

**MINUTES OF THE MEETING OF THE
GMCA OVERVIEW & SCRUTINY COMMITTEE HELD ON 8 FEBRUARY 2023 AT
THE GMCA OFFICES, TOOTAL BUILDINGS, OXFORD STREET, MANCHESTER**

PRESENT:

Bolton	John Walsh (Chair)
Bolton	Champak Mistry
Bury	Nathan Boroda
Manchester	Mandie Shilton Godwin
Manchester	John Leech
Oldham	Colin McLaren
Oldham	Umar Nasheen
Rochdale	Ashley Dearnley
Rochdale	Tom Besford
Salford	John Mullen
Salford	Mishal Saeed
Stockport	Mike Hurleston
Trafford	Barry Brotherton
Trafford	Jill Axford
Wigan	Joanne Marshall

OFFICERS IN ATTENDANCE:

GMCA	Eamonn Boylan
GMCA	Steve Wilson
GMCA	Lisa Rice
GMCA	Nicola Ward
GMCA	Ninoshka Martins
GMCA	Phil Swann
TfGM	Steve Warrener
TfGM	Matt Bull

O&SC 57/23**APOLOGIES**

Apologies for absence were received from Councillors Hamid Khurram (Bolton), Naila Sharif (Tameside), Greg Stanton (Manchester) Alex Warren (Salford), Elise Wilson (Stockport), Amanda Peers (Stockport) and David Molyneux (Portfolio Lead for Resources and Investment).

O&SC 58/23**CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS**

- The Chair advised members on the recommendations provided to the GMCA on the Mayoral Precept and Our Pass items at their meeting on 27 January.
- Members were advised that an additional meeting would be taking place on 08 March 2023 from 12:30 – 2:30 pm to consider Government's response to GM's devolution trailblazer proposals.

O&SC 59/23**DECLARATIONS OF INTEREST**

None were received.

O&SC 60/23**THE MINUTES OF THE MEETING HELD ON 25 JANUARY 2023****RESOLVED /-**

That the minutes of the meeting held on 25 January 2023 be approved as a correct record.

O&SC 61/23**GMCA REVENUE AND CAPITAL BUDGETS 2023/24 OVERVIEW**

Steve Wilson, Treasurer to GMCA, introduced the item and provided an overview of the proposed GMCA budgets for 2023/24. The report summarised the position on the

Mayoral General Budget and Precept Proposals, the GMCA General Budget, GMCA Transport Budgets including Transport Levy and Statutory Charge and the GM Waste Services Levy.

Members reflected that only 5% of the income for the GMCA is generated locally, and therefore the need for the consolidation of multiple funding streams through the devolution trailblazer was clear. There should be greater control given to the organisation to determine how local resources are allocated as at present the Government criteria removes the ability for the GMCA to significantly influence spending.

RESOLVED /-

That the report and its contents be noted.

O&SC 62/23

**MAYORAL GENERAL BUDGET AND PRECEPT
PROPOSALS 2023/24**

The report set out the GM Mayor's proposals for the Mayoral General Budget (Including Fire and Rescue) and sought approval for the Mayoral General Precept for 2023/24 which had previously been reviewed by the GMCA Overview & Scrutiny Committee at their meeting in January.

The report recommended the setting of the Revenue Budget for 2023/24 as required under Section 42A of the Local Government Finance Act 1992 (updated in the Localism Act 2011) and the precepts and relevant levels of Council Tax required under sections 40, 42B and 47 of the Act.

Members were requested to note the changes around the finalisation of council tax base and business rates as part of the final report that has been included within the GMCA Revenue and Capital Budget reports.

