

GMCA Overview and Scrutiny Committee

Date: 24 January 2024
Subject: Mayoral General Budget and Precept Proposals
Report of: Andy Burnham, Mayor of Greater Manchester

PURPOSE OF REPORT

To set out the proposals for the Mayoral General Budget and precept for 2024-25 for consideration by the members of the GMCA Overview & Scrutiny Committee. Unique amongst Mayoral Combined Authorities, the proposals being made include a significant element for the Fire Service which had previously fallen to the GM Fire and Rescue Authority to determine. The report includes details supporting the proposed precepts for the Mayoral General Budget as shown at paragraph 3.

RECOMMENDATIONS:

The GMCA Overview and Scrutiny Committee is requested to:

Consider and comment on the report and note the recommendations which will be considered by the GMCA at its meeting on the 26 January 2024 as below.

The GMCA is recommended:

1. To consider my proposal to increase the Mayoral General Precept by £5 to £112.95 (for a Band D property), comprising of:
 - i) Functions previously covered by the Fire and Rescue Authority - precept of £81.20 (**£5 increase**);
 - ii) Other Mayoral General functions - precept of £31.75 (**no increase**).

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 2025 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. To note and comment on the use of reserves as set out in Paragraph 3.3 of the report;
5. 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
6. To note that at its meeting on 9 February 2024 there will be an updated budget submitted, consistent with the precept proposals, to reflect final tax base and collection fund calculations and the final baseline funding 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 2024/25 insofar as they relate to the Fire Service are detailed in Part 2.

Legal Considerations – See Appendix 1 of the report.

Financial Consequences – Revenue – The report sets out the planned budget strategy for 2024/25 and future years.

Financial Consequences – Capital – Proposals for Fire and Rescue Services capital spend are set out within Part 2 of the report.

BACKGROUND PAPERS:

GMCA – Mayoral General Budget and Precept Proposals 2023/24 – 10 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

GM Transport Committee

N/A

Overview and Scrutiny Committee

7th February 2024

1. INTRODUCTION

1.1 The purpose of this report is to notify the GMCA of the Mayor's draft budget for 2024/25, 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 The Mayoral General Budget 2024/25 is set out in two parts:

1.2.1 Part 1 - Mayoral General Budget 2024/25 (excluding Fire and Rescue).

There is **no proposed increase** to the Mayoral General precept for 2024/25 the existing precept of £31.75 will continue to be used to support:

- The 'A Bed Every Night' emergency response scheme to reduce rough sleeping in Greater Manchester and continue to support local schemes and homelessness partnerships to end rough sleeping. This scheme is supplemented by financial support from the Greater Manchester Integrated Health and Care Partnership, Probation Service and other partners across Greater Manchester.
- The 'Our Pass' scheme for a further 12 months from September 2024, providing free bus travel within Greater Manchester for 16-18 year olds.
- Care Leavers concessionary pass providing free bus travel in Greater Manchester for young people 18-21 years old who have been in care.
- Bus Reform implementation as a key step toward development of The Bee Network - an integrated 'London-style' transport system which will join together buses, trams, cycling and walking and other shared mobility services. The Mayoral precept and Earnback grant funding will fund the procurement and implementation of local bus service contracts (bus franchising) in three 'Tranches'. Tranche 1 commence operation in September 2023 covering Wigan, Bolton and parts of Salford and Bury, extending to the whole city region in Tranche 3 by January 2025.

- Equality panels facilitated by appropriate voluntary organisations, enabling investment in organisations which work in partnership with public services and the wider community, contributing to tackling the inequalities agenda.

1.2.2 Part 2 - Greater Manchester Fire and Rescue Service (GMFRS) Medium Term Financial Plan 2024/25 – 2026/27. There is a proposed £5 (Band D) increase to the GMFRS element of the mayoral precept. The precept increase is required to ensure, given the significant increase in inflationary pressures on both pay and non-pay budgets, there is no adverse impact on frontline fire cover. In addition to funding the unavoidable impact of these inflationary cost pressures the proposed increase will also allow additional investment in the service including an additional fire engine for GM and further investment in protection and prevention work. Together with the changes introduced through the 2023 Fire Cover Review (FCR) these changes will increase the number of fire engines across GM from 50 to 52 and allow significant investment in prevention and protection.

