

GREATER MANCHESTER COMBINED AUTHORITY

DATE: Friday, 30th June, 2023

TIME: 10.00 am

VENUE: Conference Rooms 1 & 2 - (Greater Manchester Pension Fund building), Guardsman Tony Downes House, 5 Manchester Road, Droylsden, M43 6SF

AGENDA

- 15. 2022/23 GMCA Provisional Capital Outturn** 1 - 22

Report of Councillor David Molyneux, Portfolio Leader for Resources & Investment

- 16. 2022/23 GMCA Provisional Revenue Outturn** 23 - 42

Report of Councillor David Molyneux, Portfolio Leader for Resources & Investment

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

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Name	Organisation	Political Party
Councillor Arooj Shah	Oldham Council	Labour
GM Deputy Mayor Kate Green	GMCA	Labour
Councillor Tom Ross	Trafford	Labour
Councillor Mark Hunter	Stockport	Liberal Democrats
Councillor Gerald Cooney	Tameside Council	Labour
Councillor Neil Emmott	Rochdale	Labour
Councillor Eamonn O'Brien	Bury Council	Labour
GM Mayor Andy Burnham	GMCA	Labour
Asst. Deputy Mayor Beverley Hughes	GMCA	Labour
City Mayor Paul Dennett	Salford City Council	Labour
Councillor David Molyneux	Wigan Council	Labour
Councillor Bev Craig	Manchester CC	Labour
Councillor Nicholas Peel	Bolton Council	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

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This agenda was issued on 26 June 2023 on behalf of Julie Connor, Secretary to the
Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

Date: 30 June 2023

Subject: GMCA Capital Outturn 2022/2023

Report of: Councillor David Molyneux, Portfolio Lead for Resources and Steve Wilson,
Treasurer

Purpose of Report

This report is to inform members of the Greater Manchester Combined Authority of the capital outturn for 2022/2023.

Recommendations:

The GMCA is requested to:

1. Note the 2022/23 actual outturn capital expenditure of £442.6m compared to the forecast position presented to GMCA on 10 February 2023 of £462.1m.

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Equalities Impact, Carbon and Sustainability Assessment:

There are no specific equalities impact, carbon and sustainability issues contained within this report.

Risk Management

An assessment of major budget risks faced by the authority are carried out quarterly as part of the reporting process – at the present time a significant proportion of the capital budget is funded through grant. In order to mitigate the risk of monetary claw back the full programme is carefully monitored against the grant conditions and further action would be taken as necessary.

Legal Considerations

There are no specific legal implications contained within the report.

Financial Consequences – Revenue

There are no specific revenue considerations contained within the report.

Financial Consequences – Capital

The report reports the actual capital expenditure for 2022/23.

Number of attachments to the report: None

Background Papers

GMCA Capital Programme 2021/22 – 2024/25 - 11 February 2022

GMCA 2022/23 Capital Update – Quarter 1 – 29 July 2022

GMCA 2022/23 Capital Update – Quarter 2 – 28 Oct 2022

GMCA 2022/23 Capital Update – Quarter 3 – 10 February 2023

Transport Capital Programme – 26 May 2023

Tracking/ Process

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

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?

GM Transport Committee

Overview and Scrutiny Committee

1. Introduction/Background

- 1.1 The Greater Manchester Combined Authority (GMCA) approved the 2022/23 capital programme at its meeting on 11 February 2022. Updated forecast positions have been provided on a quarterly basis during 2022/23.
- 1.2 GMCA's capital programme includes Greater Manchester Fire and Rescue Services, Economic Development and Regeneration programmes, Waste and Resources Service and the continuation of the programme of activity currently being delivered by GMCA, Transport for Greater Manchester (TfGM) and Local Authorities including the following elements:
- a) The Greater Manchester Transport Fund ('GMTF');
 - b) Metrolink Trafford Park Line Extension;
 - c) Clean Air Schemes including Early Measures Investment Fund (EMIF), Clean Bus Initiatives, Office for Zero emissions Vehicles (OZEV), Electric Vehicles (EV), Taxi, EV Taxi Infrastructure, Clean Air Zones (CAZ), Financial Support Schemes (FSS) and DEFRA Air Quality Monitoring with expenditure met in full from government grant;
 - d) City Regions Sustainable Transport Settlement (CRSTS) funded schemes;
 - e) Other capital projects and programmes including Transforming Cities Fund 1, Active Travel, Cycle City Ambition Grant (CCAG 2), Rail – Access for All, Cycle Safety, Bus Franchising and Zero Emission Buses Regional Areas (ZEBRA);
 - f) Transport Growth Deal Major Schemes;
 - g) Minor Works (including schemes funded by Integrated Transport Capital Block and Growth Deal);
 - h) Capital Highways Maintenance, Traffic Signals and Full Fibre;
 - i) Investments including Growing Places, Regional Growth Fund and Housing Investment Fund;
 - j) Economic Development and Regeneration Growth Deal Schemes;
 - k) Fire and Rescue Service Schemes; and
 - l) Waste and Resources Schemes.

- 1.3 The actual expenditure for 2022/23 was £442.6m compared to a forecast for 2022/23 presented to GMCA on 10 February 2023 of £462.1m. This is summarised in Appendix A and the major variances are described in this report. The financing of capital expenditure in 2022/23 is provided in section 7.
- 1.4 It should be noted that this report is a draft of the expected outcome of the 2022/23 capital outturn position, ahead of the audit of the Statement of Accounts, however it is not anticipated that there will be any material changes to the position presented in this report.
- 1.5 Measures are in place to identify and manage inflation and other cost pressures within project budgets as set out in the May 2023 Transport Capital Programme report.

2. Transport Schemes

2.1 Greater Manchester Transport Fund (GMTF)

- 2.1.1 The GMTF programme is funded from a combination of grants from the Department for Transport; a 'top slice' from the Greater Manchester Integrated Transport Block (ITB) Local Transport Plan (LTP) funding; and from a combination of borrowings, to be undertaken by GMCA, and partly from local/third party contributions and local resources (including LTP and prudential borrowing).
- 2.1.2 The GMTF was established on the basis that GMCA would repay the borrowings in full by 2045, in part through the application of Metrolink net revenues (being Metrolink revenues, net of operating, maintenance and other related costs); in part by the application of the annual ring-fenced levy contributions, which will be raised by GMCA, under its levying powers and in part from local, third party, revenue contributions.
- 2.1.3 The GMCA Revenue Outturn 2022/23, on the agenda for this meeting, includes further detail on the overall revenue funding position, including in relation to Metrolink net revenues and financing costs.

Metrolink Programme

- 2.1.4 The Metrolink GMTF Programme includes the close out of certain activities relating to the Phase 3 expansion programme as well as other service and operational improvement works to the network.

2.1.5 The total expenditure on these works for 2022/23 was £3.1m compared to a previous forecast of £3.3m. The variance is primarily due to the rephasing of some works into 2023/24.

2.1.6 The total outturn cost is within the total approved budget.

Metrolink Renewals and Enhancements

2.1.7 The Metrolink Renewals and Enhancements programme has historically been funded by prudential borrowings, with repayments being made from Metrolink net revenues. However, because of COVID-19 and the associated impact on Metrolink revenues, the programme has been reprioritised, with only works that are either safety or operationally critical currently being delivered. The works are now funded from a mixture of borrowings and grant, including the City Regional Sustainable Transport Settlement (CRSTS).

2.1.8 The total expenditure for 2022/23 was £14.7m compared to a previous forecast of £15.2m. The variance is due to outturn capital costs being lower than anticipated.

