



north wales economic ambition board  
bwrdd uchelgais economaidd gogledd cymru

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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**

**14/05/2021**

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**Title:** 2020/21 Out-turn Report and Annual Return

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**1. Purpose of the Report**

1.1 This report intends to provide the North Wales Economic Ambition Board with the final out-turn position for 2020/21 and to obtain approval of the Official Annual Return for 2020/21.

**2. Decision Sought**

The Board is asked to:-

2.1 Note and accept the Joint Committee's Revenue Income and Expenditure Account for 2020/21 (Appendix 1).

2.2 Approve the Joint Committee's Official Annual Return for 2020/21 (subject to External Audit), in line with the statutory deadline of 31 May 2021. It has been duly completed and certified, by the Responsible Financial Officer, namely Gwynedd Council's Head of Finance as the Statutory Finance Officer for the Joint Committee (Appendix 2).

2.3 Approve the transfer of the £241,023 underspend to the earmarked reserve.

2.4 Allocate the £4,853 interest received on the £16m grant against future borrowing costs.

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**3. Reasons for the Decision**

- 3.1 To inform the Joint Committee of their financial position for 2020/21, and to comply with the statutory requirements with regard to completing the Annual Return.

**4. Background and Relevant Considerations**

- 4.1 The accounts and return will be subject to audit by Wales Audit, Gwynedd Council's external auditor appointed by the Auditor General for Wales. Should any amendment be necessary then a revised version will be presented to the Joint Committee meeting on 17 September 2021.
- 4.2 Following audit and following any required amendments, the Auditor General's representative will certify the return prior to 30 November 2021.

**5. Expenditure and income in 2020/21**

- 5.1 Appendix 1 shows the Revenue Income and Expenditure Account for 2020/2021, and this corresponds to the figures in the Annual Return shown in Appendix 2.

Portfolio Management Office

- 5.2 The final underspend on this heading is £640,971. The underspend has increased slightly from the third quarter review, mainly due to a refund received from Conwy on the Regional Engagement Team (RET) contribution and a reduction in spend on the project planning, development and support heading.

Accountable Body Support Services

- 5.3 The final underspend on this heading is £28,815 as result of the reduced expenditure on the Accountable Body (host authority) support services.

Joint Committee

- 5.4 The final underspend on this heading is £7,076, which is due to an underspend on the Business Delivery Board and overspend on the external legal support heading.

### Projects

- 5.5 The Projects heading includes expenditure on items that were funded by specific grants received from Welsh Government and also expenditure as a result of the first two projects undertaking their Gateway Reviews.

### Funding Contributions

- 5.6 The main income streams for 2020/21 included partner contributions, ESF Grant and other small grants received by Welsh Government. In addition, a RET repayment for the 2019-20 financial year was received, and the interest earned on cash balances during the year (including interest on the £16m grant received in March) has been credited to the account.

### Financial position

- 5.7 The financial position at 31 March 2021 showed an underspend of £241,023 and this has been transferred to an earmarked reserve to give a balance of £738,552. £415,000 of this earmarked reserve has already been allocated as part of the 2021-22 budget that was approved by the Board on 26 March 2021.

### Annual return

- 5.8 The Award of Funding letter for the North Wales Growth Deal was obtained in February 2021, and a grant payment of £16m was received on 12 March 2021. This capital grant is shown as a creditor on the Annual Return's Statement of Balances at 31 March 2021, and will be available to fund the capital programme during 2021/22 once the final business cases have been approved by the Board.

## **6. Legal Implications**

- 6.1 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.

6.2 The Accounts and Audit (Wales) (Amendment) Regulations 2018 require all Joint Committees to prepare year-end accounts. Where the turnover is less than £2.5m the joint committee is deemed to be a “small joint committee” and an annual return must be prepared in accordance with proper practices as stipulated by legislation. We have discussed with our auditors, and as the turnover for the previous two financial years have been less than £2.5m and that the capital grant received is not included in the annual turnover for this year, we are not required to complete a full statement of accounts until 2021-22 when the capital expenditure commences.

## **7. Consultations Undertaken**

7.1 The underspend position at the end of the 2020/21 financial year was reported to the Executive Group on 30 April 2021.

## **8. Appendices**

Appendix 1 – Revenue Income and Expenditure Account for 2020/21.

Appendix 2 – Annual Return for the year ended 31 March 2021 (subject to External Audit), but includes Internal Audit’s comments.

## **STATUTORY OFFICERS’ RESPONSE:**

**i. Monitoring Officer – Accountable Body:**

No observations to add in relation to propriety.

**ii. Statutory Finance Officer – Accountable Body:**

Author of this report.