

## **GREATER MANCHESTER COMBINED AUTHORITY**

Date: 9<sup>th</sup> February 2024

Subject: GMCA Revenue and Capital Budgets 2024/25 Overview

Report of: Councillor David Molyneux, Portfolio Lead for Resources & Investment and Steve Wilson, Treasurer to GMCA

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### **PURPOSE OF REPORT**

This report presents an overview of the proposed GMCA budgets for 2024/25. It summarises 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 Greater Manchester (GM) Waste Services Levy.

It sets out the implications of the proposed budgets and the resultant charges on the ten GM local authorities and the Mayoral Precept.

### **RECOMMENDATIONS:**

Recommendations on the specific budget areas are contained in the accompanying papers. In relation to this paper, members are asked to note the contents of this summary paper.

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**Equalities Implications: N/A**

## **Climate Change Impact Assessment and Mitigation Measures:**

**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** – The report sets out a summary of the proposed revenue budgets for 2024/25 and medium-term financial planning for 2024/25 – 2026/27.

**Financial Consequences – Capital** – The report sets out a summary of the proposed capital programme for 2023/24 – 2026/27.

**Number of attachments to the report: 0**

**Comments/recommendations from Overview & Scrutiny Committee**

**BACKGROUND PAPERS:**

Report to Greater Manchester Combined Authority: 'GMCA Budget Reports' 10<sup>th</sup> February 2023

**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

Overview & Scrutiny Committee - 7<sup>th</sup> February 2024

## **1. Introduction and Background**

- 1.1 This report presents an overview of the proposed Greater Manchester Combined Authority (GMCA) budgets for 2024/25. It summarises the position on the Mayoral General Budget and Precept, GMCA General Revenue Budget, GMCA Transport Revenue budget including Transport Levy and Statutory Charge, the GM Waste Service Levy and the Capital Programme 2023/24 – 2026/27.
- 1.2 The report and the attached papers set out the implications of the proposed budgets and the resultant charges on districts and the Mayoral Precept.

## **2. Principles Underlying development of the Mayoral and GMCA budgets**

- 2.1 The budgets presented to the Combined Authority for approval focus on the delivery of the priorities set out in the Greater Manchester Strategy (GMS).
- 2.2 Delivery of the GMS priorities will require the GMCA, local authorities, businesses and the voluntary and community sector and other stakeholders to work in partnership. The Mayoral precept and GMCA budgets will support key areas of delivery for the strategy and its implementation plan, particularly in areas where the investments made in local authorities can be supported by the GMCA.

## **3. Overview of GMCA Budgets**

- 3.1 The overall GMCA budgets are made up of a variety of both historic budgets and new budgets relating to the functions provided by the Mayor and the GMCA as a whole.
- 3.2 The various orders under which these functions are provided, determine how such costs are funded such that:
  - **Mayoral General Budget** – Funded from the Mayoral precept and statutory charge/contributions from the districts (excluding the transport

levy). Fire funding is part of the Mayoral precept but also receives a revenue support grant, business rates income and a top up grant.

- **GMCA Transport Revenue Budget** – This is funded from a contribution from the mayoral budget for statutory mayoral functions including Bus services and from a levy on district budgets for non-mayoral functions in relation to public transport and a contribution to Metrolink financing costs agreed previously as part of the establishment of the Greater Manchester Transport Fund. The budget also includes a number of other grants received in relation to specific activities.
- **GMCA General Revenue Budget** – This includes corporate, devolved and programme funded activities of the Combined Authority. The budget is made up of a number of specific Government grants, including the Adult Education Budget, retained business rates, local authority contributions, earmarked reserves, internal recharges to other GMCA budgets and external income.
- **Greater Manchester Waste and Resources – Budget and Levy 2024/25 and Medium Term and Financial Plan** – This is funded through a levy to the nine GM local authorities who participate in the GM waste service (Wigan are not part of the waste contract). The contributions are on the basis of an agreed funding mechanism (LAMA).
- **GMCA Capital Programme 2023/24 – 2026/27** – The required capital programme to support the delivery of Transport, Fire and Rescue, Waste and Resources and Economic Development and Regeneration projects. The report sets out the capital funding statement funded from a variety of sources including grant and external borrowing.

3.3 This paper does not present the budget proposals for GM Police or the Police and Crime function. At the meeting on the 30th January 2024, it was noted by the Police, Fire and Crime Panel that the Mayor had considered his proposed increase

to the police precept in light of the responses by members of the public to the proposals set out in the consultation which concluded on the 24<sup>th</sup> January 2024. The Panel approved the Mayor's proposal for a precept increase of £13 per year for a band D property. This will take the Band D police precept to £256.30 per year.

