

Greater Manchester Combined Authority

Police, Fire and Crime Panel

Date: 19th March 2025

Subject: Greater Manchester Police Fund Revenue and Capital Budget 2025/26

Report of: Mayor of Greater Manchester

Purpose of Report

To inform Panel members of the Greater Manchester police fund revenue and capital budget for 2025/26, revised three-year medium term financial Plan to 2025/26 to 2027/28 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

Steve Wilson, Treasurer

Steve.Wilson@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

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

Risk Management

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

Legal Considerations

Details of the Police and Crime Panel's statutory duties in relation to the setting of the precept were reported to the panel in January 2025 as part of the precept setting paper.

Financial Consequences – Revenue

The report sets out the planned budget strategy and implications for the financial year 2025/26.

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 27th January 2025
- (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 considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

- 1.1 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 2024 the 2025/26 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 27th January 2025.
- 1.5 On 28th February 2025 the Mayor published the decision that confirmed:
 - The 2025/26 Mayoral Police and Crime Commissioner precept is set at £270.30 for a Band D property.
 - The issuing of an appropriate overall precept requirement of £222,183,670 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 2025 and ending 31 March 2026.

- The 2025/26 Police Fund revenue budget of £871.652m is approved.
- The 2025/26 Police Fund capital budget of £38.030m is approved.
- Noted that the borrowing requirement is £36.819m for 2025/26.

2. National Funding Settlement

2.1 The Home Office issued a provisional settlement for 2025/26 on 17th December 2024. The settlement:

- Noted that PCCs will have the flexibility to raise the police precept to £14 for a Band D property in 2025-26 per the Local Government policy statement of 28th November 2024.
- Noted that funding would be distributed pro rata to the 2024/25 allocations which has been the same approach taken for the preceding twelve financial years from 2013/14.
- Confirmed a national increase in police funding of £986.9m between 2024-25 and 2025-26, of which £329.8m (33%) will come from utilising the precept flexibility.
- The remaining £657.1m is coming primarily from
 - £339m increase in Core Grant
 - £230m compensation for increases in employer National Insurance Contributions (NICs)
 - A new £100m Neighbourhood Policing Grant.

2.2 In addition to the core funding elements, the national settlement also reflected the following:

- A requirement to participate in the Police Efficiency and Collaboration Programme, which focuses on efficiency gains through national approaches to procurement with specific priorities of fleet, energy and ICT.
- Establishment of a new Performance Unit in the Home Office.
- Firearms – an increase in the level of fees for firearms licences which will require legislation to be in place which will enable full cost recovery for the police service. After the settlement the Home Office have announced significant increases in licensing fees, with effect from 5th February 2025.

2.3 The provisional settlement 2025/26 Police grant funding for Greater Manchester was £643.2m (£608.6m 2024/25), an increase of £34.6m (5.7%).

The final settlement was announced on 30th January 2025. The final settlement 2025/26 Police grant funding for Greater Manchester is £649.1m, an increase of £40.4m (6.6%). The increase from the provisional uplift of £34.6m was entirely within the Neighbourhood Policing Grant.

The settlement includes:

	Provisional	Final
Grant Element	£m	£m
Core Grant	548.3	548.3
Legacy Council Tax Grants	25.7	25.7
Pensions Grant	20.0	20.0
Officer Maintenance Ringfenced Grant 1	20.2	20.2
Additional Recruitment Top Up	11.0	11.0
National Insurance Contribution	12.3	12.3
Neighbourhood Policing Grant	5.8	11.6
Total	643.2	649.1

2.4 This is an overall funding package for Police and Crime in Greater Manchester of £871.7m, an increase of £56.1m.

£m	Grant	Precept	Total
2024/25 (final)	608.6	206.9	815.6
2025/26 (provisional)	643.2	220.0	863.2
2025/26 (final)*	649.1	222.6	871.7
Uplift £m (final)	40.4	15.7	56.1
Uplift % (final)	6.6%	7.6%	6.9%

*Precept = £222.6 includes £0.4 collection fund surplus

This is comprised of an overall increase of 6.6% in Government grant funding and 7.6% in funding from the proposed Precept, which is an overall increase in funding of 6.9%.