2.1.9 The total outturn cost is within the total approved budget.

Park and Ride

2.1.10 The total expenditure for 2022/23 was £0.01m, which is in line with the previous forecast.

2.1.11 The total outturn cost is within the total approved budget.

Bus Priority Programme

2.1.12 The total expenditure for 2022/23 was £0.3m, compared to the previous forecast of £0.2m. The variance is due to agreeing certain final accounts earlier than forecast.

2.1.13 The total outturn cost is within the total approved budget.

Interchanges

2.1.14 The total expenditure for 2022/23 was £0.1m, against a previous forecast of £0.01m. The variance is due to ongoing progress in closing out final accounts.

2.1.15 The total outturn cost is within the total approved budget.

2.2 A6 to Manchester Airport Relief Road (A6MARR)

- 2.2.1 Stockport Council is responsible for the delivery of the A6MARR, resulting in the expenditure largely comprising grant payments to Stockport MBC.
- 2.2.2 The total expenditure for 2022/23 was £3.1m, compared to a previous forecast of £2.7m. The variance is due to the earlier than forecast completion of land transactions.
- 2.2.3 The total outturn cost is within the total approved budget.

2.3 Metrolink Trafford Park Extension

- 2.3.1 The total expenditure for 2022/23 was £0.5m, compared to a previous forecast of £0.2m. The variance is due to the earlier than forecast completion of land transactions.
- 2.3.2 The total cost is within the total approved budget.

2.4 Transforming Cities Fund – First Allocation (TCF1)

- 2.4.1 The programme includes:
 - a) The Metrolink Additional Capacity Programme; and
 - b) The Mayor’s Cycling and Walking Challenge Fund (MCF)
- 2.4.2 The Metrolink Additional Capacity programme 2022/23 actuals include the remaining delivery and acceptance of the trams and associated additional supporting infrastructure. The total expenditure for 2022/23 is £12m, which is in line with the previous forecast.
- 2.4.3 The Cycling and Walking Challenge Fund includes 127 schemes. Overall programme management and design assurance is undertaken by TfGM. Most schemes are delivered by the Local Authorities. The total expenditure for 2022/23 is £29.2m, compared to a previous forecast of £30.9m. The variance is due to the rephasing of certain works into 2023/24.
- 2.4.4 The total outturn costs are within the total approved budgets.

2.5 Active Travel Fund (ATF 2 and 3) and Cycle Safety Grant

- 2.5.1 The Active Travel Fund programme (ATF 2 and 3) comprises 26 cycling and walking infrastructure schemes. The ATF capital programme is being delivered by the Local Authorities. The total expenditure for 2022/23 is £2.8m, compared to a

previous forecast of £3.3m. The variance is predominantly due to the rephrasing of certain works into 2023/24.

2.5.2 The total outturn costs are within the total approved budget.

2.6 Clear Air Programme

2.6.1 This is a range of Clean Air schemes which are funded entirely through grant funding from central government.

2.6.2 The 'Case for a new Greater Manchester Clean Air Plan' was submitted to the Secretary of State in draft on 1 July 2022 and confirmed as an approved document, following a meeting of the Greater Manchester Air Quality Administration Committee on 17 August 2022. The costs to date and all future costs are fully funded by the Government's Joint Air Quality Unit. The current forecast included for the Clean Air Plan is broadly in line with original budget and the previous forecast.

2.6.3 In January 2023, government asked GM for additional evidence to support the case for a non-charging Clean Air Plan. GM leaders responded with initial evidence. This showed how investment in zero-emission buses will help GM meet legal limits for nitrogen dioxide on the A58 Bolton Road in Bury with the launch of regulated bus services in Wigan and Bolton. Government has also asked GM to model how its investment-led approach performs (in terms of delivering compliance with legal nitrogen dioxide levels) against the 'benchmark' of a charging clean air zone to address the nitrogen dioxide exceedances identified in central Manchester and Salford. An update to GM's Air Quality Administration Committee will be provided in July.

2.6.4 The total 2022/23 expenditure was £19.8m, compared to a previous forecast of £20.6m with the reasons for this being set out above.

2.6.5 The total cost is within approved budgets for this programme.

2.7 Other Capital Schemes and Programmes

2.7.1 The other capital schemes and programmes include:

- a) Cycle City Ambition Grant (CCAG2) funded schemes; and
- b) Rail – Access for All

2.7.2 The total 2022/23 expenditure for CCAG 2 was £0.1m, which is in line with the previous forecast.

2.7.3 The total 2022/23 expenditure for the Access for All Programme was £1.0m, which is in line with the previous forecast.

2.7.4 The total outturn costs are within the total approved budgets for these programmes.

2.8 Bus Franchising

2.8.1 The total 2022/23 expenditure was £19.6m, compared to a previous forecast of £30.9m. The variance is predominantly related to ongoing negotiations for the bus depots resulting in costs being rephased into future years.

2.8.2 The 2022/23 expenditure includes costs funded from CRSTS local matched funding contributions met from borrowings.

2.8.3 The total outturn cost is within the total approved budget.

2.9 City Region Sustainable Transport Settlement (CRSTS)

2.9.1 The total 2022/23 expenditure for CRSTS funded schemes is £77.6m, compared to a previous forecast of £77.3m. The variance is predominantly due to Local Authority Strategic Maintenance works undertaken being higher than forecast, offset by Tram Train and Bus Infrastructure Corridor development works and Bus Franchising ticketing infrastructure works being rephased into 2023/24.

2.9.2 The total cost is within the total approved budget for this programme.

2.10 Zero Emission Buses Regional Areas (ZEBRA)

2.10.1 The ZEBRA project has received £35.7m of Department for Transport Zero Emission Buses Regional Areas funding and £12.5m funded from prudential borrowing.

2.10.2 The total 2022/23 expenditure was £0.2m compared to a previous forecast of £0.5m. The variance is due to rephasing of depot electrification works into 2023/24.

2.10.3 The total outturn cost is within the total approved budget for this programme.

2.11 Transport Local Growth Deal 1 Majors Schemes

2.11.1 The Transport Local Growth Deal 1 and 3 Majors Programme consists of 15 major schemes (excluding Stockport Town Centre Access Plan (TCAP) which are being delivered by TfGM and the Local Authorities. The total 2022/23 expenditure was £58.3m, compared to a previous forecast of £52.5m. The variance is

predominantly due to construction activities on Stockport Interchange taking place ahead of schedule.

2.11.2 The 2022/23 expenditure includes costs funded from the CRSTS grant.

2.11.3 The total outturn costs are within the total approved budget for all projects.

2.12 Minor Works

2.12.1 The Minor Works schemes are being delivered by TfGM and the Local Authorities

2.12.2 The total 2022/23 expenditure on these schemes is £3.1m compared to a previous forecast of £2.9m. The variance is due to works being completed ahead of forecast.

2.12.3 The total outturn costs are within the total approved budgets.

2.13 Traffic Signals

2.13.1 The total 2022/23 expenditure is £3.3m. All traffic signals are externally funded and the annual amount will fluctuate year on year dependant on the level of new installations and developments

2.14 Full Fibre Network

2.14.1 The total 2022/23 expenditure to the non-Fire elements is £0.5m. The scheme is now largely complete.

2.15 GM One Network

2.15.1 Following installation of full fibre network, the GM One Network project will provide the equipment to 'light the fibre' that has been installed at the public sector sites. The total spend in 2022/23 is £0.1m and the outstanding budget will be rephased in 2023/24.

3 Economic Development and Regeneration

3.1 Regional Growth Fund (RGF)

3.1.1 The RGF of £65m was secured by GM through two rounds of bidding in 2012/13 and 2013/14. The RGF has supported eligible projects and programmes raising private sector investment to create economic growth and employment. Some schemes that were due to complete in the final quarter of 2022/23 are now expected in 2023/24.

