

**ITEM: 10**

**WEST OF ENGLAND COMBINED AUTHORITY (“WECA”)**

**DATE: 15 MARCH 2017**

**BUDGET SETTING REPORT 2017/18**

**Purpose of Report**

1. To consider and approve a Budget in respect of Mayoral Functions and the WECA for 2017/18

**Issues for Consideration**

2. This report deals with the following items:
  - **The Budget Narrative (Appendix 1)**
  - **The proposed Mayoral Budget for 2017/18 (Appendix 2)**
  - **The proposed WECA Budget for 2017/18 (Appendix 3)**
  - **The WECA Capital Programme 2017/18 to 2020/21 (Appendices 3 and 4)**

**The Budget Proposal**

3. This Budget proposal represents the first for the WECA and covers the financial year 2017/18. As the first Budget, it is brought forward under transitional arrangements to ensure an appropriate Budget is in place for the Mayoral Budget and the WECA Budget together with the respective capital programme provisions.
  - 3.1 Normally the annual Budget Process would require the Mayoral Budget to be agreed by the WECA prior to the consideration of the WECA Budget, including any contribution to meet Mayoral Costs. This process is set out in specific legislation and will be used from 2018/19 onwards.
  - 3.2 Whilst much of the detailed strategic and organisational planning work for the WECA is under development and will need the input of the Mayor following the Mayoral elections in May 2017, a number of general Strategic and Budget Principles have been used to inform the proposed Budget. These are set out as a Budget Narrative at Appendix 1.
  - 3.3 As a general principle all costs have been kept to a minimum to cover anticipated running and delivery costs for functions that will be exercised by the Mayor and WECA in 2017/18. Where practicable, service continuity will be maintained by commissioning the majority of all delivery work through the constituent councils and minimising changes to funding arrangements and distribution.

- 3.4 **The proposed Mayoral Budget** is set out in detail at Appendix 2 and includes provision for the Mayoral election and Mayoral office costs. The primary expenditure relates to the funding of Highway Maintenance and Transport Improvement Grants that have been passed from the DfT to the Mayor in accordance with the devolution agreement. This includes over £1M of funding for the highest level of highways maintenance incentive grant.
- 3.5 **The proposed WECA Budget** is set out in detail at Appendix 3 and includes provision for the Governance, Management and Administration of the WECA's functions and responsibilities, including the considerable funding streams for Infrastructure, Transport and Skills.
- 3.6 Funding for these costs will come from the transfer (via a Levy) of existing costs previously met by the constituent councils for transport delivery functions, retention of business rate growth (previously paid to central government) and a reasonable charge against the new grant funding provided by the government.
- 3.7 No additional costs should fall on the constituent councils over and above the actual costs incurred in 2016/17. Where possible efficiencies will be sought through economies of scale, optimising the use of existing resources and delivering value for money.
- 3.8 **The proposed Capital Programme** is set out in Appendix 4 with specific details provided in Appendix 2 and Appendix 3 for Mayoral and WECA capital items respectively. The programme focuses on the Highways and Transport Capital Grants, together with preparatory work in identifying, prioritising and developing the future infrastructure programme.
- 3.9 The recommendations set out in this report will provide appropriate resources to enable the continued progress and development of the WECA together with the delivery of key functions and responsibilities..

### Financial Implications

4. There financial implications are set out in the specific Budget proposals set out in the Appendices to this Report.

### Legal Implications

5. The Budget proposals have been developed in accordance with appropriate Local Government Regulations, including the specific funding and related governance requirements set out in the The West of England Combined Authority Order 2017 and The Combined Authorities (Finance) Order 2017.

### Human Resources Implications

6. The funding for the staffing establishment for Mayoral and WECA functions are set out in the Appendices to this report. There are no direct human resource implications arising from the report itself although the following points should be noted.
- 6.1 The budget for the staffing establishment for Mayoral and WECA functions as set out in the Appendices remains subject to the assessment of an independent remuneration panel and appropriate grading review respectively.
- 6.2 Existing Local Enterprise Partnership and Invest in Bristol & Bath employees will transfer to the WECA under TUPE arrangements including the protection of terms and conditions.

