

## Greater Manchester Combined Authority

### Police, Fire and Crime Panel

Date: 28<sup>th</sup> January 2026

Subject: 2026/27 PCC Budget and Police and Crime Commissioner Component of the Mayoral Precept

Report of: Mayor of Greater Manchester

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### Purpose of Report

To notify Panel members of the proposed PCC budget for 2026/27 including the latest expected budget numbers for Greater Manchester Police and to seek a report on the Mayor's proposals for the Police and Crime Commissioner (PCC) component of the Mayoral precept for 2026/27.

### Recommendations:

The Police, Fire and Crime Panel is asked to:

1. Note that the Mayor proposes to increase the police precept by £15 per year for a band D property (£11.67 for a Band B property) with effect from 1 April 2026.

The Panel are asked to consider the content of this report, and either:

- a) propose that the precept level can be issued, or
- b) make recommendations regarding the precept level, or
- c) veto the proposal and require the Mayor to submit a revised proposed precept.

1. Note the budget assumptions relating to the budgets for 2026/27.

## **Contact Officers**

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## **Equalities Impact, Carbon and Sustainability Assessment:**

An Equalities Impact Assessment was drafted as part of the development of the Policing Precept Consultation.

## **Risk Management**

An assessment of the potential budget risks faced by the authority are carried out quarterly as part of the monitoring process.

## **Legal Considerations**

Details of the Police and Crime Panel's statutory duties in relation to the setting of the precept are at Appendix 1.

## **Financial Consequences – Revenue**

The report sets out the planned budget strategy and implications for the financial year 2026/27.

## **Financial Consequences – Capital**

The revenue consequences of capital expenditure are reflected in budgetary planning strategy and assumptions.

## **Number of attachments to the report: 0**

## **Comments/recommendations from Overview & Scrutiny Committee**

N/A – Police, Fire and Crime Panel undertake the overview and scrutiny role.

## **Background Papers**

Report to Police, Fire and Crime Panel 17<sup>th</sup> November 2025 – 2026/27 Police and Crime Precept Setting Process [Police and Crime Precept Setting process](#)

