

Greater Manchester Combined Authority

Overview & Scrutiny Committee

Date: 28th January 2026

Subject: Mayoral General Budget and Precept Proposals

Report of: Andy Burnham, Mayor of Greater Manchester

Purpose of Report

To set out the proposals for the Mayoral General Budget and precept for 2026-27 for consideration by the members of the GMCA. The proposals being made include the budget for the Greater Manchester Fire and Rescue Service which is a mayoral responsibility in Greater Manchester. The report includes details supporting the proposed precepts for the Mayoral General Budget as shown at paragraph 3.

Recommendations:

The GMCA Overview and Scrutiny Committee is requested to consider and comment on the report and note the recommendations which will be considered by the GMCA at its meeting on the 30 January 2026 as below.

The GMCA is requested:

1. To consider my proposal to increase the Mayoral General Precept by £25 to £153.95 (for a Band D property), comprising of:
 - i) Greater Manchester Fire and Rescue Services - precept of £92.20 (**£6 increase**);
 - ii) Other Mayoral General functions - precept of £61.75 (**£19 increase**).
2. To note and comment on:
 - i) the overall budget proposed for the Fire and Rescue Service,

- ii) the use of the reserves to support the revenue and capital budgets, and the assessment by the Treasurer that the reserves as at March 2026 are adequate,
- iii) the proposed Fire Service capital programme and proposals for funding,
- iv) the medium-term financial position for the Fire and Rescue Service covered by the Mayoral precept

3. To note and comment on the detailed budget proposals for other Mayoral general functions.
4. To note and comment on the use of reserves as set out in Paragraph 3.3 of the report.
5. To consider whether they would wish to submit any written comments to the Mayor in line with the legal process and timetable described in this report.
6. To note that at its meeting on 13th February 2026 there will be an updated budget submitted, consistent with the precept proposals, to reflect final tax base and collection fund calculations and the final baseline funding settlement.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

An assessment of the potential budget risks faced by the authority are carried out quarterly as part of the monitoring process. Specific risks and considerations for the budget 2026/27 insofar as they relate to the Fire Service are detailed in Part 2.

Legal Considerations

See Appendix 1 of the report.

Financial Consequences – Revenue

The report sets out the planned budget strategy for 2026/27 and future years.

Financial Consequences – Capital

Proposals for Fire and Rescue Services capital spend are set out within Part 2 of the report.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

The report will be reviewed by the overview and scrutiny committee on 28th January with feedback provided to CA meeting on 30th January

Background Papers

GMCA – Mayoral General Budget and Precept Proposals 2025/26 – 7 February 2025

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?

N/A

Bee Network Committee

N/A

Overview and Scrutiny Committee

28th January 2026

Mayoral General Budget and Precept Proposals

1. Introduction

- 1.1 The purpose of this report is to notify the GMCA of the Mayor's draft budget for 2026/27, setting out proposed funding to meet the costs of Mayoral general functions. The GMCA must review the draft budget and, having done so, may choose to make a report to the Mayor before 8th February confirming whether it would approve the draft budget in its current form or make alternative recommendations. If no such report is made before 8th February, then the draft budget shall be deemed to be approved.
- 1.2 The Mayoral General Budget 2026/27 is set out in two parts:

Part 1 - Mayoral General Budget 2026/27 (excluding Fire and Rescue).

- 1.2.1 There is a **proposed £19 (Band D) increase** to the Mayoral General precept for 2026/27. The increase will enable the delivery of the next phase in the development of the Bee Network and represents a significant step on our journey to create a transport system which is fit for a global city region.
- 1.2.2 The investment will also support our ambition to create safer and stronger communities with the creation of a new GMP command structure, dedicated to ensuring safety across our public transport network.
- 1.2.3 Specifically, the proposed increase will deliver the following additional benefits to the citizens of Greater Manchester:
 - (i) **Permanent roll out of free all-day travel for older and disabled people.**

Following the success of the trial of the removal of pre 9.30 travel restrictions for the English National Concessionary Travel Scheme (ENCTS), as reported to the GMCA meeting on 12th December 2025, the proposed increase in the Mayoral general precept will enable the

permanent removal of the pre 9.30 restrictions which is estimated to cost up to £5m per year.

