

**Committee** PROSIECT GWYRDD JOINT COMMITTEE

**Meeting Number:** 01/2019

**Date and Time** TUESDAY, 25 JUNE 2019, 10.00 AM

**Venue** MONMOUTHSHIRE COUNCIL OFFICES - ROOM M4 (COUNTY HALL, THE RHADYR, USK, NP15 1GA)

**Membership** Councillor Michael Michael, Cardiff Council (Chair)  
 Councillor Chris Weaver, Cardiff Council  
 Councillor Nigel George, Caerphilly County Borough Council  
 Councillor Colin Gordon, Caerphilly County Borough Council  
 Councillor Phil Murphy, Monmouthshire County Council  
 Councillor Jane Pratt, Monmouthshire County Council  
 Councillor Roger Jeavons, Newport City Council  
 Councillor Ray Truman, Newport City Council  
 Councillor Peter G King, Vale of Glamorgan Council  
 Councillor Eddie Williams, Vale of Glamorgan Council

## **AGENDA**

No	Item
1	<b>To Note the Membership of the Joint Committee 2019/2020</b>
2	<b>Apologies for Absence</b>  To receive apologies for absence.
3	<b>Declarations of Interest</b>  To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.
4	<b>Minutes</b> ( <i>Pages 3 - 12</i> )  To approve as a correct record the minutes of the previous meeting.  <b>Matters Arising</b>

No	Item
5	Heat Network Update (Pages 13 - 32)
6	Update Report (Pages 33 - 44)
7	Unaudited Annual Financial Return for Year Ended 31 March 2019 (Pages 45 - 60)
8	Date of next meeting TBC

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<b>PROSIECT GWYRDD JOINT COMMITTEE MEETING</b> 20 November 2018, 10.00 am	
<b>LOCATION: Committee Room 2 - County Hall</b>	
<b>Present:</b>	
<b>Elected Members:</b> <b>Councillor Michael Michael, Cardiff Council (Chair)</b> <b>Councillor Chris Weaver, Cardiff Council</b> <b>Councillor Nigel George, Caerphilly County Borough Council</b> <b>Councillor Colin Gordon, Caerphilly County Borough Council</b> <b>Councillor Bryan Jones, Monmouthshire County Council</b> <b>Councillor Phil Murphy, Monmouthshire County Council</b> <b>Councillor Roger Jeavons, Newport City Council</b> <b>Councillor Ray Truman, Newport City Council</b> <b>Councillor Geoff Cox, Vale of Glamorgan Council</b> <b>Councillor John Thomas, Vale of Glamorgan Council</b>	
<b>Officers:</b>	

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No	Item
10	<b>Apologies for Absence</b> None received.
11	<b>Declarations of Interest</b> None received.
12	<b>Minutes</b> The minutes of the meeting held on 12 <sup>th</sup> June 2018 were agreed as a correct record and signed by the Chairperson.
13	<b>Matters Arising</b> None.
14	<p><b>Update Report</b></p> <p>Members were provided with an update report on the Prosiect Gwyrdd Contract.</p> <p>Members were updated with regards to the appointment of Matt Wakelam as Cardiff's Assistant Director for Street Scene as Senior Responsible Officer (SRO) for Prosiect Gwyrdd.</p> <p>Members were updated on the following aspects of the contract:</p> <p>As authorised by the Joint Committee at the June meeting, in relation to the contractor change regarding the increased capacity at the Trident Park Energy Recovery Facility Cardiff Council have entered into a Deed of Variation (as detailed in the June report) in respect of the PG Contract. Furthermore as authorised the partner authorities have entered into the Deed of Variation regarding the JWA2.</p> <p>During April to September 2018 a total of 88,714 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract, with 86,819 tonnes of residual waste treated at Trident Park. From the waste delivered 7,811 tonnes of the Incinerator Bottom Ash was recycled, 383 tonnes of the Air Pollution Control Residue was recycled, 938 tonnes of metals was recycled.</p> <p>In April to September 2018 Viridor achieved all of the five Key Targets; The Contractor's Guaranteed Unprocessed Landfill Target Percentage, The Contractor's Guaranteed Maximum Percentage of Contract Waste to Landfill, The Contractor's Guaranteed IBA Recycling Target Percentage, The Contractor's Guaranteed BMW Diversion Target Percentage and the Contractor's Guaranteed Unreprocessed IBA Target Percentage.</p> <p>As a requirement of revenue support from WG the facility is required to be CHP ready and to achieve and maintain R1 Status. Trident Park submitted the final stage 3 report earlier this year and is awaiting confirmation from Natural Resources Wales it is anticipated the annual figure will be higher than</p>

No	Item	Action																						
	<p>the previous year which was 0.78, which is in excess of the 0.65 requirement.</p> <p>The Air Pollution Control Residue is currently either being recycled by Carbon8 Aggregates at their facility in Avonmouth or landfilled by Grundon (Waste) Ltd at their Gloucestershire facility.</p> <p>Members were also updated on the Community Benefit Fund and were advised that During 2018/19 to date the Prosiect Gwyrdd Community Benefits Fund Panel has met twice where a total of £21,306 was awarded between ten community initiatives based with the Prosiect Gwyrdd Partnership Local Authority areas, the panel will be meeting twice more this financial year. A breakdown of the projects supported this year to date, is detailed in the table below.</p> <table><tr><th>Group</th><th>Amount</th></tr><tr><td>Barry Beaches</td><td>£125</td></tr><tr><td>Caldicot Scout Group</td><td>£2,011</td></tr><tr><td>Rumney Residents Defibrillator Group</td><td>£1,495</td></tr><tr><td>Kids Cancer Charity</td><td>£2,650</td></tr><tr><td>The Dell PTA</td><td>£2,866</td></tr><tr><td>Friends of Abergavenny Library</td><td>£1,200</td></tr><tr><td>Pentywn Scout Group</td><td>£3,000</td></tr><tr><td>Repair Café Wales</td><td>£2,220</td></tr><tr><td>St Mary's Parish</td><td>£3,000</td></tr><tr><td>Upside Down Circus</td><td>£2,740</td></tr></table> <p>Members were asked to encourage applications from their local authority areas. Any monies not spent would be carried over to the following year. There had been carry overs in previous years and they continue to be rolled over.</p> <p>Members noted that there were a variety of applications and asked if there was a set criteria for applications. Members were advised that applications</p>	Group	Amount	Barry Beaches	£125	Caldicot Scout Group	£2,011	Rumney Residents Defibrillator Group	£1,495	Kids Cancer Charity	£2,650	The Dell PTA	£2,866	Friends of Abergavenny Library	£1,200	Pentywn Scout Group	£3,000	Repair Café Wales	£2,220	St Mary's Parish	£3,000	Upside Down Circus	£2,740	
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	<p>would be welcomed from anything that is not a statutory requirement and is community based. The guidance and criteria as well as a simple application form was on the website, the fund was currently undersubscribed.</p> <p>RESOLVED: To note the content of the report.</p>																																																									
15	<p><b>2018/19 Month 7 Monitoring Position and Projected Outturn: 2019/20 Budget</b></p> <p>Members were provided with an update of the financial monitoring position and projected outturn for the Prosiect Gwyrdd Budget based on the Month 7 position for the 2018/19 financial year.</p> <p>The table below provided an update on the Joint Committee’s Month 7 financial position for the 2018/19 financial year. In summary the current position shows a projected gross expenditure outturn of £204,943 which represents a decrease of £48,299 over the original 2018/19 gross expenditure budget of £253,242.</p> <table><tr><th></th><th>2018/19 Budget</th><th>2018/19 Projected Outturn</th><th>2018/19 Variance</th></tr><tr><td></td><td>£</td><td>£</td><td>£</td></tr><tr><td>Project Team</td><td>193,542</td><td>179,492</td><td>(14,050)</td></tr><tr><td>Supplies &amp; Services</td><td>22,510</td><td>22,899</td><td>389</td></tr><tr><td>Committee &amp; Support Services</td><td>10,350</td><td>8,550</td><td>(1,800)</td></tr><tr><td>Organics Contribution</td><td>(39,170)</td><td>(37,248)</td><td>1,922</td></tr><tr><td>Expenditure funded by Partner Contributions</td><td><b>187,232</b></td><td><b>173,693</b></td><td><b>(13,539)</b></td></tr><tr><td>External Advisors</td><td>46,010</td><td>21,250</td><td>(24,760)</td></tr><tr><td>Contingency</td><td>20,000</td><td>10,000</td><td>(10,000)</td></tr><tr><td>Expenditure funded by Reserve Account</td><td><b>66,010</b></td><td><b>31,250</b></td><td><b>(34,760)</b></td></tr><tr><td>Gross Expenditure</td><td><b>253,242</b></td><td><b>204,943</b></td><td><b>(48,299)</b></td></tr><tr><td>Partner Contributions</td><td><b>(185,000)</b></td><td><b>(135,000)</b></td><td><b>50,000</b></td></tr><tr><td>Net Expenditure</td><td><b>68,242</b></td><td><b>69,943</b></td><td><b>1,701</b></td></tr><tr><td>Appropriations (from) / to Joint Committee Reserve A/c</td><td><b>(68,242)</b></td><td><b>(69,943)</b></td><td><b>(1,701)</b></td></tr></table>		2018/19 Budget	2018/19 Projected Outturn	2018/19 Variance		£	£	£	Project Team	193,542	179,492	(14,050)	Supplies & Services	22,510	22,899	389	Committee & Support Services	10,350	8,550	(1,800)	Organics Contribution	(39,170)	(37,248)	1,922	Expenditure funded by Partner Contributions	<b>187,232</b>	<b>173,693</b>	<b>(13,539)</b>	External Advisors	46,010	21,250	(24,760)	Contingency	20,000	10,000	(10,000)	Expenditure funded by Reserve Account	<b>66,010</b>	<b>31,250</b>	<b>(34,760)</b>	Gross Expenditure	<b>253,242</b>	<b>204,943</b>	<b>(48,299)</b>	Partner Contributions	<b>(185,000)</b>	<b>(135,000)</b>	<b>50,000</b>	Net Expenditure	<b>68,242</b>	<b>69,943</b>	<b>1,701</b>	Appropriations (from) / to Joint Committee Reserve A/c	<b>(68,242)</b>	<b>(69,943)</b>	<b>(1,701)</b>	
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No	Item	Action
	Projected Balance of the Joint Committee Reserve A/c as at 31.03.2019	274,139
	<p>The Project Team is currently reporting an underspend of £14,050. This variance assumes that the Project Officer post will remain vacant until the end of this financial year, with the current Project Administrator acting up to cover this role on a full time basis. In addition Agency staff have been recruited on a temporary basis to cover the Project Administrator post part time at 22 hours per week until March 2019.</p> <p>The underspend of £24,760 with external advisors includes the assumptions that further advisor expenditure in the rest of the financial year will be pro-rata to the original budget provision. This assumption will be refreshed and reviewed to inform future monitoring reports. The actual spend to date on advisors is nil.</p> <p>The only other significant expenditure variance identified is with the contingency provision which, in a similar manner to projected Advisor's expenditure, has also had a pro-rata reduction to reflect that there has been no requirement to use this budget in the financial year to date. Again this projection will continue to be reviewed to inform future monitoring reports.</p> <p>In previous financial years rebates of £5,000 per partner have been applied. Based on the projected Reserve Account position at Month 7 a £10,000 rebate per partner is proposed for 2018/19. This position will be kept under review in future monitoring reports for the remainder of this financial year and appropriate adjustments made to this projected rebate if required. The projected balance for the Reserve account as at 31<sup>st</sup> March 2019 is £274,139 and this resource will be available to continue the principle of funding non-recurring Prosiect Gwyrdd expenditure in future financial years.</p> <p>Members were asked to consider the proposed 2019-20 Revenue Budget, including the projected balance of the Reserve Account, and to recommend these budgets to the partnering Councils for consideration as part of their budget planning frameworks for 2019-20.</p> <p>The table below provided a summary of the proposed Budget for 2019-20 as well as a comparison with the current 2018-19 budget. A pay award of 2% from 1<sup>st</sup> April 2019 has been assumed for uplifting employee costs with an indexation assumption of 2.5% being applied to the other non-employee budget headings</p>	