## **Tracking/ Process**

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

**Exemption from call in**

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

**Bee Network Committee**

N/A

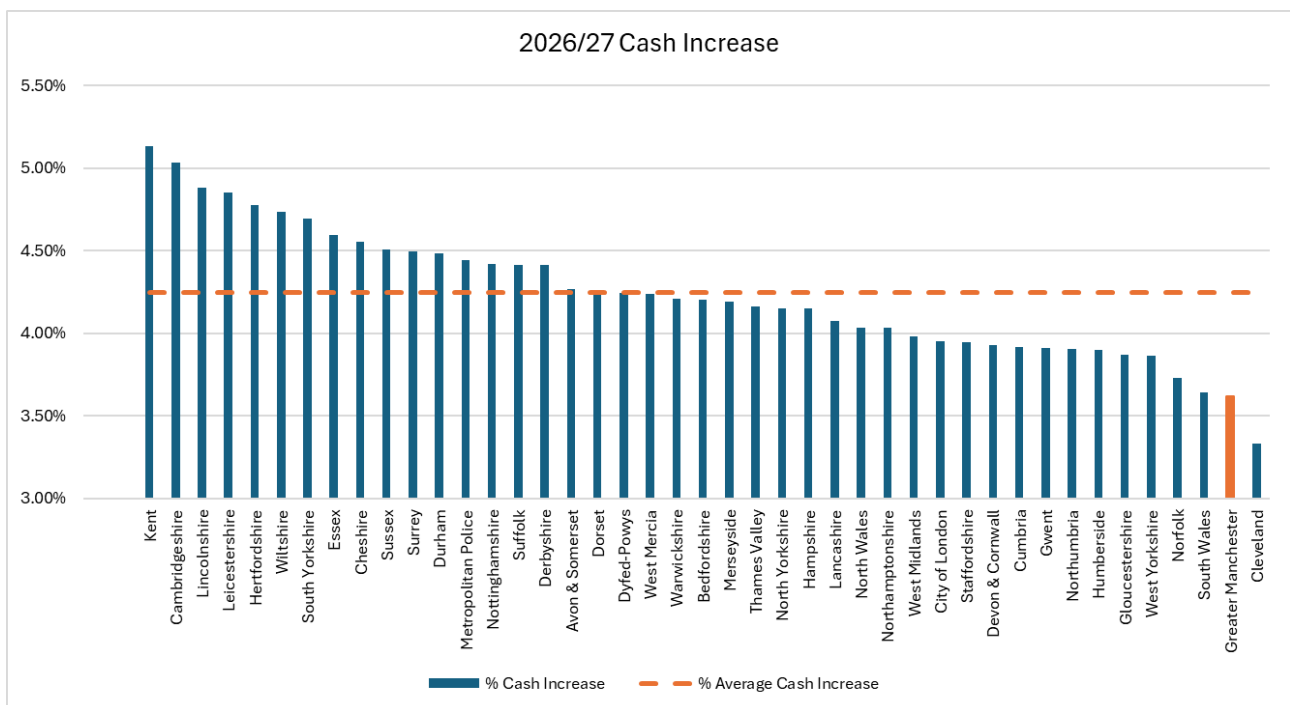
**Overview and Scrutiny Committee**

N/A

# 1. Introduction/Background

- 1.1 This report sets out the background to the 2026/27 budget setting process for both the Police and Crime Commissioner's (PCC) budget and the GMP (Greater Manchester Police) budget. The report also confirms the budget for the PCC including the impact of the 2026/27 police funding settlement from central Government.
- 1.2 This report contains technical analysis of the provisional funding settlement from Government; the provisions afforded by different levels of precept; and efficiency programmes underway or completed by GMP. Whilst this analysis is important it should be considered against fundamental issues in the way policing is resourced in Greater Manchester; and the way the provisional settlement exacerbates these issues:
  - 1.2.1 The current funding formula materially disadvantages large metropolitan forces like GMP. This is a point which has been raised and repeated by HMICFRS' Chief Inspector, Andy Cooke, on several occasions.
  - 1.2.2 Greater Manchester is more dependent than other areas on changes to the Government grant funding due to the lower council tax base in the region. The nationally proposed £15 maximum increase will therefore raise significantly less funds for GM per head of population than in many other areas of the country.
  - 1.2.3 This year, the Government's decision to mainstream Police Officer Uplift grant funding has disproportionately impacted forces like GMP which went above and beyond to recruit more officers in line with government requests and national targets to compensate for forces which chose not to. This decision means GMP have officers without the funding, whilst forces like the Metropolitan police force in London now have funding without the officers.
- 1.3 Funding for the police comes both directly from a central government grant (74%) and from the police precept (26%). The police precept we set is one of the lowest in the country. The policing grant from central government has increased from £649m to £669m providing a 3.1% increase in policing grant to Greater Manchester for the coming year. This is less than the average grant increase of 3.8% for England and Wales.
- 1.4 In total cash terms, including precept income, Greater Manchester has received a 3.9% increase as part of this settlement, including our portion of the recently announced additional £50m for neighbourhood policing. Our settlement remains below the national average and is the second worst settlement nationally. We

consider this settlement to be unfair, and we are in negotiations with Government regarding this.



- 1.5 The Government has given PCCs the ability to raise the precept by up to £1.25 a month (£15 a year) for a Band D property and £0.97 pence per month (£11.67 a year) for a Band B property (more than 80% of households in Greater Manchester are in Bands A-C). The Home Office has indicated that there may be some flexibility for some forces to exceed the standard increase of £15 for a Band D property. Although we know some force areas are intending to do so, we will not ask our residents for an increased level of precept above £15. We have taken this decision due to the wider cost pressures our communities face; but also, on the principle that it is not right that local people must pay more than their fair share to feel safe where they live and work.
- 1.6 The proposal presented to the panel in this report is to set the PCC element of the Mayoral precept for Greater Manchester at £285.30 for a Band D property and £221.90 for a Band B property. This increase would provide overall additional funding for GMP of £12.3m. The additional funding increases to £14.7m if taken alongside the expected growth in the tax base. The tax base growth is the increase in the number of households liable to pay council tax and the proposed precept. This is currently assumed at 1.0% for the financial year 2026/27.
- 1.7 There is a statutory duty to notify the Police and Crime Panel of the Police and Crime Commissioner's (PCC) precept proposal by 1st February each year. Details

of the Police and Crime Panel's statutory duties in relation to the setting of the precept can be found at Appendix 1.

## **2. National Funding Settlement**

- 2.1 The Home Office issued a provisional police funding settlement for 2026/27 on 18<sup>th</sup> December 2025, The settlement:
- Noted that PCCs will have the flexibility to raise the police precept to £15 for a Band D property in 2026-27.
  - Included distribution of core grant funding pro rata to the 2025/26 allocations which has been the same approach taken for the preceding thirteen financial years from 2013/14.
- 2.2 Confirmed a national increase in police forces funding of £796.1m between 2025-26 and 2026-27, of which £364.0m (46%) will come from utilising the precept flexibility and £432.1m (54%) being the national increase in core policing grants. In addition, funding for Counter Terrorism Policing will increase by at least £52 million in 2026-27.
- 2.3 No further details, national requirements and priorities, or breakdown of high-level core grants was provided in the provisional settlement. The Policing Minister subsequently issued a letter on 16<sup>th</sup> January providing further details on the settlement, including an increase in overall national grant of £50m, with GMP's share of this being an additional £2.9m. The letter also provided a relaxation on the police officer numbers relating to the Police Uplift Programme with a removal of the requirement to hold police officer numbers to the previously agreed total, which in GMP's case amounts to 8151 officers. However, the letter also indicated that a ringfence allocation would be provided to deliver the Neighbourhood policing pledge. This increases GMP's target increase in Neighbourhoods by a further 101 officers to 277 by March 2028. No details on the conditions of this grant have been provided.
- 2.4 The provisional settlement confirms that Government will publish "a Police Reform White Paper in early 2026 which will set out a vision to bring policing into the modern age with the technology, innovation and structures they need to ensure policing can focus on the crimes that matter to the public and to drive out waste and inefficiency." The Home Office has indicated that a full settlement will be issued in

January 2026. However, at the time of writing this report, no details nor a date has been received on when the full grant settlement will be confirmed.

- 2.5 Overall, taking into account both the precept flexibility and core grant increases, for Greater Manchester the increase is only 3.9%, which is less than the national average of 4.5% and represents the second worst settlement in England and Wales, and remains below the level of the September 2025 pay award and therefore places significant unanticipated financial pressure on GMP in 2026/27 and beyond. This is discussed further below.
- 2.6 The 2026/27 Police grant funding for Greater Manchester is £669m (£649.0m 2025/26), an increase of £20m (3.1%).
- 2.7 Together with the proposed precept increase of £15 at Band D, this would be an overall funding package for Police and Crime in Greater Manchester of £905.6m which would be an increase of £34.4m.

£M	Grant	Precept	Total
2025/26	649.0	222.2	871.2
2026/27	669.0	236.6	905.6
Uplift £m	20.0	14.4	34.4
Uplift %	3.1%	6.5%	3.9%

This is comprised of an overall increase of 3.1% in Government grant funding and 6.5% in funding from the proposed Precept, which is an overall funding increase in cash terms of 3.9% for GM, therefore less than the overall headline national average increase.

