



Gloucestershire Police and Crime Panel

Revenue Budget 2025/26 and Medium Term Financial Plan 2026/27 to 2028/29

4 February 2025

1. Purposes of the Report

- 1.1 To present the Police and Crime Commissioner's (PCC's) recommendations for the Revenue Budget for 2025/26 and the Medium Term Finance Plan (MTFP) 2026/27 to 2028/29.
- 1.2 To note the PCC's Council Tax precept recommendation for 2025/26.
- 1.3 To present sufficient information for the Police and Crime Panel to approve the PCC's recommended precept increase.

2. Recommendations

- 2.1 That the Police and Crime Panel supports the Council Tax precept increase of £14 in 2025/26, giving a Band D Council Tax of £322.08 for 2025/26, an increase of 4.54%.

3. Executive Summary

- 3.1 The budget for 2025/26 assumes pressures of £22.38m and savings of £12.33m, a net increase of £10.03m compared with 2024/25 that will be funded by increased grants and the approval of a £14 precept increase by the Police and Crime Panel.
- 3.2 The OPCC and Constabulary do not have full flexibility in the allocation of the available budget, most particularly in relation to police officers, where numbers must be maintained at certain levels at the risk of financial penalties. Therefore, the savings of £12.33m need to be found within c. £55m (33%) of the budget. This is equivalent to savings of c.22% across budgets for police staff and some aspects of third-party spend.
- 3.3 In spite of the need for these significant savings, it is incumbent on the OPCC and Constabulary to continue to invest in the future of policing in Gloucestershire. The budget and the MTFP therefore recognise the need for increased resourcing in Change Management and ICT. This will ensure that appropriate investment is in place to enable delivery of key organisational programmes of revenue and capital work, particularly, but not exclusively, in NICHE (a new Records Management System) and GRS (a new duty management system).
- 3.4 In addition to the savings in the 2025/26 budget, revenue reserves of £2.2m and £2.1m of capital receipts reserves are required to balance the budget. These include a £0.8m contingency for an inflationary contingency that has been included within the budget to cover unexpected increases to expenditure during the year.
- 3.5 Further savings will be required for future years, rising to £4.4m in 2027/28 and £9.1m in 2028/29. This is mainly due to the increasing cost of borrowing and revenue contributions to capital outlay which will increase from £3.5m in 2025/26 (2% of net revenue) to £9.5m in 2028/29 (5% of net revenue).
- 3.6 We remain concerned that any unfunded pay and price rises in the economic environment could hinder the ability of the OPCC and Constabulary to deliver their priorities within the budget, when the funding increases may not match these requirements.
- 3.7 The projected future financial gap of £9.1m in 2028/29, even after achieving the savings in 2025/26, means the Constabulary will need to continue to work differently, reduce costs and target resources towards meeting demand even more efficiently, effectively and economically in the future.

4. Budget Overview from the Police and Crime Commissioner

- 4.1 Since the last budget was presented to the Police and Crime Panel in February 2024, there has been a huge amount of change and challenge for policing both locally and nationally.
- 4.2 Since last February, there has been local district council alongside PCC elections in May and, of course the General Election in July. This inevitably has led to a period of strategic instability for policing whilst political direction is established. Whilst this picture is still being clarified, we now know that there are clear government expectations for focused work on tackling male violence against women and girls for example and tackling anti-social behaviour. Both of these areas have a prominence in my current and new Police and Crime Prevention Plan (P&CPP), which is due to be launched in time for the new financial year.
- 4.3 Gloucestershire is not immune to the ongoing challenge of eroding trust and confidence in policing. High-profile cases of police misconduct have significantly impacted public trust and confidence in policing. The Home Secretary, Yvette Cooper, remarked in one of her first meetings with PCCs nationally that confidence in policing is a “fundamental priority” for all. As the Commissioner, I share her assessment and will do all that I can to improve confidence in, and within, Gloucestershire Constabulary via a new priority within my P&CPP.
- 4.4 It has been mentioned many times that the nature of criminality is evolving. Complex, serious, cross-border crime, which is often hidden in plain sight by targeting the most vulnerable in our society, has become day-to-day policing, yet the expectation of visible policing in our communities remains as strong as ever. Balancing these equally important aspects of operational policing is vital but made even more challenging in the context of the financial challenges facing all public services. I welcome therefore the opportunity to present how the Temporary Chief Constable and I aim to approach these challenges within the financial envelope available to us.
- 4.5 There are some difficult decisions to make, however these decisions are made on a good foundation of progress made over my last term of office. For example, over the last four years I have prioritised utilising every funding opportunity from the government in order to reduce pressure on our budget and to support and empower the Constabulary to have more impact on tackling and preventing crime. Examples of this in the last financial year include:
- Receipt of £1m in funding from the Home Office to address Anti-Social Behaviour (ASB) via targeted patrols and partnership support. This has enabled funding for an additional 5,800 of policing hours, supporting

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.

OFFICIAL

effective patrols in identified hotspot areas which has resulted in an additional 195 arrests since May 2024.

- £500k of Home Office grant funding to support the implementation of the Serious Violence Duty (SVD). This has enabled us to fund numerous preventative projects, including interventions to educate young people around the dangers of carrying knives and involvement in gangs. We have supported Gloucestershire Fire & Rescue Service to develop an immersive educational input to school age children to highlight the consequences of carrying knives, involvement in gangs, and county lines drugs networks via SkillZone. Funding has also been provided to Music Works, a locally based charity that works with young people to show how music can give them support in their lives by offering an alternative pathway to getting involved with crime and anti-social behaviour.
- A continuation of the Domestic Abuse Perpetrators Fund (DAPF) for £338k for 2025/26. An original award of £762k was made to the OPCC for the period covering 2023/24-2024/25. This will support the continued professional development of frontline working via bespoke DA training including for the police, ring-fenced legal support for the continued use of Domestic Violence Protection Orders and Stalking Protection Orders and a specialist coordinator to support risk assessments and partnership response to DA.
- £241k of funding from the Ministry of Justice to continue to support victims of DA and SV through the Criminal Justice process – a vital advocacy service to support our statutory obligations towards victims of some of the most horrendous crimes.
- £335k additional support for our partners via the last year of funding from the Safer Streets Fund (SSF). Via the SSF, the OPCC has supported local Community Safety Partnerships improve public safety through target hardening, including CCTV and lighting, provided targeted youth work in areas of greatest need and a plain clothed operation aimed at identifying and disrupting predatory sexual behaviour in the night-time economy (Operation Vigilant).

