

Greater Manchester Combined Authority

Overview & Scrutiny Committee

Date: 11th February 2026

Subject: GMCA Revenue and Capital Budgets 2026/27 Overview
(Budget Paper A)

Report of: Cllr David Molyneux, Portfolio Lead for Resources and
Steve Wilson, Group Chief Finance Officer, GMCA

PURPOSE OF REPORT

This report presents an overview of the proposed GMCA budgets for 2026/27. It summarises the position on the Mayoral General Budget and Precept Proposals, The GMCA General Budget, GMCA Transport budgets including Transport Levy and Statutory Charge and the Greater Manchester (GM) Waste Services Levy.

It sets out the implications of the proposed budgets and the resultant charges on the ten GM local authorities and the Mayoral Precept.

RECOMMENDATIONS:

Recommendations on the specific budget areas are contained in the accompanying papers. In relation to this paper, members are asked to note the contents of this summary paper.

<u>BOLTON</u>	<u>MANCHESTER</u>	<u>ROCHDALE</u>	<u>STOCKPORT</u>	<u>TRAFFORD</u>
<u>BURY</u>	<u>OLDHAM</u>	<u>SALFORD</u>	<u>TAMESIDE</u>	<u>WIGAN</u>

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Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures:

Risk Management – An assessment of major budget risks faced by the authority are carried out quarterly as part of the reporting process – at the present time a significant proportion of the capital budget is funded through grant. In order to mitigate the risk of monetary claw back the full programme is carefully monitored against the grant conditions and further action would be taken as necessary.

Legal Considerations – There are no specific legal implications contained within the report.

Financial Consequences – Revenue – The report sets out a summary of the proposed revenue budgets for 2026/27 and medium-term financial planning for 2026/27 – 2028/29.

Financial Consequences – Capital – The report sets out a summary of the proposed capital programme for 2025/26 – 2028/29.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

Report to Greater Manchester Combined Authority: 'GMCA Budget Reports' 7th 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

Overview & Scrutiny Committee - 11th February 2026

1. Introduction and Background

- 1.1 This report presents an overview of the proposed Greater Manchester Combined Authority (GMCA) budgets for 2026/27. It summarises the position on the Mayoral General Budget and Precept, GMCA General Revenue Budget, GMCA Transport Revenue budget including Transport Levy and Statutory Charge, the GM Waste Service Levy and the GMCA Capital Programme 2025/26 – 2028/29.
- 1.2 The report and the attached papers set out the implications of the proposed budgets and the resultant charges on districts and the Mayoral Precept.

2. Principles Underlying development of the Mayoral and GMCA budgets

- 2.1 The budgets presented to the Combined Authority for approval focus on the delivery of the priorities set out in the Greater Manchester Strategy (GMS) 2025 – 2035, *“Together we are Greater Manchester.”*
- 2.2 Delivery of the GMS priorities will require the GMCA, local authorities, businesses and the voluntary and community sector and other stakeholders to work in partnership. The Mayoral precept and GMCA budgets will support key areas of delivery for the strategy and its implementation plan, particularly in areas where the investments made in local authorities can be supported by the GMCA.
- 2.3 2026/27 is the first year of the new multi-year integrated settlement with government. The flexibilities and certainty of the new settlement, alongside the publishing of the Greater Manchester Strategy for 2025 – 2035 has enabled GMCA to take a different approach to setting its 2026/27 budgets. The funding proposals contained in the budget papers we are presenting today are the results of a “zero based” budgeting process which aligns all of the funding received by GMCA, through the integrated settlement, retained business rates and other areas of income, to the delivery of the GMS and the GMS delivery plan reported to the combined authority in November 2025.

3. Overview of GMCA Budgets

3.1 The overall GMCA budgets are made up of a variety of both historic budgets and new budgets relating to the functions provided by the Mayor and the GMCA as a whole.

3.2 The various orders under which these functions are provided, determine how such costs are funded such that:

- **Paper B - Mayoral General Budget** – Funded from the Mayoral precept and statutory charge/contributions from the districts (excluding the transport levy). Fire funding is part of the Mayoral precept but also receives a revenue support grant, business rates income and a top up grant.
- **Paper C - GMCA General Revenue Budget** – This includes corporate, devolved and programme funded activities of the Combined Authority. The budget is made up of the GM Integrated Settlement with Government a number of other government grants, retained business rates income, local authority contributions, earmarked reserves, internal recharges to other GMCA budgets and external income.
- **Paper D - GMCA Transport Revenue Budget** – This is funded from a contribution from the mayoral budget for statutory mayoral functions including Bus services and from a levy on district budgets for nonmayoral functions in relation to public transport and a contribution to Metrolink financing costs agreed previously as part of the establishment of the Greater Manchester Transport Fund. The budget also includes a number of other grants received in relation to transport activities including funding through the transport pillar of the GM integrated settlement.
- **Paper E - Greater Manchester Waste and Resources – Budget and Levy 2026/27 and Medium Term and Financial Plan** – This is funded through a levy to the nine GM local authorities who participate in the GM

waste service (Wigan are not part of the waste contract). The contributions are on the basis of an agreed funding mechanism (LAMA).

- **Paper F - GMCA Capital Programme 2025/26 – 2028/29** – The required capital programme to support the delivery of Transport, Fire and Rescue, Waste and Resources and Economic Development and Regeneration projects. The report sets out the capital funding statement funded from a variety of sources including grant and external borrowing.

3.3 This paper does not present the budget proposals for GM Police or the Police and Crime function. At the meeting on the 28th January 2026, it was noted by the Police, Fire and Crime Panel that the Mayor had considered his proposed increase to the police precept in light of the responses by members of the public to the proposals set out in the consultation which concluded on the 21st January 2026.