(ii) Roll out of Phase 2 of GM Travel Safe programme

Building on the success of the live chat Travelsafe functionality within the Bee Network app, implemented in 2025, the proposed precept increase will fund the next phase in our plans to ensure the safety of those travelling and working on the Bee Network.

The precept increase will fund the full introduction of a GMP command structure for the Bee Network, creating the equivalent of an 11th GMP district dedicated to safety and crime prevention and investigation across all modes of public transport in Greater Manchester. This will cost an additional £6m to provide incremental policing on the Bee Network and will be fully funded within the proposed mayoral budget protecting the existing frontline GMP capacity.

(iii) Further enhancements to the Bee network and continuation of the £2 fare cap

The proposed increase will support the retention of the £2 bus fare cap, the lower cost period tickets (i.e. £5 Daily, £20 Weekly, £80 monthly and £800 annual) and associated multi-modal fare products for a further 12 months through the 2026/27 financial year ending 31st March 2027.

Furthermore, the funding will create additional opportunities for extension and enhancements across the network to respond to the demands of a global city region. This will ensure that service improvements already identified can be funded and where there is a strong case for more frequent services or additional routes, there will be funding available to support those decisions which will be underpinned by a robust appraisal process.

(iv) Supporting Local Authority Finances

My precept proposals will allow us to deliver further Bee Network benefits, including the unencumbered access for concessionary pass holders, enhanced safety across the transport network, and an extended

and improved bus service, whilst minimising the impact on Greater Manchester local authority finances. A sustainable local government sector is critical to the successful delivery of the Greater Manchester Strategy and the proposals set out in this budget and the wider package of budgets to be presented to the GMCA in February seek to support colleagues across local government in Greater Manchester.

These proposals build on the ground-breaking bus reform programme in Greater Manchester which brought buses back under public control for the first time in three decades and enabled the creation of the Bee Network we see today. The programme was delivered on time and on budget and is delivering benefits through significant improvements in performance and patronage, reversing decades of decline on the most used mode of transport in Greater Manchester. We set out a budget of £134.5m for the transition to a fully franchised system and not only has the programme been delivered within that budget, despite the impact of Covid and a global energy crisis, we have gone beyond those original proposals by enhancing and extending the network.

The funding secured through the additional precept will enable a more accessible, safer and larger Bee Network. It will also enable us to reduce the impact on scarce council finances by reducing the planned one-off GM local authority £17.8m contribution to the programme as much as possible and deferring any contribution beyond 2026/27 as a minimum.

1.2.4 The existing precept of £42.75 will therefore rise to £61.75. Alongside the new proposals set out above, the precept will continue to be used to support:

- The 'A Bed Every Night' emergency response scheme to reduce rough sleeping in Greater Manchester and continue to support local schemes and homelessness partnerships to end rough sleeping. This scheme is supplemented by financial support from the Greater Manchester Integrated Health and Care Partnership, Probation Service and other partners across Greater Manchester.
- The 'Our Pass' scheme, providing free bus travel within Greater Manchester for 16-18 year olds.

- Care Leavers concessionary pass providing free bus travel in Greater Manchester for young people who have been in care.
- Equality panels facilitated by appropriate voluntary organisations, enabling investment in organisations which work in partnership with public services and the wider community, contributing to tackling the inequalities agenda.

Part 2 - Greater Manchester Fire and Rescue Service (GMFRS) Medium Term Financial Plan 2026/27 – 2027/28.

1.2.5 There is a **proposed £6 (Band D) increase** to the GMFRS element of the mayoral precept. The precept increase is required to ensure, given the impact of the provisional settlement on the service's medium term financial plan for 2026/27, together with anticipated increases in inflationary pressures on both pay and non-pay budgets, there is no adverse impact on frontline services.

1.3 The Mayor therefore proposes an increase to the Mayoral Fire Precept for the financial year 2026/27. If the proposal is accepted, the Mayoral Precept will increase by £16.67 (32 pence per week) to £102.64 for a Band A property split between £61.47 (£1.18 per week) for the fire and rescue service and £41.17 (79 pence per week) for other Mayoral-funded services (an increase of £25.00 to £153.95 for a Band D property, with the fire and rescue service accounting for £92.20 and £61.75 for non-fire).

