



Report of the Director of Corporate Services (Carmarthenshire County Council)
& Section 151 Officer (Swansea Bay City Region)

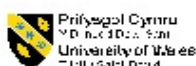
Swansea Bay City Region Joint Committee – 30 July 2019

Swansea Bay City Deal Programme Management Office Remodelled Budget 2019/2020

Purpose:	The purpose of this report is to inform Joint Committee of a remodelled budget in respect of the administration support function for the Swansea Bay City Deal programme.
Policy Framework:	Swansea Bay City Deal.
Consultation:	Accountable Body Programme Board
Recommendation(s):	It is recommended that: 1) The Joint Committee considers the Budget and options for funding the cost.
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Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD
Access to Services Officer:	N/A

1. Introduction

- 1.1 This report details the revised budget for the administrative function of the City Deal. Included within the report is the remodelled budget with funding options for consideration in respect of the Programme Management Office.



1.2 This report highlights the remodelled budget for the current financial year respect Programme Management Office (PMO). Included within this report are recommended options in respect the various funding streams to be considered in funding the PMO. The current income profile to resource this function is also detailed.

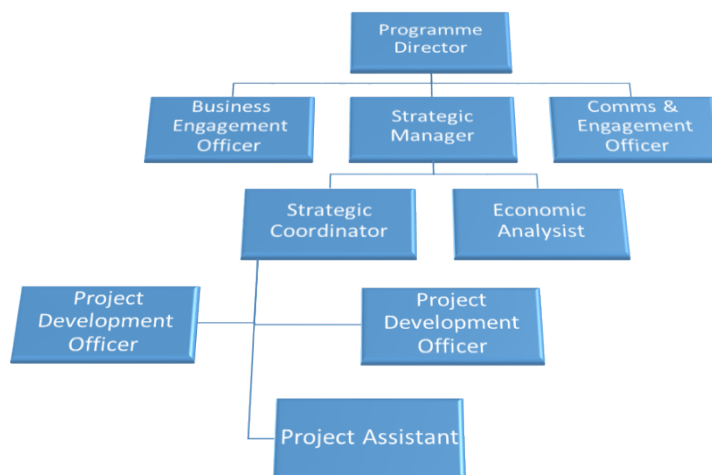
2. Programme Management Office Budget

2.1 Revised Programme Management Office Budget

2.1.1 The agreed budget in relation to the Programme Management Office, Joint Committee, Joint Scrutiny Committee and Accountable Body as per Joint Committee (28/05/2019) is set at £1.1m for the year ending 31st March 2020. However this budget has been remodelled as a consequence of the recent Governance Review and the forthcoming appointment of a Programme Director, but will still be subject to change upon formal agreement of Programme Board.

2.1.2 The revised budget (**Appendix 1**) demonstrates the inclusion of a Programme Director, set at £88k (Head of Service pay grade) and the omission of recharges for key support functions, assuming these will be absorbed by the individual Local Authorities responsible for the provision of those functions. The revised budget is based on the below assumed PMO structure, however this could be subject to change on the appointment of the new Program Director. Recommendations as per ESB to the Joint Committee suggest a further increase in salary (beyond that set in the revised budget of £88k) be attached to the Programme Director position as an incentive to attract the right calibre of candidate required for the role.

Assumed Programme Management Office Structure



In addition to the above structure there is additional resources included within the PMO budget for a Finance Manager (currently in post) and a Finance Support position (Vacant), both responsible to the Accountable Body (Carmarthenshire County Council – Section 151 Officer (SBCD)).

2.2 Recommended Options

2.2.1 The PMO budget has been remodelled demonstrating several options for consideration (**Appendix 1**). Included is the agreed budget (JC 28th May 2019) with three options detailed below:

Option 1 – Agreed Funding

The expenditure base is as per the agreed budget apart from the assumptions outlined below (2.3 Assumptions Used in Remodelled Calculations). Income is based on the 1.5% top sliced from Government grant and the £400k contribution from the key partners. This option demonstrates a surplus position of £267k.

