



Report of the Head of Financial Services and the Service Centre

Scrutiny Inquiry Panel – Regional Working – 30th October 2017

Financial Overview on Regional Working

Purpose:	The report presents a summary of the regional working financial arrangements involving Swansea Council
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For Information

1. Background

- 1.1 The Scrutiny Inquiry Panel – Regional Working met on 2nd October and agreed the work programme. This included receiving an overview of the financial picture of Swansea Council's part in regional working.
- 1.2 This report summarises the financial position for the three larger regional partnerships and outlines the smaller examples of regional working.

2. The City Deal

- 2.1 The City Deal is in the development stages of practical formation and detailed agreement, notwithstanding the main heads of agreement being signed between government and local partners, and as such there isn't a level of detail yet agreed that confirms and clarifies the final position for Swansea individually.
- 2.2 There is a Joint Working Agreement Panel for Finance and Legal, Swansea's financial representative is the Section 151 Officer. No final formal agreement has been reached yet but recent good progress is

accelerating rapidly and it is anticipated all local partner councils will take reports back to their respective Cabinets, probably in November.

- 2.3 The overall financial position for the City Deal is shown in the following table, Swansea's contribution will form part of the Public contribution, however the exact amount hasn't yet been confirmed (no detailed grant offer made with extant terms and conditions).

PROJECT NAME	Private £m	Public £m	Revenue £m	Gov £m	Total Project £m
Internet of Economic Acceleration					
Digital Infrastructure	£ 30.0	£ -	£ -	£ 25.0	£ 55.0
Skills & Talent Initiative	£ 4.0	£ 16.0	£ -	£ 10.0	£ 30.0
Swansea City & Waterfront Digital District	£ 61.4	£ 56.8	£ -	£ 50.0	£ 168.2
Centre of Excellence of Next Gen Digital Services (CENGS) & technology Centre	£ 22.0	£ 5.5	£ 5.0	£ 23.0	£ 55.5
Yr Egin	£ 3.0	£ 16.3	£ -	£ 5.0	£ 24.3
Internet of Life Science, Health & Wellbeing					
Life Science & Wellbeing Campus Network	£ 10.0	£ 20.0	£ -	£ 15.0	£ 45.0
Life Science & Wellbeing Village	£ 127.5	£ 32.0	£ -	£ 40.0	£ 199.5
Internet of Energy					
Homes and Power Stations	£ 382.9	£ 119.2	£ -	£ 15.0	£ 517.1
Pembroke Dock Marine	£ 24.2	£ 24.1	£ -	£ 28.0	£ 76.3
Smart Manufacturing					
Active Factory of the Future	£ 3.0	£ 10.5	£ -	£ 10.0	£ 23.5
Street Science Centre	£ -	£ 60.0	£ -	£ 20.0	£ 80.0
	£ 668.0	£ 360.4	£ 5.0	£ 241.0	£ 1,274.4

- 2.4 As an example, as part of the Swansea City & Waterfront Digital District it is anticipated that Swansea Council will receive approximately £35m of the £50m Governments contribution for this project.

- 2.5 At the moment, the only cash contribution Swansea makes is an annual payment of £50,000 to Carmarthenshire County Council as the host/accountable body on behalf of the Joint Governance Committee. Seven other partners agreed to make identical cash contributions.

- 2.6 Senior officer and Member time involvement has been and will remain significant.

3. Western Bay

- 3.1 Western Bay is a partnership between the Local Authorities of Swansea Council, Bridgend County Borough Council and Neath Port Talbot County Borough Council together with the ABMU Health Board.

- 3.2 The primary purpose of the partnership is to provide a strategic mechanism for co-ordinating a programme of change in a suite of projects that partners have identified as a common concern.

- 3.3 There is an annual to Swansea Council of £223,000 for the administration of the partnership. The total cost of the administration is

£1.5m per annum. This is mostly funded by Integrated Care Fund grant of £1.3m, with the residual cost of £223,000 being funded by Swansea. It should be noted however that this residual cost was previously funded by a Welsh Government Delivering Transformation grant, which was transferred into Swansea's block grant in 2017/18. So although Swansea now bears this cost, the funding has been ultimately provided by Welsh Government.