4.6 Throughout my time in office and under my ‘Strengthening Your Constabulary’ Police and Crime Prevention Plan priority, the OPCC and Constabulary have brought in over £16m of funding into Gloucestershire. This includes initiatives to target, reduce and prevent crime and therefore reducing the burden on the local policing and support agencies. These one-off allocations of funding have been invaluable in allowing us to work in partnership, to innovate and to improve the quality of life for countless people and communities in Gloucestershire.

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.

OFFICIAL

Unfortunately though they are just that: one-off allocations for ring-fenced issues.

- 4.7 In order to meet the growing financial burdens facing everyone and every organisation as well as investing in the infrastructure required to deliver efficient and effective policing, it is unfortunately necessary to follow the lead of many PCCs and local councils nationally and seek the maximum allowed increase in council tax. This means increasing the Council Tax precept by 4.5% for 2025/26 which equates to an increase of £14 for Band D Council Tax residents, or less than 30p per week.

Perceptions of crime survey 2024

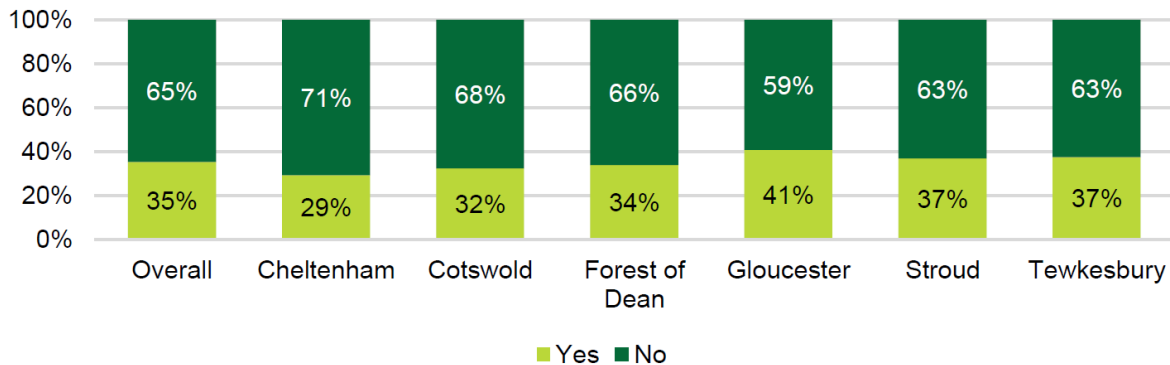
- 4.8 An increase in the Council Tax precept is in line with residents' concerns about insufficient funding available for the Constabulary. The survey fieldwork was conducted between September and November 2024 with a total sample of 1,863 residents. The sample was representative of the population of Gloucestershire by key demographics (age, gender and ethnic group) as recorded by the 2021 census.

- 4.9 We asked: If more money were available to Gloucestershire Constabulary, where would residents want it spent? Below are some of the free text responses we received:

- Actually dealing with incidents and offenders, not just giving out a crime number
- An increase in local presence / visibility
- Recruitment of women and minorities
- Educate younger generation (from school itself) about safety, drug usage and crime and if they get involved, then after effect
- Having a more positive reputation with people, being more visible and being seen as a place of safety rather than just being seen when something bad has happened
- More officers and call handlers
- Rural crime prevention
- Training and community involvement
- Use the money to provide police officers with the best equipment to tackle crime

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.

4.10 When asked specifically: Do you think Gloucestershire Constabulary has sufficient funding to address concerns around crime raised in this survey? 65% of the respondents said no. The chart below shows this by district.



What will the budget increases facilitate?

4.11 An increase in funding will support efforts to maintain levels of warranted officers within the Constabulary, in line with the [National Police Uplift Programme](#)¹. Government grant, supported by local funding decisions, means that Gloucestershire now has more warranted officers than in any time over the last decade and a half. It must be noted though that whilst very welcome, this itself comes with additional cost pressures (see paragraph 5.25).

4.12 The [Policing Productivity Review](#)² highlighted the need for local forces to invest in technology to help meet current and future policing requirements. In Gloucestershire, this task is significant given historic decisions to prioritise capital spend on estate rather than ICT infrastructure. Whilst previous budgets I have been responsible for have included provision for the introduction of new records management (Niche) and duty management systems, a recent internal ICT review by the Constabulary identified a need for significant additional ICT funding to bring Gloucestershire in line with other forces.

4.13 A very tangible example of ICT improvements can be seen in the recent decision to invest in laptops for operational staff and officers. This simple move removes the requirement for multiple station returns during a shift to carry out the required administration associated with attending incidents. This programme of ICT expansion is continuing following an initial investment in laptops for Neighbourhood Policing via the Anti-Social Behaviour Hotspot Fund mentioned under paragraph 4.5 above.

¹ [Police Uplift Programme](#)

² [Policing Productivity Review \(accessible\) - GOV.UK](#)

OFFICIAL

- 4.14 In support of ICT investment is a requirement for provision for the management of change – an area that unfortunately faced disinvestment in previous budgets, before my time in office. These provisions should be seen as an ‘invest to save’ decisions as advancements in ICT and the management of change will open the door to improved efficiency, productivity and effectiveness by reducing administrative burdens and improving technological compatibility with partner agencies. Other force areas are, for example, trialling AI and increased usage of automation as well as single platform systems that reduce the need for ‘double-keying’ – all things currently unlikely to be realised without this investment.
- 4.15 Rapid Video Response (RVR) is currently being implemented into the Constabulary utilising Home Office Domestic Abuse perpetrator funding the OPCC was successful in bidding for. This technology is a virtual policing response available to victims of domestic abuse. Victims receive the same service as they would if an officer attended in-person, but without any delay. It will improve initial response times for non-emergency domestic abuse calls and thereby improve the safeguarding and service to victims. RVR will be an optional offer to all eligible domestic abuse victims. In the long term, as the service offer develops, there are options to widen the scope of RVR to introduce other incident types, but the focus initially will be just on domestic abuse.
- 4.16 One of my 2024 manifesto pledges was to increase the number of detectives in the Constabulary – an issue that reflects a significant challenge for all police forces nationally. We need more specialist trained officers to be able to investigate those complex crimes mentioned earlier and to bring more offenders to justice. This budget highlights the need to rebalance investment across the Constabulary to meet the gap in qualified detectives which, along with innovation in the Learning and Development Department will improve specialist crime capabilities. Although detail is not available yet, we anticipate that this will be balanced by the Government’s [Neighbourhood Policing Guarantee](#)³.
- 4.17 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

³ [Government kick-starts plan to restore neighbourhood policing - GOV.UK](#)

5. 2025/26 Budget and Precept Requirement

5.1 The available funding for 2025/26 is **£168,387,279** (including ring-fenced grant of £4.306m), an increase of £10.033m if the precept increase of £14 is supported.

