

Mayoral Combined Authority Board

14 November 2022

2022/23 Budget Revision 2

Is the paper exempt from the press and public?	No
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

Gareth Sutton

Gareth.sutton@southyorkshire-ca.gov.uk

Executive Summary

This report provides revised Group budget forecasts to the end of the financial year 2022/23. The report recommends the adoption of the budget estimates, and adjustments to budgetary ceilings.

What does this mean for businesses, people and places in South Yorkshire?

This report seeks adjustments to the MCA's financial plan to ensure it has sufficient resource to deliver on its objectives.

Recommendations

The MCA Board:

1. Adopt the revised budget estimates.
2. Note the net increase in core income and its deployment to transport and cost-of-living priorities.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Not applicable

1. Background

- 1.1 The MCA's capital and revenue budgets remain sensitive to a number of factors, notably the pace of programme activity, the ability to secure resources from a highly competitive labour market, and the inflationary environment and resultant increase in interest-rates.
- 1.2 In order to ensure that the MCA's financial plans remain aligned to its corporate and business priorities, a budget revision exercise has been undertaken as at the end of September 2022 (Period 6). This exercise sought to re-test income and expenditure assumptions, and re-forecast budgets and programmes to the end of the financial year.
- 1.3 The results of this exercise highlight a number of key issues that will influence the MCA's financial position over the remaining six months of the year, as well as planning for the medium term:
 - a) Government funding for bus and tram (the 'Local Transport Fund') has now been committed to the end of the financial year, but without certainty beyond this point some operators have begun to withdraw services;
 - b) To mitigate the likely loss of services the MCA has moved to implement an emergency package of support, aiming to protect as many services as possible to the end of July 2023 at a cost of c. £7m;
 - c) This investment into services is complemented by a price-cap policy that aims to incentive use of public transport over the autumn and winter (£0.7m);
 - d) Interventions into transport services provide part of the MCA's response to the cost-of-living crisis and are further supplemented by resource earmarked to an emerging food-security scheme (£0.7m);
 - e) These actions are funded in part from the extraordinary performance on Treasury Management activity, where investment income returns are now forecast to outturn c. £4m in excess of budget;
 - f) This performance is largely driven by the unexpected pace on interest-rate rises arising from inflationary concerns;
 - g) These concerns continue to weigh on the pace of capital programme delivery as challenges in securing labour and materiel at appropriate prices leads to cost pressures; and,
 - h) This budget revision also accommodates the adoption of Shared Prosperity (SPF) and Multiply funding, with a commitment made by the MCA to progress SPF activity ahead of receipt of a grant-determination to ensure the resource can be put to use as soon as practicably possible.
- 1.4 The MCA's financial activity over the first six months and for the remainder of the financial year remains heavily influenced by global and national economic factors that are having a profound impact locally.
- 1.5 Whilst bus and tram patronage has increased as life begins to settle into a post-pandemic rhythm it has not breached 80% of pre-pandemic levels. This shortfall continues to weigh on the commercial sustainability of the public transport network.
- 1.6 Complementing an extension to Government support, the MCA has chosen to invest £7m of revenue funding to sustain services over the autumn and winter and into the spring and early summer of 2023. This intervention will help protect the region's

economic recovery and support those communities and businesses who will be ever more reliant on an efficient network as inflationary pressures begin to bite.