RESOLVED /-

That the recommendations in relation to the Mayoral General Budget and Precept Proposals 2023/24 to be considered by the GMCA at their meeting on 10 February 2023 be noted as below:

1. To approve the Mayor's General budget for 2023/24 set out in this report together with the calculation of the precepts and Council Tax rates set out in Appendix 2.
2. To approve the Mayoral General Precept to £107.95 (Band D) comprising of £76.20 for functions previously covered by the Fire and Rescue Authority precept and £31.75 for other Mayoral General functions.
3. To approve:
 - i. the overall budget for the Fire and Rescue Service for 2023/24 covered by the Mayoral precept.
 - ii. the medium-term financial position for the Fire and Rescue Service
4. To approve the use of reserves as set out in section 3 of the report and the assessment by the Treasurer that the reserves as of March 2023 are adequate.
5. To note that in accordance with legal requirements, the minutes will record the names of those Members voting for or against the Mayor's budget and precept proposals.

O&SC 63/23

GMCA TRANSPORT REVENUE BUDGET 2023/24

Consideration was given to a report that set out the transport related Greater Manchester Combined Authority (GMCA) budget for 2023/24. Also included within the report was the proposed Transport Levy to be approved for 2023/24 together with the consequential allocations to the District Councils of Greater Manchester.

It was noted that it was a significant year of ambition for the Bee Network, with the first tranche of franchised buses due to begin operations in September 2023. However, due to the current financial challenges including inflation, energy costs and reduced patronage, the proposition being put forward to the Combined Authority was for an overall 4% increase to the Transport Levy.

The report showed a current budgetary gap of £39m, however a balanced budget was presented on the basis of ongoing discussions with the Department for Transport.

In noting the broader pressures faced by the network, a member queried the sufficiency of the bus support grant. Officers acknowledged the challenges and advised member that BSIP (Bus Services Improvement Plan) funding of £6m was allocated to support the continuation of certain bus services.

With regards to the impact of energy costs on the operating cost of the bus fleet, it was reported that the cost of both acquiring and maintain the zero-emission bus fleet had been factored into the business case for the CRSTS funding that GM had received. In terms of Metrolink, it was reported that there was a significant increase in operating costs however to mitigate impact on budgets further work was underway to develop a Financial Sustainability Plan that would be shared with members in due course.

A member sought to understand how bus and Metrolink fare revenues had impacted the budget. It was explained that currently the income and expenditure of operating bus services were the responsibility of operators and only the net gap was shown within the budget. However, following the move to franchising the net gap in the commercial market would need to be covered by the CA as done with Metrolink. The Treasurer offered to provide a gross breakdown of Metrolink fare box revenues to increase members' understanding of the impact within the budget report for the forthcoming year.

A member queried the sustainability of reserves in the longer term particularly with the view to alleviating budget difficulties associated with capping bus fares. It was clarified that fare capping was not funded by reserves but rather was fully funded through the Bus Services Improvement Plan for a period of 3 years with an annual review of the process to ensure affordability. Members were advised that further conversations with Government were underway to develop a longer-term financial sustainability plan, however as illustrated in the Quarter 3 Revenue Update there was a £5m deficit forecasted in the transport budget that would require the use of reserves.

With regards to products or services that TfGM provide, such as certain bus fares (on schools, demand responsive transport (DRT) and Ring Ride services), it was clarified that any formal changes would be made through respective governance arrangements rather than through the bus franchising process and would be included within the overall annual review of fares.

In response to a member's query regarding the source of funding for the work done as part of developing the Clean Air Zone, it was clarified that this activity was funded by the Joint Air Quality Unit and therefore was not accounted for within the GMCA budget.

It was noted that there was a continued need to increase patronage and revenue, therefore officers went on to advise members on the number of initiatives that had been launched with the view to tap into new markets whilst taking into consideration the recent change in travel behaviours. Officers added that further work was also being done to encourage active travel and that plans were underway to develop a pilot that would be looking at the feasibility of bikes on trams following the recent successful pilot of dogs on trams.

