DEVOLUTION DEAL – FINANCIAL IMPLICATIONS

1. Background

1.1. This Appendix sets out the detailed financial implications of the Devolution Deal, specifically:

- The financial aspects of the roles, functions, and decision-making arrangements for the Mayor and Mayoral Combined Authority (MCA) which are contained in the Scheme;
- The funding streams available to the Mayor and MCA through the Devolution Agreement; and
- The financial implications of the aspects of the Devolution Agreement which are contained in the Scheme.

1.2. The details set out in these appendices are based upon the best understanding and interpretation of the outputs from the specific devolution workstreams and through discussions with Government officials.

1.3. A flowchart illustrating the financial governance processes is attached as Appendix 7 to provide additional clarification.

2. The Mayoral Combined Authority (MCA)

2.1. The funding streams attached to the Devolution Deal and Scheme can be broadly categorised into three areas, as set out in the following sections:

- Mayoral funding streams;
- MCA funding streams; and
- Borrowing powers of the MCA (in respect of both Mayoral and MCA functions).

2.2. The key funding element agreed in the Devolution Deal was the ‘Single Pot’ which Government has proposed is comprised of three elements:

- New gainshare (or ‘Payment-by-Results) funding (MCA);
- A devolved and consolidated transport grant (Mayoral);
- Local Growth Fund (LGF) allocations.

2.3. The Government has indicated a preference for moving towards a single assurance framework for the Single Pot and published National Guidance on this in April 2016. However, for the time being each of the three elements is actually still subject to its own rules within government, and locally they are not controlled by a single entity meaning each is subject to a different local decision-making process.

2.4. The transport grant is a Mayoral funding stream (Section 2.8) while the gainshare is a MCA funding stream (Section 2.9). The LGF, whilst badged ‘Single Pot’ by Government, is not actually part of the Scheme and remains unchanged in terms of local and central government decision-making arrangements.

2.5. Mayoral funding streams

2.5.1. As set out in the Governance Scheme, the Mayor’s draft annual budget will be examined by the constituent councils and may be rejected and amended if two-thirds of the councils agree to do so. The Mayor shall not be entitled to vote on the constituent councils’ alternative proposals. The Mayor’s budget then ultimately forms a line item in the MCA budget, which is subject to separate approvals (see section 2.9).

2.5.2. The Mayor’s budget may include a business rates supplement (BRS) and the devolved transport grant. The BRS represent a ‘new’ funding stream available to the Mayor and city region, whilst the transport grant is comprised of existing funding streams (with the exception of additional maintenance incentive funding, as set out below). The Scheme makes specific provisions for agreement of the relevant Constituent Authority in the event any decision of the Mayor would impose a liability upon them.

2.6. Mayoral costs and council tax precept

2.6.1. The Mayor will not initially have the power to raise a council tax precept and any change to this position in the future would require the approval of the Secretary of State and unanimous consent of the Constituent Councils.

2.6.2. Any running costs associated with the Mayor, including allowance and direct office support, which is not recoverable from the specific Mayoral budgets, may be met from the revenue element of the Gainshare funding outlined in Section 3 below or by a voluntary contribution from the Constituent Councils. This would be subject to the Mayoral Budget approval process set out para 2.5.1 above.

2.7. Supplementary Business Rates

2.7.1. The Scheme sets out that the Mayor will have the power to introduce a Business Rates Supplement (BRS) to fund infrastructure, subject to the support of the Combined Authority and in consultation with the business community through the LEP.

2.7.2. The BRS will only apply to non-domestic properties within the Combined Authority area and, in line with the Devolution Agreement, the Mayor is expected to be able to raise a BRS of up to 2p per pound of rateable. It is assumed that the BRS will only apply to properties that are above a certain value (in London the BRS applied to properties with a rateable value of over £55,000), and that the BRS sits outside the localised business rates regime (i.e. exempt from resets/national redistribution).

2.7.3. Primary legislation is still required to make this power available to the Mayor, meaning the details on how of BRS will be levied and approved are unknown at this stage. This includes the precise role of the LEP in agreeing the BRS and we will continue to work with Government to help inform this primary legislation.

