



north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru

REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

23/10/2020

Title: Revenue Budget 2020/21 – Second Quarter Review (September 2020)

Author: Dafydd L Edwards, Host Authority Statutory Finance Officer

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 second quarter of the 2020/21 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 and note the NWEAB joint committee's Second Quarter Review for 2020/21.**

3. Reasons for the Decision

- 3.1 To note a forecast underspend of £78,452 in 2020/21. Any underspend at the end of the financial year may be transferred to the earmarked reserve. For a newly established service in the context of Covid-19, the 5% forecasted underspend is considered to be acceptable.

4. Background

- 4.1 The NWEAB in its meeting on 12 June 2020 approved its 2020/21 budget of £1,673,690. This included £1,468,420 for the Programme Office, £155,770 for the accountable body's support services and £49,500 for the joint committee. The budgeted funding contributions came
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from partner contributions, European Social Fund (ESF) grant, the earmarked reserve and the Public Transport (Wales) Bill Grant. The budget was prepared based on the information known at the time, with the expectation that it would be updated as more information was available.

- 4.2 The 2019/20 out-turn report presented to the NWEAB on 12 June 2020 confirmed that the final underspend for the last financial year was £161,316. This sum was transferred to the earmarked reserve to give a total balance of £497,529.
- 4.3 The budget will continue to be monitored and reviewed throughout the 2020/21 financial year, and regular reports will be presented to the Executive Group and the NWEAB joint committee.

5. Expenditure and income in 2020/21

- 5.1 Appendix 1 provides a detailed analysis of the actual expenditure and income for the second quarter of the 2020/21 financial year, together with projected full year out-turn against its annual budget.
- 5.2 At the end of the second quarter, the actual net position was a (Covid-19 affected) surplus of £323,787.
- 5.3 The net out-turn position at the end of the 2020/21 financial year is forecasted to be an underspend of £78,452.

Programme Office

- 5.4 An underspend of £427,000 is forecasted for the Programme Office in 2020/21, mainly due to delayed recruitment to posts compared to what was originally budgeted. Covid-19 has also caused a reduction in spending under budget headings such as travel and subsistence, training, engagement and meeting costs.

Accountable Body Support Services

- 5.5 The projected actual accountable body support services costs reflect the budgeted figures for 2020/21.

Joint Committee

- 5.6 There is an estimated overspend of £12,000 on the external legal support budget heading, mainly due to work associated with Governance Agreement 2 and the Final Deal Agreement. An underspend of £15,000 is forecasted on the Business Delivery Board budget heading, to give a net underspend of £3,000 on the joint committee.

Funding Contributions

- 5.9 The NWEAB had been awarded £155,000 for the Public Transport (Wales) Bill to cover the period 1 March 2019 to 31 March 2021, and only £54,747 has been claimed so far.
- 5.10 The European Social Fund (ESF) Priority 5 funding grant award letter was received in May 2020 with funding of £2,900,145 approved to fund posts within the Programme Office until June 2023. Based on our projected employee expenditure of £635,463 for 2020/21, as well as the expenditure for the retrospection period to July 2018, £646,972 of grant funding could be received during this financial year. The income from the earmarked reserve is not likely to be required in 2020/21 due to the back-dated ESF grant received.

6. Staffing Implications

- 6.1 The estimated out-turn position for 2020/21 reflects the recruitments that have taken place over recent months, as well as recruitments that are likely to be made before the end of this financial year.

7. Consultations Undertaken

- 7.1 Appendix 1, as well as a summary of the contents of this report, was presented to the Executive Group on 9 October 2020.

8. Appendix

Appendix 1 – Economic Ambition Board Budget 2020/21 – Second Quarter Review (September 2020).

STATUTORY OFFICERS' OPINIONS:

- i. Monitoring Officer – Accountable Body:**
No observations to add from a propriety perspective.

- ii. Statutory Finance Officer – Accountable Body:**
Author of this report.