

1. Introduction

This report details the projected forecast outturn position of the Joint Committee and the Portfolio Investment Fund. The Financial Monitoring Report presents the City Deal Accounts in a detailed format, in line with Carmarthenshire County Council's financial management system. The report summarises the current forecasted financial outturn position, at the year end.

2. JOINT COMMITTEE – Estimated Forecast Outturn Position

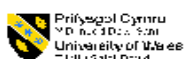
2.1. Supplementary Information

The outturn position includes 'Top Slice' of Government Grants in terms of income. On drawdown of government grants, 1.5% of this will be utilised to support the PoMO 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.

A detailed breakdown of the Joint Committee financial outturn position is included in Appendix A.

2.2. Joint Committee and Accountable Body

The Joint Committee and Accountable Body expenditure forecast is estimated at £160k. This is in respect of democratic support, support of the portfolio monitoring officer and legal fees in respect of the funding agreements. Internal audit has been forecasted but is scheduled to be undertaken later within the financial year. 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 has been forecasted at £28k.

2.4. Portfolio Management Office (PoMO)

To the period ended 31st March 2022 the expenditure is estimated at £644k. The PoMO is now fully staffed, with an expected staffing cost of £466k. there is a small variance against budget due to a temporary vacancy and all post being budgeted at the top of grade.

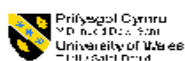
Training is forecasted at £12.5k, which included Better Business Case training for regional programme/project managers. Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews have been forecast at £19k and conferences, Marketing and advertising forecasted at £45k (revised from £76k in the prior quarter) in respect of event promotion, website updates, bi-annual conferences, business engagement events. Central Recharges of £28k has been included to contribute to Carmarthenshire County Council as the host Authority's costs for supporting the PoMO. These include payroll, Pensions, Creditors, Debtors, Human Resources support, Information Technology Support, financial systems support, Chief executive administration support, employee support and all necessary insurances.

2.5. Provision for Unwinding

This is an annual provision for the unwinding of the PMO at the end of its five-year operational requirement. Currently the total estimate is £152k, however it is demonstrated as 2/5th (£61k) within the financial monitoring due to an accounting policy treatment.

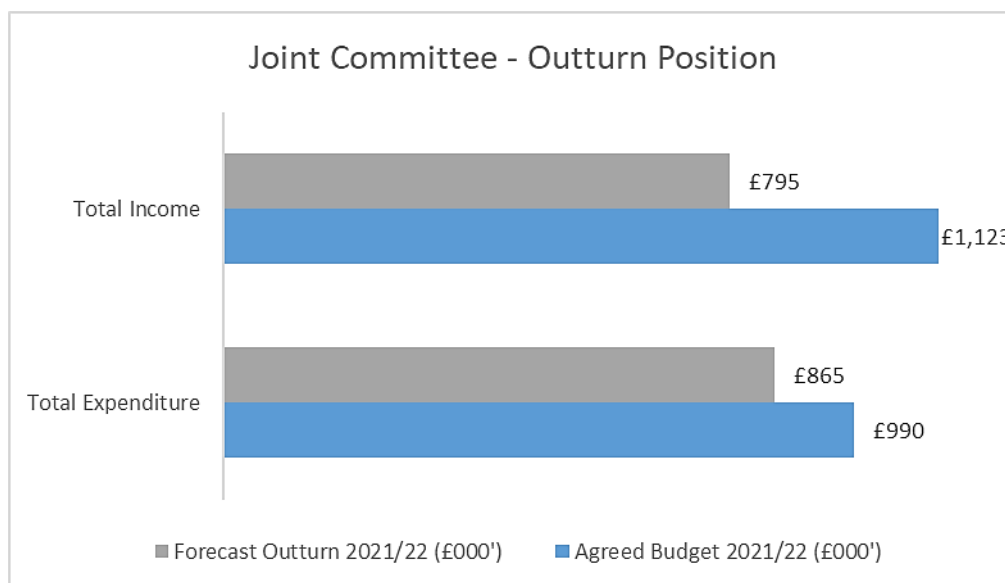
2.6. Income

Total income for the year demonstrates £795k. This consists of partner contributions (£50k per partner) £400k and anticipated drawdown of 'Top Slice' of £395k from the dispersed grant awards.



2.7. Financial Monitoring - Statement of Balances

The prior year (2020/21) balance carried forward in reserve demonstrates £215k. Currently the estimated year end position of the City Deal accounts demonstrates a deficit of £70k. This is as a result of a change in presentation of the “Top Slice” and a timing effect due to reduced grant being dispersed to projects within the year. This concludes in an anticipated reserve of £145k at year end.