RESOLVED /-

1. That the recommendations in relation to the GMCA Transport Revenue Budget 2023/24 to be considered by the GMCA at their meeting on 10 February 2023 be noted as below:
 - a. To note the risks and issues which are affecting the 2023/24 transport budgets as detailed in the report.
 - b. To approve the GMCA budget relating to transport functions funded through the Levy, as set out in this report for 2023/24.
 - c. To approve a Transport Levy on the District Councils in 2023/24 of £113.472m, apportioned on the basis of mid-year population 2020.
 - d. To approve a Statutory Charge of £86.7m to District Councils in 2023/24 as set out in Part 4 of the Transport Order, apportioned on the basis of mid-year population 2020.
 - e. To approve the proposal to increase fees and charges where applicable, in line with inflation and to approve the increases proposed to Bus stop closure charges. as set out in paragraphs 4.32 and 4.33.
 - f. To approve the use of Transport reserves in 2022/23 and 2023/24 as detailed in section 5.
2. That the Bee Network Financial Sustainability Plan be shared with members.
3. That a gross breakdown of Metrolink fare box revenues would be included within the budget report for the forthcoming year to increase members' understanding of the impact.

Consideration was given to a report that set out the Greater Manchester Combined Authority (GMCA) General Revenue Budget for 2023/24. The proposed District contributions to be approved for 2023/24 of £8.603m was also included within the report together with the consequential allocations to the individual Councils which remained unchanged from 2022/23.

In response to a member's query on the Bed Every Night increased budgeted costs for 2023/24, it was clarified that this was currently partially funded by the NHS. However, any overspend could be covered by the Mayoral General Reserves or through a reduction in one-off costs. Further calculations on the impact of inflation and anticipated increased demand on the service would be funded would be shared with members following the meeting.

With regards to the difference in budgets earmarked for certain service, it was explained that service area budgets were predetermined based on government grants, including recharges, and district contributions hence the variation in allocations, however appendix one to the report offered a further breakdown.

In discussing the benefits from a potential single block grant, it was highlighted that this would see a reduction to overheads however any fund management details through the devolution trailblazer were yet to be disclosed by Government but were likely to include a more enhanced scrutiny and accountability arrangement.

In response to a member's query regarding the position around Business Rates Reserves, it was explained that GM had received a multi-year settlement whereby GM retained 100% of all business rates (75% to Local Authorities and 25% to the GMCA) and that 2023/24 was forecasted as the final year of the scheme however there was a possibility of this scheme being extended. It was clarified that the figure included within the report was based on the revenue received by the GMCA up to the end of March 2022, as there would be no commitments against 2023/24 until Local Authority submissions had been received by Government.

On the adequacy of reserves, the Treasurer had made his judgement based on forecasted figures, however, with regards to the GMCA core budget, it was explained that the GMCA would be in breach of grant conditions if a reserve was created from the grants received.

RESOLVED /-

1. That the recommendations in relation to the GMCA General Revenue Budget 2023/24 to be considered by the GMCA at their meeting on 10 February 2023 be noted as below:
 - a) To approve the budget relating to the Greater Manchester Combined Authority functions excluding transport and waste in 2023/24 as set out in section 2 of this report.
 - b) To approve District contributions of £8.603 million as set out in section 5 of this report.
 - c) To approve the use of reserves as set out in section 6 of the report.
2. That further calculations on the impact of inflation and anticipated increased demand on the service would be funded would be shared with members following the meeting.

O&SC 65/23

**GREATER MANCHESTER WASTE AND
RESOURCES - BUDGET AND LEVY 2023/24 AND
MEDIUM-TERM FINANCIAL PLAN**

Consideration was given to a report that outlined the Waste and Resources budget which also set out a total levy requirement for 2023/24 of £169m, that represented a 2.5% average increase over 2022/23. At a District level the levy change ranged from 1.8% to 3.2%; and the MTFP proposed levy charges of £177.4m in 2024/25 and £185.5m in 2025.

The Quarter 3 Revenue Update report also highlighted that although there had been a £13m income generated to the GMCA through waste burning during 2022/23, the future costs for waste and recycling were unknown, and therefore a 2.5% increase to the levy was proposed.

Members sought to understand how Local Authorities would see the benefit from the sale of recyclables under the National Waste Strategy (NWS). Officers explained that under NWS, manufacturers would be taxed at source for non-recyclable materials which would then be transferred to LAs. It was reported that a report outlining the implications of the NWS would be brought to a future meeting of the Committee.