- 1.7 Whilst inflationary pressures around utilities and pay were largely forecast in the base budget the impact of continuing price rises is having a significant effect across the region on families and businesses alike.
- 1.8 This budget revision reflects the MCA's response to this crisis, with resource committed to a food-security scheme, a transport price-cap, and the early mobilisation and delivery of Shared Prosperity Fund activity. Residual resource of c. £0.60m remains available from the cost-of-living fund, with agreement to consider whether this, or other resource, could support transport issues such as driver recruitment and retention. These interventions will allow for a meaningful response by the MCA, but they are ultimately dwarfed by the scale of the challenge.
- 1.9 The MCA's ability to deliver these interventions are in part enabled by the exceptional performance on Treasury Management activity, where the returns generated from holding cash received in advance of need on deposit is now expected to exceed budget by c. £4m. This revenue generation represents windfall budget surplus enabled by the spike in interest-rates coalescing with the significant amount of cash being held, largely due to capital programme slippage from the previous year.
- 1.10 Pressures on capital programme delivery remain largely as reported in previous papers. Access to labour, professional services, and materiel is all impacting on how quickly schemes can be brought to delivery whilst price pressures are now beginning to materialise. Whilst some of these price pressures can be managed within funding envelopes it is becoming clear that the shape of programmes may need to change unless additional funding can be found.
- 1.11 Challenges in delivering the capital programme are not unique to South Yorkshire and are reflected across the public and private sector landscape alike.
- 1.12 Over the course of the year the MCA has moved to support programme delivery through the disbursement of Project Feasibility Funding and CRSTS revenue allocations. This money will support the acquisition of capacity and skills to help deliver existing activity alongside the development of the Place and Transformational Investment Impact Plans. Further work has also been undertaken to speed up assurance processes and digitise business case processes.
- 1.13 The report details the impact of delivery challenges with underspends prominent. It should be noted that underspend is largely related to ringfenced grant funding that is not available for redeployment to other priorities. Currently, clawback concerns are restricted to an element of Adult Education Budget activity. Dialogue remains ongoing with Government departments on delivery pressures, whilst plans are being developed to further aid delivery through the Thematic Boards.
- 1.14 Capital resource set aside in the current year for schemes that could be delivered ahead of Place Plan funding being distributed remains available. Of the £26m allocated to this activity over financial years 2022/23 and 2023/24, c. £25m is remaining.

2. Key Issues

2.1 Summary overview

The 2022/23 budget for the year was set at £472m, consisting of both revenue and capital expenditure. This expenditure was fully funded from a combination of grants, receipts, general income, and reserves:

Funding	£k	
Gross Expenditure	£472,370	
- Revenue	£182,960	39%
- Capital	£289,411	61%
Funded by:		
General Income	£4,774	1%
Release of Reserves and Provisions	£67,317	14%
Grants & Contributions	£400,279	85%
	£472,370	

2.2 The budget is structured around the MCA's thematic board areas, allowing for greater insight into how the MCA's investments are matched to its aspirations.

2.3 The weighting of expenditure reflects, in part, the MCA's local transport authority responsibilities as well as recently devolved responsibilities such as the Adult Education Budget. It is also heavily shaped by the grants that are available from government:

Base Budget	Revenue	Capital	Total
	£k	£k	£k
Transport and Environment	£84,497	£182,605	£267,102
Housing, Infrastructure, Planning	£754	£81,012	£81,766
Skills and Employment	£56,664	£0	£56,664
Business Growth and Recovery	£4,485	£12,826	£17,311
	£146,400	£276,443	£422,843
MCA Executive	£32,421	£4,410	£36,831
Mayoral Office	£3,137	£0	£3,137
Uncommitted	£1,001	£8,558	£9,559
Total	£182,959	£289,411	£472,370

2.4 As detailed below, at budget revision 2 a number of adjustments to the budget ceiling are proposed. Revenue expenditure is now expected to outturn at £176.52m, £6.44m below the base budget. Capital expenditure is now forecast to outturn at £219.12m, £70.29m under the revised budget forecast as activity across a number of programme areas has been re-profiled to future periods.

2.5 In total, as at the end of September 2022 (Period 6), expenditure is expected to outturn at £395.64m:

Consolidated Group	Base	Revision 2	Variance
	£k	£k	£k

Capital	£289,411	£219,125	-£70,286
Revenue	£182,960	£176,519	-£6,440
Total	£472,370	£395,644	-£76,726

2.6 These adjustments are reflected in changes to the weighting of expenditure across the thematic areas. Capital programme re-profiling has varied down the level of expenditure within most areas except for Housing Infrastructure & Planning.

2.7 Revenue expenditure relating to Adult Education Budget activity within the Skills and Employment area is forecast to fall below the original budget, although this is offset by new programme activity in Business Growth and Skills, and also the recently announced measures to address cost of living pressures and to protect at-risk bus services in the Transport and Environment area.

