

Protocol: Temporary Non-Payment of Annual Contributions by a Constituent Authority

1. Purpose

This protocol establishes a framework for managing situations where a Constituent Authority of the Western Gateway Sub-national Transport Body (WGSTB) is temporarily unable to make its annual financial contribution due to financial difficulties. The protocol aims to ensure fairness, continued partnership working, protect the WGSTB's governance integrity and uphold the principle that the WGSTB's work benefits all members while respecting the financial constraints of individual authorities.

This protocol is informed by the [WGSTB Constitution \(dated March 2020\)](#), which outlines membership, voting rights, and funding arrangements but does not explicitly address non-payment scenarios. It is designed to be temporary and subject to review, and its implementation requires approval by the WGSTB Board.

2. Scope

This protocol applies to all Constituent Authorities of the Western Gateway STB as defined in Section 6 of the Constitution.

It covers:

- Temporary non-payment due to financial hardship
- The status of the authority during the non-payment period
- How voting rights, participation, and project involvement are managed
- Conditions for reinstatement of full membership rights

3. Principles

1. **Collaboration First:**
Western Gateway STB operates on the principle that all Constituent Authorities contribute financially because all benefit strategically from regional transport planning.
2. **Recognition of Local Financial Pressures:**
The WGSTB acknowledges that exceptional local circumstances may temporarily prevent a member authority from contributing.
3. **Fairness and Consistency:**
Any temporary deviation from contributions must be managed fairly, consistently and transparently to protect the collective interests of the partnership.
4. **Protecting WGSTB Delivery:**
The protocol ensures that core operations and planned work programmes are not compromised by a single authority's temporary non-payment.

4. Trigger for the Protocol

This protocol may be invoked when:

- A Constituent Authority formally notifies the WGSTB that it is unable to pay its contribution for the financial year due to exceptional financial circumstances and
- The STB Board, having considered the notification, agrees whether the circumstances constitute an exceptional case for the purposes of applying this protocol.

5. Temporary Change of Status

A Constituent Authority that is unable to pay its annual contribution will be designated as a Constituent Authority – **Suspended Contribution Status** for the relevant financial year.

5.1 Rights Retained

The authority will continue to:

- Attend Board meetings
- Participate in officer groups and thematic working groups
- Receive papers, data, and information relevant to WGSTB business

5.2 Rights Temporarily Modified

For the period of non-payment:

- **Voting Rights:**

The authority will **not have voting rights** on decisions relating to:

- Budget setting
- Work programme allocation
- Commissioning activities
- Any matter with a direct financial implication

- **Eligibility for Project Funding:**

The authority may:

- Participate in workstreams **that are 100% funded by external grants**

The authority will:

- Be excluded from workstreams funded directly through partner and DfT contributions **unless the Board agrees otherwise** taking into account the nature of the project, including where it involves multiple authorities or delivers cross-boundary benefits.

- **Chair/Vice-Chair Eligibility:**

The authority may not hold the Chair or Vice-Chair role during non-payment.

6. Financial Considerations

6.1 No Retrospective Liability

The authority will not be required to pay arrears for the missed year unless they choose to do so voluntarily.

6.2 Rebalancing Contributions

The WGSTB Board may determine whether the shortfall:

- Is absorbed into the programme
- Requires adjustments to planned activity, or
- Is covered by increased contributions from remaining Authorities, **subject to agreement in accordance with Section 6.3.**

6.3 Treatment of Funding Shortfall

In the event that a Constituent Authority is unable to make its annual contribution, the resulting funding shortfall shall **not automatically be redistributed among the remaining Constituent Authorities.**

Any proposal to:

- Increase contributions from other Constituent Authorities; or
- Reallocate the financial shortfall across the partnership

will be subject to:

- Explicit consideration and agreement by the WGSTB Board, having regard to the circumstances and implications for the partnership.

6.4 Notification of Non-Payment

Where a Constituent Authority considers that it will be unable to make its annual contribution, it should notify the Western Gateway STB **as soon as reasonably practicable** once its budget position for the relevant financial year has been confirmed.

Given the variation in local authority budget-setting processes, no fixed notification deadline is prescribed. **Early notification is encouraged where possible, to assist the STB in forward planning.**

7. Reinstatement of Full Membership Rights

The authority will regain its full Constituent Member status and associated voting rights when:

1. The annual contribution for the following financial year is paid
2. The WGSTB Board notes and approves reinstatement.

Reinstatement is automatic upon payment of the contribution, subject to Board approval.

8. Duration and Review

- This protocol applies only for the financial year in which non-payment occurs.

- If the authority remains unable to pay for more than one consecutive year, the Board must review the authority's membership status and may consider alternative membership categories as defined in the Constitution.
- The protocol will be reviewed annually by the Senior Officer Group and any amendments submitted to the Board for approval.

9. Record of Decisions

All decisions made under this protocol will:

- Be recorded in WGSTB Board minutes
- Be referenced in the Annual Budget Report
- Include justification, duration, and any conditions applied

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