Option 2 – Partner Contribution Funding Only (Excluding any Top Slice of Grant)

The expenditure base is as per the agreed budget apart from the assumptions outlined below (2.3 Assumptions Used in Remodelled Calculations). Income is based on the £400k contribution from key partners only (contributions detailed below, 4. Current Income Arrangements). This option demonstrates a deficit position of £456k.

Option 3 – Reduced Funding

The expenditure base is as per the agreed budget apart from the assumptions outlined in the below (2.3 Assumptions Used in Remodelled Calculations). Income is based on the 0.75% top sliced from Government grant and £200k contribution from the Local Authority partners. This option demonstrates a deficit position of £295k.

2.3 Assumptions Used in Remodelled Calculations

- **Revised staffing structure;**
 - Removed 0.5 FTE Regional Programme Manager (Replaced with Programme Director 1 FTE).
 - Removed Digital Manager (funded through Digital Infrastructure Project).
 - Increased Strategic Manager position from 0.5 to 1 FTE.
 - Removed Digital Skills Manager (funded through Skills and Talent Project).
 - Removed Project Officer (Financial).
 - Included Economic Analyst post.
 - Included Project Development Officer Post.

- Increased the salary of the Programme Director from the agreed £75k (JC 28th May 2019) to the starting point of £88k. This is the starting point of the CCC HoS Grade. Recommendations as per ESB suggest a greater salary be attached to the Programme Director position.
- Included Wales Audit Office fees, previously defined under the Joint Committee header.
- Included £10.5k in financial year 2019/20 respect of furniture, assumed this further spend is required when the PMO relocate to the Beacon Office.
- Included direct Legal Fees in PMO budget, previously defined under Audit Support function.
- Reduced budget in relation to Conferences, Marketing and Advertising.
- Reduced budget in relation to Projects and Activities expenditure.
- Retained budget for Financial Support (Senior Accountant and included Technical Accountant). Reflected the amended budget to take into account current staffing grades (19/20) and rates.
- Removed Joint Scrutiny Committee costs. Assuming these will be borne by NPT CBC.
- Removed Legal and Democratic Support (inclusive of Monitoring Officer) costs. Assumed these will be borne by Swansea CC.
- Removed Internal Audit fees. Assumed these will be borne by Pembrokeshire CC.
- Removed the Accounting Body costs and recharges in respect of the Section 151 Officer (SBCD). Assumed these will be borne by Carmarthenshire CC.

3. Benefit in Kind

3.1 Detail of Benefit In Kind

- 3.1.1 There is an agreement between the four Local Authority partners to individually absorb the key allocated functions, thus bequeathing a benefit to the programme in respect of reduced centralised costs of £792k. Detail of these functions per Local Authority are demonstrated below, however these indicate a significant imbalance between Authorities.

Breakdown of Benefit in Kind

	2019/20	2020/21	2021/22	2022/23	Total
Carmarthenshire					
Finance Services Support (Section 151 Officer)	54,244	54,244	54,244	54,244	216,976
Total	54,244	54,244	54,244	54,244	216,976
Pembrokeshire					
Audit Support Function (Internal Audit Fees)	15,000	15,000	15,000	15,000	60,000
Total	15,000	15,000	15,000	15,000	60,000
Swansea					
Legal and Democratic Support (inclusive of Monitoring Officer)	103,849	103,849	103,849	103,849	415,398
Total	103,849	103,849	103,849	103,849	415,398
Neath Port Talbot					
Joint Committee					
Room Hire	1,890	1,890	1,890	1,890	7,560
Meeting Expenses	1,200	1,200	1,200	1,200	4,800
Travel	1,800	1,800	1,800	1,800	7,200
Joint Scrutny	20,000	20,000	20,000	20,000	80,000
Total	24,890	24,890	24,890	24,890	99,560
Total Absorbed Cost	197,984	197,984	197,984	197,984	791,934

3.2 Financial Support Service

3.2.1 This allocation is in relation to the proportion of time charged in respect of the service provision of the Accountable Body specifically the Director of Corporate Services and Section 151 Officer (SBCD).