**Environmental Implications**

7. None arising directly from this report.

**Social Implications**

8. None arising directly from this report.

**Equality Impact Assessment**

9. All key service delivery functions will continue to be delivered by the relevant constituent councils and impact assessments for service delivery, particularly highways and transport are included as appropriate within their individual Budget reports. Specific provision has been put into place to ensure that the Concessionary Travel scheme across the WECA area is consistent in line with the highest common denominator.

**Risks, Mitigations and Opportunities**

10. There is no statutory requirement for the Chief Finance Officer to produce a Section 25 report on the Robustness of the Budget Estimates for the WECA as is the case for most local authorities. This report would provide specific assurances relating to the robustness of the Budget Proposals. However the key elements have been assessed by the Chief Finance Officer as set out below:
- The estimates produced for the purposes of the proposed Budget are based on reasonable assumptions and in accordance with standard accounting practice.
  - Robust financial management arrangements and controls will be put into place including budget monitoring and reporting.
  - Whilst the WECA will initially operate with limited financial reserves a range of options have been identified to manage unforeseen costs.
  - A full three-year Medium Term Financial Plan will be developed for the WECA during the year as part of the 2018/19 Budget development process.
  - An independent review will be undertaken to ensure consistency and appropriateness of constituent council estimates for the cost of transferring transport functions.

## RECOMMENDATIONS

The WECA is recommended to:-

1. Approve the Mayoral Budget for 2017/18 together with the funding contribution from the WECA of £1.81M (including one-off election costs) as set out in Appendix 2 .
2. Agree the specific Highways and Transport Capital Grant allocations totalling £20.475M to the constituent councils for 2017/18 as set out in Appendix 2, Annex 1 (table 2).
3. Approve the WECA Budget for 2017/18 as set out at Appendix 3.
4. Approve the Levy to be issued to the constituent councils totalling £15.281M in respect of transferring Transport functions as set out at Appendix 3.
5. Agree that no additional contributions should be requested from the constituent councils to meet the costs of the WECA.
6. Request the Monitoring Officer to commission appropriate delivery arrangements for concessionary fares, community transport grants and other relevant transport functions from the constituent councils to ensure continuity of related services for 2017/18 in accordance with the budgetary provisions set out in Appendix 3
7. Approve the WECA capital programme for 2017/18 as set out at Appendix 4 including the planned sources of funding, and noting that no borrowing is anticipated for 2017/18.
8. Notes that the WECA will operate with limited financial reserves for 2017/18 and that any unforeseen costs will be met in accordance with the options set out in Appendix 3 (Para 9.3).

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### Background Papers

None

## APPENDIX 1

### Narrative for the West of England Combined Authority Budget

The West of England is one of the UK's most prosperous regions. The creation of the West of England Combined Authority offers us the opportunity to build on this and make it even better for everyone.

Working with our constituent councils and partners including the West of England Local Enterprise Partnership, North Somerset Council and other local service providers, our aim is to deliver inclusive economic growth for the region and address some of the challenges we face together.

We are in the process of developing an ambitious strategy for the region that will give greater us greater clarity about what we want to achieve together. Whilst still in the early stages of development we are expecting the strategy to prioritise three areas:

- Businesses that fulfil their potential
- World class skills for employment
- Effective resilient infrastructure; helping people to live, work and get around

The creation of the West of England Combined Authority will mean that we can be more ambitious in our joint delivery of the strategy and these priorities. It will make it easier for us (West of England Combined Authority and constituent councils) to collaborate and to take collective decisions about what is best of the region; cutting across the divides of council boundaries.

In terms of operation the West of England Combined Authority intends that the Combined Authority will be:

- 1. Lean and efficient making the most of existing resources (only doing things once – across the WoE)**
- 2. Can deliver the vision for inclusive economic growth in the West of England**
- 3. Makes the most of existing capabilities (recognising the strengths and capacity within the constituent councils)**
- 4. Accountable and transparent governance**

The West of England Combined Authority will work in partnership with constituent councils to ensure that there is a clear, transparent process for prioritising investment. Future delivery mechanisms will be designed in the most efficient and effective way taking account of constituent councils existing capabilities and capacities. Clarity over any potential risks associated with delivery will be reached between West of England Combined Authority and constituent councils ahead of any project or service starting.