3.4 The key elements of each budget area are summarised below:

**i) Mayoral General Budget and Precept Proposals**

The report sets out the Mayor's proposals for the Mayoral General Budget (including Fire and Rescue) and seeks approval for the Mayoral General Precept for 2024/25. The purpose of this report and recommendation are:

- To approve the Mayor's General budget for 2024/25 together with the calculation of the precepts and Council Tax rates;
- To approve the Mayoral General Precept to £112.95 (Band D) comprising of £81.20 for functions previously covered by the Fire and Rescue Authority precept which is an increase of £5 and £31.75 for other Mayoral General functions which will be frozen;
- To approve the overall budget covered by the Mayoral precept and the medium term financial position for the Fire and Rescue Service;
- To approve the use of reserves and the assessment by the Treasurer that the reserves as at March 2025 are adequate;
- 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.

**ii) GMCA Transport Revenue Budget**

This report sets out the proposed GMCA 2024/25 Transport revenue budget of £408.953m. The proposed Transport Levy to be approved for 2024/25 is included within the report together with the consequential allocations to the District Councils of Greater Manchester. The GMCA is recommended to:

- Note the significant risks and issues which are affecting the 2024/25 transport budgets and the ongoing discussions with the Department for Transport as detailed in the report;
- Approve the GMCA budget relating to transport functions funded through the Levy, as set out in this report for 2024/25;
- Approve a Transport Levy on the District Councils in 2024/25 of £119.473m which, together with the Statutory Charge is an overall increase of 4% (3% of which will be recurrent with a 1% one off increase in 2024/25) apportioned on the basis of mid-year population 2022;
- Approve a Statutory Charge of £86.7m to District Councils in 2024/25 as set out in Part 4 of the Transport Order, apportioned on the basis of mid-year population 2022;
- Endorse the proposal to increase fees and charges as noted in the report, including the increases proposed to Departure Charges and Bus stop closure charges;
- Approve the use of Transport reserves in 2023/24 and 2024/25 as detailed in the report.

### **iii) GMCA Revenue General Budget**

This report sets out the proposed GMCA General Revenue Budget for 2024/25 of £275.185m. The report includes the proposed local authority contributions to be approved for 2024/25 of £8.5m, cash flat for the 4<sup>th</sup> year. The report includes the consequential allocations to the individual local authorities. The GMCA is recommended to:

- Approve the budget relating to the GMCA Corporate Services and devolved programme related functions ;
- Approve local authority contributions of £8.5 million;
- Approve the use of GMCA General reserves in 2023/24 and 2024/25 as detailed in the report.

#### **iv) GM Waste Disposal Budget**

The purpose of the report is to seek comment on the Waste and Resources budget and levy for 2024/25 and on the Medium-Term Financial Plan (MTFP) 2025/26 to 2026/27. The report sets out:

- A total levy requirement for 2024/25 of £174.3m, which represents a 3.1% average increase over 2023/24. At a GM Local Authority (LA) level the levy changes range from 1.3% to 5.0%;
- The MTFP proposes levy charges of £180.8m in 2025/26 and £189.2m in 2026/27;
- Approval for the proposed 2025/26 Trade Waste rate of £138.93 to allow forward planning by GM LAs;
- Approval for the budget and levy for 2024/25 of £174.3m (3.1% increase);
- Approval for a one-off reduction of £20m to the levy in 2024/25 funded from reserves reducing the 2024/25 requirement to £154.3m and delegate approval to the GMCA Treasurer to agree the basis of distribution with local authority treasurers; and
- Note the risk position set out in the balances and reserves strategy.

#### **v) GM Capital Programme**

This report is the GMCA 2023/24 to 2026/27 capital expenditure programme. The GMCA is requested to:

- Note the current 2023/24 forecast of £579.1m compared to the 2023/24 previous forecast of £623.6m and approve changes to the capital programme as set out in the report;
- Approve the capital programme budget for 2024/25 of £685.2m and the forward plan for future years;
- Approve the inclusion of Greater Manchester's share of the additional highways maintenance funding for 2023/24, as outlined the report and;
- Approve the inclusion of Trailblazer funding as outlined the report.

## **4. CONCLUSION**

4.1 The attached reports set out the detailed proposals for each budget area including:



- The Mayor's final proposal for Mayoral General Budget, with the proposed precept and the detailed budget and statutory calculations following receipt of final information from GM local authorities.
- Contributions from local authorities in relation to the Transport Levy, Waste Levy and GMCA costs
- The planned capital programme for GMCA across both Mayoral and non-Mayoral functions.

## **5. RECOMMENDATION**

5.1 Recommendations are presented at the front of the paper.

