

Date: 28<sup>th</sup> July 2023

Subject: GMCA Revenue Update Quarter 1 2023/24

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

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## **PURPOSE OF REPORT**

This report is to inform members of the Greater Manchester Combined Authority financial position at the end of June 2023 (Quarter 1) and forecast revenue outturn position for the 2023/24 financial year.

## **RECOMMENDATIONS:**

The GMCA is requested to:

1. Approve an increase to the Mayoral budget of £500k funded from Mayoral reserves towards the cost of additional extended rough sleeper provision provided through Manchester City Council (para 3.2).
2. An increase to the revenue grant to Transport for Greater Manchester of £7.8m funded from the Capital Programme Reserve to fund capital financing costs that are unable to be met from Metrolink revenues (para. 6.14).
3. Note the intention to re-allocate £15m of Bus Service Improvement Programme (BSIP) grant funding previously awarded by Department for Transport to support bus services, with £7.5m of this re-allocation to be utilised in 2023/24 and £7.5m in 2024/25 (para 6.14).

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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 2023/24 budget update.

**Financial Consequences** – Revenue – The report sets out the provisional outturn position for 2023/24.

**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 – 10th February 2023

GM Air Quality Administration Committee, Clean Air Plan Expenditure Update - 26 October 2022

**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 2023/24 forecast 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 The table below shows the summary of the financial position at Quarter 1. Further details on the variances are provided in each section of the report.

Summary 2023/24 Quarter 1	Approved Budget			Forecast Outturn Q1			Variance from Budget		
	Exp	Income	Total	Exp	Income	Total	Exp	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>GMCA General</b>	245,584	-245,584	0	259,863	-259,863	0	14,279	-14,279	0
<b>Mayoral</b>	139,738	-139,738	0	140,238	-140,238	0	500	-500	0
<b>GMFRS</b>	130,156	-130,156	0	130,363	-130,362	0	207	-207	0
<b>Waste</b>	169,023	-169,023	0	168,078	-169,657	-1,579	-945	-634	-1,579
<b>Transport inc:</b>	311,898	-311,898	0	337,898	-337,898	0	26,000	-26,000	0
TfGM	307,413	-307,413	0	339,913	-324,613	15,300	32,500	-17,200	15,300

## 2. GMCA GENERAL BUDGET

- 2.1 The original budget for 2023/24 for the GMCA Revenue General budget approved in February 2023 was £245.584m and the forecast outturn expenditure at the end of June 2023 (Quarter 1) is £259.863m, an increase of £14.279m fully funded from new external income resulting in a breakeven position for the overall budget.
- 2.2 The increase in expenditure relates to additional funding for various projects as noted within the report.
- 2.3 The table below shows the original expenditure and income budgets approved in February 2023, the forecast outturn at Quarter 1 and the variance compared to the original budget.

GMCA Revenue General Budget 2023/24 Quarter 1	Original Budget	Forecast Outturn Quarter 1	Variance
	£000	£000	£000
<b>Expenditure:</b>			
GMCA Corporate	27,526	28,386	859
Digital	353	4,781	4,428
Economy	9,746	11,556	1,810
Environment	1,509	5,731	4,222
Place	23,446	27,906	4,460

Public Service Reform	41,884	42,813	929
Work and Skills	141,120	138,689	-2,431
<b>Total Expenditure</b>	<b>245,584</b>	<b>259,863</b>	<b>14,279</b>
<b>Funded by:</b>			
Government Grants	188,865	181,138	-7,728
District Contributions	8,603	8,603	0
Internal Recharges	22,905	23,068	163
Retained Business Rates	8,014	14,940	6,926
Earmarked Reserves	5,543	3,895	-1,648
Other Income	11,654	28,219	16,565
<b>Funding</b>	<b>245,584</b>	<b>259,863</b>	<b>14,279</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Corporate Services

- 2.4 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.
- 2.5 The original approved budget for 2023/24 was £27.5m and the forecast is showing an increase in expenditure to £28.4m. The forecast expenditure increase of £859k is due to:
- HR resources required for specific projects, the cost of which is to be recharged at £311k.
  - Resilience of £301k supported by additional income for Local Resilience Forum via grant from Department for Levelling Up Housing and Communities (DLUHC).
  - GM Communications of £253k to support the GM Residents Survey utilising allocated retained business rates plus new grant funding from the GM Evidence & Insight hub.
  - This is offset by a £5k decrease in costs across Corporate Services.

