

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

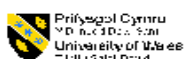
2.1. Supplementary Information

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 £155k. 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 £21k.

2.4. Portfolio Management Office (PoMO)

To the period ended 31st March 2022 the expenditure is estimated at £570k. The PoMO staffing cost is estimated at £466k. There is a small variance against budget due to a temporary vacancy and all posts being budgeted at the top of grade.

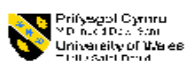
Training is forecasted at £6k, which included Better Business Case training for regional programme/project managers. Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews have been forecast at £10k and conferences, marketing and advertising forecasted at £15k (revised from £45k in the prior quarter) in respect of the SBCD annual event. 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.

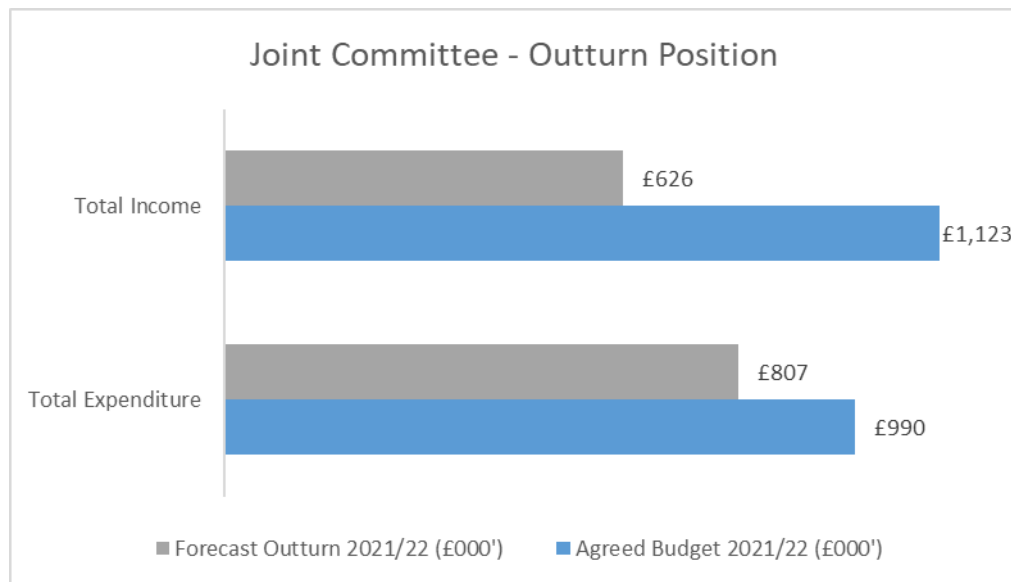
2.6. Income

Total income for the year demonstrates £626k. This consists of partner contributions (£50k per partner) £400k and anticipated drawdown of 'Top Slice' of £226k 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 £181k. This is as a result of a timing effect attached to the grant dispersed to projects/programmes within the year. This concludes in an anticipated reserve of £33k at year end.



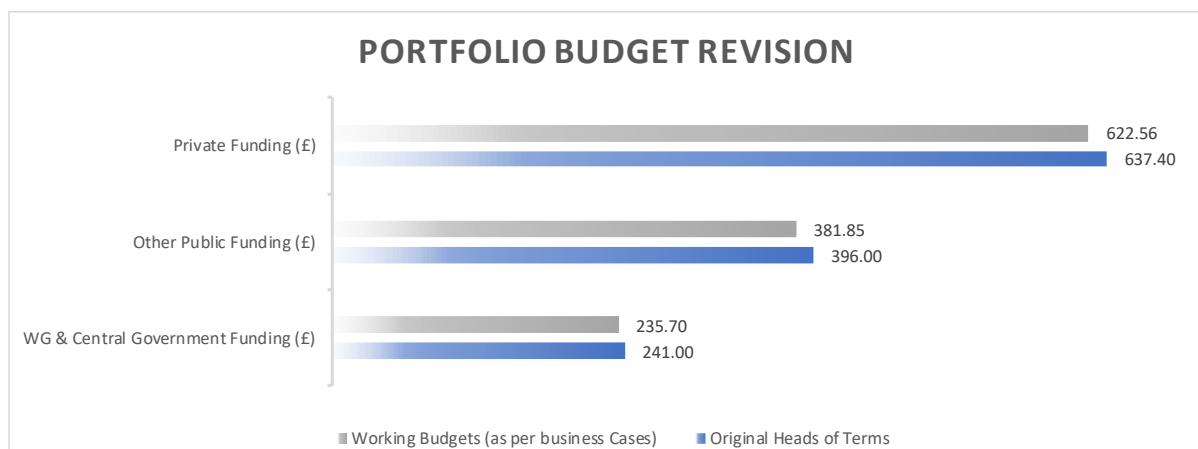
3. PORTFOLIO INVESTMENT FUND – Forecast Outturn Position

Revised Budget

The Swansea Bay City deal was incorporated on 20th March 2017 by the then Prime Minister Theresa May demonstrating an anticipated investment of £1.274billion. The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved by both UK and Welsh Government. Business cases have been reviewed and a revised budget has been compiled demonstrating an approved working budget for the portfolio of £1.24billion.