1.4 Although it is required to set a precept specifying the Band D Charge, by far the majority of properties (82%) in Greater Manchester, will be required to pay less than this amount. The following table outlines the amounts to be paid by each band and the proportion of properties which fall into each band.

2026/27	A	B	C	D	E	F	G	H
Mayoral Other	41.17	48.03	54.89	61.75	75.47	89.19	102.92	123.50
Mayoral Fire	61.47	71.71	81.96	92.20	112.69	133.18	153.67	184.40
Total	102.64	119.74	136.85	153.95	188.16	222.37	256.59	307.90
Proportion of Properties	44.4%	19.9%	17.7%	9.7%	4.9%	2.1%	1.2%	0.2%

- 1.5 The Mayoral General Precept is part of the overall council tax paid by Greater Manchester residents and used to fund Greater Manchester-wide services for which the Mayor is responsible.
- 1.6 Income from Business Rates, both a share of the income collected by GM Councils and a 'top up' grant, is received. As the GMCA is part of the 100% Business Rates Pilot, the previous receipt of Revenue Support Grant has been replaced by equivalent baseline funding through an increased Business Rates top up.
- 1.7 At the present time, both Council Tax and Business Rates income is subject to confirmation by local authorities, and the estimate of the Business Rates 'top up' grant will be confirmed in the final settlement.

2. Background to the Budget Process

- 2.1 The functions of the GMCA which are currently Mayoral General functions are:
 - Fire and Rescue
 - Compulsory Purchase of Land
 - Mayoral development corporations
 - Development of transport policies
 - Preparation, alteration and replacement of the Local Transport Plan
 - Grants to bus service operators
 - Grants to constituent councils
 - Decisions to make, vary or revoke bus franchising schemes
- 2.2 The sources of funding for Mayoral costs, to the extent that they are not funded from other sources, are precept or statutory contributions (not Fire). A precept can be issued by the Mayor to GM Councils as billing authorities. The precept is apportioned between Councils on the basis of Council Tax bases and must be issued before 1st March.
- 2.3 Constituent councils can make statutory contributions to the Mayor in respect of Mayoral functions where authorised by a statutory order but they require at least 7 members of the GMCA (excluding the Mayor) to agree (Fire cannot be met from statutory contributions).
- 2.4 In terms of timetables, I must, before 1st February, notify the GMCA of my draft budget in relation to the following financial year. The draft budget must set out the proposed spending and how I intend to meet the costs of my General functions.

2.5 The GMCA must review the draft budget and may make a report to the Mayor on the draft. The Authority must make such a report before 8th February and must set out whether it would approve the draft budget in its current form or make alternative recommendations. If no such report is made before 8th February then the draft budget shall be deemed to be approved.

2.6 A full, legal description of the process is attached at Appendix 1.

3. **Mayoral General Budget Summary 2026/27**

3.1 The table below shows the summary of gross and net budget for Mayoral General Budget including GMFRS budget for 2026/27:

Budget Summary 2026/27	Gross Expenditure £000	Gross Income £000	Net Estimate £000
Fire Service Budget	154,377	0	154,377
Other Mayoral General Budget	154,406	15,987	138,419
Capital Financing Charges	4,581	0	4,581
Contribution from balances/reserves	0	0	0
Budget Requirement	313,364	15,987	297,377
Localised Business Rates		11,860	-11,860
Business Rate Baseline		56,916	-56,916
Services Grant		0	0
Section 31 Grant - Business Rates		8,694	-8,694
Section 31 Grant - pensions		4,566	-4,566
Other Grants & Income		0	0
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit	0	840	-840
Precept Requirement	313,364	185,563	127,801

3.2 The full calculation of aggregate amounts under Section 42A (2) and (3) of the Local Government Finance Act 1992 as updated in the Localism Act 2011 is shown at Appendix 2.