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No	Item	Action	
		<b>2018-19 Original Budget £</b>	<b>2019-20 Proposed Budget £</b>
	Expenditure		
	Contract Management Team	193,542	182,179
	Supplies & Services	22,510	23,470
	Support Services	10,350	8,760
	Cardiff & Vale Organics Contribution	(39,170)	(40,868)
	Expenditure – funded by Partner contributions	<b>187,232</b>	<b>173,540</b>
	External Advisors	46,010	50,120
	Contingency	20,000	20,000
	Expenditure – funded by Reserve Account	<b>66,010</b>	<b>70,120</b>
	Gross Expenditure	<b>253,242</b>	<b>243,660</b>
	Partner Contributions	<b>(185,000)</b>	<b>(185,000)</b>
	Appropriations from Joint Committee Reserve A/c	<b>(68,242)</b>	<b>(58,660)</b>
	Projected Balance of the Joint Committee Reserve A/c as at 31.03.2020		<b>215,479</b>
	<p>A full year spend for the Contract Management team is assumed in the above budget along with a full year assumptions for External Advisors and contingency expenditure. The other budgets heads remain broadly unchanged with the proposed partner contributions unchanged at £185,000, which is £37,000 per partner.</p> <p>The projected drawdown from the Reserve account is £58,660 to leave a projected balance on the account of £215,479 as at 31<sup>st</sup> March 2020.</p> <p>Members were provided with early indicative estimates for the period from</p>		

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No	Item	Action																									
	<p>2020-21 onwards.</p> <p>The table below provided a summary of indicative Joint Committee budgets and partner contributions for the financial years 2020-21 to 2022-23 which have also been indexed by inflation assumptions of 1% for pay and 2.5% for other non-pay expenditure per annum. The projections are based on the continuation of a funding position adopted elsewhere in this report with the Reserve Account funding non-recurring expenditure. Any significant in-year drawdown from the Reserve may need to be subsequently replenished by the Partners but there would be sufficient early warning of this requirement to avoid in-year increases in Partner contributions.</p> <p>An upper threshold of £275,000 and a lower threshold of £150,000 have been previously proposed for managing the Joint Committee Reserve Account but the account balance has been consistently above this threshold in recent years.</p> <table><tr><th>Financial Year</th><th>Indicative Gross Expenditure Budget</th><th>Contributions per Partner</th><th>Reserve A/c funding</th><th>Projected Reserve A/c balance</th></tr><tr><td></td><td>£</td><td>£</td><td>£</td><td></td></tr><tr><td>2020-21</td><td>246,000</td><td>37,000</td><td>61,000</td><td>154,000</td></tr><tr><td>2021-22</td><td>250,000</td><td>37,000</td><td>65,000</td><td>89,000</td></tr><tr><td>2022-23</td><td>262,000</td><td>37,000</td><td>68,000</td><td>20,000</td></tr></table> <p>RESOLVED:</p> <p>a. That the Joint Committee notes the 2018/19 projected outturn forecast including the projected year-end balance for the Joint Committee Reserve Account.</p> <p>b. That the Joint Committee recommends the 2019-20 budget, including the proposed drawdown and closing balance of the Reserve Account, to the Partnering Councils for approval as part of their respective budget planning frameworks for 2019-20.</p> <p>c. The Joint Committee asks the Partnering Councils to note the indicative budgets, and associated partner contributions, outlined for the financial years 2020-21 to 2022-23.</p>	Financial Year	Indicative Gross Expenditure Budget	Contributions per Partner	Reserve A/c funding	Projected Reserve A/c balance		£	£	£		2020-21	246,000	37,000	61,000	154,000	2021-22	250,000	37,000	65,000	89,000	2022-23	262,000	37,000	68,000	20,000	
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16	<p><b>Proposed Date of next meeting</b></p> <p>Andrea Redmond to arrange a meeting for early June 2019.</p>																										

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No	Item	Action
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**THE BOROUGH, CITY AND COUNTY COUNCILS OF CAERPHILLY, CARDIFF,  
MONMOUTHSHIRE, NEWPORT AND THE VALE OF GLAMORGAN**

**PROSIECT GWYRDD JOINT COMMITTEE**

**REF: 01-19**

**DATE: 25/06/19**

**UPDATE ON THE PROPOSALS FOR THE CARDIFF HEAT NETWORK**

**REPORT OF: Gareth Harcombe**

**AGENDA ITEM: 5**

**Background**

1. The Board will be aware that the delivery of a heat network arising from the Viridor [plant has been a longstanding aspiration for Prosiect Gwyrdd. An extensive feasibility study examining the potential for a heat network in Cardiff was completed by a leading consulting engineering firm on behalf of Cardiff Council in 2017. This study was funded by the Heat Network Delivery Unit (HNDU) of the Department of Business, Energy and Industrial Strategy (BEIS) with additional Welsh Government support. Subsequently in 2018, Cardiff Council's Cabinet approved an Outline Business Case for the heat network. This clarified the Council's strategic interest in the scheme and authorised further work to establish a heat network, subject to concluding the necessary agreements, obtaining capital funding and presenting a Full Business Case back to Cabinet for approval.

2. The proposed Cardiff Heat Network is envisaged to run through large parts of the Bay area before crossing the main Cardiff to London railway line. It will then skirt the southern edge of the city centre and finally end in the western parts of Newport Road. The proposed primary heat source for the network is envisaged to be the Trident Park Energy from Waste (EfW) plant.

**Update**

3. Further details on the proposed network are contained in the attached presentation.

4. As there is provision within the Prosiect Gwyrdd contract in relation to heat, the purpose of this report is to provide an update to Prosiect Gwyrdd partners on the plans and progress for the Cardiff Heat Network.

**Reason for Recommendations**

5. To allow the Committee to note the content of the presentation delivered by Cardiff Council's heat network project team.

## **Financial Implications**

6. There are no financial implications for PG at this stage as the report is for noting. The PG contract contains provision to move to a combined heat and electricity gain share with a corresponding reduction in electricity gain share at PG absolute discretion.

## **Legal Implications**

7. The report is for noting and accordingly it does not directly raise any legal implications. The PG contract contains provisions relating to heat and those provisions will need to be complied with.

## **RECOMMENDATION**

That the joint committee note the content of the presentation.