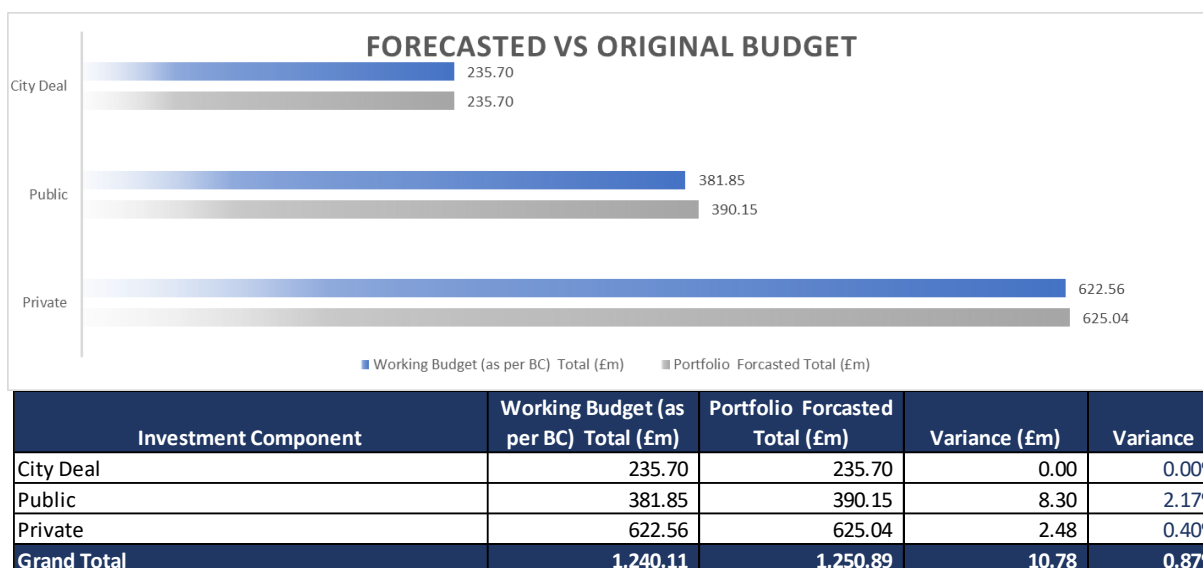
The City Deal Grant award is demonstrating an under allocation of £5.3million within the portfolio. This is currently under review to establish practical utilisation.

Description	WG & Central Government Funding (£)	Other Public Funding (£)	Private Funding (£)	Total (£)
Original Heads of Terms	241.00	396.00	637.40	1,274.40
Working Budgets (as per business Cases)	235.70	381.85	622.56	1,240.11
Variance	- 5.30	- 14.15	- 14.84	- 34.29



Portfolio Investment Outturn Position

The overall estimated investment position is demonstrated at £1.251bn (Quarter 2 2021/22 - £1.249b) over the fifteen-year life of the portfolio. The revised budget (as outlined within programme/project business cases) comprised of a total investment of £1.240b, currently the City Deal is presenting investment exceeding this of £11m (Quarter 2 2021/22 - £1.249b). Investment in the region has increased due to the further investment in the Swansea Waterfront project, incorporating additional WEFO funding of £500k, and a small increase on the Pentre Awel Project. A detailed breakdown of investment is outlined in Appendix B.



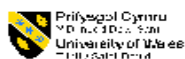
Programme	City Deal Investment (£m)	Public Sector Investment (£m)	Private Sector Investment (£m)	Programme Total (£m)	Working Budget Total (£m)	Sum of Variance (£m)	Sum of Variance (%)
Digital Infrastructure	25.00	13.80	16.50	55.30	55.30	-	0.00%
Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	-	0.00%
LS&WB Campuses	15.00	58.01	57.43	130.44	130.43	0.01	0.01%
Pembroke Dock Marine	28.00	16.41	16.12	60.53	60.47	0.06	0.10%
Pentre Awel	40.00	52.30	108.19	200.48	199.19	1.30	0.65%
Skills & Talent	10.00	16.00	4.00	30.00	30.00	-	0.00%
Supporting Innovation and Low Carbon Growth	47.70	5.50	5.50	58.70	58.70	-	0.00%
Swansea Waterfront	50.00	94.87	39.90	184.77	175.35	9.41	5.37%
Yr Egin	5.00	18.67	1.50	25.17	25.17	-	0.00%
Grand Total	235.70	390.15	625.04	1,250.89	1,240.11	10.78	0.87%

Annual Investment Forecast 2021/22

The current investment is demonstrated at estimated £51m (Quarter 2 2021/22 - £51m) to end of March 2022. The PDM project is continuing to review spend profiles on their public and private sector investment which could potentially affect the current year forecast.