- 2.8 The Government Grant funding increase of 3.1% is the second lowest increase of any police force in the country and compares to a national average increase of 3.8% and increases of 4.4% in London, 4.7% in Kent and 4% in Merseyside. This is due to the mainstreaming from 2026/27 by Home Office of specific Police Officer Uplift (PUP) additional recruitment grant funding. Whilst 2022/23 was the final year of the PUP programme, during which GMP exceeded its additional recruitment targets, in 2025/26 GMP maintained an additional 209 PUP Officers above the original force allocation (along with a further 120 recruited in line with the Government's commitment to Neighbourhood Policing, increasing the total GMP Officers to 8,271). Up to and including 2025/26, the additional PUP Officers were funded via a separate grant within the national settlement targeted directly to

specific forces based upon their delivery of additional PUP officers agreed with the Home Office as contributing to the national programme targets. GMP previously received £11m of this grant to fund its 209 additional PUP officers and there were no plans either in GMP or the Home Office to reduce this number. For 2026/27, this specific funding grant has now been unexpectedly switched into core grant funding meaning it is now part of the overall funding distributed to all forces (including those who have not delivered additional PUP Officers) and under this arrangement GMP's share falls to c£6m, a grant funding reduction of £5m per year within the overall GMP funding settlement allocation.

- 2.9 Despite Greater Manchester's unique and significant demand (outside of London) no special provision is afforded to GMP. In 2025/26 the National and International Capital Cities (NICC) grant was £255m which provides support to the Metropolitan and City of London Police. If an element of this grant could be repurposed to support GMP, it would go some way to alleviating the pressures expressed elsewhere in this document and the worse than expected settlement for 2026/27. Despite requesting this we are yet to receive any indication from Government that they would consider repurposing the NICC grant to provide support to GMP in recognition of the extra demands placed upon us.
- 2.10 It should be noted here that the national funding assumption on tax base increase is 0.9% compared to a local assumption of 1.0%. While the increase in tax base (i.e. households liable to pay council tax and the proposed precept) is a small financial benefit locally, household growth also represents an increased demand and therefore increased cost on policing, transport, community and neighbourhood services. None of which are reflected in the current funding provision for policing and which places considerable additional financial strain on GMP in terms of meeting increased demand without additional funding.
- 2.11 The Mayor, Deputy Mayor and Chief Constable have written to the Home Office regarding the impacting of the provisional grant settlement on GMP (letters attached). To date a response is awaited.

### **3. 2026/27 Police Precept Proposals**

- 3.1 With the help of what was raised through the precept last year, the Chief Constable has brought about further significant improvements in policing. Whilst this progress is welcome, it is essential that the improvements in policing services to communities



are maintained. Thanks to the increase in our police precept last year, we have kept our promises to:

- Reduce and prevent neighbourhood crimes, antisocial behaviour (ASB) and retail crime by investment in our prevention and neighbourhood policing teams.
- Neighbourhood crime has continued to fall significantly, by 15% since 2024/25. Retail crime has fallen by 8%.
- Increase trust and confidence. 65% of people were confident they could get help from GMP in an emergency compared to 61% in the previous year.
- Improve road and transport safety by continuing with Operation Vulcan in Piccadilly and Victoria and expanding this out to key hotspots. This year we have seen a 41% reduction in violent crime in the Operation Vulcan sites.
- In partnership with TfGM launch a major programme across the Bee Network to improve safety and people's feeling of safety, including the implementation of a dedicated Travel Safe Live Chat system.
- Divert more children and young people away from crime by investing in diversion and preventative services. In 2025, there was a 50% increase in diversionary activity and support services for children and young people who'd been arrested.
- Remain one of the best police forces in answering 999 and 101 calls. In 2025, 999 calls were answered in an average of 4 seconds compared to the national average of 8 seconds. For 101 the average was 1 minute and 5 seconds.
- Improve response times. GMP are now responding to 95% of emergencies in 15 minutes (91% last year) and 76% of non-emergencies within the hour (65% last year).

3.2 Thanks to the improvement foundations already laid by Greater Manchester Police, the proposed increase in the precept for 2026/27, along with the central government grant, will allow the Mayor and Deputy Mayor to sustain a good level of service. A £15 increase for a Band D property (equating to £11.67 increase for a Band B property) if taken alongside the expected growth in the tax base of 1% would provide an additional £14.7m of funding to enable GMP to:

- Further reduce neighbourhood crimes and ASB by investing in neighbourhood police officers.
- Expand hot spot policing tactics in town centres and other key locations to help drive down theft from person, violent crime and retail crime.

- Increase safety and police visibility in Piccadilly Gardens including a new police hub.
- Expand Operation Vulcan to another three sites to shift stubborn crime issues in neighbourhoods and reduce violent crime.
- Increase our coverage of ANPR camera technology (as backed by the public during a recent consultation) by transferring usage of the Clean Air Zone Cameras to GMP for crime prevention and detection.
- Bring more sex offenders and domestic abuse perpetrators to justice.
- Deliver a new Hate Crime Standard to encourage more people to come forward and report.
- Retain our good performance for speed of answering 999 and 101 calls and for responding to emergency and non-emergency incidents.

3.3 It is critically important that GMP have the level of funding required to sustain the significant improvements made to date and to continue to strengthen public safety. The £237m raised through the increased precept and the increase in core government grant will increase overall funding by £34.4m (3.9%). Whilst this increase in funding is welcome, it should be noted that even with the maximum precept increase, the 2025/26 police budget will still require significant efficiencies within GMP to continue to deliver improvements and manage inflationary pressures. If the precept is set below that level, those efficiencies risk becoming operational service cuts, threatening the progress made to continue GMP's positive journey to deliver the most effective police service in the UK.

