

Committee PROSIECT GWYRDD JOINT COMMITTEE

Meeting Number: 01-18

Date and Time TUESDAY, 12 JUNE 2018, 10.00 AM

Venue CAERPHILLY COUNTY BOROUGH COUNCIL OFFICES

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 Bryan Jones, Monmouthshire County Council
 Councillor Phil Murphy, Monmouthshire County Council
 Councillor Roger Jeavons, Newport City Council
 Councillor Ray Truman, Newport City Council
 Councillor Geoff Cox, Vale of Glamorgan Council
 Councillor John Thomas, Vale of Glamorgan Council

AGENDA

No	Item
1	<p>Joint Committee Membership and Terms of Reference</p> <p>To note the Joint Committee Membership of the Committee 2 elected members from each Authority:</p> <p>Councillors Michael (Chair) & Weaver (Cardiff Council) Councillors George & Gordon (Caerphilly County Borough Council) Councillors Jones & Murphy (Monmouthshire County Council) Councillors Jeavons & Truman (Newport City Council) Councillors Cox & Thomas (Vale of Glamorgan Council)</p> <p>To note the Terms of Reference as set out in Schedule 2 of the JWA2.</p>
2	<p>Apologies for Absence</p> <p>To receive apologies for absence.</p>
3	<p>Declarations of Interest</p> <p>To be made at the start of the agenda item in question, in accordance with the</p>

No	Item
	Members' Code of Conduct.
4	<p>Minutes (<i>Pages 3 - 8</i>)</p> <p>To approve as a correct record the minutes of the meeting held on 7 December 2017.</p>
5	Matters Arising
6	Update Report (<i>Pages 9 - 18</i>)
7	Unaudited Annual Financial Return for year Ended 31 March 2018 (<i>Pages 19 - 32</i>)
8	<p>Contractor Change and Increased Capacity Changes (<i>Pages 33 - 148</i>)</p> <p>Appendices A, B, C and D(1&2) of the report are exempt from publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. The public may be excluded from the meeting by resolution of the Committee pursuant to Section 100A(4) of the Local Government Act 1972 during discussion of this item.</p>
9	<p>Date of next meeting</p> <p>The date of the next meeting to be confirmed.</p>

Partnership of Councils



Supporting partner



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

<p style="text-align: center;">PROSIECT GWYRDD JOINT COMMITTEE MEETING 7 December 2017, 12.30 pm</p>
<p style="text-align: center;">LOCATION: Committee Room 2 - Civic Centre, Vale of Glamorgan Offices</p>
<p>Present:</p>
<p>Elected Members:</p> <p>Councillor Michael, Cardiff Council</p> <p>Councillor Weaver, Cardiff Council</p> <p>Councillor George, Caerphilly County Borough Council</p> <p>Councillor Gordon, Caerphilly County Borough Council</p> <p>Councillor Jones, Monmouthshire County Council</p> <p>Councillor Phil Murphy, Monmouthshire County Council</p> <p>Councillor Jeavons, Newport City Council</p> <p>Councillor Cox, Vale of Glamorgan Council</p> <p>Councillor John Thomas, Vale of Glamorgan Council</p>
<p>Officers:</p> <p>Mark Williams, Caerphilly County Borough Council</p> <p>Sakeena Bibi, Cardiff Council</p> <p>Tara King, Cardiff Council</p> <p>Sian Humphries, Cardiff Council</p> <p>Marc Falconer, Cardiff Council</p> <p>Carl Touhig, Monmouthshire County Council</p> <p>Andrew Williamson, Cardiff Council</p> <p>Andrea Redmond, Cardiff Council</p>
<p>Apologies:</p> <p>Councillor Truman, Newport City Council</p>

