



north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru

REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

24/01/2020

Title: Revenue Budget 2019/20 – Third Quarter Review (December 2019)

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1. Purpose of the Report

- 1.1 This report intends to provide the North Wales Economic Ambition Board (NWEAB) with details of the actual expenditure and income for the third quarter of the 2019/20 financial year as well as projected full year out-turn against its annual budget.
- 1.2 In order to operate effectively, the Joint Committee needs to be aware of its projected expenditure position against its approved annual budget.

2. Decision Sought

- 2.1 **To receive the Joint Committee's Third Quarter Review for 2019/20.**
- 2.2 **To obtain the Joint Committee's approval for any underspend in 2019/20 to be transferred to the earmarked reserve that will be available for future years.**

3. Reasons for the Decision

- 3.1 To note an estimated underspend of £117,424 in 2019/20 of which will be transferred to the earmarked reserve that was set up at the end of 2018/19.

4. Background

- 4.1 During 2019/20, quarterly reviews have been undertaken and they have been reported to the NWEAB meetings in July and October 2019.
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4.2 The out-turn report and the annual return for 2019/20 will be presented to the NWEAB meeting on 12 June 2020.

5. Expenditure and income in 2019/20

5.1 Appendix 1 shows the actual expenditure and income for the third quarter of the 2019/20 financial year together with projected full year out-turn against its annual budget.

5.2 At the end of the third quarter, the actual net position was a surplus of £366,150.

5.3 The net out-turn position at the end of the financial year is expected to show an underspend of £117,424. The funding for 2019/20 will come from partner contributions, ESF grant funding (if approved) and the Public Transport (Wales) Bill grant.

Programme Management Office

5.4 There is a further estimated underspend of £70,261 on this heading mainly due to delayed recruitment to posts and a reduction in the Programme Planning, Development and Support heading expenditure.

Accountable Body Support Services

5.5 A further underspend of £11,070 is forecasted on the Accountable Body (host authority) support services in 2019/20.

Joint Committee

5.6 There is an estimated underspend of £11,634 on the Governance Agreement 2 budget heading as the final version of the legal document will not be completed until 2020/21 financial year.

5.7 The Joint Committee's income for 2019/20 will again be below the £2.5m threshold for preparing their own statement of accounts, therefore a "Smaller relevant local government bodies in Wales Annual Return" will be completed and audited, hence a reduced audit fee is estimated with an underspend of £11,000 on the External Audit Fee" budget heading.

5.8 A further underspend of £5,250 is forecasted on the Business Delivery Board budget heading in 2019/20.

Funding Contributions

- 5.9 The NWEAB has been awarded £155,000 for the Public Transport (Wales) Bill to cover the period 1 March 2019 to 31 March 2021. An estimated specific grant worth £45,145 is likely to be claimed during this financial year, and the spending profile for 2020/21 will need to be planned so that the maximum funding is received by the NWEAB.
- 5.10 The European Social Fund (ESF) Priority 5 funding application has been submitted to the Welsh European Funding Office (WEFO) in November 2019, and they are currently working with members of the Executive Group on this. Approval of this funding would mean that posts within the Programme Management Office could obtain funding of up to 50% up until 2022/23. Based on our projected employee expenditure and staff secondment costs of £99,215 for 2019/20, £49,608 of ESF Grant funding could be claimed for this period. If successful, we could also claim 40% simplified costs and the ESF grant could also be back-dated to July 2018, but these have not been reflected in our figures for 2019/20.
- 5.11 Based on revised forecasts, £117,424 will be transferred to the earmarked reserve at the end of the financial year. This will be added to the existing earmarked reserve to give a balance of £453,637 of which will be available for future years.

6. Staffing Implications

- 6.1 The estimated out-turn position for the year reflects the implications of the recruitments that have taken place over the recent months.

7. 2020/21 Budget

- 7.1 The 2020/21 Budget will be presented to the NWEAB meeting on 20 March 2020.

8. Consultations Undertaken

- 8.1 Appendix 1, as well as a summary of the contents of this report, was presented to the Executive Group on 10 January 2020.

9. Appendix

Appendix 1 – Economic Ambition Board Budget 2019/20 – Third Quarter Review (December 2019).

STATUTORY OFFICERS' RESPONSE:

i. Monitoring Officer – Accountable Body:

No observations to add from a propriety perspective.

ii. Statutory Finance Officer – Accountable Body:

Author of this report.