3.3 Audit Support Function

3.3.1 This charge is in respect of the internal audit function provided to the City Deal. This amount is an estimated amount.

3.4 Legal and Democratic Support

3.4.1 This cost is broken down into two main areas;

Democratic

Based on rate applied and actual expenditure incurred for similar activity on another current CCC business activity and calculated at the rate of 12 JC meetings per year -using rate of £20k for 4 meetings per annum.

Monitoring Officer

Based on rate applied and actual expenditure incurred for similar activity on another current CCC business activity and calculated at the rate of 24 (12 PB & 12 JC) meetings per year with 3 days allowance per meeting (prep/meeting/action).

3.5 Joint Committee and Joint Scrutiny

3.5.1 Charges in respect of meeting costs and expenses in relation.

4. Current Income Arrangements

4.1 There is an agreement to top slice 1.5% of the government grant funding to support the Administration of the City Deal, including the Accountable Body Function, PMO and the Joint Committee (Agreed JC 31st August 2019). This central funding is complimented with contributions of £50k from each of the key City Deal partners. The current income allocation is detailed below;

Current Income & Expenditure Schedule

Description	2017/2018 £	2018/2019 £	2019/2020 £	TOTAL £
Balance B/F from previous year	0	113,547	99,871	213,418
Total Expenditure	238,821	471,308	0	710,129
Income				
Welsh Government Grant Business Engagement (Confirmed)	2,368	57,632	0	60,000
SBCD Project Contribution*	0	0	0	0
Partner Contributions	350,000	400,000	400,000	1,150,000
Balance C/F	113,547	99,871	499,871	713,289

*Original budget assumes £723k income (1.5% top slice of grant), however this has not been allocated as yet.

Partner Contribution

Partner*	£
Local Authorities	200,000
Universities**	100,000
Local Health Boards**	100,000
Total	400,000

*Partner contributions set at £50k per organisation.

**Formal commitment is required from Local Health Boards and Universities in respect of their commitment intentions beyond this financial year.

5. Transition in to Programme Management Office

5.1 Currently the Programme Management Office is a composition of seconded staff from within Carmarthenshire County Council. On transition into the new adopted PMO seconded officers will return to their substantive positions within the Council and recharging in respect of remuneration and expenses will terminate. Budget in respect of this will be retained centrally in the PMO.

Appendix 1

Revised Budget 2019/20 – Recommended Options

Expenditure	2019/20 (Agreed Budget)	Option A (Agreed Funding)	Option B (Partner Funding Contribution)	Option C* (Reduced Funding)
	£	£	£	£
Programme Management Office				
Pay - NJC	438,861	428,167	428,167	428,167
National Insurance	40,890	44,792	44,792	44,792
Superannuation	69,236	76,214	76,214	76,214
Training of Staff	15,000	15,000	15,000	15,000
Rents General	15,450	15,450	15,450	15,450
Electricity	2,472	2,472	2,472	2,472
Gas	618	618	618	618
Response Maintenance	500	500	500	500
Public Transport - Staff	1,800	1,800	1,800	1,800
Staff Travelling Expenses	17,820	17,820	17,820	17,820
Admin, Office & Operational Consumables	1,000	1,000	1,000	1,000
Printing & Copying	1,000	1,000	1,000	1,000
Fees (Monitoring & Evaluation)	10,000	10,000	10,000	10,000
Translation/Interpret Services	10,000	10,000	10,000	10,000
ICTs & Computer Hardware	10,000	10,000	10,000	10,000
Subsistence & Meetings Expenses	1,000	1,000	1,000	1,000
Conferences, Marketing & Advertising	125,000	100,000	100,000	100,000
Projects & Activities Expenditure	84,343	60,000	60,000	60,000
Wales Audit Office		25,000	25,000	25,000
Furniture		10,500	10,500	10,500
Legal Fees (External)		25,000	25,000	25,000
Total Expenditure	844,990	856,333	856,333	856,333
Funding Contributions				
Balance C/F from previous year	0	0	0	0
Welsh Government Grant Business Engagement (Confirmed)	0	0	0	0
SBCD Programme Contribution*	723,000	723,000	0	361,500
Partner Contributions*	400,000	400,000	400,000	200,000
Total Income	1,123,000	1,123,000	400,000	561,500
Surplus/(Deficit)	278,010	266,667	(456,333)	(294,833)

*Income in respect of Option C is based on 0.75% top slice of Programme Grant and £50k partner contributions from Local Authorities.