No	Item 3	Action
1	<p>Apologies for Absence</p> <p>Apologies for absence were received from Councillor Truman.</p>	
2	<p>Declarations of Interest</p> <p>No declarations of interest were received.</p>	
3	<p>To Consider the Minutes of Joint Committee Held on 26th June 2016</p> <p>The minutes of the meeting held on 26 June 2016 were agreed as a correct record and signed by the Chairperson; subject to the inclusion of Councillor Murphy's apologies being added on the front page.</p>	
4	<p>Matters Arising</p> <p>None.</p>	
5	<p>Update Report</p> <p>Members were advised that during 2017/18 until September a total of 95,866 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract. From the waste delivered 17,234 tonnes of the Incinerator Bottom Ash was recycled, 814 tonnes of the Air Pollution Control Residue was recycled, 3,868 tonnes of metals was recycled. During the year till September 149 tonnes of Air Pollution Control Residue were landfilled.</p> <p>Members noted that all performance targets had been met, including the IBA target.</p> <p>Members were advised that as a requirement of revenue support from WG the facility is required to be CHP ready and to achieve and maintain R1 Status. R1 is a ratio of energy inputs to energy outputs for energy to waste facilities, in achieving R1 status a facility is considered to be a recovery operation serving a useful purpose by replacing other materials which would have otherwise been used and not a disposal facility. Trident Park is maintaining an average rating in excess of the 0.65 requirement.</p>	TK