3.2 Growing Places

3.2.1 The Growing Places Fund originally secured by GM in 2012/13 totalled £34.5m of capital grant funding which is being used to provide up front capital investment in schemes. Some schemes that were due to complete in the final quarter of 2022/23 are now expected in 2023/24.

3.3 Housing Investment Fund

3.3.1 The Greater Manchester Housing Investment Fund has been designed to accelerate and unlock housing schemes. It will help build the new homes to support the growth ambitions across Greater Manchester. To facilitate this government has provided a £300m loan to provide the up-front funding and loans are approved by GMCA. Some schemes that were due to complete in the final quarter of 2022/23 are now expected in 2023/24.

3.4 Skills Capital Round 2 and 3

3.4.1 The expenditure in 2022/23 of £2.2m is in line with previous forecast position.

3.5 Life Sciences Fund 1 and 2

3.5.1 The Greater Manchester and Cheshire Life Sciences Fund is a seed and early-stage venture capital fund targeting life sciences businesses located in the Greater Manchester and Cheshire and Warrington region. The total cost is within the previous forecast.

3.6 Pankhurst Institute

3.6.1 No expenditure was incurred in 2022/23 and the project has been rephased into 2023/24.

3.7 Brownfield Land Fund

3.8.1 The expenditure in 2022/23 was £42.0m. Various schemes that were not expected to be achieved in year were able to complete and the full allocation of grant funding was utilised.

3.9 Affordable Homes

3.9.1 The total outturn is £0.01m which is lower than previous forecasts. Timing of payments of grants is dependent on schemes coming forward and grant is claimed in arrears.

3.10 Public Sector Decarbonisation Scheme

- 3.10.1 The 2021/22 PSDS 1 programme was carried forward to reflect agreed carry forward to 2022/23 of £43.0m to be spent by end of June 2022. The programme has now successfully completed and final claim submitted with final spend in 2022/23 being £40.7m.
- 3.10.2 The outturn for 2022/23 for PSDS 3a single-year is £11.1m and is within budget. This scheme is now complete.
- 3.10.3 Grant award for PSDS 3a multi-year was made during 2022/23 and spend in year is £0.4m. Remaining grant award will be reprofiled into 2023/24.

3.11 Homelessness Rough Sleeper Programme

- 3.11.1 This scheme will deliver 60 units of accommodation and an associated support contract, with accommodation acquired by Resonance and leased to Let Us (GM Ethical Letting Agency) for a period of 30 years. Total outturn for 2022/23 is £1.3m and the remaining grant will be reprofiled into 2023/24.

3.12 Green Homes

- 3.12.1 Spend is now complete on this scheme and underspends have been returned to central government.

3.13 Social Housing Decarbonisation

- 3.13.1 The total expenditure in 2022/23 was £0.3m and the project was granted an extension. The underspend will need rephasing into 2023/24.

3.14 UK Shared Prosperity Fund

- 3.14.1 The UK Shared Prosperity Fund is a central pillar of central government's Levelling Up agenda and a significant component of central government's support for places. The GMCA is lead authority for Greater Manchester and the amounts included in the budget are the minimum capital spend percentages set out in the national prospectus. Funds have been committed to schemes but expenditure will be rephased into 2023/24.

3.15 Homelessness Accommodation Project

- 3.15.1 This project had grant funding of £3.9m to support the leasing of good-quality properties for homeless families and contribute to efforts to eliminate the use of

'Bed and Breakfast' accommodation for homeless families. The initial funding has been further supplemented by the successful bid for in-year funding from DLUHC with an additional £5m being allocated to this scheme. All monies were expended in 2022/23.

3.16 Hive Homes Housing Supply Acceleration

3.16.1 The Authority was successful in its bid for in-year capital funding from DLUHC meaning that this scheme was able to be added to the capital programme in late March 2023. The scheme enables accelerated delivery of six housing schemes. All monies were expended during 2022/23.

4. Fire and Rescue Service

4.1 Estates

4.1.1 Estates underspend of £0.5m is mainly in relation to the reprofile of works across the various Phase 1 Estates Strategy projects, the remaining budget has been slipped to 2023/24.

4.2 ICT

4.2.1 There are 3 main areas of slippage within the ICT capital programme:

- a) Programme for Change (PfC) Investment
- b) Emergency Services Mobile Communication Project (ESMCP)
- c) Local Full Fibre Network (LFFN)

4.2.2 An assessment of the remaining PfC Investment will be undertaken within Q1 2023/24 to ascertain the future plan and requirement of the budget.

4.2.3 The ESMCP has been paused by government, however, local requirements may be needed, therefore, a remaining budget need.

4.2.4 The majority of the budget has been utilised within the LFFN project, the residual budget will be utilised early 2023/24 when the remaining spend is expected.

4.3 Vehicles & Equipment

4.3.1 Transport is within budget as forecast at quarter 3. The value of spend is in relation to the purchase of the High Reach Extendable Turret (HRET), the Polaris vehicles for wildfire capability and first stage payments for 12 fire appliances.

4.3.2 A number of small capital projects within the equipment programme have slipped into future years as a result of supply chain issues, however, all projects are underway and are progressing.

4.4 Sustainability

4.4.1 The budget allocation for 2022/23 in respect of on-going sustainability requirements has remained unspent due to the focus on specific projects in relation to the Public Sector Decarbonisation Scheme (PSDS). It is proposed that the allocation is rolled to 2023/24.

4.5 Waking Watch Relief Fund

4.5.1 The Relief Fund element of the Waking Watch project has been utilised with a small underspend in year, however, the Replacement Fund spend is yet to be incurred. Work is underway to identify and assess bids and distribution of the funding made available for the City Region for the replacement of waking watch through the installation of alarm systems.

4.5.2 The remaining budget from 2022/23 will roll forward to 2023/24 fully funded by Government.

5. Waste and Resources

5.1 Operational Assets

5.1.1 The outturn for operational assets is within forecast. The paper and card project at Bredbury Park Way, Bredbury was cancelled and is not now required and the new Household Waste Recycling Centre (HWRC) at Reliance Street, Newton Heath has been delayed. This project was always forecast to be over more than one year and the budget will need to be reprofiled into 2023/24.

5.2 Non-Operational Assets

5.2.1 The spend on non-operational assets is also within budget. The drainage works at the north of Bredbury former landfill site have been completed with a saving of £0.7m. The culvert improvements works at Waithlands former landfill site have been delayed due to works on the operational assets and timings on when the works can take place during the year. This project will need reprofiling into 2023/24.

6. Police and Crime Commissioner

6.1 Reducing Reoffending

- 6.1.1 A sum of £0.4m was set aside from underspends to give to Greater Manchester Integrated Rehabilitative Services (GMIRS) providers to enable them to strengthen the offer for people on probation. Expenditure of £0.2m was incurred in 2022/23 with the remaining spend to take place in 2023/24.