A member raised concerns around the fluctuating costs and benefits from the various streams of waste and how the returns to Local Authorities were calculated. In terms of the revenue generated from paper and card recyclables, it was explained that at the end of the year a final payment would be made based on the volume of waste and recyclables.

It was also requested that the affordability of items at the Renewal Shops be given consideration. Officers assured members that their comments would be fed into the Waste and Recycling team for consideration.

In response to a member's query regarding inflation and price indices of the SUEZ contract, officers explained that the areas locked into Consumer Price Index (CPI) and Retail Price Index (RPIx) varied. However, in terms of overall value for money the contract had proved to be beneficial in comparison to the considerably higher levies should the GMCA have remained in the previous PFI contract.

RESOLVED /-

1. That the recommendations in relation to the Greater Manchester Waste and Resources - Budget and Levy 2023/24 And Medium-Term Financial Plan to be considered by the GMCA at their meeting on 10 February 2023 be noted as below:

- a) To note the forecast outturn for 2022/23.
 - b) To approve the proposed 2024/25 Trade Waste rate of £134.14 to allow forward planning by Districts.
 - c) To approve the budget and levy for 2023/24 of £169m (2.5% increase).
 - d) To approve the of a one-off reduction of £27m to the levy in 2023/24 funded from reserves reducing the 2023/24 requirement to £142m and delegate approval to the GMCA Treasurer to agree the basis of distribution with local authority Treasurers.
 - e) To note the risk position set out in the balances and reserves strategy.
2. That a report outlining the implications of the National Waste Strategy would be brought to a future meeting of the Committee.
 3. That officers feedback comments raised regarding the affordability aspect of items at the Renew Shops to the Waste and Recycling Team.

O&SC 66/23

GMCA CAPITAL PROGRAMME 2022/23 - 2025/26

Consideration was given to a report that provided an overview of the Greater Manchester Combined Authority's 2022/23 capital expenditure programme and the 2023/24 capital budget and the forward plan.

The most significant challenges were predicted to be as a result of supply chain issues and the impact of inflation, however regular updates would be provided to the GMCA (including information on any slippage) as schemes progressed.

A member sought to understand whether the capital programme was realistically deliverable. In response officers assured members that GM was appropriately resourced to ensure timely delivery however challenges did remain regarding supply chains which may result in some slippage.

In response to a members query around how the upgrade of speed cameras was funded, it was reported that this was done so through the Mayor's Challenge Fund and that the net surplus generated through the driver training courses would then be utilised specifically to fund road-safety type initiatives across GM.

RESOLVED /-

1. That the recommendations in relation to the GMCA Capital Programme 2022/23 to be considered by the GMCA at their meeting on 10 February 2023 be noted as below:
 - a) To note the current 2022/23 forecast of £462.1m compared to the 2022/23 previous forecast of £565.6m and approve changes to the capital programme as set out in the report.
 - b) To approve the capital programme budget for 2023/24 and the forward plan as detailed in the report and in Appendix A.
 - c) To approve funding from the City Region Sustainable Transport Scheme (CRSTS) grant as set out in Section 3.10 of this report.

O&SC 67/23

GMCA REVENUE UPDATE QUARTER 3 2022/23

Consideration was given to a report that outlined the 2022/23 financial position at the end of December 2022 (Quarter 3) and the forecast revenue outturn position for the 2022/23 financial year.

In terms fire fighter pay awards, it was reported that discussions with unions were still underway and if there would be an increase above 5%, the increase would be covered by reserves for 22/23, however this would result in ongoing costs which could not be met continually by reserves. It was clarified that there had been no announcement of national funding to cover pay awards.

RESOLVED /-

1. That the recommendations in relation to the GMCA Revenue Update Quarter 3 2022/23 to be considered by the GMCA at their meeting on 10 February 2023 be noted as below:
 - a) To note the 2022/23 forecast outturn position for the GMCA budgets at the end of December 2022 (quarter 3).
 - b) To approve the changes to the GMCA General and Transport budgets following the confirmation of additional funding and planned expenditure during quarter 3 shown in sections 2 and 6 of the report.