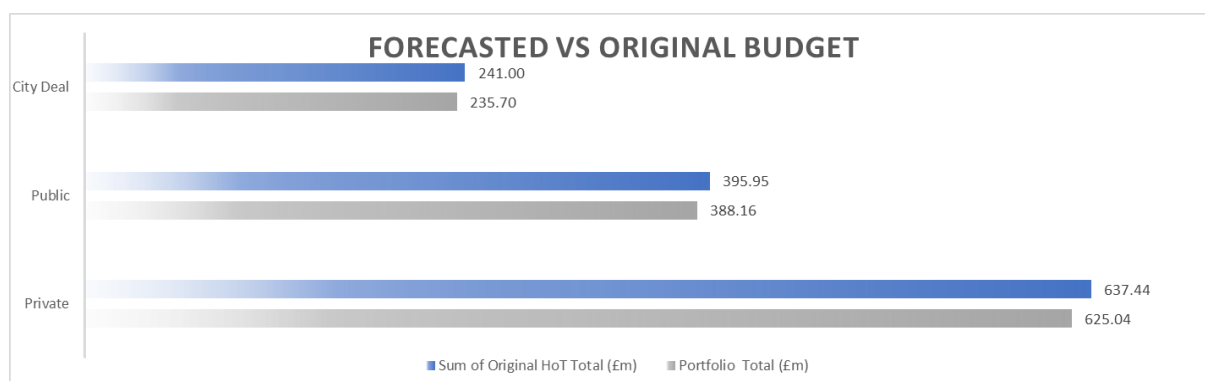
3. PORTFOLIO INVESTMENT FUND – Forecast Outturn Position

3.1. Portfolio Investment Outturn Position

The overall estimated investment position is demonstrated at £1.249bn over the fifteen year life of the portfolio. The original heads of terms that the region signed up too comprised of an investment of £1.274b, and as such currently the City Deal is presenting an underinvestment in the region of £25m (2%). Investment in the region has increased from the previous quarter due to the reprofile of the Swansea Waterfront project (Quarter 1 2021/22 - £1.238b). A detailed breakdown of investment is outlined in Appendix B.

Portfolio Forecast (Estimated)

Investment Component	Sum of Original HoT Total (£m)	Portfolio Total (£m)	Variance (£m)	Variance
City Deal	241.00	235.70	- 5.30	-2.20%
Public	395.95	388.16	- 7.79	-1.97%
Private	637.44	625.04	- 12.40	-1.95%
Grand Total	1,274.39	1,248.89	- 25.49	-2.00%



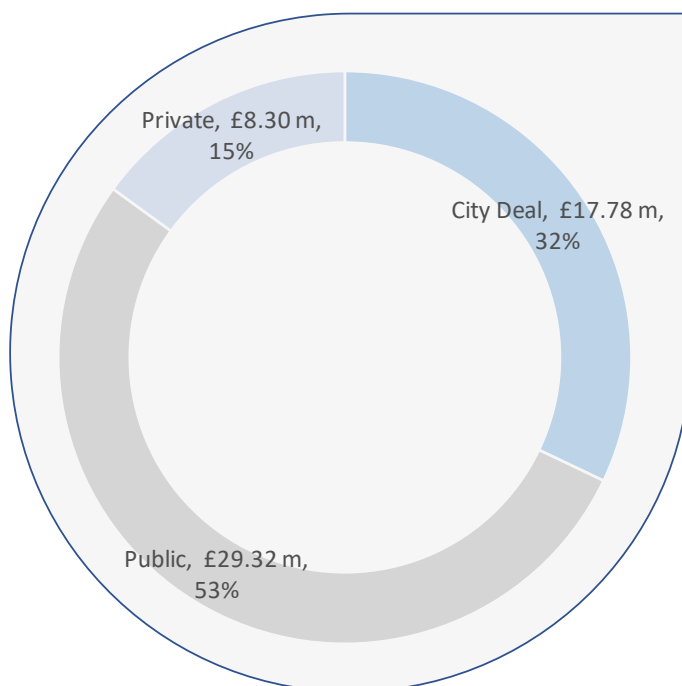
3.2. Capital and Revenue Apportionment

There is currently an estimated revenue requirement of £55m (4%) to deliver the city deal projects. This will be supported through the use of the Local Authorities flexible capital receipts directive, and alternative public and private sector commitment. The revenue requirement demonstrates no change compared with the prior period (Quarter 1 2021/22 - £55m).

