

Date: 29th January 2021

Subject: Mayoral General Budget and Precept Proposals

Report of: Andy Burnham, Mayor of Greater Manchester

PURPOSE OF REPORT

To set out my proposals for the Mayoral General Budget and precept for 2021-22 for consideration by the members of the GMCA.

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

RECOMMENDATIONS:

The GMCA is recommended to:

1. To consider my proposal to freeze the Mayoral General Precept at £90.95 (Band D) comprising of £66.20 for functions previously covered by the Fire and Rescue Authority precept and £24.75 for other Mayoral General functions;
2. 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 2022 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
3. To note and comment on the detailed budget proposals for other Mayoral functions;
4. Note the funding included in the budget for Bus Reform and that a further update on expenditure and funding will be provided following a Mayoral decision on Bus Reform
5. To note and comment on the use of reserves as set out in section 4 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 12 February 2021 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.

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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 2021/22 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 2021/22 and future years.

Financial Consequences – Capital – Proposals for Fire and Rescue Services capital spend are set out in Appendix 2.

BACKGROUND PAPERS:

GMCA – Mayoral General Budget and Precept Proposals – 14 February 2020

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		

1. INTRODUCTION

- 1.1 The purpose of this report is to notify the GMCA of the Mayor's draft budget for 2021/22, 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 On 9th December 2020 the Mayor announced the proposal to freeze the Mayoral General Precept for the financial year 2021/22. If the proposal is accepted, the Mayoral Precept will remain at £90.95 for a Band D property, with the fire service accounting for £66.20 and £24.75 for non-fire (Band B £70.73 - £51.48 for the fire service and £19.25 for other Mayoral-funded services).
- 1.3 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. The proposal to freeze the precept is intended to relieve pressure on residents who are struggling after the pandemic and facing wider increases in council tax bills to meet cost of social care and other council services not funded by government.
- 1.4 Despite freezing the Mayoral precept, there will be no impact on frontline fire cover provided by Greater Manchester Fire and Rescue Service. The Mayor has committed to running 50 fire engines throughout 2021/22 with crewing at the current level of five firefighters at one pump stations and four firefighters on each engine at two pump stations.
- 1.5 The Mayor's budget proposal also allows the continuation of the flagship A Bed Every Night scheme into the next financial year. Over the winter, at least 520 places will be provided across Greater Manchester to people who have been sleeping rough.

2. BACKGROUND TO BUDGET PROCESS

- 2.1 The functions of the GMCA which are currently Mayoral General functions are:
- Fire and Rescue
 - Spatial development strategy
 - 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, the Mayor must before 1st February notify the GMCA of the draft budget in relation to the following financial year. The draft budget must set out the proposed spending and how the Mayor intends 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. PROPOSED MAYORAL GENERAL BUDGET

- 3.1 Attached at Appendix 2 are the outline budgets in relation to the Revenue and Capital Budgets for the Greater Manchester Fire and Rescue Service and the medium term Financial Strategy.
- 3.2 In addition, 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.
- 3.3 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.
- 3.4 In relation to non-Fire functions, in addition to precept income, there are funds relating to the Government 'Mayoral Capacity' funding, the position on Council Tax collection identified by District Councils as relating to the Mayoral Precept, Bus Services Operators Grant, Transport Statutory Charges and External Income.
- 3.5 Following the GMCA (Functions and Amendment) order being laid in April 2019, I was given further powers for transport functions. As with the 2020/21 budget, in 2021/22 £86.7 million is met via a statutory charge to District Councils, (with a corresponding reduction in the Transport Levy). A full breakdown by District Council is attached at Appendix 3. The order also

states that this amount (£86.7 million) can only be varied with the unanimous agreement of the members of the GMCA.

3.6 The budget supports the continuation of the Our Pass and A Bed Every Night schemes into the new financial year and addresses a deficit on the Collection Fund from 2020/21. An estimated sum of £4.250m has been included for Bus Reform. If I make a decision to introduce bus franchising a further report will be brought to the GMCA setting out for approval the proposed expenditure and funding arrangements to support the implementation of that decision.