Consolidated	Base £k	Revision 2 £k	Variance £k
Transport & Environment	£267,102	£201,844	-£65,258
Housing & Infrastructure	£81,766	£83,343	£1,577
Skills & Employment	£56,664	£53,010	-£3,655
Business Growth & Recovery	£17,311	£11,145	-£6,166
	£422,843	£349,341	-£73,502
MCA Executive	£36,831	£34,357	-£2,474
Mayoral Office	£3,137	£3,187	£50
Uncommitted Resource*	£9,559	£8,759	-£800
Total	£472,370	£395,644	-£76,726

*including at Revision 2 the balance of cost-of-living funding (£0.60m)

2.8 This report proposes to adjust the funding applied to meet the revised expenditure forecasts. Slippage within the capital programme reduces the need to apply capital grants, whilst additional revenue expenditure on cost of living and public transport protection measures requires the deployment of £4m surplus investment income (included within general income in the table below):

Funding	Base £k	Revision 2 £k	Variance £k
Gross Expenditure	£472,370	£395,644	-£76,726
- Revenue	£182,960	£176,519	-£6,440
- Capital	£289,411	£219,125	-£70,286
Funded by:			
General Income	£5,774	£9,649	-£3,875
Grants & Contributions	£466,596	£385,995	£80,601
	£472,370	£395,644	£76,726

2.9 Over Quarter 1 the MCA received the disappointing news that LEP Capacity and Growth Hub grants had been reduced by a cumulative £0.38m. This was an unexpected movement that came after the budget was set. Since this point the developments around the continuation of operations at Doncaster Sheffield Airport and the likely early repayment of interest-bearing loans during the year has precipitated an adjustment to the income expected to be generated from this source.

- 2.10 These shortfalls are more than offset by in-year savings and the exceptional performance on Treasury Management activity. A confluence of high cash balances arising from capital programme slippage and rapid interest-rate rises means that investment instruments are now yielding significantly higher returns than initially forecast. It is now expected that returns will gross £5.3m for the year, c. £4m above the initial estimate. A number of proposals for the use of this surplus were received and approved by the Board at its October meeting.
- 2.11 Movements on uncommitted resource reflects the commitment to fund one capital project at £1.4m, offset by the residual £0.60m of revenue funding held for cost-of-living interventions.

Analysis by Theme: Transport and Environment

- 2.12 The Transport and Environment area includes the local transport authority activity of the South Yorkshire Passenger Transport Executive along with the strategic planning activity undertaken within the MCA Executive. The area captures a significant part of the capital programme, representing the scale of the Transforming Cities Fund and Active Travel funding. 2022/23 also marks the first of a five-year City Region Sustainable Transport Settlement (CRSTS) programme.
- 2.13 This report proposes new budget estimates for this area that will lead to a net reduction in activity of £65.26m from the base budget of £267.1m. This movement largely reflects the deferral and reprofiling of capital schemes:

Transport and Environment	Base £k	Mvt £k	Revision 1 £k	Mvt £k	Revision 2 £k
Capital	£182,605	-£1,158	£181,447	-£60,078	£121,370
Revenue	£84,497	-£42,643	£41,854	£38,620	£80,474
Total	£267,102	-£43,801	£223,302	-£21,458	£201,844

- 2.14 Adjustments are required across most directorates within the thematic area:

Transport and Environment	Revision 1 £k	Revision 2 £k	Variance £k
Strategic Transport	£146,049	£115,703	-£30,346
Public Transport	£57,434	£67,041	£9,607
Debt & Finance	£19,819	£19,100	-£719
Total	£223,302	£201,844	-£21,458

- 2.15 Underspend in the Strategic Transport Directorate (£30.35m) largely relates to capital activity across the Transforming Cities (TCF) and Active Travel programmes, all of which have slipped over the course of the past year, largely reflecting the scale of activity and supply chain pressures.
- 2.16 At Revision 2, the most notable exception to general trend of slippage is that around £2m of forecast capital activity on the Zero Emission Buses project is expected to be accelerated from 2023/24 to 2022/23.
- 2.17 A forecast net expenditure increase in the Public Transport Directorate of £9.61m comprises two main elements. On the one hand the Public Transport Development management area, which is primarily responsible for capital programme delivery, recognises slippage across a range of schemes all of which have been re-profiled to reflect that activity will continue in 2023/24.

- 2.18 On the other hand, the latest forecasts take into account the decisions taken by the MCA Board over the course of the past three meeting cycles to provide additional financial support to the public transport sector. These decisions include: extending the 18-21 travel concession (also known as 'Zoom Beyond'), supporting at-risk services such as non-statutory school buses, and introducing the £2 single fare cap two months earlier than planned by central government. Funding has been set aside from gainshare, treasury management surpluses and reserves to address these additional commitments.
- 2.19 Further analysis of the Public Transport Directorate (formerly SYPTE) forecast position is presented in Appendix 1.