**Gareth Harcombe**  
**Commercial Manager Energy and Sustainability**

## **Appendix A – Joint Committee Cardiff Heat Network Presentation**

## Item 5. Heat Network



- ▶ PG Contract requires Trident Park ERF to be CHP Enabled, including provision of space for necessary equipment
- ▶ The Facility Permit requires: The operator shall review the practicability of Combined Heat and Power (CHP) implementation at least every 2 years. The results shall be reported to NRW within 2 months of each review.
- ▶ Prior to implementation Viridor are required to submit a Contractor Change in accordance with Schedule 21

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# Cardiff Heat Network

Gareth Harcombe – Energy and Sustainability Manager (CCC)  
Jonathan Williams – Heat Network Project Manager (Carbon Trust)



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Working for Cardiff, working together





# THE PROJECT AND BACKGROUND



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# Major Benefits

## Why are we doing it?

- **Existing heat as a source of saving/income**
  - Heat currently available at Viridor
  - Other potential waste industrial and natural heat sources within reach
  - Financial benefit for Council and/or customers
- **Major boost to decarbonisation targets**
  - WG “Carbon Neutral” ambition for public sector (avoiding penalties?)
  - Heat is the most difficult carbon challenge
  - Links to air quality
  - Action to address Climate Emergency
- **Driving economic development**
  - Low carbon city “branding” opportunity
  - Low carbon opportunities for businesses and development
  - Retaining significant energy spend in the local economy
  - Many competitor cities offering heat networks
- **Long term, secure heat supplies.**
  - 40 year minimum project life
  - Highly localised supply and demand



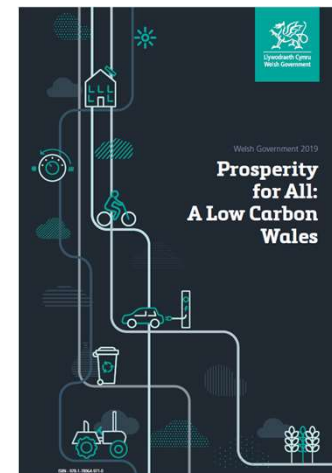
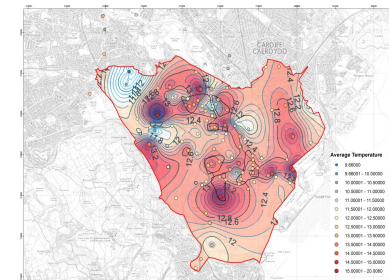
Trident Park  
Energy from Waste Plant



Celsa waste heat??

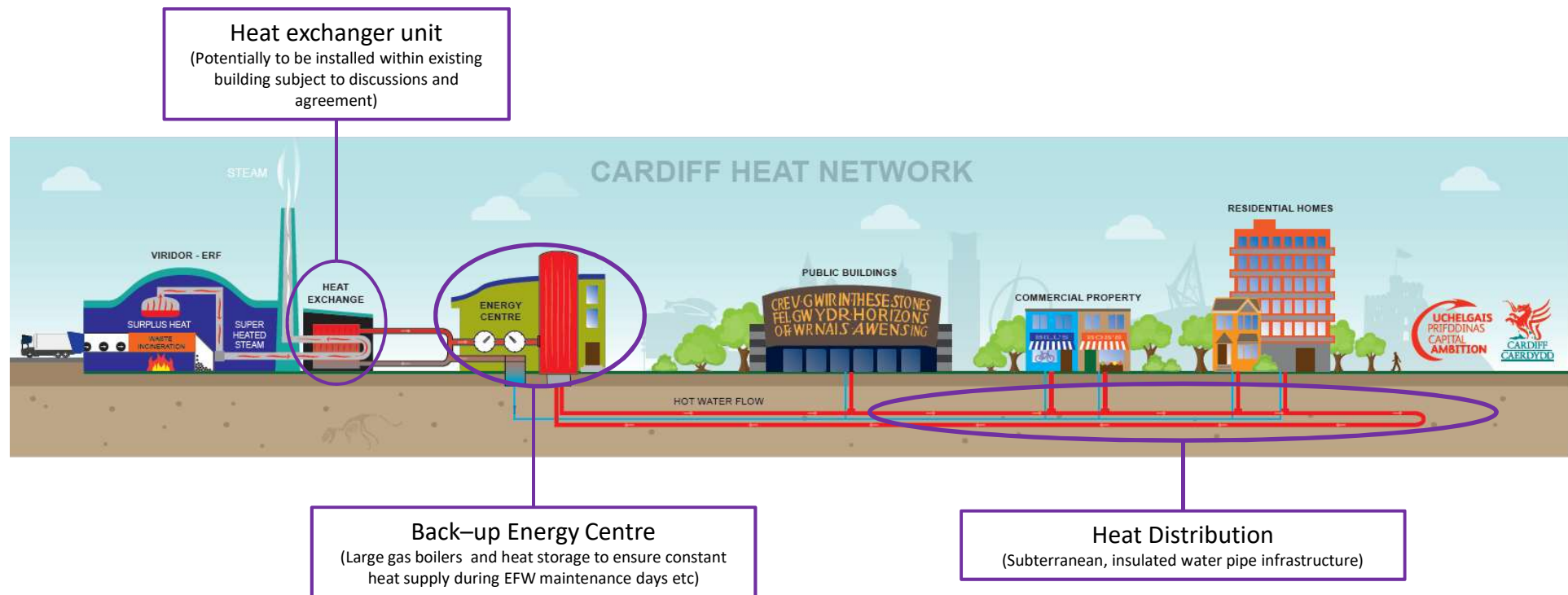


Groundwater resource??



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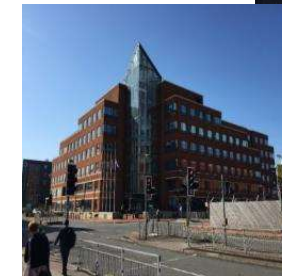
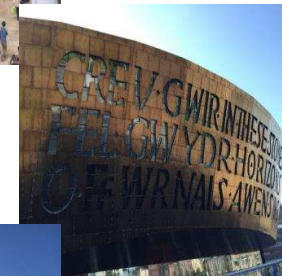
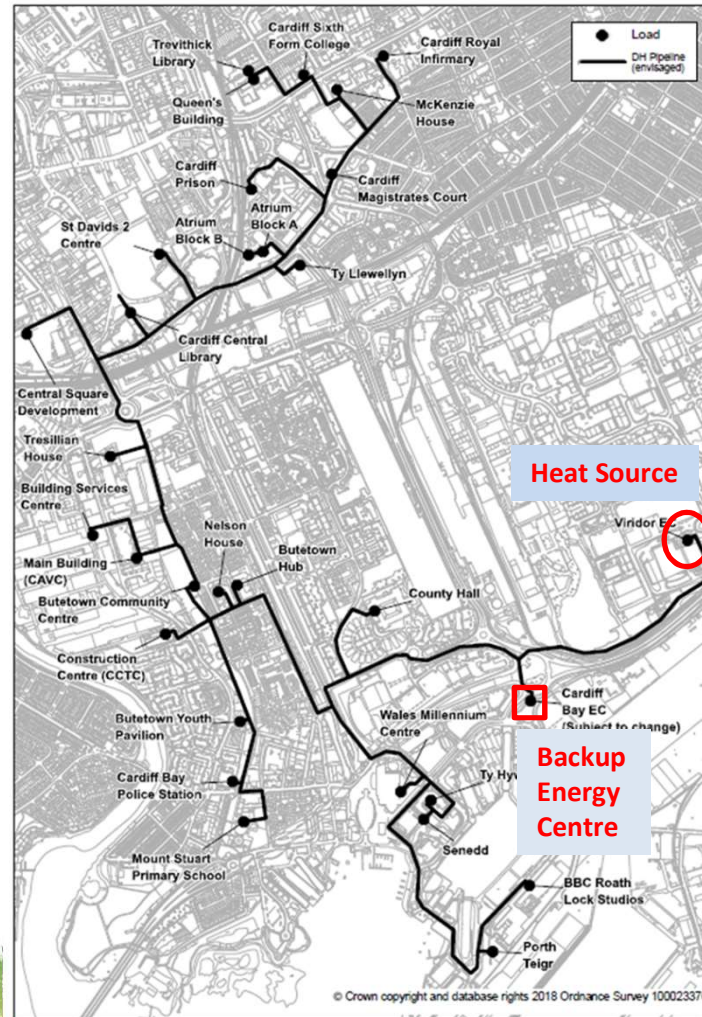
# Network illustration



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# Proposed Heat Network



(public sector customer base)

