To: Police Accountability Board (PAB)

From: Chief Finance Officer

Date: 25 August 2026 (Reported to Force Executive Board 3 August 2026)

Revenue, Capital and Treasury Monitoring Report – Period 3 2026/27

1. Overview

This report sets out the budget monitoring position for the Constabulary and OPCC for 2026/27, based on the position at the end of June 2026 (Period 3)

	RAG Status	Direction of Travel	Definition
Revenue Budget	Green	⟷	Green: budget variance (over or under) less than 0.49% Amber: budget variance (over or under) between 0.50% and 0.99% Red: budget variance (over or under) more than 1.0%
Capital Budget	Green	⟷	Green: budget variance (over or under) less than 10% Amber: budget variance (over or under) between 10% and 15% Red: budget variance (over or under) more than 15%
Sales Ledger	Green	⟷	Green: Debt over 30 days reduced from prior month or zero Amber: Debt over 30 days unchanged Red: Debt over 30 days increased from prior month
Purchase Ledger	Green	⟷	Green: Percentage of invoices paid within 30 days 95% and above. Amber: Percentage of invoices paid within 30 days between 90% and 94.9% Red: Percentage of invoices paid within 30 days below 90%
Cash Flow	Amber	⟷	Green: projected year end cash balance more than £5m Amber: projected year end cash balance between £0 and £5m Red: projected year end cash balance negative (under £0)

Unplanned Use of Reserves	**Green**	⟷	Green: no unplanned for use of reserves Amber: unplanned for use of reserves up to £500k Red: unplanned for use of reserves more than £500k

Key messages

- The overall revenue forecast is an underspend of £172k at the end of Period 3.
- Vacancy driven pay underspends remain the main mitigation, partly offset by overtime, revenue contributions to capital outlay (RCCO) and other non-operational pressures including the dual running costs of Milton and Parkside.
- The capital programme is forecast to spend £12,232k, giving a £346k underspend against the revised programme, largely due to slippage and rephasing.
- Capital financing is retained within the capital section given the importance of receipts, disposals, borrowing and RCCO.

2. Recommendations

PAB is recommended to note the:

1. Revenue budget forecast underspend of £172k at the end of June 2026.
2. Capital budget forecast underspend of £346k and associated capital financing.
3. Detailed cash, borrowing, investment and reserves position.

3. Revenue Budget 2026/27 and Period 3 (June) Forecast

A revenue budget of £217.4m has been approved for 2026/27. The Period 3 forecast is an underspend of £172k. The tables below show the headline position, revenue split and full directorate revenue analysis.

Revenue Split	Budget	M3 Outturn	Variance
Officer costs	110,606	109,647	-959
Staff Costs	31,725	31,912	186
Other Employee costs	1,076	401	-675
Premises	6,266	6,958	692
Transport	3,923	4,424	501
Supplies & Services	11,283	11,124	-158
Income	-1,992	-3,317	-1,325
Collaboration	47,512	49,320	1,808
RCCO	3,800	3,800	0
OPCC	1,751	1,724	-27
OPCC Capital/Grants	1,446	1,232	-214
Overall Revenue	**217,397**	**217,225**	**-172**

