

# SOUTH WEST WALES CORPORATE JOINT COMMITTEE

24th October 2023

## Report of the Chief Finance Officer

### Report Title: Quarter 1 Financial Monitoring 2023/24

<b>Purpose of Report</b>	To provide the Joint Committee with the Quarter 1 Financial Monitoring for year ended 2023/24.
<b>Recommendation</b>	That the Joint Committee receive the Quarter 1 Financial Monitoring for year ended 2023/24.
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<b>Finance Officer</b>	Chris Moore
<b>Legal Officer</b>	Craig Griffiths

#### 1.0 Background:

- 1.1 The SWWCJC was formally constituted on 13<sup>th</sup> January 2022. Carmarthenshire County Council is acting as the Accountable Body responsible for discharging the councils' obligations in relation to the South-West Wales Corporate Joint Committee (SWWCJC).
- 1.2 On 24<sup>th</sup> January 2023 the SWWCJC approved the 2023/24 budget which was set at £617,753 with a levy from each of the constituent authorities.

#### 2.0 Forecast Outturn 2023/24:

- 2.1 The forecast outturn in **Appendix A** shows a total underspend of £328,878 against the budget.
- 2.2 The main variances are:
- 2.2.1 The Accountable Body is expected to be underspent by £17,000 due to reduction in External Audit work as there is no requirement yet for the preparation of full set of accounts.
- 2.2.2 Governance and Internal Audit is forecasting an underspend of £29,750 again due to minimal activity which has resulted in less Internal Audit work and Sub-Committee Support Costs & Expenses from Pembrokeshire County Council.
- 2.2.3 Support Services are predicting an underspend of £61,009 which is due to the budgeted Senior Accountant post remaining vacant as not yet required due to the level of activity, and a decrease in Human Resources expenses expected to be incurred by Neath Port Talbot Council compared to budget.

2.2.4 The Sub-Committee expenditure shows a forecast underspend of £135,000, £15,000 in respect of sub-committees where there is lower activity and a delayed start compared to the budget. There is a £90,000 underspend on Planning and Programme management expenditure.

2.2.5 The Regional Management Office shows an underspend of £86,119 with the main differences being, £30,033 due to the Business Manager post becoming vacant in June 2023 and not yet filled, £41,000 Consultancy and Specialist Adviser work not being commissioned and £10,000 due to reduced usage of Translation Services.

2.2.5 No provision has been made for any Contingency/Reserves due to the surplus position.

2.3 A reserve was set up for £384,824 underspend in 2022/23 and any further underspend in 2023/24 would increase the balance of this reserve.

2.4 The CJC is funded by the 4 local authorities, with the total budgeted amount split by population size (mid-year 2020 – Statswales.gov.uk) shown below:

<b>Local Authority Levy</b>	
City and County of Swansea Council (Levy)	215,203
Carmarthenshire County Council (Levy)	165,898
Neath Port Talbot CBC (Levy)	126,022
Pembrokeshire County Council (Levy)	110,630
	<b>617,753</b>

Under the current legislation the National Park Authorities (NPAs) are only financially obligated to support the strategic planning aspects of the CJC. Given that there is likely to be limited activity in terms of the Strategic Development Plan in 2023/2024 (with a budget of £20,000 allocated to the strategic planning sub-committee), it is not considered appropriate to raise a levy upon the NPA's in 2023/2024.

**3.0 Financial Impact:**

3.1 The Quarter 1 Forecast Outturn for 2023/24 shows an underspend against budget of £328,878.

**4.0 Integrated Impact Assessment:**

4.1 The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.

4.3 There is no requirement for an Integrated Impact Assessment for this report as the setting up of the CJC is underpinned by legislation and this report is to establish financial arrangements in accordance with legislation.

## **5.0 Workforce Impacts:**

5.1 There are no workforce impacts for this report.

## **6.0 Legal Impacts:**

6.1 The SWWCJC is responsible for undertaking periodic financial monitoring against approved budget in accordance with legislation and failure to do so would render the SWWCJC in breach of its obligations.

## **7.0 Risk Management Impacts:**

7.1 The SWWCJC is responsible for putting appropriate Governance arrangements in place for the management of risk and portfolio delivery. Failure to prepare Annual Return, on this occasion, would result in a breach of legal obligation.