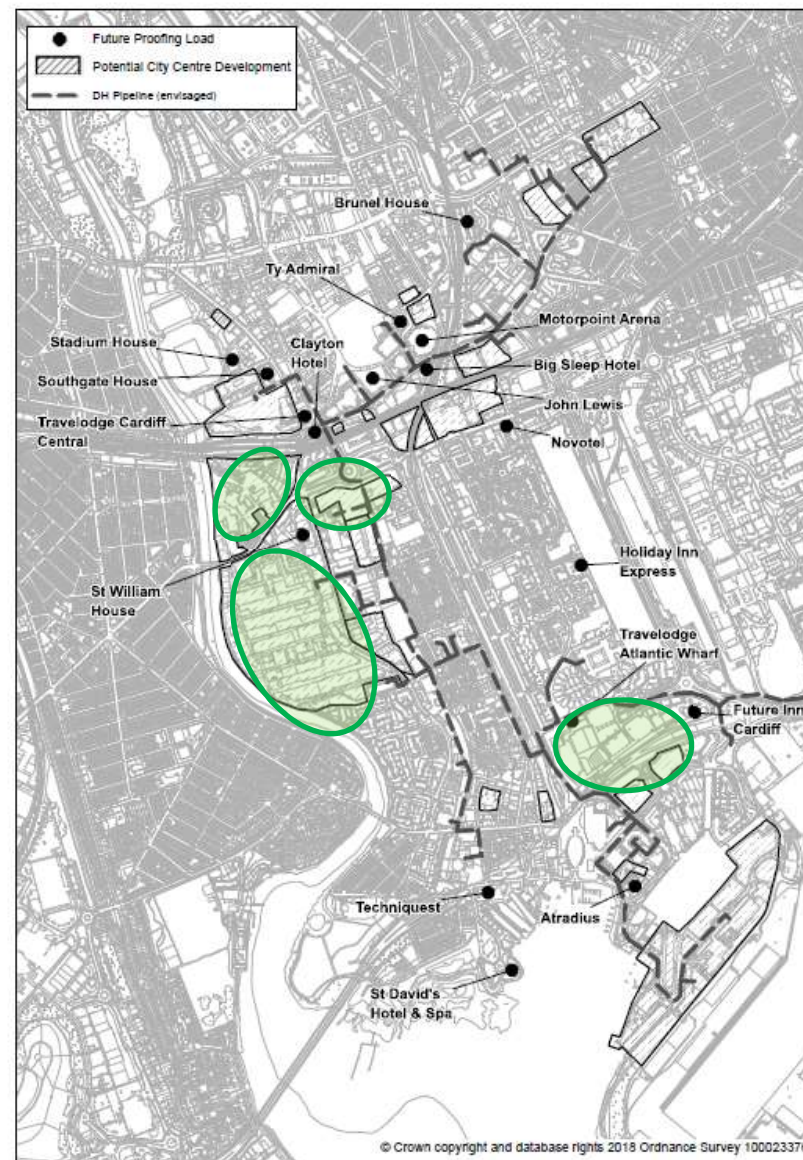
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# Potential Additional Private Sector Loads

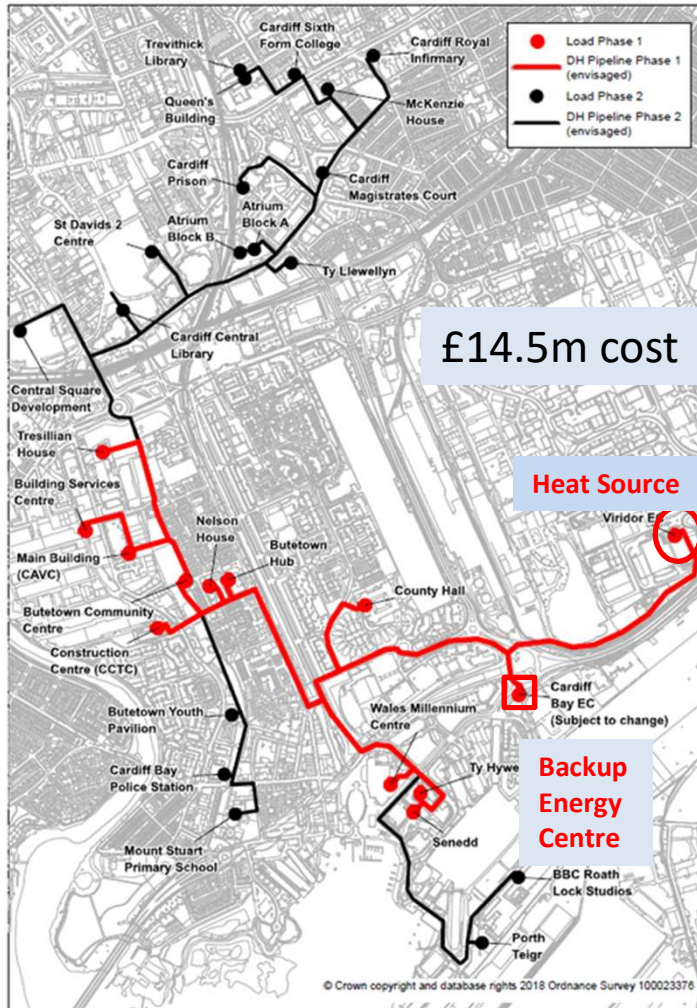
- Existing Building types:
  - Hotels
  - Arenas
  - Offices
- But also new development areas:
  - Dumballs Rd
  - Callaghan Square
  - Brains Brewery
  - New Indoor Arena?
- Planning policy and/or land deals steering new connections



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# Cardiff Heat Network: Phase 1



## 4 Major Public Sector Customers

### Most expensive phase

- Initial Viridor Connection cost
- Energy centre requirements
- Need to oversize pipes
- Lower density of customers

### But ...

- A manageable customer base with interest already confirmed
- Phase 1 established this way increases future value of phase 2
- Gives certainty and credibility for future customers
- Most likely to attract Grant funding

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# Outline Business Case approval



- Outline Business Case approved by Cabinet on 19<sup>th</sup> April 2018
- Approx £15 m costs for phase 1:
  - funded by a combination of Council capital, WG loan/investment and Central Govt Grant
- Approval also given for:
  - Further development of a **Final Business Case** for Cabinet approval subject to securing the appropriate funding as set out in the report
  - The project team be authorised to proceed with the **grant applications** in respect of HNDU and HNIP as set out in the report
  - The project team be authorised to progress further with **stakeholders** referred to in the report
  - Authority be delegated to the Director Planning, Transport and Environment to finalise the procurement strategy and **commence procurement** of a design, build, operate and maintain contract



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# Delivery Team Established



- Internal oversight Team established (Finance, Legal, Procurement)
- External Project Management Team appointed (July 2018)
- External Special advisors to support DBOM and closing agreements:
  - Technical Advisors appointed (November 2018)
  - Legal Advisors (December 2018)
  - Commercial Model (April 2019)



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# Welsh Government Funding



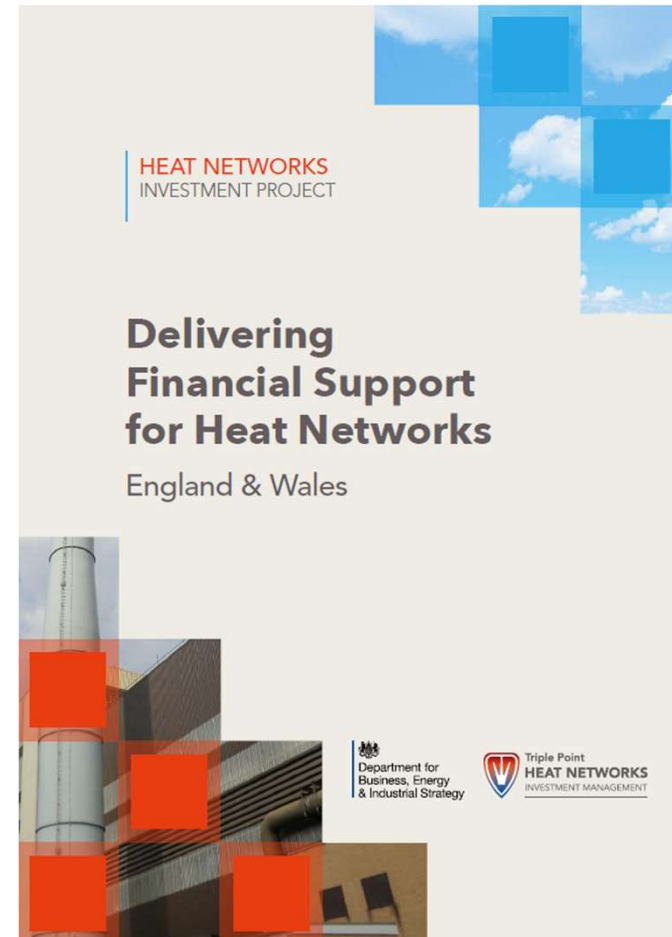
- Letter of support from Deputy Director for Decarbonisation and Energy at Welsh Government
- Liaising with WG regarding Funding Agreement
- **Cardiff project requires significant capital funding from WG**



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# Heat Network Investment Project (HNIP)

- Capital grant funding programme
  - Up to 50% of capital cost
- Now open for applications
- Cardiff intends to apply for significant capital funding from HNIP
- Application planned later in 2019



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# VIRIDOR AGREEMENT



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# PURCHASE OF HEAT

## Viridor negotiations



- Summary of Commercial Arrangements (SoCA) in preparation
- Further meetings planned
- Letter exchange to follow to give status to SoCA



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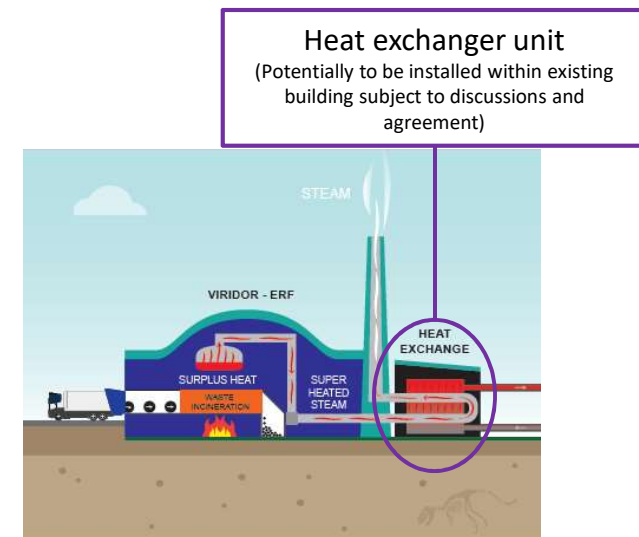
# Heat Exchanger Installation

## Fichtner commission



### Feasibility: design and costs

- Split into two work packages
- Work Package 1:
  - Developed design, specification and budget for heat recovery to cover the Viridor Scope of Supply
- Work Package 2:
  - Develop operation, maintenance, repair and replacement costs for heat recovery equipment



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# Heat exchangers



Potential Location?