Chief Constable Revenue Budget and spend Period 3 2026/27						
Year to date				Full Year		
Budget £'000	Actual P1-3 £'000	Variance P1-3 £'000		Budget £'000	Year end Outturn P3 £'000	Year end variance Outturn £'000
			Crime and Vulnerability			
42	40	-2	Safeguarding & Command	169	167	-2
3,380	2,883	-498	Protecting Vulnerable People	13,796	13,324	-472
3,337	3,655	318	ISCD	13,622	13,104	-518
566	454	-113	Covert Authorities	2,298	2,267	-30
523	540	17	Inv Stds &Devt	2,141	1,975	-167
7,848	**7,572**	**-276**	**Total Crime & Vulnerability**	**32,026**	**30,837**	**-1,189**
			LP - Ops			
43	519	476	Command	176	2,578	2,401
7,834	7,476	-357	Southern Hub	31,903	31,097	-805
7,664	7,498	-167	Northern Hub	31,155	30,675	-480
5,157	4,939	-218	Force Communications Centre	21,004	21,245	241
693	668	-25	Operational Support	2,824	2,765	-59
2,693	2,258	-434	Prevention, Custody & Partnerships	10,949	9,307	-1,642
408	363	-46	Business Support	1,657	1,584	-73
24,492	**23,721**	**-770**	**Total LP - Ops**	**99,668**	**99,252**	**-417**
			People & Professionalism			
1,343	1,191	-152	People & Professionalism	5,480	4,876	-603
1,343	**1,191**	**-152**	**Total People & Professionalism**	**5,480**	**4,876**	**-603**
			Non Operational - in-house			
435	80	-355	NPCC	1,771	1,711	-60
24	145	122	Operations	295	305	10
2,472	2,447	-25	Corporate	9,038	8,577	-461
1,793	2,428	635	Estates	7,193	7,968	775
233	236	3	Finance	948	948	0
259	256	-3	Corp Comms	1,053	981	-72
290	414	124	Insurance	1,162	1,144	-18
141	97	-44	Legal	570	611	42
890	1,158	268	Fleet	3,675	3,939	264
0	132	132	POCA	0	0	0
0	-29	-29	Football Grants	0	0	0
0	16	16	Drug Forf	0	0	0
6,537	**7,382**	**845**	**Total Non -Operational**	**25,704**	**26,184**	**480**
			Collaboration and Partnerships			
1,510	981	-529	Collaboration - Other	6,044	5,882	-162
13,540	12,463	-1,078	Collaboration - Tri Force	41,468	43,438	1,970
	0	0	CTC To reserves	0	0	0
15,051	**13,444**	**-1,607**	**Total Collaborated and Partnerships**	**47,512**	**49,320**	**1,808**
55,271	**53,310**	**-1,961**	**CHIEFS NET BUDGET REQUIREMENT**	**210,391**	**210,469**	**78**
			Other Collaboration & Partnerships			
431	390	-41	OPCC Office	1,751	1,724	-27
-663	-891	-228	Other Corporate costs	1,455	1,232	-223
0	0	0	RCCO	3,800	3,800	0
-231	**-501**	**-270**	**Total PCC**	**7,006**	**6,756**	**-250**
55,039	**52,809**	**-2,230**	**NET BUDGET REQUIREMENT**	**217,397**	**217,225**	**-172**
			Note:Figures may not cast due to rounding			

4. Revenue Commentary

The Crime and Vulnerability forecast underspend of £1,189k is primarily due to underspends of £963k on officer pay and allowances, which has been exacerbated by abstractions to firearms licensing, prisoner handling and response demand. There is also a reported underspend of £123k for staff pay and allowances. Significant underspends in Intelligence and PVP make up a significant part of this, with a smaller underspend on Investigation Standards.

Local Policing Operations has a forecast underspend of £417k, which includes underspends on officer pay and allowances of £751k and staff pay and allowances of £679k. A compensating overspend within the department is forecast for officer overtime of £594k and staff overtime of £480k.

The People and Professionalism service is forecast to underspend by £603k relating primarily to officer pay and allowances which are forecast to underspend by £667k.

Non-Operational budgets are forecasting an overspend of £480k because of an additional spend of £800k for the dual running costs of Milton and Parkside police stations, including a £583k business rates estimate. The holding branch savings requirements is a non-operational budget which presents an overspend (being achieved through vacancies across the other departments) and forecast spend of £304k on fleet self-insured repairs is another factor.

Collaboration overspends of £1,808k include £1,781k on firearms licensing, primarily officers below the line being used to address the backlog of cases. Beds and Herts are incurring similar pressures as part of the BCH response.