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	<p>Members noted the Prosiect Gwyrdd Contribution to Partner Recycling from Incinerator Bottom Ash as;</p> <table border="1" data-bbox="336 443 906 674"> <thead> <tr> <th>Authority</th> <th>Tonnage</th> </tr> </thead> <tbody> <tr> <td>Caerphilly</td> <td>3,160</td> </tr> <tr> <td>Cardiff</td> <td>8,575</td> </tr> <tr> <td>Monmouthshire</td> <td>1,739</td> </tr> <tr> <td>Newport</td> <td>2,782</td> </tr> <tr> <td>Vale of Glamorgan</td> <td>2,470</td> </tr> </tbody> </table> <p>With regard to the Community Benefit Fund, Members were advised that there had been positive uptakes and approvals through the Panel. It was noted however that more promotion was needed to encourage further uptake of the Fund.</p> <p>Members noted the Breakdown of 2017/18 Prosiect Gwyrdd and Viridor Community Fund Awards as;</p> <table border="1" data-bbox="336 1070 1082 1727"> <thead> <tr> <th>Community Group</th> <th>Donation</th> </tr> </thead> <tbody> <tr> <td>Caldicot Musical Society (Monmouthshire)</td> <td>£3,000</td> </tr> <tr> <td>Cardiff University Korfball Club (Cardiff)</td> <td>£1,017.19</td> </tr> <tr> <td>Friends of Willows School (Cardiff)</td> <td>£2,338.43</td> </tr> <tr> <td>Whitehead Graig UTD JFC (Newport)</td> <td>£1,000.00</td> </tr> <tr> <td>Black Vein Miners Society (Caerphilly)</td> <td>£2,000.00</td> </tr> <tr> <td>Tiger Bay Brawlers Roller Derby (Cardiff)</td> <td>£2,280.00</td> </tr> <tr> <td>Kids Cancer Charity (Cardiff)</td> <td>£2,195.00</td> </tr> <tr> <td>Cardiff Rivers Group (Cardiff)</td> <td>£2,995.23</td> </tr> <tr> <td>St Peters RC Church (Cardiff)</td> <td>£2,997.00</td> </tr> <tr> <td>Total for April to September 2017</td> <td>£17,627.85</td> </tr> </tbody> </table> <p>Members were advised that from 1st April to 31st September 2017 the number of groups visiting Trident Park was 34, with a total of 472 visitors. In addition as part of community involvement Viridor visited 2 schools.</p> <p>RESOLVED: To note the content of the report.</p>	Authority	Tonnage	Caerphilly	3,160	Cardiff	8,575	Monmouthshire	1,739	Newport	2,782	Vale of Glamorgan	2,470	Community Group	Donation	Caldicot Musical Society (Monmouthshire)	£3,000	Cardiff University Korfball Club (Cardiff)	£1,017.19	Friends of Willows School (Cardiff)	£2,338.43	Whitehead Graig UTD JFC (Newport)	£1,000.00	Black Vein Miners Society (Caerphilly)	£2,000.00	Tiger Bay Brawlers Roller Derby (Cardiff)	£2,280.00	Kids Cancer Charity (Cardiff)	£2,195.00	Cardiff Rivers Group (Cardiff)	£2,995.23	St Peters RC Church (Cardiff)	£2,997.00	Total for April to September 2017	£17,627.85	
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6	<p data-bbox="331 300 1123 371">2017/18 Month 7 Monitoring Position And Projected Outturn: 2018/19 Budget</p> <p data-bbox="331 412 1150 663">Members were provided with an update on the Joint Committee’s Month 7 financial position for the 2017/18 financial year. (Table 1 below) In summary the current position shows a projected gross expenditure outturn of £209,330 which represents a decrease of £40,110 over the original 2017/18 gross expenditure budget of £249,410.</p> <table border="1" data-bbox="379 698 1118 1727"> <thead> <tr> <th></th> <th>2017/18 Budget £</th> <th>2017/18 Projected Outturn £</th> <th>2017/18 Variance £</th> </tr> </thead> <tbody> <tr> <td>Project Team</td> <td>191,438</td> <td>181,393</td> <td>-10,045</td> </tr> <tr> <td>Supplies & Services</td> <td>23,980</td> <td>20,337</td> <td>-3,643</td> </tr> <tr> <td>Committee & Support Services</td> <td>8,210</td> <td>8,921</td> <td>711</td> </tr> <tr> <td>Organics Contribution</td> <td>-39,110</td> <td>-38,557</td> <td>553</td> </tr> <tr> <td>Expenditure funded by Partner Contributions</td> <td>184,518</td> <td>172,095</td> <td>-12,423</td> </tr> <tr> <td>External Advisors</td> <td>44,892</td> <td>27,205</td> <td>-17,687</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>64,892</td> <td>37,205</td> <td>-27,687</td> </tr> <tr> <td>Gross Expenditure</td> <td>249,410</td> <td>209,300</td> <td>-40,110</td> </tr> <tr> <td>Partner Contributions</td> <td>-185,000</td> <td>-160,000</td> <td>25,000</td> </tr> <tr> <td>Net Expenditure</td> <td>64,410</td> <td>49,300</td> <td>-15,110</td> </tr> <tr> <td>Appropriations (from) / to Joint Committee Reserve A/c</td> <td>-64,410</td> <td>-49,300</td> <td>15,110</td> </tr> <tr> <td>Projected Balance of the Joint Committee Reserve A/c as at 31.03.2018</td> <td></td> <td>279,800</td> <td></td> </tr> </tbody> </table> <p data-bbox="331 1767 564 1803">2018/19 Budget</p> <p data-bbox="331 1843 1150 1915">Members were advised of the Summary Budget Position for 2018/19 as outlined in the table below:</p>		2017/18 Budget £	2017/18 Projected Outturn £	2017/18 Variance £	Project Team	191,438	181,393	-10,045	Supplies & Services	23,980	20,337	-3,643	Committee & Support Services	8,210	8,921	711	Organics Contribution	-39,110	-38,557	553	Expenditure funded by Partner Contributions	184,518	172,095	-12,423	External Advisors	44,892	27,205	-17,687	Contingency	20,000	10,000	-10,000	Expenditure funded by Reserve Account	64,892	37,205	-27,687	Gross Expenditure	249,410	209,300	-40,110	Partner Contributions	-185,000	-160,000	25,000	Net Expenditure	64,410	49,300	-15,110	Appropriations (from) / to Joint Committee Reserve A/c	-64,410	-49,300	15,110	Projected Balance of the Joint Committee Reserve A/c as at 31.03.2018		279,800		
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No	Item 3			Action
		2017-18 Original Budget £	2018-19 Proposed Budget £	
	Expenditure			
	Contract Management	191,438	193,542	
	Supplies & Services	23,980	22,510	
	Support Services	8,210	10,350	
	Cardiff & Vale Organics	(39,110)	(39,170)	
	Expenditure – funded by	184,518	187,232	
	External Advisors	44,892	46,010	
	Contingency	20,000	20,000	
	Expenditure – funded by	64,892	66,010	
	Gross Expenditure	249,410	253,242	
	Partner Contributions	(185,000)	(185,000)	
	Net Expenditure	64,410	68,242	
	Appropriations from Joint	(64,410)	(68,242)	
	Projected Balance of the Joint Committee		211,558	
	<p>Members were provided with a summary of indicative Joint Committee budgets and partner contributions for the financial years 2019-20 to 2021-22 which have also been indexed by inflation assumptions of 1% for pay and 2.5% for other 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. An upper threshold of £275,000 and a lower threshold of £150,000 have been proposed for managing the Joint Committee Reserve Account.</p> <p>Members asked about the impact of the 2% Pay Award that has been offered for April 2018 and were assured that the additional 1% could be found from reserves and contingency without increasing partner contributions.</p> <p>RESOLVED:</p> <p>i. That the Joint Committee notes the 2017/18 projected outturn forecast including the projected year-end balance for the Joint Committee</p>			