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# Planned activities



Milestone
Soft Market Testing
Completing Heat Purchase Agreement with EFW
Design for top-up energy centre to allow planning application
Confirmation of Stakeholder In Principle Commitment to project
HNIP Capital Application
Preparation of DBOM Tender Documentation
Start Procurement of DBOM Contractor(s)
Outcome of HNIP Capital Application
Final Business Case to Cabinet including outcome of tendering exercise



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**THE BOROUGH, CITY AND COUNTY COUNCILS OF CAERPHILLY, CARDIFF,  
MONMOUTHSHIRE, NEWPORT AND THE VALE OF GLAMORGAN**

**PROSIECT GWYRDD JOINT COMMITTEE**

**REF: 01-19**

**DATE: 25/06/19**

**PROSIECT GWYRDD UPDATE REPORT FOR JOINT COMMITTEE**

**REPORT OF: SENIOR RESPONSIBLE OFFICER**

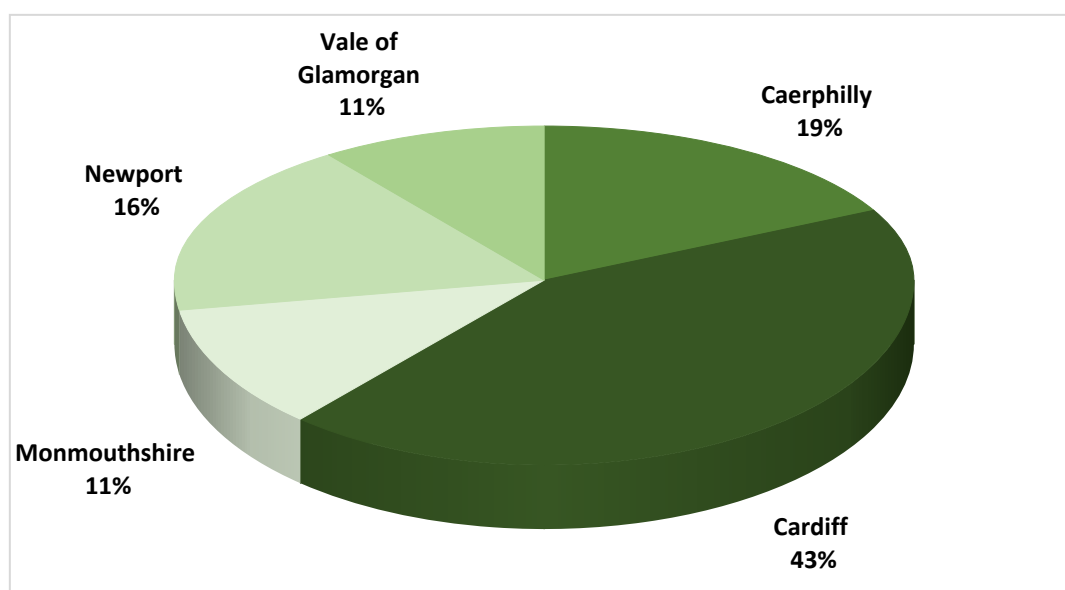
**AGENDA ITEM: 6**

**Background**

1. At previous Joint Committee meetings Update Reports on the Prosiect Gwyrdd Contract have been provided, this report provides a further update in relation to this contract.

**Contract Update**

2. During 2018/19 a total of 167,998.42 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract against a projected profile of 167,767 tonnes.
3. Proportion of Contract Waste Delivered 2018/19 by Partner Authority



4. From the waste delivered 27,741 tonnes of the Incinerator Bottom Ash was recycled, 1,491 tonnes of the Air Pollution Control Residue was recycled, 2,915 tonnes of ferrous metals was recycled and a further 508 tonnes of other metals were recycled. During the year 33 tonnes of contract waste was sent to landfill and 290 tonnes of Air Pollution Control Residue was landfilled.
5. In 2018/19 Viridor achieved all of the five Key Targets:

Key Target	Target Percentage	Actual Percentage
The Contractor's Guaranteed Unprocessed Landfill Target Percentage	0.0%	0.0%
The Contractor's Guaranteed Maximum Percentage of Contract Waste to Landfill	2.1%	0.2%
The Contractor's Guaranteed IBA Recycling Target Percentage	100.0%	100.0%
The Contractor's Guaranteed BMW Diversion Target Percentage	100.0%	100.0%
the Contractor's Guaranteed Unreprocessed IBA Target Percentage	0.0%	0.0%

6. As a requirement of revenue support from WG the facility is required to be CHP ready and to achieve and maintain R1 Status. Trident Park submitted the final stage 3 report to Natural Resources Wales confirmed with an annual figure of 0.76 which is in excess of the 0.65 requirement.
7. The Incinerator Bottom Ash is currently being recycled by Days Aggregates at their facility in Avonmouth.
8. The Air Pollution Control Residue is currently either being recycled by Carbon8 Aggregates at their facility in Avonmouth or landfilled by Grundon (Waste) Ltd at their Gloucestershire facility.

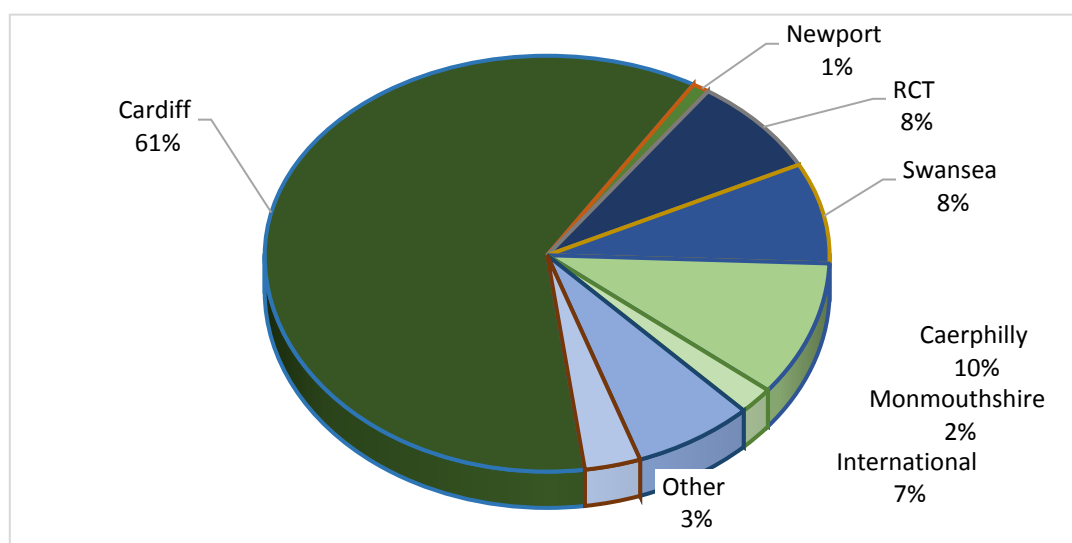
#### Community and Community Benefit Fund

9. During 2018/19 the Prosiect Gwyrdd Community Benefits Fund Panel met three times where a total of £59,498.21 was awarded between twenty-eight community initiatives based with the Prosiect Gwyrdd Partnership Local Authority areas. A breakdown of the projects supported in 2018/19 is detailed in the table below.
10. **Breakdown of 2018/19 Prosiect Gwyrdd and Viridor Community Fund Awards**

Authority	Number of Projects	Total Value
Caerphilly County Council	1	£2,958.00
Cardiff Council	12	£30,081.08
Monmouthshire County Council	4	£7,375.67
Newport City Council	3	£3,942.76
Vale of Glamorgan Council	2	£2,290.70
Projects working across all areas	5	£12,850.00

Details of the projects can be seen in Appendix A

11. Details of the funding criteria and how to apply can be found at: <https://viridor.co.uk/our-operations/energy/energy-recovery-facilities/cardiff-erf/community>
12. During 2018/19 the number of groups visiting Trident Park was 46, with a total of 593 visitors.
13. Education Centre Visitors by Area



## Financial Implications

14. There are no direct financial implications arising from this update report. The financial arrangements between the Partnership and Viridor will operate in accordance with the Contract and in particular the Payment Mechanism.

## Legal Implications

15. There are no direct legal implications associated with this report

## Recommendations

To note the content of this report.