PCC managed budgets are forecasting an underspend of £250k due to lower interest payable and increased interest receivable with the total impact being £249k.

Variances by type

Officer pay and allowances are forecast to underspend by £1,550k, primarily due to strength being lower than budget. This is offset by the additional officers working in firearms licensing

Officer overtime remains one of the main operational pressures, despite a £1,100k increase in budget in 2026/27, with a forecast overspend of £561k. Staff pay is expected to underspend by £215k, and PCSO's £126k, which is offset by staff overtime, which is forecast to overspend by £514k.

All in-house pay forecasts are now based on a 3.5% pay award.

Non-pay variances include the additional costs of £800k on rates, electricity and other costs relating to the dual running of Parkside and Milton police stations. As above, additional self-insured vehicle repairs are expected to be £304k, and there are expected overspends of £137k on legal fees/counsel and £137k on travel expenses.

Income includes the additional £864k government grant that will be received for the additional 0.5% pay award, alongside other additional grants offset by spend reported in other budget lines. The pay award grant will be used to increase pay budgets across the force in period 4. There is, however, a cost pressure forecast due to lower than expected income for enterprise initiatives.

The overall BCH forecast overspend is £1,970k and includes £1,781k overspend on firearms licensing, and an overspend of £83k on cameras tickets and collisions. Other collaborations are forecast to underspend by £162k including underspends on air support, the ROCU and 7F Commercial.

The interest and charges budget is expected to underspend by £249k, which is £100k over recovery on interest receivable and £158k underspend on interest payable, with bank charges making up the balance.

Detailed commentary on the movements in the variances above £50k is included in Appendix 1c.

Workforce Position

Workforce variances continue to be a major driver of the revenue position. The resulting pay underspends continue to provide financial mitigation within the current year; however, these benefits are increasingly being offset by operational overtime requirements and should therefore be considered alongside establishment and workforce planning assumptions. The in-house underspend forecast on officer pay and allowances, is currently showing at £1,550k. This is offset by 28.25fte officers currently in firearms licensing, at a forecast cost of £1,567k. There are forecast underspends of £215k on staff pay and allowances and £126k on PCSO's, taking account of the 10fte new PCSO's starting in August.

Workforce category	Budget FTE	Actual FTE	Variance FTE
Police Officers	1,448.34	1,437.02	(24.41)
Police Staff	566.16	527.67	(38.49)
PCSOs	38.0	27.48	(10.52)

Overtime

Following significant overspends on officer overtime in previous years, £1,200k additional budget was added to the 2026/27 overtime budget, £1,050k was allocated to in-house departments and £150k to TTCG. An exercise was carried out to re-cast the overall budget and re-distribute existing and new budgets to areas based on prior year spend. Despite the budget uplift officer overtime is forecast to overspend by £561k at year end. The largest pressures are in the Southern Hub, Northern Hub and Force Communications and Control. Staff overtime is forecast to overspend by £514k, principally within Force Communications and Control, Partnerships, Custody and Prevention and Protecting Vulnerable People.

Overtime category	Budget £k	Forecast £k	Variance £k
Officer overtime	3,677	4,238	561
Staff overtime	165	679	514
Total	**3842**	**4,917**	**1,075**

Officer overtime area	Budget £k	Forecast £k	Variance £k
Southern Hub	1,105	1,476	371
Northern Hub	901	1,047	145
Force Communications Centre	94	133	40
Other Areas	1,577	1,583	5
Total Officer Overtime Pressure	**3,677**	**4,238**	**561**

5. Savings Delivery

The focus for period 3 has been on the initial budget forecasts, being the first full financial forecast for the year. The delivery against savings will be reported from period 4.

6. Capital Programme and Capital Financing

Capital Summary and Significant Capital Movements

The period 3 capital forecast is £12,232k against a revised budget of £12,578k, resulting in a forecast underspend of £262k. The underspend is primarily driven by Estates programmes, where forecasts have been reduced to reflect known commitments and current project timelines.

