

GREATER MANCHESTER COMBINED AUTHORITY

Overview & Scrutiny Committee

Date: 11th February 2026

Subject: GMCA General Revenue Budget 2026/27
Delivering the Greater Manchester Strategy (Budget Paper C)

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

PURPOSE OF REPORT

The report sets out the Greater Manchester Combined Authority (GMCA) General Revenue Budget for 2026/27. The proposed local authority contributions to be approved for 2026/27 of £5.875m are included within the report together with the consequential allocations to the individual Councils. The contribution includes a reduction of £2,078k to be returned to local authorities recognising the removal of the funding previously received by GMCA to support corporate costs.

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 13 February 2026 as below.

The GMCA is requested to consider the recommendations below:

1. 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.
2. Note the alignment of the GMCA revenue budget with the Greater Manchester Strategy (GMS) and the GMS delivery plan.
3. 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.
4. Approve the allocation of £5m recurrent funding to GM local authorities from the GM “partial reset” funding of £23m.
5. Approve the use of reserves as set out in section 6 of the report.

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Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – An assessment of the potential budget risks faced by the authority are carried out quarterly as part of the annual financial planning process and quarterly monitoring process.

Legal Considerations – See section 7 of the report.

Financial Consequences – Revenue – The report sets out the planned budget strategy for 2026/27.

Financial Consequences – Capital – There are no specific capital considerations contained within the report.

Number of attachments to the report: 0

Comments/recommendations from the Overview & Scrutiny Committee

BACKGROUND PAPERS:

Report to Greater Manchester Combined Authority: GMCA General Budget 2025/26 – 7th February 2025

Report to Greater Manchester Combined Authority: Revenue Update 2025/26 – 12th December 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 provides details of the proposed Greater Manchester Combined Authority (GMCA) Revenue General budget for 2026/27. The budgets for Mayoral activities including Fire and Police, Transport and Waste services are reported separately.
- 1.2 The GMCA General Budget is made up of the Corporate Service directorate and programme directorates which support the delivery of the Greater Manchester Strategy (GMS) and the outcomes associated with the integrated settlement.
- 1.3 The funding for the delivery of the GMS is predominantly through the Integrated Settlement agreement with central government. The settlement was part of the groundbreaking Trailblazer Devolution Deal signed in 2023 and consolidates GMCA funding, previously received in a large number of individual grant allocations, into a single grant made up of six specific pillars.
- 1.4 The settlement provides a simplified funding mechanism for the CA and allows more flexibility in the way funding is deployed to deliver both the objectives set out in the GMS and the specific outcomes agreed with government.
- 1.5 Whilst the integrated settlement was introduced in 2025/26, the opportunity to take advantage of this new approach to funding was minimal in that year due to the limited details of the settlement available ahead of setting budgets and the fact that the settlement was only agreed for one year.
- 1.6 For 2026/27 we now have an established approach to the integrated settlement and in November 2025 received provisional allocations for capital and revenue budgets for the full spending review period from 2026/27 to 2028/29.

1.7 The introduction of the multi-year integrated 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 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.

1.8 The 2026/27 GMCA budget proposals are aligned to the seven workstreams in the GMS, which are:

1. Healthy homes for all
2. Safe and strong communities
3. A transport system for a global city region
4. A clear line of sight to high-quality jobs
5. Everyday support in every neighbourhood
6. A great place to do business
7. Digitally connected places and people

1.9 These seven workstreams will be delivered alongside two critical cross cutting themes which support the underlying approach we will take to delivering outcomes. These are

2. Creating a greener future for everyone
3. Equalities and VCFSE

1.10 The day-to-day responsibility for the programmes set out in the budget will be through the GMCA directorates set out below:

- Corporate Services
- GM Investment Team
- Digital
- Economy
- Environment
- Place
- Public Service Reform
- Education, Work and Skills

- 1.11 The 2026/27 GMCA General budget reflects the latest position for GMCA taking account of integrated settlement funding, specific grant funding, funding from retained business rates, reserves and other sources and new cost pressures such as pay and price inflation. GMCA will achieve a balanced budget for the year ahead, and will ensure activities achieve value for money, add value and drive progress against priorities set out in the GMS delivery plan.
- 1.12 The GM Councils' contributions in relation to the GMCA General budget are set out in section 5 and Appendix 2 to the report and reflect the decision to cease funding from GM local authorities for GMCA corporate costs in its entirety in 2026/27, returning over £2m to GM councils recurrently from 2026/27 onwards.
- 1.13 The GMCA reserves are detailed within section 6 of the report including planned utilisation in 2025/26 and 2026/27. The Authority's legal obligations and the responsibility of the Chief Financial Officer to the Combined Authority (CA) are also set out in section 7 of the report.
- 1.14 The GMCA General proposed budget for 2026/27 is £360m. The report provides information on the GMCA corporate budget in Section 3 and programme budgets in Section 4. The table below summarises the overall proposed 2026/27 GMCA General revenue budget by GMS workstream.