**Mathew Wakelam**  
**Senior Responsible Officer, Prosiect Gwyrdd**  
25 June 2019

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August 2018

Community Group	Donation	Town/City	Description of Group
Friends of Barry Beaches	£124.70	Vale of Glamorgan	<p>Friends of Barry Beaches come together once a month to collect litter from one of Barry's five beaches. The litter pick is open to all ages.</p> <p>Our donation has been used to purchase litter picking kits that consist of litter pickers and hi-vis vests for children.</p>
Caldicot Scout Group	£2,010.67	Monmouthshire	<p>The Caldicot Scout Group (Beavers to Explorers) host an annual camping event together. Their current marquee is too small to accommodate the whole group at once, but it is designed to allow a 10ft extension. The Caldicot Scout Group have applied to the community fund to purchase this extension, which when purchased will provide accommodation for the entire group and provide a communal dry area during group camps and activities.</p>
<b>TOTAL</b>			<b>£2,135.37</b>

September 2018

Community Group	Donation	Town/City	Description of Group
Rumney Residents	£1,495.00	Cardiff	<p>The Rumney Resident group have been trying to raise funds for a publicly available defibrillator to be installed within the community.</p> <p>Our donation has been used to purchase the defibrillator.</p>
Kids Cancer Charity	£2,650.00	Cardiff	<p>Kids Cancer Charity is a charity devoted to caring and supporting families, children and teenagers affected by cancer. They have grown considerably in recent years and have gained UK-wide recognition for their work and activities.</p> <p>Our donation has been used to pay for the IT equipment that will be essential to the role of the charity's Cardiff based</p>

			Play Therapist. These items include a MacBook, an iPad and a wireless printer.
Dell PTA	£2,866.00	Monmouthshire	<p>The Dell PTA raise funds in order to provide fun events for the children of The Dell Primary School, support the school by supplying equipment and support infrastructure development.</p> <p>Our donation has been used to make improvements to the Reception Blocks.</p>
Friends of Abergavenny Library Services	£1,200.00	Monmouthshire	<p>The Friends of Abergavenny Library Services is a group of like-minded people who got together to help promote library services and usage.</p> <p>Our donation has been used to renovate the area surrounding the library. With our donation they have removed damaged and derelict flower beds and replaced them with a new design to provide a more accessible and flexible space for users of the library to enjoy.</p>
Pentwyn Scout Group	£3,000.00	Cardiff	<p>The Pentwyn Scout Group took over a local play centre which otherwise would have been closed due to lack of funding. The scout group now use the centre for activities and offer the building to other local groups to hire. The scout group would like to be able to fully utilise the building and all its' rooms but are required to develop the kitchen so that it meets the standards required by law.</p> <p>Our donation has been used to support the development of their kitchen.</p>
Repair Café Wales	£2,220.00	Cardiff	<p>Repair Café Wales fixes items, from electronics to clothes, that would otherwise be thrown away. In twelve months, they have started four Repair Cafes in and around Cardiff and hope to start another three.</p> <p>Our donation has been used in the setting up, advertising and insuring of these new cafes.</p>
St Mary's Parish	£3,000.00	Cardiff	<p>St Mary's Parish have witnessed new developments popping up all around their local area, and while they support these developments, they would like to maintain an area that is wildlife and pollinator friendly, which will be</p>

			<p>managed through community activity and engagement.</p> <p>Our donation has been used to erect boundary fencing and a gateway to what they call 'Wild Side'.</p>
Up Side Down Circus	£2,740.00	Cardiff	<p>Up Side Down Circus is a social circus that is focused on delivering inclusive and accessible circus classes to members of the community, charities, universities and businesses.</p> <p>Our donation has been used to purchase additional safety floor mats. Improving the quality of their mats and increasing the number of them has allowed them to get more people involved and ensure the highest of safety standards.</p>
<b>TOTAL</b>			<b>£19,171.00</b>

#### December 2018

Community Group	Donation	Town/City	Description of Group
Cardiff Civic Society	£2,500.00	Cardiff	<p>Cardiff Civic Society's 'Canopy Cardiff/Canopi Caerdydd' project aims to increase the number of trees in the city as areas such as Cardiff Bay and Adamsdown have well below the national average tree cover.</p> <p>Our donation has been used in a significant tree planting project running from January to March 2019.</p>
Cardiff Crusaders	£2,956.00	Cardiff	<p>Cardiff Crusaders were a girls' football club but have recently affiliated with a local boys' club and become Cardiff Crusaders Boys &amp; Girls F.C. As a result, they have had to purchase new kits for all players.</p> <p>Our donation has been used to purchase winter training kit and training equipment.</p>
CCYCP	£3,000.00	Cardiff	CCYCP delivers social and informal education services to, and in partnership with, the local community. They have a strong focus on working alongside young

			<p>people and adults with additional needs, particularly learning disabilities.</p> <p>It has become apparent to the group that many members engage in little or no aerobic exercise and find it difficult to access leisure facilities due to lack of transport or support.</p> <p>Our donation has been used to purchase two outdoor exercise stations that would allow disabled members to develop strength and fitness alongside other community groups and members of the public.</p>
Gaer Community Family Learning	£902.76	Newport	<p>Gaer Community Family Learning are a community group providing new skills to members through upcycling. The group aims to give local families the opportunity to develop new skills while bettering their own mental health and wellbeing through fun engagement activities.</p> <p>Our donation has been used to purchase craft resources.</p>
Greenpower	£1,500.00	ALL	<p>Greenpower Education Trust is a UK based charity that inspires young people around the world to excel in STEM subjects through a unique and fun challenge: to design, build and race an electric car.</p> <p>Our donation has been used to purchase a Goblin Greenpower car for demonstration purposes in South Wales to excite/inspire both students and teachers.</p>
Homemakers Community Recycling	£1,299.00	Monmouthshire	<p>Homemakers is a community recycling charity that upcycles furniture and sells it at an affordable price to the community.</p> <p>Our donation has been used to purchase a carpet and upholstery cleaner so that Homemakers can continue refurbishing furniture to offer a cheap alternative to buying furniture brand new, to community members that cannot afford the latter.</p>
Keep Wales Tidy	£3,000.00	ALL	<p>Keep Wales Tidy supports thousands of volunteers across Wales every year to</p>



			<p>improve the quality of their local environment by undertaking litter-picks and clean-ups. This involves providing equipment to local litter champions, and each kit costs £40.</p> <p>Our donation has been used to purchase 75 new litter champion kits and will be used in all 5 of the partner local authorities in Prosiect Gwyrdd.</p>
Newport Corinthians	£1,125.00	Newport	<p>Newport Corinthians aim to set up two under-six football teams that will provide evening and weekend sport for 14 children and their families.</p> <p>Our donation has been used to purchase football sets, pop up goals and football kits for these teams.</p>
Oasis Cardiff	£2,520.00	Cardiff	<p>Oasis Cardiff is a centre for refugees and asylum seekers.</p> <p>Our donation has been used to purchase equipment to set up an educational workshop for refugees and asylum seekers in pattern cutting, sewing, tailoring and garment alteration skills.</p>
Old Illtydians	£1,950.00	Cardiff	<p>Old Illtydians is a community based inclusive rugby club, allowing all children to play rugby in a safe and fun environment.</p> <p>Our donation has been used to purchase training equipment and kits for the club.</p>
Parish of Treharris	£2,958.00	Caerphilly	<p>St John's Church has secured funding to create a new, modern and flexible community space within the current footprint of the Church.</p> <p>Our donation will be used to purchase wooden chairs when the refurbishment is complete.</p>
Penmark with Porthkerry	£2,166.00	Vale of Glamorgan	<p>Penmark with Porthkerry Scout group is based in Vale of Glamorgan.</p> <p>Our donation has been used to replace old and out of date equipment. Items include tents, cooking sets and stacking benches.</p>
RNIB Cymru	£3,000.00	ALL	<p>RNIB Cymru hope to deliver the gift of reading to an estimated 27,560 children</p>

			<p>and adults living with sight loss in South Wales.</p> <p>Our donation has been used to purchase two children's talking books.</p>
Sparkle	£1,915.00	Newport and Monmouthshire	<p>Sparkle is a charity based at Serennu Children's Centre. Sparkle supports children and young people with a disability or developmental difficulty, and their families.</p> <p>Sparkle's aim is to provide children and young people with the tools and confidence they need to reach their full potential.</p> <p>Our donation has been used to purchase items for activities, such as a patchwork activity mat and a giant numbered fish game.</p>
Sport Cheer Wales	£2,700.00	ALL	<p>Sport Cheer Wales is the national body for cheerleading in Wales. They hope to take several cheer teams to the ICU World Championships in Orlando, Florida.</p> <p>Our donation has been used to purchase team uniforms and team opening ceremonies kits which consist of warmup jackets and trousers.</p>
Screen Alliance Wales	£2,056.21	ALL	<p>Screen Alliance Wales are committed to building a sustainable workforce for the ever-growing Film and TV industry in Wales. Their aim is to find, nurture, and promote the talent, crew and services of this industry in Wales. They also wish to open doors for individuals through their education project where they will demonstrate how many varied careers are available within the industry, from carpentry to catering, to camera work and beyond.</p> <p>Our donation has been used to purchase an Apple MacBook Pro and art supplies for workshops.</p>
Tenovus Cancer Care	£2,643.87	Cardiff	<p>Tenovus Cancer Care understand that dealing with cancer can be isolating and lonely, so they have set up a 'Sing With Us' choir, which provides cancer sufferers and their families with a</p>

			<p>welcoming and warm environment to make friends and build relationships through song.</p> <p>Our donation has been used to purchase equipment for the choir, such as an Apple iPad, microphones and sound systems.</p>
<b>TOTAL</b>			<b>£38,191.84</b>

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**THE BOROUGH, CITY AND COUNTY COUNCILS OF CAERPHILLY, CARDIFF,  
MONMOUTHSHIRE, NEWPORT AND THE VALE OF GLAMORGAN**

**PROSIECT GWYRDD JOINT COMMITTEE**

**REF: 01-19**

**DATE: 25/06/2019**

**PROSIECT GWYRDD 2018/19 OUTTURN AND ANNUAL FINANCIAL RETURN**

**REPORT OF: TREASURER TO THE PROSIECT GWYRDD JOINT COMMITTEE**

**AGENDA ITEM: 07**

**PURPOSE OF REPORT**

1. To present to the Joint Committee the draft, unaudited Financial Annual Return for the year ended 31st March 2019 prior to the statutory deadline of 30th June. The Joint Committee will be asked to approve the unaudited Annual Return and following their approval, the document will be available for public inspection and then submitted to the Wales Audit Office (WAO) to undertake the external audit of this return.