3.3 Taking account of the budget proposals outlined in this paper, the reserves for both Mayoral and GMFRS for 2024/25 are as follows:

Mayoral and GMFRS Reserves	Opening Balance 2025/26	Transfer From / (To) Reserves - 2025/26	Closing Balance 2025/26	Trans From / (To) Reserves - 2026/27	Closing Balance 2026/27
	£000s	£000s	£000s	£000s	£000s
General Reserve	(1,422)	0	(1,422)	0	(1,422)
Capital Reserve	(13,152)	0	(13,152)	0	(13,152)
Earmarked Budget Reserve	(12,216)	1,074	(11,142)	0	(11,142)
Revenue Grants Unapplied	(4,149)	1,408	(2,741)	1,337	(1,404)
Insurance Reserve	(2,128)	0	(2,128)	0	(2,128)
Business Rates Reserve	(870)	0	(870)	0	(870)
Restructuring Reserve	(418)	0	(418)	0	(418)
Innovation & Partnership	(127)	0	(127)	0	(127)
Transformational Fund	(3,604)	0	(3,604)	0	(3,604)
Total	(38,086)	2,482	(35,604)	1,337	(34,266)

3.4 The current General Fund Reserve balance stands at £12.093m, this is considered an appropriate level and there is no planned use of this reserve.

4. Mayoral General Budget Summary 2026/27

4.1 In coming to decisions in relation to the revenue budget, I have various legal and fiduciary duties. The amount of the precept must be sufficient to meet the Mayor's legal and financial commitments, ensure the proper discharge of my statutory duties and lead to a balanced budget.

4.2 In exercising my fiduciary duty, I should be satisfied that the proposals put forward are a prudent use of my resources in both the short and long term and that they are acting in good faith for the benefit of the community whilst complying with all statutory duties.

4.3 Given that I intend to make firm proposals relating to the Fire Service budget at the February meeting, there will be a need to reassess the overall prudence of the budget, but at this stage, there are sufficient reserves available to ensure a balanced budget is set.

Duties of the Chief Finance Officer

- 4.4 The Local Government Finance Act 2003 requires the Chief Finance Officer to report to the Mayor on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. I have a statutory duty to have regard to the CFO's report when making decisions about the calculations.
- 4.5 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Mayor to monitor during the financial year the expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, I must take such action as I consider necessary to deal with the situation. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.
- 4.6 Under Section 114 of the Local Government Finance Act 1988, where it appears to the Chief Finance Officer that the expenditure of the Mayoral General budget incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure, the Chief Finance Officer has a duty to make a report to the Mayor.
- 4.7 The report must be sent to the GMCA's External Auditor and I/the GMCA must consider the report within 21 days at a meeting where we must decide whether we agree or disagree with the views contained in the report and what action (if any) we propose to take in consequence of it. In the intervening period between the sending of the report and the meeting which considers it, the GMCA is prohibited from entering into any new agreement which may involve the incurring of expenditure (at any time) by the GMCA, except in certain limited circumstances where expenditure can be authorised by the Chief Finance Officer. Failure to take appropriate action in response to such a report may lead to the intervention of the External Auditor.

Reasonableness

4.8 I have a duty to act reasonably taking into account all relevant considerations and not considering anything which is irrelevant. This Report sets out the proposals from which members can consider the risks and the arrangements for mitigation set out below.

Risks and Mitigation

4.9 The Treasurer has examined the major assumptions used within the budget calculations and considers that they are prudent, based on the best information currently available. A risk assessment of the main budget headings has been undertaken and the level of reserves is adequate to cover these.

5. Part 1 – Proposed Mayoral General Budget 2026/27 (Excluding Fire & Rescue)

5.1 This section provides the proposed Mayoral General Budget (excluding Fire & Rescue) for 2026/27. The Mayoral General Budget funds the Mayor's Office and Mayoral functions including Transport. The budget for 2026/27 is a proposed £154.406m to be funded from Precept income, Transport Statutory Charge, reserves, grants and external income.

5.2 The table below sets out the 2025/26 budget and 2026/27 proposed budget:

Mayoral Budget	2025/26 Budget	2026/27 Proposed Budget
	£000	£000
Employee Related	510	536
Supplies and Services	15	17
Travel Related	15	15
Corporate Recharge	876	876

Mayoral Priorities		
A Bed Every Night	2,400	3,900
Equality Panels	350	500
Other Mayoral Priorities	1,405	285
Total Mayoral Priorities	4,155	4,685
Mayoral Transport		
Bus Reform	13,500	13,500
Our Pass	17,229	17,227
Care Leavers	550	550
Bus Service Operators Grant	11,750	11,750
TfGM Revenue Grant	90,250	90,250
Pre 9.30 ENCTS	0	5,000
Travel Safe	0	6,000
Network Enhancement	0	4,000
Total Mayoral Transport	133,279	148,277
Gross Expenditure	138,850	154,406
Funded by:		
Mayoral Precept	(35,338)	-51,256
Collection Fund Surplus /-Deficit	(463)	(463)
BSOG grant	(13,150)	(13,150)
Mayoral Capacity grant	(1,010)	(1,500)
Statutory charge	(86,700)	(86,700)
Other grants	(1,339)	(1,337)
External Income	(850)	0
Gross Income	(138,850)	(154,406)