Council Tax Requirement

5.2 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 provided by the Home Office. The table below shows this requirement for 2025/26.

	2024/25	2025/26
	£m	£m
Budget Requirement	158.355	168.387
Police Core Settlement Grants	75.482	80.331
Other Home Office Funding*	8.288	7.838
Total Home Office Funding	83.770	88.169
To be met by Council Tax Payers	74.584	80.218
Less: estimated surplus on Collection Fund	(0.100)	(0.640)
Precept Requirement	74.484	79.578
Council Tax Base	241,770	247,075
Council Tax Requirement	308.08	322.08
Proposed increase in Band D equivalent precept	13.00	14.00

*Includes pensions grant and police uplift grant

5.3 The increase in precept of £14 for 2025/26, or 4.54%, is the maximum allowed by the Government without a referendum. This means that the Band D council tax level for policing services will be £322.08 for the year, as indicated by the table on the following page.

OFFICIAL

Band	2024/25	Increase (£)	2025/26	% of
	£		£	Households
A	205.39	9.33	214.72	9.0%
B	239.62	10.89	250.51	16.3%
C	273.85	12.44	286.29	22.9%
D	308.08	14.00	322.08	16.3%
E	376.54	17.11	393.65	15.4%
F	445.00	20.22	465.22	10.6%
G	513.47	23.33	536.80	8.4%
H	616.16	28.00	644.16	1.1%

5.4 An average tax base increase of 2.19% across the County from 2024/25 to 2025/26, coupled with a proposed £14 precept increase, increases precept income by £5.093m. Including the collection fund surplus of £0.640m, local funding totals £80.218m for 2025/26, equivalent to 47.6% of total income for the OPCC. Further detail is provided in Appendix 2.

Police Grant Settlement

5.5 For Gloucestershire, the settlement provided for a grant increase from £83.770m in 2024/25 to £88.169m in 2025/26, an increase of 4.99%.

	2024/25	2025/26	Increase/ (Decrease)
	£m	£m	%
Police Core Settlement Grants	75.482	78.050	3.40%
National Insurance Funding	-	2.282	∞
Other Home Office Funding*	8.288	7.837	-5.43%
Total	83.770	88.169	5.25%

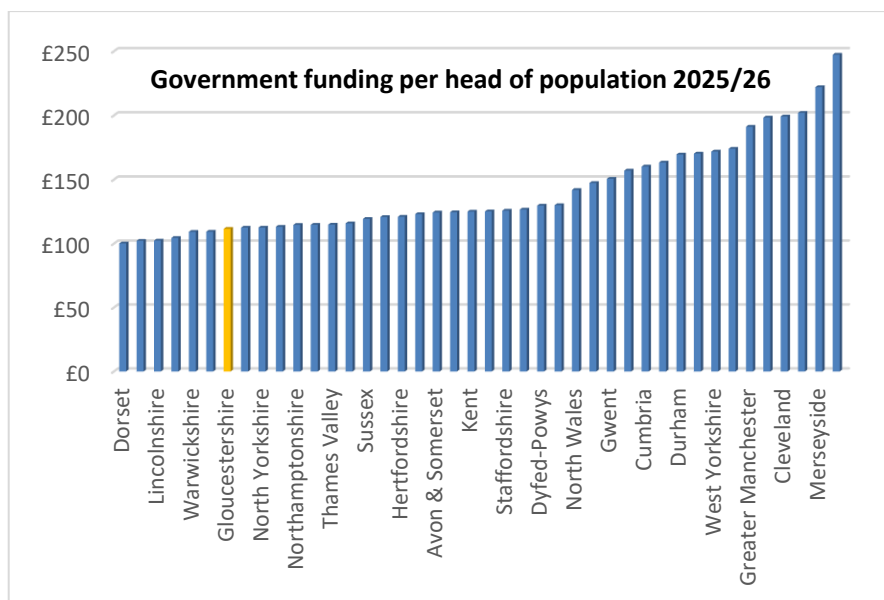
*Includes pensions grant and police uplift grant

5.6 Grant funding provides for a contribution towards the full year effect of the September 2024 pay award for Police Officers (4.75% approved by the Government) and the impact of the increase to NI contributions. This leaves an unfunded pressure of £1.7m which relates to the pay-award for police staff which is not provided for. The scale of the pressure in these areas, combined with the funding provided, is shown in the table below:

	Pressure	Funding	Gap
	£m	£m	£m
Full year effect of 2024/25 4.75% pay award	3.694	2.117	1.577
National Insurance	2.402	2.282	0.120
	6.096	4.399	1.697

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.

- 5.7 The pay award is the most significant inflationary pressure for 2025/26. The pay award is nationally agreed and for 2024/25 saw an increase of 4.75%, this was significantly higher than the estimate of 2.5%. Additional funding was provided from the Home Office to partially cover the gap between local estimates and the nationally agreed pay award. An assumption of 2% has been included for 2025/26 which is comparable across the policing sector.
- 5.8 An inflationary contingency has been included with the budget to cover unexpected increases to expenditure during the year.
- 5.9 The settlement also includes a potential £0.764m relating to the Neighbourhood Policing Guarantee. No income or related expenditure has been included in the budget at this point as the parameters for its use are not yet clear and it has been assumed that any use of the additional funding would need to be balanced by increased expenditure. It is anticipated that the Home Office will produce guidance on how this grant will operate in the next few weeks.
- 5.10 There are no capital grants for 2025/26, which is the fourth year in which no award has been made. There is no indication that this will change despite the need for investment in national ICT projects (e.g. Emergency Services Network) and electrification of fleet.
- 5.11 Gloucestershire receives comparatively less government grant per head of population than most other forces so needs to increase its precept by the maximum. The graph below shows government grant per head of population for each force.



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.