3.4 Most, if not all, police and crime commissioners across England and Wales are seeking to increase the precept by the full £15 allowed by the government. The Home Office has indicated that there may be some flexibility for some forces to exceed the standard maximum increase of £15 for a Band D property. Although we know some force areas are intending to do so, we will not ask our residents for an increased level of precept above £15. We have taken this decision due to the wider cost pressures our communities face; but also, on the principle that it is not right that local people must pay more than their fair share to feel safe where they live and work. Following the proposed increase, the Greater Manchester police and crime precept will remain one of the lowest in the country. It is important to note that Greater Manchester is more dependent than other areas on changes to the Government grant funding due to the lower council tax base in the region. The

nationally proposed £15 maximum increase will therefore raise significantly less funds for GM per head of population than in many other areas of the country.

## 4. Police fund budget 2026/27

- 4.1 GMP will continue to face significant financial challenges in 2026/27, despite the increases in funding from a combination of Policing Grant and the Police Precept level proposed earlier in this report, which will provide Greater Manchester with £34.4m in additional funding compared to 2025/26.
- 4.2 This is because GMP is facing new unavoidable pay pressures that amount to £33.2m in 2026/27, along with other National and Local demand and inflationary driven cost pressures that result in GMP having an overall budget gap of £32m based on the funding settlement and recommended increase in precept of £15.
- 4.3 Further detail on these cost pressures and their impact on the 2026/27 budget are set out below:
  - 4.3.1 Unavoidable Pay Cost Pressures (£33.2m)
    - a. **Impact of 2025/26 Pay Awards (£18.8m)** – The police officer and police staff pay awards in 2025/26 were higher than expected when the budget was set. Funding has been received in 2025/26 to meet the additional in year cost and further funding is included in the overall funding settlement to assist in meeting the additional full year impact in 2026/27. This 2026/27 funding is however based upon a pay award of 3.8%, anticipated at the time of the 2025 Comprehensive Spending Review. The actual 2025 agreed pay award was 4.2% and no additional 2026/27 government funding has been provided towards this additional 0.4%, causing a direct unfunded cost pressure of £2.8m for GMP within the figures quoted above.
    - b. **2026/27 Pay awards (£13.0m)** – These are currently forecast to be 3.0%, in line with the government 2025 CSR assumptions in respect of policing pay settlements for 2026/27. Each 1% of pay is equivalent to a full year pressure of c£7m
    - c. **Police Officer Uplift (PUP), etc (£4.1m)** – The costs of maintaining officer numbers continue to rise above the overall level of funding and pay awards as the officers recruited as part of the PUP programme become more experienced which is reflected in their pay. The letter from the Policing Minister on the 16<sup>th</sup> January has indicated that there will be a relaxation in the head count target associated with this programme. This will give some

flexibility in the timing and number of officers included in the recruitment cycle.

- d. **Local Government Pension Scheme (LGPS) Triennial Review Outcome (£2.7m Saving)** – LGPS Pension funds are revalued every 3 years, with the results informing agreed Employer contribution rates over the next 3 year period. - Greater Manchester Pension Fund (GMPF) have now completed their valuation as at 31/3/2025 and since the last valuation in 2022, the fund surplus has improved significantly. Consequently, GMPF have revised GMP's current contribution rate down from 18% to 16% for the 3-year period commencing 1<sup>st</sup> April 2026.

#### 4.3.2 Committed Demand and Performance Led Cost Pressures (£8m)

- a. **Custody Model Staffing – Move to 8 Sites (£0.7m)** – this expenditure relates to the additional Staffing cost of GMP's newly refurbished 44 cell complex to meet future predicted demand levels and to further enhance Custody standards.
- b. **Repurposing CAZ cameras for police use (£1.1m)** - will enable increased interception of higher risk crime, supporting the delivery of safer, stronger communities across Greater Manchester.
- c. **Unavoidable Operational Pressures (£0.6m)** – An unavoidable disposal cost associated with sustained volumes of Nitrous Oxide Canister seizures and the essential upgrade of Tasers to a new more effective model account for this increased annual cost.
- d. **Essential Information Technology upgrades and improvements (£2.4m)** - Policing in the 21st century is underpinned by a digital infrastructure which supports the delivery of critical operational systems. The systems need to be robust to ensure that they withstand the risk of security compromise and deliver support to operational policing delivery. Essential revenue investment to support planned capital expenditure in infrastructure, new and improved technology applications to enhance front line policing capability and delivery. The result will be improved outcomes, effectiveness, and efficiency and maintaining a stable, secure, and reliable infrastructure.
- e. **Reduction in volumes of traffic offence tickets (£2.2m)** – Despite an organisational focus to deliver on GMP's priority commitment to the Safer Roads GM "Vision zero" strategy, volumes of traffic offences and therefore associated income generated are falling short of budgeted levels. A priority project is underway to understand both the reasons for this and to determine future

actions necessary to continue to deliver on this Safer Roads Commitment and to ensure that future income levels assist with the direct cost of associated policing costs.