7. Funding Requirements

- 7.1 Below are the funding arrangements for 2022/23:

Financed by:	£000
Borrowing	32,740
Capital Grants	178,429
External Contributions	3,319
External Contributions TfGM	34,967
Total Transport	249,456
Capital Grants	128,034
Revenue Contribution to Capital Outlay	591
Useable Capital Receipts	45,611
Total Economic Development and Regeneration	174,236
Borrowing	8,525
Capital Grants	900
Revenue Contribution to Capital Outlay	285
Total Fire and Rescue Service	9,711
Borrowing	8,767

Financed by:	£000
Useable Capital Receipts	240
Total Waste	9,007
Revenue Contribution to Capital Outlay	197
Total PCC	197
Total Funding	442,607

Financed by:	£000
Borrowing	50,032
Capital Grants	307,363
Revenue Contribution to Capital Outlay	1,074
Capital Receipts	45,852
External Contributions	3,319
External Contributions TfGM	34,967
Total Funding	442,607

Appendix A – Capital outturn 2022/23

	Budget 2022/23 £'000	Previous 2022/23 Forecast £'000	Provisional 2022/23 Outturn £'000	Variance £'000
Greater Manchester Transport Fund Schemes				
Metrolink Programme	5,871	3,296	3,133	163
Metrolink Renewals and Enhancements	10,217	15,182	14,651	531
Park and Ride	8	67	13	54
Bus Priority Programme	186	184	316	(132)
Interchange Programme	54	15	107	(92)
Greater Manchester Transport Fund Schemes Total	16,336	18,744	18,220	524
Road Schemes (Stockport)				
A6 MARR / SEMMMS	6,204	2,675	3,077	(402)
Stockport Council Schemes total	6,204	2,675	3,077	(402)
Other Metrolink Schemes				
Trafford Extension	410	233	532	(299)
Other Metrolink Schemes total	410	233	532	(299)

	Budget 2022/23 £'000	Previous 2022/23 Forecast £'000	Provisional 2022/23 Outturn £'000	Variance £'000
Clean Air Schemes				
Clean Air Schemes (fully government grant funded)	18,616	20,564	19,797	767
Clean Air Schemes total	18,616	20,564	19,797	767
Other TfGM Capital Schemes				
CCAG 2	-	112	112	-
TCF - Mayors Challenge Fund	39,700	30,915	29,154	1,761
TCF - Metrolink Capacity Improvement Programme	15,044	12,039	12,092	(53)
Active Travel Fund & Cycle Safety	10,235	3,347	2,759	588
Access For All	2,716	1,025	974	51
ZEBRA	-	504	197	307
Bus Franchising	37,510	30,933	19,563	11,370
Other TfGM Capital Schemes total	105,205	78,875	64,852	14,023
Growth Deal				
TfGM Majors	48,608	48,893	54,706	(5,813)
Local Authorities Majors	3,669	3,588	3,602	(14)
Growth Deal total	52,277	52,481	58,308	(5,827)

	Budget 2022/23 £'000	Previous 2022/23 Forecast £'000	Provisional 2022/23 Outturn £'000	Variance £'000
Minor Works				
ITB Local Authorities	970	837	857	(20)
Growth Deal 1 & 2 Local Authorities	1,497	1,411	1,655	(244)
Growth Deal 2 TfGM Schemes	55	67	71	(4)
Growth Deal 3 TfGM schemes	1,077	591	509	82
Growth Deal 3 Local Authorities	-	14	14	-
Minor Works total	3,599	2,920	3,106	(186)
CRSTS				
Bus CRSTS	6,900	22,302	20,632	1,670
Active Travel CRSTS	-	-	-	-
Interchanges CRSTS	-	400	239	161
Rail CRSTS	1,695	931	1,305	(374)
Other CRSTS	3,055	-	-	-
Metrolink CRSTS	60	639	4	635
Local Authority CRSTS	-	53,053	55,464	(2,411)
Total CRSTS	11,710	77,325	77,643	(318)

	Budget 2022/23 £'000	Previous 2022/23 Forecast £'000	Provisional 2022/23 Outturn £'000	Variance £'000
Full Fibre Network	3,344	1,050	545	505
GM One Network	12,053	3,084	55	3,029
Traffic Signals	2,500	2,500	3,321	(821)
Total Other Transport	17,897	6,634	3,921	2,713
Total Capital - Transport	232,254	260,451	249,456	10,995
Affordable Homes	200	14	14	-
Angels Funding Programme	-	-	375	(375)
Brownfield Fund	18,000	17,909	41,964	(24,055)
Green Homes Grant	21,457	11,735	11,450	285
Growing Places	8,444	11,008	2,577	8,431
Life Sciences	489	3,262	3,262	-
Skills Capital	1,404	2,231	2,231	-
Homelessness Rough Sleeper Programme	-	2,796	1,342	1,454
Housing Investment Fund	80,444	45,038	37,142	7,896
Public Sector Decarbonisation	20,589	53,950	52,131	1,819
Social Housing Decarbonisation	-	10,473	293	10,180

	Budget 2022/23 £'000	Previous 2022/23 Forecast £'000	Provisional 2022/23 Outturn £'000	Variance £'000
Regional Growth Fund	5,000	9,163	5,055	4,108
Homelessness Accommodation Leasing	-	3,900	8,900	(5,000)
Hive Homes Housing Supply Acceleration	-	-	7,500	(7,500)
Pankhurst Institute	793	793	-	793
UK Shared Prosperity Fund	-	1,018	-	1,018
Total Capital – Economic Development and Regeneration	156,820	173,290	174,236	(946)
Estates	12,666	5,661	5,158	725
Health & Safety	-	82	83	(83)
ICT	1,574	2,617	1,400	1,262
Sustainability	240	484	226	373
Transport	7,634	3,803	2,557	4,352
Waking Watch Relief	-	728	287	2,441
Total Capital – Fire & Rescue Service	22,114	13,375	9,711	9,070
Operational Sites	9,004	14,235	8,596	2,508
Non-Operational Sites	1,350	700	411	939
Total Capital – Waste & Resources Service	10,354	14,935	9,007	3,447

	Budget 2022/23 £'000	Previous 2022/23 Forecast £'000	Provisional 2022/23 Outturn £'000	Variance £'000
Reducing Reoffending	-	-	197	(197)
Total Capital – Police and Crime Commissioner	-	-	197	(197)
Total Capital	421,542	462,051	442,607	22,369

Date: 30th June 2023
 Subject: GMCA Revenue Outturn 2022/23
 Report of: Cllr David Molyneux, Portfolio Holder - Resources
 Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT

This report is to inform members of the Greater Manchester Combined Authority provisional revenue outturn for 2022/23.

RECOMMENDATIONS:

1. The GMCA is requested to approve:
 - The drawdown of £1.9m from TfGM General Reserves to fund the cost of the voluntary severance scheme which will deliver savings for 2023/24 onwards, as set out in paragraph 6.12;
 - The drawdown of £2.3m to fund the net deficit from Metrolink in 2022/23 which is funded from a ring fenced Metrolink Reserve held by TfGM, as set out in paragraph 6.17.

2. The GMCA is requested to note:
 - The Mayoral General Budget provisional revenue outturn position for 2022/23 is breakeven after planned transfer to earmarked reserves;
 - The GMCA General Budget provisional revenue outturn position for 2022/23 is £0.949m which will be transferred to earmarked reserves;
 - The Mayoral General – GM Fire & Rescue provisional revenue outturn position for 2022/23 is breakeven after planned transfer to earmarked reserves;
 - The Waste and Resourcing provisional revenue outturn position for 2022/23 is an underspend of £33.8m, to be transferred to earmarked reserves;
 - The GMCA Transport and TfGM provisional revenue outturn positions for 2022/23 are breakeven after transfers between earmarked reserves;

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

- £3.1m was added to the TfGM concessionary reserve due to underspend in the year which has been ring-fenced for future spend on bus costs;
- The final position is subject to the submission of the audited accounts to be finalised by 30th November 2023 and to be reported to the GMCA Audit Committee prior to the deadline.

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Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – An assessment of major budget risks faced by the authority are carried out quarterly as part of the reporting process – the risks are identified within the report.

Legal Considerations – There are no specific legal implications with regards to the 2022/23 budget update.

Financial Consequences – Revenue – The report sets out the provisional outturn position for 2022/23.

Financial Consequences – Capital – There are no specific capital considerations contained within the report.

