

GREATER MANCHESTER COMBINED AUTHORITY**DATE:** Friday, 28th January, 2022**TIME:** 10.30 am**VENUE:** Banqueting Suite, Leigh Sports Village, Leigh Stadium,
Atherleigh Way, Sale Way, Leigh, WN7 4GY (sat nav)**SUPPLEMENTAL AGENDA****7. Minutes of the GMCA Audit Committee held on 21 January 1 - 14
2022**

To note the minutes of the GMCA Audit Committee held on 21 January 2022.

9. Mayoral General Budget & Precept Proposals 15 - 32
Report of GM Mayor, Andy Burnham.

Name	Organisation	Political Party
Councillor Neil Emmott	Rochdale	Labour
Councillor Eamonn O'Brien	Bury Council	Labour
GM Mayor Andy Burnham	GMCA	Labour
Councillor Brenda Warrington	Tameside	Labour
Deputy Mayor Beverley Hughes	GMCA	Labour
City Mayor Paul Dennett	Salford City Council	Labour
Councillor Andrew Western	Trafford	Labour

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

Councillor David Molyneux	Wigan Council	Labour
Councillor Arooj Shah	Oldham Council	Labour
Councillor Bev Craig	Manchester CC	Labour
Councillor Martyn Cox	Bolton	Conservative
Councillor Elise Wilson	Stockport MBC	Labour

For copies of papers and further information on this meeting please refer to the website

www.greatermanchester-ca.gov.uk. Alternatively, contact the following

Governance & Scrutiny Officer: Governance and Scrutiny

✉ sylvia.welsh@greatermanchester-ca.gov.uk

This supplemental agenda was issued on 27.01.22 on behalf of Julie Connor, Secretary to

the

Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

Agenda Item 7

MINUTES OF THE GREATER MANCHESTER COMBINED AUTHORITY AUDIT COMMITTEE, HELD ON FRIDAY 21 JANUARY 2022 AT THE GMCA OFFICES, TOOTAL BUILDINGS, MANCHESTER

PRESENT:

Councillor Mary Whitby	Bury Council
Tracy Kelly	Salford Council
Councillor Chris Boyes	Trafford Council
Gwyn Griffiths	Independent Member (Chair)
Catherine Scivier	Independent Member
Susan Webster	Independent Member
Grenville Page	Independent Member

ALSO PRESENT:

Councillor Tom McGee	Stockport Council and Deputy GMCA Portfolio Lead Member for Resources and Investment
Mark Dalton	Mazars

OFFICERS:

Andrew Lightfoot	GMCA Deputy Chief Executive
Steve Wilson	GMCA Treasurer
Rachel Rosewell	GMCA Deputy Treasurer
Sarah Horseman	Head of Audit and Assurance
Lindsey Keech	Head of Finance Capital & Treasury Management
Damian Jarvis	Internal Audit Manager
Nicola Ward	GMCA Governance and Scrutiny
Dave Russel	Chief Fire Officer, GMFRS

AC/73/21 WELCOME, INTRODUCTIONS AND APOLOGIES

RESOLVED /-

Apologies for absence were received and noted from Councillor Colin McLaren, Oldham Council, Councillor Sarah Russell, Manchester and Councillor Christine Roberts (Substitute) Wigan Council.

Apologies were also received from Councillor David Molyneux, GMCA Portfolio Lead Member for Resources and Investment and Daniel Watson (Mazars).

AC/74/21 CHAIR'S ANNOUNCEMENTS AND ITEMS OF URGENT BUSINESS

The Chair informed the Committee that item 14 – HMICFRS GMFRS Inspection Report would be considered as the first substantive item of business.

AC/75/21 DECLARATIONS OF INTEREST

RESOLVED /-

There were no interests declared in relation to any item on the agenda, by any Member of the Committee.

AC/76/21 MINUTES OF THE GMCA AUDIT COMMITTEE MEETING HELD ON 30 NOVEMBER 2021

RESOLVED/-

That the minutes of the meeting of the GMCA Audit Committee held on 30 November 2021 be approved as a correct record.

AC/77/21 GMFRS HMICFRS INSPECTION OUTOMES AND ACTIONS

Dave Russel, Chief Fire Officer, GMFRS gave a verbal update on the recent HMICFRS Inspection which was the second inspection undertaken since the initial one in 2019, within which there were two causes for concern which had been closed at this more recent inspection. However, one additional cause for concern was raised at this second

inspection in June 2021 in relation to Greater Manchester's preparedness for a marauding terrorist attack.

The inspection undertaken by HMICFRS was constituted through three pillars, efficiency, effectiveness and people, each being given an overall grading between inadequate and outstanding. In 2019, each of the pillars received a 'requires improvement' grading, however at the recent inspection the people pillar received a 'good' grading which recognised the work that had been undertaken to ensure that staff feel considered and that the organisation's values were effectively promoted.

The Chief Fire Officer felt that the inspection report was fair and balanced and reflected an organisation that was improving. GMFRS were already aware of the issues as evidenced by the fifteen areas of improvement that the report identified, and work was already underway to address these through effective change and a priority on the culture within the service. There was confidence within the senior management that the Improvement Action Plan would support the service in moving to a 'good' grading and then an 'outstanding' grading across all pillars as it was felt that all the ingredients were present, they just needed to be brought together more effectively.

The cause for concern as identified in the inspection was in reference to the effectiveness of the short-term rolling agreement in order to respond to a marauding terrorist attack through a deployable team in Merseyside which was recognised as an unsustainable solution. Therefore, this was an immediate priority for the Chief Fire Officer and work was underway in collaboration with the Fire Brigade Union (FBU) to develop a long term sustainable solution that enabled every fire officer to be trained accordingly and appliance in Greater Manchester to be upgraded to allow every area of GM to be covered. This proposal had been considered by the Home Office and GM Mayor and had now been submitted to HMICFRS on the 31 October 2021. It was also subject to a ballot with the FBU which was currently underway and due to complete on the 7 February 2022. As part of this process, every fire station in GM had been visited and conversations regarding the detail of the proposals had been undertaken.

The next stage of the inspection would include a further visit from the HMICFRS during the summer of 2022 to re-assess the cause for concern and whether a solution was now

in place to ensure GM was as well protected as possible and the issue could be closed. The other fifteen areas of improvement identified in the report have formed GMFRS' HMIC Improvement Action Plan and would be continually reviewed on a six-weekly basis through the Deputy Mayor's Executive meetings.

The report also highlighted the need for a further tightening of the prevent and prevention focus for the organisation and in response to this, a new Prevention Strategy had been launched, along with a newly designed Home Fire Risk Assessment that would be specifically targeted at those people at risk, rather than the previous universal approach and each intervention would be closely assessed through an evaluation framework. In addition to this, a new Protection Strategy had been produced which was currently awaiting sign off alongside the new Business Engagement Strategy.