- f. **Business as usual Investment requirements (£1m)** – The 2025/26 budget included several investments, progressing to implementation during 2025/26, required to improve service delivery and statutory compliance across a range of high-risk priority areas. This cost pressure reflects the full year impact of these on the 2026/27 budget.
- g. **National Neighbourhood Policing targets (£0m)** – The new claimable Neighbourhood Policing grant accounted for £11.6m of the overall 2025/26 GM funding settlement. During 2025/26 GMP is on target to secure all of this funding to recruit 120 additional new Neighbourhood Policing Officers and 56 new police staff to directly enable the redeployment of 56 experienced officers into new neighbourhood roles. This GMP uplift is planned to continue in 2026/27. The initial settlement in December gave no details on the requirements for Neighbourhood policing in 2026/27. However, the letter from the Policing Minister on 16<sup>th</sup> January 2026 indicated that there will be a requirement nationally to increase neighbourhood officers/ PCSOs and specials by a further 1,750 to give an overall total of 4,750 nationally. GMP's share of this increase is a further 101 officers to give a requirement to deliver an additional 277 officers in Neighbourhoods by March 2027. In her letter, the Policing Minister confirmed an additional £50m nationally for neighbourhood policing, of which GMP's share is £2.9m. The cost of the additional 101 officers requested by the Minister falls significantly short of the £2.9m provided.

#### 4.3.3 Local Cost Pressures and Efficiencies

- a. **Addressing Ongoing/Emerging Pressures (£12.1m)** – In order to maintain current performance levels and to drive further improvements/positive outcomes it is necessary to reflect the financial impact of associated service volume levels and specific cost/inflationary pressures currently being experienced. In particular:
  - i. As a result of GMP's unprecedented level of improvement over recent years together with continuing external demand factors such as sustained protest activity and the recent terrorist attack, the level of General reserves has been eroded to only c1.7% of budget requirement and the Operational Contingency reserve will be completely exhausted by the end

of 2025/26. An annual budget of £3m is required over the next 5 years to improve financial resilience by increasing the level of General/Operational Contingency reserves to a healthier 3% level.

- II. Also directly related to improved effectiveness, outcome and arrest rates are creating a recurring overspend on overtime expenditure. Whilst a significant organisational focus on reducing overtime has resulted in significant cost reductions (with district overtime overspends reducing from £7.0m in 2022/23 to just over £1m projected for 25/26), it is now acknowledged that current activity/demand levels require a permanent overtime budget increase of £3.1m to avoid continuing year on year overspends placing unrealistic pressure on in year delivery
  - III. Volumes of Police Officer Ill Health retirements continue at higher than budgeted levels despite robust procedures in this area. Ideally, a budget increase of £1.1m would mitigate this pressure.
  - IV. GMP's level of exposure to insurance claims and their estimated liabilities continues to rise, and, based upon recent years, requires an increase of £1m to its annual provision for settled and outstanding claims as determined by external insurance actuaries. This area is currently being reviewed closely, and an up-to-date valuation of liabilities will inform the final budgeted requirement for 2026/27.
  - V. A number of high profile, successful and nationally acclaimed policing Operations including Operation Vulcan have been funded from ARIS reserves over recent years. These reserves are now depleted, and ongoing ARIS funding is insufficient to meet all current commitments. It is therefore necessary to review and to mainstream these Operations for them to continue at a cost to the base budget of between £2m-£3.9m.
- b. **General inflationary pressures (£4.0m)** – Although a culture of robust supplier challenge and engagement exists and continues as a focus throughout GMP, general inflationary pressures relating to essential existing non-pay related contracts and other expenditure are anticipated to add £4m to the 2026/27 budgets.
- c. **Financing of capital investment (£3.8m)** – Police funding from government does not include any capital resource for investment in police assets such as fleet, IT, estates etc. As such, all capital is funded from borrowing which requires revenue budget to financing the borrowing costs. The significant capital investments made over the previous four financial years in necessary

assets to ensure effective delivery of operational policing have led to increased capital financing charges on the costs of borrowing. Whilst the PCC will continue to benefit from internal borrowing within the GMCA to mitigate interest costs, there is a requirement to ensure a statutory minimum revenue provision on all capital expenditure funded from borrowing. A prioritised approach to capital investment is being carried out with an aim to reduce this pressure in 26/27.