No	Item 3	Action
	<p>Reserve Account.</p> <p>ii. That the Joint Committee recommends the 2018-19 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 2018-19.</p> <p>iii. The Joint Committee asks the Partnering Councils to note the indicative budgets, and associated partner contributions, outlined for the financial years 2019-20 to 2021-22</p>	
7	<p>Date of next meeting</p> <p>It was considered that the next meeting of the Prosiect Gwyrdd Joint Committee be held mid-June 2018 and that the meeting be held at the Caerphilly County Borough Council Offices.</p> <p>Andrea Redmond to obtain dates and schedule the meeting.</p>	<p>AR</p>



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

PROSIECT GWYRDD JOINT COMMITTEE

REF: 01-18

DATE: 12/06/18

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 2017/18 a total of 184,289.85 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract. From the waste delivered 30,907 tonnes of the Incinerator Bottom Ash was recycled, 1,511 tonnes of the Air Pollution Control Residue was recycled, 3491 tonnes of ferrous metals was recycled and a further 607 tonnes of other metals were recycled. During the year 2.2 tonnes of contract waste was sent to landfill and 473 tonnes of Air Pollution Control Residue was landfilled.
3. In 2017/18 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 Unprocessed IBA Target Percentage.
4. 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 in July and Natural Resources Wales confirmed the annual figure of 0.78 which is in excess of the 0.65 requirement.
5. The Incinerator Bottom Ash is currently being recycled by 4 outlets: Days Aggregates at their facilities in Brentford and Avonmouth, Johnsons at their facilities in Derby and Nottingham.

- The Air Pollution Control Residue is currently either being recycled by Carbon8 Aggregates at their facility in Avonmouth or landfilled by Grandin (Waste) Ltd at their Gloucestershire facility.

Community and Community Benefit Fund

- During 2017/18 the Prosiect Gwyrdd Community Benefits Fund Panel met four times where a total of £59,068.40 was awarded between thirty one community initiatives based with the Prosiect Gwyrdd Partnership Local Authority areas, the remaining £3,674.66 will roll over into the 2018/19 funding period. A breakdown of the projects supported in 2016/17 is detailed in the table below.

8. Breakdown of 2017/18 Prosiect Gwyrdd and Viridor Community Fund Awards

Cardiff County Council - 15 projects totalling £27, 374.19

Monmouthshire County Council – 5 projects totalling £11,201.80

Newport City Council - 8 projects totalling £14, 436.50

Total of 28 projects with £53,012.49

Details of the projects can be seen in Appendix A

- 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>
- During 2017/18 the number of groups visiting Trident Park was 80, with a total of 1,071 visitors.

Financial Implications

- 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

- There are no direct legal implications associated with this report

Recommendations

To note the content of this report.