## APPENDIX 2

### 1. Budget Summary

- 1.1. The Mayoral Budget relates to those functions that fall under the specific responsibility of the Mayor in accordance with the West of England Combined Authority (WECA) Order 2017.
- 1.2. For 2017/18 these functions primarily relate to the payment of Highways and Transport Capital grants – further powers and responsibilities will be conferred following the Mayoral Elections in May 2017 and as subsequently set out in the WECA Order.
- 1.3. The Budget proposal also includes the costs of the Mayor and related office expenses and election costs.
- 1.4. The funding for the Mayoral budget comes from the Retained Local Business Rates Pilot to meet the majority of Transport Costs together with grant funding from the Department for Transport and a contribution from the West of England Combined Authority.
- 1.5. As 2017/18 represents the first year for the Mayoral Budget, the Budget Proposal is to be agreed by the WECA as a transitional arrangement prior to the election of the Mayor, in accordance with relevant statutory provisions.
- 1.6. The proposed Mayoral budget for 2017/18 is set out at Annex 1 (Table 1)

### 2. Mayoral Costs

- 2.1. Provision has been included for the relevant allowance for the Mayor which will be subject to an assessment of an Independent Remuneration Panel. Additional costs related to a single policy support officer, running costs and expenses are also provided for.
- 2.2. Mayoral elections will be held every 4 year and the costs associated with this are an appropriate charge to the Mayoral Fund. For future years it is proposed to provide for annual provisions to spread the costs of this over the election term period.

### 3. Transport and Highways Capital Grants

- 3.1. The West of England Combined Authority is the Transport Authority and assumes a number of functions and responsibilities as part of this role. The Mayor will be responsible for the payment of £20.475M of transport related annual capital grant funding streams previously distributed directly by the Department for Transport (DfT), including:
- Highways maintenance grants
  - Highways incentive grants
  - Integrated transport grants
  - National productivity investment fund grants
- 3.2. As proposed capital grants, funding is transferred (where appropriate) as a Revenue Contribution to Capital Outlay (RCCO) to the WECA Capital programme as set out at Appendix 4 before distribution to the constituent councils.
- 3.3. For 2017/18 it is proposed that no changes are made to the distribution of this funding to the constituent councils as set out in the Roads Funding announcement by DfT on 13<sup>th</sup> January 2017. This results in a grant distribution to the constituent councils as set out at Annex 1 (Table 2). Details of the specific highways and transport priorities and schemes supported by this funding is therefore set out within the Budgets for each of the constituent councils and appropriate monitoring arrangements will be put in place by the WECA.
- 3.4. As a devolution area, the constituent councils will automatically receive the highest level of Highways Incentive Grants worth a total of £1.061M in 2017/18 to the area.
- 3.5. Going forwards, distribution may change to reflect future proposals and priorities including meeting the costs of the Key Route Network which will be agreed during the course of the financial year.

### 4. Other Mayoral Costs

- 4.1. No provision is made at this point for any further costs associated with the delivery of Mayoral functions. This will be considered further for future years recognising support that may be available from the WECA and the constituent councils.

## 5. Mayoral Budget Funding

- 5.1. **The Business Rates Retention Pilot** - has been agreed by the constituent councils to incorporate funding for the core Highways and Transport Grants from the DfT. This provides for a degree of stability and flexibility on how this funding might be used going forwards.
- 5.2. A proportion of Business Rates (5%) collected by the constituent councils will therefore be allocated to the WECA, the majority of which (£17.572M) is payable directly to the Mayoral Budget to replace the grant funding which would have been received from the DfT.
- 5.3. **A DfT – Capital Grant** of £2.903M will be paid to meet the one-off costs for 2017/18 of the National Productivity Investment Fund (as set out at Appendix 4).
- 5.4. **A Contribution from WECA** can be requested by the Mayor as part of the annual Mayoral Budget setting process to meet any costs not met by other sources of funding. For 2017/18 a transitional process is in place and the Contribution will be agreed as part of the wider WECA Budget setting process. A Contribution of £1.81M is proposed to meet the Mayoral costs and the one-off costs associated with the Mayoral election.
- 5.5. In the future, the Mayor will be able to propose a **Supplementary Business Rate** of up to 2p per £ of rateable value in agreement with local business for infrastructure schemes. Full details of this scheme and how it will operate have yet to be set out by Government and no such proposals are permitted for this first year 2017/18.
- 5.6. Total funding for the Mayoral Revenue Budget is £19.382M for 2017/18



Table 1 – The Mayoral Budget (Fund) 2017/18.