Number of attachments included in the report: 0

BACKGROUND PAPERS:

GMCA Budget Reports – 11th February 2022

GMCA Revenue Update Quarter 1 - 2022/23 – 29th July 2022
GMCA Revenue Update Quarter 2 – 2022/23 – 28th October 2022
GMCA Revenue and Capital Budget Reports – 10th February 2023
Revenue Update Quarter 3 – 2022/23 – 10th February 2023

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?

N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the 2022/23 provisional revenue outturn position in relation to the GMCA General, Mayoral, GM Fire and Rescue, Waste and Resources and Transport, including Transport for Greater Manchester (TfGM).
- 1.2 It should be noted that this report is a draft of the expected outcome of the 2022/23 financial position, ahead of the audit of the Statement of Accounts, however it is not anticipated that there will be any significant changes. The statutory deadline for submission of audited accounts is 30th November 2023 which will be reported to the GMCA Audit Committee prior to this deadline.
- 1.3 The table below shows the summary of the provisional outturn position for budgets in this report.

Summary 2022/23 Provisional Outturn	Approved Budget			Provisional Outturn			Variance from Budget		
	Exp	Income	Total	Exp	Income	Total	Exp	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
GMCA General	242,620	-242,620	0	270,091	-271,041	-949	27,471	-28,421	-949
Mayoral	139,020	-139,020	0	127,850	-127,850	0	-11,170	11,170	0
GMFRS	119,543	-119,543	0	120,679	-120,679	0	1,136	-1,136	0
Waste	164,840	-164,840	0	119,457	-153,269	-33,812	-45,383	11,571	-33,812
Transport inc:	282,000	-282,000	0	337,734	-337,734	0	55,734	-55,734	0
Transport (TfGM)	217,021	-217,021	0	269,708	-269,708	0	52,687	-52,687	0

2. GMCA GENERAL BUDGET

- 2.1 The original budget for 2022/23 for the GMCA Revenue General budget approved in February 2022 was £242.620m. Throughout the financial year as part of the quarterly update reports the budget has been revised to reflect changes in funding.
- 2.2 The provisional outturn position for 2022/23 is an underspend of £0.949m. This a net underspend following transfer to earmarked reserves to provide £1m to support Districts with GM transformation activity as previously reported and £3m to support implementation of the Trailblazer Devolution deal. The position reflects significant additional income earned from interest on short term deposits resulting from an increase in interest rates.

2.3 The table below shows the original expenditure and income budgets approved in February 2022, the forecast outturn at quarter 3 reported in February 2023, the provisional outturn for 2022/23 and the variance compared to the original budget.

GMCA Revenue General Budget 2022/23 Provisional Outturn	Original Budget	Quarter 3 Forecast	Provisional Outturn	Variance
	£000	£000	£000	£000
Expenditure:				
GMCA Corporate	20,965	21,101	22,952	1,987
Core Investment Team	6,355	5,000	10,364	4,009
Digital	2,597	2,983	3,172	575
Economy	18,499	18,524	15,450	-3,049
Environment	758	5,527	4,038	3,280
Place	6,707	21,823	18,922	12,215
Public Service Reform	30,960	41,086	39,799	8,839
Work and Skills	155,779	153,850	155,394	-385
Total Expenditure	242,620	269,894	270,091	27,471
Funded by:				
Government Grants	-180,133	-204,676	-191,594	-11,461
District Contributions	-8,603	-8,603	-8,603	0
Internal Recharges	-18,995	-17,946	-22,497	-3,502
Earmarked Reserves	-20,010	-23,349	-22,431	-2,421
Other Income	-14,879	-16,168	-25,916	-11,037
Funding	-242,620	-270,742	-271,041	-28,421
Net Expenditure	0	-848	-949	-949

Corporate Services

2.3 GMCA Corporate Services provide support for the whole of GMCA including Fire and Rescue Service, Police and Crime Commissioner, Waste and Resources and Transport. The Corporate functions include services such as Strategy, Research, ICT, Human Resources, Organisational Development, Finance, Internal Audit and Risk, Commercial Services, Legal and Governance. Funding of GMCA corporate functions is predominantly from recharges within the GMCA and to grants, external funding and District contributions.

2.4 The original approved budget for 2022/23 was £21m and the 2022/23 gross expenditure was £23m. The increase of £2m relates to expenditure on new activity funded by additional external income of £0.8m and budget pressures of £1.2m previously reported and included as part budget planning for 2023/24.

Core Investment Team

- 2.5 Whilst the outturn position on the Core Investment Team shows an increase of £4m compared to the original budget, it does not impact the overall position for GMCA. Expenditure will vary due to investments agreed during the financial year fully funded from returns from investment activity with surpluses/deficits transferred to earmarked reserves.

Digital

- 2.6 The GM Digital team is committed to delivering on the GM Digital Strategy through a three year approach set out in the GM Digital Blueprint. GM Digital collaborates across the GM digital system which includes industry, universities, health, Voluntary, Community and Social Enterprise (VCSE) sector to create opportunities, maximise outcomes and generate inward investment.
- 2.7 The 2022/23 original budget for Digital was £2.6 million, which included the key programmes of GM Connect, GM Digital Strategy and Smart Residents Data Exchange Platform, Local Full Fibre Network and GM One Network. The outturn position is expenditure of £3.2m with a £0.5m relating to expenditure on the implementation of the GM One Network with a collaboration agreement with partners to commence in September 2023, £1.4m from previously agreed retained business rates growth and £1.3m from grants and reserves.

Economy

- 2.8 The Economy portfolio leads key groups including the Growth Board, Local Industrial Strategy Programme Delivery Executive, GM Economic Resilience Group and GM Local Enterprise Partnership (LEP).
- 2.9 The 2022/23 approved budget for Economy was £18.5m with actual expenditure for 2022/23 being £15.5m relating to:
- GM Productivity Programme expenditure of £6.1m and GM Local Industrial Strategy (LIS) expenditure of £1.6m both funded from retained business rates.
 - £2.150m relating to Marketing Manchester and MIDAS funded from District Contributions of £1.4 million and £0.75 million from retained business rates.
 - £2.8m relating to Made Smarter Adoption North West programme fully funded from Government grant.
 - £1.1m for the Economy team funded from a combination of internal recharges, grants and previously and retained business rates.
 - Other expenditure totalling £1.1m against government grants confirmed during the financial year:

- Local Enterprise Partnership core funding of £0.4m from Department for Housing, Levelling Up and Communities (DHLUC);
 - Innovation Accelerator seed corn funding of £0.3m from Department for Science, Innovation and Technology (DSIT) to support research in key growth opportunities identified in the GM LIS;
 - Department for Business, Energy and Industrial Strategy (BEIS) funding for National Cluster Co-ordination undertaken by the Business Growth Hub of £0.4m.
- Other projects funded from retained business rates growth such as Cricket Strategy.

Environment

- 2.10 Environment is the lead for the implementation of the GM Five Year Environment Plan and delivering housing and public retrofit programmes as part of green economic recovery and progressing the environment plan to continue to reduce carbon emissions and create an improved, more resilient natural environment for socially distanced recreation.
- 2.11 The 2022/23 original approved budget for Environment was £0.8m with actual expenditure for 2022/23 being £4m. The increase relates to new investment from retained business rates growth agreed in July 2022 for ‘Greener’ schemes totaling £3.2m. Expenditure in 2022/23 relates to:
- Environment and Low Carbon programme – expenditure of £1.7m to support Districts to deliver their Climate Emergency Declarations through upscaling the delivery of conurbation wide carbon reduction programmes
 - Five Year Environment Plan - expenditure of £1m to provide capacity to bid for capital and revenue funds, undertake research, communication, training, convene and co-ordinate delivery of the plan.
 - IGNITION project – grant funded expenditure of £0.4m to develop innovative financing solutions for investment in GM’s natural environment, to help increase the city regions resilience against the increasingly extreme impacts of climate change.
 - GM Local Energy Markets project - grant funded expenditure of £0.3m in relation to planning and collaboration with the 10 local authorities to increase energy efficiency and pave the way for the installation of new technologies to create a low-carbon infrastructure for the future.
 - Natural Course – expenditure of £0.3m relating to an EU-funded LIFE Integrated Project to improve and protect the water quality of the North West over a ten year period.

