

Greater Manchester Combined Authority

Police, Fire and Crime Panel

Date: 16th March 2026

Subject: Greater Manchester Police Fund Revenue and Capital Budget 2026/27

Report of: Mayor of Greater Manchester

Purpose of Report

To inform Panel members of the Greater Manchester police fund revenue and capital budget for 2026/27, revised three-year medium term financial Plan 2026/27 to 2028/29 and the projected position on general and earmarked reserves.

Recommendations:

The Police, Fire and Crime Panel is asked to:

- note the contents of the report and note the budget proposals

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

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

Risk Management

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

Legal Considerations

Details of the Police and Crime Panel's statutory duties in relation to the setting of the precept were reported to the panel in January 2026 as part of the precept setting paper.

Financial Consequences – Revenue

The report sets out the planned budget strategy and implications for the financial year 2026/27 and the outlook over the medium term to 2028/29

Financial Consequences – Capital

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

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

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

Background Papers

Background documents to this report are:

- (i) Government Settlement letters, reports and precept referendum letters
- (ii) Precept report to the Police Fire and Crime Panel 28th January 2026
- (iii) Guidance note on Local Authority Reserves and Balances - Chartered Institute of Public Finance and Accountancy (CIPFA)
- (iv) Local Government Finance 1992
- (v) Local Government Act 2003
- (vi) Localism Act 2011
- (vii) Police Reform and Social Responsibility Act 2011
- (viii) The Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017

Tracking/ Process

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

No

Exemption from call in

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

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

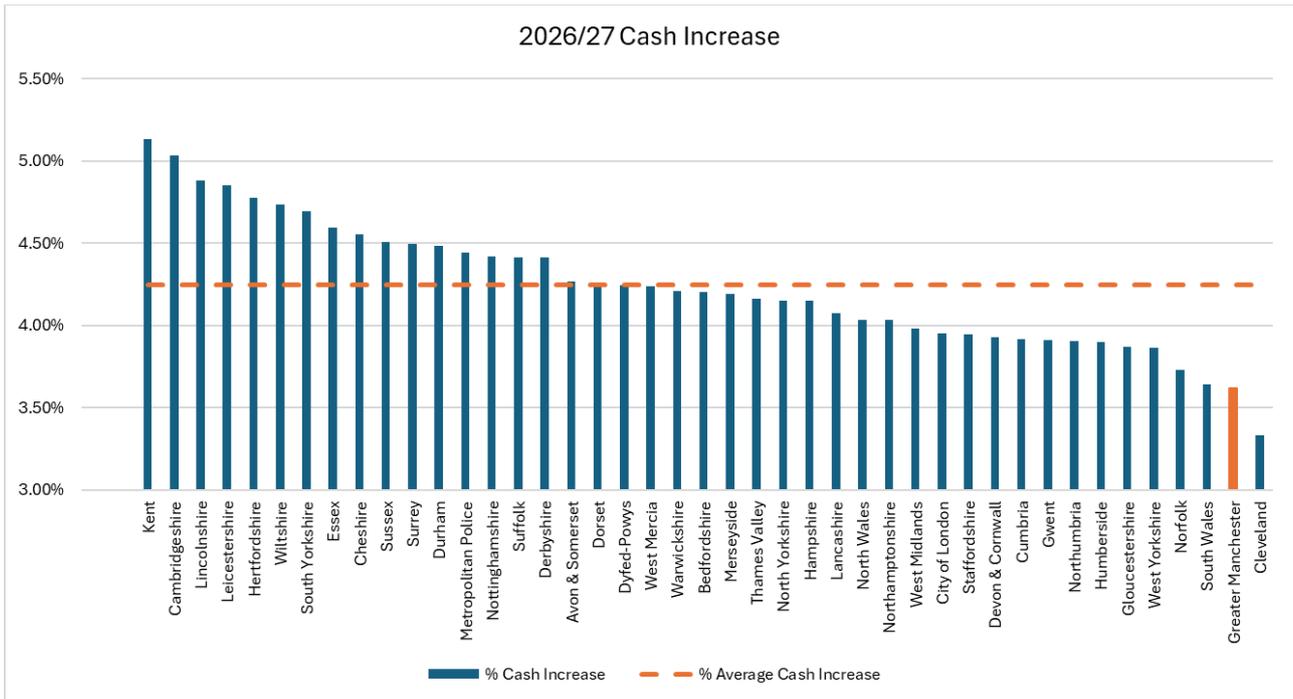
- 1.1 The Police and Crime Commissioner (PCC) has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. For Greater Manchester the PCC functions were transferred to the Greater Manchester Mayor in May 2017. The Mayor (PCC) is the recipient of funding relating to policing and crime reduction, including government grants, the council tax precept and other sources of income. How this money is allocated is a matter for the Mayor (PCC) in consultation with the Chief Constable, or in accordance with any grant terms.
- 1.2 The provisions of Section 32 of the Local Government Finance Act 1992 require the Mayor (PCC) to set a balanced budget. In addition, Section 26 of the Police Reform and Social Responsibility Act 2011 establishes the PCC as a precepting authority for the purposes of the 1992 Act. Which means the Mayor (PCC) decides how much local people pay for policing through their council tax. For Greater Manchester, the precepting authority is Greater Manchester Combined Authority with the Mayor setting the PCC precept.
- 1.3 In December 2025 the 2026/27 Provisional Police grant Settlement was announced in Parliament and details were released to Police and Crime Commissioners. Funding for the police comes both directly from a Central Government grant (75%) and from the police precept (25%).
- 1.4 In accordance with Schedule 5 of the Police Reform and Social Responsibility Act 2011 (“the Act”) and Part 2 of the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 (“the Regulations”), several reports were presented to the Police and Crime Panel, with the final proposals presented and agreed at the panel meeting held on 28th January 2026.
- 1.5 On 28th January 2026 the Police Fire and Crime Panel approved the 2026/27 PCC Budget and Police & Crime Commissioner Component of the Mayoral Precept and this was issued to Local Authorities on 13th February 2026. This confirmed that:
 - The 2026/27 Mayoral Police and Crime Commissioner precept is set at £285.30 for a Band D property.
 - The issuing of an appropriate overall precept requirement of £237,634,585 on the ten billing authorities in the Greater Manchester area, to be incorporated as part

of the Council Tax for the purposes of Police and Crime for the financial year beginning 1 April 2026 and ending 31 March 2027.