## 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 2023/24 original budget for Digital was £0.3 million, which included the key programmes of GM Connect and Smart Residents Data Exchange Platform. The forecast position is expenditure of £4.8m, the additional expenditure and funding is in relation to the following schemes:

- GM Digital Strategy increase of £0.6m is to be funded via retained business rates against the allocation for GM Digital Inclusion, Growth and Places.
- Smart Residents Data Exchange Platform increase of £0.8m also funded via retained business rates against the GM Digital Transformation allocation.
- GM One Network increase of £2.5m in relation to the upfront costs which are to be funded via District partners partaking in the scheme as per the arrangements agreed.
- Digital Social Care is a joint initiative with Manchester City Council. Expected expenditure is £0.5m which is fully funded from programme funding from NHS England.

### 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 2023/24 approved budget for Economy was £9.7m. At Quarter 1, the forecast outturn of £11.5m reflects the additional or confirmation of funding for the following schemes:

- LEP funding for Strategic and Core which was confirmed following the budget setting period for 2023/24 of £0.2m.
- GM Local Industrial Strategy (LIS) expenditure of £1.6m funded from retained business rates.

## 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 2023/24 original approved budget for Environment was £1.5m with forecast expenditure at Quarter 1 of £5.7m. The increase relates to new funding available for the following:
- Environment and Low Carbon programme £0.4m
  - Local Energy Advice Demonstrator £0.9m
  - Increased expenditure of £0.4m to support Districts to deliver their Climate Emergency Declarations through upscaling the delivery of conurbation wide carbon reduction programmes and provide local in-person energy advice, funded from the North West Net Zero Hub grant.
  - IGNITION project – grant funded expenditure of £0.7m 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 utilising EU funding.
  - Green Spaces Fund £1.3m investment from retained business rates as part of the agreed funding for the project over a 3 year period.
  - Other Environment projects with expenditure of £0.5m such as ECO LA Flex and Sustainable Consumption and Production.

## 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 2023/24 original approved budget for Place was £23.4m with forecast expenditure at Quarter 1 of £27.9m. The increase relates to:

- Retained business rates to fund the GMCA Culture Investment plan 2023/2026 of £1.1m
- Places for Everyone of £0.8m, funded from retained business rates, is the estimated residual spend as the review comes to a close.
- UK Shared Prosperity programme - expenditure increase of £1.1m funded from earmarked reserves for the E22 SME workspace and business support activities.
- Local Enforcement (Housing) Pathfinder, supported via a £1m grant from DLUHC specific to enforcement action against substandard lettings by landlords.

#### 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 2023/24 original approved budget for PSR was £41.9m with forecast expenditure of £42.8m. The majority of the increase relates to funding expected via Gambling Harm UK of £0.6m to assist in the efforts to prevent and reduce gambling-related burden of harm through a range of activities.

2.16 The remainder of the increase across PSR is to be funded from a range of earmarked reserves, new grant funding and external income.

## Education, Work and Skills

- 2.17 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 2023/24 budget was £141.1m with forecast expenditure of £138.7m. The forecast expenditure reduction against budgeted income totals £2.1m, the majority of which is in relation to ESF Skills for Growth due to commissioning difficulties and spend aligned to performance.
- 2.18 The Adult Education Budget in respect of delivery costs are forecast to increase by £0.4m, fully funded from grant.

### **3. MAYORAL GENERAL BUDGET**

- 3.1 The Mayoral General budget (excluding Fire and Rescue) funds the Mayor's Office and Mayoral functions, the majority of which relates to Transport functions. The budget approved by in February 2023 was £139.738m funded from Precept income, Transport Statutory Charge, reserves, grants and external income.
- 3.2 The Mayor has agreed to make a contribution of £500k towards the cost of additional extended rough sleeper provision provided through Manchester City Council to be funded from Mayoral reserves.
- 3.3 The table below shows the original budget and breakeven forecast outturn at Quarter 1:

<b>Mayoral Budget 2023/24 Quarter 1</b>	<b>Original Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Mayors Office	526	526	0
Corporate Recharge	826	826	0
Mayoral Priorities	3,050	3,550	500
Mayoral Transport	135,336	135,336	0
<b>Gross Expenditure</b>	<b>139,738</b>	<b>140,238</b>	<b>500</b>
<b>Funded by:</b>			
Mayoral Precept	-25,193	-25,193	0
Collection Fund Surplus /-Deficit	-1,059	-1,059	0