3.7 In relation to the level of the precept to be levied for Mayoral functions excluding fire, it is proposed that this is frozen at £24.75 per Band D property, which will raise (on the latest estimated tax band) £18.7 million. When taken with other funding streams available this will give overall funding of £127 million. The overall breakdown of funding for the 2021/22 mayoral budget compared to 2020/21 is as follows

Mayoral (Non Fire)	Approved Budget 2020/21	Proposed Budget 2021/22
	£000	£000
Mayoral Direct Costs (inc Corporate Support)	1,239	1,247
Mayoral Priorities (inc A Bed Every Night)	2,633	3,050
Transport Policy & Strategy	3,500	3,500
Bus Service Operators Grant		
-Grants to operators	11,500	11,750
-Administration	50	50
Opportunity Pass	16,200	16,200
Sub-total - Pre-additional transport powers	35,122	35,797
Bus Reform	5,250	4,250
Bus Concessionary Re-imburement	51,300	50,000
Supported Bus	27,900	32,000
Accessible Transport/Ring & Ride	4,600	3,600
Allocation of Bus Operational Costs	2,900	1,100
Total expenditure	127,072	126,747
Funded by:		
Precept	18,877	18,656
Collection Fund Surplus /-Deficit	1,045	-195
Mayoral Capacity Funds	1,000	1,000
Bus Service Operators Grant	13,100	13,100
Use of Reserves	5,000	6,636
Earnback capital	500	0
External Income	850	850
Transport Statutory Charge	86,700	86,700
Total funding	127,072	126,747

- 3.8 Although it is required to set a precept specifying the Band D Charge, by far the majority of properties, 82.6%, in Greater Manchester will be required to pay less than this amount. The following table outlines the additional amounts to be paid by each band and the proportion of properties which fall into each band. Based on Band B being the average charge paid, this equates to £19.25.

2021/22	A	B	C	D	E	F	G	H
Costs for Band £	16.50	19.25	22.00	24.75	30.25	35.75	41.25	49.50
Proportion of Properties	45.6%	19.6%	17.4%	9.2%	4.8%	2.0%	1.2%	0.2%

- 3.9 Appendix 4 sets out the amounts of Council Tax for each band, including the Fire element of the precept.

4. RESERVES

- 4.1 Taking account of the budget proposals outlined in this paper, the reserves for both Mayoral and GMFRS for 2021/22 are as follows:

Mayoral and Greater Manchester Fire & Rescue (GMFRS) Reserves and Balances	Closing Balances 31 March 2020	Transfer out/(in) 2020/21	Projected Balance March 2021	Transfer out/(in) 2021/22	Projected Balance March 2022
	£000	£000	£000	£000	£000
General Reserve - Mayoral & GMFRS	(11,615)		(11,615)	0	(11,615)
Bus Services Operators Grant	(3,040)	(618)	(3,658)	2,750	(908)
Capital Reserve	(4,676)	(2,700)	(7,376)	2,700	(4,676)
Earmarked Budgets Reserve	(2,460)	(4,664)	(7,124)	2,439	(4,685)
Revenue Grants Unapplied	(1,735)		(1,735)	0	(1,735)
Insurance Reserve	(2,849)		(2,849)	0	(2,849)
Business Rates Reserve	(2,093)		(2,093)	553	(1,540)
Restructuring Reserve	(418)		(418)	0	(418)
Innovation and Partnership CYP	(127)		(127)	0	(127)
Transformation Fund	(3,604)		(3,604)	0	(3,604)
Total Mayoral & GMFRS Reserves	(32,617)	(7,982)	(40,599)	8,442	(32,158)

- 4.2 The current General Fund Reserve balance stands at £11.615m as previously reported in the quarterly revenue update report to GMCA there is no planned use of this reserve.
- 4.3 Use of Capital Reserve in is yet to be confirmed. The planned use was based on the available reserve balance to fund capital expenditure within the programme, however, the reserve may be required to fund revenue investments, mainly in relation ICT due to the move to cloud based technologies.
- 4.4 Use of Business Rates Reserve was built into the MTFP for one off expenditure, mainly in relation to Programme for Change.