- The 2026/27 Police Fund revenue budget of £907.488m is approved.
- The 2026/27 Police Fund capital budget of £42.131m is approved.
- Noted that the borrowing requirement is £40.882m for 2026/27.

2. National Funding Settlement

- 2.1 The Home Office issued a provisional police funding settlement for 2026/27 on 18th December 2025, The settlement:
- Noted that PCCs will have the flexibility to raise the police precept to £15 for a Band D property in 2026-27.
 - Included distribution of core grant funding pro rata to the 2025/26 allocations which has been the same approach taken for the preceding thirteen financial years from 2013/14.
- 2.2 Confirmed a national increase in police forces funding of £796.1m between 2025-26 and 2026-27, of which £364.0m (46%) will come from utilising the precept flexibility and £432.1m (54%) being the national increase in core policing grants. In addition, funding for Counter Terrorism Policing will increase by at least £52 million in 2026-27.
- 2.3 No further details, national requirements and priorities, or breakdown of high-level core grants was provided in the provisional settlement. The Policing Minister subsequently issued a letter on 16th January providing further details on the settlement, including an increase in overall national grant of £50m, with GMP's share of this being an additional £2.9m. The letter also provided a relaxation on the police officer numbers relating to the Police Uplift Programme with a removal of the requirement to hold police officer numbers to the previously agreed total, which in GMP's case amounts to 8151 officers. However, the letter also indicated that a ringfence allocation would be provided to deliver the Neighbourhood policing pledge. This increases GMP's target increase in Neighbourhoods by a further 101 officers to 277 by March 2028. No details on the conditions of this grant have been provided.
- 2.4 Overall, taking into account both the precept flexibility and core grant increases, for Greater Manchester the increase is only 3.9%, which is less than the national average of 4.5% and represents the second worst settlement in England and Wales, and remains below the level of the September 2025 pay award and therefore places significant unanticipated financial pressure on GMP in 2026/27 and beyond. This is shown below.



2.5 The 2026/27 Police grant funding for Greater Manchester is £669m (£649.0m 2025/26), an increase of £20m (3.1%).

2.6 Together with the proposed precept increase of £15 at Band D, this would be an overall funding package for Police and Crime in Greater Manchester of £905.6m which would be an increase of £34.4m.

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

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

2.8 The Government Grant funding increase of 3.1% is the second lowest increase of any police force in the country and compares to a national average increase of 3.8% and increases of 4.4% in London, 4.7% in Kent and 4% in Merseyside This is due to the mainstreaming from 2026/27 by Home Office of specific Police Officer

Uplift (PUP) additional recruitment grant funding. Whilst 2022/23 was the final year of the PUP programme, during which GMP exceeded its additional recruitment targets, in 2025/26 GMP maintained an additional 209 PUP Officers above the original force allocation (along with a further 120 recruited in line with the Government's commitment to Neighbourhood Policing, increasing the total GMP Officers to 8,271). Up to and including 2025/26, the additional PUP Officers were funded via a separate grant within the national settlement targeted directly to specific forces based upon their delivery of additional PUP officers agreed with the Home Office as contributing to the national programme targets. GMP previously received £11m of this grant to fund its 209 additional PUP officers and there were no plans either in GMP or the Home Office to reduce this number. For 2026/27, this specific funding grant has now been unexpectedly switched into core grant funding meaning it is now part of the overall funding distributed to all forces (including those who have not delivered additional PUP Officers) and under this arrangement GMP's share falls to c£6m, a grant funding reduction of £5m per year within the overall GMP funding settlement allocation.

3. 2026/27 Police Precept

- 3.1 As part of the overall funding for policing in 2026/27, PCCs were given the flexibility to raise the police precept by £15 for a Band D (£11.67, Band B) property in 2026-27 per the Local Government policy statement of 20th November 2025.
- 3.2 At the Police, Fire and Crime Panel on 28th January 2026 the Mayor took the proposal to set the PCC element of the Mayoral precept at £285.30 for a Band D property.
- 3.3 With 80% of households in GM being Bands A to C properties, the majority pay less than this. The table below shows the impact for each Council Tax band of the increase:

Council Tax Band	A	B	C	D	E	F	G	H
2025/26	180.20	210.23	240.26	270.30	330.36	390.43	450.50	540.60
2026/27	190.20	221.90	253.59	285.30	348.69	412.10	475.50	570.60
Increase (£)	10.00	11.67	13.33	15.00	18.33	21.67	25.00	30.00
Increase (%)	5.55%	5.55%	5.55%	5.55%	5.55%	5.55%	5.55%	5.55%

- 3.3 This precept will provide an additional £15.5m based on the Greater Manchester council tax base.
- 3.4 It is important to note that Greater Manchester is more dependent than other areas on changes to government grant funding due to the lower council tax base in the region. The national £15 maximum increase will therefore raise significantly less funds for GM per head of population than in many other areas of the country.

4. Revenue Budget 2026/27 and Medium-Term Financial Plan

- 4.1 For 2026/27 there is an overall funding envelope for Police & Crime in Greater Manchester of £907.5m (2025/26, £871.7m).
- 4.2 The revenue budget and funding for GMP and PCC is set out in the table below and includes a comparison against the 2025/26 budget:

Police Fund Revenue Budget				2025/26
	GMP £m	PCC £m	Total £m	Total £m
Budget Requirement				
Employee Related	833.2	3.0	836.2	801.2
Pensions	136.5	0.5	137.0	124.7
Premises Related	40.5	0.0	40.5	40.3
Supplies & Services	83.0	35.4	118.4	116.2
Agency Payments	25.1	0.0	25.1	25.1
Transport Related	11.6	0.0	11.6	11.7
Capital Financing	0.0	22.2	22.2	20.3
Transfer to reserves	0.0	0.0	0.0	0
Transfer from Reserves	-5.5	-1.5	-7.0	-2.9
Specific Grants	-190.8	-24.7	-215.5	-184.6
Income & Sponsorship	-57.5	-3.3	-60.8	-55.6
Savings	0.0	0.0	0.0	-24.7
Net Budget Requirement	875.9	31.6	907.5	871.7
Home Office Grant	0.0	-669.0	-669.0	-649
Precept/Council Tax Surplus	0.0	-238.5	-238.5	-222.6
Total Funding	0.0	-907.5	-907.5	-871.7

- 4.3 The majority of the Police Fund budget is delegated to the Chief Constable for Greater Manchester (£875.9m) and a proportion is retained to fund PCC functions and capital financing costs for the GMP capital programme (£31.6m).
- 4.4 The budget proposals GMP and PCC are outlined in more detail below.
- 4.5 The combined police fund medium term financial plan (MTFP) is attached as Appendix 1 to this report. Further detail on the MTFP is included in sections 5 and 6 below.