**BACKGROUND**

2. Local Authorities and other relevant bodies (including Joint Committees) are required to prepare and publish their annual accounts in-line with the requirements of the Accounts & Audit (Wales) Regulations 2014 (as amended). Regulation 14 states that smaller local government bodies (those with annual income and expenditure below £2.5 million) can prepare their accounts in the form of an Annual Return replacing the obligation to produce a full Statement of Accounts.
3. The Joint Committee will now be asked to approve the unaudited Annual Return for submission to the external auditor in accordance with the Accounts and Audit (Wales) Regulations for small Local Government Bodies into which category Prosiect Gwyrdd now resides.
4. Following the audit of the Annual Return, if there are no amendments then the certified Annual Return can be published without further reference to the Joint Committee. If material amendments are required then a further meeting of the Joint committee will be required to approve the audited annual return. The deadline for publication of the certified Annual Return remains at the 30th September.

Partnership of Councils



Page 1 of 5



Supporting partner



5. The draft, unaudited Prosiect Gwyrdd Annual Return for 2018/19 is attached to this report as Appendix A. Prior to the commencement of the external audit the Annual Return will be made available for public inspection as required by the Public Audit (Wales) Act 2004 and by the Accounts and Audit (Wales) Regulations 2014.

## ISSUES

6. Table 1 below provides a comparison of the 2018/19 outturn with the budget. This highlights a gross expenditure outturn of £147,735, a decrease of £105,507 compared to the original 18/19 gross expenditure budget of £253,242. After including the Partner Contribution rebate of £50,000 (£10,000 per partner) the net underspend for 2018/19 is £55,507.

**Table 1: 2018/19 Summary Monitoring Position**

	<b>2018/19 Budget £</b>	<b>2018/19 Outturn £</b>	<b>2018/19 Variance £</b>
Project Team	193,542	155,661	-37,881
Supplies & Services	22,510	12,152	-10,358
Committee & Support Services	10,350	6,090	-4,260
External Advisors	46,010	0	-46,010
Contingency	20,000	0	-20,000
Organics Contribution	-39,170	-26,168	13,002
<b>Gross Expenditure</b>	<b>253,242</b>	<b>147,735</b>	<b>-105,507</b>
Partner Contributions	<b>-185,000</b>	<b>-135,000</b>	<b>50,000</b>
<b>Net Expenditure</b>	<b>68,242</b>	<b>12,735</b>	<b>-55,507</b>
<b>Appropriations (from) / to Joint Committee Reserve A/c</b>	<b>-68,242</b>	<b>-12,735</b>	<b>55,507</b>
<b>Projected Balance of the Joint Committee Reserve A/c as at 31.03.2019</b>		<b>331,347</b>	

7. The variance is largely due to underspends previously reported to the Joint Committee in the Month 7 monitoring report in particular underspends due to the lack of spend against the contingency and external advisors budgets, as well as savings associated with staff turnover and recruitment delay. Consequentially the projected budgeted drawdown from the Joint Committee Reserve Account of £68,242 was reduced to £12,735. The balance of the reserve account as at 31<sup>st</sup> March 2019 now stands at £331,347 and the options for the utilisation of an element of this reserve will be presented firstly to Contract Management Board and then the

Joint Committee as part of the 2020/21 budget report as has been the case in previous years.

8. The project team reported an underspend of £37,881, with the variance reflecting the staff turnover and recruitment delays highlighted above with the current Project Administrator acting up to cover the Project Officer role on a full time basis. A number of Agency staff have been recruited on a temporary basis to partly cover the Project Administrator post during this financial year.
9. The other significant variances identified in Table 1 are the :-
  - a. External advisors and Contingency provisions with the underspends reflecting that there has been no requirement to use these budgets in the 2018/19 financial year.
  - b. Supplies and Services which reflects a reduction in the accommodation charge for the Lamby Way offices.
  - c.
10. The format of the Annual Return for 2018/19 is largely unchanged and is attached as Appendix A., it includes the following sections :
  - a. Section 1 (page 2 of the return) holds the financial information including a comparison with the equivalent 2017/18 figures.
  - b. Section 2 (page 3) of the Annual Return is the Annual Governance statement which continues in the form of a questionnaire.
  - c. Section 3 (page 4) includes the certification of the annual return both by the Joint Committee, subject to its approval, and the Responsible Finance Officer.
  - d. This is followed by the Auditor General for Wales' Audit Certificate and report on page 5.
  - e. The last Section is the Annual Internal Audit report (pages 6 to 8) which comments on the adequacy of procedures and controls relevant to Prosiect Gwyrdd.

## FINANCIAL IMPLICATIONS

11. This report provides the Joint Committee with confirmation of the 2018/19 outturn position that reflects a gross expenditure underspend of £105,507 before the rebates of Partner Contributions of £50,000. The balance of the Reserve Account at the end of 2018/19 is £331,347 which will be available to assist in funding non-recurring Prosiect Gwyrdd expenditure and / or offsetting Partner Contributions in future financial years.
12. This report is presented to the Joint Committee who are due to approve the unaudited Prosiect Gwyrdd Annual Return at the meeting on 25<sup>th</sup> June before the deadline of 30th June 2019.

13. Options for the utilisation of the balance of the Joint Committee Reserve Account carried forward into 2019/20 are to be considered as part of the budget setting process for 2020/21.

## LEGAL IMPLICATIONS

14. All Local authority accounts are required to be made up to 31<sup>st</sup> March. The regulations currently in force are the Accounts and Audit (Wales) regulations 2014 (the Regulations). The Regulations set out the process for dealing with accounts and as set out in this report that will be the process for a 'smaller relevant body' i.e. approval of an Accounting Statement (including amendments thereof) which is referred to in this report as an Annual Return. The Regulations also sets out further provision in relation to publication.
15. The Joint Working Agreement 2 (JWA2) in respect of the PG contract makes provision in respect of monitoring of costs, approving annual budgets, council contributions, project expenditure and subsequent reimbursements to councils.
16. Currently the JWA2 deals with the process of approving accounts according to legislation which was in place at the time of drafting the JWA2. It is understood that any update in the process of what is approved by Joint Committee is due to the updates in the Regulations referred to above and in the body of the report. The JWA2 states that any reference to legislation within the agreement includes any amended legislation. Accordingly any process under the JWA2 would be read in conjunction with any amended legislation.

## RECOMMENDATIONS

17. That the Joint Committee notes the outturn position for the financial year ended 31<sup>st</sup> March 2019.
14. Subject to the approval by the Joint Committee of the Annual Return, the Joint Committee consequently authorises the Chairman to sign the Annual Return on behalf of the Joint Committee, and its subsequent submission to WAO to commence the 2018/19 audit.