2.8. Mayoral devolved transport budget

2.8.1. The Devolution Agreement states that the Mayor will receive and take responsibility for a devolved and consolidated multi-year transport budget. The funding streams forming part of the Mayor's transport budget at this stage are:

- Integrated Transport Block (ITB)
- Highways Maintenance Block (HMB) – needs-based element
- Highways Maintenance Block (HMB) – incentive-based funding at Band 3 (the highest level) with an exemption from the annual Government assessment process.

2.8.2. Government is expected to provide a firm funding commitment through to 2020/21 worth a total of £71M. These budgets will be pooled into the Mayor's budget to enable the Mayor to carry out his/her statutory duties in relation to the Key Route Network (KRN) of local roads, as well as attempt to drive efficiencies in asset management across the city region. At present, Government determines ITB and HMB funding through a formula set by DfT and paid to the constituent authorities, who are currently the statutory local highway authorities for local roads in their areas. They will continue to be the statutory authority for non-KRN roads (once it has been established). More detail on the process for, and implications of, establishing the KRN are set out in the next section (see 4.2.1).

2.8.3. The creation of the KRN is subject to the specific safeguards and the governance process as set out within the Transport element of the Scheme. The mechanism for allocating HMB and ITB funding between the Mayor's KRN and the constituent authorities' road network is as follows:

- The Mayor will transfer HMB and ITB to the Constituent Authorities on a basis of a majority vote, which must include the vote of the Mayor. The default position is to use the DfT formula allocation.

- Once the KRN is defined, the Mayor and Constituent Authorities will decide how to allocate funding to the KRN, again subject to the majority vote outlined above.

2.8.4. The following benefits to the devolved Mayoral transport budget have been identified by Transport officers:

- Longer-term funding certainty: government is proposing a firm commitment for 5 years, compared to the 1-3 year certainty the constituent authorities currently have for ITB and HMB funding.
- A fully-flexible, condition free settlement: the funding would be unringrenced with the flexibility to vire funding between transport projects and between years. The area would not need to meet any further tests from government in order to receive the funding over the 4 year period to 2020/21.
- Extra maintenance funding: government is offering the maximum possible funding allocation for the incentive-based element of HMB, worth an extra £4.9m to the area over the period to 2020/21.
- Reduced administrative burden: the 5-year HMB incentive funding at the maximum level means the constituent authorities no longer have to participate in a cumbersome annual assessment process to receive funding.

- Local rather than SoS DfT control of priorities: At present the SoS decides how much ITB and HMB funding each constituent authority will get based on a DfT formula. A devolved transport grant means the area will collectively decide how much each authority receives.
- Potentially better protected from any future budget cuts: it may be more difficult for Government to cut a devolution specific funding line in DfT's settlement compared to cutting a large national budget.

2.9. Mayoral Combined Authority funding streams

2.9.1. In general, the decision making arrangements for MCA functions and funding are as follows:

- The MCA budget (which must be balanced), including borrowing limits, is subject to a majority vote of all MCA members present and voting (subject to a vote in favour by the Mayor). This includes decisions over how to allocate grant funding such as gainshare, skills and European funding.

- However the MCA levy is subject to the unanimous consent of the constituent authorities (excluding the Mayor).

2.9.2. The majority of funding associated with the Devolution Deal is controlled by the MCA. This includes the new funding through the £900m gainshare deal and skills pilot, as well as existing funding from devolution of the Adult Education Budget and Apprenticeship Grant for Employers and more influence over European funding (ERDF and ESF). Whilst not an explicit part of the Devolution Agreement, the MCA could also potentially benefit from additional funding from the third and final round of the LGF.

2.10. Combined Authority levy

2.10.1. Scope of the levy

Combined Authorities (CAs), with or without mayors, may raise a levy on their constituent authorities in order to meet the costs of their functions. The levy typically represents a shift of funding from the constituent authorities to the combined authority level, rather than a mechanism for raising 'new' funding. This reflects the fact that the CA/MCA typically pools the agreed transport authority and economic development functions that are otherwise exercised individually by the constituent authorities. The latest primary legislation provides for CAs to take on a much broader set of functions, as is the case in the Devolution Agreement.

In practice, however, the CAs that exist elsewhere are only able to levy for transport purposes. The CA's non-transport functions are typically funded through voluntary contributions or a recharge to the constituent councils.

Subject to final clarification on the scope of the MCA Levy, it may need to consider alternative sources of funding for functions which cannot be covered by this, including voluntary contributions (building on the West of England office precedent) and the appropriate use of gainshare funding.