Tara King
Senior Responsible Officer, Prosiect Gwyrdd
12 June 2018

June 2017

Community Group	Donation	Town/City	Description of Group
Kids Cancer Charity	£2,195.00	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 furnish a caravan that the charity has acquired. This enables families with children who are ill to get away and take a holiday together.</p>
Cardiff Rivers Group	£2,995.23	Cardiff	<p>Cardiff Rivers Group tackle litter and waste on paths next to watercourses, remove rubbish from rivers, streams and ponds, and among other activities to protect bodies of water they lobby and consult with relevant bodies to improve the quality of the environment in South Wales.</p> <p>Our donation has contributed to a new platform and equipment to maximise the waste collected out of water bodies.</p>
St Peter's RC Church	£2,997.00	Roath, Cardiff	<p>St Peter's RC Church is the longest surviving Catholic Church in Cardiff with a long and varied history. They welcome all and currently run community dinners for the homeless and the elderly.</p> <p>Our donation has been used to help buy equipment to furnish the kitchen area. This will help improve the running of the homeless and elderly community dinners.</p>
Tiger Bay Brawlers	£2,280.00	Cardiff	<p>Tiger Bay Brawlers are a competitive roller derby team dedicated to providing women aged 18+ the opportunity to play flat track roller derby in a safe and enjoyable environment.</p> <p>Our donation has been used to buy new uniforms for the roller derby team.</p>

September 2017

Community Group	Donation	Town/City	Description of Group
Cardiff University Korfball Club	£1,017.19	Cardiff	<p>Cardiff University Korfball Club have a membership of approximately 70 students. They regularly compete in the Welsh Korfball League and the British Universities & Colleges Sport competitions.</p> <p>Our donation has been used to purchase new equipment for the club.</p>
Graig JFC	£1,000.00	Graig, Newport	<p>Whitehead Graig Utd JFC are a community focused football club providing opportunities for youngsters from age 4-16 to participate in a fun team sport.</p> <p>Our donation has been used to purchase winter training gear for the young players.</p>
Black Vein Miners Memorial Society	£2,000.00	Risca, Newport	<p>The Black Vein Miners Memorial Society was formed in January 2017 to raise funds to renovate the resting place of a small number of victims of the 1860 Black Vein Colliery Disaster. The burial ground has deteriorated in recent years and the Black Vein Miners Memorial Society hope to erect a memorial for the lives lost and replace a fence that serves the purpose of keeping livestock out and preserving the site, maintaining that it doesn't go into further deterioration.</p> <p>Our donation has been used to purchase timber to replace the fence and also equipment for ongoing maintenance of the site.</p>
Caldicot Musical Theatre Society	£3,000.00	Caldicot, Monmouthshire	<p>The Caldicot Musical Theatre Society are a local community theatre group providing the opportunity for all people to experience and develop their skills in musical theatre.</p> <p>Our donation has been used to purchase updated lighting equipment for the venue that the group has recently secured.</p>
Willows High School	£2,338.43	Tremorfa, Cardiff	<p>Willows High School hosted a free community bonfire and firework/laser display. The hope for this event was to</p>

			<p>restore the community spirit of Splott and Tremorfa.</p> <p>Our donation has been used to cover the cost of Fireworks/Pyrotechnic/Laser Team.</p>
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December 2017

Community Group	Donation	Town/City	Description of Group
Cylch Meithrin	£1,038.57	Whitchurch, Cardiff	<p>Cylch Meithrin provide Welsh-medium playgroups, with over 500 cylchoedd meithrin throughout Wales.</p> <p>The Cylch Meithrin in Whitchurch would like to deliver Road Safety Sessions to the children who attend their playgroup. The sessions will be delivered through role play and stories as the children who attend are very young. The hopeful outcome of these sessions is to familiarise and raise awareness of the dangers that roads possess and how to correctly behave, while also creating a fun activity for the children.</p> <p>Our donation has been used to purchase items for the role play sessions – mini tricycles, role play traffic lights, role play lollipop & stick etc.</p>
Gabalfa Community Choir	£1,300.00	Gabalfa, Cardiff	<p>Gabalfa Community Choir was founded in 2010 with the aim of enabling people to make friends and enjoy singing in harmony. They are based at St Mark's Church in Gabalfa and would like to be able to perform at other locations but don't have the equipment to grant them this.</p> <p>Our donation has been used to purchase the necessary equipment – portable electric piano, amplifier, microphone etc.</p>
Rhiwbina RFC	£2,000.00	Rhiwbina, Cardiff	<p>Rhiwbina RFC under 7s have over 30 children of mixed abilities and gender. The coaching team and committee provide their time at no expense, and all of the children's kit can only be purchased with the help of sponsorship.</p>