1.3 The Mayor therefore proposes an increase to the Mayoral General Precept (fire) for the financial year 2024/25. If the proposal is accepted, the Mayoral Precept will increase by £3.33 (6 pence per week) to £75.30 for a Band A property split between £54.14 (£1.04 per week) for the fire service and £21.16 (41 pence per week) for other Mayoral-funded services (an increase of £5.00 to £112.95 for a Band D property, with the fire service accounting for £81.20 and £31.75 for non-fire).

1.4 Although it is required to set a precept specifying the Band D Charge, by far the majority of properties (82%) in Greater Manchester, will be required to pay less than this amount. The following table outlines the amounts to be paid by each band and the proportion of properties which fall into each band.

2024/25	A	B	C	D	E	F	G	H
Mayoral Other	21.16	24.69	28.22	31.75	38.80	45.86	52.91	63.50
Mayoral Fire	54.14	63.16	72.18	81.20	99.25	117.29	135.34	162.40
Total	75.30	87.85	100.40	112.95	138.05	163.15	188.25	225.90
Proportion of Properties	44.6%	19.8%	17.7%	9.6%	4.9%	2.1%	1.3%	0.2%

1.5 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.

1.6 Income from Business Rates, both a share of the income collected by GM 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.

1.7 At the present time, both Council Tax and Business Rates income is subject to confirmation by local authorities, and the estimate of the Business Rates 'top up' grant will be confirmed in the final settlement.

2. BACKGROUND TO BUDGET PROCESS

2.1 The functions of the GMCA which are currently Mayoral General functions are:

- Fire and Rescue
- 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 precept or statutory contributions (not Fire). A precept can be issued by the Mayor to GM Councils as billing authorities. The precept is apportioned between Councils 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, I must, before 1st February notify the GMCA of my draft budget in relation to the following financial year. The draft budget must set out the proposed spending and how I intend 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. MAYORAL GENERAL BUDGET SUMMARY 2024/25

- 3.1 The table below shows the summary of gross and net budget for Mayoral General Budget including GMFRS budget for 2024/25:

Budget Summary 2024/25	Gross Expenditure £000	Gross Income £000	Net Estimate £000
Fire Service Budget	137,908	3,814	134,094
Other Mayoral General Budget	140,105	27,384	112,721
Capital Financing Charges	2,259	0	2,259
Contribution from balances/reserves	0	829	-829
Budget Requirement	280,272	32,027	248,245
Localised Business Rates		10,743	-10,743
Business Rate Baseline		51,281	-51,281
Services Grant		204	-204
Section 31 Grant - Business Rates		7,707	-7,707
Section 31 Grant - pensions		0	0
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit	0	688	-688
Precept requirement	280,272	189,350	90,922

3.2 The full calculation of aggregate amounts under Section 42A (2) and (3) of the Local Government Finance Act 1992 as updated in the Localism Act 2011 is shown at Appendix 2.

3.3 Taking account of the budget proposals outlined in this paper, the reserves for both Mayoral and GMFRS for 2023/24 are as follows:

Mayoral and GMFRS Reserves	Closing Balances 31 March 2023 £000	Transfer out/(in) 2023/24 £000	Projected Balance March 2024 £000	Transfer out/(in) 2024/25 £000	Projected Balance March 2025 £000
General Reserve	-12,093		-12,093		-12,093
Mayoral Reserve	-3,553	700	-2,853	1,700	-1,153
A Bed Every Night	-2,511	2,511	0		0
Capital Reserve	-10,870	-2,842	-13,712		-13,712
Capital Grants Unapplied	-12		-12		-12
Earmarked Budget Res	-8,075	287	-7,788	829	-6,959
Revenue Grants Unapplied	-6,832	273	-6,559		-6,559
Insurance Reserve	-2,600		-2,600		-2,600
Business Rates Reserve	-1,128		-1,128		-1,128
Restructuring Reserve	-418		-418		-418
Innovation & Partnership	-127		-127		-127
Transformation Fund	-3,604		-3,604		-3,604
Total	-51,823	929	-50,894	2,529	-48,365

3.4 The current General Fund Reserve balance stands at £12.093m, this is considered an appropriate level and there is no planned use of this reserve.

4. LEGAL ISSUES

4.1 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 the Mayor's legal and financial commitments, ensure the proper discharge of my statutory duties and lead to a balanced budget.

4.2 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.

4.3 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)

4.4 The Local Government Finance Act 2003 requires the Chief Finance Officer to report to the Mayor 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.

4.5 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.