BSOG grant	-13,150	-13,150	0
Mayoral Capacity grant	-1,000	-1,000	0
Statutory charge	-86,700	-86,700	0
Use of Reserves	-11,786	-12,286	-500
External Income	-850	-850	0
	-		
<b>Total Funding</b>	<b>139,738</b>	<b>-140,238</b>	<b>-500</b>
<b>Net expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 4. GM FIRE AND RESCUE

4.1. The 2023/24 budget for GM Fire and Rescue Service (GMFRS) set in February 2023 was approved at £130.156m and, at Quarter 1, it is expected that the position will be breakeven. The table below summarises the position:

GMFRS Budget 2023/24 Quarter 1	Approved Budget	Forecast Outturn	Forecast Variance
	£000	£000	£000
Employees	99,972	99,845	-127
Indirect Employees	2,149	2,284	135
Premises	6,719	7,063	344
Transport	2,467	2,437	-30
Supplies & Services	9,986	9,488	-498
Support Services	8,272	8,272	0
Government Grants	-1,169	-1,187	-18
Other Grants & Contributions	-365	-365	0
Customer & Client Receipts	-2,595	-1,947	648
Capital Financing Costs	2,082	1,446	-636
Tfr to Earmarked Reserve	2,637	3,026	389
<b>Total Expenditure</b>	<b>130,156</b>	<b>130,363</b>	<b>207</b>
Localised Business Rates	-10,650	-10,743	-93
Baseline Funding	-43,275	-43,275	0
SFA - Services Grant	-1,244	-1,296	-51
Section 31 - Business Rates	-7,567	-7,707	-141
Section 31 - Pension Related	-5,605	-5,605	0
Precept Income	-60,463	-60,433	30
Collection Fund surplus/deficit	-531	-479	52
Trf from Earmarked Reserve	-822	-824	-2
<b>Total Funding</b>	<b>-130,156</b>	<b>-130,363</b>	<b>-207</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.2. Employees pay and pensions is an underspend of £127k. This includes an estimated value of pay award for both uniformed and non-uniformed employees. The pay award

budget was set at 5% for uniformed staff pay award as agreed in March 2023 and an assumption of 4% as per the budget for non-uniformed staff.

- 4.3. The forecast includes assumptions in respect of on-going costs in relation to Bear Scotland v Fulton which was included in the budget, pre-arranged overtime which is utilised to provide flexibility for training and to maintain ridership and estimates of new starters based on the recruitment plan.
- 4.4. Premises related expenditure is an overspend of £344k in the area of repairs and maintenance based on spend to date as an early indication. The information supporting this area of spend is being utilised to understand the needs against the capital programme.
- 4.5. Supplies, services and other expenditure is forecast at an underspend of £498k. Included in the budget is an expected increase in costs for contract renewals that occur throughout the year. Updates will be provided in future reports.
- 4.6. Following the 2022/23 capital outturn position, the attributable capital financing costs have been re-calculated resulting in an underspend of £636k.
- 4.7. Income is forecast to be underachieved by £738k mainly due to a forecast underspend in expenditure in relation to training delivery and the apprenticeship levy income due to the Service. Work is on-going to provide further detail in this area which will support estimates in future reports.
- 4.8. Funding changes are in relation to collection fund. Following budget setting in February 2023, amendments to District collection fund values were made which have been reflected in the forecasts. Approval to amend the budget in line with this is requested.

## **5. WASTE AND RESOURCES**

- 5.1 The levy for the Waste and Resources service was set in February 2023 for a total of £170.0m with use of reserves of £1m. At the end of Quarter 1, the forecast underspend is £1.6m as detailed in the table below:

<b>Waste and Resources Forecast Outturn 2023/24</b>	<b>Approved Budget</b>	<b>Forecast Outturn Quarter 1</b>	<b>Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Operational Costs	108,555	107,714	-841
Operational Financing	53,731	52,553	-1,178
Office Costs	7,212	7,212	0
Non-Operational Financing	525	599	74
<b>Total Budget</b>	<b>170,023</b>	<b>168,078</b>	<b>-1,945</b>
Levy Adjustment	0	366	366
Return to constituent authorities	0	27,000	27,000
Transfer (from)/to reserves	-1,000	-28,000	-27,000
<b>Levy</b>	<b>169,023</b>	<b>167,444</b>	<b>-1,579</b>