MAYORAL FUND		
	£000's	£000's
<b><u>Revenue Expenditure</u></b>		
Mayoral Expenses / Support		165
Mayoral Election Costs (May 2017)		1,645
Planning, Transport & Housing Strategy		-
Contributions to Capital - Highways & Transport Grants		
Integrated Transport Grants	5,183	
Highways Maintenance Grants	11,328	
Highways Incentive Grants	1,061	
		17,572
<b>Total Expenditure</b>		<b>19,382</b>
<b><u>Income</u></b>		
Business Rates Retention Pilot	17,572	
Funding contribution from WECA (Gainshare)	1,810	
<b>Total Income</b>		<b>19,382</b>

## ANNEX 2

Table 2 - Highways &amp; Transport Grant Allocations

<b>2017/18 Highways &amp; Transport Capital Grants to Constituent Councils</b>					
	Highways Maintenance	Highways Incentive	Productivity Investment	Integrated Transport	TOTAL
	£000's	£000's	£000's	£000's	£000's
Bath & North East Somerset Council	3,352	314	788	1,163	<b>5,617</b>
Bristol City Council	3,460	324	1,105	2,743	<b>7,632</b>
South Glos Council	4,516	423	1,010	1,277	<b>7,226</b>
					-
<b>Mayoral Fund Total</b>	<b>11,328</b>	<b>1,061</b>	<b>2,903</b>	<b>5,183</b>	<b>20,475</b>

## APPENDIX 3

### 1. Budget Context

- 1.1. The West of England Combined Authority (WECA) Budget relates to all the functions with the exception of those relating specifically to the Mayor which are set out separately at Appendix 2. The WECA Budget may include any specifically agreed contributions from the WECA to meet Mayoral costs.
- 1.2. The financial year 2017/18 represents the first full budget for the WECA and as such it is based upon a combination of costs derived from each of the constituent councils for any transferring functions, together with an estimate of specific costs associated with the delivery of the new authority's functions and statutory responsibilities.
- 1.3. The funding for the WECA comes from 3 main sources:
  - Gainshare funding provided by the Government as part of the Devolution Deal
  - A levy on the constituent councils for the costs of functions that have transferred to the WECA (e.g. transport)
  - A small share of business rates under the 100% Business Rates Retention Pilot
- 1.4. There are no additional costs related to the West of England Combined Authority falling on any of the constituent councils.
- 1.5. The proposed WECA Budget is set out at Annex 1 (Table 1). During the course of 2017/18 it is anticipated that a detailed medium term financial plan will be developed for the WECA.

## 2. Transport Services

- 2.1. The WECA is now the Transport Authority for the West of England and a range of related functions and responsibilities and full details are set out in a separate report from transport officers on this Agenda. For 2017/18 the primary focus will be to maintain the delivery of concessionary fares, community transport and bus related information systems to ensure continuity of service. The assumptions set out below have therefore been used as a basis for the Budget in line with proposals for service delivery from lead transport officers.
- 2.2. **Concessionary Fares** – based upon a standard concessionary fares scheme, the WECA will commission the core bus related contracts directly from South Gloucestershire Council who currently provide this service. Smaller commissions will then be put in place for the constituent councils to continue to assess eligibility and issue of related travel passes.
- 2.3. **Community Transport Grants** – grant funding will be made to each of the constituent councils in line with existing financial allocations and, each council will continue to maintain their existing approach to the support for these services for 2017/18.
- 2.4. **Bus Information Services** – the WECA will commission appropriate bus information services to reflect existing arrangements within the constituent councils, including the commission to Bristol City Council as lead for real time information services.
- 2.5. Bristol City Council are currently undertaking appropriate procurement for real time information services including the Metrobus extension and therefore any resulting costs arising from this may need to be reflected at the appropriate time as a variation to the proposed commissions and levy (as set out at para's 2.7 and 8.2).
- 2.6. **Supported Bus Services** – no specific financial provision is proposed within this Budget as these services are joint powers going forwards. A suitable mechanism will be agreed with the constituent councils to ensure these powers are appropriately exercised going forwards.
- 2.7. The proposed value of commissions with each of the constituent councils in respect of the functions set out above is set out at Annex 1 (Table 2). The Monitoring Officer will make the necessary contractual arrangements relating to each of these functions.