It should be noted here that the national funding assumption on tax base increase is 0.8% compared to an updated local position of 1.8% (provisional local assumption 1.5%). While the increase in tax base (i.e. households liable to pay council tax and the proposed precept) is a small financial benefit locally, household growth also represents an increased demand and therefore increased cost on policing, transport, community and neighbourhood services. None of which are reflected in the current funding provision for Policing and which places considerable additional

financial strain on GMP in terms of meeting increased demand without additional funding.

- 2.5 Whilst the increase in core funding through the updated grant settlement is welcome along with the support for utilising the maximum available increase in the council tax precept, there remains significant financial pressure in the delivery of operational policing across Greater Manchester in 2025/26.

3. 2025/26 Police Precept

- 3.1 As part of the overall funding for policing in 2025/26, PCCs were given the flexibility to raise the police precept by £14 for a Band D (£10.89, Band B) property in 2025-26 per the Local Government policy statement of 28th November 2024.
- 3.2 At the Police, Fire and Crime Panel on 27th January 2025 the Mayor took the proposal to set the PCC element of the Mayoral precept at £270.30 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
2024/25	170.86	199.34	227.82	256.30	313.25	370.21	427.16	512.60
2025/26	180.20	210.23	240.26	270.30	330.36	390.43	450.50	540.60
Increase (£)	9.34	10.89	12.44	14.00	17.11	20.22	23.34	28.00
Increase (%)	5.46%	5.46%	5.46%	5.46%	5.46%	5.46%	5.46%	5.46%

- 3.3 This precept increase will provide an additional £15.7m 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 £14 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 2025/26 and Medium Term Financial Plan

4.1 For 2025/26 there is an overall funding envelope for Police & Crime in Greater Manchester of £871.7m (2024/25, £816.8m).

4.2 The revenue budget and funding for GMP and PCC is set out in the table below and includes a comparison against the 2024/25 budget:

Police Fund Revenue Budget 2025/26				2024/25
	GMP £m	PCC £m	Total £m	Total £m
Budget Requirement				
Employee Related	798.4	2.8	801.2	739.4
Pensions	124.3	0.4	124.7	139.7
Premises Related	40.3	0.0	40.3	41.0
Supplies & Services	83.5	32.7	116.2	115.9
Agency Payments	25.1	0.0	25.1	23.2
Transport Related	11.6	0.1	11.7	11.1
Capital Financing	0.0	20.3	20.3	23.2
Additional POAP investment	0.0	0.0	0.0	0.0
Transfer to/from Reserves	-2.9	0.0	-2.9	-13.6
Specific Grants	-184.6	0.0	-184.6	-215.7
Income & Sponsorship	-54.2	-1.5	-55.6	-47.5
Income and expenditure savings	0.0	-19.7	-19.7	0.0
Efficiency savings	-3.0	-2.0	-5.0	0.0
Net Budget Requirement	838.6	33.1	871.7	816.8
Funding				
Home Office Grant	0.0	-649.0	-649.0	-608.6
Precept/ Council Tax Surplus	0.0	-222.6	-222.6	-208.2
Total Funding	0.0	-871.7	-871.7	-816.8

4.3 The majority of the Police Fund budget is delegated to the Chief Constable for Greater Manchester (£838.6m) and a proportion is retained to fund PCC functions and capital financing costs for the GMP capital programme (£33.1m).