2.10.2. Setting the levy

The decision of how to apportion the MCA levy is a local one. The Scheme sets out that the levy will be agreed unanimously by the constituent authorities. However in the event that agreement cannot be reach, legislation requires that a default position for allocating the levy to be identified. The most common approach used elsewhere is to raise the levy pro-rata to each constituent authority's population base, but with the flexibility to change how the levy is apportioned each year when setting and agreeing the CA budget.

For the MCA, an approach pro-rata to population would mean apportioning the levy as follows: Bristol (50%); Bath and North East Somerset (20%); and South Gloucestershire (30%). The basis of the default position will need to be agreed by the constituent councils ahead of October.

2.10.3. Impact of the levy on constituent authorities' council tax limits

As is the case with all existing levies, the constituent authorities who receive the MCA levy will need to take their share of it into account when considering whether their own council tax is excessive, and therefore may have an impact on the authorities' referendum limit. Government has indicated there would be some form of transitional arrangement that protects the constituent councils in the short term. It will not be possible to clarify the detail of this in time for ratification of the Scheme and the S151 Officers will need to work with Government to establish how this transitional arrangement works

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2.11. Combined Authority borrowing powers

2.11.1. Combined authorities, with or without Mayors, have the power to borrow under the local government prudential borrowing regime. Legislation provides for the MCA to borrow in respect of all Mayoral and MCA functions, however in the regulations (which are created on the back of the Scheme) the purposes of this borrowing need to be specified.

2.11.2. The borrowing powers are proposed to cover transport, highways, housing, investment and economic regeneration within approved limits as agreed as part of the MCA Budget set out in para 2.9.1 above.

2.12. Combined Authority – Financial Management

2.12.1. The MCA will be required to appoint a Chief Financial Officer in accordance with S151 of the Local Government Finance Act. This officer will be responsible for the proper administration of the MCA's financial affairs. The S151 officer may be undertaken by an officer of one of the Constituent Authorities.

2.12.2. In the event the MCA is unable to meet its financial liabilities the S151 Officer would need to take appropriate action in accordance with the relevant legislation to ensure relevant statutory and legal financial obligations are met.

2.12.3. The underwriting of this unfunded liability scenario, ultimately remains a potential risk to the taxpayer or the Constituent Authorities that will need to be further clarified.

3. Gainshare funding

3.1. A fundamental aspect of the Devolution is the £900m gain share or 'Payment-by-Results' funding deal over the next 30 years. This is referenced in the Governance Review and is conditional on having a MCA. The MCA will receive £30m p.a. of additional funding for investing in projects that drive growth. The funding (50% capital, 50% revenue) is unringfenced and therefore can be spent on any of the MCA's functions.

3.2. The MCA will be able to use revenue gainshare funding to cover some of the initial running costs of the MCA, which should to some extent negate the need for the MCA levy. However, reliance on this will need to be minimised as much as possible, given that revenue funding will need to be reserved for potentially meeting borrowing costs associated with the MCA's investment programme, with this programme targeted at economic growth given the 5-yearly Gateway Review process outlined below.

3.3. At the end of each 5-yearly period, a Gateway Review will be conducted wherein an Independent Panel will evaluate:

- the extent to which the city region has demonstrated delivery of investment; and
- whether the investment delivered has had a net impact on economic growth.

3.4. At each Gateway Review, the Panel will make recommendations to Government on how well the city region has performed (but will not itself make funding recommendations). Government will then use this evidence base to decide on the city region's next 5-yearly funding allocation.

3.5. Within a Gateway period, the city region will receive £30m p.a. irrespective of what it spends in a given year. However, given the evaluation criteria the city region will be judged against, failure to invest in a given 5-year period is highly likely to impact on the city region's funding allocation for the subsequent period. It is for the Panel to decide on the appropriate range of metrics for evaluating the relative impact of investment. However it is expected that the evaluation metrics at the end of the first 5-years will be more focused on delivery than economic growth given that the economic impacts of infrastructure investment take time to materialise.

3.6. The Terms of Reference (ToR) for the Independent Panel has been agreed between Government and devolution deal areas that have ratified their deals, and the Panel is expected to be appointed by August 2016. The Panel's ToR will apply to all gainshare deals. However the metrics and methodology to be employed by the Panel have not yet been designed, therefore there is an opportunity for the city region to shape and influence this. The Panel's core methodology is expected to be finalised by the end of 2016.