- Other Environment projects with expenditure of £0.3m such as Great Places, Green Homes Grant and Energy Innovation Agency.

Place

2.12 Place Directorate focuses on the development of individual places and all the elements that support prosperous and vibrant places in which GM residents can grow up, live and grow old. This has brought together Housing and Planning, Land and Property, Culture, Delivery and Infrastructure teams, each of which has a vital role to play in place development.

2.13 The 2022/23 original approved budget for Place was £6.7m with actual expenditure for 2022/23 being £18.9m. The majority of the increase relates to the Government's UK Shared Prosperity core programme announced during 2022/23. Expenditure in 2022/23 relates to:

- UK Shared Prosperity programme - expenditure of £8.2m for the first year of the core programme focusing on investment in 'Communities and Place' and 'Local Business' interventions to boost pride in place.
- Cultural and Social Impact Fund of £4.6m the majority of which was funded from a GM local authorities contributions and supported by retained business rates growth.
- Places for Everyone is a joint development plan of the nine GM local authorities for jobs, new homes and sustainable growth, maximizing the use of brownfield land and urban spaces. During 2022/23 actual expenditure of £1.5m from retained business rates growth focused on the public examination of the submitted plan.
- The GM Delivery Team supports the delivery of GM's housing delivery objectives and priorities was a cost of £1.6m funded from earmarked reserves.
- Create Growth programme funded by Department of Culture, Media and Sport (DCMS) of £0.4m to support creative organisations in the region with a bespoke business support programme to attract investment to grow their business sustainably.
- Other Place Directorate expenditure totaling £2.6m in relation to the Planning and Housing team and Business, Innovation and Enterprise policy funded from a combination of local authority contributions, grant funding and internal recharges.

Public Service Reform

2.14 Public Service Reform (PSR) supports reform, innovation and social policy development across GM with the overarching objective of addressing inequality and improving outcomes for all residents across the city-region. It is made up of a number of thematic strands with lead responsibilities that include Early Years, Children and Young People, Troubled

Families, Homelessness and Rough Sleeping, Asylum and Refugees, Armed Forces and Veterans, Gambling Harm Reduction and the GM Ageing Hub. The service performs a cross-cutting role across GM in collaboration with localities, other public service organisations and the voluntary, community and social enterprise (VCSE) sector to drive the implementation of unified public services for the people of Greater Manchester.

2.15 The 2022/23 original approved budget for PSR was £30.9m with actual expenditure for 2022/23 being £39.8m. The majority of the increase relates to additional funding for the Supporting Families Programme and the Homelessness Prevention Strategy. Expenditure in 2022/23 relates to:

- Supporting Families programme of £14.7m continuation of the programme funded from DHLUC grant.
- Homelessness and Rough Sleeping including:
 - A Bed Every Night (ABEN) of £6.4m expenditure funded from Mayoral Precept, partner contributions and Government grant.
 - Housing First programme expenditure of £3.3m funded from Government grant;
 - Rough Sleeper Initiative, Rough Sleeper Accommodation and Community Accommodation programmes with Government grant funding totaling £5.2m, which is an increase of £2m compared to the original budget;
- Changing Futures funding of £1.4 million for 2022/23 which is the second year of a three year programme to improve outcomes for adults experiencing multiple disadvantage.
- PSR Directorate and other delivery resources for the overall programme of £2.8m
- Other programmes including Children and Young People Plan, School Readiness, Population Health, Youth Pathfinder, GM Gambling, Armed Forces plan with expenditure totalling £6m.

Education, Work and Skills

2.16 Education, Skills & Work works in partnership with local authorities, partners and businesses to deliver and performance manage programmes that support people to enter, progress and remain in work. The original 2022/23 budget was £155.8m with actual expenditure for 2022/23 being £155.4m supporting the following programmes:

- The Adult Education Budget (AEB) of £100.2m devolved to GM to support the city-region's residents to develop skills needed for life and work, plus an additional £2.2m for the AEB National Skills Fund Adult Level 3 programme.

- European Social Fund (ESF) Skills for Growth Programme of £12.9m, with 2022/23 being the final of three years of funding to support business growth and deliver an integrated approach to employment and skills.
- Working Well services to support people experiencing or at risk of long term unemployment, including the Work and Health Programme of £7.7m, Job Entry Targeted Support (JETS) programme of £6.9 million and Working Well Specialist Employment of £3m.
- European Social Fund (ESF) Not in Employment, Education or Training (NEET) prevention/reduction and youth employment programme of £5.7m.
- Department for Education Skills Bootcamp - £2.8m
- Future Workforce Fund of £1.5m to focus on supporting the most disadvantaged young people, providing a targeted, flexible and personalized pathway.
- Self-Employment Pilot of £1.4m to support GM self-employed residents to sustain and grow their business.
- UK Community Renewal Fund of £1.7m projects following bids approved by Government in November 2021.
- UK Shared Prosperity Fund Adults' Multiply programme with expenditure of £0.9m on year one of the £14.4m allocation over three years.
- Work and Skills Directorate delivery resources for the overall programme had a cost of £4.8m
- Other programmes including Greater Manchester Apprenticeship & Careers Service, Young Person's Guarantee, GM Careers Hub and Digital Skills with expenditure totaling £3.7m

3. MAYORAL BUDGET

3.1 The provisional outturn position for the Mayoral budget in 2022/23 is breakeven. The approved expenditure budget in 2021/22 was £139.020m and the provisional expenditure to the end of 2021/22 is £127.850m, which is an underspend of £11.170m. The most significant variances relate to:

- Overspend on Mayoral priorities of £378k due to the cost of the expansion of emergency accommodation provision, A Bed Every Night (ABEN) which has helped prevent more people sleeping on the streets. As a result during the winter months Greater Manchester has recorded a significantly lower increase in rough sleeping compared to other parts of England.
- Underspend on Mayoral transport budget of £11.548m the majority of which relates to Bus Reform implementation costs which will be held in reserves until required.

3.2 The underspend is offset by:

- A shortfall in income to support the Our Pass pilot from colleges of £850k.
- A reduction of 572k in planned transfer from earmarked reserves.
- Transfer of £9.750m of Earnback revenue grant to earmarked reserves to meet implementation of Bus Franchising.