			Our donation has been used to purchase new kits for the children as they do not currently have another sponsor who can fund this.
Gwent Wildlife Trust	£2,500.00	Dingestow, Monmouthshire	<p>Gwent Wildlife Trust wish to install a new pond dipping platform at Magor Marsh Nature Reserve. Children and adults of all ages will be able to use the platform as a part of their school outreach and public engagement events.</p> <p>Our donation has been used to construct this platform.</p>
Fairwater FC	£1,912.82	Fairwater, Cardiff	<p>Fairwater FC is a football club for all ages, based in Cardiff. They currently rely on sponsors to fund all of the equipment that they need and use.</p> <p>Our donation has been used to purchase new football equipment and has contributed to new playing kits for their members.</p>
Marshfield Magpies	£1,229.00	Marshfield, Newport	<p>Magpies are a community group in Marshfield, who take action to conserve and enhance the local environment to make a difference in their community.</p> <p>Our donation has been used to purchase litterpicking equipment, to hire skips to clear areas that have fallen victim to flytipping, and also to install signs to deter future flytipping.</p>
Monmouthshire Upcycle	£1,500.00	Chepstow, Monmouthshire	<p>Monmouthshire Upcycle is a project that involves the purchase of equipment, to assist in the upcycling of donated furniture.</p> <p>Our donation has been used to purchase better quality tools for upcycling furniture.</p>
People in Pain	£1,128.98	Cardiff	<p>People in Pain (PIP) strive to provide support to chronic pain sufferers who experience physical, emotional or mental health conditions. At their weekly sessions they provide a calm and relaxed atmosphere where members can have fun, feel secure and have a sense of belonging.</p> <p>Our donation has been used to purchase items that will improve these sessions.</p>

Monmouth Rotary Club	£1,443.00	Monmouth	Our donation has been used to cover a wall of a toilet block in the town of Monmouth, with flowers to create a green wall. They hope that this will bring considerable please to local residents and those visiting the town.
Usk Valley Trampoline Club	£300.00	Newport	<p>Usk Valley Trampoline Club provide trampolining lessons for children. Unfortunately, in order for children at the club to compete the clubs must provide judges for the event. The number of judges needed has increased and so has the fee for the education required to be able to partake in judging. These increases have meant that the club cannot enter all of it's attendees to competitions, which is unfair on the hardworking children who cannot compete.</p> <p>Our donation has been used to pay for the education needed to qualify individuals to judge at these competitions.</p>
Keep Wales Tidy	£3,000.00	Cardiff	<p>Keep Wales Tidy is a charity that works across Wales to protect the environment.</p> <p>Our donation has been contributed to checking the water quality of beaches to ensure it's of bathing standard, to building will domes in schools to encourage outdoor learning, and to buy seeds for plants and trees to create a greener environment.</p>

March 2018

Community Group	Donation	Town/City	Description of Group
KBE Netball	£518.97	Cardiff	KBE Netball currently ask members to pay £20 a month to cover the cost of hall usage and social games. Those that are invested in the club currently pay for their kit and clothing to train in out of their own money. The club would like to