- 2.8. **Future arrangements** – going forwards the WECA will consider opportunities to deliver efficiencies through revised approaches to service delivery and provision. All such proposals will be subject to the approval of the WECA.

### 3. WECA Delivery and Running Costs

- 3.1. As far as practicable all costs related to the running and delivery of WECA functions and responsibilities have been kept to a minimum whilst recognising that the organisation will have delivery, statutory, fiduciary and governance costs which will need to be met.
- 3.2. The WECA will be responsible for over £415M of agreed funding over the next five years and the proposed running costs represent an average of 2.1% per annum. This benchmarks favourably against the existing 2.9% for current WoE LEP costs per annum of funding and the national allowance of 4% used for running costs as a proportion of regional growth funding.
- 3.3. The estimated delivery and running costs within this Budget proposal represent a maximum limit within which the WECA will operate. A number of posts, including statutory senior officer roles, will be subject to a formal independent grading review once the full range of responsibilities and accountabilities have been agreed. Any further resources required will be subject to specific approval of the WECA.
- 3.4. **None of these delivery and running cost will fall on the constituent councils. Further details are set out below:**

#### Infrastructure

- 3.5. Provision has been made for resources to manage, develop and commission the range of infrastructure related functions which will form part of the responsibilities of the WECA including Transport, Highways and Infrastructure Investment programmes.
- 3.6. As far as practicable existing resources will be utilised to deliver these arrangements and future work will be required to identify potential opportunities with the constituent councils to deliver efficiencies around the delivery arrangements.
- 3.7. No specific financial provisions are proposed for 2017/18 in respect of strategic and delivery functions for planning and housing recognising the joint spatial planning work already underway across the West of England. Further detailed proposals will be considered by the WECA as appropriate.

### Skills & Employment

- 3.8. It is anticipated that, subject to ongoing discussions with the Skills Funding Agency, the WECA will take on responsibility for the 19+ Adult Education Budget, which will be devolved from academic year 2018/19. As such the WECA will then be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements.
- 3.9. This is a new area of responsibility and some preparatory and specialist commissioning work is likely to be required. No provision has been made in the proposed budget at this time, however we will seek further clarity on the requirements and resourcing from the SFA and constituent councils. Where appropriate, any amendments to resourcing required will be subject to the approval of the WECA.

### Resources

- 3.10. Includes estimated costs for Finance, Information Technology, Accommodation, Procurement, Audit and the range of support services and charges necessary to meet statutory and fiduciary responsibilities. A range of support services will be commissioned directly from the constituent councils to support value for money and efficiency of delivery.

### Corporate and Governance

- 3.11. Provides for the costs related to governance arrangements for the WECA, including democratic support and monitoring officer, together with strategy development, performance management and the Chief Executive office.

## **4. One-Off Funding Allocations and Provisions**

- 4.1. The following non-recurring allocations are included within the proposed Budget:
- £500K to each of the constituent councils (a total of £1.5M) to reimburse their direct costs for the set-up and implementation of the WECA. This includes reimbursing funding allocated from the reserves, staff time, back-fill arrangements, professional fees and expenses.
  - Up to £150K to meet any further one-off costs to the WECA in relation to the ongoing set-up of the authority including but not limited to systems, statutory requirements, fiduciary arrangements, professional fees and equipment.

