

REPORT TO THE NORTH WALES CORPORATE JOINT COMMITTEE

07/10/2022

Title: North Wales Corporate Joint Committee projected expenditure 2022/23

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide the projected expenditure of the Corporate Joint Committee (CJC) for 2022/23.
- 1.2 In order to work effectively, the Joint-committee must be aware of its financial position against its approved annual budget.

2. DECISIONS SOUGHT

- 2.1 **To note and accept the Corporate Joint Committee's projected expenditure for 2022/23 as submitted in Appendix 1.**
- 2.2 **That the underspend at the end of the financial year will be transferred to an earmarked reserve to fund future one-off costs.**

3. REASONS FOR THE DECISION

- 3.1 To note a projected underspend of £59,777 against the budget in 2022/23, and for this underspend to be transferred to an earmarked reserve to fund future one-off costs.

4. BACKGROUND

- 4.1 At its meeting on 28 January 2022, the Corporate Joint Committee approved its budget for 2022/23.
- 4.2 The budget will continue to be monitored and reviewed throughout the 2022/23 financial year, and the third quarter report will be submitted to the Corporate Joint Committee in January 2023.

5. 2022/23 PROJECTED EXPENDITURE PER HEADING

- 5.1 Appendix 1 provides a detailed breakdown of the expenditure projections per heading against its annual budget.
- 5.2 It is anticipated that the net out-turn position at the end of the 2022/23 financial year will be an underspend of £59,777.

Employees

- 5.3 An underspend of £49,700 is projected against the employees heading for 2022/23.
- 5.3 The employee budget had been based on employing/seconding two employees in the Transport field from July 2022 and three employees in the Strategic Planning field from December 2022. No appointments have been made to date, but we have estimated the costs of £49,230 (Strategic Planning) and £33,820 (Transport) based on the employment/secondment commencing from January 2023. In addition, at its meeting on 22 July 2022, a decision was made to submit a request to the North Wales Economic Ambition Board to release part of their Portfolio Director's time to fulfil the role of the Corporate Joint Committee's Chief Executive on a temporary basis until March 2023. The estimated cost of £33,330 includes the time of the Chief Executive for two days a week together with the support of the Executive Assistant for one day a week.
- 5.5 The allowance cost of the lay members of the CJC's Audit and Governance Subcommittee is based on two committees being held by the end of the financial year.

Travelling

- 5.6 The estimated cost of £1,500 is based on an estimate of the essential travel allowance and staff subsistence needed over the next six months, which gives an underspend of £2,500 on the Travelling heading in 2022/23.

Supplies and services

- 5.7 An underspend of £45,000 is projected against the supplies and services heading for 2022/23. There is a £1,000 underspend of the miscellaneous supplies heading, a £4,000 underspend on the engagement and meetings heading and a £40,000 underspend on the external consultants heading.

Support Services

- 5.9 An underspend of £3,506 is projected against the support services heading for 2022/23. The Finance costs include the time of the CJC Project Lead Officer, and this role has lasted longer than originally anticipated. There is an underspend of £11,008 on the Corporate Support heading due to the reduced number of formal meetings, and a reduction of £2,677 on the Information Technology heading. The cost of legal support may increase if legal input into Transport and Planning plans were required before the end of the financial year.

Value Added Tax (VAT)

- 5.10 Originally, Welsh Government expected the Westminster Government to legislate to provide a section 33 status to the corporate joint committees, which would come into force on 1 December; however, by now, Welsh Government anticipate a delay until 1 March 2023. This means that it will not be possible to reclaim VAT on any financial transactions undertaken in the period prior to March 2023. We estimate that £40,029 of VAT will not be able to be reclaimed for the transactions which will take place during this period.

6. PARTNER CONTRIBUTIONS

- 6.1 It is suggested that the partners' contributions via a levy should continue on the 2022/23 budget level, with the surplus of £59,777 to be transferred to an earmarked reserve.

7. Consultations undertaken

- 7.1 The appendix, together with a summary of the content of this report, was presented to the Chief Finance Officers ('Section 151 Officers') of the seven authorities on 16 September 2022, and a consensus was reached on the way forward.

APPENDICES

Appendix 1 - North Wales Corporate Joint Committee 2022/23 Revenue Budget – September 2022 Review

RESPONSE OF THE STATUTORY OFFICERS:

i. Monitoring Officer:

No observations to add in relation to propriety.

ii. Statutory Finance Officer:

Author of this report.