4.5 Given the current scale of activities falling on the General budget, the level of reserves held is felt to be appropriate. In considering the medium term financial position of the Fire Service, the ongoing level of reserves is falling and the short-term position is considered sustainable. However in light of the potential implications following the Grenfell Fire Public Inquiry and locally the Cube fire in Bolton, it is considered appropriate to seek additional funding for the Fire and Rescue Service, through a combination of increases to Council Tax and lobbying Central Government for additional funding.

5. BUDGET SUMMARY 2021/22

5.1 The table below shows the summary of gross and net budget for Mayoral Budget including GMFRS budget for 2021/22:

Budget Summary 2021/22	Gross Expenditure £000	Gross Income £000	Net Estimate £000
Fire Service Budget	106,529	0	106,529
Other Mayoral General Budget	126,747	14,950	111,797
Capital Financing Charges	2,316	0	2,316
Contribution from balances/reserves		7,189	-7,189
Budget Requirement	235,592	22,139	213,453
Localised Business Rates		10,614	-10,614
Business Rate Baseline		40,353	-40,353
Section 31 Grant - Business Rates		2,062	-2,062
Section 31 Grant - pensions		5,605	-5,605
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit		-438	438
Precept requirement	235,592	167,035	68,557

6. LEGAL ISSUES

6.1 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 my legal and financial commitments, ensure the proper discharge of my statutory duties and lead to a balanced budget.

6.2 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.

6.3 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)

- 6.4 The Local Government Finance Act 2003 requires the Chief Finance Officer to report to me 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.
- 6.5 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.
- 6.6 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 me.
- 6.7 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 proposes 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

- 6.8 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

- 6.9 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.

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 calculation;
 - (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.

GREATER MANCHESTER FIRE AND RESCUE SERVICE REVENUE AND CAPITAL BUDGET 2021/22

1. INTRODUCTION

- 1.1 This report sets out the updated Medium Term Financial Plan (MTFP) to 2023/24, 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 2020.
- 1.2 The Chancellor announced a one-year Spending Review in November 2020, in relation to the Fire and Rescue Service, the Spending Review announcements covered the following:
- Council Tax referendum limits of 2% for Fire and Rescue Services
 - Compensation of 75% for irrecoverable Council Tax revenue relating to 2020/21 arrears, which would otherwise need funded from budgets in 2021/22
 - Grant funding to compensate GMFRS for loss of 2021/22 precept income resulting from Local Authorities enhancing local Council Tax relief schemes
 - Real terms protection expected with flat cash pensions grant
 - Public sector pay is frozen for one year
- 1.3 The Provisional Local Government Settlement was published in December 2020 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.
- 1.4 The table below presents the budget requirements incorporating pressures and savings from 2021/22 onwards:

Medium Term Financial Plan	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Fire Service	103,570	109,514	106,529	106,036
Pay and price inflation	2,609	212	1,529	1,552
Savings – Prog. for Change and other	-29	-2,857	-1,791	-5,294
Cost – Prog. for Change and other	3,363	-340	-231	-22
Cost of service	109,514	106,529	106,036	102,273
Capital Financing Charges	1,687	2,316	3,246	4,324
Revenue Contribution to capital	4,201	2,700	0	0
Use of Capital Reserves	-4,201	-2,700	0	0
Net Service Budget	111,201	108,845	109,282	106,597
Funded by:				
Localised Business Rates	10,614	10,614	10,614	10,614
Baseline funding	40,250	40,353	40,353	40,353
Section 31 - Business rates related	2,062	2,062	2,062	2,062
Section 31 - Pension related	5,605	5,605	0	0
Precept income (at £66.20 Band D)	50,494	49,901	50,650	50,650
Collection Fund surplus/deficit	220	-971	-971	-971
75% Grant Collection Fund Losses	0	728	728	728
	109,245	108,293	103,436	103,436