GMCA General Revenue Budget	2026/27 Budget £000s
Expenditure	
Healthy homes for all	49,619
Safe and strong communities	5,088
A clear line of sight to high-quality jobs	162,583
Everyday support in every neighbourhood	17,472
A great place to do business	79,021
Digitally connected places and people	5,298
Creating a greener future for everyone	6,296
Corporate costs	35,983
Total Expenditure	361,360
Funding	
Integrated Settlement - Revenue Funding	184,076
Integrated Settlement - Capital Switch	11,310
Grant Income	12,899

Internal recharge	28,858
Fees, charges and other income	20,385
Retained Business Rates	32,958
Retained Business Rates - B/FWD	17,657
Earmarked Reserves	21,165
Grant carried forward	10,471
Investment Income & Interest	15,706
District Contribution	5,875
Total Funding	361,360

2. FINANCIAL PLANNING AND DEVOLUTION

Integrated Settlement

- 2.1 The Trailblazer Devolution Deal signed between Greater Manchester and the national government in March 2023 agreed that some functions devolved to the GMCA would be funded through an Integrated Settlement (at that point referred to as a ‘Single Settlement’).
- 2.2 Through this mechanism, in areas where GMCA has functional responsibilities, GMCA will automatically receive an allocation of funding from national programmes. For the one-year Integrated Settlement, functional responsibilities were agreed under the following themes: Local Growth & Place, Housing, Skills, Transport and Retrofit. A number of expansions to the scope of the Integrated Settlement have been confirmed from April 2026, including an expanded Employment Support package, Construction Skills funding and High Streets & Growth Incubators funding. Additionally, a new ‘Health, Wellbeing and Public Service Reform’ theme has been created. This will initially comprise city-region-level homelessness prevention funding, with a commitment to devolve further relevant funds in future.
- 2.3 The amount of funding in the Integrated Settlement is determined by how much is allocated to programmes in the functional areas at a national level. Funding will therefore increase or decrease in line with national decisions made in the Spending Review process. It incorporates funding which is already being delivered in GM (e.g. through the Brownfield Land Fund, the City Regional Sustainable Transport Settlement and the Adult Skills Fund). It is not, therefore, additional funding. However, there is much greater local flexibility over how that funding will be allocated.

2.4 Multi-year funding from the UK government to departments of state was confirmed in the first multi-year spending review for many years in June 2025. The spending review (SR25) set out the Government's spending plans for revenue budgets for three years up to 2028/29 and for capital for four years up to 2029/30.

2.5 In November 2025 the government published the allocations for the integrated settlement following the spending review departmental allocations. The overall integrated funding settlement for GM is shown in the table below:

Integrated Settlement Pillar	Revenue Funding			Capital Funding				Total £000's
	26/27 £000's	27/28 £000's	28/29 £000's	26/27 £000's	27/28 £000's	28/29 £000's	29/30 £000's	
Skills and Employment Support	139,741	135,609	134,792	2,185	581	612	1,748	415,268
Health, wellbeing and public service reform	5,663	5,380	4,814	-	-	-	-	15,857
Economic development and regeneration	38,488	35,103	31,215	18,697	24,838	35,889	45,224	229,454
Transport and local infrastructure	84,431	77,788	77,788	255,552	303,633	380,591	493,360	1,673,145
Housing and strategic planning	-	-	-	39,490	36,150	87,990	95,050	258,680
Environment and climate change	185	185	185	52,721	52,721	-	-	105,997
Total	268,508	254,066	248,795	368,646	417,924	505,082	635,382	2,698,402

2.6 The introduction of the integrated settlement has allowed for more local flexibility in the deployment of devolved resources in GM with individual pillars no longer being subject to specific individual grant conditions and spending requirements, there is still a degree of restriction in how the full integrated settlement funding package can be deployed.

2.7 Up to 10% of individual pillars can be spent on programmes outside of the specific pillar and for the economic and regeneration pillar this is 100%. Furthermore 10% of capital allocations can be spent on revenue items which GMCA is proposing to take full advantage of in the 2026/27 revenue budgets, using the full £36.8m of permitted capital funding to fund revenue spending plans.

2.8 To note, this paper comes ahead of final sign off on the Outcomes Framework for the Multi Year Integrated Settlement by both Leaders and Government Ministers. This agreement is expected by the end of February.

Prevention Demonstrator

2.9 The Government has also supported GMCA and NHS GM's proposals to establish a 'Prevention Demonstrator' across Greater Manchester, to develop and implement public service delivery aimed at preventing poor outcomes for residents and high service costs. The Demonstrator will seek to integrate public service delivery, with a focus on tackling economic inactivity, deteriorating health, social complexity, and demand-side pressure across health, housing, and local government. The Demonstrator will be supported by increased autonomy, including exploring opportunities to pool budgets, reprofile public service spending towards prevention and mayoral 'total place' powers.

Retained Business Rates

2.10 As part of the trailblazer devolution deal the Government confirmed the continuation of the 100% business rates retention arrangements for 10 years. The MOU for this agreement came into effect from 1 April 2024 and takes place for the financial years 2024-25 to 2033-34 inclusive with the aim to:

- Support the long-term financial and economic sustainability and economic growth of the combined authority;
- Support devolution strategy and Levelling Up objectives across local government;
- Provide more control of income and strengthen local accountability, whilst recognising that risk comes with reward and deeper devolution comes with strong accountability.