The Panel approved the Mayor's proposal for a precept increase of £15 per year for a band D property. This will take the Band D police precept to £285.30 per year and £190.20 for a Band A property. The majority of GM properties are band A and B.

3.4 The key elements of each budget area are summarised below:

i) Mayoral General Budget and Precept Proposals

The report sets out the Mayor's proposals for the Mayoral General Budget (including Fire and Rescue) and seeks approval for the Mayoral General Precept for 2026/27. The purpose of this report and recommendation are:

- Endorse the approval of the Mayoral General Precept of £153.95 (Band D) comprising of £92.20 for functions previously covered by the Fire and Rescue Authority precept and £61.75 for other Mayoral General functions.
- Approve the Mayor's General budget for 2026/27 set out in this report together with the calculation of the precepts and Council Tax rates set out in Appendix 2.

- Approve the overall budget for the Fire and Rescue Service for 2026/27 covered by the Mayoral precept and the medium-term financial position for the Fire and Rescue Service
- Approve the use of reserves as set out in section 3 of the report and the assessment by the Chief Financial Officer that the reserves as at March 2027 are adequate.

iii) GMCA Revenue General Budget

This report sets out the proposed GMCA General Revenue Budget for 2026/27 of £360m. The report includes the proposed local authority contributions to be approved for 2026/27 of £5.9m. The contribution includes a reduction of £2.1m to be returned to local authorities. The report includes the consequential allocations to the individual local authorities. The GMCA is recommended to:

- Approve the budget relating to the Greater Manchester Combined Authority functions excluding transport and waste in 2026/27 as set out in section 2 of this report.
- Note the alignment of the GMCA revenue budget with the Greater Manchester Strategy (GMS) and the GMS delivery plan.
- Note the accelerated recurrent removal of the £2.1m local authority contribution to GMCA corporate functions and approve the reduced local authority contributions of £5.87 million as set out in section 5 of this report.
- Approve the allocation of £5m recurrent funding to GM local authorities from the GM “partial reset” funding of £23m.
- Approve the use of reserves as set out in section 6 of the report.

ii) GMCA Transport Revenue Budget

This report sets out the proposed GMCA 2026/27 Transport revenue budget of £481.7m. The proposed Transport Levy to be approved for 2026/27 is

included within the report together with the consequential allocations to the District Councils of Greater Manchester. The GMCA is recommended to:

- Note the budget strategy, risks and issues which are affecting the 2026/27 transport budgets as detailed in the report.
- Approve the budget relating to transport functions funded through the Transport Levy, as set out in this report for 2026/27.
- Approve a Transport Levy on the District Councils in 2026/27 of £129.926 m, apportioned on the basis of mid-year population 2024.
- Approve a Statutory Charge of £86.7m to District Councils in 2026/27 as set out in Part 4 of the Transport Order, apportioned on the basis of mid-year population 2024.
- Approve the use of Transport reserves in 2025/26 and 2026/27 as detailed in section 5.
- Approve the use of the flexibilities available to GMCA to use Integrated Settlement capital funding to manage use of Reserves in 2025/26 and 2026/27 and over the medium term.
- Approve the proposed financial assistance programme for Private Hire Vehicle owners to switch from older, non-compliant vehicles to newer cleaner vehicles and the £1.25m provision made in the 2026/27 budget in relation to scheme administration costs and any bad debts/loan write-offs.

iv) GM Waste Disposal Budget

The purpose of the report is to seek comment on the Waste and Resources budget and levy for 2026/27 and on the Medium-Term Financial Plan (MTFP) 2027/28 to 2028/29. The report asks members to:

- Note the forecast outturn for 2025/26, and a proposal to return a further £10m of reserves to Districts from the forecast in-year underspend;
- Note the proposed 2027/28 Trade Waste rate of £147.62 to allow forward planning by Districts;
- Note the budget and levy for 2026/27 of £186.5m (4% increase); and
- Note the risk position set out in the Balances Strategy and the intention to return a further £10m of reserves to Districts in 2026/27.

v) GM Capital Programme

This report is the GMCA 2025/26 to 2028/29 capital expenditure programme.

The GMCA is requested to:

- Note the current 2025/26 forecast of £585.9m compared to the previous forecast of £620.4m; and
- Approve the 2026/27 capital programme budget of £1,107m and the forward plan set out in this report and Appendix A;
- Approve the addition of £1.839m of the Department for Transport Pavement Channels Grant to deliver cross-pavement channels for residents without access to off-street parking, as outlined in section 2.6.6;
- Note the addition of £15.6m to the 2026/27 capital programme for local highways maintenance (£7.8m to be paid to Local Authorities and £7.8m retained by Department for Transport (DfT) as a new incentive element), as outlined in sections 2.10.8 and 2.10.9;
- Approve utilisation of full capital to revenue 'switch' permitted under the integrated settlement flexibilities; and
- Approve the reallocation of £5.3m of CRSTS1 / Integrated Settlement Streets for All funding from Oldham Council's Beal Valley scheme to support two new council-led projects: Park Road / Kings Road and Broadway Canal Link, as outlined in section 2.13; and
- Approve the addition of £1.4m to the 2026/27 Capital Programme for the Mayors Renewable Fund to develop renewable energy projects, as outlined in section 6.4.1.

4. CONCLUSION

4.1 The attached reports set out the detailed proposals for each budget area including:

- The Mayor's final proposal for Mayoral General Budget, with the proposed precept and the detailed budget and statutory calculations following receipt of final information from GM local authorities.
- Contributions from local authorities in relation to the Transport Levy, Waste Levy and GMCA costs
- The planned capital programme for GMCA across both Mayoral and non -Mayoral functions.

5. RECOMMENDATION

5.1 Recommendations are presented at the front of the paper.