	2020/21	2021/22	2022/23	2023/24
Shortfall	1,956	553	5,846	3,161
due to Pension Increase/Loss of Grant	0	0	5,605	5,605
due to Other Pressures	1,956	553	241	-2,444
Funded by:				
Earmarked Reserves	1,956	553	0	0
General Reserves/Precept Increase	0	0	5,846	3,161
	1,956	553	5,846	3,161

2. REVENUE BUDGET ASSUMPTIONS

Funding

- 2.1 Funding is based on the details from the Provisional Settlement, released in December. The baseline funding has increased by £103k from the 2020/21 position. 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.
- 2.2 For 2019/20 the Home Office confirmed a Section 31 grant of £5.605m million, towards estimated costs for GMFRS of £6.1 million. Payment of this grant in 2020/21 was made on a flat cash basis, and in 2021/22 whilst not yet formally confirmed by the Home Office, informal indications suggest that the grant will again be paid on a flat cash basis.
- 2.3 Precept income has been included at the same rate as 2020/21 - £66.20 per household at Band D equivalent. The forecast Taxbase for 2021/22, i.e. the number of households paying council tax, has seen a decrease when compared to levels assumed in 2020/21, which means that the amounts collected as precept income will fall in 2021/22.
- 2.4 Collection Fund deficit includes the forecast amounts that will be uncollected during 2020/21, impacted by the pandemic with forecasts from GM Districts showing a significant deficit for the year in relation to GMFRS share of £2.913m relating to Business Rates. This deficit can be spread over the next three financial years, which is £971k per year. Within the Spending Review, the Chancellor announced that 75% of irrecoverable 2020/21 Council Tax arrears will be funded by government. Further information is required on how this funding will be allocated and at this stage a sum of £728k has been estimated to be received to offset of the deficit position.
- 2.5 The Spending Review also announced Grant funding to compensate GMFRS for loss of 2021/22 precept income resulting from Local Authorities enhancing local Council Tax relief schemes. The indicative sum for GMFRS is £1.349m, the budget will be updated to reflect this once the final Council Tax baseline position is confirmed by GM Districts at the end of January.
- 2.6 There is no indication at this stage of grants to cover Protection related activities.

Pay and Pensions

- 2.7 Pay and price inflation includes a small element of non-pay inflation plus an increase of £250 per year per employee for those with a salary of less than £24k on the basis of a pay freeze for public sector announced in the Spending Review.
- 2.8 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 was made on a flat cash basis, and in 2021/22 whilst not yet formally confirmed by the Home Office, informal indications suggest that the grant will again be paid on a flat cash basis.

Programme for Change

- 2.9 The GMFRS Programme for Change has undertaken a whole service review and developed a proposed operating model for GMFRS and has affected the GMFRS revenue budget from 2019/20 and onwards. Programme for Change outlined a range of options to deliver savings for GMFRS, alongside investment required to deliver transformational change.
- 2.10 Programme for Change savings included in the MTFP are set out in the table below.

Savings	2021/22	2022/23	2023/24
	£000	£000	£000
Role of the Firefighter - Reduce to 48 Pumps			316
Role of the Firefighter - Station Mergers		1,791	
Role of the Firefighter - Crewing			4,267
Role of the Firefighter - Non-SDS			711
Prevention	1,463		
Total Programme for Change savings	1,463	1,791	5,294
New savings (not Programme for Change)	1,394	0	0
Total savings	2,857	1,791	5,294

- 2.11 In 2021/22, savings of £1.458m were originally identified through Programme for Change, however, alternative savings have been identified to replace those held against pump reductions. Further alternative savings of £1.394 have been identified via a line by line review including the reduction in employee budget as a result of pay award being lower than anticipated in 2020/21. This has resulted in total savings of £2.857m for 2021/22.
- 2.12 Non-recurrent implementation costs of Programme for Change included in the 2020/21 budget are not required in the budget for 2021/22, this has led to a reduced budget requirement of £340k.