2.11 Alongside the 10-year business rates retention arrangements, government and Greater Manchester designated, from 2024-25, three 'Growth Zones' within the Greater Manchester area. These sites will retain growth above an agreed baseline for a period of 25 years, exempt from a system-wide reset of business rates baselines. The Growth Zones are in addition to 2 Investment Zones and existing Enterprise

Zones. Calculations of growth will be achieved by designating the Growth Zone in regulations made under paragraph 39 of Schedule 7B to the Local Government Finance Act 1988. The Regulations will provide that, within the designated area, the billing authority will retain 100% of the collectible business rates in excess of a baseline set in the regulations.

- 2.12 2026/27 sees two significant changes to the business rates funding landscape in GM and across the country.
- 2.13 The imposition of a national reset of business rates funding means that the previous retention of local business rates growth at the default 50% rate and in areas such as Greater Manchester the enhanced 100% rate is recalculated with a new baseline set based on 2025/26 levels and the historic growth added into the overall funding envelope for local government in England.
- 2.14 For GM the funding that had been secured annually from retained business rates, which totalled circa £30m in 2025/26, will drop to zero on the 1st of April and the in year benefit for 2026/27 will be 25% of the new growth occurring in that year.
- 2.15 We have estimated new growth for 2026/27 based on historic trends.
- 2.16 As part of the original 100% business rates growth pilot, GM secured a commitment from government to continue to fund a proportion of the growth, since the start of the pilot, that had been secured as a result of GM authorities own direct investment. This agreement was confirmed in the trailblazer deal and comes into effect in 2026/27 with the allocation in the local government finance settlement of £23m for GMCA. Whilst this arrangement was secured to support the delivery of GMCA's core functions following the business rates reset it has been agreed £5m of the £23m will be allocated recurrently to the ten GM local authorities to support local investment.

3. CORPORATE SERVICES BUDGET

- 3.1 The GMCA Corporate functions include senior management, finance, audit, commercial, digital services, people services, procurement and contracts, legal and

governance, information governance, business support, strategy, research, communications and engagement and resilience.

- 3.2 GMCA does not receive any direct government funding to fund corporate functions. Expenditure is met from a combination of recharges to Fire and Rescue, Police and Crime and GMCA devolved programmes and external income. GM local authority (district) contributions have previously been received to support the running costs of the combined authority. In 2025/26 we agreed to phase out that contribution over four years starting with a £650k reduction in 2025/26. For 2026/27 we have agreed to accelerate the proposed reduction, removing the remaining £2m recharge in full and recurrently in the 2026/27 budgets.
- 3.3 The impact on corporate spending will continue to be phased in line with the original plan with reserves being used to smooth the impact.
- 3.4 Corporate services have been asked to deliver a 5% efficiency against their budgets for 2025/26 which has released £1.9m to support the delivery of the savings to GM local authorities through the levy reduction and also to support potential re-investment in prioritised areas. A budget of £2m has been set aside for this purpose.
- 3.5 The proposed Corporate Services budget for 2026/27 is £35.7m
- 3.6 The table below sets out the Corporate Services quarter 3 position for 2025/26 and proposed budget for 2026/27.

GMCA General Revenue Budget - Corporate Budgets	Quarter 3 Budget 2025/26 £000s	Proposed Budget 2026/27 £000s	Change £000s
<u>Expenditure</u>			
Senior Management	1,035	906	(129)
GM Resilience	2,083	1,880	(203)
Strategy & Research	5,442	5,541	99
Comms, Media & Engagement	3,238	3,428	190
Digital	6,796	6,578	(218)
Finance, Audit & Commercial	5,192	4,997	(195)
Legal, Info Gov, Demo & Bus Supp	4,277	4,617	340
HR/OD inc Mgmt Trainees	5,610	5,007	(603)
Land and Property	1,349	1,210	(139)
Tootal	1,919	1,818	(101)

Total Expenditure	36,941	35,983	(959)
Funding			
Internal Recharge	24,346	28,858	(4,512)
Fees, Charges and Other Income	5,598	4,784	814
Grant Income	1,078	787	291
Retained Business Rates (approved)	743	0	743
Earmarked Reserves	691	345	346
District Contribution	2,078	0	2,078
Deposit Interest	2,407	1,209	1,198
Total Funding	36,941	35,983	959

4. DELIVERING THE GMS – GMCA PROGRAMME BUDGETS 2026/27

- 4.1 In July 2025 GMCA published the Greater Manchester Strategy for 2025 – 2035, *“Together we are Greater Manchester”*.
- 4.2 The strategy set out a bold vision for Greater Manchester aimed at creating a thriving city region where everyone can live a good life.
- 4.3 The strategy will be delivered through seven specific and interconnecting workstreams, supported by the GM Good Growth Fund and the Live Well neighbourhood model of support.
- 4.4 The GMCA programme budgets set out in this paper are an essential element of the delivery of the GMS in 2026/27 as detailed in the GM Delivery Plan approved by the GMCA in November 2025. They have been developed working with stakeholders across GM and are designed to support the expressed impacts of the GMS, creating places where:
- The economy is growing
 - There is a more equal and greener future for all our people
 - The foundations of life are fixed: Shelter, safety, mobility, opportunity and support, and
 - Everybody is able to Live Well
- 4.5 As set out in para 1.14 the programme budgets, totaling £361m, are funded from a combination of the grant received from Central Government through the Integrated Settlement, other government grants, external income and GMCA reserves. The

flexibilities in the integrated settlement have helped GMCA take a “zero based” approach to budget setting, ensuring all the expenditure commitments proposed for approval today, directly support the delivery of the GMS outcomes and the outcomes set out in the integrated settlement agreement with Government.