Overall Budget Position

5.12 The table below shows the proposed budget for 2025/26.

	2024/25	2025/26	Increase/ (Decrease)
	£m	£m	£m
<u>Expenditure</u>			
Police Officers	87.47	94.41	6.94
Police Staff	44.27	45.39	1.12
Non Pay	39.47	41.39	1.92
OPCC	2.15	2.06	(0.10)
Supporting victims and communities	1.34	1.37	0.03
Capital Financing	3.80	3.47	(0.33)
<u>Income</u>			
Investment Income	(0.63)	(0.50)	0.13
Other Income	(7.98)	(9.52)	(1.55)
Specific Grants	(7.15)	(7.43)	(0.28)
Reserves Use	(4.40)	(2.25)	2.15
Net Revenue Expenditure	158.36	168.39	10.03
<u>Funding</u>			
Government Grants	(77.69)	(82.09)	(4.40)
Precept	(74.48)	(79.58)	(5.09)
Other LA Grants/Income	(6.18)	(6.72)	(0.54)
Total Funding	(158.35)	(168.39)	(10.03)
Savings Requirement	0.00	0.00	0.00

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.

OFFICIAL

5.13 The key assumptions used to calculate the draft 2025/26 budget shown below are:

- 2.0% pay rise £1.740m,
- Incremental drift (the increase in salary costs as officers progress through pay scales) calculated based on current post holders £1.160m;
- £2.402m impact of National Insurance increases introduced in the 2024 Autumn Statement;
- 3.0% FTE vacancy rate (on non-frozen police staff posts);
- 2.2% general inflation, with known contract inflation where possible;
- Inflation contingency for pay and prices (£0.806m) included in reserves;
- Known Police Grant uplift;
- Precept increase of £14; and
- Capital programme of £8.6m in 2025/26, £31.9m in the period 2025/26 to 2028/29

5.14 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, but not exclusively in NICHE (a new Records Management System) and GRS (a new duty management system). This amounts to revenue funding of £0.5m in 2025/26 and £0.9m p.a. from 2026/27.

5.15 The more detailed commentary on individual budget lines explains the movement from the 2024/25 budget to the 2025/26 budget, but in summary the increase of £10.03m from 2024/25 to 2025/26 can be attributed to the items in the table below, supported by the increase of £10.03m in grant and precept funding:

Changes in Net Revenue Expenditure 2024/25 – 2025/26	£m	£m
Pay pressures (pay award, NI, overtime, etc.)	15.52	
Savings Requirement carried forward	3.37	
Non-pay contract inflation	3.42	
OPCC net decrease	(0.07)	
Increased Income	(1.70)	
Capital financing	(0.33)	
Reduction in reserves use	2.15	
		22.38
Pay savings	(10.84)	
Non-pay savings	(1.51)	
		(12.33)
Movement from 2024/25 NRE to 2025/26 NRE funded by grant and precept increases		10.03

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.

Savings and Efficiencies

5.16 As indicated above, to provide a balanced budget, we have identified savings of £12.33m to be made in 2025/26. These are shown in the table below.

Area	25/26	26/27	27/28	28/29	Total
	£m	£m	£m	£m	£m
Officer overtime	1.185	-	-	-	1.185
Staff overtime	0.379	-	-	-	0.379
Mutually Agreed Resignation Scheme	1.413	-	-	-	1.413
Frozen posts (net of vacancy rate)	4.280	-	-	-	4.280
Rebalancing of Neighbourhood Policing Establishment	1.340	0.447	-	-	1.787
Third party, regional and national contracts	1.232	0.828	0.839	0.833	3.732
Service Choice Reviews (Tranches 1 and 2)	1.558	0.212	-	-	1.770
Service Choice Reviews (Tranches 3-5)	0.750	0.500	-	-	1.250
OPCC Efficiencies	0.197	-	-	-	0.197
Total	12.334	1.987	0.839	0.833	15.993

5.17 A Budget Gold group, supported by a dedicated Efficiencies Team, was convened in 2024/25. This Team is headed by a Chief Superintendent to identify, drive and monitor progress against savings targets.

5.18 In the second half of 2024/25, a more robust approval mechanism for overtime was implemented as a result of significant historic budgetary overspends in this area. This is proving successful in reducing overtime spend and hence a reduction to a more right-sized overtime budget is anticipated in 2025/26.

5.19 In October 2024, a Mutually Agreed Resignation Scheme was introduced for staff and PCSOs. This was a voluntary severance scheme, which offered police staff the opportunity to apply to leave the Constabulary with a payment. This has resulted in 40 police staff and PCSOs leaving the organisation between December 2024 and February 2025 and has produced annual savings of £1.5m across the OPCC and Constabulary.

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.

OFFICIAL

- 5.20 The Director of People and Business Services has been chairing a Staff Establishment Management Panel, which ensures 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 £4.3m of savings.
- 5.21 Linked to this, a reconfiguration of the Neighbourhood Policing Establishment is being undertaken in response to the government's Neighbourhood Policing Guarantee. A separate paper was presented and approved at December's Constabulary and PCC Governance Boards.
- 5.22 Gloucestershire is part of a regional collaboration on procurement, called the South West Police Procurement Service (SWPPS), as well as making use of Blue Light Commercial Services. Membership of this group brings a pooling of expertise around procurement and also a sizeable market share to the market 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.
- 5.23 The settlement letter confirmed a requirement for police forces nationally to participate in the Commercial Efficiencies and Collaboration Programme which will support us in our aim of making non-pay reductions.

Police Officers

- 5.24 The Home Office continues to give targets to achieve agreed police officer numbers at two points in the year to ensure receipt of uplift funding. 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.
- 5.25 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 increments through the years. The initial impact of the uplift programme was to reduce our average increment at PC level, but this is now moving up towards levels seen pre 2020/21.
- 5.26 The anticipated impact this year of officer incremental drift is £1.2m, of which approx. 50% is funded by Home Office grant, while in the coming three years, this is set to move to over £2m per annum and this is reflected in the MTFP for future years.

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.

OFFICIAL

- 5.27 Thresholds at which employers pay National Insurance (NI) were reduced to £5,000 (from £9,100) during the Budget in October 2024, and the rate of NI was increased from 13.8% to 15%. The impact for Gloucestershire is estimated at £2.4m. This has been largely funded by additional Home Office grant.
- 5.28 The budget for overtime for 2025/26 has been increased to highlight a historic under-budgeting in this area, with a savings target applied based on the introduction of stricter controls. The same has been done for police staff budgets.