- 4.6 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 the Mayor.
- 4.7 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

- 4.8 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

- 4.9 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.

5. PART 1 - PROPOSED MAYORAL GENERAL BUDGET 2024/25 (EXCLUDING FIRE & RESCUE)

5.1 This section provides the proposed Mayoral General Budget (excluding Fire & Rescue) for 2024/25. The Mayoral General Budget funds the Mayor's Office and Mayoral functions including Transport. The budget for 2024/25 is a proposed £140.105m to be funded from Precept income, Transport Statutory Charge, reserves, grants and external income.

5.2 The table below sets out the 2023/24 budget and 2024/25 proposed budget:

Mayoral Budget	2023/24 Original Budget	2024/25 Proposed Budget
	£000	£000
Employee Related	496	500
Supplies and Services	15	15
Travel Related	15	15
Corporate Recharge	826	851
Mayoral Priorities		
A Bed Every Night	2,400	2,400
Equality Panels	350	350
Other Mayoral Priorities	300	300
Total Mayoral Priorities	3,050	3,050
Mayoral Transport		
Bus Reform	15,895	15,895
Our Pass	16,891	17,229
Care Leavers	550	550
Bus Service Operators Grant	11,750	11,750
TfGM Revenue Grant	90,250	90,250
Total Mayoral Transport	135,336	135,674
Gross Expenditure	139,738	140,105
Funded by:		
Mayoral Precept	-25,193	-25,558
Collection Fund Surplus /-Deficit	-1,059	-463
BSOG grant	-13,150	-13,150

Mayoral Capacity grant	-1,000	-1,000
Statutory charge	-86,700	-86,700
Earnback Grant	-11,045	-11,045
Other Grants	-741	-1,339
External Income	-850	-850
Gross Income	-139,738	-140,105

5.3 In relation to the level of the precept to be levied for Mayoral functions it is proposed that this is frozen at £21.16 for a Band A property and £31.75 for a Band D property which will be used to support Mayoral priorities as set out below.

5.3.1 Continuation of the A Bed Every Night (ABEN) programme, which over the last 5 years has contributed to a reduction in rough sleeping in Greater Manchester. Alongside other funding streams, this contribution is part of a three year plan to enable greater investment in other areas of homelessness response and prevention.

5.3.2 The Our Pass scheme which provides free bus travel within Greater Manchester for 16-18 year olds and direct access to other opportunities in the region. The Our Pass scheme is funded from a combination of Precept, reserves and other income. A budget of £17.2m is proposed for 2024/25 with a risk reserve held by TfGM if costs increase during the year, in line with the original funding strategy for the scheme agreed by the GMCA.

5.3.3 Bringing bus services under local control through a franchising scheme to deliver passenger benefits including simpler fare and ticketing and joined-up planning between bus and tram journeys. The Mayoral precept and Earnback funding will fund the procurement and implementation of local service contracts in three 'Tranches', for which Tranche 1 commenced operation in September 2023 and Tranches 2 and 3 to commence operation during 2024/25.

5.3.4 Other Mayoral priorities:

- Care Leavers concessionary pass to providing a free bus travel in Greater Manchester for young people 18-21 years old that have been in care.

- Equality panels facilitated by appropriate voluntary organisations, enabling investment in organisations which work in partnership with public services and the wider community, contributing to tackling the inequalities agenda.

Statutory Transport Charge

5.4 The Mayoral Transport includes TfGM Revenue Grant budget met from the statutory transport charge of £86.7m and the Bus Service Operators Grant. Following the GMCA (Functions and Amendment) order being laid in April 2019, I was given further powers for transport functions and a £86.7m statutory charge to GM Councils (with a corresponding reduction in the Transport Levy). The order also states that this amount (£86.7 million) can only be varied with the unanimous agreement of the members of the GMCA. The full breakdown by local authority is shown below:

Transport Statutory Charge 2024/25			
Local authority	Population Mid 2022	%	£
Bolton	298,903	10.27%	8,900,127
Bury	194,606	6.68%	5,794,582
Manchester	568,996	19.54%	16,942,407
Oldham	243,912	8.38%	7,262,716
Rochdale	226,992	7.80%	6,758,907
Salford	278,064	9.55%	8,279,625
Stockport	297,107	10.20%	8,846,649
Tameside	232,753	7.99%	6,930,446
Trafford	236,301	8.12%	7,036,091
Wigan	334,110	11.47%	9,948,449
Total	2,911,744	100.00%	86,700,000

6 PART 2 - PROPOSED GREATER MANCHESTER FIRE AND RESCUE REVENUE AND CAPITAL BUDGET 2024/25

- 6.1 The following information provides details supporting the Greater Manchester Fire and Rescue Service Revenue and Capital Budgets.
- 6.2 The Medium-Term Financial Plan (MTFP) to 2026/27 has been updated, based on the 2023/24 baseline updated for pay and price inflation, known cost pressures and agreed savings.