4.6 The programme budgets are summarised below by GMS workstream

(i) Healthy Homes for all

End state: Everyone will live in a good, warm, safe place they can call home. With support from the Government, our Housing First approach and unit will turn the tide on the housing crisis.

The proposed 2026/27 budget of **£50m** will build on the delivery of the year one objectives for the healthy homes workstream which were:

- Approval of **GM Temporary Accommodation Supply Programme**
- Commissioning of all core homelessness and migration programmes complete for the next 4 years, including A Bed Every Night, GM Housing First, Rough Sleeping Accommodation Programme, Inclusion Health Service, Youth Homelessness Prevention Pathfinder and Restricted Eligibility Support Service.
- **Housing First Unit launched**
- Completion of Property Check Salford Pilot and evaluation outcomes.
Additional funding delivered to support council capacity to deliver checks
- **200,000** properties owned by landlords signed up as Supporters of the **Good Landlord Charter**.

- Development of **integrated pipeline for social and affordable housing** programme with agreement with HE on approach to prioritising funding in GM for Social & Affordable Homes Programme (SAHP)

The funding provided will complement the capital funding announcements made as part of the launch of the GM Good Growth Fund and will support delivery of the healthy homes programme across Greater Manchester.

Providing critical infrastructure and capacity across the ten GM local authorities the funding provides ongoing support for the “A Bed Every Night” initiative (**£7.4m**), and the tier 3 community accommodations service (**£5.3**), it confirms the support approved at the November GMCA meeting to fund a temporary accommodation programme in each of the GM authorities (**£11.6m**).

The budget provides **£2.2m** for the young person’s homelessness prevention pathfinder, it establishes the Housing first unit and supports the rough sleeper programme across Greater Manchester (**£6m**).

The budget provides capacity for the ongoing delivery of the GM growth locations programme (**£4m**), supporting early-stage development needed to unlock strategically important sites across GM’s Growth Locations. This includes feasibility, master planning, business case development, and programme coordination work that districts often cannot progress at pace without GM-wide support. Ongoing funding is confirmed for the good landlord charter (**£0.7m**) ensuring those living in the private rented sector have access to high quality homes and are protected from rogue landlords. It also supports the further roll out of Mayoral Development Corporations across GM.

To support the ongoing capacity and capability required to deliver on the place agenda across GM (**£0.6m**), the budget builds on the success of the place graduate programme which has demonstrated that fully funded graduates significantly increase the capability across GM, bringing new skills into hard-to-recruit areas such as regeneration, planning, surveying and project management.

(ii) Safe and Strong Communities

End state: *Our streets and public transport system will be safe and clean in peaceful, integrated and welcoming communities. We'll have consistently high performing police and fire services.*

The proposed 2026/27 budget for safer and stronger communities is **£5.1m**. The funding will complement the GM police and crime budget for Greater Manchester, approved at the Police, Crime, Fire and Criminal Justice Panel on the 28th January 2026 which totals £906m and will help GMCA build on the delivery of the year one objectives for the Safer and Stronger Communities workstream, which were:

- **Targeted outreach to our communities** with the lowest levels of trust and confidence; and lowest perceptions of safety
Greater Manchester baseline for knife crime defined in line with Government Guidance.
- Deliver national **Safer Streets policing initiatives** in partnership locally, including the Safer Streets Summer and Winter Initiatives.
- Violence prevention community action network in place connected to all wider GM networks, and **influencing GM policy and activity to tackle knife crime**.
- **Launch of TravelSafe LiveChat** for the Bee Network, providing an enhanced experience for passengers using LiveChat to report issues and concerns, with timely referral arrangements
- New Hate Crime Standard that will **improve reporting and Victim Experience**. Launch by February 2026.
- A GM Framework for **Cohesion** developed with GM governance including a set of GM Standards
- Two new Operation Vulcan sites identified and launched, aligned to Live Well development for the 'Build' element of 'Clear, Hold, Build', leading to **less crime and anti-social behaviour in those areas**.
- Deliver the country's first campaign to raise awareness and **reduce coercive control by end of 2025**, aiming to attract 3m views.

- Deliver 250 **Domestic Abuse Protection** Orders in 2025.

The **£5.1m** funding provided from the GMS budget will support the delivery of the Gender Based Violence strategy (**£1.5m**) investing in proven interventions that keep victims safe, reduce homelessness and transform long term outcomes for families. This funding will be complemented by **£1.3m** towards the GM Violence Reduction Unit which invests directly in young people and communities, backing trusted local organisations to provide early, sustained support for those most at risk.

The proposed budget will provide **£1m** to support work across GM to take a proactive approach to community cohesion, preventing the escalation of tensions, reducing the impact and cost of disruption and protests and creating shared spaces where communities can feel safe, confident and connected.

The budget will support the ongoing work to support safer streets through operation Vulcan (**£0.3m**) and to reduce fraud through operation wage (**£0.3m**).