3.7. Given that gainshare funding is contingent on performance, a number of risks have been identified, as well as potential mitigations. These are outlined below. However the most significant mitigation for the MCA is to have a robust and transparent process for designing and prioritising projects for investment that maximise net impact on the city region's economy. And supporting this, an appropriate assurance framework in place for monitoring and evaluating the effectiveness of the MCA's investment.

3.8. Work is already underway to prepare the ground for this by commissioning of an economic analytical model which will enable the city region to robustly appraise potential investments in transport, housing and economic development activity. This will need to be coupled with work on a strategy for funding and financing MCA costs, including approaches to managing risk, which will in turn enable the city region to prioritise a programme of investment.

3.9. Other specific risks and mitigations include:

- Not passing the Gateway assessment due to national economic changes rather than local no delivery – the Panel has an explicit obligation to draw on the city regions' own analysis and monitoring and evaluation framework. This is therefore an opportunity to influence the Panel but underlines the importance of having a strong analytical framework in place.
- The specific success criteria are unknown, plus there is an inherent difficulty in attaching economic impact to a specific set of infrastructure investments – this is ultimately for the judgement of the independent Panel, drawing on the methodology and metrics that have yet to be defined. There is an opportunity for the city region to influence over the course of this year.
- A new Government could renege or change the terms of the gainshare deal – whilst this is a political risk that is common to many aspects of devolution, the existence of the Independent Panel provide some protection here, as does the fact that there are now 13 city regions in the UK with gainshare deals.

4 Financial implications by workstream

4.1 Introduction

This section outlines the main financial implications of other devolved functions as set out in the Governance Scheme. The information here has been collected from officers that lead on individual devolution workstreams. This information covers the following issues:

- Financial implications (broadly defined);
- Devolved funding arrangements;
- Revenue or set up costs (broadly defined);
- Financial benefits; and
- Financial risks and mitigations.

4.2 Transport

The main financial implications for transport revolve around the Mayor's devolved transport grant, which significantly alters existing funding mechanisms and is explained in detail above (see 2.8). The other aspects of transport that have material financial implications are set out below.

4.2.1 Transport authority functions

In line with national legislation and the model adopted in the country's other major city regions, the MCA will become the transport authority for the city region. This requires the production of a statutory local transport plan, which locally will be the Joint Transport Plan (JTP), and its associated documents (which in the main are a bus strategy and joint asset management plan). The Scheme stipulates that the JTP will be agreed by a majority decision to include the vote of the Mayor.

To support the implementation of the JTP, it is envisaged that the MCA will exercise the following functions (except where stated that the power is exercised concurrently with the UAs):

- Bus service information, set out in the JTP, and ticketing (although this is likely to be superseded by the new powers being brought forward by Government in the Buses Bill);
- Bus quality contracts and partnerships in line with the JTP (although again this function is likely to be superseded by Government's move to bus franchising powers and enhanced partnership powers which are being provided to the Mayor through the Buses Bill);
- Bus lane contraventions/penalty fines (concurrent power) on the KRN, subject to the consent of the affected constituent authority/authorities. The constituent authorities will also keep this function, which may be exercised for the KRN and non-KRN roads.

The Scheme provides for the MCA to delegate any of these functions back to the constituent authorities, should MCA members agree to do so.

In addition, there are some transport authority functions which transport officers envisage remaining with the constituent authorities, where there is a better understanding of local need. This is set out in the Scheme. These functions are:

- Administering concessionary fares.
- Providing socially-necessary bus services.

- Bus lane contraventions/penalty fines.

The MCA will be able to fund the cost of its transport authority functions and implementation of the JTP through the MCA levy (for functions that would otherwise have been carried out by the constituent authorities) as well as the Mayor's devolved transport grant and other grants from Government that are associated with the (such as gainshare funding). The MCA will also be able to generate income from bus lane contraventions on the KRN, subject to the agreement of the Constituent Councils. The Mayor also has the ability to raise a business rate supplement for funding transport infrastructure, subject to the agreement of the MCA and business community, which could support the delivery of schemes identified through the JTP.

All other local revenue and capital funding will remain with the constituent authorities.

