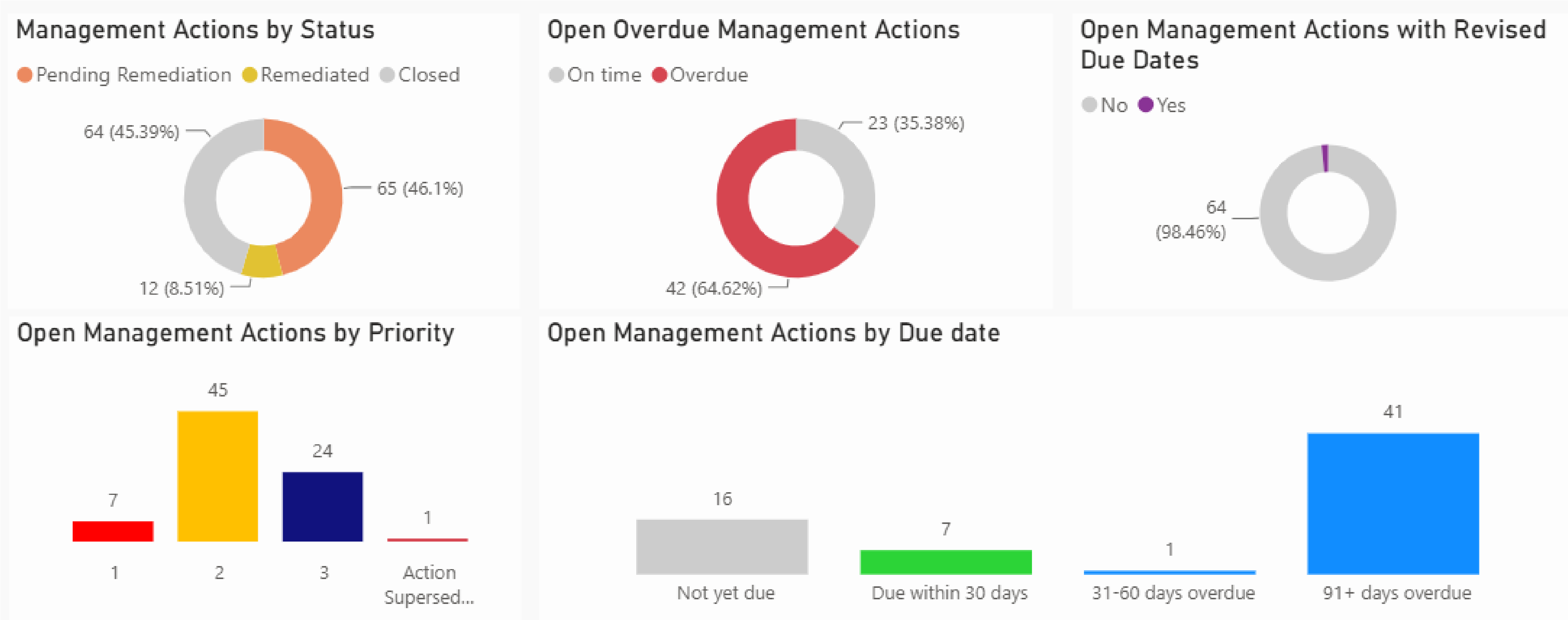
Overdue

Audit Title	Priority 1	Priority 2	Priority 3	Total
Medium Term Financial Planning (MTFP)		3	2	5
Property Stores and Records Management		3	2	5
Accounts Payable			4	4
Budgetary Control		1	3	4
Main Accounting			4	4
Network and Server Asset Management			3	3
KFCs - Payroll and Overtime Processes		1	1	2
Seized Cash Handling		2		2
Business Continuity		1	1	2
Attraction, Retention, Diversity and Inclusion		1		1
Data Quality 22/23			1	1
Payroll			1	1
Social Media Use			1	1
ICT Disaster Recovery		1		1
Treasury Management 2020/21		1		1
Forces Approach to Wellbeing whilst Remote Working			1	1
Unit4 Revisit		1		1
Whistleblowing	1			1
Fixed Asset Register		1		1
Grand Total	**1**	**16**	**24**	**41**

On Time

Audit Title	Priority 1	Priority 2	Priority 3	Total
Fleet Management	3	4		7
Niche Project Implementation - Follow Up Assurance		4		4
Contract Monitoring	1	2		3
Fixed Asset Register		3		3
Whistleblowing	1	2		3
KFCs - Payroll and Overtime Processes		2		2
Niche Project Implementation*		1		1
Grand Total	**5**	**18**	**0**	**23**

*One Niche Project Implementation recommendation has been superseded.


Management Actions by Status
Pending Remediation
Remediated
Closed
64 (45.39%)
65 (46.1%)
12 (8.51%)
Open Overdue Management Actions
On time
Overdue
23 (35.38%)
42 (64.62%)
Open Management Actions with Revised Due Dates
No
Yes
64 (98.46%)
Open Management Actions by Priority
7
45
24
1
1
2
3
Action Supersed...
Open Management Actions by Due date
16
7
1
41
Not yet due
Due within 30 days
31-60 days overdue
91+ days overdue