Members thanked the Chief Fire Officer for his informative and encouraging verbal update.

In respect of the training for all officers on marauding terrorist attacks, members questioned as to whether this would become ineffective if officers were not required to use this on a regular basis. The Committee were informed that the training would include a wide range of trauma-based skills which could be used at any catastrophic incident and would not solely apply to terrorist attacks. It would be undertaken with other Category One responders and raise the bar for firefighters to provide further assistance to paramedics in relation to patient care. Further to this, there would be no impact on recruitment as the role of the Firefighter was recognised as being much broader than previously, and appointments were now made on values in the knowledge that skill sets could be developed. The proposals for additional training for all fire fighters had been received well amongst officers already within the organisation and through the visits to each fire station, senior officers had been able to provide responses to questions regarding the details of the proposals. The current ballot had already been given to FBU members with a recommendation to accept from the Council of the FBU which was another positive indicator.

Members noted that the Public Inquiry (volume 2) into the Arena attack was scheduled to be published in May 2022 and questioned as to whether there should be a robust plan

in advance of this to address the HMICFRS Inspection outcome relating to marauding terrorist attacks. Officers reiterated that this was already being addressed and it was hoped that the cause for concern would be closed following a further inspection in the Summer 2022. Further to this, Members noted that this risk had previously been raised on the GMCA Risk Register and questioned as to why it had been removed as this had resulted in the loss of visibility by the Audit Committee. Officers confirmed that this risk had previously scored above 16 and was escalated through the risk register to the GMCA Audit Committee, it had since been reviewed and scored less than 16 and therefore no longer featured as an escalated risk. It was suggested that going forward there should be some narrative included on the Risk Register regarding those which had been removed to ensure that the Committee could retain observation on their status.

RESOLVED/-

1. That the verbal update be noted.
2. That the GMFRS HIMC Improvement Action Plan be shared with the GMCA Audit Committee for information.
3. That future Risk Registers would include some narrative as to those risks which were no longer classified as 'escalated' and had been removed from the register.

AC/78/21 INTERNAL AUDIT PROGRESS REPORT

Sarah Horseman, Head of Audit and Assurance, GMCA provided an update on progress against the Internal Audit Plan since the last report to committee and executive summaries of the internal audit completed within this period in relation to GMCA Programme and Project Governance, Loan Approval Decisions (Core Investment Funds) and Supporting Families Programme, across which, a number of small improvements had been identified.

There had been one Whistleblowing case since the last report which had been closed with no further action required.

In relation to external quality assessment, there had been 24 actions identified, 13 of which had been completed and there was a proposal to extend five of those outstanding.

Members questioned how the recommendations identified in the Supporting Families Programme audit had been alerted to each GM Local Authority who were responsible for their delivery and further to this, how their own Audit Committees had been informed. Officers confirmed that these should be picked up by each Local Authority Audit Team and included in their Internal Audit Action Plan but that this would be reiterated to the Chief Audit Executive meeting to seek further assurance that this was being done.

It was noted that the internal audit into GMCA Programmes and Projects had looked predominately at the availability of policies and strategies and that there had not been consideration given to compliance against these documents. Officers agreed that the scope of these initial audits had been broad, but that future audits would include in-depth reviews to test compliance. Further to this, the executive summary documents did not include management's response to the audit outcomes or timescales for delivery of improvements. Officers confirmed that this detail was included in the full reports and then transferred to the appropriate action tracker, however consideration would be given as to whether this information could feature in the Executive Summary in addition.

The potential changes to the Audit Plan cited deferrals, Members requested the budgetary controls audit to be undertaken early in 2022/23 in order to address any actions arising as soon as possible as this would be fundamental to the organisation and cut across the work of the Audit Committee. It was also suggested that the performance related actions following the peer review of Internal Audit be included within the Annual Review of Internal Audit report to the next meeting of the Committee.

Members highlighted that there was a significant amount of money externally managed on behalf of the Core Investment Funds and welcomed further interrogation by Internal Audit. Officers confirmed that this work would be included in the plan for 2022/23.

RESOLVED/-

1. That the progress report be noted.
2. That the changes to the Audit Plan be approved.
3. That Sarah Horseman, Head of Audit and Assurance would discuss shared internal audit actions with the Chief Audit Executive meeting and seek some process assurance.
4. That Sarah Horseman, Head of Audit and Assurance would provide Cllr Boyes with a breakdown of the Covid-19 Emergency Active Travel Fund allocations.
5. That future internal audit activity in relation to GMCA Programmes and Projects would include some in-depth reviews to ensure compliance against the policies and strategies in place.
6. That consideration would be given as to whether to include the management response to the identified issues within the Executive Summaries of internal audits.
7. That the audit relating to budgetary control be undertaken early in 2022/23 in order to address any actions as soon as possible.
8. That the performance related actions as identified by the peer review into Internal Audit be included in the Annual Review of Internal Audit.
9. That there would be a further audit of externally managed funds on behalf of the Core Investment Fund undertaken in 2022/23.

AC/79/21 AUDIT ACTION FOLLOW UP

Sarah Horseman, Head of Audit and Assurance, GMCA informed the Committee that 70% of the internal audit actions had already been implemented, which was on track but slightly lower than the 85% target. The graph in section 4 of the report gave further detail of the status of each individual audit. A small number of actions had been extended regarding fleet and performance management to take account of associated ongoing work and officers were assured that these extensions would be beneficial to the ultimate delivery of the action.

RESOLVED/-

That the report be noted.

AC/80/21 PLANNING FOR 2021/22 AUDIT OPINION

Andrew Lightfoot, Deputy Chief Executive of the GMCA reminded the Committee that a limited assurance option was given in 2020/21 from Internal Audit. It highlighted specific concerns regarding corporate governance arrangements relating to performance management and the appointment of Mayoral Advisors, amongst other recommendations. All of which were being actively addressed and the report set out the steps taken to address each audit action.

There had been good progress made in relation to increasing the effectiveness of performance management, integrating a consistent approach across all elements of the business removing any residual silos following previous organisation mergers. A strong framework had been developed that included a wide range of indicators including information governance and legal aspects that was reported to the Chief Executives Management Team on a quarterly basis and would also be reported to the Resources Committee, through an expanded terms of reference, to ensure greater visibility.

In relation to the Mayoral Advisors, the recommendations of the audit had been implemented and any new appointments would now be subject to approval by the Resources Committee, their allowance would appear in the public domain, they would be required to complete an Annual Declaration of Interest and they would not be eligible to bid for any contract with the GMCA.