The ability to maximise the impact of these initiatives by joining together direct police and crime funding from the home office and the council tax precept with funding through the integrated settlement and retained business rates shows the benefits of both devolution and the alignment of police and crime and mayoral powers

(iii) A transport system for a global city region

End state: The Bee Network will connect people to jobs, education and leisure opportunities like never before. With better, safer, easier and more affordable connections – all under one Bee Network brand.

The delivery of the Global City Region Transport workstream is funded through the GMCA and TFGM transport budget which is set out in the accompanying paper for approval at the combined authority today. The GM transport budget totaling

£482m supports the ambitions set out on the GMS and the GMS delivery plan, building on an ambitious set of objectives for the current year, which includes:

- Introduction of growth interventions on bus network including **higher frequency services and new night buses**
- Successfully complete Metrolink **track maintenance**
- Deliver 160km of **Bee Active** routes
- Deliver further Bee Network crossings and **walking and wheeling improvements at junctions** - 9 delivered
- Deliver up to **40 school streets** and continue to develop proposals for more - up to 100 by 2028.
- Deliver improvements and **renewals to crossings within 400m of schools** where no safe place to cross the road is available - up to 120 crossings
- **Simpler rail fares** in place across all GM stations, as a first step towards the **integration** of rail into the Bee Network
- In August 2025 run a **concessionary pass trial**, meaning concessionary pass holders can travel for free before 9.30am. Repeat the trial in November 2025 to gather more data
- Launch **digital Our Pass and half price bus travel offer for 18–21-year-olds**
- **Reach annual patronage targets** of 176.5 million bus network journeys, 47 million Metrolink journeys & 512,000 cycle hire journeys

The Mayoral budget, also to be approved at today's CA, sets out additional funding through the GM Mayoral precept to support the permanent access to the full benefits of the Bee Network for older and disabled travellers through the removal of the pre 9.30 restrictions on travel, the creation of dedicated Police capacity for the Bee Network through the second phase of the travel safe initiative and funding for the growth and enhancement of the publicly controlled bus network across Greater Manchester.

It delivers these additional benefits whilst maintaining the £2 fare cap across the GM bus network and supporting Local Authority financial sustainability.

(iv) A clear line of sight to high-quality jobs

End state: *GM will be the UK's leading engine of social mobility, with all children and young people having the opportunity to thrive with a clear path towards a good job in our growing economy.*

The proposed budget for the fourth workstream of the Greater Manchester Strategy totals **£162.6m** for 2026/27.

The funding will help build on the delivery of the early objectives of the GMS delivery plan for employment and skills across GM and will:

- Deliver Think Equal programme across **all 980 reception classes and 1,200 nurseries** to strengthen social-emotional development.
- Launch **GM 2–5 Parent-Toddler Mental Health Hub** to address gaps in early years mental health support.
- Distribute **1,800 Safe Start sleeping bundles via GM Baby Banks** network to the most vulnerable families.
- **Improve access to early education for disadvantaged children**, sustaining increased take-up of 15-hour entitlement for 2-year-olds.
- Create **5,800 additional FE college places** to address the 16-19 sufficiency gap.
- Roll out applied computing certificate to **1,000 young people** and deliver AI skills programme to another **1,000**.
- **Support 22,098 out-of-work residents into employment** through tailored adult skills and employment support.
- Support **2,700 adults to progress to Level 3 qualifications** in GM priority sectors

The proposed budgets will support the following programmes:

- The adult skills core offer of **£114m** to support the city region's residents to develop skills needed for life and work.
- The economic inactivity trailblazer **£10m**

- Funding to support the working well programme (**£8.3m**) to help people sustain or return to employment through periods of health challenges.
- The Greater Manchester Good employment charter (**£0.8m**) supporting the provision of high-quality jobs through membership of the charter
- New funding to provide wrap around employment support organised and delivered locally across GM building essential skills and employability (**£14.4m**)
- **£4m** for local authorities to support engagement with and provide transitional support for disengaged 15-18 year olds.

(v) **Everyday support in every neighbourhood**

End state: A network of inclusive and empowering Live Well centres, spaces and support offers will unite people, communities and services. Together, we'll co-create the conditions for healthier, happier lives with belonging, hope, and opportunity.

The proposed budget for 2026/27 of **£17.5m** provides the enabling support for this workstream. The public service reform team support the overall Live Well programme across GM delivering on the dedicated everyday support in every neighbourhood programmes, but also leading work across other workstreams including supporting the ABEN programme, the homelessness prevention strategy and rough sleeping and community accommodation programmes which sit within the Health Homes GMS Workstream.