All Figures in £000	Budget	2025/26 Carry Forwards	Capital Changes in year	Adjusted Capital Budget	Forecast P3	Variance	P2 Forecast	Movement from P2
Land & Buildings	5,675	437	326	**6,438**	6,150	(288)	6,513	(363)
Fleet	1,800	35	-	**1,835**	1,838	3	1,838	-
ICT	2,768		(239)	**2,529**	2,460	(69)	2,400	60
Other Projects & Collaboration	1,363	-	-	**1,363**	1,371	8	1,372	(1)
Capital Programme contingency	400	-	(87)	**313**	313	-	396	(83)
Approval from Chief Delegated Budget	100	-	-	**100**	100	-	100	-
TOTAL	**12,106**	**472**	**-**	**12,578**	**12,232**	**(346)**	12,619	**(387)**

Significant Capital Movements

The capital programme is forecasting an underspend of £346k at period 3. The most significant movement is within Land & Buildings (£288k underspend), largely due to reduced expenditure forecasts within the Major Repairs programme. ICT is forecasting a £69k underspend, primarily reflecting lower smartphone replacement requirements. All other schemes are forecast broadly in line with budget.

Overall, the movement in the capital programme remains predominantly timing related rather than a reduction in investment activity, and the impact is expected to be reflected within the 2026/27 capital programme. Detailed scheme level movements are shown in the main report and Appendix 3. Appendix 3A provides the reconciliation back to the capital summary

Capital Programme Amendments

There are no capital programme amendments requiring approval this month. The revised capital programme remains £12,578k.

Capital financing

The forecast capital programme expenditure for 2026/27 is £12,232k and is fully funded through a combination of capital carry forwards, earmarked reserves, revenue contributions to capital and capital receipts.

Funding includes £472k of capital carry forwards from prior years, £157k from the Taser reserve, £3,800k of RCCO, £105k from the ESN reserve, £540k of Fleet RCCO and £7,158k of capital receipts. The use of capital receipts remains the primary source of financing, accounting for approximately 59% of the programme.

Total RCCO of £4,340k is being utilised to fund the 2026/27 capital programme. RCCO represents revenue funding set aside for capital investment and provides a prudent financing source that reduces the need for borrowing and associated future debt repayment costs

	£'000
2026/27 Forecast Capital Expenditure	12,232
2026/27 Forecast	
Capital Carry Forward	472
Taser Reserve	157
Revenue Contributions to Capital (RCCO)	3,800
ESN Reserve	105
Fleet RCCO	540
Capital Receipts	7,158
	12,232

Capital Programme Outlook

The Capital Programme remains in a strong position at period 3, with a forecast outturn of £12,232k against an adjusted capital budget of £12,578k, resulting in a forecast underspend of £346k (2.7%). The programme has improved by £303k compared with the period 2 forecast.

Key points affecting the outlook are:

- Land & Buildings is forecasting an underspend of £289k, driven primarily by the reprofiling of the Major Repairs programme to reflect current commitments and delivery plans. This provides flexibility to accommodate pressures elsewhere within the Estates portfolio.
- ICT is forecasting an underspend of £70k overall. Whilst the forecast has increased by £60k since Period 2, the programme remains broadly within budget and continues to be supported by savings on smartphone replacement expenditure.
- Fleet and Other Projects & Collaboration are both forecasting broadly in line with approved budgets, with only minor variances reported.
- There remain several scheme specific risks within the Estates programme, particularly around the Cambridge City Centre Police Station and HQ generator resilience, where project scope development and tendered costs may impact future forecasts. However, these pressures are currently expected to be managed within the overall approved programme

7. Strategic Risks and Emerging Issues

The key risks remain linked to workforce strength, overtime demand, capital slippage, timing of borrowing and insurance claims. These issues are not fixed to a single future reporting treatment and will be flexed between the main report and appendices depending on significance for each period.