There was a strong emerging approach to risk management across the GMCA, with a significant amount of work being undertaken at a corporate level in the organisation, the assessment for this quarter was just beginning and officers were confident that it would evidence even greater conformity.

Members of the Committee recognised that there had been substantial progress in relation to risk management and establishing a risk management framework, however as some measures had only been in place for a short period, it was noted that the audit opinion may be challenging. Officers agreed that although there would be challenges with an audit opinion after some controls had only just been implemented, it would clearly

be able to demonstrate a change in direction of travel and provide a snapshot of evidence at a specified point.

In relation to this, members of the Committee urged that risk frameworks be a standing agenda item across all management teams within the organisation to further mature the approach to risk management and the guiding of a department's direction. It was suggested that further work be undertaken to encourage regular reviews of specific risks and that the Chief Executives Management Team take a closer look as to how this approach was being embedded across the organisation.

RESOLVED/-

1. That the report be noted.
2. That the framework by which quarterly reports were submitted to the Chief Executives Management Team would be circulated to the Committee.
3. That Andrew Lightfoot, Deputy Chief Executive would review the frequency of risk registers being considered by individual management teams to ensure consistency across the organisation.

AC/81/21 RISK MANAGEMENT UPDATE REPORT

Sarah Horseman, Head of Audit and Assurance, GMCA introduced a report which provided the current position of all strategic and escalated risks. Following a number of risk workshops held across the organisation, departments were now able to see the golden thread from their local risks to corporate risks demonstrating the growing maturity of the GMCA. The team would continue to run workshops, embedding processes across departments and supporting colleagues to calibrate and moderate their risk scoring.

Section 3 of the report highlighted those risks which scored 16 or over and were escalated to the Corporate Risk Register alongside the current strategic risks. Members were keen to ensure that no risks were removed from the Corporate Risk Register without some narrative to explain why it had been removed. In addition,

members asked whether changes in risk ratings could also be included in future reports so that their escalation or de-escalation could be monitored.

RESOLVED/-

1. That the report be noted.
2. That the Chair, in conjunction with the Head of Audit and Assurance would review the Corporate Risk Register in order to determine any areas for specific deep dives.
3. That Sarah Horseman, Head of Audit and Assurance would provide reasoning as to the reduction in risk level alongside the climate change carbon reduction risk on the register directly to Grenville Page.
4. That future Risk Registers would detail previous ratings to evidence to the Committee where a risk had been deescalated or escalated.
5. That TfGM be asked to provide Cllr Chris Boyes details on the reliability of the ‘touch in – touch out’ system for Metrolink ticketing.

AC/82/21 TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

The GM Treasurer, Steve Wilson took members through the Treasury Management Strategy Statement for the forthcoming year, which was to be considered by the GMCA alongside the budget setting process to determine the potential levels of required borrowing.

This report explained that the current requirement for capital expenditure was £496m, of which some would be grant funded and the other made up from reserves, resulting in a capital financing requirement of £182m. Although cash reserves over previous years had seen no requirement for the GMCA to borrow any further monies, this financing requirement would result in some borrowing for 2022/23. Officers noted that this would be a period of uncertainty in relation to interest rates and inflation, which was expected to increase to a base rate of 1.25% over the year but that there would be minimal impact to the GMCA.

Section 3 of the report explained how there was a proposal for a minimum revenue provision policy to be adopted across all departments of the GMCA which would set out a specific approach to any future borrowing and ensure that re-payments were spread out more evenly. The reference to the private finance initiative for police assets further reiterated the benefits of extending the repayment as the life of the asset was greater than the term of the borrowing. This proposal was currently subject to legal ratification, following which would be submitted for consideration by the GMCA and if approved would be applied to all future borrowing.

RESOLVED/-

1. That the report be noted and recommended for approval by the GMCA.
2. That a training session on Treasury Management would be scheduled between now and the next meeting of the Committee.

AC/83/21 CAPITAL STRATEGY 2022/23

The GM Treasurer, Steve Wilson introduced a report which set out the capital programme for 2022/23, detailing £496m of spend subject to budgetary approval by the GMCA. One of the most significant areas of capital investment was as a result of Greater Manchester being awarded £1.07b through the City Region Sustainable Transport Settlement, however final specifics were to be confirmed.

Members recognised the significant amount of money within the Capital Strategy for the forthcoming year and urged for regular opportunities to review the assurances against its spend. Officers agreed to bring updates as required in addition to the regular Treasury Management reports.

RESOLVED/-

1. That the contents of the report be noted and recommended for approval by the GMCA.
2. That the Committee will be updated should the overall capital programme figure change following the budget setting process by the GMCA.

3. That the Audit Committee be given regular opportunity to review the assurances in relation to capital infrastructure spend, especially in relation to transport development.

AC/84/21 GMCA ACCOUNTS SIGNED OPINION 2020/21

Mark Dalton, External Auditor, Mazars took members through the signed opinion on the GMCA accounts for 2020/21 which was issued on the 20 December 2021. The three areas of outstanding work had been completed and there were no further issues to report.

RESOLVED/-

That the report be noted.

AC/85/21 EXTERNAL AUDIT 2020-21 AUDIT COMPLETION REPORT FOLLOW UP LETTER

Mark Dalton, External Auditor, Mazars presented the follow up letter on the audit completion report which formally closed the accounts for 2020/21.

RESOLVED/-

1. That the letter be noted.
2. That the Committee receive a report on the outcomes of the NAO guidance once the whole of government accounting review is completed.

AC/86/21 OPTIONS FOR APPOINTMENT OF EXTERNAL AUDITOR FROM 2023/24

The GM Treasurer, Steve Wilson introduced a report which presented three choices for public bodies when selecting their approach to external audit for 2023/24. Officers recommended option 3 which would see the GMCA opting into the national process for appointing an external auditor, removing the risk to the organisation as a result of the

current challenging market. It was agreed to delegate the submission of the formal decision (before the 11 March 2022) to the GMCA Treasurer.

RESOLVED/-

1. That the recommendation for GMCA and GMP to opt-in to the Public Sector Audit Appointment (PSAA) body for appointment of external auditors be noted.
2. That the proposal to continue with local joint procurement arrangements for the provision of external audit services with TfGM and other Greater Manchester authorities be noted.
3. That authority be delegated to the GMCA Treasurer, in consultation with the Chair of the Audit Committee, to agree the final recommended option to be made to GMCA and Police and Crime Panel.

AC/87/21 GMCA AUDIT COMMITTEE WORK PROGRAMME AND ACTION TRACKER

The Chair presented the Work Programme and Action Tracker for consideration by the Committee. Officers agreed to pick up the one outstanding action, and offered to ensure that the findings from the cyber audit would be incorporated into the Internal Audit Action Tracker.