Capital/Revenue Summary (Estimated)

Investment Component	Capital Forecast (£m)	Revenue Forecast (£m)	Total Forecast (£m)	Revenue Proportion
City Deal	217.92	17.78	235.70	7.54%
Public	358.83	29.32	388.16	7.55%
Private	616.74	8.30	625.04	1.33%
Grand Total	1,193.49	55.40	1,248.89	4.44%

Estimated Revenue Requirement



4. Financial Implications

The forecasted Joint Committee year end out-turn position (as at 30th September 2021) indicates a deficit of £70k, which will be supported by the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £865k, which is offset by income through partner contributions of £400k and the 'Top Slice' of dispersed Government grants. The deficit is caused by a change to the presentation on top slice income and a timing effect linked to the payment of grants to programmes.

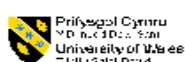
The estimated portfolio forecasted investment position (as at 30th September 2021) demonstrates an under-investment of £25m (2%). Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.249bn, which is less than the original investment the region committed of £1.274bn. This is subject to fluctuation over the life span of the project and will be monitored quarterly through financial templates and through the Portfolio risk register.


4. Legal Implications

There are no legal implications associated with this report.

Appendices: These will be included within the report.

Appendix A Joint Committee Outturn Position – Quarter 2



 Joint Committee - Outturn Position Financial Year 2021/22 <i>as at 30th September 2021</i>				
Description	Actuals 2020/21 (£)	Agreed Budget 2021/22 (£)	Forecast Outturn 2021/22 (£)	Variance (£)
Joint Committee and Accountable Body				
Room Hire	-	1,854	-	1,854
Subsistence & Meeting Expenses	-	3,427	-	3,427
Democratic Services - CCS	20,430	25,893	25,893	0
Monitoring Officer & Legal Services	34,705	35,659	35,659	0
External Legal Advisory Fees	495	25,000	5,000	20,000
Internal Audit Support	20,000	20,550	19,462	1,088
Staff Recruitment Expenses	-	-	-	0
External Audit Fees	11,993	25,000	19,000	6,000
Section 151 Officer	54,244	55,329	55,329	0
Joint Committee and Accountable Body Total	141,867	192,713	160,343	32,369
Joint Scrutiny Committee				
Subsistence & Meeting Expenses	-	6,875	6,875	0
Travel	-	1,224	-	1,224
Democratic Services - NPT	21,332	20,658	20,658	0
Joint Scrutiny Committee Total	21,332	28,757	27,533	1,224
Portfolio Management Office				
Salary (Inc. On-costs)	366,284	536,759	465,689	71,070
Recharges - Employee costs Grant (direct)	5,259	-	-	0
Staff Recruitment Expenses	-	-	-	0
Training of Staff	-	26,010	12,500	13,510
Response Maintenance	-	-	-	0
Electricity	-	-	-	0
Gas	-	-	-	0
Rents (The Beacon)	14,889	15,796	15,796	0
Rates (The Beacon)	6,688	6,975	6,975	0
Public Transport - Staff	-	2,040	500	1,540
Staff Travelling Expenses	-	16,320	2,000	14,320
Admin, Office & Operational Consumables	269	2,550	1,275	1,275
Furniture	-	1,000	1,000	0
Fees (including Gateway Reviews)	4,712	25,500	19,125	6,375
ICT Computer Hardware & Software	-	2,500	4,000	(1,500)
Subsistence & Meetings Expenses	-	8,160	1,750	6,410
Conferences, Marketing & Advertising	1,200	76,500	45,000	31,500
Projects & Activities Expenditure	32,465	14,280	-	14,280
Translation/Interpret Services	2,444	10,200	10,200	0
Printing & Copying	130	4,590	2,295	2,295
Photocopying Recharge	-	-	-	0
Fees - Evaluation and Assurance	14,850	-	-	0
Central Recharge	28,365	-	28,365	(28,365)
Portfolio Management Office Total	477,554	749,180	616,471	132,710
Provision for Unwinding of PMO				
Redundancies	-	19,684	60,957	(41,273)
Provision for Unwinding Total	-	19,684	60,957	(41,273)
Total Expenditure	640,752	990,334	865,303	125,031
Funding Contributions				
Welsh Government - Revenue Grant	(14,850)	0	0	0
SBCD Grant Revenue Contribution	(168,050)	(723,000)	(395,393)	(327,607)
Partner Contributions	(400,000)	(400,000)	(400,000)	0
Total Income	(582,900)	(1,123,000)	(795,393)	(327,607)
Provision of Service - (Surplus) / Deficit	57,852	(132,666)	69,910	(202,576)
Movement to Reserves				
Description		2020/21 (£)		2021/22 (£)
Balance Brought Forward from previous year - (Surplus) / Deficit		(272,668)		(214,816)
Net Provision of Service - (Surplus) / Deficit		57,852		69,910
Balance Carry Forward - (Surplus) / Deficit		(214,816)		(144,906)