5.3 In relation to the level of the precept to be levied for Mayoral functions it is proposed an increase of £19 to £61.75 for a Band D property which will be used to support Mayoral priorities as set out below. This equates to a £12.67 increase for a Band A property or 24 pence per week.

5.4 The Mayoral Precept funds a variety of Mayoral priorities including but not limited to:

5.4.1 Continuation of the A Bed Every Night (ABEN) programme, which over the last 5 years has contributed to a reduction in rough sleeping in Greater Manchester and provides accommodation for around 600 people every night.

5.4.2 The “Our Pass” scheme which provides free bus travel within Greater Manchester for 16-18 year olds and direct access to other opportunities in the region. The scheme is funded from a combination of Precept, reserves and other income. A budget of £17.2m is proposed for 2026/27 with a risk reserve held by TfGM if costs increase during the year, in line with the original funding strategy for the scheme agreed by the GMCA. Following the full franchising of bus services in Greater Manchester, the totality of the mayoral funding for “Our Pass” can be used to support the bus network rather than re-imburasing operators as happened in the non-franchised system.

5.4.3 The mayoral precept also makes a significant contribution to the wider Bee Network public transport system across Greater Manchester. This contribution includes funding this contribution includes supporting the local control of the Greater Manchester bus network through the recently implemented, on time and on budget, franchising scheme to deliver passenger benefits including simpler fare and ticketing and joined-up planning between bus and tram journeys.

5.4.4 As set out in paragraph 1.2.3 the proposed increase to the mayoral general precept in 2026/27 will fund further enhancements to the Bee Network to support the aim, set out in the Greater Manchester Strategy (GMS) to create a transport system fit for a global city region. This additional investment will enable fair access for all to our transport network, a safer network for residents, travelers and staff and will allow the further enhancement and extension of our network to meet the changing needs of our citizens.

5.4.5 The Bee Network has already delivered lower bus fares, new buses, higher standards, improved punctuality and greater customer satisfaction - and it will continue to improve and grow. Fully integrated 'pay as you go' Contactless capped fares was rolled out across trams and buses from late March 2025 and eight commuter rail lines will be brought into the Bee Network by 2028.

5.4.6 Other Mayoral priorities include:

- Care Leavers concessionary pass to providing a free bus travel in Greater Manchester for young people 18-21 years old that have been in care.

- Equality panels facilitated by appropriate voluntary organisations, enabling investment in organisations which work in partnership with public services and the wider community, contributing to tackling the inequalities agenda.

Statutory Transport Charge

5.4 The Mayoral Transport budget includes TfGM Revenue Grant budget met from the statutory transport charge of £86.7m and the Bus Service Operators Grant. Following the GMCA (Functions and Amendment) order being laid in April 2019, I was given further powers for transport functions and a £86.7m statutory charge to GM Councils (with a corresponding reduction in the Transport Levy). The order also states that this amount (£86.7 million) can only be varied with the unanimous agreement of the members of the GMCA. The full breakdown by local authority is shown below:

Transport Statutory Charge 2026/27			
Local authority	Population		
	Mid 2024	%	£
Bolton	310,085	10.30%	8,932,681
Bury	198,921	6.61%	5,730,358
Manchester	589,670	19.59%	16,986,743
Oldham	251,560	8.36%	7,246,740
Rochdale	235,561	7.83%	6,785,853
Salford	294,348	9.78%	8,479,342
Stockport	303,929	10.10%	8,755,344
Tameside	239,643	7.96%	6,903,444
Trafford	241,025	8.01%	6,943,256
Wigan	344,922	11.46%	9,936,238
Total	2,948,633	100.00%	86,700,000

6. Part 2 – Proposed Greater Manchester Fire & Rescue Revenue and Capital Budget 2026/27

6.1 The following information provides details supporting the Greater Manchester Fire and Rescue Service Revenue and Capital Budgets.