- Workforce under strength is currently providing financial mitigation but may also mask underlying operational capacity pressures.
- Overtime demand needs to be monitored alongside workforce strength to understand whether pay underspends are creating offsetting operational costs.
- Capital rephasing affects the timing of borrowing, cashflow and future-year capital delivery.
- RCCO and capital receipts timing will need continued review as capital disposals progress.
- Insurance and claims activity may continue to affect both the revenue forecast and reserve assumptions.

8. Treasury, Cash and Reserves

Reserves

Opening usable reserves at 1 April 2026 were £31,919k and are forecast to decrease to £30,854k by year end.

The forecast movement is mainly due to the use of the capital carry forward reserve of £472k, with £175k against the Road Casualty Reduction reserve and £229k use of the capital surplus to fund vehicle replacements in year.

Control / Responsibility	Reserve Type / Status	RG Code	Reserve	1 April 2026 £000	Increase to reserve £000	Reserve utilisation £000	31 March 2027 £000
Force-controlled	Operational / provision	RG231	Pension Reserve (McCloud & Revaluation Smoothing)	250	-	-	250
Force-controlled	Dormant	RG235	Council Tax Initiative Reserve	109	-	-	109
Force-controlled	Strategic	RG241	Council Tax Support Fund	600	-	-	600
Force-controlled	Strategic	RG102	Budget Assistance Reserve	4,670	-	-	4,670
Force-controlled	Strategic	RG103	Insurance Reserve	3,123	-	-	3,123
Force-controlled	Operational / provision	RG106	Capital Carry Forward	472	-	(472)	-
Force-controlled	Strategic	RG109	Collaborated Property Reserve	138	6	(14)	130
Force-controlled	Strategic (ongoing programme)	RG201	Legal Reserve	100	-	-	100
Force-controlled	Operational / provision	RG202	Ill Health Reserve	585	-	-	585
Force-controlled	Strategic	RG206	Estates Development Reserve	1,804	-	-	1,804
Force-controlled	Strategic	RG230	ESMCP Reserve	4,310	-	-	4,310
Force-controlled	Strategic (to be refreshed)	RG232	Sustainability Reserve	455	-	-	455
Force-controlled	Strategic	RG237	Fleet Reserve (revenue)	729	-	-	729
Force-controlled	Strategic	RG239	Taser Reserve (capital and revenue)	704	-	-	704
OPCC-controlled **	Dormant	RG226	Major Incident Victim Support	25	-	-	25
OPCC-controlled **	Prevention	RG234	Prevention Reserve	501	-	-	501
OPCC-controlled **	Strategic	RG203	Road Casualty Reduction Reserve	646	-	(175)	471
OPCC-controlled **	Strategic	RG204	Collaboration and Commissioning Reserve	703	27	-	730
Other funding source	Restricted	RG104	Prevention and Early Intervention	241	-	(74)	167
Other funding source	Restricted	RG108	Asset Incentivisation Reserve	938	336	(470)	804
			0	21,103	369	(1,205)	20,267
		RH101	General Reserve	10,258	-	-	10,258
			Total General and Earmarked Reserves	31,361	369	(1,205)	30,525
		RD101	**Capital Receipts Reserve**	558	0	(229)	329
			Total Reserves	31,919	369	(1,434)	30,854

Sales and Purchase Ledger KPIs

Prompt payment starts the year in a strong position at 98% against a target of 95%. Outstanding overdue debt reduced from £151.5k in April to £50.9k in June, with no balances outstanding in the 31-60 day or 61–90-day categories. The remaining aged debt of £33.2k relates to four invoices over 90 days old, which continue to be actively monitored and pursued

KPI	Period 3 performance	RAG	Commentary
Sales Ledger	1.17 Debtor days	Green	Sales Ledger performance is Green at P3, with overdue debt reducing by 66% from £151.5k to £50.9k during Q1. There are no balances in the 31-60 or 61-90 day categories, although £33.2k remains outstanding over 90 days across four historic invoices which continue to be pursued. No bad debt is expected.
Purchase Ledger	98% of invoices are paid within 30 days	Green	Above the 95% target.

