

**REPORT SUMMARY SHEET  
MAYORAL BUDGET SETTING REPORT 2019/20**

**Purpose**

To consider and approve the budget for the West of England Combined Authority Mayoral functions for 2019/20

**Summary**

This report includes the following key information:

- The Mayoral budget relates to the functions that fall under the specific responsibility of the Mayor in accordance with the WECA Order 2017. For 2019/20 these functions primarily relate to the payment of Highways and Transport capital grants.
- The budget also includes the cost of the Mayor and related office expenses and election costs.
- The funding for the Mayoral budget comes from the Retained Local Business Rates pilot (which meets the majority of transport costs) and a contribution from the WECA Investment Fund.

**Recommendations**

- 1. To approve the Mayoral budget for 2019/20 together with the funding contribution from the WECA budget of £1.828m as set out in Appendix 1 – Table 1.**
- 2. To agree the specific Highways and Transport Capital Grant allocations totalling £17.572m to the constituent councils for 2019/20 as set out in Appendix 1 – Table 2.**

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**REPORT TO: WECA COMMITTEE**

**DATE: 1 February 2019**

**REPORT TITLE: MAYORAL BUDGET SETTING REPORT 2019/20**

**DIRECTOR: MALCOLM COE – DIRECTOR OF INVESTMENT &  
CORPORATE SERVICES**

**AUTHOR: MALCOLM COE**

#### **Purpose of Report**

- 1 To consider, and approve the budget for the West of England Combined Authority Mayoral functions for 2019/20.

#### **Recommendations:**

- a) **Approve the Mayoral Budget for 2019/20 together with the funding contribution from the WECA Budget of £1.828m as set out in Appendix 1 - Table 1.**
- b) **Agree the specific Highways and Transport Capital Grant allocations totalling £17.572m to the constituent councils for 2019/20 as set out in Appendix 1 - Table 2.**

#### **Background / Issues for Consideration**

- 2 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. For 2019/20, these functions primarily relate to the payment of Highways and Transport Capital grants.
- 3 The budget proposal also includes the costs of the Mayor and related office expenses and election costs
- 4 The funding for the Mayoral budget comes from the Retained Local Business Rates Pilot, (which meets the majority of Transport Costs) and a contribution from the West of England Combined Authority (Investment Fund).

- 5 As required by the Combined Authorities (Finance) Order 2017, the Mayor must keep a fund (to be known as the Mayor's General Fund) in relation to receipts arising, and liabilities incurred, in the exercise of the Mayor's general functions.
- 6 The proposed Mayoral budget for 2019/20 is set out at Appendix 1 (Table 1).

### **Mayoral Costs**

- 7 Provision has been included for the relevant allowance for the Mayor. Additional costs relate to a Political Advisor, PA support, running costs and expenses which have all been previously approved by this committee. The proposed 2019/20 budget reflects known commitments and actual spend incurred following the mayoral elections in May 2017.
- 8 Mayoral elections are held every 4 years with the costs associated with administering the election reflected in an appropriate charge to the Mayoral Fund. An annual provision is included in order to spread the costs over the election term period.
- 9 The proposed 2019/20 Mayoral running costs are detailed in *Figure 1* below, along with future year forecasts. An assumption of 2% annual uplift has been applied to salary related costs and support services. All other lines having a cash limited budget over the medium term period:

**Figure 1 – Mayoral Running Costs (Medium Term Forecast)**

Revenue Expenditure						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Mayoral Expenses / Support	£000s	£000s	£000s	£000s	£000s	£000s
Staffing	155	172	176	180	184	188
Premises	20	12	12	12	14	14
Supplies and Services	15	15	15	15	15	15
Support Services	19	12	13	14	15	16
	209	211	216	221	228	233
Mayoral Election Costs	388	396	396	396	396	396

### **Transport and Highways Capital Grants**

- 10 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 is responsible for the payment of £17.572m 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
- 11 As proposed capital grants, funding is transferred as a Revenue Contribution to Capital Outlay (RCCO) to the WECA Capital programme before distribution to the constituent councils.
  - 12 For 2019/20 it is again 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 in January 2017. This results in a grant distribution to the constituent councils as set out at Appendix 1 (Table 2). Details of the specific highways and transport priorities and schemes supported by this funding is set out within the Budgets for each of the constituent councils and appropriate arrangements are in place to support the monitoring of this funding by the WECA.
  - 13 As a devolution area, the constituent councils will automatically receive the highest level of Highways Incentive Grants, worth a total of £2.1m in 2019/20 to the region.