6.2 The Provisional Local Government Settlement was published on 18th December 2025 and the MTFP has been updated based on this. The Medium-Term Financial Plan (MTFP) has been updated, based on the 2025/26 baseline updated for pay and price inflation, known cost pressures and agreed savings.

6.3 The provisional local government finance settlement was announced on 18th December 2025 which presented a three-year settlement, the first multi-year settlement in a decade. In relation to Fire and Rescue Services, the announcements covered the following:

- Stand-alone Fire & Rescue services receiving an average 5.97% increase in core spending power
- Flexibility on council tax precept for stand-alone Fire Services of £5
- Fire and Rescue Authorities will receive a real terms funding floor at 2025/26 levels across the multi-year settlement.

6.4 The MTFP has been updated following the Local Government Provisional Settlement. It should be noted that:

- The current National Insurance Contributions (NIC) Compensation is not sufficient to cover the full costs to fire and rescue services. In 2025/26 this created a budget pressure of £0.9m and the grant for 2026/27 has been confirmed at the same level. For 2026/27 this has been rolled into baseline funding rather than a separate grant.

- Final confirmation of the Fire and Rescue Pensions Grant and Protection Grants is expected in February 2026. Amounts for these grants in 2026/27 are not yet confirmed.
- The Fire and Rescue Pensions Grant is currently insufficient to cover the costs incurred by the Service. In 2025/26 this created a budget pressure of £0.843m and the grant for 2026/27 has been assumed at the same level, representing an ongoing pressure in this area for the Service.

2026/27 Precept Proposals

6.5 The Mayor of Greater Manchester is proposing, a £6 (Band D) increase to the GMFRS element of the mayoral precept.

6.6 The proposed increase is required to fund the full cost of inflationary and other pressures across the service for 2026/27.

6.7 The table below sets out the overall changes in GMFRS funding resulting from the settlement from MHCLG.

Funding	2025/26	2026/27	Change	
	£000s	£000s	£000s	%
Total Government Grant	72.956	76.888	3.933	5.39%
Council Tax*	70.855	76.545	5.690	8.03%
Total	143.811	153.434	9.623	6.69%

* Based on increase of £6 (Band D) and estimated taxbase increase of 1%

6.8 Based on current assumptions, with the proposed £6 precept and savings of 2% of non-pay costs, there are no requirements for reserve usage to balance the budget. This allows the Service to consider use of reserves to reduce reliance on borrowing for its Capital Programme.

6.9 A pressure would be created if the Pension Grant amount is lower than the current year. The grant for 2026/27 is assumed at the same level as 2025/26, with confirmation of this expected in February 2026.

6.10 The proposed £6 increase for a Band D property will equate to a £4 (8 pence per week) increase to £61.47 for a Band A.

6.11 Although it is required to set a precept specifying the Band D charge, more than 80% of properties in Greater Manchester will be required to pay less than this amount.

6.12 The following table outlines the amounts to be paid by each band:

Fire (£)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2025/26	57.47	67.04	76.62	86.20	105.36	124.51	143.67	172.40
2026/27 Proposed	61.47	71.71	81.96	92.20	112.69	133.18	153.67	184.40
Increase	4.00	4.67	5.34	6.00	7.33	8.67	10.00	12.00

GMFRS Medium Term Financial Plan (MTFP)

Revenue Budget

6.13 For 2026/27 the baseline funding from revenue support grant and top-up grant has increased by £3.9m. Please note that NI funding of £0.959m has now been rolled into the baseline funding.

6.14 On calculating the 2026/27 pay budget requirements, assumptions have been made of 4% pay award for Grey Book staff and 3% for Green Book staff.

6.15 Capital financing costs have been calculated on the latest capital forecast costs on a Minimum Revenue Provision (MRP) only basis due to internal borrowing.

6.16 Budget savings for 2026/27 are included within the MTFP based on anticipated National Fire Chiefs Council (NFCC) guidance which set a target of 2% of non-pay budgets. The savings target has been proposed at £0.486m. As previously reported, additional 2025/26 in-year savings have been found to balance the position.