RESOLVED/-

1. That the work programme and action tracker be noted.
2. That Steve Wilson, Treasurer to the GMCA provide advice to members of the Audit Committee on the implications of the publication of the regulatory guidelines in relation to external audit.

AC/88/21 DATE AND TIME OF FUTURE MEETINGS

RESOLVED/-

That the GMCA Audit Committee would next meet on 22 April 2022.

This page is intentionally left blank

Date: 28th January 2022
Subject: Mayoral General Budget and Precept Proposals
Report of: Andy Burnham, Mayor of Greater Manchester

PURPOSE OF REPORT

To set out the proposals for the Mayoral General Budget and precept for 2022-23 for consideration by the members of the GMCA.

Unique amongst Mayoral Combined Authorities, the proposals being made include a significant element for the Fire Service which had previously fallen to the GM Fire and Rescue Authority to determine.

The report includes details supporting the proposed precepts for the Mayoral General Budget as shown at paragraph 3.

RECOMMENDATIONS:

The GMCA is recommended:

1. To consider my proposal to increase the Mayoral General Precept to £102.95 (Band D) comprising of £71.20 for functions previously covered by the Fire and Rescue Authority precept and £31.75 for other Mayoral General functions;
2. To note that the proposal for the Mayoral General Precept for 2022/23 is part of a multi-year strategy for setting the Mayoral precept baseline which will be adjusted in future years as further Mayoral functions are covered by the funding raised;
3. To note, and comment on:
 - i). the overall budget proposed for the Fire and Rescue Service,
 - ii). the use of the reserves to support the revenue and capital budgets, and the assessment by the Treasurer that the reserves as at March 2023 are adequate,
 - iii). the proposed Fire Service capital programme and proposals for funding,
 - iv). the medium-term financial position for the Fire and Rescue Service covered by the Mayoral precept
4. To note and comment on the detailed budget proposals for other Mayoral functions;

5. To note and comment on the use of reserves as set out in Paragraph 3.3 of the report;
6. To consider whether they would wish to submit any written comments to the Mayor in line with the legal process and timetable described in this report; and
7. To note that at its meeting on 11 February 2022 there will be an updated budget submitted, consistent with the precept proposals, to reflect final tax base and collection fund calculations and the final Revenue Support Grant settlement.

CONTACT OFFICERS:

Name: Steve Wilson, Treasurer to GMCA
Telephone: 07725 481067
E-Mail: steve.wilson@greatermanchester-ca.gov.uk

Name: Rachel Rosewell, Deputy Treasurer to GMCA
Telephone: 07725 482865
E-Mail: rachel.rosewell@greatermanchester-ca.gov.uk

Name: Andrea Heffernan, Director of Corporate Support (GMFRS)
Telephone: 0161 736 5866
E-Mail: andrea.heffernan@manchesterfire.gov.uk

Name: Tracey Read, Head of Finance
Telephone: 07583 137329
E-Mail: tracey.read@greatermanchester-ca.gov.uk

Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – An assessment of the potential budget risks faced by the authority are carried out quarterly as part of the monitoring process. Specific risks and considerations for the budget 2022/23 insofar as they relate to the Fire Service are detailed in Appendix 2.

Legal Considerations – See Appendix 1 of the report.

Financial Consequences – Revenue – The report sets out the planned budget strategy for 2022/23 and future years.

Financial Consequences – Capital – Proposals for Fire and Rescue Services capital spend are set out within Part 2 of the report.

BACKGROUND PAPERS:

GMCA – Mayoral General Budget and Precept Proposals – 12 February 2021

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	Yes
EXEMPTION FROM CALL IN	
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?	N/A
GM Transport Committee	Overview & Scrutiny Committee
N/A	N/A

1. INTRODUCTION

- 1.1 The purpose of this report is to notify the GMCA of the Mayor's draft budget for 2022/23, setting out proposed spending to meet the costs of Mayoral general functions. The GMCA must review the draft budget and report before 8th February to confirm whether it would approve the draft budget in its current form or make alternative recommendations. If no such report is made before 8th February, then the draft budget shall be deemed to be approved.
- 1.2 The Mayoral General Budget 2022/23 is set out in two parts:
- 1.2.1 Part 1 - Mayoral General Budget 2022/23 (excluding Fire and Rescue). The Mayoral General precept proposals include:
- Continuation of the flagship A Bed Every Night scheme into the next financial year. This scheme is core to the reduction in rough sleeping by 67% in Greater Manchester since 2017 and it will continue to support local schemes and homelessness partnerships to end rough sleeping across the region.
 - Extension of the Our Pass pilot scheme for a further 12 months from September 2022, providing free bus travel within Greater Manchester for 16-18 year olds.
 - Bus Reform implementation as a key step toward development of The Bee Network, an integrated 'London-style' transport system which will join together buses, trams, cycling and walking and other shared mobility services by 2024.
- 1.2.2 Part 2 - Greater Manchester Fire and Rescue Service (GMFRS) Medium Term Financial Plan 2022/23 – 2024/25. The precept increase in relation to GMFRS is required to ensure there is no impact on frontline fire cover. The Mayor has committed to continuing with 50 fire engines throughout 2022/23 with crewing at the current level of five firefighters at one pump stations and four firefighters on each engine at two pump stations.
- 1.3 The Mayor proposes an increase to the Mayoral General Precept for the financial year 2022/23. If the proposal is accepted, the Mayoral Precept will increase to £80.07 for a Band B property split between £55.38 for the fire service and £24.69 for other Mayoral-funded services (£102.95 for a Band D property, with the fire service accounting for £71.20 and £31.75 for non-fire).
- 1.4 Although it is required to set a precept specifying the Band D Charge, by far the majority of properties, 82.3% in Greater Manchester, will be required to pay less than this amount. The following table outlines the amounts to be paid by each band and the proportion of properties which fall into each band.
- | 2022/23 | A | B | C | D | E | F | G | H |
|--------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Mayoral Other | 21.16 | 24.69 | 28.22 | 31.75 | 38.80 | 45.86 | 52.91 | 63.50 |
| Mayoral Fire | 47.47 | 55.38 | 63.29 | 71.20 | 87.02 | 102.84 | 118.67 | 142.40 |
| Total | 68.63 | 80.07 | 91.51 | 102.95 | 125.82 | 148.70 | 171.58 | 205.90 |
| Proportion of Properties | 44.9% | 19.8% | 17.6% | 9.4% | 4.8% | 2.1% | 1.3% | 0.2% |
- 1.5 The Mayoral General Precept is part of the overall council tax paid by Greater Manchester residents and used to fund Greater Manchester-wide services for which the Mayor is responsible.