6.3 The Chancellor announced the Spending Review in December 2023 which presented a one-year settlement as the final of the three-year government Spending Review. In relation to Fire and Rescue Services, the announcements covered the following:

- Fire & Rescue services receiving an average 6.5% increase in core spending power.
- Flexibility on council tax precept for stand-alone Fire Services of 3%
- Services Grant reduction of 84%
- Fire and Rescue Pensions Grant now included within core spending power.

6.4 The Provisional Local Government Settlement was published in December 2023 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.

6.5 The table below presents the budget requirements incorporating pressures and savings from 2023/24 onwards:

<u>Medium Term Financial Plan</u>	Original 2023/24	Revised 2023/24	Proposed Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27
	£000	£000	£000	£000	£000
Fire Service	115,365	115,365	125,437	132,391	134,095
Pay and price inflation	5,955	5,955	5,005	2,418	2,463
Savings	-712	-712	-1,629	0	0
Cost pressures and variations	4,828	4,828	5,281	-714	0
Cost of service	125,437	125,437	134,094	134,095	136,558
Capital Financing Charges	2,082	2,082	2,259	4,685	5,179
Transfer to Earmarked Reserves	2,637	2,842	0	0	0
Net Service Budget	130,156	130,361	136,353	138,780	141,737
Funded by:					

Localised Business Rates	10,649	10,743	10,743	10,743	10,743
Baseline funding	43,275	43,275	51,281	51,281	51,281
SFA - Services Grant	1,244	1,296	204	0	0
Section 31 - Business rates related	7,567	7,707	7,707	7,707	7,707
Section 31 - Pension related	5,605	5,605	0	0	0
Precept income (at £81.20 Band D)	60,463	60,433	65,364	65,854	65,854
Collection Fund surplus/deficit	531	479	225	225	225
	129,334	129,538	135,524	135,810	135,810
					0
Shortfall	822	823	829	2,970	5,927
Shortfall Funded by:					
Earmarked Reserves	822	822	829	0	0
General Reserves/Precept Increase	0	0	0	2,970	5,927
Use of Earmarked & General Reserves/Precept	822	822	829	2,970	5,927

REVENUE BUDGET ASSUMPTIONS

Funding

- 6.6 Funding is based on the details from the Provisional Settlement, released in December. The baseline funding from Revenue Support grant and Top-up grant has increased by £2.401m, net of pension funding as described at paragraph 6.7, from the 2023/24 position with a reduction in Services Grant of £1.092m.
- 6.7 The pension grant, previously paid under a separate Section 31 grant, has now been allocated through the Revenue Support Grant as part of the baseline funding. Payment has been added on a flat cash basis as per previous years from 2019/20 to 2023/24.
- 6.8 This represents an increase in total Government funding for the service of just over 2.4% which falls some way short of the pay and non-pay inflation pressures faced by the service.

- 6.9 Localised business rates and Section 31 business rates relief grant are assumed at the same level of income as last year, with information from local authorities not yet available to determine next year's position at this stage. There has also been a change in relation to the compensation for under indexation calculations, for which, we are awaiting clarity from Government.
- 6.10 Precept income has been included at the increased rate of £54.14 per Band A property, equivalent to £1.04 per week (£81.20 per household at Band D equivalent, or £1.56 per week) which ensures frontline fire cover is maintained. This is an increase of £5 at Band D equivalent, or 10p per week. The estimated taxbase for 2023/24, i.e. the number of households paying council tax, has seen an increase when compared to levels assumed in 2023/24, however, final taxbase numbers are to be confirmed.
- 6.11 Collection Fund surplus/deficits are to be confirmed by local authorities as soon as the information is available. Early indications show that business rates are expected with a small surplus which has been reflected in the draft medium term financial plan.