6.17 Specific budget risks for 2026/27 include:

- Pension Grant allocation for 2026/27 yet to be announced.
- Funding in relation to Protection grants also yet to be announced.
- Collection fund Surplus/Deficit. This is assumed at 2025/26 levels, but this is a risk until confirmed at the end of January 2026.
- Pay inflation - a risk if negotiated at a rate in excess of the assumptions set out in the MTFP.
- Successful delivery of identified savings targets to meet the requirements of the MTFP.
- The Corporate recharge is assumed at the same level as 2025/26. If this is higher this will result in a pressure.
- Future costs arising from the Grenfell Inquiry and proposed support in relation to Emergency Medical Response.
- Lack of capital grants. As no capital grants are available to Fire & Rescue Services, future schemes in the capital programme will be funded by a

combination of revenue underspends and borrowing. The costs associated with additional borrowing will have to be met from the revenue budget.

6.18 The following table outlines the proposed 2026/27 MTFP on the basis of the precept and wider budget assumptions outlined within this report. Please note that for 2027/28 the precept increase is assumed at £5 and the tax base increase is assumed at 1%. Any changes to these would impact the overall position.

Medium Term Financial Plan	Original 2025/26 £0	Revised 2025/26 £0	Proposed 2026/27 £0	Indicative 2027/28 £0
Fire Service	143.449	143.449	146.792	154.377
Pay and price inflation	5.226	6.075	5.466	5.630
Savings	(0.677)	(3.019)	(0.486)	(0.501)
Cost pressures and variations	0.194	0.288	2.605	0.703
Cost of service	148.192	146.792	154.377	160.209
Capital Financing Charges	2.544	2.544	4.581	6.500
Net Service Budget	150.736	149.336	158.958	166.709
Funded by				
Localised Business Rates	11.347	11.860	11.860	11.860
Baseline funding	52.024	52.024	56.916	60.516
Section 31 - NNDR related	9.211	8.694	8.694	8.694
Section 31 - Pension related	4.769	4.566	4.566	4.566
NI funding increase	0.854	0.959	0.000	0.000
Precept income	70.855	70.855	76.545	80.696
Collection Fund surplus/deficit	0.444	0.377	0.377	0.377
Total Funding	149.504	149.336	158.958	166.709
Shortfall	1.231	0.000	0.000	0.000
Shortfall Funded by:				
Earmarked Reserves	1.231	0.000	0.000	0.000
Use of Earmarked & General Reserves/Precept	0.000	0.000	0.000	0.000

6.19 The table shows a balanced budget in both 2026/27 and 2027/28.

6.20 Capital Programme

6.21 GMFRS have reviewed capital investment requirements for the Fire estates, Fire ICT schemes and operational vehicles and equipment. As the current approved budget ends at 2027/28, estimates to 2032/33 have been included to be agreed in principle. The proposed capital programme requirements are set out below:

Revised Capital Programme	2025/26	2026/27	2027/28	2028/29 to 2032/33	Total
	£M's	£M's	£M's	£M's	£M's
Estates	19.091	31.627	10.484	59.141	120.343
Transport	2.701	7.971	3.030	7.748	21.450
ICT	0.963	0.150	0.150	0.750	2.013
Equipment	2.707	4.249	0.801	1.760	9.518
Sustainability	0.275	0.375	0.275	0.375	1.300
Health & Safety	0.077	0.000	0.000	0.000	0.077
Waking Watch Relief Fund	0.327	0.000	0.000	0.000	0.327
Total	26.141	44.372	14.740	69.774	155.027

6.22 A long-term estates strategy has been formulated, the approved phase 1 of the scheme with plans for new builds, extensions, refurbishments and carbon reduction schemes is well underway with expected completion by 2027/28.

6.23 In 2024/2025 a full budget review of the Phase 1 Estates Strategy and linked programmes of work has been undertaken and approval of additional funding of £13.0m was given by the Deputy Mayor to significant cost pressures arising from supply chain inflation, site specific conditions and highways related costs emerging across the Estates programme.

6.24 Phase 2 of the Estates Strategy is expected to cover period 2028/29 to 2032/33, to align to the proposed extended capital programme timeline.

6.25 The Capital programme will be reviewed following confirmation of the final local government funding settlement and any updates to the MTFP.