## 5. 2017/18 to 2020/21 Capital Investment Programme

- 5.1. The proposed WECA Capital programme is set out at Appendix 4 and recognises the specific Mayoral and WECA Capital Schemes based upon the specific underlying funding and statutory functions.
- 5.2. Schemes are set out on an Approved basis for 2017/18 and Indicative for future years. This may be varied by the WECA as individual schemes are identified and prioritised for inclusion in the programme. The specific capital proposals for the WECA are as follows:
- 5.3. **Up to £400K to support the modelling and prioritisation of Schemes** – this will produce details of the proposed capital projects for prioritisation and approval of the WECA. These costs will then be allocated as development costs for the approved schemes.
- 5.4. **Up to £2M to support the development of Prioritised Schemes** – this funding will be specifically allocated to support further business case, feasibility and development of prioritised schemes. **The actual value required will be determined following approval by the WECA of the propositions to be taken forward for further development.** It is anticipated that delivery of this work will include commissioning of appropriate skills and expertise from the constituent councils as the preferred suppliers and external professionals if required.
- 5.5. **Up to £300K for WECA IT Hardware, Software and Accommodation Alterations** – subject to identification of suitable office accommodation for the WECA and the provision of IT support services from the appropriate constituent council to meet the needs of the WECA.
- 5.6. **Capital Funding** - no borrowing is proposed for the WECA to meet capital commitments for 2017/18. All capital costs will be met from the appropriate allocation of government Gainshare grant funding.

## 6. Accountable Body Functions

- 6.1. The WECA will act as the Accountable Body for the West of England Local Enterprise Partnership and Invest in Bristol & Bath from 1 April 2017 taking over this role from Bath & North East Somerset Council, and Bristol City Council respectively. Appropriate transition arrangements are in place to ensure the smooth transfer of associated funding streams.
- 6.2. The LEP and associated accountable body functions are funded from existing grants and contributions with no costs falling on the WECA.

- 6.3. Staff roles supporting these activities will transfer to the WECA and appropriate arrangements are in place to ensure all legal and statutory requirements relating to such staff transfers are met.
- 6.4. It is anticipated that following transfer, the staffing structures of the LEP and WECA teams will be reorganised to provide the most efficient and effective delivery and support structure to meet the functions and responsibilities to meet the new governance arrangements.

## 7. Mayoral Costs

- 7.1. The WECA will make a proposed contribution of £1.81M in 2017/18 to meet Mayoral costs primarily those relating to the Mayoral Election and Mayoral Office Costs. Further details are set out in the Mayoral Budget at Appendix 2.

## 8. Funding

- 8.1. The funding to meet the costs of the WECA are received from the following sources:
- 8.2. **A Levy on the constituent councils** limited to meet the costs associated with transport functions transferring to the WECA. It is proposed that the Levy is set in line with the estimated costs which would have been incurred by the relevant constituent council (i.e. a revenue neutral basis). The proposed Levy for each council is set out at Annex 1 (Table 3).
- 8.3. **The 100% Business Rates Retention Pilot** as agreed by the constituent councils means a proportion of Business Rates (5%) collected by the constituent councils will be allocated to the WECA, the majority of which (£17.572M) is allocated to the Mayoral Budget to replace the grant funding which would have been payable by DfT.
- 8.4. A relative proportion of business rates growth (previously paid to central government) will be retained by each of the participating WoE councils including the WECA. For 2017/18 this is estimated at £945K for the WECA. Further details relating to the 100% Business Rates Retention Pilot can be found in the formal decisions approved by each of the constituent councils in October 2016.
- 8.5. The sustainability of this funding will need to be reviewed as the government moves to a national 100% business rates retention system from 2020.
- 8.6. **Gainshare Revenue Contribution** – as part of the WoE Devolution Deal, the government has allocated £30M per year to the WECA for a 30 year period. This will be used primarily for infrastructure investment with an element available to meet set-up and running costs.



- 8.7. For 2017/18 the proposed allocation of Gainshare funding to meet set-up and running costs is £3.884M. This is higher than will normally be the case as it includes historic set-up costs and the Mayoral election costs.
- 8.8. Other income includes estimated interest on cash flow balances for investments in line with the approved WECA Treasury Strategy.
- 8.9. No contributions are required from the constituent councils to meet any WECA costs.