Police Officer Budget	£m
2024/25 Budget	87.5
Impact of 24/25 Pay Award (4.75% vs 2.50%)	2.0
Impact of 25/26 Pay Award (2.0%)	1.0
Incremental Drift	1.2
National Insurance Increase	1.3
Uplift	0.5
Overtime pressure reflecting actual spend	1.7
Savings on Overtime	(1.1)
25/26 Budget	94.1

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.

PCSOs and Police Staff

- 5.29 The budgeted FTE for Police Staff and PCSOs as at 31 March 2026 is 1,012.
- 5.30 Police staff budgets are also affected by pay inflation and NI, with overtime budgets initially increased for 2025/26 for the same reason as police officers, although the bulk of this increase is then removed as a savings target.
- 5.31 The bulk of police staff reductions are frozen posts with no post-holder. In order to account for the turnover of remaining staff, we have assumed a vacancy factor of 3%, to enable time for recruitment and vetting of incoming staff and PCSOs.

PCSO and Police Staff Budget	£m
2024/25 Budget	44.3
Impact of 24/25 Pay Award (4.75% vs 2.50%)	1.2
Impact of 25/26 Pay Award (2.0%)	0.7
Staff savings not achieved in 24/25	3.1
National Insurance (NI) increase	1.1
ICT and Change growth	0.5
Other	0.5
Overtime	0.4
Savings on Overtime	(0.4)
Mutually agreed resignation	(1.4)
Service Choice Reviews	(2.0)
Reconfiguration of the Neighbourhood Policing Establishment	(1.3)
Vacancy Factor	(1.4)
2025/26 Budget	45.3

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.

Non-Pay

- 5.32 The majority of increases within non-pay are the result of centrally contracted spend which the Constabulary has little opportunity to influence (e.g. Police Digital Service, regional collaborations). There is also a temporary budget increase relating to Unifi (our current records management system) licences (total budget of £0.9m), which will be removed once Niche is implemented. This reduction is assumed in the future years of the MTFP.
- 5.33 Savings through Service Choice Reviews and the planned line-by-line budget review account for the £1.6m shown below.

Non-Pay Budgets	£m
24/25 Budget	39.5
ICT Inflation	1.6
National Contracts	0.6
Regional Contracts	0.5
Other Inflation	0.7
Service Choice Reviews	(0.3)
Other Savings	(1.2)
25/26 Budget	41.4

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.

The Office of the Police and Crime Commissioner

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



5.35 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.

5.36 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.

5.37 In addition, the PPA team is responsible for oversight and delivery of national policy and legislative changes, supporting with holding to account functions including conducting reviews of Constabulary areas of business such as the Force Control Room, Mounted Section and Neighbourhood policing as well as monitoring the delivery of Constabulary inspection and audit recommendations.

5.38 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,

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.

OFFICIAL

grant funding bids are submitted from this team and any subsequent spend and activity is coordinated here. This includes the Domestic Violence Perpetrators Fund £0.405m in 2024/25), Anti-Social Hotspot Fund (£1.000m in 2024/25) and Safer Streets Fund (£0.355m in 2024/25).

- 5.39 The V&C team also supports the strategic county oversight of the violence and intimidation 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.
- 5.40 The OPCC budget has remained stable with efficiencies mostly covering inflation, pay-awards and other cost increases. The budget, set out in the table below will be £2.1m, a net decrease of £0.1m.
- 5.41 The funding for supporting victims and communities from core grants and the precept has increased marginally for inflation and will be £1.3m in 2025/26. This will be supplemented by additional specific grants from the Ministry of Justice and the Home Office of £1.8m, excluding any additional national grants (e.g. Serious Violence Duty) and local contributions towards OPCC posts that have not yet been confirmed.

OPCC Budget Requirement	2024/25	2025/26	Increase/ (Decrease)
	£m	£m	£m
OPPC - Employees	1.823	1.787	(0.036)
OPPC - Externally Funded Employees	0.365	0.046	(0.319)
Non-pay - General (incl Audit Fees)	0.253	0.272	0.019
Non-pay - Supporting victims (Externally Funded)	2.469	1.698	(0.770)
Sub-total	4.910	3.803	(1.106)
Grant Income	(2.758)	(1.751)	1.007
Sub-total	2.152	2.052	(0.100)
Non-pay - Supporting victims and communities (Core Grant Funded)	1.340	1.369	0.029
OPPC - Total	3.492	3.421	(0.070)

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.

Income

5.42 The largest single growth area is within road safety, where additional resource has been recruited to improve safety on the roads of Gloucestershire. This has a net neutral impact on the budget as a whole.

Income Budget	£m
24/25 Budget	15.8
Price inflation	0.2
Contract growth	0.3
Road Safety	0.9
Disclosure and Barring Service (DBS) growth	0.1
Other grant income growth	0.3
Investment income reduction	(0.1)
25/26 Budget	17.5

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.

OFFICIAL

6. Medium Term Financial Plan (MTFP)

6.1 In addition to the revenue budget for 2025/26, the MTFP for the period to 2028/29 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 £9.1m by 2028/29. This equates to £2.4m in 2026/27, a further £2.0m in 2027/28 and another £4.7m in 2028/29.

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Expenditure					
Police Officers (incl. contingency)	87.5	94.4	99.0	103.8	109.1
Police Staff (incl. contingency)	44.3	45.4	44.4	45.6	46.9
Non Pay	39.5	41.4	42.0	41.7	42.3
OPCC	2.2	2.0	2.5	2.6	2.7
Supporting victims and communities	1.3	1.3	1.2	1.2	1.2
Capital Financing	3.8	3.5	5.5	7.0	9.5
Income					
Investment Income	(0.6)	(0.5)	(0.5)	(0.3)	(0.2)
Other Income	(8.0)	(9.5)	(10.1)	(10.6)	(11.2)
Specific Grants	(7.1)	(7.4)	(7.5)	(7.6)	(7.7)
Reserves Use	(4.4)	(2.2)	(1.0)	(0.6)	0.4
Net Revenue Expenditure	158.4	168.4	175.5	182.7	192.9
Funding					
Government Grants	(77.7)	(82.1)	(84.1)	(86.0)	(88.1)
Precept	(74.5)	(79.6)	(82.9)	(86.2)	(89.6)
Other LA Grants/Income	(6.2)	(6.7)	(6.1)	(6.1)	(6.1)
Total Funding	(158.4)	(168.4)	(173.0)	(178.3)	(183.8)
Savings Requirement	0.0	0.0	2.4	4.4	9.1

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.