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 2025/26

- 5.1 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2025/26. The GMP budget for 2025/26 will be £838.6m which is an increase of £52.4m compared to 2024/25. 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 £52.4m increase;
- a) £12.3m is a new grant to cover specific additional costs resulting from the April 2025 employers' national insurance increase,
 - b) £11.6m is a very welcome specific new claimable grant that requires an associated expenditure increase aligned to enhancing the provision of 'Neighbourhood Policing'. This is discussed in more detail below.
 - c) £2.4m relates to mainstreaming of specific 2024/25 additional grant in respect of funding additional officer recruitment agreed for 2024/25 and now continuing in 2025/26, which was confirmed after the budget was set in 2024. It therefore now forms part of the core Government grant settlement for 2025/26.
- 5.3 Taking these specific funding additions into account, all of which require associated additional expenditure, only £26.1m of the overall £52.4m GMP budget increase is available as new funding to meet new 2025/26 budget pressures. To put this into context, nationally agreed pay award pressures alone in 2025/26 are expected to add a budget pressure of £33.4m, 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 improve 101 answering times.
 - Further improve GMP response times with a focus on improving non-emergency times.

- Further reduce and prevent neighbourhood crimes, ASB and retail crime by investment in our prevention and neighbourhood policing teams.
- Improve road and transport safety by continuing with Operation Vulcan in Piccadilly and Victoria and expanding this out to key hotspot areas across the city region.
- In partnership with TfGM and others, launch a major programme across the Bee Network aimed at improving safety and people's feeling of safety including the implementation of a dedicated Live Chat system.
- Divert more children away from crime by investing in liaison and diversion and preventative services.
- Bring more sex offenders to justice through investment in our sex offender management activity.
- Increase trust and confidence by investing in our Professional Standards Directorate.
- deliver improved efficiency and productivity and demonstrate value for money in policing services through investment in technology which will use leading edge Artificial Intelligence software.

5.5 As previously reported to the Police, Fire and Crime Panel in January there are three key drivers of expenditure pressures which reflect GMP's improvement journey over the last 3 financial years and which can be broadly categorized across the following 3 areas which resulted in an initial reported combined PCC/GMP policing budget gap of £22m:

- (i) Unavoidable pay cost pressures arising from national decision making and nationally agreed pay awards.
- (ii) Other unavoidable National 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 2024/25 budget an emerging budget gap of £34.6m for 2025/26 was reported to the panel and subsequently a number of significant emerging financial pressures were initially forecast to result in a material 2024/25 overspend without mitigating action, with some of the issues also adding further pressure to the 2025/26 budget.
- 5.7 To secure financial stability GMP has therefore 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 is known as Operation Rydal and has made significant inroads to addressing financial pressures in the current year.
- 5.8 At the point of the January 2025 precept setting report, this activity had delivered cash savings to significantly reduce the initially forecast 2024/25 overspend and, along with the approved precept increase, had reduced the budget gap for 2025/26 to £22m as reported.
- 5.9 Work has continued at pace between GMP and the GM Mayor's office to evaluate additional savings options tabled via Operation Rydal and to identify further savings and efficiencies which could, without impacting on frontline policing, achieve a balanced 2025/26 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 challenge of all service budgets, income generation and provisional service improvement investment plans. It has resulted in a balanced 2025/26 police budget as follows.
- 5.11 **Unavoidable Pay Cost Pressures**
- I. **National Insurance increase (£12m)** – The recently announced National Insurance increase will increase GMP costs by around £12m from 2025/26. It is fully funded by the government and accounts for a specific element of the overall increase in Policing Grant discussed in this report.
- Impact of 2024/25 Pay Awards (£22.2m)** – The police officer and police staff pay awards in 2024/25 were higher than expected when the budget was set. Funding has been received in 2024/25 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 2025/26.

- II. **2025/26 Pay awards (£11.2m)** – These are currently forecast to be 2.8%, in line with the announcements by the government on the level of public sector pay settlement for 2025/26.
- III. **Police Officer Uplift (PUP) mainstreaming of 2024/25 additional grant funding (£2.4m)** – Whilst 2022/23 was the final year of the PUP programme, during which GMP exceeded its additional recruitment targets, in 2024/25 a further 209 Officers above the original force allocation were delivered by GMP increasing the total GMP Officers to 8,151. Whilst 159 of this additional number were funded via the national settlement, 50 were funded by an additional specific grant of £2.4m provided directly to GMP. This additional funding has now been mainstreamed by the Home Office into the core grant settlement meaning it is part of the overall funding increase offset by this local GMP cost pressure as GMP will no longer receive the specific grant previously provided. GMP will therefore maintain its overall total GMP base Officers target at 8,151 for 2025/26. This will however be supplemented by new investment in additional Neighbourhood policing officers as discussed below.
- IV. **Police Officer Uplift (PUP) (£5.7m)** –The costs of maintaining officer numbers are rising above the overall level of funding as the officers recruited as part of the PUP programme become more experienced which is reflected in their pay.