Analysis by Theme: Skills and Employment

- 2.20 At Revision 2, forecast revenue expenditure for this theme at outturn is expected to total £53.01m, £3.66m below the base budget of £56.66m:

Skills and Employment	Base £k	Mvt £k	Revision 1 £k	Mvt £k	Revision 2 £k
Capital	£0	£0	£0	£0	£0
Revenue	£56,664	£7,338	£64,003	-£10,993	£53,010
Total	£56,664	£7,338	£64,003	-£10,993	£53,010

- 2.21 The opening budget (£56.66m) has been adjusted at Revision 2 for re-profiled Adult Education Budget (AEB) grant. This principally relates to forecast expenditure at the back end of the 2022/23 academic year which has now been matched more closely to the grant profile, such that it will now appear in the 2023/24 budget.

Skills and Employment	Revision 1 £k	Revision 2 £k	Variance £k
Skills & Employment	£64,003	£53,010	-£10,993
Total	£64,003	£53,010	-£10,993

- 2.22 Other than AEB, the Skills & Employment thematic area includes a series of other programmes which have emerged since the budget was set. These include UK Shared Prosperity Fund (£4.72m), Multiply Year 1 (£2.19m), and the extension of Working Win (£2.96m). As part of the MCA's response to the cost-of-living crisis the Board have committed to commencing SPF activity ahead of the receipt of the formal grant determination. This commitment will enable the MCA to put the money to use when it is most needed and mitigates some of the risk around the requirement to defray all SPF year one monies by the end of March 2023.
- 2.23 There are marginal forecast underspends on staffing and development activity across the directorate, also reflecting a review of the resourcing model for the pool of Skills Bank advisers.
- 2.24 The Adult Education Budget approaches its first anniversary of delivery, and its latest performance was reported to the Education Skills & Employability (ESE) Board in October 2022. As noted in the report to ESE Board, there is concern around the pace of expenditure for procured provision, particularly Level 3 activity, where expenditure is considerably below profile (16.2% achieved). Level 3 funding is therefore at risk of clawback by the Department for Education. Clawback would not

expose the MCA to financial risk, however as noted in the report to ESE Board it would result in lower outcomes for the region and potential reputational risk.

Analysis by Theme: Business Growth and Recovery

- 2.25 At Revision 2 forecast expenditure in the Business Growth and Recovery directorate is expected to be £11.75m, £5.57m lower than the base budget £17.31m:

BGRB	Base £k	Mvt £k	Revision 1 £k	Mvt £k	Revision 2 £k
Capital	£12,826	£470	£13,296	-£8,187	£5,109
Revenue	£4,485	£1,734	£6,219	-£183	£6,036
Total	£17,311	£2,204	£19,515	-£8,370	£11,145

- 2.26 The decrease in forecast capital expenditure within this directorate reflects the latest information received on the pace of delivery of current and forecast business investment schemes. This includes the withdrawal of the previously approved Bank North investment (£3m) and the Portwest investment (£1.75m).
- 2.27 There is a minor net increase in forecast revenue expenditure within this directorate since Revision 1, of £0.42m. This represents a net movement with Shared Prosperity and Made Smarter activity offsetting shortfalls in expected Renewal Action Plan activity:

BGRB	Revision 1 £k	Revision 2 £k	Variance £k
Development and Business Support	£4,569	£2,205	-£2,364
Business Investment	£13,296	£6,419	-£6,877
Trade & Investment	£622	£80	-£542
Innovation	£1,027	£2,441	£1,414
Total	£19,515	£11,145	-£8,370

- 2.28 Resource remains available in this area from the revenue allocations made available for Renewal Action Plan activity. A number of reports were received by the Business Growth & Recovery Board at its October meeting seeking approval to progress a number of schemes that could draw upon this resource.

Analysis by Theme: Housing & Infrastructure

- 2.30 At Revision 2 forecast expenditure in the Housing and Infrastructure thematic area is expected to be £83.34m, £1.58m higher than the base budget of £81.77m. This area includes a significant part of the capital programme that is funded by the Brownfield grant programme (£24.22m in 2022/23). It is supplemented with gainshare capital funding (c.£6m) for two major town and city centre regeneration schemes, and the revenue grant made available by government to prime the Brownfield activity. The 2022/23 budget for Infrastructure includes for the first time £22.24m of CRSTS funding to fund transport network asset maintenance as well as local and neighbourhood transport complementary programmes across the region.
- 2.31 The budget estimates in this report are dominated by the reductions in forecast capital expenditure against the budget, largely identified and reflected in the mid-year budget revision. The Housing and Infrastructure thematic area bucks this trend:

Housing and Infrastructure	Base	Mvt	Revision 1	Mvt	Revision 2
	£k	£k	£k	£k	£k
Capital	£81,012	-£2,280	£78,732	£3,430	£82,162
Revenue	£754	-£1,111	-£357	£1,537	£1,180
Total	£81,766	-£3,390	£78,375	£4,967	£83,343

2.32 Since Revision 1, there has been a net increase in forecast capital activity in this thematic area, resulting in a net forecast overspend of £3.43m:

Housing and Infrastructure	Revision 1	Revision 2	Variance
	£k	£k	£k
Infrastructure	£45,032	£48,802	£3,770
Flooding	£4,550	£4,780	£230
Net Zero	£454	£454	£0
Housing	£27,831	£27,848	£17
Place	£508	£1,458	£950
Total	£78,375	£83,343	£4,967

2.33 The variation in the capital forecast reflects the fluidity of programme planning and delivery caused by supply chain delays and labour market shortages. The main changes affecting the forecast since Revision 1 are as a result of reviewing the roads capital maintenance and neighbourhood transport complementary programmes across the region as we transition from legacy Highways Capital Maintenance and Integrated Transport Block funding to CRSTS.

2.34 Since the last reporting date an open-call for schemes that could be supported by Brownfield funding has been undertaken and returned a significant pipeline of propositions. This activity will support the mitigation of risk around the use of the Brownfield funding which was unexpectedly increased by £17m in the last budget.

Analysis by Theme: MCA Executive and Mayor's Office

2.35 This report proposes an adjustment to the MCA Executive budget of £2.56m. This adjustment reflects a net forecast reduction in revenue and capital expenditure:

MCA Executive	Base	Mvt	Revision 1	Mvt	Revision 2
	£k	£k	£k	£k	£k
Capital	£4,410	-£620	£3,790	-£466	£3,325
Revenue	£32,421	£702	£33,123	-£2,091	£31,032
Total	£36,831	£83	£36,913	-£2,556	£34,357

2.36 Within these areas are a number of items that cannot be easily disaggregated to one of the thematic areas. This includes the Community Renewal Fund and the Project Feasibility Fund. Capital expenditure relates to recharged programme costs inherent in the delivery of the capital programme and some asset and estate related expenditure.

2.37 Expenditure adjustments have been made across all expenditure areas and largely relate to vacancy savings. This reflects the difficulties in recruiting and retaining staff in a tight labour market. These pressures in turn effect other activity leading to further underspends.

2.38 The table below reflects these issues and a number of other issues. The material movement within the Legal and Governance area reflects a correction to the accounting treatment of election activity. The election was delivered within the defined budget with all authorities now reimbursed for costs incurred. The large underspend within the IT area reflects delays to a number of projects due to staffing pressures within this and client areas:

MCA Executive	Revision 1	Revision 2	Variance
	£k	£k	£k
Finance & Investment:			
Finance	£1,669	£1,582	-£87
Procurement, Contracting, Controls	£1,476	£1,102	-£374
Programme Management Office	£657	£606	-£51
Assets and Accommodation	£6,405	£6,224	-£181
Legal & Governance	£3,674	£2,683	-£991
HR	£822	£917	£95
IT	£2,641	£2,028	-£613
	£17,344	£15,142	-£2,202
Mayor's Office, Communications & Strategy:			
Business Operations	£950	£1,020	£70
Policy & Assurance	£2,619	£2,195	-£424
Marketing & Communications	£1,694	£1,746	£52
External Affairs	£972	£961	-£11
Mayor's Office	£401	£481	£79
	£3,569	£3,215	-£354
Community Renewal Fund	£4,000	£4,000	£0
Project Feasibility Fund	£12,000	£12,000	£0
Total	£36,913	£34,357	-£2,556

2.39 Where underspends arise in this area resource will either be carried forward to reserves or not drawn down from grant unapplied. The resource will remain available for use into the future.

Uncommitted Funding

- 2.40 Uncommitted funding was built into the base budget consisting of £1m revenue and £8m capital. This funding reflected the available in-year Gainshare resource and forms part of the two-year package described in more detail below.
- 2.41 Since the setting of the budget £1.4m of the capital funding has been committed to the Canon Medical Research project. Work to identify further projects is detailed below.
- 2.42 At Revision 2 this budget line has been increased by £0.6m (revenue) for the unallocated elements of the cost-of-living fund after the agreements to support food-security and fare capping packages. The MCA has committed to identify whether this funding could be used to support transport pressures around bus-driver recruitment and retention, whilst further schemes are also being developed for consideration.