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	2.5-2.7%
Council Tax base increase	1.0%
Precept increase	£10
Inflation – general	2.2%
Grant increase	2.5-2.6%

6.3 There is a great deal of uncertainty over future funding and caps in precept levels. Three scenarios have been prepared below; pessimistic, realistic and optimistic.

6.4 The pessimistic scenario assumes:

- Flat cash settlements across the next Spending Review period;
- Annual precept income increased by £10 p.a.;
- Pay award of 3.8% in 2025/26 which is not funded by Home Office plus pay awards of c 2.5% p.a. thereafter.

Pessimistic Scenario	25/26	26/27	27/28	28/29
	£m	£m	£m	£m
Net Revenue Expenditure	169.3	177.4	185.4	195.7
Total Funding	168.2	172.0	176.4	180.8
Savings Requirement	1.1	5.4	9.0	14.9

6.5 The optimistic scenario assumes:

- Settlements cover inflation in line with HM Treasury assumptions from Autumn Statement 2024;
- Pay awards are in line with those same assumptions;
- Annual precept income increased by £14 p.a.

Optimistic Scenario	25/26	26/27	27/28	28/29
	£m	£m	£m	£m
Net Revenue Expenditure	168.9	175.2	183.1	193.3
Total Funding	168.9	174.0	180.3	186.8
Savings Requirement	-	1.2	2.8	6.5

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.

OFFICIAL

- 6.6 The results of these assumptions are showing that there is a savings requirement through to 2028/29 even in the optimistic scenario.
- 6.7 Despite significant savings and efficiencies being planned over the period, all scenarios present a significant shortfall which cannot be covered by reserves. Unless grants and precept levels are increased to cover a significant part of these gaps, additional savings will need to be identified which is likely to require fundamental consideration of the way policing in Gloucestershire is organised.
- 6.8 In the second half of 2025/26, the Constabulary will be introducing a replacement 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 have been evaluated and will be monitored as they form part of the budget reductions for 2026/27 and beyond.
- 6.9 An Estates Strategy is under development at the current time, taking into account condition surveys, in order to ensure that the budget is spent in the most proactive and effective manner possible.
- 6.10 There is also more investment planned in ICT over the medium term, informed by a strategic review by the Chief Technology Officer. 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.

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.

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, which are provided in more detail later in this paper, are in train. However, some require more detailed work that will be completed before the start of the 2025/26 financial year. These include £1.2m of non-pay savings (representing c. 3% of the annual spend and £0.8m relating to latter tranches of Service Choice Reviews which have not yet reported.
 - The purchase of some short life assets (e.g. laptop replacement programme), costing £2.1m in 2025/26 and £1.5m in 2026/27 and £1.2m in 2027/28, which have historically been financed by revenue spend, will be funded by the Capital Receipts Reserve for three years;
 - In line with the Reserves Policy approved by PCCGB and presented to the Police and Crime Panel, £2.2m of revenue reserves will be used to support underlying expenditure in 2025/26, identified against specific earmarked purposes, including a £0.8m inflationary contingency to cover unexpected increases to expenditure during the year.
- 7.2. The government announced on 5th December 2024 that £100m of additional central government funding will be allocated to forces in 2025/26 to kick-start their neighbourhood policing programme, with an initial focus on visible policing in town centres. Gloucestershire potential share of this funding is £0.764m. While the funding levels have been made clear, the specifics of baseline numbers and the requirements of the Guarantee remain unclear at the time of writing and therefore neither cost nor income are currently included in the budget.
- 7.3. Longer-term funding certainty is awaited through the Phase 2 of the Comprehensive Spending Review, expected in 2025/26.
- 7.4. The savings detailed will require further staff reductions, although the details of where these will sit has not yet been identified.
- 7.5. In addition, recently received condition surveys on the PCC's estate indicates a significant need for investment in coming years. We have not yet had the opportunity to analyse this in full detail to ascertain future pressures.
- 7.6. 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

OFFICIAL

of funding provided for the uplift programme is not keeping pace with the incremental drift inherent in the progression of officers through pay scales.

- 7.7. 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 the new government has indicated continued support for this major policy initiative, so this risk is considered to be relatively low.
- 7.8. The Police Uplift Grant has been given on the basis that numbers can be maintained at 31 March 2026 at the uplift target for 31 March 2025. There has been no indication of change to the mechanism for the levying of penalties for failure to meet uplift targets.
- 7.9. Tight controls on staff vacancies will remain in place in 2025/26, 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.
- 7.10. 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 2025/26 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.
- 7.11. Commissioning grants are not secure beyond 2025/26 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.
- 7.12. 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.

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.

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	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m
Fleet	1.2	1.6	1.8	1.8	6.4
Estates	1.4	0.5	0.5	0.5	2.9
Equipment	0.1	1.2	-	-	1.3
Environment/Energy	0.1	1.1	0.1	0.1	1.4
ICT	4.3	4.3	4.7	4.2	17.5
Niche	1.0	0.3	-	-	1.3
Transformation Programme	0.5	0.6	-	-	1.1
TOTAL	8.6	9.6	7.1	6.6	31.9

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

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Revenue Contribution	-	-	-	1.3
Borrowing	6.5	8.1	5.8	5.3
Sub-total	6.5	8.1	5.8	6.6
Estates Reserve	-	-	-	-
Vehicle Reserve	-	-	0.1	-
Capital Receipts Reserve	2.1	1.5	1.2	-
Sub-total (Reserves)	2.1	1.5	1.3	-
TOTAL CAPITAL FUNDING	8.6	9.6	7.1	6.6

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.

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 2025/26, 2026/27 and 2027/28. There are sufficient reserves to enable this and it removes pressure from the revenue budget.
- 9.3. The planned use of revenue reserves of £2.2m for 2025/26 is in line with the reserves paper agreed at PCC Governance Board during 2024/25, plus the addition of £0.8m contingency to cover unexpected increases to expenditure during the year. Additional planned use of £3.7m over the MTFP period is designed to cover potential liabilities which are not certain enough to include in the revenue budget, but would be released if required.

	General Fund	Capital Receipts	Total Usable reserves
	£m	£m	£m
Opening Balance (25/26)	17.7	5.3	23.0
Top-up/Receipts	0.4	1.5	1.9
Draw Down	(5.6)	(2.1)	(7.7)
Closing Balance (25/26)	12.5	4.7	17.2
Draw Down	(1.8)	(1.5)	(3.3)
Closing Balance (26/27)	10.7	3.2	13.9
Draw Down	(0.6)	(1.3)	(1.9)
Closing Balance (27/28)	10.1	1.9	12.0
Top-up	0.4	-	0.4
Closing Balance (28/29)	10.5	1.9	12.4

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.