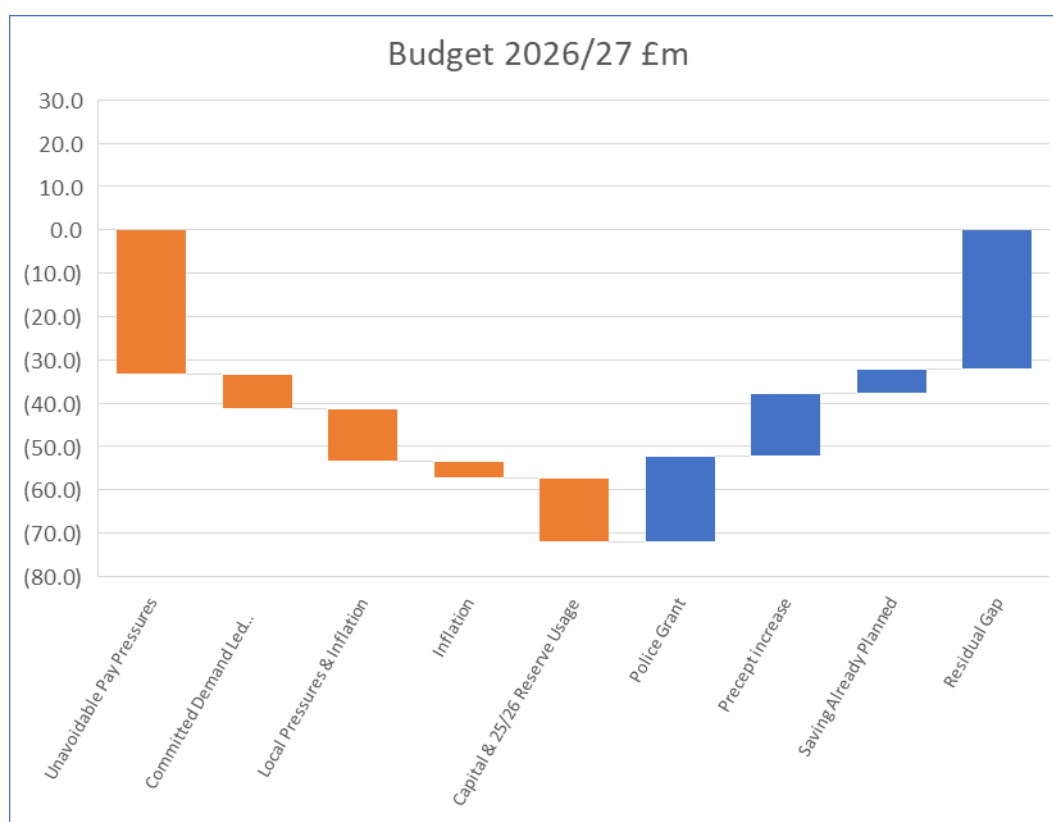
- d. **Use of reserves and other 'one-off' items to support the 2025/26 GMP budget (£11m)** – Several items were included in the 2025/26 budget that will not contribute again to the 2026/27 budget. In particular:
- I. Following the roll out of new uniform in 2024/25, routine replacements were anticipated to be lower in 2025/26 (£0.8m)
  - II. To support the GMP revenue budget and growth in pay costs associated with the PUP programme, the GMP PUP reserve was fully utilised in 2025/26 adding a budget pressure of £2m in 2026/27 versus 2025/26.
  - III. The 2025/26 budget included a requirement to identify £3m of in year efficiency savings v budget.
  - IV. The 2025/26 budget included a target of achieving £2m of income from a combination of collaboration with TfGM to join forces in the delivery of safer, stronger communities and exploring international training opportunities. This was not achieved in 2025/26 and so is removed from the base budget. Work is however still ongoing which may enable a contribution towards the current GMP funding gap in 2026/27. Paragraph 4.10 refers.
  - V. as part of the pro-active phasing of the Capital implementation of the new RMS programme, a one off revenue saving of £2.5m was built into the 2025/26 budget.
- e. **Savings already planned (£5.9m Saving)** – In order to sustain service improvements and manage the unavoidable pressures described above, the continuing work undertaken during 2025/26 by GMP has identified the following savings and efficiencies which can be delivered in 2025/26 without impacting on frontline policing. These include:
- I. Further cost savings from the effective prioritisation of Forensic sampling requirements which contributed £1m to the 2025/26 budget savings. This savings target will increase by a further £0.5m to £1.5m annually in 2026/27

- II. The ongoing focus on robust vacancy management and the full year impact of Police Staff reductions (to a strength level of 3,650) made during the current year, in line with the 2025/26 budget, will have a further positive impact of £2.3m on the 2026/27 budget.
- III. Increased income from the sale of seized vehicles resulting from the success of Op Wolverine continues to improve road safety and will contribute an additional ££0.5m during 2026/27.
- IV. A further £1.8m saving in IT revenue costs will be delivered in 2026/27 as part of the pro-active phasing of the Capital implementation of the new RMS programme. This replaces the one-off £2.5m saving delivered in 2025/26 above.
- V. Changes to PFI lease redemption accounting, implemented by GMCA on behalf of GMP, continue to give ongoing additional savings to the overall budget (£0.5m)

4.4 The above items in this cost pressure section, all of which are the result of national decision making, maintaining current performance levels and driving further improvements/positive outcomes for GM, will be reviewed closely at Command Team level within GMP before inclusion in the final 2026/27 budget. However, they currently present GMP with cost increases in 2026/27 totalling £66.2m, which are only partly offset by the settlement funding increases of £34.4m.

4.5 In summary the movement in funding and expenditure which currently leaves a gap for the 2026/27 financial year of £31.8m as is shown in the waterfall chart below:





4.6 The Panel will recognise from previous budget reports that the financial challenges facing policing and GMP are significant. With the support of the Panel over recent years resources have been provided which have enabled GMP to continue to deliver on its mission to deliver improved services to Greater Manchester residents. When the current year's budget was set in March 2025, the budget gap for 2026/27 was estimated to be c£20m, however despite a continued focus by GMP on driving out further efficiencies and cost savings, the impact of sustained demand related pressures combined with higher than anticipated nationally agreed pay awards, continued inflationary pressures and the very disappointing provisional grant settlement have significantly increased the financial pressures faced by GMP. The previous paragraphs set out the financial pressures which now exist for 2026/27, even with an increase in the Band D precept of £15, this still leaves a gap of c£32m to deliver a balanced budget.

4.7 Faced with this, GMP has instigated a robust and detailed Business Planning process targeting savings and efficiencies required to achieve a balanced 2026/27 budget. Senior leaders have all been allocated challenging efficiency targets and are required to present a series of budget saving options to achieve them, whilst also justifying the effectiveness of all budget, police officers, police staff and other resources allocated to them. Panels consist of the Deputy Chief Constable, Chief

Resources Officer and Chief Finance Officer, along with senior leaders from the Finance, People and Change Branches. This programme of work is currently in progress and indications are that realistic savings options will be captured towards the current 2026/27 budget shortfall. However, further savings and funding options will be required to achieve a balanced 2026/27 budget.

