

# The Final 2026-27 Police Funding Settlement

28 January 2026

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## Introduction

The 2026-27 Final Settlement was announced on 28 January in a [written ministerial statement](#) by the Minister of State for Crime, Policing and Fire, Sarah Jones.

The Minister said *“The priority of the 2026–27 settlement is to boost visible policing and ensure forces can shape their workforce to meet modern crime demands. Every community deserves visible, proactive and accessible neighbourhood policing, with officers focused on the issues that matter most locally”*.

Full details of the Settlement will be published later on the Home Office [gov.uk pages](#) and the pages of [The Welsh Government](#). The Police Grant Report for England and Wales can be found [here](#).

Unusually, the [Provisional Settlement](#), announced on 18 December, didn’t contain any figures beyond precept and core grant. There was no consultation period to speak of.

## Headlines

- Overall funding increased £1.3bn from 2025-26 to £21.0bn in 2026-27 (6.7% cash, 4.4% real terms) but this includes Counter Terrorism funding.
- **Funding to Police Forces** has increased by £796m from 2025-26 to £18.4bn (equivalent to **4.5% in cash terms** and 2.3% in real terms).
- Of the £796m increase - **£364m (46%) comes from the assumed £15 Band D precept increase**.
- The £432m additional grant funding, includes £50m for Neighbourhood Policing Priorities
- Now just one ‘conditional workforce grant’ in 2026–27: the **Neighbourhood Policing Ringfence**, which replaces the Officer Maintenance Grant, totalling **£363m in 2026-27**.
- **Exceptional Financial Support** for Lincolnshire and the Met Police, worth £12m and £20m respectively in 2026-27.
- **Significant increase in Capital Grant** – from £123.1m in 2025-26 to £599.1m in 2026-27
- **£119m investment for police reform** for 2026-27 to be used for new capabilities including the national centre for AI.

## Background & Context

This is the second police settlement since the Labour Party took power on 5 July 2024, and the first following the announcement of the abolition of PCCs.

In the run up to the settlement, media reports raised concerns about the state of public finances. Ahead of her Autumn Budget, the Chancellor Rachel Reeves strongly hinted at tax rises and tough spending decisions needing to be made. The [Autumn Budget](#) increased a number of taxes (see the TST [“on-the-day” briefing](#)) but made no specific mention of policing other than to say that funding from within the Home Office would be “repurposed” for frontline policing.

A week and a half after the Budget, on 13 November, the Policing and Crime Minister Sarah Jones, addressed Parliament to announce the abolition of Police and Crime Commissioners (PCCs). She stated that the *“PCC model has weakened local police accountability and has had perverse impacts on the recruitment of chief constables”*. She went on to state that *“we will abolish police and crime commissioners at the end of their current term in 2028 and transfer functions to mayors wherever possible”*.

It was later [reported](#) that the Home Secretary was considering merging police forces in England and Wales. The TST wrote a [briefing](#) on the government’s previous efforts to merge police forces in 2006.

[The Police Reform White Paper](#), eventually published on 26 January, confirmed that the government intends for forces to be merged, with an independent review to recommend the optimal configuration of regional forces by the summer.

### Provisional Settlement

The provisional settlement provided very little detail when compared with previous years. The [WMS](#) gave the total core grant and precept income for each PCC area. However, constituent components of those grants were not included, meaning that forces had significantly more uncertainty with budget setting as is usually the case. Forces were also offered the ability to apply for additional precept flexibility, the outcome of which is still publicly unknown. Roger Hirst and Joy Allen, the Joint Finance Leads for the APCC stated that:

*“We recognise the significant pressures on the public finances, but the lack of detail in today’s funding settlement is disappointing. It fails to explain the next steps on the Neighbourhood Policing Guarantee and how they will be funded and makes no provision for the capital investment needed to support modern, efficient and resilient police forces at a time when demand continues to rise.”*

They went on to say that, whilst they agreed with the national priorities such as the ambition to halve knife crime and tackle violence against women, that these priorities will need sustainable national funding, and that the WMS did not make clear how these will be paid for.

The NPCC response focussed on financial sustainability noting that *“most forces now hold low reserve levels and have reached prudent limits for borrowing. Approximately two-thirds of police capital investment is debt-funded, with some forces funding over 90% of their capital programmes this way.”* They also stated that police cost inflation continues to outstrip Treasury GDP deflators, running at over 5% per annum.