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 2025/26 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 2025/26 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 2024/25 budget by £1m but this has been reduced through positive actions taken since September 2024 when an overspend of £3.3m was projected. As a proportion of spend this is 0.6% 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.

OFFICIAL

- 10.6 The areas of the budget in 2024/25 that have overspent, staff and officer overtime and staff salaries where over optimistic assumptions were made on potential reductions and vacancy rates and have been re-based to a more realistic level in 2025/26 and match expenditure in the last few months of the financial year.
- 10.7 The budget assumes savings of £12.33m that are set out in the report. The delivery of the savings have been risk assessed and allocated to senior staff for delivery. There is a high degree of confidence in staff savings as the Constabulary undertook a Mutually Agreed Resignation Scheme (MARS) in November 2024 and these staff will have left before the start of the 2025/26 financial year.
- 10.8 There is a risk in relation to reducing third party spend by £1.2m 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 2025. 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.

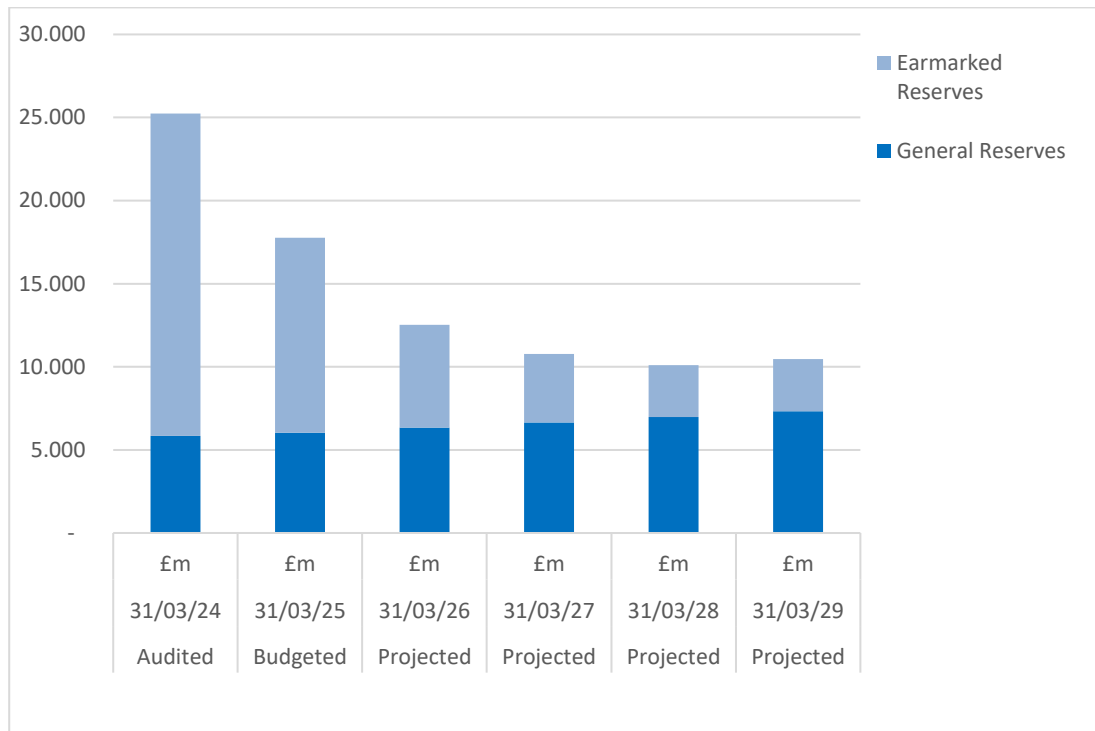
Adequacy of Reserves

- 10.9 The budget for 2025/26 envisages the use of £1.4m of reserves and £2.1m of a capital receipts reserve to fund replacing 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.
- 10.10 The level of revenue reserves are 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	Earmarked**	General	Total
	£m	£m	£m
31-Mar-24	19.402	5.835	25.237
31-Mar-25	11.732	6.035	17.767
31-Mar-26	6.185	6.336	12.521
31-Mar-27	4.118	6.653	10.771
31-Mar-28	3.109	6.986	10.094
31-Mar-29	3.123	7.335	10.458

** £1.1-£1.3m of this is the insurance reserve, which must be maintained to deal with any self-insurance claims or excesses.

OFFICIAL



10.11 In addition, at 31st March 2025 the PCC will hold a capital receipts reserve of £4.5m that can be used to fund capital spending.

10.12 The depletion of reserves to balance the revenue budget is not ideal and as well as increasing risk has an impact of reducing available cash that needs to be replaced by borrowing. As an indication, the reduction in total reserves of £25.2m from 31st March 2024 to £10.5m 31st March 2029 will add £0.76m pa of borrowing cost pressures that have been included in the MTFP projections.

10.13 The General Reserve is being maintained at around 3.5% of net revenue expenditure over the medium term period. This is within good practice guidelines and is proportionate to the risks faced by the Constabulary and OPCC.

10.14 In conclusion, having reviewed the underpinning assumptions of the budget they have been prepared on a robust basis. The level of reserves are adequate but would ideally be at a higher level. If the opportunity presents itself the Constabulary should look to identify additional savings in advance of reductions required in future years in order to increase reserve levels to the level at 31st March 2024.

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.

OFFICIAL

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 2025/26 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 and is planned for in 2025/26.

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.

Appendix 1 – Reserves Strategy

Police and Crime Commissioner for Gloucestershire Reserves Strategy to March 2029

1. Purpose

- 1.1. This document sets out the reserves strategy for the Police and Crime Commissioner for Gloucestershire for the period to 31st March 2029. This includes details of the reserves currently held, the purpose of the reserves and the projected balances by 31 March 2029.
- 1.2. This report is based on the reserves included in the PCC's Accounts for the year ended 31 March 2024, and the estimated level of reserves as at 31 March 2025.

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.
- 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 2029.

