

Special Swansea Bay City Region Joint Committee - 7 December 2020

Q2 Financial Monitoring

Purpose:	To inform the Joint Committee of the year end forecast outturn position in respect of the Portfolio Management Office (PMO), Accountable Body, Joint Committee and Joint Scrutiny Committee administration functions
Policy Framework:	Swansea Bay City Deal Joint Committee Agreement
Recommendation(s):	It is recommended that Joint Committee:
1)	The Joint Committee receive and review the Budget Monitoring report of the Swansea Bay City Deal
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1. Introduction

This report details the projected forecast outturn position of the Joint Committee and Accountable Body, Joint Scrutiny Committee and Portfolio Management Office functions of the City Deal Programme.

The Financial Monitoring Report presents the City Deal Accounts in a detailed format, in line with Carmarthenshire County Council’s financial management system. The outturn position demonstrates the forecasted current financial year end position, as at September 2020.

2. Financial Monitoring Report - Income and Expenditure

2.1 Supplementary Information

The outturn position includes ‘Top Slice’ of Government Grants in terms of income. On receipt of government grants, 1.5% (£723k) of this will be utilised to support the PMO and the direct administration functions of the Portfolio. Any contribution from Government grants utilised within the financial year will be transferred to a ring-fenced reserve at year end, for utilisation in future years.

2.2 Joint Committee and Accountable Body

The Joint Committee and Accountable Body expenditure forecast is estimated at £151k. This is in respect of democratic support, support of the portfolio monitoring officer and legal fees in respect of the funding agreements. Internal audit expenditure is also forecast, however, this service has not been provided as yet, with a review anticipated in January 2021. The Accountable Body expenditure is attributable to service provision by the Portfolio Section 151 Officer to the Swansea Bay City Deal and the annual external audit review by Audit Wales.

2.3 Joint Scrutiny Committee

The Joint Scrutiny Committee expenditure consists of democratic services and related costs, provided by Neath Port Talbot County Borough Council. This is estimated at £21k.

2.4 Portfolio Management Office

To the period ended 31st March 2021 the expenditure forecast position is £454k. At present the PMO is not fully staffed, with three positions recruited awaiting commencement. These positions have been forecast with an assumed or agreed start dates. During the transition and recruitment period a small amount of service support by CCC has been included.

A minimal amount of expenditure has been incurred with anticipated training expenses £7k, fees in respect of consultant support for business case development £10.5k and expected marketing costs being incurred towards the latter end of the financial year £10k.

As small amount of expenditure has been incurred in relation to evaluation and assurance, this is in respect of Gateway reviews, which has been funded through the provision of an extended grant by Welsh Government.

2.5 Provision for Unwinding

This is an annual provision for the unwinding of the PMO toward the end of its five-year operational requirement.

2.6 Income

Total income for the year demonstrates £1.337m. This consists of grant to support Gateway reviews £14k, partner contributions (£50k per partner) £400k and drawdown of 'Top Slice' of £723k.

3. Financial Monitoring - Statement of Balances

The prior year (2018/19) balance carried forward in reserve demonstrates £240k. Currently the estimated year end position of the City Deal accounts resides at a surplus of £482k. This results in an anticipated reserve of £722k at year end

4. Financial Implications

The forecasted year end out-turn position (as at September 2020) demonstrates a surplus of £482k, which will be transferred to the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £656k, which is offset by income through partner contributions of £400k, grant funding of £14k (for Gateway reviews) and the 'top slice' of Government grants. The total reserve at the year-end is estimates at £722k

5. Legal implications

There are no legal implications.

6. Alignment to the Well-being of Future Generations (Wales) Act 2015

Alignments to the Well-being of Future Generations (Wales) Act 2015 are outlined in each project's business case. The City Deal programme as a whole is also aligned to the Act and its seven well-being goals.

Background Papers: None

Appendices:

Appendix A - Swansea Bay City Deal - Financial Monitoring Report 2020/21