LEGAL REQUIREMENTS, MAYORAL PRECEPT – GENERAL COMPONENT

1.1 The Finance Order sets out the process and the timetable for determining the general component of the precept.

Stage 1

1.2 The Mayor must before 1st February notify the GMCA of the Mayor's draft budget in relation to the following financial year.

1.3 The draft budget must set out the Mayor's spending and how the Mayor intends to meet the costs of the Mayor's general functions, and must include "the relevant amounts and calculations".

1.4 "The relevant amounts and calculations" mean:

- (a) estimates of the amounts to be aggregated in making a calculation under sections 42A, 42B, 47 and 48;
- (b) estimates of other amounts to be used for the purposes of such a calculations;
- (c) estimates of such a calculation; or
- (d) amounts required to be stated in a precept.

Stage 2

1.5 The GMCA must review the draft budget and may make a report to the Mayor on the draft.

1.6 Any report:

- (a) must set out whether or not the GMCA would approve the draft budget in its current form; and
- (b) may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year

1.7 The Mayor's draft budget shall be deemed to be approved by the GMCA unless the Combined Authority makes a report to the Mayor before 8th February.

Stage 3

1.8 Where the GMCA makes a report under 1.5, it must specify a period of at least 5 working days within which the Mayor may:

- (a) decide whether or not to make any revisions to the draft budget; and
- (b) notify the GMCA of the reasons for that decision and, where revisions are made, the revised draft budget

Stage 4

1.9 When any period specified by GMCA under 1.8 has expired, the GMCA must determine whether to:

- (a) approve the Mayor's draft budget (or revised draft budget, as the case may be), including the statutory calculations; or
- (b) veto the draft budget (or revised draft budget) and approve the Mayor's draft Budget incorporating GMCA's recommendations contained in the report to the Mayor in 1.5 (including recommendations as to the statutory calculations).

1.10 The Mayor's draft budget (or revised draft budget) shall be deemed to be approved unless vetoed within 5 working days beginning with the day after the date on which the period specified in 1.8 expires.

1.11 Any decision to veto the Mayor's budget and approve the draft budget incorporating the GMCA's recommendations contained in the report to the Mayor in 1.5 must be decided by a two-thirds majority of the members (or substitute members acting in their place) of the GMCA present and voting on the question at a meeting of the authority (excluding the Mayor).

1.12 Immediately after any vote is taken at a meeting to consider a question under 1.9, there must be recorded in the minutes the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

**CALCULATION OF AGGREGATE AMOUNTS UNDER SECTION 42A (2) AND (3)
OF THE LOCAL GOVERNMENT FINANCE ACT 1992 UPDATED IN THE
LOCALISM ACT 2011)**

BUDGET SUMMARY 2026/27

Budget Summary 2026/27	Gross Expenditure £000	Gross Income £000	Net Estimate £000
Fire Service Budget	154,377	0	154,377
Other Mayoral General Budget	154,406	15,987	138,419
Capital Financing Charges	4,581	0	4,581
Contribution from balances/reserves	0	0	0
Budget Requirement	313,364	15,987	297,377
Localised Business Rates		11,860	-11,860
Business Rate Baseline		56,916	-56,916
Services Grant		0	0
Section 31 Grant - Business Rates		8,694	-8,694
Section 31 Grant - pensions		4,566	-4,566
Other Grants & Income		0	0
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit	0	840	-840
Precept Requirement	313,364	185,563	127,801

CALCULATION OF TAX BASE

The Tax Base is the aggregate of the Tax Bases calculated by the GM Councils in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992. These are currently estimated as:

Local Authority	Council Tax Base
Bolton	82,003.00
Bury	58,888.00
Manchester	142,528.50
Oldham	59,937.00
Rochdale	60,595.00
Salford	80,105.00
Stockport	99,698.10
Tameside	65,181.40

Trafford	81,635.00
Wigan	99,600.00
Total	830,171.000

AMOUNTS OF COUNCIL TAX FOR EACH BAND

2026/27	A	B	C	D	E	F	G	H
(£)Costs for Band	102.64	119.74	136.85	153.95	188.16	222.37	256.59	307.90

CALCULATION OF BAND D EQUIVALENT TAX RATE

	£000
Net expenditure	313,364
Less funding	185,563
Net budget requirement to be met from Council Tax	127,801
Aggregate tax base	830,171
Basic tax amount at Band 'D'	153.95