## **8.0 Consultation:**

8.1 There is no requirement for formal consultation.

## **9.0 Reasons for Proposed Decision:**

9.1 To receive the Quarter 1 Financial monitoring for financial year 2023/24.

## **10.0 Implementation of Decision:**

10.1 This decision is proposed for implementation following a three-day call-in period.

## **Appendices:**

Appendix A – Quarter 1 Financial Monitoring 2023/24

**List of Background Papers:** None

## Appendix A

### South West Wales Corporate Joint Committee Q1 Financial Monitoring Financial Year 2023/24

Description	Actual 2022/23 (£)	Budget 2023-24 (£)	Forecast 2023/24 (£)	Variance (£)	Notes
<b>Expenditure</b>					
<b>Joint Committee</b>					
<b>Democratic Services</b>					
Democratic, Scrutiny and Legal Support Costs	67,000	73,700	73,700	-	Provided by NPT, forecasted at budget
<b>Democratic Services Total</b>	<b>67,000</b>	<b>73,700</b>	<b>73,700</b>	<b>-</b>	
<b>Legal and Governance</b>					
Monitoring Officer and Service Support	17,000	18,700	18,700	-	Provided by NPT, forecasted at budget
<b>Legal and Governance Total</b>	<b>17,000</b>	<b>18,700</b>	<b>18,700</b>	<b>-</b>	
<b>Accountable Body</b>					
Audit Wales Financial Audit	1,764	22,000	5,000	17,000	Based on audit costs of SBCD (independent audit of financial statements)
Section 151 Officer Recharge	18,812	20,693	20,693	-	Provided by CCC, forecasted at budget
<b>Accountable Body Total</b>	<b>20,576</b>	<b>42,693</b>	<b>25,693</b>	<b>17,000</b>	
<b>Governance &amp; Internal Audit</b>					
Internal Audit	5,000	22,000	5,000	17,000	Provided by Pembs - reduced activity based on 2022-23
Sub-Committee Support Costs & Expenses	3,750	16,500	3,750	12,750	Provided by Pembs - reduced activity based on 2022-23
<b>Governance &amp; Internal Audit Total</b>	<b>8,750</b>	<b>38,500</b>	<b>8,750</b>	<b>29,750</b>	
<b>Support Services</b>					
ICT & Data Protection Services	20,000	22,000	22,000	-	Provided by NPT, forecasted at budget
Financial Services	5,194	57,009	5,000	52,009	Provided by CCC - based on 2022-23 activity
Standards Services	-	-	-	-	Included within Democratic Service costs.
HR Services	-	11,000	2,000	9,000	Provided by NPT, reduced level due to lack of activity
<b>Support Services Total</b>	<b>25,194</b>	<b>90,009</b>	<b>29,000</b>	<b>61,009</b>	
<b>Joint Committee Total</b>	<b>138,520</b>	<b>263,602</b>	<b>155,843</b>	<b>107,759</b>	
<b>Joint Scrutiny Committee</b>					
Room Hire	-	-	-	-	Included within Democratic Service costs.
Subsistence & Meeting Expenses	-	-	-	-	Included within Democratic Service costs.
Travel	-	-	-	-	Included within Democratic Service costs.
Democratic, Scrutiny and Legal Support Costs	-	-	-	-	Included within Democratic Service costs.
<b>Joint Scrutiny Committee Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>SWWCJC - Sub Committees</b>					
Economic Development SC	-	20,000	5,000	15,000	Decrease in costs due to lower activity
Planning SC	-	20,000	5,000	15,000	Decrease in costs due to lower activity
Transport SC	-	20,000	20,000	-	Sub-committee established and operational
Energy SC	-	20,000	5,000	15,000	Decrease in costs due to lower activity
Planning & Programme management	-	140,000	50,000	90,000	Forecast reduced to 35%
<b>SWWCJC - Sub Committees Total</b>	<b>-</b>	<b>220,000</b>	<b>85,000</b>	<b>135,000</b>	
<b>SWWCJC - Regional Management Office</b>					
Salary (Inc. On-costs)	48,240	60,135	30,102	30,033	Business Manager left 5/6/23, assumed 4 mths charge for replacement
Training of Staff	-	1,000	500	500	Reduction of 50% of budget due to decrease in staffing
Public Transport - Staff	-	250	125	125	Reduction of 50% of budget due to decrease in staffing
Staff Travelling Expenses	-	810	405	405	Reduction of 50% of budget due to decrease in staffing
Admin, Office & Operational Consumables	50	1,000	100	900	Reduced charge (10% of budget) comparable with previous year
Consultancy and Specialist Adviser Fees	742	51,206	10,000	41,206	Reduced charge forecasted at 20% of budget
ICTs & Computer Hardware	121	1,250	1,250	-	Potential ICT costs for replacement staffing
Subsistence & Meetings Expenses	-	1,000	500	500	Reduction of 50% in budget due to lower activity
Conferences, Marketing & Advertising	1,374	-	-	-	
Projects & Activities Expenditure	-	-	-	-	
Translation/Interpret Services	1,540	15,000	5,000	10,000	Reduced translation costs expected (33% of budgeted costs)
Printing & Copying	-	2,500	50	2,450	Notional charge included
<b>Regional Management Office Total</b>	<b>52,067</b>	<b>134,151</b>	<b>48,032</b>	<b>86,119</b>	
<b>Contingency/Reserves</b>					
Provision for Contingency/Reserves	-	-	-	-	
<b>Contingency/Reserves Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total SWWCJC Expenditure</b>	<b>190,587</b>	<b>617,753</b>	<b>288,875</b>	<b>328,878</b>	
<b>Funding Contributions</b>					
<b>Partner &amp; Other Contribution</b>					
Brecon Beacons NPA	-	-	-	-	
Pembrokeshire Coast NPA	-	-	-	-	
Co-Opt Partners	-	-	-	-	
Welsh Government Revenue Grant	-	-	-	-	
ERF Grant	-	-	-	-	
<b>Local Authority Levy</b>					
City and County of Swansea Council (Levy)	200,453	215,203	215,203	-	Levy charged to local authorities based on Population Size
Carmarthenshire County Council (Levy)	154,527	165,898	165,898	-	Levy charged to local authorities based on Population Size
Neath Port Talbot CBC (Levy)	117,384	126,022	126,022	-	Levy charged to local authorities based on Population Size
Pembrokeshire County Council (Levy)	103,047	110,630	110,630	-	Levy charged to local authorities based on Population Size
<b>Total SWWCJC Income</b>	<b>575,411</b>	<b>617,753</b>	<b>617,753</b>	<b>-</b>	
<b>Provision of Service - Surplus / (Deficit)</b>	<b>384,824</b>	<b>-</b>	<b>328,878</b>	<b>(328,878)</b>	
<b>Movement to Reserves (Contingency)</b>					
<b>Description</b>					
Balance Brought Forward from previous year	-	-	384,824	(384,824)	
Net Provision of Service - Surplus / (Deficit)	384,824	-	328,878	(328,878)	
<b>Balance Carry Forward</b>	<b>384,824</b>	<b>-</b>	<b>713,702</b>	<b>(713,702)</b>	