- 1.6 Income from Business Rates, both a share of the income collected by District Councils and a 'top up' grant, is received. As the GMCA is part of the 100% Business Rates Pilot, the previous receipt of Revenue Support Grant has been replaced by equivalent baseline funding through an increased Business Rates top up.
- 1.7 At the present time, both Council Tax and Business Rates income is subject to confirmation by District Councils, and the estimate of the Business Rates 'top up' grant will be confirmed in the final settlement.

2. BACKGROUND TO BUDGET PROCESS

- 2.1 The functions of the GMCA which are currently Mayoral General functions are:
 - Fire and Rescue
 - Compulsory Purchase of Land
 - Mayoral development corporations
 - Development of transport policies
 - Preparation, alteration and replacement of the Local Transport Plan
 - Grants to bus service operators
 - Grants to constituent councils
 - Decisions to make, vary or revoke bus franchising schemes
- 2.2 The sources of funding for Mayoral costs, to the extent that they are not funded from other sources, are a precept or statutory contributions (not Fire). A precept can be issued by the Mayor to District Councils as billing authorities. The precept is apportioned between Districts on the basis of Council Tax bases and must be issued before 1st March.
- 2.3 Constituent councils can make statutory contributions to the Mayor in respect of Mayoral functions where authorised by a statutory order but they require at least 7 members of the GMCA (excluding the Mayor) to agree (Fire cannot be met from statutory contributions).
- 2.4 In terms of timetables, I must, before 1st February notify the GMCA of my draft budget in relation to the following financial year. The draft budget must set out the proposed spending and how I intend to meet the costs of my General functions.
- 2.5 The GMCA must review the draft budget and may make a report to the Mayor on the draft. The Authority must make such a report before 8th February and must set out whether it would approve the draft budget in its current form or make alternative recommendations. If no such report is made before 8th February then the draft budget shall be deemed to be approved.
- 2.6 A full, legal description of the process is attached at Appendix 1.

3. MAYORAL GENERAL BUDGET SUMMARY 2022/23

- 3.1 The table below shows the summary of gross and net budget for Mayoral General Budget including GMFRS budget for 2022/23:

Budget Summary 2022/23	Gross	Gross	Net
	Expenditure	Income	Estimate
	£000	£000	£000
Fire Service Budget	116,635	3,968	112,667
Other Mayoral General Budget	139,020	24,750	114,270
Capital Financing Charges	2,079	0	2,079
Contribution from balances/reserves	2,263	3,546	-1,283
Budget Requirement	259,997	32,264	227,733
Localised Business Rates		10,297	-10,297
Business Rate Baseline		40,922	-40,922
Services Grant		2,209	-2,209
Section 31 Grant - Business Rates		2,594	-2,594
Section 31 Grant - pensions		5,605	-5,605
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit	650	0	650
Precept requirement	260,647	180,591	80,056

- 3.2 The full calculation of aggregate amounts under Section 42A (2) and (3) of the Local Government Finance Act 1992 as updated in the Localism Act 2011 is shown at Appendix 2.
- 3.3 Taking account of the budget proposals outlined in this paper, the reserves for both Mayoral and GMFRS for 2022/23 are as follows:

Mayoral and GMFRS Reserves	Closing Balances 31 March 2021 £000	Transfer out/(in) 2021/22 £000	Projected Balance March 2022 £000	Transfer out/(in) 2022/23 £000	Projected Balance March 2023 £000
General Reserve - Mayoral & GMFRS	-11,781		-11,781		-11,781
Bus Services Operators Grant	-4,290	2,750	-1,540	1,540	0
Our Pass Reserve	-7,021	2,704	-4,317	1,577	-2,740
A Bed Every Night	-2,000	2,000	0		0
Capital Reserve	-10,600	2,700	-7,900	-2,263	-10,163
Capital Grants Unapplied	-2,050	2,050	0		0
Earmarked Budgets Reserve	-3,186	1,082	-2,104	429	-1,675
Revenue Grants Unapplied	-8,173	5,550	-2,623		-2,623
Insurance Reserve	-2,849		-2,849		-2,849
Business Rates Reserve	-1,605		-1,605		-1,605
Restructuring Reserve	-418		-418		-418
Innovation and Partnership CYP	-127		-127		-127
Transformation Fund	-3,604		-3,604		-3,604
Total Mayoral & GMFRS Reserves	-57,704	18,836	-38,868	1,283	-37,585

- 3.4 The current General Fund Reserve balance stands at £11.781m, there is no planned use of this reserve.

4. LEGAL ISSUES

- 4.1 In coming to decisions in relation to the revenue budget, I have various legal and fiduciary duties. The amount of the precept must be sufficient to meet the Mayor's legal and financial commitments, ensure the proper discharge of my statutory duties and lead to a balanced budget.
- 4.2 In exercising my fiduciary duty, I should be satisfied that the proposals put forward are a prudent use of my resources in both the short and long term and that they are acting in good faith for the benefit of the community whilst complying with all statutory duties.
- 4.3 Given that I intend to make firm proposals relating to the Fire Service budget at the February meeting, there will be a need to reassess the overall prudence of the budget, but at this stage, there are sufficient reserves available to ensure a balanced budget is set.

Duties of the Treasurer (Chief Finance Officer)

- 4.4 The Local Government Finance Act 2003 requires the Chief Finance Officer to report to the Mayor on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. I have a statutory duty to have regard to the CFO's report when making decisions about the calculations.
- 4.5 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Mayor to monitor during the financial year the expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, I must take such action as I consider necessary to deal with the situation. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.
- 4.6 Under Section 114 of the Local Government Finance Act 1988, where it appears to the Chief Finance Officer that the expenditure of the Mayoral General budget incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure, the Chief Finance Officer has a duty to make a report to the Mayor.
- 4.7 The report must be sent to the GMCA's External Auditor and I/the GMCA must consider the report within 21 days at a meeting where we must decide whether we agree or disagree with the views contained in the report and what action (if any) we propose to take in consequence of it. In the intervening period between the sending of the report and the meeting which considers it, the GMCA is prohibited from entering into any new agreement which may involve the incurring of expenditure (at any time) by the GMCA, except in certain limited circumstances where expenditure can be authorised by the Chief Finance Officer. Failure to take appropriate action in response to such a report may lead to the intervention of the External Auditor.

Reasonableness

- 4.8 I have a duty to act reasonably taking into account all relevant considerations and not considering anything which is irrelevant. This Report sets out the proposals from which members can consider the risks and the arrangements for mitigation set out below.