## 9. Reserves

- 9.1. The WECA will not be established with any general or earmarked reserves or balances transferring from the constituent councils. Over time it will be the intention to establish a risk assessed level of reserves based on the specific activity and financial risks to the WECA.
- 9.2. A full range of financial controls and budget monitoring will be put in place to provide early identification of any potential cost variations and manage financial risks as far as practicable within the Approved Budget.
- 9.3. In the event of extraordinary costs arising the WECA will be able to consider a range of options to deal with these:
  - Re-prioritisation of financial commitment and commissions.
  - Use of any flexibility available in the applications of funding streams.
  - Use of the Gainshare funding as appropriate.
  - Request voluntary contributions from the constituent councils (for example if newly introduced policies or discretionary measures in a particular council, affects the aggregate demand across the region resulting in funding pressures).
  - An application to the government emergency Bellwin fund if qualifying criteria are met (only available for significant unforeseen emergency circumstances).
  - Appropriate use of reserves as set out in 9.4 below
- 9.4. An element of the reserve of £278K related to LEP functions and potential liabilities will be available to the WECA as Accountable Body to meet financial risks relating to these functions.

Table 1 – The WECA Budget 2017/18.

WECA FUND		
	£000's	£000's
<b><u>Revenue Expenditure</u></b>		
Transport Functions		
Concessionary Fares	13,209	
Community Transport	1,702	
Bus and Real Time Information	371	
Other - including commissioning and delivery	-	
		<b>15,281</b>
WECA Delivery & Running Costs		
Infrastructure	200	
Skills & Employment	-	
Resources	581	
Corporate & Governance	678	
		<b>1,459</b>
One-off Set Up and Implementation Costs		<b>1,650</b>
Contribution to Mayoral Fund		<b>1,810</b>
Capital Financing		-
<b>Total Expenditure</b>		<b>20,200</b>
<b><u>Income</u></b>		
Levy from CA's For Transport Functions	15,281	
Contributions from CA's	-	
Business Rates Retention	945	
Gainshare - revenue contribution	3,884	
Interest on balances	90	
		<b>20,200</b>
<b>Total Income</b>		<b>20,200</b>

Table 2 – Transport Commissions to Constituent Councils

<b>Payments to Constituent Councils for Commissioned Services</b>				
	Concessionary Fares	Community Transport	Bus and RTI	TOTAL
	£000's	£000's	£000's	£000's
Bath & North East Somerset Council	49	379	53	480
Bristol City Council	113	886	271	1,270
South Glos Council	13,047	437	47	13,531
				.
<b>Total</b>	<b>13,209</b>	<b>1,702</b>	<b>371</b>	<b>15,281</b>

Table 3 – LEVY to the WECA by the Constituent Councils for Transport

<b>WECA LEVY</b>	
	<b>TOTAL</b>
	<b>£000's</b>
Bath & North East Somerset Council	<b>4,211</b>
Bristol City Council	<b>8,475</b>
South Gloucestershire Council	<b>2,596</b>
<b>Total</b>	<b>15,281</b>

10.

WECA and Mayoral Capital Programme 2017/18 to 2020/21												
	Spend				Funded by:							
	Approved	Indicative	Indicative	Indicative	17/18				18/19	19/20	20/21	
	17/18	18/19	19/20	20/21	Gainshare	DfT Grant	RCCO	Total	RCCO	RCCO	RCCO	
	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
<b>WECA Capital</b>												
Infrastructure												
Economic Model & Scheme Prioritisation	400				400			400				
Project Development incl Project officer	2,000				2,000			2,000				
	2,400				2,400			2,400				
<b>WECA Capital - other</b>												
IT	200				200			200				
building alterations	100				100			100				
	300				300			300				
<b>Mayoral Capital</b>								-				
Highway and Transport Grants	20,475	17,572	17,752	17,752	0	2,903	17,572	20,475	17,572	17,752	17,752	
<b>Grand Total</b>	<b>23,175</b>	<b>17,572</b>	<b>17,752</b>	<b>17,752</b>	<b>2,700</b>	<b>2,903</b>	<b>17,572</b>	<b>23,175</b>	<b>17,572</b>	<b>17,752</b>	<b>17,752</b>	
Note: RCCO indicates a Revenue Contribution to Capital Outlay												