5.12 **Other unavoidable National Cost Pressures**

- I. **National IT charges (£1.6m)** – Whilst GMP has no influence on the nationally police IT programme, its costs are apportioned to forces and have been increasing over recent years. For 2025/26, GMP will need to increase its budget provision in respect of this by £1.6m compared to its 2024/25 budget provision.
- II. **Dangerous dogs (£1m)** - the impact of the legislation associated with XL Bully type dogs is continuing to place significant pressure on volumes and therefore costs in this area. This was not reflected in the 2024/25 budget

with the impact anticipated to reduce over time, however volumes and pressures continue to be a national issue and this now needs to be recognised in the 2025/26 budget.

- III. **Investment in Neighbourhood Policing (£11.6m)** – Included in the overall GMP 2025/26 budget increase is a very welcome specific new claimable grant to the PCC that requires an associated GMP expenditure increase aligned to enhancing the provision of ‘Neighbourhood Policing’. The detailed requirements and funding conditions have recently been confirmed and GMP has submitted positive plans to the Home Office which will significantly increase Police Officer resources aligned to Neighbourhood Policing capability and activity. Discussions are currently ongoing between GMP and the Home Office to ensure that GMP uses this provisional funding allocation in full to deliver the maximum enhancement possible to Neighbourhood Policing in GM.

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

- I. **Existing Staff Pay Pressures (£9.3m)** - the delivery of staff vacancy savings and efficiencies previously approved via a combination of the 2023/24 and 2024/25 budgets, whilst ensuring maintenance of critical operational delivery in key areas such as the Force Contact Centre, resulted in a significant emerging budget pressure during 2024/25 that also contributed to the initial 2025/26 financial gap. A robust ongoing senior management focus on vacancy management and overall staffing levels during 2024/25 has however already had a significant positive impact on achieving these previously approved police staff related budget savings. The detailed review and Command team led challenge of all service budgets has also focused upon achieving long term stability of staff pay related pressures and as a result it is now anticipated that a continuation of this focus will result in this cost pressure being removed completely from 2025/26 onwards.
- ii. **Other Unavoidable Local Cost Pressures (£3m)** – Several other unavoidable items, including specific inflation related issues and most notably the reversal of £1.7m of one-off funding in 2024/25 add further pressure to the 2025/26 budget.

iii. Income Generation (£3m saving)

- Additional net income of £1m from further planned expansion of the Central Ticket Office function ensuring greater volumes of traffic offence tickets being issued to deliver on GMP's priority commitment to the Safer Roads GM "Vision zero" strategy, whilst also increasing income levels to assist with the direct cost of associated policing costs.
- Additional net income of £2m anticipated to be delivered from a combination of a) Current plans to capture synergies across the GMP family, where GMP can enhance service levels to deliver on wider GM priorities including improving safety on local transport networks, and from b) expanding current income generating activities where GMP are recognised as having particular expertise to share (e.g. Operational Policing Training).

iv. Savings and efficiencies identified –

In order to sustain service improvements and manage the unavoidable pressures described above, the work undertaken by GMP and the Mayor's office has identified net savings and efficiencies totaling almost £18m (in addition to the delivery of £9m of previously budgeted staffing savings referred to above), which, in line with the Mayor's Office and GMP budget review objective, can be delivered in 2025/26 without impacting on frontline policing. These savings will be delivered from across the entire range of support service budgets with the most notable cost reductions including;