- 3.4 This partnership enables regional working on areas of common concern such as Adoptions and Youth Offending Services.
- 3.5 For Adoptions, Swansea leads on this service and each of the three local authorities contribute an equal amount of £949,000 per annum.
- 3.6 Bridgend is the lead on the Youth Offending Service, and the funding arrangements for this are slightly more complicated as this is partly core funded and partly grant funded. Swansea's core element is £743,500 per annum, with grant being received of £791,600, so total spend of £1.535m per annum.
- 3.7 This is classed as spend on Services, rather than spend on Western Bay. Further information on other Services benefitting from the Western Bay partnership can be provided if required.

4. Education through Regional Working (ERW)

- 4.1 ERW is a partnership of 6 local authorities including Swansea. For 2016/17 the total spend of the group came to £68.3m, £68.1m of which was grant funded (mainly by the Welsh Government).
- 4.2 Of the £68.3m spend, £63.5m of this was passported directly to the individual authorities. In 2016/17 Swansea received £17.9m, and this includes the Pupil Deprivation Grant – which is paid directly to schools, and the Education Improvement Grant.
- 4.3 In addition to this, each authority is required to ring-fence a level of financial contribution to the regional provision – in Swansea's case this currently amounts to £1.3m in core education budgets but almost all is still Swansea spending on Swansea staff supporting Swansea schools directly. From this total, Swansea contributed a total of £68,750 towards the cost of the central team. Each Authority's contributions are based on percentage of pupil numbers.

5. Smaller Partnerships

- 5.1 Swansea has a number of smaller regional working arrangements. The total of these is estimated to be around 100, the ones where a direct cash contribution is made each year are listed at Appendix A, but there are far more where the arrangement is for officer time only.

- 5.2 Although listed as smaller partnerships, there are two with significant financial contributions by Swansea – the first is the WLGA and the second is the Joint Archives Service.

4. Equality and Engagement Implications

- 4.1 There are no Equality and Engagement Implications associated with this report.

5. Legal Implications

- 5.1 There are no legal implications associated with this report, although there are varying legal arrangements in place across the different regional partnerships.

6. Financial Implications

- 6.1 There are no financial implications associated with this report.

For Information

Background papers: *(Either use the word 'none' or list all the Background papers).*

Appendices: Appendix A – List of Smaller Partnerships

List of Smaller Partnerships			
Name of Regional Group / Working	Staff Time (Days per year)	Cash Contribution (£)	Comments
Audit of Regional Working - Corporate Resources Directorate			
Cymru WARP (Warning, Advice and Reporting Point) - ICT Security	4	500	
Society of Welsh Treasurers and Regional Treasurers	6	2,665	
Human Resources Directors Network (All Wales - WLGA)	10	123,745	The total cost the Council pays to the WLGA is £123,745 p.a. which includes a fee for Employment issues.
China	15	5,000	5,000 relates to travel
Customer Services, Web and Corporate & Socisla Care Complaints across all 22 Authorities in Wales	4	250	Each of the 22 LA's pay £250 per annum membership which contributes to the rooms etc at MRC for CFW, Complaints Group and Web Group Wales
TOTAL	39	132,160	
Audit of Regional Working - Place Directorate			
South West Wales Waste Management Group	6	8,000	
West Glamorgan Joint Archives Service		183,900	68% contribution towards the total cost of the service
CLAW	24	1,500	Tome commitment figure includes; BONO, Steering Group and Sub-working Groups i.e. Energy, M&E, Architectural Design etc.
Cardiff/Swansea joint working arrangement	6	1,500	Number of days can vary
Institute of Licensing (Wales Region)	3	450	
LABC Cymru (Local Authority Building Control Wales)	2	400	
All Wales Registration Services Group.	3	100	
TOTAL	44	195,850	
Audit of Regional Working - People Directorate			
Western Bay Regional Community Cohesion	4	1,000	As we are the hosts this covers travel expenses, IT equipment, pay increments to the top of grade as grant is only 45K. This cost is born by CCS only, not the region. It has been raised with partners and WG
TOTAL	4	1,000	
Council Total		329,010	

Appendix A