5. Budget for Greater Manchester Police 2026/27

- 5.1 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2026/27. The GMP budget for 2026/27 will be £875.9m which is an increase of £37.3m compared to 2025/26. This increase is met from the additional funding from government grant and the approved precept increase.
- 5.2 It should be noted that within this overall £37.3m increase;
- a) £9.5m is an increase in the specific claimable grant (£21.1m 2026/27 v £11.6m 2025/26) that supports enhancing the provision of 'Neighbourhood Policing'. This is discussed in more detail below.
- 5.3 Taking this specific funding addition into account, only £27.8m of the overall GMP budget increase is available as new funding to meet existing and new 2026/27 budget pressures. To put this into context, as was the case in 2025/26, nationally agreed pay award pressures alone in 2026/27 are expected to add a budget pressure of £31.8m, well in excess of the available budget increase.
- 5.4 When the precept was agreed in January it was recognised to be critically important that GMP had the level of funding required to allow the Mayor and Deputy Mayor to sustain the improvements achieved over recent years and to continue to strengthen public safety. The panel also received details of the Greater Manchester priorities for policing for the next financial year based on the increases in precept, along with the central government grant, which will enable GMP to:
- Further reduce neighbourhood crimes and ASB by investing in neighbourhood police officers.
 - Expand hot spot policing tactics in town centres and other key locations to help drive down theft from person, violent crime and retail crime.
 - Increase safety and police visibility in Piccadilly Gardens including a new police hub.
 - Expand Operation Vulcan to another three sites to shift stubborn crime issues in neighbourhoods and reduce violent crime.
 - Increase our coverage of ANPR camera technology (as backed by the public during a recent consultation) by transferring usage of the Clean Air Zone Cameras to GMP for crime prevention and detection.

- Bring more sex offenders and domestic abuse perpetrators to justice.
- Deliver a new Hate Crime Standard to encourage more people to come forward and report.
- Retain our good performance for speed of answering 999 and 101 calls and for responding to emergency and non-emergency incidents.

5.5 As previously reported to the Police, Fire and Crime Panel in January GMP continues to face significant financial challenges in 2026/27, despite the increases in funding from a combination of Policing Grant and the Police Precept. There are three key drivers of expenditure pressures which reflect GMP's improvement journey over the last four financial years and which can be broadly categorized across the following three areas. They resulted in an initial reported combined PCC/GMP policing budget gap of £31.8m:

- (i) Unavoidable pay cost pressures arising from national decision making and nationally agreed pay awards.
- (ii) Committed Demand and Performance Led Cost Pressures;
- (iii) Locally driven cost pressures, service investment and efficiencies recognising the financial impact of maintaining the significant service improvements delivered over recent years, continuing to drive further locally agreed service improvements and deliver on a force wide efficiency programme aimed at ensuring ongoing future financial stability for GMP.

5.6 At the time of setting the 2025/26 budget an emerging budget gap of £20m for 2026/27 was reported to the panel and subsequently a number of significant continuing and new financial pressures are resulting in a material 2025/26 overspend without mitigating action. A number of these pressures will inevitably continue into 2026/27 and together with the extremely disappointing Government funding settlement for GMP have added further pressure to the 2026/27 budget.

5.7 To secure financial stability GMP has therefore again been working during the current financial year on the delivery of a financial plan to address the financial challenges it faces in a high demand, high risk operational environment. This programme has made significant progress towards addressing financial pressures in both the current year and the 2026/27 budget.

- 5.8 At the point of the January 2026 precept setting report, this activity had delivered cash savings to achieve a balanced 2024/25 outturn position, significantly reduced the initially forecast 2025/26 overspend and, along with the approved precept increase, had reduced the budget gap for 2026/27 to £31.8m as reported.
- 5.9 Work has continued at pace between GMP and the GM Mayor's office to evaluate additional savings options tabled and to identify further savings and efficiencies which can, without impacting on frontline policing, achieve a balanced 2026/27 budget and to assist in setting out a sustainable funding strategy over the medium term.
- 5.10 The work is now complete and involved a detailed review and Command team led business planning programme, challenging all service budgets, income generation and provisional service improvement investment plans. It has resulted in a balanced 2026/27 police budget as follows.

5.11 **Unavoidable Pay Cost Pressures**

- I. **Impact of 2025/26 Pay Awards (£18.8m)** – The police officer and police staff pay awards in 2025/26 were higher than expected when the budget was set. Funding has been received in 2025/26 to meet the additional in year cost and further funding is included in the overall funding settlement to assist in meeting the additional full year impact in 2026/27. This 2026/27 funding is however based upon a pay award of 3.8%, anticipated at the time of the 2025 Comprehensive Spending Review. The actual 2025 agreed pay award was 4.2% and no additional 2026/27 government funding has been provided towards this additional 0.4%, causing a direct unfunded cost pressure of £2.8m for GMP within the figures quoted above.
- II. **2026/27 Pay awards (£13.0m)** – These are currently forecast to be 3.0%, in line with the government 2025 CSR assumptions in respect of policing pay settlements for 2026/27. Each 1% of pay is equivalent to a full year pressure of c£7m.
- III. **Police Officer Uplift (PUP), etc (£4.8m)** – The costs of maintaining officer numbers continue to rise above the overall level of funding and pay awards as the officers recruited as part of the PUP programme become more experienced which is reflected in their pay. The letter from the Policing

Minister on the 16th January has indicated that there will be a relaxation in the head count target associated with this programme. This will give some flexibility in the timing and number of officers included in the recruitment cycle.