The specific funding for the everyday support workstream will support the delivery the strategic objectives, building on the year one goals of:

- Launch Live Well Centres/Spaces, with **at least one Centre open in every locality**
- **10 Locality Implementation Plans** completed and operational

- Over **50,000 people receive Social Prescribing support**, with data showing improved wellbeing
- Publish Live Well in Later Life Blueprint and mobilisation plan with **£1.9m neighbourhood investment**
- Establish Live Well Communities Fund over **£1m grants to 300 grassroots groups, benefiting up to 4,000 people**
- Support **79,310 residents to prepare for work**, including 13,094 via 1:1 employment support and 66,216 through skills development
- **6,100** residents in work supported to **remain employed** through integrated health and employment offer
- Deliver Year 1 of GM Make Smoking History Framework, **driving a reduction from 12.5% adult smoking prevalence baseline**
- The proportion of patients admitted, transferred, or **discharged from A&E within 4 hours will increase to 78%**
- The proportion of patients waiting longer than 18 weeks for elective treatment will **reduce to 68.2%**
- We will **increase the number of residents who feel it is easy to contact their GP practice**, measured against a baseline of 1,449,589 general practice appointments

The proposed budget provides funding for the continuation of the Changing Futures programme (**£3.2m**) to improve outcomes for adults experiencing multiple disadvantage. It will continue to support the groundbreaking project skyline providing residential support for young people closer to their families and support networks.

The programme will fund the second year of the core Live Well programme supporting delivery in all of our GM local authority areas (**£5.8m**) and the continuation of the Regional Care Co-ordinator function (**£0.8m**) supporting local authorities to access better quality support for children and young people and to support fostering across GM.

(vi) A great place to do business

End state: Our ten-year integrated pipeline has increased our economic output and spread the benefits of growth across the city region, helping to rebalance our community, and achieve the opportunities in our Growth Locations. GM's productivity is now above the national average (from 70% in 2025) & still growing

We are seeking approval for a budget of **£79m** to facilitate the growth of the GM economy and support local businesses.

The funding will build on the year one goals for the economy workstream of the GMS:

- **Integrated business support** secured through the Growth Hub, with coordinated delivery across skills, innovation, and sector development
- First integrated employment and housing pipeline launched, signaling 10-year land supply and investment opportunities to the market, and backed by a **£1bn Good Growth Fund**
- **£1 billion net-zero investment pipeline** developed with initial financing models operational
- GM's inward investment, export support, and sector internationalisation secured for the medium term, with **trade missions active**
- **Local Innovation Partnership Fund deployed**, complementing national UKRI funding and mobilising the region's universities and research institutes
- Development Forum established with first cohort of the **GM Skills Academy's** regeneration pathway underway

The proposed budget provides critical support for local businesses, especially those small and medium sized enterprises that are vital for local employment. The funding will support a new creative industries strategy featuring the flagship GM Production Fund supporting filming and production in GM with an overall investment of at least **£10m** which will operate alongside the existing GM Culture fund (**£5.1m**) and will support investment in the creative sector including film and

television productions helping to make Greater Manchester the most attractive place in the UK to produce film and television.

The funding will continue to support the GM Growth Hub's core business support programme (**£15.8m**), help deliver the GM industrial strategy zone (**£6.7m**), and the Innovation accelerator (**£5.5m**).

The budget will fund activities to secure investment and increased visitors into GM through the international work of MIDAS and Marketing Manchester (**£6.7m**). The funding will continue to support GM local authorities following the end of the dedicated UK shared prosperity fund with a revenue budget of **£9.5m**, alongside £11.2m of capital to support local programmes.

(vii) Digitally connected places and people

End state: GM will be a fully digitally enabled city-region, giving people the connectivity, tools and know how to work and live smarter. We'll do this by ending the digital divide and building connected communities with access to digitally-enabled public services and economic opportunities.

The proposed budget of **£5.2m** will build on the year one delivery of the GM digital programme, which will secure:

- Running a community Wi-Fi pilot in one area, **Creating Digital Infrastructure place plans across 3 GM localities**, and Digital Place Makers piloted in these localities.
- Promote and celebrate initial adoption of GM Digital Infrastructure Wayleave for Housing, **enabling the connection of 4k homes**, and GM LORAWAN network launched.
- Continued use of digital traffic management systems to **optimise waste haulage and reduce HGV vehicle trips** on GM road network
- Increase Cyber & Skills Development: Established **CyberFirst Gold Colleges in five localities**, launched MEGAHub in Oldham, **expanded Cisco NetAcad to 55**, re-established cyber ecosystem forums, launched

the Northwest Cyber Corridor website, and defined GM's role in the National Defence Industrial Strategy

- **460 online centres mobilised across all 10 localities**, improving access in the most deprived communities
- **175 social housing properties benefitting** from Internet of Things (IoT) connectivity and devices from 5GIR project across Manchester, Wigan and Stockport.

(viii) Cross Cutting themes

The Greater Manchester Strategy also details two “cross cutting” themes, equally important in both delivering the outcomes in the strategy and in “how” we deliver those outcomes.

The proposed budgets in this report included funding of **£6.3m** to support the delivery of “A greener future for everyone” and to support work on equalities and the VSFSE sector.

There is a commitment of **£0.3m** to support housing first for an ageing population and a number of investments in our greener future including **£0.7m** to continue the critically important work on the GM integrated water management plan and **£0.7m** to support the local nature recovery strategy delivery.

5. DELIVERING AT PLACE ACROSS GREATER MANCHESTER

5.1 The success of Greater Manchester, which has delivered the highest level of economic growth across the UK with the largest improvement in productivity anywhere in the country, is dependent on the way the city region works collectively as a “system”. This system is made up of public sector bodies including the ten GM local authorities, GM bodies such as TFGM, GMFRS, and GMP, the NHS GM and housing bodies and crucially the GM VCFSE sector operating across each and every neighbourhood in the city region.