Cash Position

Overall cash balances provide a stable outlook through to March 2027 where a loan maturity of £12m requires payment. The receipt from the sale of Parkside should adequately cover this cash impact, but the outlook, removing the unknown timing and value of the Parkside sale, does need support of around £14m (£12m to cover the loan with a further £2m to support the cashflow). As the year progresses and details on capital receipts and expenditure solidify, the need for borrowing will become clearer with plans adapting to prevailing circumstances. The PCC's under borrowed position provides adequate scope to draw down further loans to support the capital expenditure already made, therefore no concerns are presented in the cash outlook.
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Loans

The table below shows a summary of all outstanding loans on 30th June 2026 at £40,174k. All PCC borrowing is held in the Public Works Loans Board.

DEBT HELD AS AT 30/06/2026				
Loan Reference	Loan Type	Loan Rate %	Years to Maturity	Current Balance
P04A25-520	Annuity	5.20%	2.9	£328,549
P05A25-495	Annuity	4.95%	3.8	£642,120
P06A25-415	Annuity	4.15%	5.1	£1,430,000
P09A25-440	Annuity	4.40%	8.0	£1,773,580
P18M30-257	Maturity	2.57%	21.7	£10,000,000
P24M3-498	Maturity	4.98%	1.4	£5,000,000
P25M3-497	Maturity	4.97%	1.6	£5,000,000
P25M2-483	Maturity	4.83%	0.7	£12,000,000
P26E8-488	EIP	4.88%	7.7	£4,000,000
Weighted Average Rate:		**4.27%**		**£40,174,249**

Investments

The period closed with a £19.6m investment portfolio balance (£15.0m at 31st May), with 61% of available funds in term deposits, fixing in rates. The Bank of England held Bank Rate at 3.75%; a widely anticipated outcome despite upward inflationary pressures. Market hike expectations have tempered from the outset of the Middle East conflict, but they still price in the potential for one move at the close of the year (25bps increase). Market views remain focused on events in the Middle East, but domestic politics will gather momentum in the near term.

Counterparty	Domicile	Instrument	Investment Duration	Interest Rate	Current Balance (£)	Maturity Date	Days to maturity
Barclays (NRFB)	UK	Instant Access	Same Day/Call	3.35%	485,000	01/07/2026	1
Lloyds (RFB)	UK	Instant Access	Same Day/Call	3.51%	2,000,000	01/07/2026	1
MMF (Aviva Investors)	N/A	Money Market Fund	Same Day/Call	3.88%	5,085,000	01/07/2026	1
Sumitomo Mitsui Banking Corporation	UK	Fixed Term Deposit	3 Month	4.01%	3,000,000	10/08/2026	41
National Bank of Kuwait (International	UK	Fixed Term Deposit	3 Month	3.96%	2,000,000	14/08/2026	45
Lloyds (RFB)	UK	Fixed Term Deposit	6 Month	4.26%	2,000,000	19/11/2026	142
National Bank of Kuwait (International	UK	Fixed Term Deposit	4 Month	4.01%	3,000,000	05/10/2026	97
Sumitomo Mitsui Banking Corporation	UK	Fixed Term Deposit	3 Month	3.98%	2,000,000	07/09/2026	69
					19,570,000		