Risks and Mitigation

- 4.9 The Treasurer has examined the major assumptions used within the budget calculations and considers that they are prudent, based on the best information currently available. A risk assessment of the main budget headings has been undertaken and the level of reserves is adequate to cover these.
- 5. PART 1 - PROPOSED MAYORAL GENERAL BUDGET 2022/23 (EXCLUDING FIRE & RESCUE)**
- 5.1 This section provides the proposed Mayoral General Budget (excluding Fire & Rescue) for 2022/23. The Mayoral General Budget funds the Mayor's Office and Mayoral functions including Transport. The budget for 2022/23 is a proposed £139m to be funded from Precept income, Transport Statutory Charge, reserves, grants and external income.
- 5.2 The table below sets out the 2021/22 original and revised budget and 2022/23 proposed budget:

Mayoral General Budget (Excluding Fire & Rescue Service)	2021/22 Original Budget	2021/22 Revised Budget	2022/23 Proposed Budget
	£000	£000	£000
Mayoral Priorities (inc Corporate Support)	1,246	1,246	1,325
A Bed Every Night	1,950	2,450	2,400
Our Pass	16,200	16,200	16,200
Care Leavers	550	550	550
Equality Panels	250	500	350
Good landlord scheme	300	300	300
No Child Goes Hungry	0	71	71
Mayoral Priorities	19,250	20,071	19,800
TFGM Revenue Support	90,250	90,250	90,250
Bus Service Operator's Grant	11,750	11,750	11,750
Bus Reform	4,250	4,250	15,895
Mayoral Transport	106,250	106,250	117,895
Total Expenditure	126,746	127,567	139,020
Mayoral Precept	-18,709	-18,709	-24,689
Collection Fund Surplus /-Deficit	855	855	339
Collection Fund Compensation	-103	-105	-103
Local Council Tax Scheme	-504	-504	0
BSOG grant	-13,100	-13,100	-13,150
Mayoral Capacity grant	-1,000	-1,000	-1,000
Statutory charge	-86,700	-86,700	-86,700
Earnback revenue grant	0	0	-9,750
Use of Reserves	-6,635	-7,454	-3,117
External Income	-850	-850	-850
Gross Income	-126,746	-127,567	-139,020
Net Expenditure	0	0	0

- 5.3 In relation to the level of the precept to be levied for Mayoral functions it is proposed that this is increased by £5.44 to £24.69 for a Band B property (£7 to £31.75 per Band D property), which will provide an additional £6 million to support:
- 5.3.1 Continuation of the A Bed Every Night (ABEN) programme, which over the last 4 years has contributed to a reduction in rough sleeping in Greater Manchester. Alongside other funding streams, this contribution will be committed to over a three-year period to enable greater investment in other areas of homelessness response and prevention from investors and reduce the overall requirement by end of the 2024/25.
- 5.3.2 Recurrent funding for schemes currently funded from reserves in 2021/22, including:
- Care Leavers concessionary pass to provide free bus travel in Greater Manchester for young people 18-21 years old that have been in care.
 - Equality panels facilitated by appropriate voluntary organisations, enabling investment in organisations which work in partnership with public services and the wider community, contributing to tackling the inequalities agenda.
 - Good Landlord Scheme to ensure tenants and landlords have access to information and advice, strengthened enforcement to target the poorest quality and worst managed properties in the sector and capacity to enable landlords to better support tenants.
- 5.3.3 The Our Pass scheme which provides free bus travel within Greater Manchester for 16-18 year olds and direct access to other opportunities in the region. The scheme was proposed run for a pilot period of two years from August 2019, which subsequently became impacted by the Covid pandemic. The scheme was extended in September 2021 and since then the engagement from young people has increased significantly. In order to benefit from a full two year evaluation it is proposed to extend the pilot to August 2023. The Our Pass scheme is funded from a combination of Precept, reserves and other income. A budget of £16.2m is proposed for 2022/23 with a risk reserve held by TfGM if costs increase during the pilot, in line with the original funding strategy for the scheme agreed by the GMCA.
- 5.3.4 Implementation of Bus Reform including the introduction of Bus Franchising, and responding to the outcome of the Bus Service Improvement Plan bid to Government in the autumn.

Statutory Transport Charge

- 5.4 The Mayoral Transport includes TfGM Revenue Grant budget met from the statutory transport charge of £86.7m and the Bus Service Operators Grant. Following the GMCA (Functions and Amendment) order being laid in April 2019, I was given further powers for transport functions and a £86.7 million statutory charge to District Councils (with a corresponding reduction in the Transport Levy). The order also states that this amount (£86.7 million) can only be varied with the unanimous agreement of the members of the GMCA. The full breakdown by District Council is shown below:

Transport Statutory Charge 2022/23			
District	Pop Mid 2020	%	£
Bolton	288,248	10.12%	8,774,084
Bury	190,708	6.70%	5,805,029
Manchester	555,741	19.51%	16,916,400
Oldham	237,628	8.34%	7,233,244
Rochdale	223,659	7.85%	6,808,037
Salford	262,697	9.22%	7,996,328
Stockport	294,197	10.33%	8,955,168
Tameside	227,117	7.97%	6,913,296
Trafford	237,579	8.34%	7,231,752
Wigan	330,712	11.61%	10,066,661
Total	2,848,286	100.00%	86,700,000

6 PART 2 - PROPOSED GREATER MANCHESTER FIRE AND RESCUE REVENUE AND CAPITAL BUDGET 2022/23

- 6.1 The following information provides details supporting the Greater Manchester Fire and Rescue Service Revenue and Capital Budgets.
- 6.2 The Medium-Term Financial Plan (MTFP) to 2024/25 has been updated, based on the 2021/22 baseline updated for pay and price inflation, known cost pressures and agreed savings. The funding supporting the 2021/22 Budget represented a one-year settlement from MHCLG, with allocations based on the Spending Review 2021.
- 6.3 The Chancellor announced the Spending Review in December 2021 which presented a one-year settlement as part of the three-year government Spending Review. In relation to Fire and Rescue Services, the announcements covered the following:
- Fire & Rescue services receiving a 4.7% increase in core spending power
 - Fire services will receive a £24m share of £822m Services Grant
 - Flexibility on council tax precept for the lowest quartile Fire Services of £5 for a one-year period, referendum limits for the remainder of the sector to remain at 2%
 - Pension Grant will be paid at current rate and will be formally confirmed in January 2022
- 6.4 The Provisional Local Government Settlement was published in December 2021 and the MTFP has been updated based on this. Final confirmation of the funding position will be confirmed in the Local Government Final Settlement due for late January / early February.
- 6.5 The table below presents the budget requirements incorporating pressures and savings from 2021/22 onwards:

Medium Term Financial Plan	Original 2021/22	Revised 2021/22	Proposed 2022/23	Planned 2023/24	Planned 2024/25
	£000	£000	£000	£000	£000
Fire Service	109,514	109,514	107,956	112,605	114,040
Pay and price inflation	212	1,275	2,625	1,961	1,999
Savings	-2,857	-2,857	-788	-712	0
Cost pressures and variations	24	24	2,812	186	0
Cost of service	106,893	107,956	112,605	114,040	116,039
Capital Financing Charges	2,316	2,316	2,079	3,906	4,565
Transfer to Earmarked Reserves	1,349	1,349	2,324	0	0
Revenue Contribution to Capital Outlay	2,700	2,700	0	0	0
Use of Capital Reserves	-2,700	-2,700	0	0	0
Net Service Budget	110,558	111,621	117,008	117,946	120,604
Funded by:					
Localised Business Rates	10,297	10,297	10,297	10,297	10,297
Baseline funding	40,353	40,353	40,922	40,922	40,922
SFA - Services Grant	0	0	2,209	0	0
Section 31 - Business rates related	2,594	2,594	2,594	2,594	2,594
Section 31 - Additional Business Rates	4,798	4,798	0	0	0
Section 31 - Pension related	5,605	5,605	5,605	5,605	5,605
Precept income (at £71.20 Band D)	50,041	50,041	55,366	55,366	55,366
Collection Fund surplus/deficit	-5,236	-5,236	-311	-311	0
Tax Income Guarantee	0	0	0	0	0
Local Council Tax Support	1,349	1,349	0	0	0
	109,801	109,801	116,682	114,473	114,784
Shortfall	757	1,820	326	3,472	5,819
Shortfall Funded by:					
Earmarked Reserves	757	757	326	204	0
General Reserves/Precept Increase	0	1,063	0	3,268	5,819
Use of Earmarked & General Reserves/Precept	757	1,820	326	3,472	5,819

REVENUE BUDGET ASSUMPTIONS

Funding

- 6.7 Funding is based on the details from the Provisional Settlement, released in December. The baseline funding has increased by £0.569m from the 2021/22 position with an additional one-year Services Grant of £2.2m. Localised business rates are assumed at the same level of income as last year, with information from Districts not yet available to determine next year's position at this stage.
- 6.8 From 2019/20 the Home Office confirmed a Section 31 pension grant of £5.605m million towards estimated costs for GMFRS of £6.1m. Payment of this grant in 2020/21 and 2021/22 was made on a flat cash basis, and in 2022/23 indications suggest that the grant will again be paid on a flat cash basis.

- 6.9 Precept income has been included at the increased rate of £55.38 per Band B property (£71.20 per household at Band D equivalent) which ensures there is no impact on frontline fire cover . The estimated Taxbase for 2022/23, i.e. the number of households paying council tax, has seen an increase when compared to levels assumed in 2021/22.
- 6.10 Collection Fund surplus/deficits are to be confirmed by Districts as soon as the information is available. Early indications show that Business Rates deficits are expected to continue due to the impact of the on-going pandemic. The values currently provided in the Medium-Term Financial Plan are the deficits from 2020/21 which have been spread over three financial years from 2021/22 and the indicated recoverable amounts from the Tax Income Guarantee funding from Government.
- 6.11 There is no indication at this stage of future grants to cover Protection related activities.

Pay and Pensions

- 6.12 Pay and price inflation includes 1.5% for uniformed staff and an indicative 1.75% for non-uniformed staff in relation to 2021/22, as presented against the revised 2021/22 budget and an estimated 2% for all staff in 2022/23. Following the pay freeze announced in the Spending Review for 2021/22, an increase of £250 per year per employee for those with a salary of less than £24k was introduced into the budget, however, since the budget setting period, uniformed staff pay award was agreed at 1.5% and negotiations for non-uniformed staff pay award started and negotiations are on-going.
- 6.13 Changes by the Treasury in 2019/20 concerning the discount rate for unfunded public sector pension schemes, have had the effect of increasing employers' contributions from 17.6% to 30.2%, equating to £115 million for English Fire and Rescue Authorities (FRAs). For 2019/20 the Home Office confirmed a Section 31 grant of £5.605m, towards estimated costs for GMFRS of £6.1m. Payment of this grant in 2020/21 and 2021/22 was made on a flat cash basis, which is expected again in 2022/23.

Savings

- 6.14 The GMFRS Programme for Change has undertaken a whole service review and developed and implemented a new operating model which affected the revenue budget from 2019/20 to 2021/22. The Programme has been completed, however, the Service continually ensure that it is delivered efficiently and effectively. As such, a savings target of £1.5m has been put forward across two financial years. £0.788m of the target has been identified as deliverable in 2022/23 following a line-by-line review and Business Rates payable review, with a further £0.712m to be delivered in 2023/24.

Pressures

- 6.15 Budget pressures have been identified as set out below:
- Pay Award – As noted at paragraph 6.12, budget pressures have arisen due to pay awards for 2021/22 and 2022/23. Uniformed staff 2021/22 pay award has been agreed at 1.5% which requires a budget increase of £0.818m, indicative increases have been calculated for 2021/22 non-uniformed staff at 1.75% which equates to £0.245m and 2022/23 at 2% for all staff which has been calculated at £1.664m.

- National Insurance – Government announced an increase of National Insurance contributions which increased employers' contribution rate from 13.8% to 15.05%. This increase, estimated at £0.553m is to be funded by the Services Grant.
- Price Inflation - energy costs inflation has been identified with an estimated budget increase requirement of £0.408m. No further inflation has been introduced to the budget, any that arise will be met through existing budgets.
- MTFA capability – an agreement has been reached with the representative body to support a ballot of its members enabling this capability to continue on a permanent basis. This ballot will take place in January – February 2022. The budget introduced to implement and maintain this is £1.385m on a recurring basis.
- Training – A full scale review of Training Needs Assessment, the capacity to deliver and external costs associated has recently been undertaken. This has been costed and has raised a budget pressure of £0.751m.
- Support Services – Back-office support from the wider GMCA will see an cost increase, mainly in relation to pay award. This has been estimated at £0.379m based on a 5% increase.

Transfer to Earmarked Reserves

6.16 The transfer to Earmarked Reserves represents the planned use of revenue funding to be transferred to the Capital Fund Reserve. This is to reduce future capital financing costs against capital programme expenditure.

CAPITAL PROGRAMME

6.17 GMFRS have reviewed capital investment requirements for the Fire Estates, Fire ICT schemes and Operational Vehicles and Equipment, and the proposed Capital Programme requirements are set out below.