5.2 The GMS is a shared ambition across the whole of that system and the funding set out in the budget today will be allocated through many of those bodies and also

complement funding from other sectors to deliver the best possible outcomes for the residents of Greater Manchester.

- 5.3 75% of the combined GMCA capital and revenue budget is deployed directly into the ten GM local authority area. For these revenue budgets, that amounts to over £90m of funding.

6. DELIVERING SOCIAL VALUE FOR GREATER MANCHESTER

- 6.1 [The Public Services \(Social Value\) Act \(2012\)](#) places a legal obligation for local authorities to consider the social good that could come from their commissioning and procurement of goods and services. GMCA discharges this obligation through [two key policies](#):

1. Evaluating Procurements:

A default approach that all procurements over £100K include a 20% weighting for Social Value in the scoring of all tenders (along with price and quality considerations).

GMCA invites suppliers to commit in the tenders to deliver additional local social value on top of the core purpose of the contract. The quantity and quality of social value offers are independently verified and scored as part of tender evaluation, with the winner bidders becoming contractual commitments.

To date £138m of social value has been delivered by suppliers contracted in this way, roughly £1 for every £5 spent. There are 52 different measures for delivery of social value, but some highlights include (noting this is additional and all within GM):

- £27.5m spent with local businesses
- 2,389 local jobs (FTE)
- 6,863 weeks of apprenticeships

2. Minimum Standards:

Where legally and commercially viable for all procurements over the [regulated threshold](#) GMCA will only contract with organisations that agree to meet minimum standards for themselves and for their 1st line sub-contractors within the a year of contracting:

- Pay Real Living Wage
- Become 'Supporters' of the GM Good Employment Charter (or meet equivalent standards)
- Have a credible plan to become carbon neutral by 2050

7. BASIS OF APPORTIONMENT OF COSTS TO DISTRICTS

7.1 Constituent Councils meet the GMCA's costs which are reasonably attributable to the exercise of its functions. The amount payable by each Council is determined by apportioning the costs between the Councils in such proportions as they (unanimously) agree or, in default of such agreement, in proportion to the resident population. The 2011 Order provides flexibility to deal with the apportionment of costs in respect of the functions. Appendix 2 details the apportionment of costs across the GM local authorities (districts).

7.2 The basis of apportioning historic MIDAS and Marketing Manchester budgets is set out below:

- MIDAS recharge of £1,023m – 84% of the funding is split equally between each District with the remaining 16% being split on a population basis.
- Marketing Manchester recharge of £350k - 80% of the funding is split 35% Manchester City Council and the remaining 65% split equally between the other nine Districts, the remaining 20% of the total funding is split on a population basis.

7.3 The Cultural and Social Impact Fund of £3.3m is unchanged and is allocated on the basis of population. Additional funding of £1.1m has previously been approved by GMCA to be met from the wider programme funding through the IS and other sources such as retained business rates.

7.4 As detailed above, the overall levy has reduced by £2m following the removal of the contribution to corporate services in full in 2026/27.

7.5 The proposed charge to each District is detailed in Appendix 2 and summarised in the table below:

Local Authority	2025/26 £000's	2026/27 £000's	Change £000's
Bolton	805	594	(211)
Bury	558	419	(139)
Manchester	1,524	1,112	(412)
Oldham	675	502	(173)
Rochdale	637	477	(160)
Salford	763	569	(194)
Stockport	798	584	(214)
Tameside	648	484	(164)
Trafford	655	486	(169)
Wigan	890	649	(241)
Total GMCA Levy	7,953	5,875	(2,077)

8. RESERVES

8.1 An analysis of the forecast and budgeted movements in reserves for 2025/26 and 2026/27 is set out below:

GMCA General and Earmarked Reserves	Opening Balances 1 Apr 25 £000s	Forecast movement (in)/out 2025/26 Quarter 3 £000s	Forecast Closing Balances 31 Mar 26 £000s	Forecast movement (in)/out 2026/27 Budget £000s	Forecast Closing Balances 31 Mar 27 £000s

GMCA General Reserve	-4,273	0	-4,273	0	-4,273
Business Rates	-53,994	456	-53,538	17,657	-35,881
Total Investment Reserves	-31,564	-1,808	-33,372	0	-33,372
Total Directorate Reserves	-60,247	15,653	-44,594	21,165	-23,429
Total GMCA Reserves	-150,078	17,301	-135,777	38,822	96,955

6.2 General GMCA Reserve

The GMCA general reserve is funded through contributions from the GMCA revenue account. The current balance remained at £4.273m at 1st April 2025 with no planned change to this reserve as part of the budget proposals in this report.

6.3 Business Rates Growth

This reserve had a balance of £54m million at 1st April 2025 which reflected the GMCA share of business rates growth up to end of 2024/25. Planned use of the reserve in 2025/26 and 2026/2 is based on approvals by GMCA up to March 2025, which would leave a balance in reserve of £53.5m by 31st March 2026 and £33.4m by 31st March 2027. Following the national reset of retained business rates growth in 2026/27 the reserve will be used to smooth the impact of reduced funding as growth rebuilds.