### Core Funding

Assuming every force takes the full £15 precept (with the caveat that some forces have requested to increase their precept by more than £15), the total amount of extra funding available for forces is £796.2m of which £363.9m (46%) would come from Council Tax – however this is a local decision for each PCC. The bulk of the remaining £432.3m comes from a £645m increase in core funding and £163.5m for the Neighbourhood Policing Grant. This is then netted off against the £270.1m and £106.7m PUP Ringfenced and Additional Recruitment Top Up grants that have been dropped.

The Precept Grant for the City of London increased by £520.4k, an increase of 6.1%.

	2025-26 £m	2026-27 £m	Difference £m
Core Grant	9,486.5	10,131.6	645
Legacy Council Tax Grants	552.4	552.4	0
NICC	255.2	255.2	0
Precept Grant	8.5	8.9	0.5
Pensions Grant	398.1	398.1	0
Officer Maintenance Ringfenced Grant/PUP	270.1	0	-270.1
Additional Recruitment Top-Up	106.7	0	-106.7
NIC	230.3	230.3	0
Neighbourhood Policing Grant	100.0	363.5	263.5
<b>Total</b>	<b>11,507.8</b>	<b>11,940</b>	<b>432.3</b>

Ringfenced Grants and Core Grant together increased by 3.76% over the previous year. Assuming that all forces take the full precept flexibility, overall funding for forces has increased 4.53%. Differing increases in precept income and other grant changes mean that overall settlement increases (assuming a £15 precept increase) range from 3.7% in Cleveland to 5.4% in Kent.

Annex A shows the changes between 2025-26 and 2026-27 total Government Grant and assumed precept.

### **Pensions Grant**

Today's settlement confirms that the total Pension Grant remains frozen in cash terms at £398.1m in 2026-27.

### **NIC Reimbursement**

National Insurance Contribution (NIC) employer compensation grant is frozen at £230.3m. In 2025-26 this funding was distributed on headcount, which appears to have been updated, as some individual allocations have changed slightly.

### **Neighbourhood Policing**

Neighbourhood Policing [Ringfence] Grant has increased from £200m in 2025-26 to £363.3m in 2026-27; a £163m increase. However, the Officer Maintenance Grant, which had been worth £376.8m in 2025-26 has ended and been added to core grant.

As part of the WMS, the minister announced that they have "*listened to the concerns*" on the Officer Maintenance Grant stating that "*as currently designed, has become a barrier rather than an enabler of more visible policing*".

Alongside the removal of the Officer Maintenance Grant, the Home Office is also removing the overall headcount target and replacing it with a Neighbourhood Policing target.

The government's objective is for 13,000 additional neighbourhood policing personnel by the end of the Parliament. This is expected to include growth of up to 3,000 FTE by March 2026 and a further 1,750 FTE in 2026–27, bringing total neighbourhood policing growth to 4,750 FTE by March 2027.

Forces can receive their allocation of the Neighbourhood Policing Ringfence Grant if they increase the number of officers and PCSOs working in Neighbourhood policing (including those in training), in line with their locally set target, by March 2027.

### **Exceptional Financial Support**

The Final Settlement Tables show £12m and £20m "Exceptional Financial Support" for Lincolnshire and the Met, respectively, but there are no further details yet provided.

### **Tax Base Assumptions**

The Home Office has used the OBR's latest forecasts for taxbase growth in England and Wales and applied them to the 2025-26 actual taxbase figures.

The OBR's figures can be found in the detailed expenditure forecast tables [here](#), on tab 4.1.

### **Council Tax**

In England the Government sets the level of precept increase above which a referendum is required. The Provisional Settlement had already announced that in 2026-27 the referendum limit for PCCs is £15.

**Please note** in Wales there are no referendum limits, and it is for individual PCCs to determine the level of precept increase for their area.

Assuming each PCC increases their precept by the maximum allowed, £15, combined with tax base growth assumptions of 0.9% for England and 0.4% for Wales, this would provide an additional £364m of resources for policing from council tax payers.

### Reallocations

In 2026-27, reallocations total £1,391.9m, an increase of £477.4m over 2025-26 (when reallocations totalled £914.3m). A significant portion of that increase comes from 'Capital Funding for Wider Policing System', a new category that has been allocated £599m. Police Reform, another new category, has been allocated £99.3m.

As mentioned above, exceptional financial support has been given to Lincolnshire and MOPAC at £12m and £20m respectively. There was no further explanation provided in the Minister's statement.

Funding remains but has been reduced for Police Technology programmes (-£96.3m), Policing Capabilities (-£5.4m), Drugs/County Lines (-£1.8m) and PFI (-£1.1m). There were no allocations for ROCUs, Police Aviation, Capital Reallocation or NPCC Programmes – which are assumed to have been subsumed within the Police Reform heading.