Mayoral Budget 2022/23 Provisional Outturn	Original Budget	Quarter 3 Forecast	Provisional Outturn	Budget Variance
	£000	£000	£000	£000
Mayors Office	531	531	531	0
Corporate Recharge	794	794	794	0
Mayoral Priorities	3,050	3,050	3,428	378
Mayoral Transport	134,645	134,645	123,097	-11,548
Gross Expenditure	139,020	139,020	127,850	-11,170
Funded by:				
Mayoral Precept	-24,717	-24,717	-24,717	0
Collection Fund Surplus /-Deficit	-1,445	-1,445	-1,445	0
Bus Support Operators grant	-13,150	-13,150	-13,151	-1
Mayoral Capacity grant	-1,000	-1,000	-1,000	0
Earnback revenue grant	-9,750	-9,750	0	9,750
Statutory charge	-86,700	-86,699	-86,700	0
Use of Reserves	-1,408	-2,258	-836	572
External Income	-850	0	-1	849
Total Funding	-139,020	-139,020	-127,850	11,170
Net expenditure	0	0	0	0

4. GM FIRE AND RESCUE

4.1 The 2022/23 budget for GM Fire and Rescue Service (GMFRS) set in February 2022 was approved at £119.543m. The breakeven position is after a reduction in the planned transfer to reserves from £5.245m to £1.723m, the majority of the change relates to the impact of the pay award. The table below summarises the position:

GM Fire & Rescue Service 2022/23 Provisional Outturn	Approved Budget	Forecast Quarter 3	Provisional Outturn	Provisional Variance
	£000	£000	£000	£000
Expenditure:				
Employees	91,215	93,082	95,523	4,308
Indirect Employees	1,940	1,963	1,795	-145
Premises	4,875	6,343	6,480	1,605
Transport	2,196	2,435	2,411	215
Supplies & Services	8,481	8,861	8,886	405
Support Services	7,343	7,646	7,850	507
Government Grants	-769	-958	-1,262	-493
Tfr to/from Provision	0	-1,577	-2,100	-2,100
Other Grants & Contributions	-215	-210	-109	106
Customer & Client Receipts	-2,460	-2,101	-1,585	875
Capital Financing Costs	1,692	1,025	1,067	-625
Tfr to Earmarked Reserve	5,245	5,316	1,723	-3,522
Total Expenditure	119,543	121,825	120,679	1,136
Funded by:				
Localised Business Rates	-9,521	-9,521	-9,521	0
Baseline Funding	-43,131	-43,131	-43,399	-268
Section 31 - Business Rates	-5,300	-5,258	-5,226	74
Section 31 - Pension Related	-5,605	-5,605	-5,605	0
Precept Income	-55,429	-55,429	-55,429	0
Collection Fund Deficit	2,637	2,637	2,637	0
Trf from Earmarked Reserve	-3,194	-3,415	-4,136	-942
Total Funding	-119,543	-119,722	-120,679	-1,136
Net Expenditure	0	2,103	0	0

4.2 Employees pay and pensions is an overspend of £4.308m. This includes pay award for both uniformed and non-uniformed employees. The pay award budget was set at 2% for both staff groups, however, uniformed staff pay award was agreed at 7% and non-uniformed at £1,925 per whole time equivalent. The overspend also includes settlement amounts paid in respect of Bear Scotland v Fulton, for which, a drawdown from the specific provision has been made.

4.3 Premises related expenditure is an overspend of £1.605m in the areas of utilities and fuel. A budget increase was provided for in this area of spend, however, costs are significantly more than predicted at the time of budget setting.

- 4.4 Supplies, services and other expenditure is forecast at an overspend of £405k, the majority of which is as a result of contract price increases, primarily within the areas of ICT and operational equipment.
- 4.5 Support Services budget incorporates the recharges for Corporate support services, plus specific additional support for various projects and strategies outside of central recharges at an additional cost of £500k.
- 4.6 Following the implementation of a revised policy, consistent across the GMCA, capital financing costs have been re-calculated on an annuity basis using final capital spend within 2021/22, resulting in an underspend of £625k.
- 4.7 Income has underachieved by £488k mainly due to the part year effect of cohort numbers within the Princes Trust programme as reported at quarter 3, lower than predicted income against insurance costs, for which, specific reserves have been utilised and lower than estimated apprenticeship levy income.

5. WASTE AND RESOURCES

- 5.1 The levy for the Waste and Resources service was set on in February 2022 for a total of £164.840m represented by expenditure of £165.314m and a use of reserves of £0.474m. The provisional revenue outturn for 2022/23 was net expenditure of £131.028m with an underspend of £33.812m. The table below sets out the position:

Waste and Resources Provisional Outturn 2022/23	Approved Budget	Forecast Outturn Quarter 3	Provisional Outturn	Forecast Variance
	£000	£000	£000	£000
Operational Costs	107,872	81,849	65,283	-42,589
Operational Financing	50,614	49,865	49,797	-817
Office Costs	6,318	5,114	3,885	-2,433
Non-Operational Financing	510	492	492	-18
Total Budget	165,314	137,320	119,457	-45,857
Levy Adjustment	0	642	1,571	1,571
Return to constituent authorities			10,000	10,000
Transfer (from)/to reserves	-474	-474	0	474
Levy	164,840	137,488	131,028	-33,812

- 5.2 The budget was set using forecast levels of waste amounting to 1,134,175 tonnes of waste from Districts and Household Waste Recycling Centre (HWRC). The forecasting of waste

tonnages has continued to be unpredictable following the pandemic and changing work patterns which has affected the volumes of household 'kerbside' waste collections. The volumes of waste delivered by Districts are shown in the table below which includes a forecast figure for March 2023. Totals for the year have now been verified but as this occurred too late to be included in the 2022/23 draft accounts.

Districts	Budget 2022/23	Forecast 2022/23	Variance
Residual	378,169	373,001	(5,168)
Biowaste	207,876	188,427	(19,449)
Commingled	121,663	112,016	(9,647)
Pulpables	81,708	75,916	(5,792)
Street Sweepings	22,937	26,514	3,577
Trade Waste	46,163	43,109	(3,054)
Total	858,517	818,982	(39,535)

5.3 The HWRC tonnages have also continued to be difficult to predict following the pandemic, as well as being impacted by the success of the implementation of the van permit policy which has been highly successful in driving illegal trade waste out of the sites reduce. The tonnages for HWRC are shown in the table below which includes a forecast figure for March 2023. Again, totals for the year have now been verified but as this occurred too late to be included in the 2022/23 draft accounts.

HWRC	Budget 2022/23	Forecast 2022/23	Variance
Dry Recycled	78,514	77,919	(235)
Rubble	46,645	32,727	(13,918)
Thermal Recovery	118,642	79,895	(38,746)
Green	15,483	10,355	(5,128)
Residual	16,735	3,556	(13,180)
Total	275,659	204,452	(71,207)

5.4 The operational underspend of £42.6m is made up of:

- Residual Value Contract underspend of £17.5m from an increased share of third party income derived from electricity and steam generation;
- Waste and Resources Management Services (WRMS) contract underspend of £19.5m due to an increase in income from the sale of recyclates, savings in expenditure on residual waste treatment and landfill due to lower tonnages of residual waste, and savings on processing of commingled waste due to lower than budget tonnages;
- Household Waste Recycling Centre Management Services (HWRCMS) Contract underspend of £2.9m due to lower than budgeted residual waste treatment costs due to lower than budgeted tonnages;
- Biowaste Contracts underspend of £1.5m due to savings resulting from lower than budgeted tonnages; and

- Other contract costs underspend of £1.2m largely a result of an underspend on lifecycle costs.

- 5.5 Operational financing underspend of £0.8m from lower than anticipated interest costs with rates lower than forecast and some savings on Minimum Revenue Provision (MRP) costs due to capital projects being completed later than anticipated.
- 5.6 The office cost underspend of £2.4m relates to consultancy fees due to works on Extended Producer Responsibility and the national Resources and Waste Strategy being reprofiled into 2023/24.
- 5.7 The provisional levy adjustment has been included within the outturn for 2022/23 with a forecast for the month of March 2023 which reflects the changes in tonnages being delivered by Districts. The adjustment will be made during 2023/24 after reflecting the actual position for March 2023.
- 5.8 The 2022/23 outturn position includes the return of £10m from 2021/22 reserves to the nine GM local authorities which was approved by GMCA in July 2022. Approval was provided in February 2023 by GMCA to apply £27m from 2022/23 reserves to reduce the 2023/24 levy.