OFFICIAL

3.2. Schedule of reserves to 31 March 2029:

	Audited 31/03/24 £m	Budgeted 31/03/25 £m	Projected 31/03/26 £m	Projected 31/03/27 £m	Projected 31/03/28 £m	Projected 31/03/29 £m
Reserves held in accordance with sound principles of good financial management						
General Reserve	5.835	6.035	6.336	6.653	6.986	7.335
Insurance Reserve	1.135	1.135	1.192	1.251	1.314	1.380
National Projects / Initiatives	3.267	1.200	1.200	1.200	1.200	1.200
Pay & Pensions Reserve	0.254	3.527	0.577	0.098	0.051	0.000
Vehicle Reserve	0.227	0.101	0.101	0.101	-0.000	-0.000
Total	10.718	11.998	9.406	9.303	9.551	9.915
Funding for planned expenditure on projects and programmes over the current MTFP						
Estates Reserve	0.192	0.000	0.000	0.000	0.000	0.000
ICT Reserve	3.708	1.000	0.800	0.400	-0.000	-0.000
Covid Reserve	1.072	0.000	0.000	0.000	-	-
Smoothing Fund	2.276	0.000	0.000	0.000	0.000	0.000
Inflation Reserve	2.841	3.279	1.570	1.068	0.544	0.544
Specific Funds	4.430	1.490	0.745	-	-	-
Total	14.519	5.769	3.115	1.468	0.544	0.544
Total Projected Reserves	25.237	17.767	12.521	10.771	10.094	10.458
Allocated as follows:						
General Reserves	5.835	6.035	6.336	6.653	6.986	7.335
Earmarked Reserves	19.402	11.732	6.185	4.118	3.109	3.123

Schedule of Reserves as a % of Net Revenue Expenditure to 31 March 2029:

	Audited 31/03/24 £m	Budgeted 31/03/25 £m	Projected 31/03/26 £m	Projected 31/03/27 £m	Projected 31/03/28 £m	Projected 31/03/29 £m
Net Revenue Expenditure	145.788	158.355	168.387	173.022	178.327	183.778
% TOTAL	17%	11%	7%	6%	6%	6%
% Earmarked Reserves only	13%	7%	4%	2%	2%	2%
% General Fund only	4.00%	3.81%	3.76%	3.85%	3.92%	3.99%

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. This ensures that the general reserve is increased from 3.81% at the end of 2024/25, to 3.99% of Net Revenue Expenditure across the MTFP period.

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.

OFFICIAL

- 5.4. This reserve is currently intended to cover 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 2025/26. No indication of costs or whether there will be any central funding provided has been given by the Home Office. Any balance on the reserve will be held for potential future risks going forward.
- 5.5. **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, to cover potential staffing costs associated with a move to the new duty management system.
- 5.6. **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 in to the Capital Programme, hence this reserve will no longer be required after that point.
- 5.7. **Estates Reserve**
This reserve was historically set up to support the delivery of an estates strategy. This reserve has been fully utilised in 2024/25.
- 5.8. **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.
- 5.9. **Covid Reserves**
During the pandemic, a number of individual grants were provided to forces to cover immediate costs and loss of other income. From 2024/25 onwards the balance of this reserve will be combined with the Smoothing Reserve.
- 5.10. **Smoothing Reserve**
This reserve is intended to enable the Constabulary to smooth the impact of cost pressures across the MTFP against a backdrop of uncertain funding. This reserve will be combined with the Change Reserve by the end of 2024/25 to aid monitoring.
- 5.11. **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.
- 5.12. **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 2024/25 and authorised for re-purpose where possible. It is expected that these funds will be fully utilised over the MTFP. These funds will be subject to continued annual review and include:

OFFICIAL

- 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.
- Asset Recovery Incentivisation Scheme (ARIS) Income: This fund was established following the receipt of an additional payment from the Home Office under the proceeds of crime legislation. This fund is being allocated to specific projects.

6. Balance of Reserves at 31st March 2029

- 6.1. The projected balance on reserves at 31st March 2029 is £10.458m 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 2025.

OFFICIAL

Appendix 2 – Council Tax Base and Precept Values per Authority

	£	£
Budget requirement		168,387,279
Less:		
Home Office Police Grant	47,600,740	
Ex DCLG Formula Funding	26,648,502	
Ringfenced Uplift Grant	4,306,117	
Legacy Council Tax grants	6,082,168	
Pensions Grant	3,531,835	
		<u>- 88,169,362</u>
Collection Fund (Deficit) / Surplus		640,004
Total Projected Precept 2023/24		<u>79,577,913</u>

Precept on each District Council

District	Tax Base	Precept £
Cheltenham	44,450	14,316,520
Gloucester	39,831	12,828,801
Stroud	47,762	15,383,179
Tewkesbury	38,785	12,491,831
Cotswold	44,456	14,318,440
Forest of Dean	31,791	10,239,142
Total	247,075	79,577,913

Police related element of the Council Tax

Council Tax Band	Tax at Band £:p
A	214.72
B	250.51
C	286.29
D	322.08
E	393.65
F	465.23
G	536.80
H	644.16

OFFICIAL

Authority	2024/25			2025/26		Estimated Surplus on Collection Fund
	Tax Base	PCC Precept	Increase in tax base	Tax Base	PCC Precept	
Cheltenham	43,775	13,486,202	1.54%	44,450	14,316,520	121,210
Gloucester	39,331	12,117,002	1.27%	39,831	12,828,801	-
Stroud	47,012	14,483,549	1.59%	47,762	15,383,179	12,764
Tewkesbury	37,624	11,591,202	3.06%	38,785	12,491,831	178,500
Cotswold	42,856	13,203,055	3.74%	44,456	14,318,440	140,560
Forest of Dean	31,172	9,603,470	1.98%	31,791	10,239,142	186,970
	241,770	74,484,480	2.20%	247,075	79,577,913	640,004

OFFICIAL

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.

<p>Is this a decision of significant public interest?</p> <p>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</p>	<p>N/a</p>
<p>Does this report contain sensitive information? Does this report contain any information which falls into these categories?</p> <p>a) would, in the view of the chief officer of the police, be against the interests of national security;</p> <p>b) might, in the view of the chief officer of police, jeopardise the safety of any person;</p> <p>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</p> <p>d) is prohibited by any enactment.</p> <p>e) breaches commercial sensitivity</p>	<p>Record which section(s) applies and explain why.</p> <p>N</p>

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

OFFICIAL

Has this paper/proposal been submitted through any other Constabulary boards? If so, please detail along with the date and result.	No
--	----

OFFICIAL

Version history – summary of previous versions and amendments

Version, date and change history:	Version	Date	Summary of change history
	0.1	08/01/25	
	2.5	13/01/25	
	2.8	17/01/25	

Executive Board member approval:	
Name:	Matt Ulyatt
Date:	17/01/25

Security marking:
Official