- IV. **Police Staff pay growth (increments/vacancy profile) (£0.3m)** –The costs of the baseline Police Staff budget has risen due to the overall current vacancy and experience (increments) mix changing.
- V. **Local Government Pension Scheme (LGPS) Triennial Review Outcome (£2.7m Saving)** – LGPS Pension funds are revalued every 3 years, with the results informing agreed Employer contribution rates over the next 3 year period. Greater Manchester Pension Fund (GMPF) have now completed their valuation as at 31/3/2025 and since the last valuation in 2022, the fund surplus has improved significantly. Consequently, GMPF have revised GMP's current contribution rate down from 18% to 16% for the 3-year period commencing 1st April 2026.

5.12 **Committed Demand and Performance Led Cost Pressures**

- I. **Custody Model Staffing – Move to 8 Sites (£0.7m)** – this expenditure relates to the additional Staffing cost of GMP's newly refurbished 44 cell complex at Longsight to meet future predicted demand levels and to further enhance Custody standards.
- II. **Repurposing Clean Air Zone (CAZ) cameras for police use (£1.1m)** - will enable increased interception of higher risk crime, supporting the delivery of safer, stronger communities across Greater Manchester.
- III. **Unavoidable Operational Pressures (£0.6m)** – An unavoidable disposal cost associated with sustained volumes of Nitrous Oxide Canister seizures and the essential upgrade of Tasers to a new more effective model account for this increased annual cost.
- IV. **Essential Information Technology upgrades and improvements (£1.2m)** - Policing in the 21st century is underpinned by a digital infrastructure which supports the delivery of critical operational systems. The systems need to be

robust to ensure that they withstand the risk of security compromise and deliver support to operational policing delivery. Essential revenue investment to support planned capital expenditure in infrastructure, new and improved technology applications to enhance front line policing capability and delivery. The result will be improved outcomes, effectiveness, and efficiency and maintaining a stable, secure, and reliable infrastructure. £2.4m of expenditure was initially planned in 2026/27 towards this priority, however a full reprioritization and re-phasing of requirements has resulted in a reduction to £1.2m in the final budget.

- V. **Reduction in volumes of traffic offence tickets (£2.2m)** – Despite an organisational focus to deliver on GMP’s priority commitment to the Safer Roads GM “Vision zero” strategy, volumes of traffic offences and therefore associated income generated are falling short of budgeted levels. A priority project is underway to understand both the reasons for this and to determine future actions necessary to continue to deliver on this Safer Roads Commitment and to ensure that future income levels assist with the direct cost of associated policing costs.
- VI. **Business as usual investment requirements (£1m)** – The 2025/26 budget included several investments, progressing to implementation during 2025/26, required to improve service delivery and statutory compliance across a range of high-risk priority areas. This cost pressure reflects the full year impact of these on the 2026/27 budget.
- VII. **National Neighbourhood Policing targets (£0m)** – The new claimable Neighbourhood Policing grant accounted for £11.6m of the overall 2025/26 GM funding settlement. During 2025/26 GMP is on target to secure all this funding and has already delivered on its commitment to recruit 120 additional new Neighbourhood Policing Officers and 56 new police staff to directly enable the redeployment of 56 experienced officers into new neighbourhood roles. This GMP uplift is planned to continue and the claimable funding has been increased to £21.1m in 2026/27 within the overall funding settlement. The initial settlement in December gave no details on the requirements for Neighbourhood policing in 2026/27. However, a letter from the Policing Minister on 16th January 2026 indicated that there will be a requirement

nationally to increase neighbourhood officers/ PCSOs and specials by a further 1,750 to give an overall total of 4,750 nationally. GMP's share of this increase is a further 101 officers to give a requirement to deliver an additional 277 officers in Neighbourhoods by March 2027. In her letter, the Policing Minister confirmed an additional £50m nationally for neighbourhood policing, of which GMP's share is £2.9m (within the £21.1m detailed above).

5.13 **Locally driven cost pressures, service investment and efficiencies**

- I. **Addressing Ongoing/Emerging Pressures (£2.1m)** – In order to maintain current performance levels and to drive further improvements/positive outcomes, there is an aim to reflect the financial impact of associated service volume levels and specific cost/inflationary pressures currently being experienced into future baseline budget. In particular:
 - Volumes of Police Officer Ill Health retirements continue at higher than budgeted levels despite robust procedures in this area. A budget increase of £1.1m has therefore been included to address this pressure.
 - Alongside the core grant settlement for 2026/27, Home Office have announced the mainstreaming of Hotspot patrolling from being separately grant funded (c£2.8m in 2025/26) to being included in the core grant funding increase for 2026/27, placing a new and significant financial pressure on GMP. However, this can be partially offset by the receipt of new Knife Crime funding (£1.87m for GMP) to enable increased focus on tackling the worst concentrations of knife crime. Work is still ongoing to agree the prioritisation, actions and use of this funding, however current estimates are that overall, these combined specific grant funding changes will add a new c£1m budget pressure in 2026/27 as GMP look to maintain focus and resourcing on these important priority areas.