**Christopher Lee**  
**Treasurer to Prosiect Gwyrdd Joint Committee**

**25<sup>th</sup> June 2019**

The following Appendix is attached:

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Partnership of Councils



Page 4 of 5



Supporting partner







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# Smaller relevant local government bodies in Wales

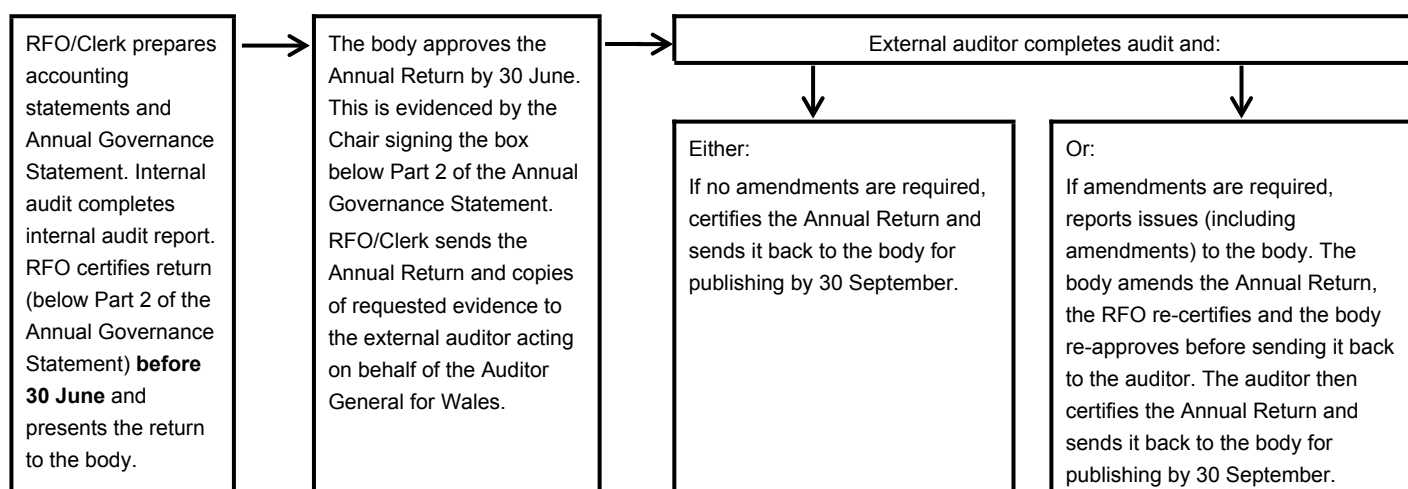
## Annual Return for the Year Ended 31 March 2019

Section 12 of the Public Audit (Wales) Act 2004 requires local government bodies in Wales to make up their accounts each year to 31 March and to have those accounts audited by the Auditor General for Wales. Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 states that smaller local government bodies i.e. those with annual income and expenditure below £2.5 million must prepare their accounts in accordance with proper practices.

For minor joint committees with income and expenditure below £2.5 million, proper practices are set out in the One Voice Wales/Society of Local Council Clerks publication 'Governance and accountability for local councils in Wales – A Practitioners' Guide' (the Practitioners' Guide). The Practitioners' Guide requires that they prepare their accounts in the form of an annual return. This annual return meets the requirements of the Practitioners' Guide.

### THE ACCOUNTS AND AUDIT PROCESS

The accounts and audit arrangements follow the process as set out below.



**Please read the guidance on completing this Annual Return and complete all sections highlighted in red including the Annual Governance Statement.**

### APPROVING THE ANNUAL RETURN

There are two boxes for certification and approval by the body. The second box is only required if the annual return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.

**The committee must approve the annual return BEFORE the accounts and supporting documents are made available for public inspection under section 30 of the Public Audit (Wales) Act 2004.**

Incomplete or incorrect returns may require additional external audit work and incur additional costs. Send the **original** Annual Return, together with all additional information requested, to the external auditor acting on behalf of the Auditor General for Wales. Unless requested, please **do not** send any original financial or other records to the external auditor. **DO NOT send any documents to the Wales Audit Office unless explicitly instructed to do so.**

**The Auditor General for Wales' Audit Certificate and report is to be completed by the auditor acting on behalf of the Auditor General. It MUST NOT be completed by the Clerk/RFO, the Chair or the internal auditor.**

Audited and certified returns are sent back to the body for publication and display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.

# Accounting statements 2018-19 for:

Name of body: Prosiect Gwyrdd

	Year ending		Notes and guidance for compilers
	31 March 2018 (£)	31 March 2019 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	327,749	342,866	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	160,000	135,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	27,258	27,781	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	-109,900	-109,221	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses e.g. termination costs.
5. (-) Loan interest/capital repayments	N/A	N/A	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	-62,241	-66,295	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	342,866	330,131	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors and stock balances	32,000	108,000	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	314,182	227,547	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	-3,316	-5,416	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	342,866	330,131	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

## Annual Governance Statement

We acknowledge as the members of the **Committee**, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2019, that:

	Agreed?		'YES' means that the Committee:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> <li>effective financial management during the year; and</li> <li>the preparation and approval of the accounting statements.</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Committee to conduct its business or on its finances.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the <b>Committee</b> and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the <b>Committee</b> and, where appropriate, have included them on the accounting statements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

\* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

## Committee approval and certification

The Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

<b>Certification by the RFO</b> I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2019.	<b>Approval by the Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:
	Insert minute reference and date of meeting
<b>RFO signature: signature required</b>	<b>Chair of meeting signature: signature required</b>
<b>Name:</b> name required	<b>Name:</b> name required
<b>Date:</b> dd/mm/yyyy	<b>Date:</b> dd/mm/yyyy

## Committee re-approval and re-certification (only required if the annual return has been amended at audit)

<b>Certification by the RFO</b> I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2019.	<b>Approval by the Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:
	Insert minute reference and date of meeting
<b>RFO signature: signature required</b>	<b>Chair of meeting signature: signature required</b>
<b>Name:</b> name required	<b>Name:</b> name required
<b>Date:</b> dd/mm/yyyy	<b>Date:</b> dd/mm/yyyy

## Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2019 of:

### External auditor's report

[Except for the matters reported below]\* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[[These matters along with]\* Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated \_\_\_\_\_.]

### Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

(Continue on a separate sheet if required.)

**External auditor's name:**

**External auditor's signature:**

**Date:**

**For and on behalf of the Auditor General for Wales**

\* Delete as appropriate.

## Annual internal audit report to:





















Name of body: Prosiect Gwyrdd 2018-2019

The Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2019.

The internal audit has been carried out in accordance with the Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Appropriate books of accounts has been kept through Cardiff Councils main accounting ledger, SAP.</p> <ul style="list-style-type: none"> <li>Income- Expenditure</li> <li>Statement of balances</li> <li>Highlight Report v1.0</li> <li>Statement of income and expenditure/receipts and payments.</li> </ul>
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Financial regulations have been met, payments were supported by invoices and VAT has been appropriately accounted for under the accountable body: Cardiff Council's VAT registration with the necessary disclosures and permissions sought from HMRC.</p> <p>Copies of the Partner Contribution invoices, Statement of balances, Transaction List, Invoices and Partner Contribution invoices were sighted and checked.</p>
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The body has assessed and mitigated significant risks in order to achieve its objectives. Risks are considered on the highlight reports presented at Contract Management Board meetings.</p> <p>Prosiect Gwyrdd's inherent risks are also mitigated via the Cardiff Council's Corporate Risk Register, which is subject to review twice a year.</p>



	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.					<p>Regular progress against budget is maintained and monitored by the Accountant and the Monitoring Position and the Projected Outturn is discussed regularly at Prosiect Gwyrdd's Joint Committee Contract Management Board Meetings.</p> <ul style="list-style-type: none"> <li>• SAP - Income- Expenditure</li> <li>• Statement of balances</li> <li>• CMB Meeting Minutes</li> <li>• CMB01-18 Highlight Report v1.0</li> </ul>
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.					<p>Income during each year is projected from the five joint council authorities based on correct invoices and VAT appropriately accounted for.</p> <ul style="list-style-type: none"> <li>• Contribution summary</li> <li>• Invoices</li> <li>• Income-Expenditure and Balance Sheet</li> </ul>
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.					<p>Analysis did not identify any Imprest accounts.</p>
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.					<p>Two full time employees were paid through Cardiff Council's main accounting ledger SAP and internal Payroll process DigiGov.</p>
8. Asset and investment registers were complete, accurate, and properly maintained.					<p>No tangible fixed assets.</p> <p>Current assets include cash (held by Cardiff Council) and Debtors.</p>

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly and year-end bank account reconciliations for inter companies are undertaken as part of the council's wide year-end bank reconciliations, any imbalances are rectified during the course of the year. Inter companies are not identified individually throughout the year.  A suitable qualified person undertakes the bank reconciliations.
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Accounting statement were prepared from figures based in SAP on the correct accounting basis, they agreed with the cashbook and were supported by an adequate audit trail from underlying records.
11. Trust funds (including charitable trusts). The Committee has met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	No Trust funds.

For any risk areas identified by the Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:					
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Insert text
13. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Insert text
14. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Insert text

### Internal audit confirmation

I/we confirm that as the Committee's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2017-18 and 2018-19. I also confirm that there are no conflicts of interest surrounding my appointment.

**Name of person who carried out the internal audit:** Pernille Larsen

**Signature of person who carried out the internal audit:**

**Date:** 15.05.2019

## Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. Proper practices are set out in the Practitioners' Guide.
2. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs. Ask your auditor for an electronic copy of the form if required.
3. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
4. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2018) equals the balance brought forward in the current year (line 1 of 2019). Explain any differences between the 2018 figures on this annual return and the amounts recorded in last year's annual return.
5. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliations is available in the Practitioners' Guide.
7. **Every committee must send to the external auditor, information to support the assertions made in the Annual Governance Statement even if you have not done so before.** Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
9. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
10. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
11. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

Completion checklist – 'No' answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	Y	
	Does the bank reconciliation as at 31 March 2019 agree to Line 9?	Y	
Approval	Has the RFO certified the accounting statements and Annual Governance Statement (Regulation 15 (1)) no later than 30 June 2019?	Y	
	Has the body approved the accounting statements before 30 June 2019 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?	Y	
All sections	Have all pink boxes in the accounting statements and Annual Governance Statement been completed and explanations provided where needed?	Y	
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	Y	

If accounts are amended after receipt of the Auditor General's report on matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Committee's approval of the amendments before re-submission to the auditor?	Y	

