

Public Document

AGMA EXECUTIVE BOARD

DATE: Friday, 14th February, 2020

TIME: 11.30 am

VENUE: Council Chamber, 2nd Floor, Bolton Town Hall, Victoria Square,
Bolton, BL1 1RU (Access via Albert's Hall Entrance)

SUPPLEMENTARY AGENDA

4. AGMA Revenue Budget 2019/20 & 2020/21

1 - 8

Report of Cllr David Molyneux, Portfolio Lead for Investment & Resources.

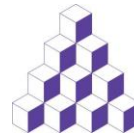
For copies of papers and further information on this meeting please refer to the website www.greatermanchester-ca.gov.uk. Alternatively, contact the following
Governance & Scrutiny Officer: Sylvia Welsh
✉ Sylvia.welsh@greatermanchester-ca.gov.uk

This supplementary agenda was issued on 7 February 2020 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street, Manchester M1 6EU

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

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AGMA EXECUTIVE

Date: 14 February 2020

Subject: AGMA Budget 2020/21

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) 2020/21. It also includes the forecast outturn position for 2019/20.

The proposed charges in respect of AGMA to be approved for 2020/21 are included within the report together with the recommended allocations to the District Councils of Greater Manchester.

RECOMMENDATIONS:

AGMA are requested to:

- (i) note the report and the current AGMA revenue outturn forecast for 2019/20 shows an underspend against budget of £71,000;
- (ii) approve the budget relating to AGMA functions in 2020/21 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 2020/21 of £634,000 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 of reserves in 2020/21 as detailed in the report, most notably section 3 of the report.

CONTACT OFFICERS:

Name: Steve Wilson
Position: Treasurer (AGMA / GMCA)
Telephone: 0161 778 7004
E-mail: Steve.wilson@greatermanchester-ca.gov.uk

Name: Amanda Fox
 Position: Group Finance Lead (AGMA / GMCA)
 Telephone: 0161 778 7004
 E-mail: Amanda.fox@greatermanchester-ca.gov.uk

BACKGROUND PAPERS:

AGMA Executive Board: 'AGMA Budget 2019/20' 25 January 2019

TRACKING/PROCESS		
Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board		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 AGMA Scrutiny Pool on the grounds of urgency?		No
AGMA Commission	TfGMC	Scrutiny Pool

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 planned budget strategy for 2020/21.

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

1. AGMA FORECAST OUTTURN AND BUDGET UPDATE 2019/20

- 1.1 The Outturn position for the year ending 31 March 2020 shows an underspend against budget of £71,000, budgets have also been updated following information received since the budget was approved in January 2019. The table below details the position:

<u>Revised Revenue Budget 2019/20</u>	Para	Approved Budget 2019/20	Revised Budget 2019/20	Forecast Outturn 2019/20	Outturn Variation 2019/20
		£000	£000	£000	£000
Resources Available:					
Contributions from Districts		764	764	764	-
Contributions from Reserves - General	1.2	350	50	50	-
External Income and Contributions		46	46	46	-
Government Grants	1.3	0	64	64	-
Total Resources		1,160	924	924	-
Calls on Resources:					
Procurement Hub (Incl Spend-Pro)		130	130	130	-
Police and Crime Panel Support	1.4	99	163	117	(46)
County Records Office		216	216	216	-
Specialist Trading Standards Unit		62	62	62	-
GM Archaeology Service		105	105	105	-
Waste and Minerals Unit		60	60	60	-
Ecology Unit		138	138	138	-
GM Spatial Framework		300	-	-	-
GM Moving	1.5	50	50	25	(25)
Total Call on Resources		1,160	924	853	(71)
Contribution to Earmarked Reserves					-
Net transfer to General Reserves					(71)

- 1.2 At the present time the Greater Manchester Spatial Framework is being funded from resources within the GMCA budgets. Therefore there will be no call on the remaining AGMA reserves for 2019/20.
- 1.3 The police and crime panel grant from the home office has been confirmed for 2019/20, it is expected that the full amount of the grant will be drawn down.
- 1.4 With the Police and Crime panel grant being confirmed, updated budget plans have been presented which shows a £46,000 underspend against the core budget in 2019/20.
- 1.5 GM Moving support has been continued in 2019/20, however match funding has been confirmed, resulting in a lower call against reserves.

2. PROPOSED AGMA BUDGET 2020/21

2.1 The proposed budget for 2020/21 is summarised in the table below:

	2020/21 £'000
Resources Available:	
Contributions from Districts	634
External Income and Contributions	46
Total Resources	680
Calls on Resources:	
Police and Crime Panel	74
County Records	216
Specialist Trading Standards	62
GM Archaeology Service	130
Waste and Minerals Unit	60
Ecology Unit	138
	680

2.2 The proposed contribution from Districts has reduced by £130,000 from 2019/20 as a result of the Procurement Hub transferring over to the GMCA budget.

3. RESERVES

3.1 The net increase to AGMA reserves is forecast to be £46,000 in 2019/20 with no anticipated calls on reserves for 2020/21:

AGMA Reserves	Actual Balance as at 01-Apr-19 £000	Transfer in/(out) 2019/20 £000	Projected Balance as at 31-Mar-19 £000	Transfer in/(out) 2020/21 £000	Projected Balance as at 31-Mar-21 £000
<u>General Revenue Reserves</u>					
General AGMA Reserves	635	46	681	-	681
TOTAL	635	46	681	-	681

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.

AGMA DISTRICT CONTRIBUTIONS 2020/21

MID YEAR 2017 POPULATION FIGURES	Basis of Apportionment	BOLTON 285,372 £	BURY 190,108 £	MANCHESTER 547,627 £	OLDHAM 235,623 £	ROCHDALE 220,001 £	SALFORD 254,408 £	STOCKPORT 291,775 £	TAMESIDE 225,197 £	TRAFFORD 236,370 £	WIGAN 326,088 £	TOTAL DISTRICT CHARGES £	CONTRIBUTION FROM OTHERS £	TOTAL FUNDING AVAILABLE £
Police and Crime Panel	Per division	6,824	6,824	12,580	6,824	6,824	6,824	6,824	6,824	6,824	6,824	74,000	-	74,000
County Records	Fixed	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	170,000	46,000	216,000
Specialist Trading Standards	Population	6,291	4,191	12,072	5,194	4,850	5,608	6,432	4,964	5,211	7,188	62,000	-	62,000
GM Archaeology Service	Population	13,190	8,787	25,312	10,891	10,169	11,759	13,486	10,409	10,925	15,072	130,000	-	130,000
Waste and Minerals Unit	Population	6,088	4,056	11,682	5,027	4,693	5,427	6,224	4,804	5,042	6,956	60,000	-	60,000
Ecology Unit	Population	14,002	9,328	26,870	11,561	10,794	12,483	14,316	11,049	11,598	16,000	138,000	-	138,000
TOTAL CHARGE		63,395	50,185	105,516	56,497	54,331	59,101	64,283	55,051	56,600	69,041	634,000	46,000	680,000

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