- 5.2 Operational costs element of the budget is forecast to underspend by £0.8m due to tonnages for the first two months being lower than budget and income from pulpables and commingled recyclates being higher than budget during the first Quarter of the year. The position will be updated based on actual income as the year progresses. Tonnages and recyclate prices will be monitored monthly through the remainder of the year.
- 5.3 An underspend on capital financing of £1.2m is forecast relating to lower than budgeted Minimum Revenue Provision and slightly lower interest costs. The levy adjustment payment of £0.4m is a reflection of lower than budgeted tonnages delivered by local authorities and is a cost to the GMCA.
- 5.4 At the GMCA meeting of 10 February 2023 approval was given to make a one-off payment of £27m funded from reserves which has now been paid.

## **6. TRANSPORT**

- 6.1 The Transport original revenue budget was approved by GMCA in February 2023, which includes funding from the Transport Levy and Statutory Charge, Mayoral precept, grants and reserves. Since the budget was set additional grant funding has increased the budget expenditure to £311.9m, of which £232.7m is budgeted to be paid to Transport for Greater Manchester (TfGM) for transport delivery as shown

in the table below. The remaining £79.2m of the Transport revenue budget is retained by GMCA for capital financing costs for Metrolink and other programmes.

- 6.2 The forecast outturn at Quarter 1 is an increase in Transport funding to TfGM of £26m in relation to £19m of additional Bus Service Improvement Plan Grant (BSIP) for the extension of the Capped Fare Scheme (para. 6.6), £6.7m in relation to rephased 2022/23 costs for Bus Franchising (para. 6.12) and £0.3m of Active Travel grant (para 6.8).

<b>GMCA Transport Revenue Budget Quarter 1</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£000</b>		<b>£000</b>
<b>Resources:</b>			
Mayoral Transport Budget	135,336	135,336	0
District Levy	113,472	113,472	0
Earnback Revenue Grant	12,592	12,592	0
Bus Services Improvement Grant	13,000	32,000	19,000
Use of Reserves	22,149	28,849	6,700
Other Grants	15,349	15,649	300
<b>Total Resources</b>	<b>311,898</b>	<b>337,898</b>	<b>26,000</b>
<b>Expenditure:</b>			
Funding to TfGM	232,677	258,677	26,000
GMCA Capital Financing Costs	79,221	79,221	0
<b>Total Expenditure</b>	<b>311,898</b>	<b>337,898</b>	<b>26,000</b>

### Transport for Greater Manchester

- 6.3 The Quarter 1 forecast outturn for TfGM is an overspend of £15.3m as shown in the table below. The proposed mitigation for this is shown in paragraph 6.14, once approved the budget for TfGM will be updated to reflect the change in funding during Quarter 2.

<b>TfGM Revenue Budget 2023/24 Quarter 1</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Resources</b>			
Funding from GMCA	-232,677	-258,677	-26,000
Metrolink financing costs	-12,836	-12,836	0
DfT Rail grant	-1,900	-1,900	0
<b>Total Resources</b>	<b>-247,413</b>	<b>-273,413</b>	<b>-26,000</b>
<b>Expenditure</b>			
Concessionary Support	76,254	76,254	0
Bus Supported Services	63,000	69,500	6,500

Capped Fares Scheme	13,000	32,000	19,000
Payment of Devolved BSOG	11,750	11,750	0
Accessible Transport	3,700	3,700	0
Operational Costs	45,697	45,997	300
Traffic signal Costs	3,822	3,822	0
Clean Air Plan Costs	9,349	9,349	0
Scheme pipeline development Costs	19,800	19,800	0
Bus Franchising costs	15,895	22,595	6,700
Metrolink net revenue loss	38,836	38,836	0
Financing	6,310	6,310	0
Total Expenditure	307,413	339,913	32,500
<b>Net deficit / -surplus on Core budget pre FSP</b>	<b>60,000</b>	<b>66,500</b>	<b>6,500</b>
<b>FSP interventions</b>			
Local mitigations:			
Internal operating efficiencies	-8,000	-8,000	0
Network efficiencies	-7,500	-7,500	0
Market renewal	-5,500	-5,500	0
	-21,000	-21,000	0
Continuing support from central Government	-39,000	-30,200	8,800
	<b>-60,000</b>	<b>-51,200</b>	<b>8,800</b>
<b>Remaining deficit/ -surplus after FSP interventions – see below for further interventions</b>	<b>0</b>	<b>15,300</b>	<b>15,300</b>