4.2.2 Highway authority functions and the Key Route Network (KRN)

As part of the March 2016 Devolution Agreement, the constituent authorities agreed that the Mayor would take responsibility for a KRN of local roads which will be defined and agreed locally by a majority vote (including the Mayor). This is set out in the Scheme. This will involve conferring statutory highway authority functions on to the Mayor for KRN roads, which would then be managed and maintained by the Combined Authority on his/her behalf. The constituent authorities would continue to be the statutory highway authorities for non-KRN roads within their administrative areas.

It is envisaged that the scope and definition of the KRN will be agreed by MCA members (including the Mayor), as part of the process for developing and agreeing the Joint Transport Plan (which itself is subject to unanimous approval).

Transport officers have suggested that the MCA would take on the following highway functions for KRN roads:

- Maintenance of, and structural investment in, the KRN (including street authority functions)
- Traffic management, including information provision, permit schemes and road tolling schemes
- Designation of Clean Air Zones, subject to the consent of the affected authority/authorities

The Scheme provides for the MCA to delegate any of these functions back to the constituent authorities, should MCA members agree to do so.

The constituent authorities would continue to be responsible for all statutory highway functions for non-KRN roads, and would also continue to hold car parking and civil enforcement powers for all roads in the MCA area (including the KRN).

Given this split in statutory responsibilities, the establishment of the KRN requires a mechanism for allocating relevant funding (capital and revenue) between the Mayor's KRN and the constituent authorities' road network.

Capital funding for local roads maintenance will predominantly be funded through the Mayor's devolved transport budget, with the allocation of this funding across the city region subject to the agreement of the constituent authorities (see 2.8).

All revenue funding for maintenance will remain with the constituent authorities. The main risk identified by transport officers was therefore the possibility of inadequate revenue funding to maintain the KRN once it is established.

It was however highlighted that the MCA levy could be used for redistributing this funding, subject to the constituent authorities' consent (see 2.8). It will also be possible for the constituent councils to undertake such maintenance activity, and it is assumed that the current revenue maintenance regime will be used until efficiencies are found (e.g. through joint procurement and improved asset management) and future funding mechanisms agreed.

4.2.3 Bus franchising

The Scheme provides an enabling provision for the Mayor to take up bus franchising (subject to the Buses Bill gaining Royal Assent). Although this has low financial implications for 'Day 1' of the scheme and MCA, this could have significant impacts on both budgets and resourcing if the Mayor decided to introduce franchising. That decision would however be subject to a robust business case, local consultation and the agreement of the constituent authorities. The precise decision making arrangements are subject to primary legislation, however, as a Mayoral power it is envisaged that the constituent authorities will be able to reject and amend with a 2/3 majority.

Under a bus franchising model, transport officers highlighted that the following budgets would be affected:

- commercial Bus Service Operators Grant (BSOG) – this is a subsidy currently paid by DfT directly to operators. With franchising, DfT would devolve this funding to the Mayor
- tendered BSOG – this is a DfT grant currently paid to local authorities for supported bus services; and
- concessionary fares funding, which is currently paid by DCLG to local authorities through revenue support grant.

4.3 Planning

Planning officers did not identify any significant financial implications from the planning elements of the Scheme. Most of the planning elements formalise or support the Joint Spatial Plan process, which was already agreed and resourced prior to the Devolution Deal.

4.3.1 Mayoral delivery powers, including Mayoral Development Corporations

The main planning element with financial implications is the power of the Mayor to designate Mayoral Development Areas, which would in turn require a Mayoral Development Corporation (MDC). The Mayor also has the ability to undertake land assembly, compulsory purchase, and form joint ventures with landowners, developers, or Registered Providers.

However in the Scheme (and the regulations that will follow) these are enabling provisions similar to the bus franchising powers (section 4.2.3) and have limited impacts for ‘Day 1’ of the MCA, but would have funding and resourcing implications if taken up.

Any such proposal would be subject to the agreement of the affected authority/authorities, and where it affected the Mayor’s budget would be subject to rejection by two-thirds of the Constituent Councils.

4.3.2 Review Public Sector Land and Property

The Devolution Deal provides for a “Review all land and property (including surplus property and land) held by the public sector to better enable strategic infrastructure and housing priorities to be realised”. It is envisaged that this will be achieved through a joint assets board to include senior government officials.