Pay and Pensions

- 6.12 The original pay inflation in respect of 2023/24 included 5% for uniformed and 4% for non-uniformed staff. Negotiations in respect of uniformed pay concluded in March 2023 with a 5% pay offer. In relation to non-uniformed staff, pay award was agreed at £1,925.
- 6.13 On calculating the 2024/25 pay budget requirements, assumptions have been made of a further 5% pay inflation for uniformed staff and 3% for non-uniformed staff.
- 6.14 As noted at paragraph 6.7, the pensions grant has been included at flat cash within the Revenue Support Grant allocation. Following the 2020 pension valuation, the Home Office has confirmed that the projected increase in the

employer contribution rate will be covered in full for 2024/25 by additional grant funding. The methodology uses both actual and forecasted pension costs and takes a four-year average (percentage) which is applied to forecast 2024/25 pension costs. The Home Office have consulted with NFCC on the methodology and have agreed this approach.

- 6.15 The rates for the projected increase in the employer contribution rate have not yet been confirmed, this is expected in January. Therefore, the current MTFP does not include estimates of either the increased contribution or the additional grant, albeit we are assuming a balanced position for 2024/25.

Savings

- 6.16 Following delivery of savings within 2023/24 of £0.788m, further savings of £1.629m have been identified to be delivered in 2024/25. As part of the Fire Cover Review, proposals were put forward and agreed to implement a more flexible and resilient approach for the technical rescue capability operating from enhanced rescue stations. Taking these steps brings savings of £1.179m which are to be reinvested to increase the number of fire engines from 50 to 51. Additionally, savings have been identified as part of a facilities management review of £0.450m.

Pressures

- 6.17 Budget pressures have been identified as set out below:
- Pay award – budget pressures of £4.433m have been calculated on the basis of a 5% increase for uniformed staff and 3% for non-uniformed staff as noted at paragraph 2.6.
 - Price inflation – an estimated 2% inflation has been factored into the medium term financial plan across all general non-staffing expenditure budgets including energy costs, which equates to a £0.572m pressure. The

exception is around business rates payable which has been identified and quantified as £0.236 included within the cost pressures.

- In conjunction with partners, control room operations are under review, where projects have been proposed and initiated. Pressures of £0.533m have been identified, in terms of one-off support and ICT upgrade costs £0.416m and on-going pressures of £0.209m arising from control room staff pay inflation and lease costs.
- Corporate Services support from the wider GMCA will see a cost increase, mainly in relation to pay award. This has been estimated at £0.247m.

Investments

- 6.18 As described at paragraph 6.16, savings have been identified which are to be reinvested to support the implementation of an additional (51st) fire engine to provide improved capacity to respond to emergencies, increased coverage within the city centre of Manchester and enhance ability to save lives and property. This element of the Fire Cover Review is to be funded from the savings with a minor residual pressure of £0.200m.
- 6.19 Further investment is required in Prevention, Protection and Response to enable the Service to proactively respond to the ongoing transformation of the city-region, particularly in and around central Manchester, where increasing number of high-rise buildings are combining with an ageing infrastructure, increasing the risk of fires spreading and being more difficult to put out. Whilst increasing resilience, the service also seek to improve response times where possible.
- 6.20 The Service intend to explore the possibility of the introduction of a further fire engine as part of the investment into Response which would increase the total number of appliances to 52 as per the original plans within the Fire Cover Review which gained support through the public consultation.

CAPITAL PROGRAMME

6.21 GMFRS have reviewed capital investment requirements for the Fire estates, Fire ICT schemes and operational vehicles and equipment. As the current approved budget ends at 2027/28, estimates to 2032/33 have been included to be agreed in principle. The proposed capital programme requirements are set out below:

<u>Revised Capital Programme</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Future Years to 2032/33</u>	<u>Total</u>
Estates	7,807,401	20,561,438	11,702,598	11,220,448	2,236,330	58,582,311	112,110,525
Transport	4,271,798	2,963,952	3,580,000	5,455,000	275,000	7,687,500	24,233,250
ICT	1,101,341	465,392	350,000	150,000	150,000	750,000	2,966,733
Equipment	1,490,256	3,464,500	72,000	305,000	1,978,098	1,278,000	8,587,854
Sustainability	432,364	525,000	75,000	75,000	75,000	375,000	1,557,364
Health & Safety	521,369	0	0	0	0	0	521,369
Waking Watch Relief Fund	2,112,181	429,000	0	0	0	0	2,541,181
Total	17,736,710	28,409,282	15,779,598	17,205,448	4,714,428	68,672,811	152,518,276

6.22 A long-term estates strategy has been formulated, the approved phase 1 of the scheme with plans for new builds, extensions, refurbishments and carbon reduction schemes is underway with expected completion by 2027/28. Alongside this is the Bury Training and Safety Centre which is also underway and due to complete within 2022/23. Phase 2 of the Estates Strategy has been added to with estimates over the period 2028/29 to 2032/33, to align to the proposed extended capital programme timeline.