- 4.8 This will include re-prioritising and removing some of the planned budget increases, detailed above aimed at addressing existing demand/service improvement related pressures and increasing General reserve levels that have been eroded over recent years due to external pressures such as sustained protest activity and the ongoing policing activity required to protect and reassure our communities. A further assessment of these options is currently being finalised to determine the contribution that this activity will make towards reducing the budget gap.
- 4.9 To secure financial stability GMP has also been continuing its work during the current financial year to address the financial challenges it faces in a high demand, high risk operational environment. The strengthened governance arrangements brought in through Operation Rydal in 2024/25 that were instrumental in achieving a balanced 2025/26 budget continue via the establishment of an Efficiency and Effectiveness board which specifically focusses on ensuring future financial stability. Alongside this a Budget Approval Board (BAB), comprising the Deputy Chief Constable, Chief Resources Officer and Chief Finance Officer, now provides the ultimate assessment and approval to allocate resources to all proposed new initiatives and projects requiring either additional Revenue and/or Capital funding along with the monitoring and review of the Force in year financial position, Medium-Term Financial Strategy and reserves. This ensures that all funding allocation decisions are made at the highest possible strategic level and are therefore effectively targeted to the achievement of organisational priorities, completely mitigating any risk of resources being allocated in isolation.
- 4.10 Further work is also being carried out to determine the extent to which further potential revenue generation from activity with Partners on the GM Transport network can be made available to assist with the delivery of improved safety across the BEE network.
- 4.11 This along with further detailed analysis of the revenue and capital budgets for 2026/27 will be brought back to the Panel once confirmation of the decision in relation to the 2026/27 precept is known.

4.12 Whilst the subsequent announcement of additional grant funding is welcome, the significant funding challenges remain. The settlement relaxes the inflexibility previously associated with police officer numbers and this flexibility and the impact on police officer recruitment plans is currently being assessed. However, despite this increased flexibility, the switch of earmarked funding to core grant for additional uplift officers recruited by GMP has had a significant adverse financial impact on GMP. Furthermore, the late notice of this change does not give much time to revise recruitment plans already in place for the early months of 2026/27. Given the operational pressures outlined in the report, an assessment of the operational impact on the level and timing of recruitment is crucial.

## 5. Community Safety Partnerships

5.1 Around £4.5m per year is delegated to Community Safety Partnerships (CSPs) to support delivery of the Police and Crime Plan, collectively making communities safer and more resilient. The funding for each local authority for 2025/26 is set out in the table below. We will issue the new grant for 26/27 by March 2026, anticipating that we will retain investment at existing levels.

Local Authority	Children's Safeguarding Board	Adult's Safeguarding Board	CS Grant with 2.6% uplift 2025-26	VCS Grant with 2.6% uplift 2025-26	Hate Crime Grant with 2.6% uplift 2025-26	Hate Crime Grant (Police and Crime Panel)	Total
Bolton	19,764	19,764	£312,441	£102,600	£5,130	£5,000	£464,699
Bury	13,541	13,541	£162,080	£102,600	£5,130	£5,000	£301,892
Manchester	36,413	36,413	£712,643	£205,200	£5,130	£5,000	£1,000,799
Oldham	14,741	14,741	£269,106	£102,600	£5,130	£5,000	£411,318
Rochdale	13,884	13,884	£240,264	£102,600	£5,130	£5,000	£380,762
Salford	15,426	15,426	£245,528	£102,600	£5,130	£5,000	£389,110
Stockport	15,769	15,769	£224,666	£102,600	£5,130	£5,000	£368,934
Tameside	15,084	15,084	£250,241	£102,600	£5,130	£5,000	£393,139
Trafford	14,741	14,741	£205,713	£102,600	£5,130	£5,000	£347,925
Wigan	16,455	16,455	£254,052	£102,600	£5,130	£5,000	£399,692
<b>Total</b>	<b>£175,818</b>	<b>£175,818</b>	<b>£2,876,734</b>	<b>£1,128,600</b>	<b>£51,300</b>	<b>£50,000</b>	<b>£4,458,270.00</b>

5.2 Building on the work of previous years, CSPs have continued to work closely on both GM and local priorities and are using Community Safety funds to support targeted work in neighbourhoods. Oversight and governance is managed through local partnership arrangements and the Deputy Mayor is informed of spending profiles through an initial proposal followed by a mid-year update on progress. The

Community Safety Grant provides CSPs with local autonomy to direct funds at key police and crime priorities.

- 5.3 The Deputy Mayor has continued to delegate Voluntary and Community sector grants following consultation and feedback from CSPs who provide a mid-year progress update detailing the allocation of funds to local groups and voluntary sector organisations. The grants are being used to support communities to tackle grass roots issues of concern whilst developing resilience and cohesion as local people are contributing to achieving Standing Together priorities.

## 6. Precept consultation

- 6.1 The Greater Manchester police precept public consultation will close on 21<sup>st</sup> January 2026. The Mayor of Greater Manchester proposed an increase of £11.67 for a Band B property (or £15 for a Band D property). The majority of properties in Greater Manchester fall within Band A and B. This amounts to an extra 97 pence a month for a Band B property. The proposed increase, along with the central government policing grant, will enable Greater Manchester Police to continue to sustain the improvements to deliver the most effective police service in the UK.
- 6.2 The table below shows the impact for each Council Tax band of a £15 increase for a Band D property.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2025/26	180.2	210.23	240.26	<b>270.30</b>	330.36	390.43	450.50	540.60
2026/27 Proposed	190.2	221.9	253.6	<b>285.30</b>	348.70	412.10	475.50	570.60
£ Increase	10.00	11.67	13.33	<b>15.00</b>	18.33	21.67	25.00	30.00

- 6.3 Overall, around 80% of residential properties across Greater Manchester fall into the lowest Council Tax bands (A to C).
- 6.4 To date the outcome of the consultation is 763 responses with 56.09% of respondents supporting an increase to the Precept. Police, Fire and Crime Panel members will receive an updated overview of responses after the consultation has closed on 21<sup>st</sup> January 2026 and prior to the Panel meeting on 28<sup>th</sup> January 2026.
- 6.5 To support the Precept consultation this January we have completed a series of 5 focus groups. These are representative of the Greater Manchester population in terms of age and gender and are drawn from the majority of boroughs. The groups

provide us with further insights around residents' understanding and views of the Policing Precept. The findings include:

- A recognition of the funding pressures placed on policing, with this being understood in the context of pressure on all public services. With this in mind, participants expressed concerns that stretched resources would lead to reduced resourcing of detection, and further reductions in community-based prevention, which was of particular concern.
- Some participants were aware of the precept element of police funding. Among those that were aware, few had considered it in more detail due to a perception that, like council tax, nothing can be done about it. The proposed increase did not produce a strong reaction either way due to the perception that everything is getting more expensive.
- Strong support for community based and hyper-local activity, including a view that the precept should explicitly relate to local activity. Specific programmes such as the Village Angels were highlighted as creative, light touch approaches to support policing activity, which is particularly effective in communities with historic mistrust of policing.
- Participants were grateful for and supportive of the use of focus groups in the consultation process as it created a forum to share more detailed views and gain a better understanding of the relevant issues. *"we all have views and voices and it's good to feel like someone wants to listen"*
- Participants were supportive and to an extent defensive of GMP when the provisional funding settlement was contextualised against forces like the Metropolitan Police Service and Kent, which received more favourable settlements. As central government wouldn't support GMP, as residents they felt more supportive of their local force, and the funding pressures faced.

## 7. Recommendations

7.1 The Panel is asked to consider the content of this report and either:

a) propose that the PCC precept level of £11.67 for a Band B property (or £15 for a Band D property) can be issued, or

b) make recommendations regarding the precept level, or

c) veto the proposal and require the PCC to submit a revised proposed precept.

7.2 Note the budget assumptions relating to the budget for 2026/27.

## APPENDIX 1

### Police and Crime Panels – Scrutiny of Precepts

This appendix explains the process for the police and crime panel’s (PCP) scrutiny of the police and crime commissioner’s (PCC) proposed precept and should be read alongside:

- Schedule 5 of the Police Reform and Social Responsibility Act 2011 (“the Act”)
- Part 2 of the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 (“the Regulations”)

### Background

Schedule 5 of the Act sets out the process for issuing a precept, including the panel’s role in reviewing the proposed precept, their power to veto the precept and the steps to be taken if they do veto the proposed precept. The Regulations provide greater detail to the Act, including time limits applicable to the stages of the process and the process for reviewing and issuing a revised precept.

Schedule 5 requires:

- the PCC to notify the panel of his/her proposed precept;
- the panel to review the proposed precept;
- the panel to make a report to the PCC on the proposed precept (this may include recommendations);
- the panel’s report (if they veto the proposed precept) to include a statement that they have vetoed it;
- a decision of veto to be agreed by two-thirds of the panel members;
- the PCC to have regard to the report made by the panel (including any recommendations in the report);
- the PCC to give the panel a response to their report (and any such recommendations);
- the PCC to publish the response.

It is for the panel to determine how a response to a report or recommendations is to be published. If there is no veto and the PCC has published his/her response to the panel's report, the PCC may then issue the proposed precept - or a different precept (but only if in accordance with a recommendation in the panel's report to do so).

**The Regulations** require:

- the PCC to notify the panel of his/her proposed precept **by 1 February 2026**;
- the panel to review and make a report to the PCC on the proposed precept (whether it vetoes the precept or not) **by 8 February 2026**;
- where the panel vetoes the precept, the PCC to have regard to and respond to the Panel's report, and publish his/her response, including the revised precept, **by 15 February 2026**;
- the panel, on receipt of a response from the PCC notifying them of his/her revised precept, to review the revised precept and make a second report to the PCC **by 22 February 2026**;
- the PCC to have regard to and respond to the Panel's second report and publish his/her response, **by 1 March 2026**.

### **Panel's Report on the proposed precept**

If the panel fails to report to the PCC by 8 February 2026 the scrutiny process comes to an end, even if the panel have voted to veto the proposed precept, and the PCC may issue the proposed precept.

### **PCC's response to a veto**

Where the panel vetoes the proposed precept, the PCC must have regard to the report made by the panel, give the panel a response to the report and publish the response, by 15 February 202. In his/her response, the PCC must notify the panel of the revised precept that he intends to issue.

Where the panel's report indicates that they vetoed the precept because it was:

- too **high**, the revised precept must be lower than the previously proposed precept.
- too **low**, the revised precept must be higher than the previously proposed precept.



The PCFP may only veto the first proposed precept. Such a veto must be agreed by two-thirds of PCFP members (the full membership rather than those present at a meeting). Where a veto occurs, the report to the PCC must include a statement to that effect.

### **Panel's review of the revised precept**

On receipt of a response from the PCC notifying them of the revised precept proposal, the panel must review the revised precept proposal and make a second report to the PCC on the revised precept by 22 February 2026. This report may:

- indicate whether the panel accepts or rejects the revised precept (although rejection does not prevent the PCC from issuing the revised precept); and
- make recommendations, including recommendations on the precept that should be issued.

If the panel fails to make a second report to the PCC by 22 February 2026, the PCC may issue the revised precept.

### **Issuing the precept**

Excluding where the panel fails to report on the proposed precept by 8 February 2026 or make a second report on the revised precept by 22 February 2026, the scrutiny process ends when the PCC gives the panel his/her response to their second report.

The PCC may then:

- issue the revised precept; or
- issue a different precept, although:
  - they must not issue a precept that is higher than the revised precept if the revised precept was lowered following the panel's initial report on the first proposed precept indicating it was vetoed because it was too high;
  - they must not issue a precept which is lower than the revised precept if the revised precept was raised following the panel's initial report on the first proposed precept indicating it was vetoed because it was too low.