6. TRANSPORT

- 6.1 The Transport revenue budget approved by GMCA in February 2022 was £282.0m, which included funding from the Transport Levy and Statutory Charge, Mayoral precept, grants and reserves. The majority of the Transport revenue budget is paid to Transport for Greater Manchester (TfGM) for transport delivery. The remainder of the Transport revenue budget is retained by GMCA for capital financing costs for Metrolink and other programmes.
- 6.2 The 2022/23 provisional outturn for the Transport budget is breakeven with total expenditure of £337.734m which is an increase compared to budget of £55.734m. The majority of the increase relates to additional grant funding provided to TfGM, offset by an underspend on capital financing costs. The table below shows the provisional outturn compared to original approved budget for the overall Transport budget with further detail on the TfGM provisional outturn later in the section.

Transport Revenue Budget 2022/23 Provisional Outturn	Budget 2022/23	Provisional Outturn 2022/23	Variance
	£000	£000	£000
Expenditure:			
Funding to TfGM	197,880	260,182	62,302
GMCA Transport Expenditure			
GMCA Traffic Signals	3,822	3,479	-343
City Region Sustainable Transport Fund Grant	0	1,905	1,905
Other Grants	0	1,012	1,012
GMCA Corporate	1,024	227	-797
Capital Financing Costs	79,274	70,928	-8,346
Total GMCA Expenditure	84,120	77,552	-6,568
Total Transport Expenditure	282,000	337,734	55,734
Transport Resources	-282,000	-337,734	-55,734
Total Expenditure	0	0	0

- 6.3 The table below summarises the budget for TfGM for 2022/23 and the outturn for the year of with an increase of £52.687m, largely due to the 'grossing up' of certain grant income and costs and additional expenditure on activities which are fully funded from additional grants. A commentary on the key changes is provided below the table.

Transport for Greater Manchester Budget 2022/23 Provisional Outturn	Budget	Quarter 3 Forecast	Provisional Outturn	Variance
	£000	£000	£000	£000
Expenditure:				
Concessionary Support	75,600	77,600	75,600	0
Supported Services	36,000	39,500	36,085	85
Covid Support Payments to Bus Operators	0	0	14,668	14,668
Capped Fares Scheme	0	17,000	14,908	14,908
Payment of Devolved BSOG	11,750	11,750	9,739	-2,011
Accessible Transport	3,700	3,700	3,686	-14
Operational Costs	34,997	37,597	40,189	5,192
Traffic signals costs	3,822	3,822	3,479	-343
Clean Air Plan Costs*	13,047	13,047	13,059	22
Scheme Pipeline development Costs	15,900	19,800	14,939	-961
Programme Delivery Revenue costs	0	0	2,820	2,820
Bus Franchising costs	15,895	15,895	9,217	-6,678
Metrolink Grant funded costs and net revenue loss	0	5,000	25,009	25,009
Financing	6,310	6,310	6,310	0
Total Expenditure	217,021	251,021	269,708	52,687

Funded by:				
Funding from GMCA	-197,880	-228,002	-260,182	-62,302
Traffic signals funding	-3,822	0	-3,479	343
DfT Rail grant	-1,900	-1,900	-1,900	0
Metrolink funding from Reserves	0	-2,700	-2,247	-2,247
TfGM funding from Reserves	-13,419	-13,419	-1,900	11,519
Total Funding	-217,021	-246,021	269,708	-52,687
Net Expenditure	0	5,000	0	0

* 100% of Clean Air plan costs are funded by grants from the Government's Joint Air Quality Unit

- 6.4 The costs of concessionary reimbursement outturned in line with budget, net of the transfers to reserves referred to below. In line with previous Department for Transport (DfT) guidance, TfGM has continued to reimburse bus operators for concessionary reimbursement consistent with pre-pandemic volumes. This has been adjusted for further DfT guidance, where operated mileage has been less than 100% of pre-pandemic levels. An underspend on the approved budget of £3.1m was transferred into the concessionary reserve and ring fenced for funding future bus and concessionary travel costs.
- 6.5 Since April 2020, the UK Government has been providing financial support to bus operators and Local Transport Authorities in England in response to the impact of the COVID-19 pandemic. This funding continued to be paid in the period from April to September 2022 and the amount 'passed through' to operators in the year is shown in the table above on the line 'Covid Support Payments to Bus Operators'.
- 6.6 From October 2022 operators gave notice of their intention to make commercial service changes across all areas of Greater Manchester in October including service withdrawals and reductions in frequency. Without intervention by TfGM the consequences of the service changes would be significantly detrimental in terms of accessibility to the network and accessibility for residents through the network to reach employment, education and key services such as health facilities.
- 6.7 In response and following consultation with members of the GM Transport Committee, TfGM has replaced withdrawn services at current frequencies, with the exception of minor variants where there is no negative impact on network coverage. Where commercial changes involve frequency reductions, these were restored to current levels up to a maximum of four buses per hour.

- 6.8 The financial impact of the additional services which were supported in 2022/23 was £6m, which was funded from the Bus Recovery Grant provided by DfT. These costs are included in the Supported Services line.
- 6.9 The costs of the Mayoral initiative for 'capped' bus fares for single and daily fares, which came into effect in September, and for weekly fares which came into effect in January, amounted to £14.9m in the year. These costs are being funded from GM's Bus Service Improvement Plan (BSIP) funding.
- 6.10 Payments of Bus Service Operators Grant (BSOG), which are funded from a devolved government grant, amounted to £2m less than budget due to lower mileage operated.
- 6.11 Costs of Accessible services amounted largely in line with budget.
- 6.12 Operational costs amounted to £3.3m higher than budget, including due to the costs of a voluntary severance scheme, £1.9m of which are being funded from General Reserves, and higher than budgeted spend on schemes funded from other grants.
- 6.13 The Clean Air Plan costs in the outturn above include all revenue expenditure in the year including that on further work on developing the business case; revenue support grants paid out as part of the Financial Support Scheme; and the operational costs for the Clean Air scheme. Together these costs amounted to £13.1m, all of these costs are funded by grants from the Government's Joint Air Quality Unit. The expenditure incurred and forecast for 2022/23 was reported to the GMCA via the GM Air Quality Administration Committee report dated 26 October 2022.
- 6.14 The budget approved for 2022/23 to progress the further development of GM's pipeline of future transport schemes was £15.9m. The outturn for the year was £14.9m which includes both scheme development costs and the costs of developing strategic outline business cases for schemes which are being delivered through funding from GMCA's City Region Sustainable Transport Settlement (CRSTS) award. This was part funded from the DfT through £8.4m from the Intra-City Transport Settlement funding for financial year 2022/23, with the remaining funding from the previously approved funding from GM's previous award of Transforming Cities funding (TCF2), which has now been amalgamated within GM's CRSTS award, as well as other CRSTS funding. This funding will be drawn down from the revenue funding provided within the CRSTS allocation.

- 6.15 The outturn also includes £2.8m of expenditure on programme management for Active Travel and the Cycle Hire scheme. These costs are funded from approved capital funding streams, facilitated by a capital revenue switch.
- 6.16 The budget included an estimated sum of £15.9m for the revenue costs for the implementation plans for the introduction of Bus Franchising. The outturn cost was £9.3m with the underspend being re-phased to future years.
- 6.17 Included in the funding from GMCA is £22.8m of Light Rail grant funding provided by DfT. After the receipt and application of this grant, and after the payment of £4.5m of financing costs, Metrolink made a net deficit of £2.3m. This has been funded from a ringfenced reserve held in TfGM for Metrolink.

7 RECOMMENDATIONS

- 7.1 The recommendations appear at the front of this report.