The table below shows the difference between reallocations between years.

Top Slice/Reallocation	2025-26 (£'m)	2026-27 (£'m)	Difference
Special Grant	49.0	49.6	0.6
PFI	70.5	69.4	1.1
Police Technology Programmes	500.9	404.6	96.3
National policing capabilities	48.4	43	5.4
Regional and Organised Crime Units	38.2		-38.2
Serious Violence	49.7	66.6	16.9
Drugs / County Lines	30.0	28.2	-1.8
NPCC programmes	3.0		-3.0
Capital Reallocations	123.1		-123.1
Police Aviation	1.5		-1.5
Police Reform		99.3	99.3
Exceptional Financial Support		32	32
Capital Funding for Wider Policing System		599	599
<b>Total Reallocations</b>	<b>914.3</b>	<b>1,391.7</b>	<b>477.4</b>

*\*Figures differ due to rounding*

### Council Tax Legacy Grant

The Council Tax Legacy Grants relating to Council Tax Freeze grants from 2011-12, 2013-14, 2014-15 and 2015-16 as well as Local Council Tax Support (LCTS) funding remains separately identifiable in 2026-27.

### National and International Capital City Grant (NICC)

The NICC grant, payable to the City of London and MOPAC, was not specifically mentioned in the Minister's statement, but the allocations appear to have been frozen in cash terms in 2026-27.

### Precept Grant

In recognition of the City of London not benefiting to the same degree as other areas from the increase in precept, this year's Precept Grant has risen £0.5m from £8.5m to £9.0m.

### Capital Funding

Total Police Capital Funding is now worth £599.1m a significant increase over the £123.1m in 2025-26.

Police Capital	2025/26 (£'m)	2026/27 (£'m)	Change (£m's)
Police Reform		20.0	20.0
Police Technology Programmes	111.6	562.0	450.4
Police Aviation	11.5	17.1	5.6
<b>Total</b>	<b>123.1</b>	<b>599.1</b>	<b>476.0</b>

As in previous years, no capital funding is allocated to individual Forces.

### Counter Terrorism

The Minister announced a total of £1.2bn for Counter Terrorism Policing in 2026-27, an increase of £52m from 2025-26. As usual, PCCs will be notified separately of force-level funding allocations for CT policing, which are not made public for security reasons.

### Historic Changes

Tables will be circulated in due course by the Technical Support Team, showing the change in historic funding for each force, adjusted for inflation.

### Savings Targets

The Written Ministerial Statement says that the Government will “*further progress to deliver the £354 million cashable savings target by 2028-29 through the Police Efficiency and Collaboration Programme. This will be achieved through focused efforts to increase policing's ability to buy once and buy well and increase the amount of costs policing can recover for the services they provide*”.

### Police Reform

The Government published its Police Reform White Paper earlier this week, for which the TST has produced a summary briefing ([available here](#)).

The WMS highlights £1.4bn of investment, including:

- £119m in 2026-27 for police reform, delivering new capabilities, establishing a centre for AI which will not only support responsible adoption of AI but will also include the national rollout of facial recognition and strengthen data use.
- Support for 'Major Law Enforcement Programmes' to tackle a “*range of threats and make our streets safer*”.
- Investment in tackling knife crime through the continued funding of Violence Reduction Programmes in every force area. This includes 20 Violence Reduction Units and £28m for the County Lines Programme.

### Funding Formula

The Minister reiterates the commitment to review the police funding model once the changes to police governance, force mergers and the creation of the National Police Service are known and reform is underway.

The next steps of this work will be informed by the Independent Review into police force structures later this year.