6.23 Alongside the estates strategy is a refresh programme of work to replace and update fitness equipment and enhance the facilities across stations in line with managing contaminants guidance. Projects to support the refresh programme have commenced within the current financial year with the aim to complete during 2024/25.

6.24 Transport and equipment replacement programme budgets are profiled in accordance with expected need and delivery profiles allowing for lead times

where supply chains require orders to be placed up to 18 months prior to goods being delivered. The replacement profile of vehicles beyond the current approved capital programme has been included at estimated costs including an allowance for inflation.

- 6.25 Following the successful roll out of the Waking Watch Relief Fund, Department for Levelling Up, Housing and Communities (DLUHC) requested further support from GMFRS to assist with the delivery of the Waking Watch Replacement Fund. This is due to come to an end within 2024/25.
- 6.26 The figures will be updated to reflect the quarter 3 2023/24 position once the information is available.

BUDGET RISKS

- 6.27 Future budget risks are set out below:
- Future government funding beyond 2024/25 has not been confirmed and is likely to be announced within the next Comprehensive Spending Review.
 - Pay inflation for firefighters and local government employees in excess of the assumptions set out in the report.
 - Funding beyond 2024/25 has not yet been confirmed in respect of the pension increases as noted at 6.14.
 - McCloud/Sargeant Remedy – the judgement refers to the Court of Appeal’s ruling that the Government’s 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members’ age. The implications of the remedy are being determined but are likely to be significant in future years.

- Delivery of sufficient savings to meet the requirements of the medium-term financial strategy, and dependent on availability of resources to deliver a change programme.
- Emergency Services Mobile Communications Project (ESMCP) – a national project to procure and replace the emergency services network has been paused but may create budget pressures in future years.
- Any changes required following the recommendations from the Manchester Arena Public Inquiry and Grenfell Inquiry, and, implications arising from the Fire Safety Act 2021, and the Building Safety Act 2022 not already factored into the budget.
- Any business continuity arrangements that require funding which are not part of the base budget.
- As no capital grants are available to FRSs, future schemes in the 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.

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 calculations;
 - (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.

**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 2024/25

Budget Summary 2024/25	Gross Expenditure £000	Gross Income £000	Net Estimate £000
Fire Service Budget	137,908	3,814	134,094
Other Mayoral General Budget	140,105	27,384	112,721
Capital Financing Charges	2,259		2,259
Contribution from balances/reserves	0	829	-829
Budget Requirement	280,272	32,027	248,245
Localised Business Rates		10,743	-10,743
Business Rate Baseline		51,281	-51,281
Services Grant		204	-204
Section 31 Grant - Business Rates		7,707	-7,707
Transport - Statutory Charge		86,700	-86,700
Collection Fund surplus/-deficit	0	688	-688
Precept requirement	280,272	189,350	90,922

CALCULATION OF TAX BASE

The Tax Base is the aggregate of the Tax Bases calculated by the GM Councils in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992. These are currently estimated as:

<u>Local authority</u>	Council Tax Base
Bolton	80,002.3
Bury	57,559.0
Manchester	133,589.3
Oldham	59,377.5
Rochdale	58,415.3
Salford	74,966.9
Stockport	98,996.3
Tameside	64,485.5
Trafford	79,641.0
Wigan	97,947.5
Total	804,980.6

AMOUNTS OF COUNCIL TAX FOR EACH BAND

2024/25	A	B	C	D	E	F	G	H
Costs for Band £	75.30	87.85	100.40	112.95	138.05	163.15	188.25	225.90

CALCULATION OF BAND D EQUIVALENT TAX RATE

	£
Net expenditure	280,271,640
Less funding	188,661,470
	91,610,170
Adjusted for estimated surplus (-)/deficit on collection funds	-688,170
Net budget requirement to be met from Council Tax	90,922,000
Net budgetary requirement	90,922,000
Aggregate tax base	804,980.6
Basic tax amount at Band 'D'	£112.95