At the point of the January precept report, addressing a number of other ongoing cost pressures were recommended as desirable inclusions in the 2026/27 budget, however this has not proved possible within the final delegated budget envelope and so the following items have not been

included in the 2026/27 budget. They will therefore remain as risk cost pressures for GMP:

- As a result of GMP's unprecedented level of improvement over recent years together with continuing external demand factors such as sustained protest activity and the recent terrorist attack, the level of General reserves has been eroded to only c1.7% of budget requirement and the Operational Contingency reserve will be completely exhausted by the end of 2025/26. An annual budget of £3m was recommended over the next 5 years to improve financial resilience by increasing the level of General/Operational Contingency reserves to a healthier 3% level. This has now been deferred until affordable.
- Also directly related to improved effectiveness, outcome and arrest rates are creating a recurring overspend on overtime expenditure. Whilst a close organisational focus on reducing overtime has resulted in significant cost reductions (with district overtime overspends reducing from £7.0m in 2022/23 to just over £1m projected for 25/26), it is now acknowledged that current activity/demand levels ideally justify a desired overtime budget increase of £3.1m to avoid continuing year on year overspends placing unrealistic pressure on in year delivery. This has now been deferred until 2027/28 so the focus on controlling and reducing overtime will continue as a 2026/27 priority.
- GMP's level of exposure to insurance claims and their estimated liabilities continues to rise, and based upon recent years, an increase of £1m to its annual provision for settled and outstanding claims was recommended, with potential liabilities being determined by external insurance actuaries. This area is currently being reviewed closely, the 2026/27 budget will remain at 2025/26 levels and an up-to-date valuation of liabilities will inform the future budgeted requirement.
- A number of high profile, successful and nationally acclaimed policing Operations including Operation Vulcan have been funded from ARIS

reserves over recent years. These reserves are now almost depleted, and ongoing ARIS funding will not be sufficient to meet the current level of commitments beyond 2026/27. It is therefore necessary to review and to mainstream these Operations for them to continue at a cost to the base budget of between £2m-£3.9m, which will be a priority consideration in the 2027/28 budget.

- II. **General inflationary pressures (£3.9m)** - Although a culture of robust supplier challenge and engagement exists and continues as a focus throughout GMP, general inflationary pressures relating to essential existing non-pay related contracts and other expenditure are anticipated to add £3.9m to the 2026/27 budgets.
- III. **Use of reserves and other 'one-off' items to support the 2025/26 GMP budget (£11m)** – Several items were included in the 2025/26 budget that will not contribute again to the 2026/27 budget. In particular:
- Following the roll out of new uniform in 2024/25, routine replacements were anticipated to be lower in 2025/26 (£0.8m)
 - To support the GMP revenue budget and growth in pay costs associated with the PUP programme, the GMP PUP reserve was fully utilised in 2025/26 adding a budget pressure of £2m in 2026/27 versus 2025/26.
 - The 2025/26 budget included a requirement to identify £3m of in year efficiency savings v budget. All targeted savings are now included in the 2026/27 base budget.
 - The 2025/26 budget included a target of achieving £2m of income from a combination of collaboration with TfGM to join forces in the delivery of safer, stronger communities and exploring international training opportunities. This was not achieved in 2025/26 and so is removed from the base budget. Work has however been ongoing throughout 2025/26 and has culminated in the new GMCA precept funded Travelsafe initiative that will be implemented from 2026/27. See below.

- as part of the pro-active phasing of the Capital implementation of the new RMS programme, a one off revenue saving of £2.5m was built into the 2025/26 budget.

IV. Savings and efficiencies identified (£19m) - increased from £5.9m at the point of the precept report as follows:

- Further cost savings from the effective prioritisation of Forensic sampling requirements which contributed £1m to the 2025/26 budget savings. This savings target will increase by a further £0.5m to £1.5m annually in 2026/27
- The ongoing focus on robust vacancy management and the full year impact of Police Staff reductions (to a strength level of 3,650) made during the current year, in line with the 2025/26 budget, will have a further positive impact of £2.3m on the 2026/27 budget.
- Increased income from the sale of seized vehicles resulting from the success of Op Wolverine continues to improve road safety and will contribute an additional ££0.5m during 2026/27.
- A further £1.8m saving in IT revenue costs will be delivered in 2026/27 as part of the pro-active phasing of the Capital implementation of the new RMS programme. This replaces the one-off £2.5m saving delivered in 2025/26 above.
- Changes to PFI lease redemption accounting, implemented by GMCA on behalf of GMP, continue to give ongoing additional savings to the overall budget (£0.5m)
- North West Regional Organised Crime Unit – the unit has been set a 10% efficiency target to contribute to Force budget pressures which will reduce GMPs share of costs by £1.1m per annum.

In order to achieve a balanced 2026/27 budget whilst sustaining service improvements and managing the unavoidable pressures described above, a robust and detailed Business Planning process has been completed by GMP, driven by Senior leaders. All service managers were allocated challenging efficiency targets and required to present a series of budget saving options to achieve them, whilst also justifying the effectiveness of all

budget, police officers, police staff and other resources allocated to them. Panels consisted of the Deputy Chief Constable, Chief Resources Officer and Chief Finance Officer, along with senior leaders from the Finance, People and Change Branches. This critical programme of work, supported by the Mayor's office, has identified new savings and efficiencies totaling £11m (in addition to the significant savings delivered over the last 2 budget years), which are now targeted for delivery in 2026/27 without impacting on frontline policing. These savings will be delivered from across the entire range of service budgets with the most notable cost reductions include;

- Police Staff savings (£9m) - The agreed savings options will reduce the current Staff establishment from 3,965 at the start of the Business Planning exercise to a maximum of 3,800 once agreed reductions are implemented. In line with this, the 2026/27 budget includes a target 10% vacancy factor meaning an actual staffing strength of c3,450 from 1st April 2026. Current indications are that this budgeted strength will be achieved and maintained through the strong vacancy management arrangements that have been in place since 2025, enabling this full £9m saving to be delivered in 2026/27.
- Non-Pay savings (£2m) – A wide range of budget reduction, income maximisation and estate rationalisation actions will generate these targeted savings.
- The budget does not include Police Officer savings.

- V. **Financing of capital investment** – Police funding from government does not include any capital resource for investment in police assets such as fleet, IT, estates etc. As such, all capital is funded from borrowing which requires revenue budget to financing the borrowing costs. The significant capital investments made over the previous four financial years in necessary assets to ensure effective delivery of operational policing have led to increased capital financing charges on the costs of borrowing. Whilst the PCC will continue to benefit from internal borrowing within the GMCA to mitigate interest costs, there is a requirement to ensure a statutory minimum revenue provision on all capital expenditure funded from borrowing. A prioritised

approach to capital investment continues and has reduced new capital financing pressures in 2026/27 by £1.9m. In addition, pro-active treasury management activity of Policing cashflows by GMCA enables a benefit of £2.5m in 2026/27.

