



Swansea Bay City Region Joint Committee - 28 January 2020

Financial Monitoring Report 2019/20 – Swansea Bay City Deal Outturn Position

Purpose:	The purpose of this report is to inform the Joint Committee of the year end forecast outturn position in respect of the PMO, Accountable Body and Joint Committee administration functions.
Policy Framework:	Swansea Bay City Deal
Consultation:	Accountable Body
Recommendation(s):	It is recommended that: 1) The Joint Committee review annual accounts of the Swansea Bay City Deal.
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Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD
Access to Services Officer:	

1. Introduction

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

The Financial Monitoring Report presents the City Deal Accounts in a detailed format, in line with the Carmarthenshire County Council's financial management system. The outturn position demonstrates the forecasted current financial year end position, as at October 2019.

2. Financial Monitoring Report – Income and Expenditure

2.1. Supplementary Information

2.1.1. The outturn position excludes any 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 Programme.

There is no requirement to call on this additional contribution by the end of this financial year. Any contribution from Government grants received within the financial year will be transferred to a ring-fenced reserve at year end, for utilisation in future years.

2.1.2. The Programme Director has an assumed commencement date of 01st April 2020, therefore no salary expenditure has been included within the accounts of this current financial year.

2.1.3. An annual interim budget was agreed (JC - 30th July 2019) for the current financial year (2019/20). Included within is an agreement between the four Local Authority partners to individually absorb indirect costs associated with the provision of key allocated functions, thus bequeathing a benefit to the programme in respect of reduced centralised costs estimated at £792k. These indirect costs have been omitted for the full year (*Appendix 2*).

2.2. Programme Management Office

To the period ended 31st March 2019 the expenditure forecast position is £208k. At present the PMO is not fully staffed, only two positions have been appointed into, with further support being provided by staff employed by CCC. Direct staffing costs are estimated at £86k with recharges in relation to CCC support staff being estimated at £63k. Other costs include office rental of £22k, Promotions, Marketing & Advertising £7k and fees £21k.

2.3. Accountable Body

The Accountable Body year end position is estimated at £64k. This is attributable to one staff member and the annual external audit fee. This has increased from 2018/19 due to the requirement to produce a full set of financial statements.

2.4. Joint Committee

The Joint Committee expenditure forecast relates solely to legal fees in respect of amendments to the JCA and funding agreements. This has been estimated at £25k.

2.5. Joint Scrutiny Committee

No costs have been incurred in respect of the Joint Scrutiny Committee at this time, as the expenditure was agreed at the date of forecast to be funded as a benefit in kind by Neath Port Talbot County Borough Council.

2.6. Income

Total income for the year demonstrates £375k. This is solely from partner contributions (£50k per partner), with ongoing discussions in respect of one partner's contribution.

3. Financial Monitoring - Statement of Balances

- 3.1. The prior year (2018/19) balance carried forward in reserve demonstrates £100k. Currently the estimated year end position of the City Deal accounts resides at a surplus of £78k.

4. Events after the Reporting Period

Receipt of Grant Award (1st Tranche)

The first tranche of funding was received in late December totalling £18m. This was released on the signing of the Terms and Conditions and the provision of updates in respect of targets on which the grant is released.

Award of Funding in relation to Swansea Bay City Deal Programme Assurance

An Award of Funding of up to £100,000 was approved by Welsh Government to support the assurance work undertaken by the Programme. This is a one-off revenue grant relating to the period 1st August 2019 to 31st March 2020 and must be claimed in full by 31st March 2020 otherwise any unclaimed part of the Funding will cease to be available. This grant will be subject to the accepted Terms and conditions and paid in arrears of associated spend.

Inclusion of Benefit in Kind

A separate report in respect of a remodelled budget for 2020/21 has been submitted for approval. On reviewing the estimated costs treated as a benefit in kind, there was deemed to be significant imbalance between those costs absorbed by the Local authorities and as a result a detailed report has been submitted to Joint Committee with recommendations addressing this inequity.

