



AGMA EXECUTIVE BOARD

DATE: Friday, 11th February, 2022

TIME: At the rise of the GMCA

VENUE: Council Chamber, Trafford Town Hall, Talbot Road,
Stretford, M32 0TH

SUPPLEMENTAL AGENDA

5. AGMA Budget Update 2021/22 and Budget 2022/23 1 - 8

Report of the GMCA Treasurer, Steve Wilson.

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 & Scrutiny
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This supplemental agenda was issued on 7 February 2022 on behalf of Julie Connor,
Secretary to the
Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

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AGMA Executive Board

Date: 11 February 2022
Subject: AGMA Budget Update 2021/22 and Budget 2022/23
Report of: Cllr David Molyneux, Portfolio Holder - Resources
Steve Wilson, Treasurer to AGMA / GMCA

Purpose of Report

The report sets out the revenue budget for the Association of Greater Manchester Authorities (AGMA) 2022/23. It also includes the forecast outturn position for 2021/22.

The proposed charges in respect of AGMA to be approved for 2022/23 are included within the report together with the recommended allocations to the District Councils of Greater Manchester.

Recommendations:

AGMA Executive Board is requested to:

- (i) note the report and the current AGMA revenue outturn forecast for 2021/22 shows a breakeven position;
- (ii) approve the budget relating to AGMA functions in 2022/23 as set out in section 2 of this report;
- (iii) approve the charges to the GM District Councils in support of the AGMA functions for 2022/23 of £704,000, as set out in Appendix 1 to this report, noting that this excludes items billed directly from lead districts; and
- (iv) note the forecast position on reserves as detailed in section 3 of the report.

Contact Officers

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<u>BOLTON</u>	<u>MANCHESTER</u>	<u>ROCHDALE</u>	<u>STOCKPORT</u>	<u>TRAFFORD</u>
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Report authors must identify which paragraph relating to the following issues:

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 – See section 4 of the report.

Financial Consequences – Revenue – The report sets out the out the budget position for 2021/22 and planned budget strategy for 2022/23.

Financial Consequences – Capital – There are no capital considerations contained within the report. Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

Background Papers

AGMA Executive Board: AGMA Budget Update 2020/21 and Budget 2021/22 - 12 February 2021

AGMA Executive Board: AGMA 2020/21 Final Outturn – 25 June 2021

1. AGMA FORECAST OUTTURN AND BUDGET UPDATE 2021/22

1.1 The forecast outturn position for the year ending 31 March 2022 is a breakeven position as set out in the table below:

Revenue Budget 2021/22	Approved Budget	Forecast Outturn	Variance
	£000	£000	£000
Resources Available			
Contribution from Districts	634	634	0
Contribution from Reserves	8	8	0
External income and contributions	46	46	0
Total	688	688	0
Call on Resources			
Police and Crime Panel	74	74	0
County Records	216	216	0
Specialist Trading Standards	62	62	0
GM Archaeology Service	138	138	0
Waste and Minerals Unit	60	60	0
Ecology Unit	138	138	0
Total	688	688	0
Net Position	0	0	0

2. PROPOSED AGMA BUDGET 2022/23

2.1 The proposed budget for 2022/23 is summarised in the table below:

AGMA Budget 2022/23	£000's
Resources Available:	
Contributions from Districts	704
Contributions from Reserves - General	8
External Income and Contributions	46
Total	758
Calls on Resources:	
Police and Crime Panel	74
County Records	216
Specialist Trading Standards	62
GM Archaeology Service	138
Waste and Minerals Unit	60
Ecology Unit	208
Total	758

2.3 The proposed budget for the Ecology Unit hosted by Tameside Council reflects an agreement with Directors of Place in the ten Greater Manchester local authorities to fund increased costs of £70k. The provision of non-core ecological services by the Unit benefits local authorities and GM wide services and contributes to nature conservation initiatives across GM.

2.4 The proposed 2022/23 AGMA budget is funded by a contribution from Districts of £704k which is an increase of £70k and a contribution from GMCA of £46k and use of £8k from reserves.

3. RESERVES

3.1 The position on General AGMA reserves at 31st March 2021 reported to AGMA Executive Board on 25th June 2021 was £764k. The forecast balance for 31st March 2022 is £756k.

AGMA Reserves	Actual Balance as at 31-Mar-21 £000	Forecast Transfer (in)/out 2021/22 £000	Forecast Balance as at 31-Mar-22 £000	Forecast Transfer (in)/out 2022/23 £000	Forecast Balance as at 31-Mar- 23 £000
<u>General Revenue Reserves</u>					
General AGMA Reserves	(764)	8	(756)	8	(748)
TOTAL	(764)	8	(756)	8	(748)

3.2 A review of level reserves will take place as part of the 2021/22 outturn position.

4. LEGAL CONSIDERATIONS

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

4.2 In exercising its fiduciary duty the Authority should be satisfied that the proposals put forward are a prudent use of the Authority's resources in both the short and long term and that they are acting in good faith for the benefit of the community whilst complying with all statutory duties.

Duties of the Treasurer (Chief Finance Officer)

4.3 The Local Government Finance Act 2003 requires the Chief Finance Officer to report to the Authority on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The Authority has a statutory duty to have regard to the Chief Finance Officer's report when making decisions about the calculations.

4.4 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Authority to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Authority must take such action as it considers necessary to deal with the situation. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

4.5 Under Section 114 of the Local Government Finance Act 1988, where it appears to the Chief Finance Officer that the expenditure of the AGMA 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 Authority.

4.6 The report must be sent to the Authority's External Auditor and every member of the Authority and the Authority must consider the report within 21 days at a meeting where it must decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it. In the intervening period between the sending of the report and the meeting which considers it, the authority is prohibited from entering into any new agreement which may involve the incurring of expenditure (at any time) by the authority, except in certain limited circumstances where expenditure can be authorised by the Chief Finance Officer. Failure to take appropriate action in response to such a report may lead to the intervention of the Authority's Auditor.

Reasonableness

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

Risks and Mitigation

- 4.8 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.

Basis of Apportionment of Costs to District Authorities

- 4.9 The amount payable by each Council is determined by apportioning the costs between the Councils in such proportions as they (unanimously) agree or, in default of such agreement in proportion to the resident population. Appendix 1 details the apportionment of costs across the Districts.
- 4.10 The remaining functions, with the exception of those listed below, are apportioned to Districts on a population basis.
- Police and Crime Panel Support – Historic funding split 17% Manchester City Council and the remaining 83% split equally to the remaining nine Districts
 - County Records Unit – Each District pays an equal Contribution

5. RECOMMENDATIONS

- 5.1 Detailed recommendations appear at the front of this report.

