



north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru

REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

15/03/2019

Title: 2019/20 Budget

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1. Purpose of the Report

1.1 The purpose of this report is to propose the 2019/20 Budget for the NW Economic Ambition Board.

2. Decision Sought

2.1 To present to the Joint Committee, the Economic Ambition Board's Budget for 2019/20 (Appendix 1). The budget has been split to show the Programme Management Office, Accountable Body Support Services and Joint Committee costs.

2.2 To approve the arrangements made for Gwynedd Council to deliver the Accountable Body functions as set out in this report.

2.3 To delegate the authority to the Programme Director and Gwynedd Council's Section 151 Officer to implement the budget approved.

2.4 To obtain the Joint Committee's approval to transfer the underspend from the former shadow arrangements to the Economic Ambition Board Joint Committee.

2.5 To obtain the Joint Committee's approval to transfer the underspend at the end of the 2018/19 financial year to an earmarked reserve that will be available to fund one-off costs in future years.

3. Reasons for the Decision

3.1 In order to operate effectively, the newly formed Economic Ambition Board needs a full year budget for 2019/20.

4. Background and Relevant Considerations

- 4.1 Whilst 2019/20 represents the first full year budget, the formal commencement date for the Economic Ambition Board Joint Committee was 1 February 2019.

Cost of the Programme Management Office

- 4.2 The budget for the Programme Management Office for the transition year is based on 3 full time posts (Programme Director, Operations Manager and an Operations Support Officer), and includes travel and subsistence costs for the officers; Engagement and Meetings to cover costs of officer meetings and Growth Deal conferences/events; Communications and Public Relations for raising the profile of the Growth Deal using various channels including social media/website; Performance Audit Fee and a general Supplies and Services budget. The annual match funding contribution from the Councils towards the Regional Engagement Team from all 6 Local Authorities is also included.
- 4.3 A small budget has been included for Premises, but the exact location of the Programme Management Office has not yet been decided, and therefore the costs may change accordingly.
- 4.4 The budget includes Project Planning, Development and Support for developing the projects ready for delivery including the development of the 5 Case Business Models (see also 4.16). According to the 'Initial Work programme for the EAB' that was presented to the Economic Ambition Board on 1 February 2019, the likely timeframe for appointing the Programme Managers is in Quarter 2, 2019/20 (or Q3 calendar year). Although the budget has been calculated based on external input, there will be flexibility to use part of this budget to appoint Programme Managers (if this can be done without a resource commitment beyond the Board's resources).

Cost of the Accountable Body Support Services

- 4.5 The Accountable Body provides the support services required to facilitate the work of the Joint Committee, and the budget for 2019/20 includes Finance Services Support, Legal, Corporate Support and Information Technology.
- 4.6 The scope of the services offered, charging mechanisms and estimated costs will be included in the individual Service Level Agreements that will be agreed with each Department.
- 4.7 For 2019/20, a budget of £153,870 has been included for the Accountable Body Support Services. These costs may rise as the Growth Vision develops, but they have been prepared

on the initial costs known at this time. Support Services costs for similar Joint Committees are in the range of £240,000 - £310,000 per annum.

4.8 Finance Services Support - £105,710

The budget included is based on the Section 151 Officer's role, Accountancy Services, Treasury Management (including consultancy fee) and Internal Audit. It will include Financial Advice, Budget Monitoring in accordance with Gwynedd Council's Financial Procedure Rules and Statutory Accounts preparation in accordance with the Code of Practice on Local Authority Accounting.

4.9 Legal - £16,000

The Accountable Body will provide legal advice and support to the Joint Committee. The costs of this will be met from within the proposed Accountable Body budget as set out in this report. This will include the costs of providing the statutory Monitoring Officer functions. The costs are based on the assumptions in relation to monthly Economic Ambition Board and Executive Group Meetings and quarterly meetings of The Transport Sub-Committee. As with other anticipated costs any changes in these assumptions may need to be addressed by reference to further resources. The costs do not include either internal or external legal advice and support services which may be required for individual projects under the Growth Deal or Vision.

4.10 Corporate Support - £29,400

The budget included is based on committee support in respect of agenda and minutes, as well as the provision of instantaneous translation, for monthly meetings of the Economic Ambition Board's Joint Committee and quarterly meetings of the Transport Sub-Committee. The cost for the translation of written documents has been estimated as part of the overall cost on the basis of anticipated usage. HR support and advice for Programme Office personnel is also incorporated within this budget. This includes advice on conditions of service, training, health and safety and recruitment and appointments (but does not include any costs related to advertising a vacancy or assessment of candidates).

4.11 Information Technology – £2,760

The budget included is based on technical support for the 3 PMO posts including desk phone and calls. Costs may change depending on location etc.

Cost of the Joint Committee

4.12 Governance Agreement 2 - £20,000

This includes a budget for external legal support in relation to drafting Governance Agreement 2.

4.13 External Audit Fee – £12,500

The Joint Committee's Accounts will be subject to an annual audit by Gwynedd Council's External Auditors, and an estimated budget based on fees incurred by other Joint Committees has been included.