3. CAPITAL PROGRAMME

3.1 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	2020/21	2021/22	2022/23	2023/24	2024/25	Future Years to 2027/28	Total
	£000	£000	£000	£000	£000	£000	£000
Estates	1,203	4,999	7,029	3,910	310	930	18,381
ICT	928	4,017	1,340	150	150	450	7,035
Vehicles & Equipment	4,977	3,922	4,251	2,625	2,884	7,688	26,347
Sustainability	144	75	75	75	75	225	669
Total Capital Programme	7,252	13,013	12,695	6,760	3,419	9,293	52,432

3.2 An estates strategy has been commissioned for the Service to determine where best to invest in improving the Fire and Rescue Service estate. This may not be in the form of new builds, but rather refurbishment to improve the overall standard and condition of our Fire Stations.

3.3 Additional investment is anticipated for the Bury Training and Safety Centre, this investment will support delivery of our Training Strategy. Equally it strategically unlocks the Training and Development Centre and Manchester Central Fire Station site going forward allowing us to move to a single Training Centre. The Capital Programme will be updated to reflect this once the position is confirmed.

4. BUDGET RISKS

4.1. Future budget risks are set out below:

- The anticipated multi-year 2020 Comprehensive Spending Review was deferred in light of the implications of the pandemic, with a one-year Spending Review for 2021/22 in its place. Future funding beyond 2021/22 has not been confirmed.
- Unresolved pay claims for firefighters and Local Government Employees.
- 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 not yet known but are likely to be significant in future years beyond 2021/22.

- 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 Hackett Review – an independent Review of Building Regulations and Fire Safety following the Grenfell Fire.
- Any Business Continuity Arrangements that require funding which are not part of the Base Budget.
- As no capital grants are available to FRAs, 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.

Proposed Statutory Charge per District

Transport Statutory Charge 2021/22			
District	Population Mid 2019	%	£
Bolton	287,550	10.14%	8,791,730
Bury	190,990	6.74%	5,839,445
Manchester	552,858	19.50%	16,903,419
Oldham	237,110	8.36%	7,249,546
Rochdale	222,412	7.84%	6,800,161
Salford	258,834	9.13%	7,913,749
Stockport	293,423	10.35%	8,971,294
Tameside	226,493	7.99%	6,924,936
Trafford	237,354	8.37%	7,257,007
Wigan	328,662	11.59%	10,048,713
Total	2,835,686	100.00%	86,700,000

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 2021/22

Budget Summary 2021/22	Gross Expenditure £000	Gross Income £000	Net Estimate £000
Fire Service Budget	106,529	0	106,529
Other Mayoral General Budget	126,747	14,950	111,797
Capital Financing Charges	2,316	0	2,316
Contribution from balances/reserves		7,189	-7,189
Budget Requirement	235,592	22,139	213,453
Localised Business Rates		10,614	-10,614
Business Rate Baseline		40,353	-40,353
Section 31 Grant - Business Rates		2,062	-2,062
Section 31 Grant - pensions		5,605	-5,605
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit		-438	438
Precept requirement	235,592	167,035	68,557

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>	<u>Council Tax Base</u>
Bolton	74,937.0
Bury	53,828.0
Manchester	117,175.0
Oldham	57,200.0
Rochdale	54,681.0
Salford	68,800.0
Stockport	95,945.1
Tameside	61,643.0
Trafford	77,386.0
Wigan	92,200.0
Total	753,795.1

AMOUNTS OF COUNCIL TAX FOR EACH BAND

2021/22	A	B	C	D	E	F	G	H
Costs for Band (including Fire)	£60.63	£70.74	£80.84	£90.95	£111.16	£131.37	£151.58	£181.90

CALCULATION OF BAND D EQUIVALENT TAX RATE

	£
Net expenditure	240,963,862
Less funding	-174,157,282
	66,806,580
Adjusted for estimated surplus(-)/deficit on collection funds	1,750,138
Net budget requirement to be met from Council Tax	68,556,718
Net budgetary requirement	68,556,718
Aggregate tax base	753,795
Basic tax amount at Band 'D'	£90.95