- VI. **GM Travel Safe programme** – Building on the success of the live chat Travelsafe functionality within the Bee Network app, implemented in 2025, a 2026/27 specific GMCA precept increase will fund the next phase in plans to ensure the safety of those travelling and working on the Bee Network. This will involve 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 GMP 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.
- VII. **Use of Earmarked Reserves** – a contribution of £2.5m from earmarked reserves has been agreed to close the final element of the original 2026/27 budget gap and this will be shared equally between PCC and GMP reserves.

- 5.14 Taking account of the above, a balanced GMP budget for 2026/27 is shown in the table at 4.2 above.
- 5.15 The medium-term financial plan for 2026/27 to 2028/29 has been revised to reflect the latest planning assumptions and is shown in Appendix 1. This includes an estimate of GM's share of future Government grant funding, based upon national assumptions agreed between NPCC and Home Office, and take up of maximum flexibility in the precept increase of £15 in 2025/26, followed by an early assumption of further annual increases of £14 in both 2027/28 and 2028/29. This is purely indicative at this stage but does illustrate the financial challenges faced by GMP over the medium term of over £20m in 2026/27 rising to almost £46m if not successfully mitigated across each financial year. To address this, GMP will continue its work to develop a range of options to maintain a sustainable financial position over the medium term.

5.16 The 2026/27 financial year is the first year of the Government's 2025 three-year Comprehensive Spending Review which provides national funding allocations for Policing for 2026/27 – 2028/29. When setting Departmental budgets for 2026/27 the Government also announced the total level of departmental funding planned for 2027/28 and 2028/29, however firm Home Office Policing allocations, and in particular allocations to individual forces remain uncertain. Future MTFs assumptions are therefore based upon these high level allocations, informed by Policing settlement assumptions agreed between NPCC and Home Office for planning purposes. They therefore remain subject to significant uncertainty at this time.

6. Budget for Police & Crime Commissioner 2026/27

6.1 The PCC net budget for 2026/27 is £31.6m, which is a decrease of £1.5m compared to 2025/26. The budget detail is outlined in the table at paragraph 4.2 of this report.

6.2 The PCC budget reflects the following assumptions for 2026/27:

- For 2026/27 as with other GMCA budget assumptions a pay award of 3% has been estimated.
- Capital financing costs are based on the latest capital programme from GMP which is outlined in more detail in section 8 below. GMP assets are owned by GMCA and therefore the capital financing charges associated with the cost of borrowing for capital purposes sit within the PCC budget.
- Changes in use of earmarked reserves include:
 - Use of £0.2m of Sexual Assault Commissioning reserve to support St Mary's Sexual Assault Referral Centre (SARC) for Victims of Rape and Sexual Assault in Greater Manchester and Operation Soteria.
- Income and expenditure in relation to specific grant funded programmes such as:
 - Violence Reduction Unit Home Office grant of £4.6m
 - Serious Violence Duty Home Office grant of £0.2m
 - Victims Services Ministry of Justice grant £5.6m
 - GM Integrated Rehabilitation Services grant of £9.2m from HM Prison and Probation Service

7. Community Safety Budget 2026/27

7.1 Since 2021/22 over £5m has been delegated to Community Safety Partnerships (CSPs) to support delivery of the Police and Crime Plan, collectively making communities safer and more resilient. The funding for each local authority provided by Deputy Mayoral funding within GMCA for 2026/27 is set out in the table below:

District	CS Grant 26/27	Children's Safeguarding Board	Adult's Safeguarding Board	VCS Grant 26/27	HC Grant 26/27	Cohesion Grant 26/27	Total of all GMCA-funded grants 2026-27
Bolton	£321,814.23	£20,356.92	£20,356.92	£105,678.00	£10,284.00	£50,000.00	£528,490.07
Bury	£166,942.40	£13,947.23	£13,947.23	£105,678.00	£10,284.00	£50,000.00	£360,798.86
Manchester	£734,022.29	£37,505.39	£37,505.39	£211,356.00	£10,284.00	£50,000.00	£1,080,673.07
Oldham	£277,179.18	£15,183.23	£15,183.23	£105,678.00	£10,284.00	£50,000.00	£473,507.64
Rochdale	£247,471.92	£14,300.52	£14,300.52	£105,678.00	£10,284.00	£50,000.00	£442,034.96
Salford	£252,893.84	£15,888.78	£15,888.78	£105,678.00	£10,284.00	£50,000.00	£450,633.40
Stockport	£231,405.98	£16,242.07	£16,242.07	£105,678.00	£10,284.00	£50,000.00	£429,852.12
Tameside	£257,748.23	£15,536.52	£15,536.52	£105,678.00	£10,284.00	£50,000.00	£454,783.27
Trafford	£211,884.39	£15,183.23	£15,183.23	£105,678.00	£10,284.00	£50,000.00	£408,212.85
Wigan	£261,673.56	£16,948.65	£16,948.65	£105,678.00	£10,284.00	£50,000.00	£461,532.86
Totals	£2,963,036.02	£181,092.54	£181,092.54	£1,162,458.00	£102,840.00	£500,000.00	£5,090,519.10

7.2 Building on the work of previous years, CSPs have continued to work closely on both GM and local priorities and are using Community Safety funds to support targeted work in neighbourhoods. Oversight and governance are managed through local partnership arrangements, and the Deputy Mayor is informed of spending profiles through an initial proposal followed by a mid-year update on progress. The Community Safety Grant provides CSPs with local autonomy to direct funds at key police and crime priorities. In 2026/27, the Community Safety, Hate Crime, Children and Adults' Safeguarding Boards and Voluntary Sector amounts have been subject to a 3% inflationary uplift from the previous year in recognition of the financial pressures local authorities are facing. These are single year funding settlements as opposed to the previous multi-year settlement.