Annual Portfolio Investment Summary 2021/22 (Estimated)				
Description	Actuals (to Date) (£)	Commitments (£)	Forecast Commitments (£)	Total (£)
<u>City Deal Investment</u>				
Capital	12,260,803	-	9,612,748	21,873,551
Revenue Expenditure (where capital receipts directive applied)	228,166	-	729,107	957,274
City Deal Total	12,488,969	-	10,341,855	22,830,825
<u>Public Sector Investment</u>				
Capital	15,597,989	-	6,433,636	22,031,625
Revenue	-	-	2,023,960	2,023,960
Public Sector Total	15,597,989	-	8,457,596	24,055,585
<u>Private Sector Investment</u>				
Capital	-	-	3,727,090	3,727,090
Revenue	-	-	494,216	494,216
Private Sector Total	-	-	4,221,306	4,221,306
<u>Project Total</u>				
Capital	27,858,792	-	19,773,474	47,632,266
Revenue	228,166	-	3,247,283	3,475,449
Project Total	28,086,958	-	22,617,757	50,704,715

Annual Programme Investment Breakdown 2021/22 (Estimated)				
Description	Actuals (to Date) (£)	Commitments (£)	Forecast Commitments (£)	Total (£)
Digital Infrastructure	85,777	-	99,286	185,063
Homes as Power Stations	-	-	50,000	50,000
LS&WB Campuses	-	-	347,000	347,000
Pembroke Dock Marine	849,015	-	10,528,507	11,377,522
Pentre Awel	110,325	-	786,314	896,639
Skills & Talent	25,852	-	148,038	173,890
Supporting Innovation and Low Carbon Growth	-	-	7,251,000	7,251,000
Swansea Waterfront	27,015,989	-	3,407,612	30,423,601
Yr Egin	-	-	-	-
Total	28,086,958	-	22,617,757	50,704,715



4. Financial Implications

The forecasted Joint Committee year end out-turn position (as at 31st December 2022) indicates a deficit of £181k, which will be supported by the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £807k, which is offset by income through partner contributions of £400k and the 'Top Slice' of dispersed Government grants. The deficit is as a result of a timing effect attached to the grant dispersed to projects/programmes within the year.

The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved, a working revised budget has been compiled for the portfolio demonstrating £1.240billion. The estimated portfolio forecasted investment position (as at 31st December 2021) demonstrates investment exceeding the revised budget by £11m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.251bn. 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.

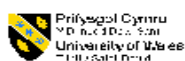
A detailed breakdown of investment is outlined in Appendix B.


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 3



 Joint Committee - Outturn Position Financial Year 2021/22 <i>as at 31st December 2021</i>				
Description	Actuals 2020/21 (£)	Revised Budget 2020/21 (£)	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	-	25,000
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	155,343	37,369
Joint Scrutiny Committee				
Subsistence & Meeting Expenses	-	6,875	-	6,875
Travel	-	1,224	-	1,224
Democratic Services - NPT	21,332	20,658	21,332	(674)
Joint Scrutiny Committee Total	21,332	28,757	21,332	7,425
Portfolio Management Office				
Salary (Inc. On-costs)	366,284	536,759	466,380	70,379
Recharges - Employee costs Grant (direct)	5,259	-	-	0
Staff Recruitment Expenses	-	-	-	0
Training of Staff	-	26,010	6,000	20,010
Response Maintenance	-	-	-	0
Electricity	-	-	-	0
Gas	-	-	-	0
Rents (The Beacon)	14,889	15,796	15,796	0
Rates (The Beacon)	6,688	6,975	6,688	287
Public Transport - Staff	-	2,040	-	2,040
Staff Travelling Expenses	-	16,320	1,000	15,320
Admin, Office & Operational Consumables	269	2,550	600	1,950
Furniture	-	1,000	1,000	0
Fees (including Gateway Reviews)	4,712	25,500	10,000	15,500
ICT Computer Hardware & Software	-	2,500	7,000	(4,500)
Subsistence & Meetings Expenses	-	8,160	500	7,660
Conferences, Marketing & Advertising	1,200	76,500	15,000	61,500
Projects & Activities Expenditure	32,465	14,280	-	14,280
Translation/Interpret Services	2,444	10,200	9,000	1,200
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	569,624	179,556
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	807,256	183,078
Funding Contributions				
Welsh Government - Revenue Grant	(14,850)	0	0	0
SBCD Grant Revenue Contribution	(168,050)	(723,000)	(225,694)	(497,306)
Partner Contributions	(400,000)	(400,000)	(400,000)	0
Total Income	(582,900)	(1,123,000)	(625,694)	(497,306)
Provision of Service - (Surplus) / Deficit	57,852	(132,666)	181,562	(314,228)
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	181,562	
Balance Carry Forward - (Surplus) / Deficit		(214,816)	(33,254)	