- Further identified Information Technology contract savings and service delivery efficiencies,
- Reductions in Utility costs,
- planned further reductions in PCSO numbers in line with the phased implementation of agreed Neighbourhood Policing resourcing which enhances overall effectiveness by replacing some PCSO resourcing with Police Officers.
- More effective prioritisation of Forensic sampling requirements following a detailed review of current practices,

- Targeted reduction in the use of agency staffing resources.
 - Exit from the North West Motorway Policing collaboration arrangements, to deliver savings and more effective future service provision within GM
 - Removal of one off 2024/25 budget approvals where objectives have been achieved.
- v. **Further Efficiency Savings to be identified** – Work to identify further savings and efficiencies in either or both of the PCC and GMP budgets will now continue as a ‘business as usual’ priority and a further £3m in efficiencies is targeted for 2025/26.

5.14 **Sustaining Service Improvements**

The above savings, efficiencies and income generation opportunities not only covers the original gap after unavoidable cost pressures but also allows for a total of £5.4m investment in new and continuing Service Improvements:

- I. **Custody Operations (£0.7m)** – Increase to general Custody budget levels recognising higher operational costs associated with sustained and significant arrest rate increases and improvements in custody provision.
- II. **IT and Digital Infrastructure Re-platforming (£2.0m)** – 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. The investment will build upon last year’s investment to ensure that these two priorities are delivered and supports an associated Capital Programme commitment to maintain a stable, secure, and reliable infrastructure.
- III. **IT and Digital Investment in technology and business capability (£1.7m)**
Essential revenue investment to support planned capital expenditure in new and improved technology applications to enhance front line policing capability and delivery. The result will be improved outcomes, effectiveness, and efficiency.

IV. **Business as usual Investment requirements (£1m)** – there are several investments which are required to improve service delivery and statutory compliance across a range of areas.

- 5.15 Taking account of the above, GMP budgets for 2025/26 are shown in the table at 4.2 above.
- 5.16 The medium-term financial plan for 2025/26 to 2027/28 has been revised to reflect the latest planning assumptions and is shown in Appendix 1. This includes an estimate of GM’s share of Government grant funding and take up of maximum flexibility in the precept increase of £14 in 2025/26, followed by an early assumption of further annual increases of £10 in both 2026/27 and 2027/28. This is purely indicative at this stage but does illustrate the financial challenges faced by GMP over the medium term of just under £20m in 2026/27 rising to almost £44m if not successfully mitigated across each financial year. In order to address this, GMP will continue its work to develop a range of options to maintain a sustainable financial position over the medium term.
- 5.17 The 2024/25 financial year was the final year of the Government’s 2021 three-year Comprehensive Spending Review which provided national funding allocations for Policing for 2022/23 – 2024/25. Phase 1 of the Spending Review 2025 set departmental budgets for 2025/26 and the Government also announced the total level of funding planned for Phase 2, which will conclude and be published in late spring of 2025. As such, planning assumptions for 2026/27 and 2027/28 therefore remain subject to significant uncertainty around future national funding allocations for Policing.

6. Budget for Police & Crime Commissioner 2025/26

6.1 The PCC net budget for 2024/25 is £33.1m, which is an increase of £2.6m compared to 2023/24. 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 2025/26:

- For 2025/26 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.
 - Use of £0.4m of PCC Transformation and Commissioning reserves to support Gender Based Violence strategy.
 - Use of 0.7m of Justice and Rehabilitation reserve to fund numerous programmes within FIM.
- Income and expenditure in relation to specific grant funded programmes such as:
 - Serious Violence Home Office grant of £4.6m
 - Victims Services Ministry of Justice grant £5.3m
 - GM Integrated Rehabilitation Services grant of £9.2m from HM Prison and Probation Service

7. Community Safety Budget 2025/26

7.1 Since 2021/22 over £4m 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 for 2025/26 is set out in the table below:

Local authority	Community Safety Grant	Children's Safeguarding Board	Adult's Safeguarding Board	Delegation of Grants to Voluntary Sector	Hate Crime	Total
	£	£	£	£	£	£
Bolton	304,523	19,263	19,263	100,000	5,000	448,049
Bury	157,973	13,198	13,198	100,000	5,000	289,369
Manchester	694,584	35,491	35,491	200,000	5,000	970,565
Oldham	262,787	14,367	14,367	100,000	5,000	396,521
Rochdale	234,175	13,532	13,532	100,000	5,000	366,239
Salford	239,306	15,036	15,036	100,000	5,000	374,377
Stockport	218,973	15,370	15,370	100,000	5,000	354,712
Tameside	243,900	14,702	14,702	100,000	5,000	378,303
Trafford	200,800	14,367	14,367	100,000	5,000	334,534
Wigan	247,614	16,038	16,038	100,000	5,000	384,690
TOTAL	2,804,635	171,362	171,362	1,100,000	50,000	4,297,359

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.

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

8. Capital Investment 2025/26

- 8.1 The key capital spending priority continues to be the Plan on a Page portfolio which includes significant investments in the Force's Digital Policing Programme and the completion of the new Longsight Custody Suite.
- 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 and further investment into fleet including several specialist vehicles.
- 8.3 Information Technology remains a key area for investment and the programme includes funding for critical corporate IT Transformation along with various upgrades to several Force wide systems.
- 8.4 The capital investment for 25/26 also includes refresh of critical policing operational infrastructure such as body worn video and taser replacement.
- 8.5 A summary of the of the 2025/26 planned capital programme is shown in the table below:

Capital Programme	2025/26
	£m
Capital Expenditure:	
Estates	4.4
Fleet	6.3
IT	4.9
Other / Plan on a Page (POAP)	22.4
	38.0
Funded by:	
Borrowing	36.8
Grant	0.9
Capital Receipts	0.3
	38.0

8.6 A more detailed breakdown of the 2025/26 Capital Programme is shown in the table below. The total planned investment is £38.0m. Previous years' programmes included an amount of assumed slippage based on historical trends. This has now been removed and the programme is funded at £38.0m, 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 2025/26	£m
Digital Policing Programme	8.1
Force Contact Centre Telephony Transformation	0.6
IT Investment (including POAP)	5.7
Serious Crime & Forensics	1.6
Estates	4.4
Longsight Custody	8.5
Standard Fleet	5.4
Specialist Fleet	1.0
Digital Fleet Project (Fleet Logistics)	0.3
Body Worn Video and Taser	0.6
Miscellaneous Capital Upgrades	1.9
Total Investment	38.0

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 2025/26 budget has been undertaken. These are outlined in more detail below:
- 9.2 Improvement Programme - GMP has made significant improvement over the last 3 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 precept increase is an opportunity given by the Home Office which is over and above the £10 flexibility that was set out in the Spending Review from October 2021. As referenced in paragraph 5.17, planning assumptions for 2026/27 and 2027/28 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 2025/26 are subject to agreement and the allowance in the budget of 2.8% 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 has rolled forward again in 2025/26 and the specific grant has again been provided but has reduced to £20m. There does however remain a risk that the grant may not continue in future settlements.