Appendix 2

Original Agreed Budget 2018/19 to 2022/23 (JC 31st August 2018)

Expenditure	2018/2019 £	2019/2020 £	2020/2021 £	2021/2022 £	2022/2023 £	TOTAL £
Programme Management Office						
Pay - NJC	372,131	388,968	398,886	408,471	417,990	1,986,447
National Insurance	38,566	40,890	42,259	43,581	44,895	210,192
Superannuation	66,239	69,236	71,002	72,708	74,402	353,588
Training of Staff	15,000	15,000	15,000	15,000	15,000	75,000
Rents General	15,000	15,450	15,914	16,391	16,883	79,637
Electricity	2,400	2,472	2,546	2,623	2,701	12,742
Gas	600	618	637	656	676	3,186
Furniture	10,500	0	0	0	0	10,500
Response Maintenance	500	500	500	500	500	2,500
Public Transport - Staff	1,800	1,800	1,800	1,800	1,800	9,000
Staff Travelling Expenses	17,820	17,820	17,820	17,820	17,820	89,100
Admin, Office & Operational Consumables	1,000	1,000	1,000	1,000	1,000	5,000
Printing & Copying	1,000	1,000	1,000	1,000	1,000	5,000
Finance support	48,915	49,893	50,891	51,909	52,947	254,556
Fees	25,000	10,000	10,000	10,000	25,000	80,000
Translation/Interpret Services	10,000	10,000	10,000	10,000	10,000	50,000
ICTs & Computer Hardware	20,000	10,000	10,000	10,000	10,000	60,000
Subsistence & Meetings Expenses	1,000	1,000	1,000	1,000	1,000	5,000
Promotions, Marketing & Advertising	150,000	125,000	125,000	125,000	125,000	650,000
Contingency	204,246	84,343	58,536	43,107	12,702	402,933
Programme Management Office Total	1,001,717	844,991	833,790	832,565	831,316	4,344,380
Accountable Body						
Wales Audit Office	25,000	25,000	35,000	35,000	35,000	155,000
Finance Services Support (inclusive of Section 151 Officer)	113,093	114,270	115,471	116,695	117,944	577,473
Legal and Democratic Support (inclusive of Monitoring Officer)	103,849	103,849	103,849	103,849	103,849	519,247
Accountable Body Total	241,943	243,120	254,320	255,545	256,794	1,251,720
Joint Committee						
Room Hire	1,890	1,890	1,890	1,890	1,890	9,450
Meeting Expenses	1,200	1,200	1,200	1,200	1,200	6,000
Fees	25,000	10,000	10,000	10,000	10,000	65,000
Joint Scrutiny	20,000	20,000	20,000	20,000	20,000	100,000
Travel	1,800	1,800	1,800	1,800	1,800	9,000
Joint Committee Total	49,890	34,890	34,890	34,890	34,890	189,450
Total Expenditure	1,293,550	1,123,000	1,123,000	1,123,000	1,123,000	5,785,550
Funding Contributions						
Balance C/F from previous year	113,550	0	0	0	0	113,550
Welsh Government Grant Business Engagement (Confirmed)	57,000	0	0	0	0	57,000
SBCD Project Contribution	723,000	723,000	723,000	723,000	723,000	3,615,000
Partner Contributions based on 5yrs	400,000	400,000	400,000	400,000	400,000	2,000,000
Total Income	1,293,550	1,123,000	1,123,000	1,123,000	1,123,000	5,785,550