



Swansea Bay City Region Joint Committee – 10 September 2020

## Financial Monitoring Report 2020/21 – Swansea Bay City Deal Outturn Position

<b>Purpose:</b>	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
<b>Policy Framework:</b>	Swansea Bay City Deal
<b>Consultation:</b>	Accountable Body
<b>Recommendation(s):</b>	It is recommended that:
1)	The Joint Committee reviews the annual accounts of the Swansea Bay City Deal
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### 1. Introduction

- 1.1 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.
- 1.2 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 July 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 Programme. Any contribution from Government grants unutilised 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 £161k. This is in respect of democratic services support and support of the programme monitoring officer and legal fees incurred in the formalisation of funding agreements. Internal audit expenditure is also forecast, although 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 £28k.

### **2.4 Portfolio Management Office**

To the period which ended 31<sup>st</sup> March 2021, the expenditure forecast position is £469k. At present the PMO is not fully staffed. Only four positions are currently in place, with a further four positions being recruited (as agreed by Joint Committee on 11<sup>th</sup> June 2020) in due course. These positions have been forecast with an assumed start date of 1<sup>st</sup> October 2020. During the transition and recruitment period a small amount of service support by Carmarthenshire County Council has been included.

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

A small amount of expenditure has been incurred in relation to evaluation and assurance in respect of Gateway reviews, which has been funded through 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 £1.338m. This consists of grant to support Gateway reviews (£14k), partner contributions (£50k per partner) of £400k and drawdown of 'Top Slice' of £723k.

## **3 Financial Monitoring - Statement of Balances**

3.1 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 £460k. This results in an anticipated reserve of £700k at year end.

## **4 Financial Implications**


4.1 The forecasted year end out-turn position (as at July 2020) demonstrates a surplus of £460k, which will be transferred to the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £678k, which is offset by income through partner contributions of £400k, grant funding of £14k (for Gateway reviews) and the 'top slice' of Government grants.

## **5. Legal Implications**

5.1 There are no legal implications associated with this report.

## **Appendices:**

Appendix A: Swansea Bay City Deal Financial Monitoring Report 2020/2021

		<b>Joint Committee - Financial Monitoring Report</b> <b>Financial Year 2020/21</b> <i>as at July 2020</i>		
Description	Actuals 2019/20 (£)	Revised Budget 2020/21	Forecast Outturn 2020/21	Variance
<b>Joint Committee and Accountable Body</b>				
Room Hire	-	1,800	1,800	-
Subsistence & Meeting Expenses	150	3,360	3,360	-
Travel	-	-	-	-
Democratic, Scrutiny and Legal Support Costs	-	25,200	25,200	-
Monitoring Officer	-	34,705	34,705	-
Democratic Services	-	-	-	-
Legal Advisory Fees	3,173	25,000	1,700	23,300
Internal Audit Support	-	20,000	20,000	-
Staff Recruitment Expenses	147	-	-	-
External Audit Fees	8,809	25,000	20,000	5,000
Section 151 Officer	-	54,244	54,244	-
<b>Joint Committee and Accountable Body Total</b>	<b>12,278</b>	<b>189,309</b>	<b>161,009</b>	<b>28,300</b>
<b>Joint Scrutiny Committee</b>				
Room Hire	-	-	-	-
Subsistence & Meeting Expenses	-	6,740	6,740	-
Travel	-	1,200	1,200	-
Democratic, Scrutiny and Legal Support Costs	-	20,105	20,105	-
<b>Joint Scrutiny Committee Total</b>	<b>-</b>	<b>28,045</b>	<b>28,045</b>	<b>-</b>
<b>Programme Management Office</b>				
Salary (Inc. On-costs)	152,701	379,596	374,431	5,165
Recharges - Employee costs Grant (direct)	60,284	-	20,000	20,000
Staff Recruitment Expenses	3,105	-	-	-
Training of Staff	-	25,500	7,000	18,500
Response Maintenance	-	-	500	500
Rents (The Beacon)	14,889	15,336	15,914	578
Rates (The Beacon)	6,575	6,772	6,688	84
Public Transport - Staff	-	2,000	300	1,700
Staff Travelling Expenses	2,231	16,000	2,000	14,000
Admin, Office & Operational Consumables	-	2,500	-	2,500
Furniture	-	12,000	-	12,000
Fees	-	25,000	10,500	14,500
ICTs & Computer Hardware	-	10,000	4,000	6,000
Subsistence & Meetings Expenses	416	8,000	1,000	7,000
Conferences, Marketing & Advertising	7,143	50,000	10,310	39,690
Projects & Activities Expenditure	-	14,000	-	14,000
Translation/Interpret Services	-	10,000	1,500	8,500
Printing & Copying	-	4,500	500	4,000
Photocopying Recharge	46	-	-	-
Fees - Evaluation and Assurance	10,400	-	14,850	14,850
<b>Programme Management Office Total</b>	<b>257,789</b>	<b>581,204</b>	<b>469,493</b>	<b>111,711</b>
<b>Provision for Unwinding of PMO</b>				
Redundancies	-	19,684	19,684	-
<b>Provision for Unwinding Total</b>	<b>-</b>	<b>19,684</b>	<b>19,684</b>	<b>-</b>
<b>Total Expenditure</b>	<b>270,067</b>	<b>818,242</b>	<b>678,231</b>	<b>140,011</b>
<b>Funding Contributions</b>				
Welsh Government - Revenue Grant	(10,400)	0	(14,850)	
SBCD Grant Revenue Contribution	0	(723,000)	(723,000)	-
Partner Contributions	(400,000)	(400,000)	(400,000)	-
<b>Total Income</b>	<b>(410,400)</b>	<b>(1,123,000)</b>	<b>(1,137,850)</b>	<b>-</b>
<b>Provision of Service - Surplus / (Deficit)</b>	<b>(140,333)</b>	<b>(304,758)</b>	<b>(459,619)</b>	<b>140,011</b>
<b>Movement to Reserves</b>				
<b>Description</b>		<b>2019/20</b>	<b>2020/21</b>	
Balance Brought Forward from previous year		(99,871)	(240,204)	
Net Provision of Service - Surplus / (Deficit)		(140,333)	(459,619)	
<b>Balance Carry Forward</b>		<b>(240,204)</b>	<b>(699,823)</b>	