10. Reserves

10.1 Total reserves as at 31 March 2024 were £73.3m and are predicted to be £53.3m at 31 March 2026.

Police Reserves	Closing Balances 31 March 2024 £m	2024/25 Planned Use of Reserves £m	Forecast Balances 31 March 2025 £m	2025/26 Planned Use of Reserves £m	Forecast Balances 31 March 2026 £m
General Reserve - Police Fund	-15.4	0.0	-15.4	0.0	-15.4
Transformation reserve	0.0		0.0		0.0
Commissioning reserve	-3.7	1.1	-2.7	0.4	-2.3
Community Crime Fund reserve	-0.7	0.1	-0.7	0.1	-0.6
Justice and Rehabilitation reserve	-2.5	0.5	-2.0	0.7	-1.3
Sexual assault commissioning reserve	-3.2	0.5	-2.6	0.2	-2.4
Youth aspiration / diversion reserve	-0.1		-0.1		-0.1
Legal costs reserve	-0.7		-0.7		-0.7
Health and Justice reserve	-0.1		-0.1		-0.1
Traffic Enforcement & Road Safety reserve	-0.1		-0.1		-0.1
Capital Financing reserve	-1.5		-1.5		-1.5
CF Smoothing reserve	0.0		0.0		0.0
RASSO	-0.6		-0.6		-0.6
Infrastructure HO reserve	-5.5	5.0	-0.5		-0.5
Police Property Act reserves	-1.5	-0.1	-1.6	0.1	-1.5
Total PCC Earmarked Reserves	-20.0	7.1	-12.9	1.5	-11.4
Operational Contingency Fund	-2.0	2.0	0.0	0.0	0.0
Chief Constable's Insurance reserve	-13.1	0.0	-13.1	0.0	-13.1
PFI Residual reserve	-7.9	1.1	-6.8	1.1	-5.7
Other Earmarked reserves	-14.9	5.4	-9.5	1.8	-7.7
			0.0		0.0
Total GMP Earmarked Reserves	-37.9	8.5	-29.5	2.9	-26.6
Total Police Reserves	-73.3	15.6	-57.7	4.4	-53.3

10.2 These figures include a General Fund balance of £15.4m 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 1.8% of funding for 2025/26. The 2025/26 budget and future year's estimates do not include any use of General Fund balances.

- 10.6 GMP earmarked reserves at March 2025 reflect the fact that due to unforeseen operational pressures in 2024/25, the Operational Policing reserve has been fully exhausted in 24/25 and is therefore no longer available in 2025/26.
- 10.7 The GMP 2025/26 budget includes a £1.96m release from a previously created PUP reserve. Funding was not required in previous years and the reserve will be released in 2025/26 to help relieve pressure on police officer pay. The previously created POAP reserve will continue to be held to manage risk relating to the POAP programme of work in year and a small release from reserves has been included within the budget.

11. Report Summary and Recommendations

- 11.1 This report outlines the Greater Manchester police fund revenue and capital investment for 2025/26 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		
	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Employee Related	801.2	831.7	849.8	798.4	828.9	846.9	2.8	2.8	2.9
Pensions	124.7	128.4	133.8	124.3	128.0	133.4	0.4	0.4	0.4
Premises Related	40.3	40.1	39.9	40.3	40.1	39.9	0.0	0.0	0.0
Supplies & Services	116.2	103.0	102.6	83.5	80.8	80.9	32.7	22.2	21.8
Agency Payments	25.1	26.2	26.2	25.1	26.2	26.2	0.0	0.0	0.0
Transport Related	11.7	11.7	12.2	11.6	11.7	12.1	0.1	0.1	0.1
Capital Financing	20.3	24.1	26.7	0.0	0.0	0.0	20.3	24.1	26.7
Additional POAP investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer to/from reserve	-4.4	-2.5	-1.4	-2.9	-1.9	-1.3	-1.5	-0.6	-0.1
Specific Grants	-204.3	-199.7	-204.1	-184.6	-189.8	-194.2	-19.7	-9.9	-9.9
Income & Sponsorship	-56.2	-55.8	-58.3	-54.2	-53.8	-56.3	-2.0	-2.0	-2.0
Income and expenditure savings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Efficiency savings	-3.0	0.0	0.0	-3.0	0.0	0.0	0.0	0.0	0.0
Net Budget Requirement	871.7	907.3	927.4	838.6	870.1	887.6	33.1	37.2	39.8
Home Office Grant/RSG/NNDR	-649.0	-654.7	-660.4	0.0	0.0	0.0	-649.0	-654.7	-660.4
Precept/ CT Surplus	-222.6	-232.7	-243.4	0.0	0.0	0.0	-222.6	-232.7	-243.4
Total Funding	-871.7	-887.4	-903.9	0.0	0.0	0.0	-871.7	-887.4	-903.9
Shortfall / Surplus(-)	0.0	19.9	23.5	838.6	870.1	887.6	-838.6	-850.2	-864.1