Capital Programme	2021/22	2022/23	2023/24	Future Years to 2027/28	Total
	£000	£000	£000	£000	£000
Estates	4,275	11,581	11,010	18,290	45,155
Transport	3,478	5,480	2,084	8,958	20,001
ICT	2,205	1,223	150	600	4,178
Equipment	968	1,488	540	1,614	4,609
Sustainability	507	75	75	300	957
Waking Watch Relief Fund	2,050	0	0	0	2,050
Total Capital Programme	13,482	19,847	13,860	29,762	76,951

6.18 A long-term Estates Strategy is being formulated, the approved Phase 1 of the scheme with plans for new builds, extensions, refurbishments and carbon reduction schemes is underway with expected completion by 2025/26. Alongside this is the Bury Training and Safety Centre which is also underway and due to complete within 2022/23.

6.19 Transport and Equipment replacement programme budgets are profiled in accordance with expected need and delivery profiles allowing for lead times where supply chains require orders to be placed up to 18 months prior to goods being delivered.

BUDGET RISKS

6.20 Future budget risks are set out below:

- A one-year settlement was included in the three-year Government Spending Review, future funding beyond 2022/23 has not been confirmed.
- Pay claims for firefighters and Local Government Employees in excess of the assumptions set out in the report.
- McCloud/Sargeant Remedy – the judgement refers to the Court of Appeal's ruling that Government's 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members' age. The implications of the remedy are being determined but are likely to be significant in future years beyond 2022/23.
- Delivery of sufficient savings to meet the requirements of the Medium Term Financial Strategy, and dependent on availability resources to deliver a change programme of this scale.
- Emergency Services Mobile Communications Project (ESMCP) – a national project to procure and replace the Emergency Services Network.
- Any changes required following the Manchester Arena Public Inquiry, Grenfell Inquiry and , Fire Safety Act 2021, and the Building Safety bill.
- Any Business Continuity Arrangements that require funding which are not part of the Base Budget.
- As no capital grants are available to FRSs, future schemes in our Capital Programme will be funded by a combination of revenue underspends and borrowing. The costs associated with additional borrowing will have to be met from the Revenue Budget.

LEGAL REQUIREMENTS, MAYORAL PRECEPT – GENERAL COMPONENT

- 1.1 The Finance Order sets out the process and the timetable for determining the general component of the precept.

Stage 1

- 1.2 The Mayor must before 1st February notify the GMCA of the Mayor's draft budget in relation to the following financial year.
- 1.3 The draft budget must set out the Mayor's spending and how the Mayor intends to meet the costs of the Mayor's general functions, and must include "the relevant amounts and calculations".
- 1.4 "The relevant amounts and calculations" mean:
 - (a) estimates of the amounts to be aggregated in making a calculation under sections 42A, 42B, 47 and 48;
 - (b) estimates of other amounts to be used for the purposes of such a calculations;
 - (c) estimates of such a calculation; or
 - (d) amounts required to be stated in a precept.

Stage 2

- 1.5 The GMCA must review the draft budget and may make a report to the Mayor on the draft.
- 1.6 Any report:
 - (a) must set out whether or not the GMCA would approve the draft budget in its current form; and
 - (b) may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year
- 1.7 The Mayor's draft budget shall be deemed to be approved by the GMCA unless the Combined Authority makes a report to the Mayor before 8th February.

Stage 3

- 1.8 Where the GMCA makes a report under 1.5, it must specify a period of at least 5 working days within which the Mayor may:
 - (a) decide whether or not to make any revisions to the draft budget; and
 - (b) notify the GMCA of the reasons for that decision and, where revisions are made, the revised draft budget

Stage 4

- 1.9 When any period specified by GMCA under 1.8 has expired, the GMCA must determine whether to:

- (a) approve the Mayor's draft budget (or revised draft budget, as the case may be), including the statutory calculations; or
 - (b) veto the draft budget (or revised draft budget) and approve the Mayor's draft Budget incorporating GMCA's recommendations contained in the report to the Mayor in 1.5 (including recommendations as to the statutory calculations).
- 1.10 The Mayor's draft budget (or revised draft budget) shall be deemed to be approved unless vetoed within 5 working days beginning with the day after the date on which the period specified in 1.8 expires.
- 1.11 Any decision to veto the Mayor's budget and approve the draft budget incorporating the GMCA's recommendations contained in the report to the Mayor in 1.5 must be decided by a two-thirds majority of the members (or substitute members acting in their place) of the GMCA present and voting on the question at a meeting of the authority (excluding the Mayor).
- 1.12 Immediately after any vote is taken at a meeting to consider a question under 1.9, there must be recorded in the minutes the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

Appendix 2

CALCULATION OF AGGREGATE AMOUNTS UNDER SECTION 42A (2) AND (3) OF THE LOCAL GOVERNMENT FINANCE ACT 1992 UPDATED IN THE LOCALISM ACT 2011)

BUDGET SUMMARY 2022/23

Budget Summary 2022/23	Gross	Gross	Net
	Expenditure	Income	Estimate
	£000	£000	£000
Fire Service Budget	116,635	3,968	112,667
Other Mayoral General Budget	139,020	24,750	114,270
Capital Financing Charges	2,079	0	2,079
Contribution from balances/reserves	2,263	3,546	-1,283
Budget Requirement	259,997	32,264	227,733
Localised Business Rates		10,297	-10,297
Business Rate Baseline		40,922	-40,922
Services Grant		2,209	-2,209
Section 31 Grant - Business Rates		2,594	-2,594
Section 31 Grant - pensions		5,605	-5,605
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit	650	0	650
Precept requirement	260,647	180,591	80,056

CALCULATION OF TAX BASE

The Tax Base is the aggregate of the Tax Bases calculated by the District Councils in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992. These are currently estimated as:

<u>District</u>	Council Tax Base
Bolton	77,795.0
Bury	55,611.0
Manchester	126,735.0
Oldham	57,450.0
Rochdale	56,232.0
Salford	71,905.0
Stockport	96,883.1
Tameside	63,306.0
Trafford	77,601.0
Wigan	94,100.0
Total	777,618.1

AMOUNTS OF COUNCIL TAX FOR EACH BAND

2022/23	A	B	C	D	E	F	G	H
Costs for Band £	68.63	80.07	91.51	102.95	125.82	148.70	171.58	205.90

CALCULATION OF BAND D EQUIVALENT TAX RATE

	£
Net expenditure	259,996,989
Less funding	180,590,989
	79,406,000
Adjusted for estimated surplus(-)/deficit on collection funds	649,783
	<hr/>
Net budget requirement to be met from Council Tax	80,055,783
	<hr/>
Net budgetary requirement	80,055,783
Aggregate tax base	777,618.1
	<hr/>
Basic tax amount at Band 'D'	£102.95