O&SC 68/23

GM DIGITAL BLUEPRINT 2023 - 2026

Consideration was given to a report that provided an outline of the rationale for refreshing the GM Digital Blueprint three years following its initial launch. Included within the report was an outline of the process that was being followed to ensure that GM continued to grow as a digital city region, and how GM was seeking to engage with stakeholders to achieve this ambition.

The GMCA Overview and Scrutiny Committee was particularly asked to consider whether the proposed refreshed GM Digital Blueprint adequately and appropriately responded to the ambitions of the Greater Manchester Strategy.

Although Members welcomed new providers and digital access for all, concerns were raised around the lack of policy adherence by companies when erecting masts for Broadband cables. Officers noted the comments and assured members that the CA would continue to push digital providers to adhere the code of conduct and carry out appropriate consultation prior to any infrastructure developments.

In response to a member's query to utilising open data sources to build the network, officers explained that there was significant interest for data around the transport network and other valuable data assets. Members were advised that these assets would be captured within the GM information Strategy and agreed that on completion this Strategy would be brought to a future meeting of the Committee.

In response to a member's query regarding how success was measured, officers advised that work was underway to understand the type of data sets available and those that were suitable to be aligned with the Greater Manchester Strategy. Furthermore, the Delivery Plan was already in development, with each initiative having its own set of measures.

With regards to the question raised on addressing online harm, it was reported that GMCA was taking a proactive approach in terms of coordinating with stakeholders to develop a response to the Online Abuse Bill and addressing online harm had been embedded within the initiatives for a digital inclusive agenda.

Members raised concerns around the issues faced by older individuals particularly on lower incomes and highlighted the need to ensure older residents were adequately supported to access digital services or ensuring alternative access remained available. Officers assured members that considerable amount of work was underway at a locality level to support older residents, with online hubs now established all across GM.

With regards to the questions raised around digital plans for households, members were advised that work was underway with housing providers to address digital affordability to individuals living in housing associations. It was noted that there was a need for GM to develop a digital infrastructure that would stimulate and deliver an affordable online offer to all GM residents and to drive this piece forward work was also being done through the Digital Inclusion Task Force and with localities to improve connectivity across the city region.

In terms of the query raised around the quotient of full fibre and gigabytes availability within GM, it was reported that currently 41% households in GM had full fibre connection which was within the national average and over 80% had gigabyte connectivity.

A member suggested that it would be beneficial to utilise data to meet the accessibility needs of residents for instance through the introduction of real-time data for bus services. It was highlighted that through the bus franchising programme there was an opportunity to harness digital assets whilst improving the connectivity for the entire city region through the introduction of the Bee Network App that would evolve to bring in together active travel with public transport modes whilst providing customers with real time stop and departure information to aid journey planning.

RESOLVED /-

1. That the refreshed GM Digital Blueprint priorities and its strategic ambitions set out in the Greater Manchester Strategy be noted.
2. That the CA would continue to push digital providers to adhere the code of conduct and carry out appropriate consultation before the erection of masts.

O&SC 69/23

WORK PROGRAMME & FORWARD PLAN OF KEY DECISIONS

A member raised that there were a number of decisions in relation the acquisition of bus depots on the forward plan, suggesting that these decisions should come to scrutiny. It was agreed that the Bus Franchising Programme Director would be invited to a future meeting to provide members with an update on progress.

RESOLVED /-

1. That the Overview & Scrutiny Work Programme for the forthcoming months be noted.

2. That a progress update on Bus Franchising be brought to a future meeting of the Committee.
3. That an invite be extended to the Bus Franchising Programme Director to provide an update at a future meeting of the Committee.

O&SC 70/23

FUTURE MEETING DATES

RESOLVED /-

That the following dates for the rest of the municipal year be noted:

- Wednesday 8 March, 12:30pm – 2:30 pm
- Wednesday 22 March, 1:00pm – 3:00 pm

Signed by the Chair: **(to be printed off and signed by the Chair at the next meeting)**