Funding Contributions

4.14 Partner Contributions (GA1) – (£400,000)

In accordance with the first stage Governance Agreement, the 2019/20 Budget includes a contribution of £50,000 from the six Councils and £25,000 from the four Advisors, to give a total contribution of £400,000.

4.15 Partner Contributions (Other) – (£240,000)

As part of the former North Wales Growth Board, the six Councils have been contributing an annual sum of up to £40,000 to cover the Board's Governance costs and contributions towards programmes (transport and supply chains) as well as a contribution towards the Regional Engagement Team, and the budget has been set up with the assumptions that these contributions will remain in 2019/20, and will be an equal contribution from each of the six Councils.

4.16 Capitalisation of Project Costs – (£250,250)

For 2019/20, other than the 3 PMO posts, it has been assumed that 78% of the costs on the Project, Planning, Development and Support heading that relates to project planning may be capitalised retrospectively, hence providing a revenue income stream.

4.17 Private Sector

It's likely that the private sector will provide sources of funding in future years.

4.18 European Social Fund

The Economic Ambition Board is currently exploring opportunities to attract funding from ESF Priority 5 'Public services reform and regional working' for the Growth Vision Enabler to fund activities within the Programme Office. If this was successful, costs could be claimed retrospectively from June 2018 onwards.

5. Financial Implications

- 5.1 As stated in Governance Agreement 1, Section 12.4.1.:-
“the Annual Budget for the Accountable Body prior to receipt of any HMT Contribution (which includes any costs of the Joint Committee), shall be prepared in draft by the Accountable Body and agreed by the Joint Committee and the Parties shall each contribute towards the Annual Budget on a Proportionate Basis”.
- 5.2 The proposed budget for 2019/20 has been prepared on the information known at this time, and it will be updated as the projects move forward and more information is available. Regular budget monitoring reports will be presented to the Executive Group and the Economic Ambition Board, and any issues will be highlighted and appropriate action taken.
- 5.3 The estimated underspend to be transferred to the Economic Ambition Board Joint Committee is £342,000 with the likely underspend at the end of March 2019 estimated at £251,000. These figures include estimated expenditure on project costs that might not occur before the end of the financial year.

6. Legal Implications

- 6.1 The proposal is consistent with the agreed first stage Governance Agreement.

7. Staffing Implications

- 7.1 In the Economic Ambition Board Meeting that was held on 1 February 2019 the Chief Executive of the Host Authority, in consultation with the Chair and Vice-chair of the Joint Committee obtained delegated powers to prepare the job description and person specification of the Programme Director’s post, undertake the job evaluation process and proceed to advertise the post.
- 7.2 The 2019/20 budget includes a budget for 3 full time equivalent posts to be appointed to the Programme Management Office. Once the Director has been appointed, the staffing structure for the Programme Office will be presented for approval and all posts will be subject to detailed job design and evaluation.

8. Consultations Undertaken

- 8.1 Consultation undertaken with the Executive Group.

9. Appendix

Appendix 1 – Economic Ambition Board Budget 2019/20

STATUTORY OFFICERS' RESPONSE:

i. Monitoring Officer – Accountable Body:

The report provides an initial budget for supporting the Project and the governance arrangements.

ii. Statutory Finance Officer – Accountable Body:

Author of this report.

Economic Ambition Board Budget - 2019/2020	
Expenditure	(£)
Programme Management Office	
Employee Expenditure (Pay, N.I. & Superannuation)	246,480
Travel and Subsistence	10,000
Engagement and Meetings	11,620
Communications and Public Relations	45,000
Performance Audit Fee	12,500
Supplies and Services	10,000
Regional Engagement Team (RET)	43,480
Premises	5,000
Project Planning, Development and Support	319,800
Programme Management Office Total	703,880
Accountable Body Support Services	
Finance Services Support	105,710
Legal (includes Monitoring Officer)	16,000
Corporate Support	29,400
Information Technology	2,760
Accountable Body Support Services Total	153,870
Joint Committee	
Governance Agreement 2 - Legal	20,000
External Audit Fee	12,500
Joint Committee Total	32,500
Total Expenditure	890,250

Economic Ambition Board Budget - 2019/2020	
Income	(£)
Funding Contributions	
Partner Contributions - GA1	
Conwy County Borough Council	(50,000)
Denbighshire County Council	(50,000)
Flintshire County Council	(50,000)
Gwynedd Council	(50,000)
Isle of Anglesey County Council	(50,000)
Wrexham County Borough Council	(50,000)
Bangor University	(25,000)
Wrexham Glyndwr University	(25,000)
Coleg Cambria	(25,000)
Grŵp Llandrillo Menai	(25,000)
Partner Contributions - Other	
Conwy County Borough Council	(40,000)
Denbighshire County Council	(40,000)
Flintshire County Council	(40,000)
Gwynedd Council	(40,000)
Isle of Anglesey County Council	(40,000)
Wrexham County Borough Council	(40,000)
Capitalisation of Project Costs	(250,250)
Private Sector (future years)	0
Total Income	(890,250)
Net Budget	0