**Briefing produced by the PACCTS Technical Support Team**

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**January 2026**

**Annex A – Increase in total Government funding and precept between 2025-26 and 2026-27.**

<b>Force</b>	<b>2025-26 Government Grant (£m)</b>	<b>2026-27 Government Grant (£m)</b>	<b>Difference</b>	<b>% Change</b>	<b>2025-26 Precept (£m)</b>	<b>2026-27 Precept (£m)</b>	<b>Difference</b>	<b>% Change</b>
Avon & Somerset	262.0	271.2	9.2	3.5%	177.6	188.4	10.8	6.1%
Bedfordshire	102.1	105.5	3.4	3.3%	66.2	70.3	4.1	6.2%
Cambridgeshire	116.9	122.5	5.6	4.8%	93.0	98.5	5.5	5.9%
Cheshire	171.0	177.5	6.5	3.8%	111.9	119.0	7.1	6.3%
City of London	92.9	96.9	4.0	4.3%				
Cleveland	136.7	140.6	3.9	2.9%	52.7	55.6	2.9	5.5%
Cumbria	96.5	99.7	3.2	3.3%	61.5	64.9	3.4	5.5%
Derbyshire	161.0	167.2	6.2	3.9%	100.5	106.6	6.1	6.1%
Devon & Cornwall	271.8	279.4	7.6	2.8%	192.2	204.1	11.9	6.2%
Dorset	98.7	101.8	3.1	3.1%	96.1	101.7	5.6	5.8%
Durham	126.2	131.5	5.3	4.2%	52.1	55.4	3.3	6.3%
Dyfed-Powys	77.2	80.6	3.4	4.4%	86.4	90.3	3.9	4.5%
Essex	257.2	266.4	9.2	3.6%	176.9	188.8	11.9	6.7%
Gloucestershire	89.7	92.2	2.5	2.8%	79.6	84.0	4.4	5.5%
Greater Manchester	649.0	669.0	20.0	3.1%	222.2	236.6	14.4	6.5%
Gwent	110.5	114.9	4.4	4.0%	86.5	90.3	3.8	4.4%
Hampshire	292.9	301.8	8.9	3.0%	200.7	213.6	12.9	6.4%
Hertfordshire	175.3	182.2	6.9	3.9%	124.4	132.6	8.2	6.6%
Humberside	183.7	189.8	6.1	3.3%	86.9	92.1	5.2	6.0%
Kent	276.1	289.0	12.9	4.7%	183.7	195.6	11.9	6.5%
Lancashire	286.5	296.5	10.0	3.5%	130.9	139.2	8.3	6.3%
Leicestershire	167.8	175.6	7.8	4.6%	105.1	111.3	6.2	5.9%
Lincolnshire	95.6	100.1	4.5	4.7%	78.9	83.4	4.5	5.7%
Merseyside	371.4	386.3	14.9	4.0%	111.3	118.3	7.0	6.3%
MOPAC	2778.7	2901.4	122.7	4.4%	1028.4	1086.4	58.0	5.6%

Force	2025-26 Government Grant (£m)	2026-27 Government Grant (£m)	Difference	% Change	2025-26 Precept (£m)	2026-27 Precept (£m)	Difference	% Change
Norfolk	132.3	135.9	3.6	2.7%	106.9	112.7	5.8	5.4%
North Wales	111.9	116.4	4.5	4.0%	114.3	119.4	5.1	4.5%
North Yorkshire	114.3	118.0	3.7	3.2%	104.0	109.9	5.9	5.7%
Northamptonshire	109.9	113.5	3.6	3.3%	84.4	89.2	4.8	5.7%
Northumbria	339.4	350.2	10.8	3.2%	82.9	90.0	7.1	8.6%
Nottinghamshire	200.6	208.8	8.2	4.1%	101.0	107.1	6.1	6.0%
South Wales	245.8	254.4	8.6	3.5%	195.9	204.5	8.6	4.4%
South Yorkshire	278.6	291.0	12.4	4.5%	100.1	106.7	6.6	6.6%
Staffordshire	174.6	179.9	5.3	3.0%	106.3	112.8	6.5	6.1%
Suffolk	104.5	108.2	3.7	3.5%	79.8	84.7	4.9	6.1%
Surrey	150.5	156.4	5.9	3.9%	177.8	187.3	9.5	5.3%
Sussex	245.7	254.2	8.5	3.5%	177.3	189.0	11.7	6.6%
Thames Valley	348.5	358.8	10.3	3.0%	278.9	296.3	17.4	6.2%
Warwickshire	80.2	82.7	2.5	3.1%	68.9	72.9	4.0	5.8%
West Mercia	180.9	186.8	5.9	3.3%	138.0	146.4	8.4	6.1%
West Midlands	671.5	695.2	23.7	3.5%	175.4	188.6	13.2	7.5%
West Yorkshire	477.1	492.5	15.4	3.2%	182.6	194.7	12.1	6.6%
Wiltshire	93.9	97.6	3.7	3.9%	77.6	82.5	4.9	6.3%
<b>TOTAL</b>	<b>11507.6</b>	<b>11940.1</b>	<b>432.5</b>	<b>3.8%</b>	<b>6057.8</b>	<b>6421.7</b>	<b>363.9</b>	<b>6.0%</b>

The [Home Office letter](#) refers to an additional £382m for territorial policing that was allocated at the Spending Review, not as part of the 2026–27 settlement. This amount was applied as a uniform percentage uplift to all forces’ baseline core grant.