5. Financial Implications


- 5.1 The forecasted year end out-turn position (as at October 19) demonstrates a surplus of £78k, which will be transferred to the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £297k, which is offset by income through partner contributions of £375k.

6. Legal Implications

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

Appendices: These will be included within the report.

- Appendix A** Swansea Bay City Deal – Financial Monitoring Report 2019/20
Appendix B Breakdown of Benefit in Kind

		Swansea Bay City Deal Financial Monitoring Report (as at October 2019) For the period ended 31st March 2020		
Description	Actuals 2018/19 £	Interim Budget* 2019/20 £	Forecast 2019/20 £	Variance 2019/20 £
Programme Management Office				
Pay (Inc. on-costs)	83,783	449,603	85,823	363,780
Recharges - Employee costs Grant (direct)	182,617	-	63,078	(63,078)
National Insurance	-	-	-	0
Superannuation	-	-	-	0
Apprentice Levy	326	-	224	(224)
Training of Staff	-	15,000	500	14,500
Rents General	13,648	15,450	14,892	558
National Non Domestic Rates	-	-	6,575	(6,575)
Electricity	-	2,472	-	2,472
Gas	-	618	-	618
Response Maintenance	630	500	-	500
Public Transport - Staff	21	1,800	-	1,800
Staff Travelling Expenses	1,575	17,820	2,833	14,987
Admin, Office & Operational Consumables	16,738	1,000	-	1,000
Printing & Copying	-	1,000	200	800
Fees (Monitoring & Evaluation)	-	10,000	21,024	(11,024)
Translation/Interpret Services	819	10,000	-	10,000
ICTs & Computer Hardware	-	10,000	-	10,000
Subsistence & Meetings Expenses	717	1,000	1,000	0
Promotions, Marketing & Advertising	47,404	100,000	6,647	93,353
Projects & Activities Expenditure	-	60,000	5,000	55,000
Photocopying Recharge	77	-	57	(57)
Furniture	-	10,500	-	10,500
Total Programme Management Office Expenditure	348,355	706,763	207,853	498,910
Accountable Body				
Pay (Inc. on-costs)	-	99,570	38,974	60,596
Recharges - Employee costs Grant (direct)	100,349	-	-	0
National Insurance	-	-	-	0
Superannuation	-	-	-	0
Apprentice Levy	-	-	221	(221)
Staff Recruitment Expenses	597	-	-	0
Audit Fee (Wales Audit Office)	10,000	25,000	25,000	0
Total Accountable Body Expenditure	110,946	124,570	64,195	60,375
Joint Committee				
Admin, Office & Operational Consumables	-	-	-	0
Legal Fees	3,671	25,000	25,000	0
Subsistence & Meetings Expenses	726	-	-	0
Total Joint Committee Expenditure	4,397	25,000	25,000	0
Joint Scrutiny Committee				
Subsistence & Meetings Expenses	7,611	-	-	0
Total Joint Scrutiny Committee Expenditure	7,611	-	-	0
Total Expenditure	471,308	856,333	297,048	559,285
Funding Contributions				
SBCD Programme Contribution (top slice 1.5%)**	-	723,000	-	(723,000)
Government Grants - WAG	57,632	-	-	0
Partner Contributions (LA & Co-Opt)	400,000	400,000	375,000	(25,000)
Total Income	457,632	1,123,000	375,000	(748,000)
Net Annual Total - Surplus/(Deficit)	(13,676)	266,667	77,952	(188,715)

*As agreed by Joint Committee - 30th July 2019.

**Omitted 'Top Slice' element due to no grant being received to date.

Movement to Reserves		
Description	2018/19	2019/20
Balance Brought Forward from previous year	113,547	99,871
Appropriation/Contribution To Ring-fenced City Deal Reserve	(13,676)	77,952
Balance Carry Forward	99,871	177,823

Breakdown of Benefit in Kind

	2019/20	2020/21	2021/22	2022/23	Total
<u>Carmarthenshire</u>					
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
<u>Pembrokeshire</u>					
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
<u>Swansea</u>					
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
<u>Neath Port Talbot</u>					
<u>Joint Committee</u>					
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