

**9 October 2020**

**REPORT SUMMARY SHEET**

**WECA & MAYORAL BUDGET OUTTURN: APRIL 2020 – JUNE 2020**

**Purpose**

To present the forecast revenue budget financial outturn information for WECA and the Mayoral budget for the financial year 2020/21 based on actual data for the period from April 2020 to June 2020.

**Summary**

This report includes the following key information:

**Mayoral budget:**

- The Mayoral Fund's forecast revenue outturn position for 2020/21 is a small underspend of £11k as detailed in Appendix 1;
- A contribution of £396k will be made to an earmarked reserve, in line with budget, to meet the estimated costs of the Combined Authority Mayoral election in 2021.

**WECA revenue budget:**

- WECA's estimated outturn revenue position for 2020/21 is a net surplus of £565k, (Appendix 2), which is due to higher income received from cash balances;
- The report details various transport grants received by government for supporting local bus operators through Covid;
- Spend on specific projects (see figure 3) is forecast to be £10m higher than originally budgeted, which is due mainly to additional investment fund approved projects and rephasing of project spend carried forward from 2019/20;
- An updated 3-year revenue forecast for all approved investment fund projects is detailed in Appendix 3;
- The report proposes an internal virement from treasury management surpluses and a reduction in external contract spend to permanently establish finance capacity (which will have no impact on the bottom-line budget);
- £500k was moved into a specific business rates income reserve at the end of the 2019/20 financial year against which we are proposing to drawdown £403k to meet income shortfalls in the current financial year.

**Impact of Covid-19 pandemic**

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- (a) There will be an impact on 2020/21 revenue budgets as core activity, and investment funding, is re-prioritised and re-focused on supporting economic recovery;
- (b) There is particular concern regarding the achievability of business rates growth targets which will directly impact on a significant proportion of WECA's core operating revenue;
- (c) Concessionary fare payments to bus operators have been made in line with budgeted profile throughout the first quarter of the financial year to maintain continuity of service, along with contract payments for supported bus services and payments to community transport providers.
- (d) Payments to Adult Education providers have also been made in line with budgeted profile to maintain stability of the provider base.

### **Recommendations**

Members of the Combined Authority Committee are asked to:

- a) Note the Mayoral Fund revenue outturn as detailed in Appendix 1.
- b) Note the WECA revenue outturn as detailed in Appendix 2.
- c) Approve the continuation of paying concessionary fares, in line with budgeted profile, to local transport operators up to 31 December 2020, and to Community Transport Providers and in respect of current Service Contracts with delegation for enabling these payments provided to the Head of Strategic Transport Integration.
- a) Approve an internal virement of £150k from Treasury Management surplus and consultancy savings to establish capacity in the financial services team.
- b) Approve a drawdown of £403k from the WECA Business Rates Reserve to fund the projected income shortfall in business rates for 2020/21.

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