6.4 Investment Reserves

Housing and Core Investment reserves totaling £31.3m at 1st April 2025 are not included in the GMCA General budget as they relate to:

- Interest earned on income received in advance will be re-invested within the fund as per grant conditions and arrangement fees may be off set against specific costs associated with the making of the loans.
- Funding to establish revolving investment funds, promoting a long term locally led solution to local infrastructure constraints.
- Interest, arrangement fees and other income earned from loans funded by the funding agreement with Ministry for Homes, Communities and Local Government. The surpluses will be used to support the GM housing strategy.

6.5 GMCA Directorate Reserves

Directorate reserves of £60.2m at 1st April 2025 relate to unapplied revenue grants and earmarked reserves for programme delivery in future years. Planned use of reserves in 2024/25 and 2025/26 would leave a balance in reserve of £44.6m by 31st March 2026 and £29.7m by 31st March 2027. The most significant reserves relate to:

- Resource to support GM wide budget transformation and efficiency programmes and preparations for the implementation of the GM devolution deal.
- Funds adult further education, community learning and discretionary learner support and Working Well reserve;
- Funding to support School Readiness programmes. Aim to improve early years outcomes and to invest in our early years workforce to ensure they have the right skills and competencies to help children achieve their potential
- Other Public Sector Reform reserves including Reform Investment Fund, Changing Futures Programme. Ageing Well Programme and Youth Pathfinder.

7. LEGAL ISSUES

7.1 In coming to decisions in relation to the revenue budget the Authority has various legal and fiduciary duties. The amount of the Transport Levy and the amount charged to the Districts in respect of the Authority's General functions must be sufficient to meet the Authority's legal and financial commitments, ensure the proper discharge of its statutory duties and lead to a balanced budget.

7.2 In exercising its fiduciary duty the Authority should be satisfied that the proposals put forward are a prudent use of the Authority's 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.

Duties of the Chief Finance Officer

7.3 The Local Government Finance Act 2003 requires the Chief Financial Officers to report to the Authority on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The Authority has a

statutory duty to have regard to the CFOs report when making decisions about the calculations.

- 7.4 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Authority to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Authority must take such action as it considers 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.
- 7.5 Under Section 114 of the Local Government Finance Act 1988, where it appears to the Treasurer that the expenditure of the GMCA 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 Treasurer has a duty to make a report to the Authority.
- 7.6 The report must be sent to the Authority's External Auditor and every member of the Authority and the Authority must consider the report within 21 days at a meeting where it must decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it. In the intervening period between the sending of the report and the meeting which considers it, the authority is prohibited from entering into any new agreement which may involve the incurring of expenditure (at any time) by the authority, except in certain limited circumstances where expenditure can be authorised by the Treasurer. Failure to take appropriate action in response to such a report may lead to the intervention of the Authority's Auditor.

Reasonableness

- 7.7 The Authority has 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

7.8 The Chief Financial Officer 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 for which the GMCA will be responsible has been undertaken.

8. RECOMMENDATIONS

8.1 Detailed recommendations appear at the front of this report.

Appendix 1 – Expenditure by Workstream and GMCA Directorate

Directorate	Healthy homes for all	Safe and strong communities	A transport system for a global city region	A clear line of sight to high-quality jobs	Everyday support in every neighbourhood	A great place to do business	Digitally connected places and people	Creating a greener future for everyone	Corporate costs	Grand Total
Digital	0	0	0	0	0	0	5,298	0	0	5,298
Economy	0	0	0	0	0	74,819	0	0	0	74,819
Environment	0	0	0	0	0	30	0	5,840	0	5,870
EWS	0	0	0	160,919	0	0	0	0	0	160,919
Investment	0	0	0	0	0	3,522	0	0	0	3,522
Place	16,277	0	0	0	0	650	0	456	0	17,383
PSR	33,341	0	0	1,664	17,472	0	0	0	0	52,477
SSC	0	5,088	0	0	0	0	0	0	0	5,088
Corporate	0	0	0	0	0	0	0	0	35,983	35,983
Grand Total	49,619	5,088	0	162,583	17,472	79,021	5,298	6,296	35,983	361,360

Appendix 2

2026/27 Local Authority (District) Contribution	Mid-Year Population 2024		GMCA General Budget	Cultural & Social Impact Fund	Marketing Manchester			MIDAS			Total
					80%	20%	Total	84%	16%	Total	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bolton	310,085	10.30%	124	340	20	7	27	86	17	103	594
Bury	198,921	6.61%	79	218	20	5	25	86	11	97	419
Manchester	589,670	19.59%	236	647	98	14	112	86	32	118	1112
Oldham	251,560	8.36%	100	276	20	6	26	86	14	100	502
Rochdale	235,561	7.83%	94	258	20	5	26	86	13	99	477
Salford	294,348	9.78%	118	323	20	7	27	86	16	102	569
Stockport	303,929	10.10%	121	333	20	7	27	86	17	103	584
Tameside	239,643	7.96%	96	263	20	6	26	86	13	99	484
Trafford	241,025	8.01%	96	264	20	6	26	86	13	99	486
Wigan	344,922	11.46%	138	378	20	8	28	86	19	105	649
Total	3,009,664	100%	1,202	3,300	278	70	350	860	164	1,023	5,875