7.3 Below are further grant figures based on Home Office grant funding GMCA will be in receipt of specifically ringfenced for investment in reduction of serious violence. The grant received from the Home Office is a single year settlement, therefore the below grants to the 10 local authorities are single year grant agreements:

District	Serious Violence Combined Grant 26/27
Bolton	£167,171.00
Bury	£167,171.00
Manchester	£222,000.00
Oldham	£167,171.00
Rochdale	£167,171.00
Salford	£167,171.00
Stockport	£167,171.00
Tameside	£167,171.00
Trafford	£167,171.00
Wigan	£167,171.00
Totals	£1,726,539.00

- 7.4 The Deputy Mayor has continued to delegate Voluntary and Community sector grants following consultation and feedback from CSPs who provide a mid-year progress update detailing the allocation of funds to local groups and voluntary sector organisations. The grants are being used to support communities to tackle grass roots issues of concern whilst developing resilience and cohesion as local people are contributing to achieving Standing Together priorities.
- 7.5 The Deputy Mayor of Greater Manchester is making additional grant funding available to all ten Greater Manchester local authorities to strengthen community cohesion in recognition of the growing pressures facing communities and the critical role that local, place-based action plays in building trust, belonging and resilience. As a new funding stream for 2026/27, the grant reflects the Deputy Mayor's commitment to supporting preventative, community-led approaches that bring people together, address tensions early, and promote shared identity and understanding across diverse neighbourhoods. By investing consistently across all districts, the funding is intended to complement existing community safety and hate crime activity, support partnership working, and ensure that every part of Greater Manchester has the capacity to respond to local cohesion challenges in a way that is inclusive, proportionate and rooted in local need.

8. Capital Investment 2026/27

- 8.1 The key capital spending priority for 2026/27 continues to be the significant investment in the Force's Digital Policing Programme and the work towards the completion of the replacement Records Management System (Mark43) in 2027/28.
- 8.2 As in previous years the programme also includes a significant amount of investment planned for various estates work in line with the Force Estates Strategy which include a new District HQ for Oldham and the planned purchase of a site for Specialist training facilities. Further investment into both standard and specialist fleet is also provided for within the programme including the purchase of 2 new Horseboxes over the next 2 years.
- 8.3 Information Technology remains a key area for investment, and the programme includes funding for critical IT Transformation along with various upgrades to several Force wide systems and equipment including laptops. The programme also allows continued investment into Process Automation to identify efficiencies.
- 8.4 The capital investment for 2026/27 also includes a refresh of critical policing infrastructure for Specialist Operations Branch such as the roll out of the new T10 Taser, Drone Capability and Firearms capability.
- 8.5 A summary of the of the 2026/27 planned capital programme is shown in the table below:

Capital Programme	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
Capital Expenditure:				
Estates	14.202	12.500	2.000	2.000
Fleet	5.742	7.369	5.600	5.600
IT	4.719	13.971	22.207	10.529
Plan on a Page (POAP)	12.864	3.631	0.700	1.200
Other	4.604	0.523	0.512	0.908
	42.131	37.994	31.019	20.237
Funded by:				
Borrowing	40.881	34.994	31.019	20.237
Grant	1.063	0.000	0.000	0.000
Revenue Contribution	0.187	0.000	0.000	0.000
Capital Receipts	0.000	3.000	0.000	0.000
	42.131	37.994	31.019	20.237

8.6 A more detailed breakdown of the 2026/27 Capital Programme is shown in the table below. The total planned investment for the year is £42.1m, funded predominantly by borrowing as shown in the table above. Future years revenue budgets have been updated to reflect the cost of financing the programme.

Planned Capital Investment 2026/27	£m
Digital Policing Programme / Records Management System	9.229
Clean Air Zone (CAZ) Cameras	0.835
Oldham District Headquarters	5.000
Specialist Training Facility	5.000
Other Estates	4.202
T10 Taser	1.924
IT Investment	4.719
Standard Fleet	5.373
Specialist Fleet	0.369
Plan on a Page	3.635
Specialist Operations Equipment	0.516
Miscellaneous Capital Upgrades	1.329
Total Investment	42.131

9. Financial Risk Assessment

- 9.1 A key requirement of any budget setting process is the assessment of risk and how this is reflected in the financial strategy. An assessment of the major financial risks associated with the 2026/27 budget has been undertaken. These are outlined in more detail below:
- 9.2 Improvement Programme - GMP has made significant improvement over the last 4 years in its journey to deliver effective policing services to the residents of GM. However, there are still changes that are required to sustain and where necessary improve services. The delivery of this in an ever-challenging public sector financial environment increases the risk. However, the clear and strong governance arrangements which are in place will act to ensure that a sustainable and robust financial plan is in place to manage these risks, including, wherever possible, securing recurring efficiency improvements from within existing budget and income generation opportunities.
- 9.3 Police precept and funding - overall Police funding is dependent on Government grant and the PCC precept. The maximum precept increase (£15 for 2026/27) is determined by the Home Office and assumed in their overall funding settlement to forces, placing pressure on PCC's to set the maximum increase allowed or face the pressure of having to fund any budget gap resulting from a lower increase by making additional compensatory savings from policing budgets. As referenced in paragraph 5.16, planning assumptions for 2027/28 and 2028/29 remain subject to significant uncertainty around future national funding allocations for Policing.
- 9.4 Inflationary risk – there remains a general risk around cost inflation because of the challenging global economic environment. The police officer and police staff pay awards for 2026/27 are subject to agreement and the allowance in the budget of 3.0% may be insufficient. For every 1% increase in pay the additional cost is c£6m for the budget.
- 9.5 Pensions – In 2019/20 the Home Office provided funding of £8.5m which has now been included in core grant and in 2024/25, a further £22.1m in specific grant to cover these additional costs. The funding in core grant then rolled forward again in 2025/26 but reduced to £20m. This specific grant has again been provided at £20m.

There does however remain a risk, albeit with a much reduced likelihood, that the grant may not continue in future settlements.