There is no obligation within the Scheme or existing legislation which will require any of the Constituent Authorities to sell or dispose of existing land or property assets as part of this review.

4.4 Skills and employability

4.4.1 Adult Education Budget (AEB)

Devolved powers over the Adult Education Budget (AEB) from the Skills Funding Agency to the MCA has financial implications in terms of both (1) responsibility over a budget with attached statutory duties and (2) resourcing implications in order to influence skills provision.

The main component of the AEB – the Adult Skills Budget (ASB) – is expected to be c£20-30m for the West of England for the next academic year (2017/18). The exact amount per annum through to 2019/20 is determined on a formula basis and will be finalised by Government before summer recess (i.e. mid-July). It should also be noted that the ASB has been shrinking year-on-year.

The budget will be fully devolved to the MCA from the academic year 2018/19, subject to the city region meeting a series of readiness conditions. (In the interim academic year 2017/18, the MCA is able to 'influence' provision but the budget is still held by the SFA.) From that point the MCA will take on the statutory duty for "sufficient provision" of education programmes.

Given changes to the Insolvency Act governing how the insolvency of FE Colleges is determined, there will be a need for the MCA to take practical steps to manage its exposure given that for some colleges, AEB will be only a small percentage of their funding, whilst for others it is much more important. Mitigating actions identified by skills officers include:

- Agree a risk sharing arrangement with Government, alongside other readiness conditions – an appropriate risk mechanism is one of the readiness conditions for devolving AEB, and skills officers are engaging with government (as are other devolution areas) on what this looks like. The current local position is that the MCA's liability (should a provider go insolvent) should be limited to the amount of AEB allocated to that provider. In addition, the other conditions are intended to prevent this happening, for example, preventing Government from taking actions that would undermine one of the city region's providers;
- Ensure a diverse provider base by developing a local management framework;
- Making changes to the provider framework gradually over time;
- Examining the wider funding landscape for skills provision (which is especially important given the AEB is shrinking) including employers and learner loans.

The MCA will need to continue to work with Government to shape their agenda. However, ultimately if the MCA cannot come to an agreed position with government, it does not have to take the funding.

4.4.2 Apprenticeships Grant for Employers (AGE)

The financial implications of the Apprenticeships Grant for Employers (AGE) are fairly limited as the grant is only for one year (value of c. £1m) until July 2017, at which point is will be replaced by the nationally determined Apprenticeships Levy. The contracting arrangements for AGE mean that the financial liabilities rest with the provider.

The main implication for the city region is a resourcing one – in the absence of an MCA, Bath & North East Somerset Council (BANES) will to act as accountable body (in line with its current WoE Accountable Body role). The LEP office is supporting, but there may be the need to provide additional resource (to be agreed by end-June).

4.4.3 Employability programmes

The changes to employability programmes have limited financial implications. There are two elements, neither of which appear in the Governance Scheme, but which are worth noting here:

- There is a competitive bidding process for funding a new employability pilot for those furthest from the labour market. A total of £50m is available, but Government has not yet made the bidding process or timescale clear. The bid for the pilot is being undertaken with existing resources.
- The Devolution Deal contains references to the ability of the MCA to influence the Work and Health Programme (the replacement for the Work Programme), but: (1) the liabilities will remain with DWP and (2) the quantum of funding is expected to be small (£130m in total for England and Wales).

4.5 European funding

The Devolution Agreement and Scheme will provide the MCA with greater influence over European Funding streams (ERDF and ESF) by it receiving ‘Intermediate Body’ status.

DCLG, as the Managing Authority, has a range of functions that it can delegate to any Intermediary Body. These functions could include audit, payment, contracting, assessing, clawing back and one in particular called ‘selecting operations’. It is this last function which will be performed by the MCA as an Intermediate Body.

This will allow the MCA to select the projects that are funded by ERDF and ESF. The Governance Scheme specifically references only this function – to ‘select projects’; it cannot be interpreted as requesting the full functions of the MA. This is important in that it minimises the financial liabilities of the MCA – it allows the MCA to select projects but keeps DCLG as the contracting party / financial manager. The financial liability for claw back would rest with DCLG.

Most of the funding has already allocated for this round (2014-2020) but there is up to £30m remaining (c£15-20m of ESF and up to £15m for ERDF). Intermediate Body status would entail some administrative support to select projects, but this could build on existing processes.