### **Planning, Transport & Housing Strategy**

- 14 The WECA Committee on 30<sup>th</sup> October 2017 agreed an allocation of £3.150m to commence feasibility studies for priority schemes. The funding is provided as revenue grant to the relevant constituent councils in order to deliver the feasibility studies accordingly. Revenue funding of £1.221m is proposed in the 2019/20 Mayoral budget, (which is drawn down from the Investment Fund), which represents the final tranche of funding for these studies.

### **Mayoral Budget Funding**

- 15 The Business Rates Retention Pilot (as approved in 2017/18) will continue in 2019/20 with a proportion of Business Rates, (5%), collected by the constituent councils allocated to the WECA. The majority of this funding (£17.572m) is payable directly to the Mayoral Budget to replace the highways and transport grant funding which would have been received from the DfT.
- 16 2019/20 is the third and final year of the Pilot. Nationally, a reformed system of Local Government Finance, including 75% Business Rates Retention and a review of Fairer Funding, will be introduced in 2020/21. Unless the Combined Authority is included in some way in that system of financing, the direct capital grants from DfT will need to be re-instated.
- 17 A Contribution from WECA of £1.828m is proposed for the Mayoral Budget in 2019/20 to meet the costs of the already agreed priority feasibility studies, together with the running costs and election cost provision. This will be allocated from the WECA Investment Fund.
- 18 Total funding for the Mayoral Revenue Budget is £19.4m for 2019/20.

## **Consultation**

- 19 The contents of this report have been shared, and discussed with, the finance leads and Section 151 Officers of BANES, South Gloucestershire and Bristol City Councils.

## **Other Options Considered**

- 20 The proposed Mayoral budget is based on current forecast costs and previously agreed proposals for Transport grants. No other options are proposed at this stage.

## **Risk Management/Assessment**

- 21 The key risk in this report relates to the medium to long term sustainability of funding. Highways and Transport grants will need to be funded by Government subsequent to the current Business Rate retention pilot coming to an end.

## **Public Sector Equality Duties**

- 22 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
- 23 The Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 24 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 25 All key service 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.

### **Finance Implications, including economic impact assessment where appropriate:**

- 26 Financial implications are contained within the proposed budget as detailed as Appendix 1 to this report.

*Advice given by: Malcolm Coe, Director of Investment & Corporate Services*

### **Legal Implications:**

- 27 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 West of England Combined Authority Order 2017 and The Combined Authorities (Finance) Order 2017.

*Advice given by: Shahzia Daya, Director of Legal*

### **Land / Property Implications:**

- 28 The funding for all appropriate property costs for the Mayoral office is included in the Budget proposal.

*Advice given by: David Carter, Director of Infrastructure*

### **Human Resources Implications:**

- 29 The funding for all appropriate staffing costs for the Mayoral office is included in the Budget proposal.

*Advice given by: Alex Holly, Head of Human Resources*

### **Appendices & Background papers:**

Appendix 1 – Mayoral budget 2019-20 (table 1); and Highways & Transport Grant Allocation (table 2)

### **West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)

**Table 1 - The Mayoral Budget - 2019/20**

**Appendix 1**

	2018/19 Budget £'000s	2019/20 Budget £'000s	Increase (+) / Decrease (-) £'000s
Staff	155	172	17
Premises Services	20	12	-8
Support Services	19	12	-7
Supplies & Services	15	15	0
Project Spend	0	0	0
	<b>209</b>	<b>211</b>	<b>2</b>
Mayoral Election - Transfer to Reserve	388	396	8
Planning, Transport & Housing Strategy	2,775	1,221	-1,554
<u>Contribution to Highway Grants</u>			
Integrated Highway	5,183	5,183	0
Highway Maintenance Grants	10,254	10,254	0
Highway Incentive Grants	2,135	2,135	0
	<b>17,572</b>	<b>17,572</b>	<b>0</b>
<b>Total Expenditure</b>	<b>20,944</b>	<b>19,400</b>	<b>-1,544</b>
<b>Income</b>			
Business Rates Retention Pilot	17,572	17,572	0
Government Grant	0	0	0
Funding Contribution from WECA	3,372	1,828	-1,544
<b>Total Income</b>	<b>20,944</b>	<b>19,400</b>	<b>-1,544</b>

**Table 2 - Highways & Transport Grant Allocation**

	<b>B&amp;NES</b> 2019/20 £000's	<b>BCC</b> 2019/20 £000's	<b>SGC</b> 2019/20 £000's	<b>TOTAL</b> 2019/20 £000's
Highways Maintenance	3,034	3,132	4,088	<b>10,254</b>
Highways Incentive	632	652	851	<b>2,135</b>
Integrated Transport	1,163	2,743	1,277	<b>5,183</b>
<b>TOTAL</b>	<b>4,829</b>	<b>6,527</b>	<b>6,216</b>	<b>17,572</b>