10. Reserves

10.1 Total reserves as at 31 March 2025 were £61.5m and are predicted to be £53.2m at 31 March 2026.

Police Reserves	Closing Balances 31 March 2025 £m	2025/26 Planned Use of Reserves £m	Forecast Balances 31 March 2026 £m	2026/27 Planned Use of Reserves £m	Forecast Balances 31 March 2027 £m
General Reserve - Police Fund	-15.4	0.0	-15.4	0.0	-15.4
Commissioning Reserve	-3.0	0.6	-2.4	1.3	-1.2
Community Crime Fund reserve	-0.7	0.1	-0.6	0.1	-0.5
Justice and Rehabilitation reserve	-2.4	0.7	-1.7	0.0	-1.7
Sexual assault commissioning reserve	-2.5	0.0	-2.5	0.2	-2.3
Youth aspiration / diversion reserve	-0.1	0.0	-0.1	0.0	-0.1
Legal costs reserve	-0.7	0.0	-0.7	0.0	-0.7
Health and Justice reserve	-0.1	0.0	-0.1	0.0	-0.1
Traffic Enforcement & Road Safety Reserve	-0.1	0.0	-0.1	0.0	-0.1
Capital Finance Reserve	-1.0	0.0	-1.0	0.0	-1.0
RASSO	-0.5	0.3	-0.2	0.0	-0.2
Infrastructure HO Reserve	-0.5	0.0	-0.5	0.0	-0.5
Police Property Act Reserve	-1.6	0.0	-1.6	0.0	-1.6
Total PCC Earmarked Reserves	-13.1	1.8	-11.4	1.5	-9.8
Operational Contingency Fund	0.0	0.0	0.0	0.0	0.0
Chief Constable's Insurance reserve	-12.8	0.0	-12.8	0.0	-12.8
PFI Residual reserve	-6.8	1.1	-5.7	1.1	-4.7
ARIS Reserve	-3.9	1.8	-2.1	2.1	0.0
Other Earmarked reserves	-8.9	3.7	-5.3	2.4	-2.9
Capital Expenditure Reserve	-0.6	0.0	-0.6	0.0	-0.6
Total GMP Earmarked Reserves	-33.0	6.6	-26.5	5.5	-20.9
Total Police Reserves	-61.5	8.3	-53.2	7.1	-46.2

10.2 These figures include a General Fund balance of £15.1m which is not available for planned use.

10.3 Section 25 of the Local Government Act 2003, requires the Treasurer of the GMCA to be satisfied that the level of the general fund is adequate.

10.4 When recommending a minimum level of the General Fund reserve, the Treasurer takes into account the strategic, operational and financial risks which can be expressed in cash terms or as a percentage of the budget.

- 10.5 The reserves figure of £15.4m represents 1.7% of funding for 2026/27. The 2026/27 budget and future year's estimates do not include any use of General Fund balances.
- 10.6 GMP earmarked reserves at March 2026 reflect the fact that due to unforeseen operational pressures in 2024/25 and 2025/26, the Operational Policing reserve has been fully exhausted and is therefore no longer available in 2026/27.
- 10.7 In order to continue with the success seen under Operation Vulcan and other high profile operations currently funded by ARIS, the GMP budget also includes a release of funds from the ARIS reserve and the table shows that this reserve will be fully utilised by the end of 2026/27. ARIS funds will be closely monitored throughout the year with the aim of preserving as much of this reserve as possible for use in future years to assist with sustaining these successful and critical operations.
- 10.8 The GMP and PCC 2026/27 budgets each include a £1.25m release from earmarked reserves as a final contribution towards closing the 2026/27 budget gap and this has been referenced earlier in the report.

11. Report Summary and Recommendations

- 11.1 This report outlines the Greater Manchester police fund revenue and capital investment for 2026/27 including the projected position on general and earmarked reserves.
- 11.2 Recommendations are noted at the start of the report.

Appendix 1 – Greater Manchester Police Fund Medium Term Financial Plan

MEDIUM TERM FINANCIAL PLAN 2025/26 - 2027/28												
Budget Heading	Total				GMP				PCC			
	25/26	26/27	27/28	28/29	25/26	26/27	27/28	28/29	25/26	26/27	27/28	28/29
Total Employee Related	799.3	836.2	863.6	886.5	796.5	833.2	860.5	883.3	2.8	3.0	3.1	3.2
Pensions	121.3	137.0	144.5	137.9	120.9	136.5	144.0	137.4	0.4	0.5	0.5	0.5
Premises Related	40.3	40.5	40.7	41.1	40.3	40.5	40.7	41.1	0.0	0.0	0.0	0.0
Supplies & Services	113.3	118.4	126.3	129.4	80.6	83.0	95.9	99.0	32.7	35.4	30.5	30.4
Agency Payments	25.5	25.1	25.1	25.3	25.5	25.1	25.1	25.3	0.0	0.0	0.0	0.0
Transport Related	11.7	11.6	11.8	12.1	11.6	11.6	11.8	12.1	0.1	0.0	0.0	0.0
Capital Financing	20.3	22.2	24.4	26.3	0.0	0.0	0.0	0.0	20.3	22.2	24.4	26.3
Transfer to/from Reserves	-4.4	-7.0	-1.5	-1.3	-2.9	-5.5	-1.2	-1.0	-1.5	-1.5	-0.3	-0.3
Specific Grants	-199.6	-215.5	-217.2	-211.2	-179.9	-190.8	-197.5	-191.6	-19.7	-24.7	-19.6	-19.6
Income & Sponsorship	-55.9	-60.8	-60.1	-60.2	-53.9	-57.5	-59.3	-59.4	-2.0	-3.3	-0.8	-0.8
Total Other Costs	72.4	71.3	94.2	99.6	42.1	42.7	59.5	63.1	30.3	28.6	34.7	36.5
Net Budget Requirement	871.7	907.5	957.7	986.1	838.6	875.9	919.9	946.4	33.1	31.6	37.8	39.7
Home Office Grant/RSG/NNDR	-649.0	-669.0	-684.5	-694.4	0.0	0.0	0.0	0.0	-649.0	-669.0	-684.5	-694.4
Precept/ CT Surplus	-222.6	-238.5	-251.8	-266.2	0.0	0.0	0.0	0.0	-222.6	-238.5	-251.8	-266.2
Total Funding	-871.6	-907.5	-936.3	-960.6	0.0	0.0	0.0	0.0	-871.6	-907.5	-936.3	-960.6
Shortfall / Surplus (-)	0.0	0.0	21.4	25.4	838.6	875.9	919.9	946.4	-838.6	-876.0	-898.6	-921.0