- 6.4 At this early point in the financial year, the costs of concessionary reimbursement are currently forecast to outturn in line with budget. TfGM has, in line with previous Department for Transport (DfT) guidance, continued to reimburse bus operators for concessionary reimbursement in line with pre COVID-19 volumes, adjusted, in line with further DfT guidance, where operated mileage has been less than 100% of pre COVID-19 levels.
- 6.5 The costs of Bus Supported Service are currently forecast to outturn £6.5m above budget. This is due to a combination of higher inflationary pressures on tendered service renewals and additional interventions being required to stabilise the bus network after the withdrawal or reduction of commercial services by operators.
- 6.6 In June 2023 GMCA approved the continuation of the ‘Capped Fares’ scheme until summer 2024. The costs of the scheme are fully funded from Bus Service Improvement Plan (BSIP) funding.

- 6.7 Bus Service Operators Grant (BSOG) and Accessible Transport costs are currently forecast to outturn in line with budget.
- 6.8 Operating costs budget have savings of £8m included in the TfGM Financial Sustainability Plan (FSP). This included savings in resource costs, including from a voluntary severance programme implemented in 2022/23, other cost efficiencies; and additional commercial income. These savings are on course to be delivered in the year. Excluding this, the budget is £0.3 million higher due to the inclusion of additional costs fully funded by additional grants, from the Active Travel 3 Fund.
- 6.9 Traffic signal operating costs are currently forecast to outturn in line with budget.
- 6.10 The Clean Air Plan costs in the outturn above include all revenue expenditure in the year including on further work to develop the business case, revenue support grants paid as part of the Financial Support Scheme and the operational costs for the Clean Air scheme. Together these costs are forecast to outturn at £9.3m. All of these costs are funded by grants from the Government's Joint Air Quality Unit. The nature of the expenditure being incurred was reported to the GMCA via the GM Air Quality Administration Committee in the minutes from the meeting of 26 October 2022.
- 6.11 The budget for 2023/24 included £19.8m of costs for the further development of GM's pipeline of future transport schemes. This will be part funded from the DfT through £4.25m from the Intra-City Transport Settlement funding for financial year 2023/24, in addition to a further £15.550m of previously approved funding from GM's previous award of Transforming Cities funding (TCF2) and City Region Sustainable Transport Scheme (CRSTS). TCF2 has now been amalgamated within GM's CRSTS award and this funding will be drawn down through a switch of funding with a recurrent revenue grant received for capital expenditure.
- 6.12 The Mayoral General Budget included an estimated sum of £15.9 million for the revenue costs for the implementation plans for the introduction of Bus Franchising. Due to a rephasing of expenditure from 2022/23, the forecast outturn for these costs in 2023/24 is now £22.6m with the overall outturn costs during the franchising transition period remaining within the previously approved overall budget.
- 6.13 The FSP included additional income from market renewal and savings from network efficiencies of £13m in total. These are forecast to be delivered predominantly from

Metrolink farebox revenues, as patronage and farebox revenues continue to return to pre-COVID levels and from operational efficiencies, including those resulting from the review of the Metrolink contract. The outturn reflects the delivery of all of these targeted savings and additional income in the year.

6.14 Based on the current outturn and the delivery of the FSP elements identified above, there remains a net shortfall, prior to further interventions, of £15.3m. This is currently forecast to be delivered from the following further interventions:

- The GM Bus Service Improvement Plan (BSIP) included funding of £21m to cover the operating / revenue costs of ticketing and other customer related interventions in the period to March 2025. Due to the phasing of the delivery of those interventions, £15m of that funding will now not be required to cover those operating / revenue costs during that period. It is therefore proposed, subject to formal agreement with DfT, to re-allocate the £15m to fund ongoing bus network support costs. £7.5m of the £15m will be applied to the current shortfall in 2023/24, with the remaining £7.5m to be allocated to ongoing bus network support costs in 2024/25.
- £7.8m via a TfGM 'debt repayment holiday' that would be funded from the GMCA Capital Programme Reserve.

## **7. RECOMMENDATIONS**

7.1 The recommendations appear at the front of this report