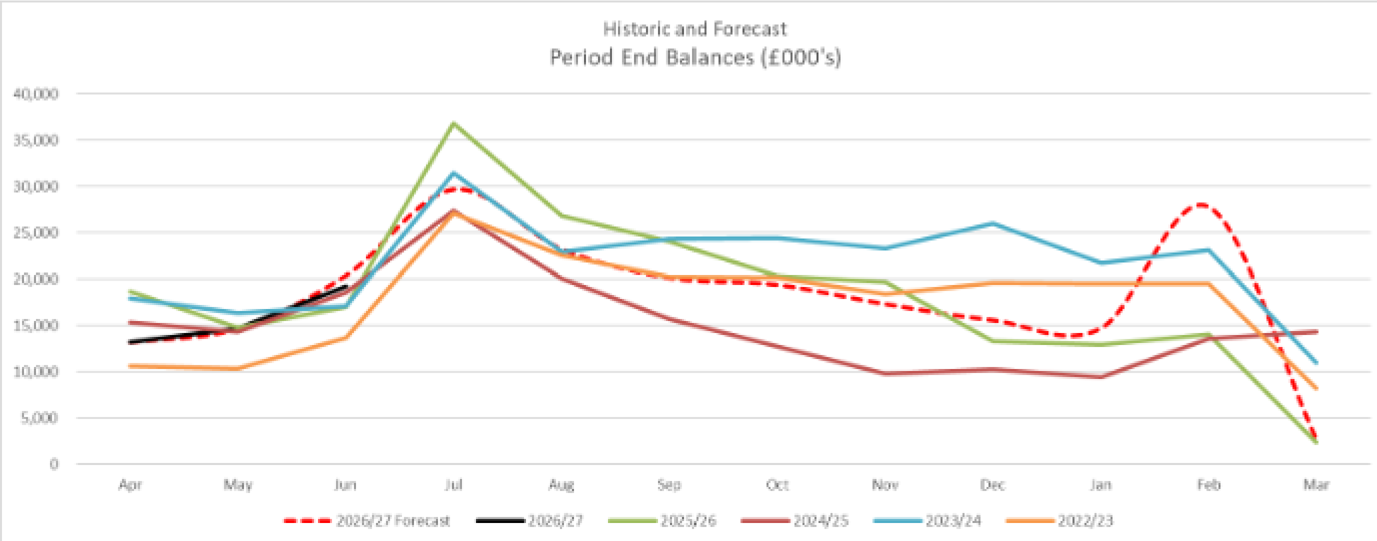
Cashflow Forecast

The end of year is forecasted to hold £3m of available funds; this, however, results from drawing down a loan of £14m in the latter months. The borrowing expectation is to cover the re-financing of a £12m loan maturity in March 2027 with a further £2m supporting prior capital expenditure. There is no account of income receipt from the sale of Parkside Police Station at this point - if timing favourable, then the receipt could cover these borrowing needs.

				Forecast								
Cash Flow 2026-27 (£000's)	P01	P02	P03	P04	P05	P06	P07	P08	P09	P10	P11	P12
Cash Balance *	**6,314**	**13,515**	**15,008**	**19,578**	**30,044**	**23,588**	**20,488**	**19,740**	**17,663**	**15,918**	**15,028**	**28,172**
Cash Inflows	27,400	21,450	28,239	33,339	15,647	21,231	21,231	21,161	21,161	21,091	21,091	11,063
Inflow from borrowing	-	-	-	-	-	-	-	-	-	-	14,000	-
Cash Outflows	(20,198)	(19,958)	(23,669)	(22,873)	(22,103)	(24,331)	(21,978)	(23,238)	(22,905)	(21,981)	(21,947)	(36,169)
Net Cash Flow	**7,202**	**1,493**	**4,570**	**10,466**	**(6,456)**	**(3,101)**	**(748)**	**(2,078)**	**(1,745)**	**(890)**	**13,144**	**(25,107)**
Closing Balance	**13,515**	**15,008**	**19,578**	**30,044**	**23,588**	**20,488**	**19,740**	**17,663**	**15,918**	**15,028**	**28,172**	**3,065**

** Includes all Cash Equivalent Deposits and Investments*

The table below shows our cash flow forecast as of 30th June 2026


Historic and Forecast
Period End Balances (£000's)
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
2026/27 Forecast
2026/27
2025/26
2024/25
2023/24
2022/23