Renewal Fund Activity

- 2.43 In January 2022 the Board agreed to a phased approach to the deployment of gainshare resource. This recognised the accepted need to address the significant amounts of capital programme slippage and the new funding streams that would come on-stream in 2022/23.
- 2.44 This phased approach would see the majority of gainshare revenue resource available over the next two years released to the Project Feasibility Fund, with some elements committed to destination management activity, project management, debt servicing, and a provision for the 2026 Mayoral election.
- 2.45 In tandem, the available gainshare capital over the next two years (c. £26m) would be held to support delivery ready activity (£8m current year plus £18m future year). It was agreed that this resource would be directed towards schemes based on their merit and in an equitable manner.
- 2.46 In the longer-term, the phased approach would see the distribution of the residual 24 years of gainshare resource to the four Place Based Plans and the Transformational Plan. Funding would be disbursed on a per-capita basis after a 20% top-slice for the region wide activity.
- 2.47 Good progress has been made over the year to-date in the distribution of Project Feasibility Fund monies, enabling authorities to begin developing plans and individual projects. This investment into capacity, skills, and at-risk development allows the region to progress opportunities in a manner it has not been able to previously.
- 2.48 Work is also underway to bring forward capital opportunities that could draw on the available resource. This includes Place investment schemes and business investment opportunities. All decisions associated with the distribution of this resource are made through the MCA Board after endorsement through the thematic boards.
- 2.49 Over the course of the year two business investment schemes totalling £4.4m have been approved by the Board to be funded from this capital. Since approval the Bank North scheme (£3m) has been withdrawn.
- 2.50 In total, c. £25m of this is remaining and available for investment. Alongside those opportunities that are currently being progressed, consideration for the use of this funding could also be given to supporting inflationary pressures and emerging policy issues such as has arisen around Investment Zones.
- 2.51 A full list of gainshare commitments are provided in the appendices to this report.

Mid Year Treasury Review

- 2.52 The Authority is required to report on its treasury management activities three times a year, including at the halfway mark.
- 2.53 Treasury Management activity covers the management of the debt portfolio and the investment strategy for cash held in advance of need.

- 2.54 Over the year-to-date the investment strategy has out-performed expectation, largely due to higher cash balances and higher interest rates. This had led to significantly increased investment income forecasts.
- 2.55 No new requirements have been identified for debt, with loans being retired as planned. Over the year-to-date one £3m loan has been repaid which will save £0.16m per annum. This saving is built into medium-term projections.
- 2.56 The MCA has submitted to Government its borrowing cap proposals based upon the maximum debt it could service within its gainshare allocations. This approach provides the MCA with flexibility to take debt without committing itself to any course of action. All borrowing plans will be agreed with the Board in advance.
- 2.57 A detailed analysis of year-to-date treasury management performance can be found in Appendix 2.

3. Options Considered and Recommended Proposal

3.1 Option 1

Adopt the budget revisions presented in this paper.

3.2 Option 1 Risks and Mitigations

The budget estimate proposals within this report are fully funded and do not expose the MCA to any additional risk that has not been shared with the Board.

3.3 Option 2

The MCA could choose to not adopt the new budget estimates.

3.4 Option 2 Risks and Mitigations

Should the MCA choose not to adopt the new budget estimates, work on a number of the MCA's key priorities would have to cease or be deferred and any associated time limited grants may have to be returned to Government Departments.

3.5 Recommended Option

Option 1.

4. Consultation on Proposal

None

5. Timetable and Accountability for Implementing this Decision

The Group Finance Director will be responsible for implementing budget adjustments.

6. Financial and Procurement Implications and Advice

This is a financial report, the details of which are in the main body of the document and supporting appendices.

7. Legal Implications and Advice

None.

8. Human Resources Implications and Advice

None

9. Equality and Diversity Implications and Advice

None.

10. Climate Change Implications and Advice

None.

11. Information and Communication Technology Implications and Advice

None

12. Communications and Marketing Implications and Advice

None

List of Appendices Included

A Appendix including:

- Gross expenditure by thematic area, directorate and management area
- Reserves update
- Gainshare update
- Investment programmes by constituent member authority

B Mid-Year Treasury Review

Background Papers

None