			<p>be able to afford these items for their members and also use the members costs to pay for league games and court costs, referees and other running costs.</p> <p>Our donation has been used to purchase netball equipment – netball bibs, netball balls etc.</p>
Wye Gymnastics	£2,758.80	Caldicot, Monmouthshire	<p>Wye Gymnastics is a gymnastics club, with the aim to provide a safe, effective and child friendly environment to offer children the opportunity to participate in gymnastics and other activities which encourage them to be active.</p> <p>Our donation has contributed towards a landing area and specialist vaulting table needed.</p>
Highcross PTA	£2,998.50	Rogerstone, Newport	<p>Highcross PTA is a group of parents that raise funds for children at Highcross Primary school. They provide money for activities and facilities that the children would not normally have access to through their school life or home experiences.</p> <p>Our donation has been used to purchase thermal markings for the school yard, with markings like chess boards, snakes and ladders and number squares.</p>
Croesyceiliog Canoe Club	£1,997.04	Croesyceiliog, Newport	<p>Croesyceiliog Canoe Club would like to address a shortfall in equipment specifically for teenagers/young adults to provide these developing canoers with the best opportunity of success.</p> <p>Our donation has been used to purchase equipment – pool paddles, white water paddles etc.</p>
Whitchurch Cycling Club	£362.00	Whitchurch, Cardiff	<p>Whitchurch Cycling Club has attracted a large number of members since formation and continues to receive enquiries from new potential members. In order to remain open and available to accept new members, improve their ability to advance riders and provide more opportunities, they would like funding to send coaches to complete more cycling qualifications.</p>

			Our donation has been used to fund these qualifications.
The City of Llandaff Petanque Club	£2,290.00	Llandaff, Cardiff	<p>The City of Llandaff Petanque Club was formed to enhance the quality of life for school age children, persons with physical disabilities, the able bodied, and all age groups by introducing them to the sport of Petanque.</p> <p>Our donation has been used to purchase boule sets and various other equipment.</p>
Risca RFC Veterans	£1,963.00	Risca, Newport	<p>Risca RFC Veterans aim to reduce the risks of Cardiovascular Disease, Obesity & Diabetes, male cancers and anxiety & depression by offering regular exercise and social engagement.</p> <p>Our donation has been used to purchase essential playing equipment, playing kit and various other items.</p>
28 th Newport Scout Group	£2,948.96	Newport	<p>The 28th Newport Scout Group has been bringing adventure and enrichment to young people aged 6 to 18 since 1946. Their focus is to bring opportunities to young people they do not get in their 'normal' everyday lives. They currently provide water-based activities in the form of Kayaking, but only have kayaks that are suitable children age 12 and over. They would like to purchase more that the younger children could use and all of the additional equipment needed to support this.</p> <p>Our donation has been used to purchase kayaks, paddles, helmets and cagoules.</p>

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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: 01-18

DATE: 12/06/2018

PROSIECT GWYRDD 2017/18 OUTTURN AND ANNUAL FINANCIAL RETURN

REPORT OF: TREASURER TO THE PROSIECT GWYRDD JOINT COMMITTEE

AGENDA ITEM: 7

PURPOSE OF REPORT

1. To present to the Joint Committee the draft, unaudited Financial Annual Return for the year ended 31st March 2018 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

Partnership of Councils



Page 1 of 4



Supporting partner



publication of the certified Annual Return remains at the 30th September but as this is a Sunday in 2018 the effective deadline for publication will be 28th September.

5. The draft, unaudited Prosiect Gwyrdd Annual Return for 2017/18 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. The format of the Annual Return for 2017/18 is broadly unchanged and it includes the following sections :
 - a. Section 1 (page 2) holds the financial information including a comparison with the equivalent 2016/17 figures.
 - b. Section 2 (page 3 and 4) of the Annual Return is the Annual Governance statement which continues in the form of a questionnaire, in two parts.
 - 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.
7. The table below provides a comparison of the 2017/18 outturn with the budget. This highlights a gross expenditure outturn of £145,018, a decrease of £104,392 compared to the original 17/18 gross expenditure budget of £249,410. After including the Partner Contribution rebate of £25,000 (£5,000 per partner) the net underspend for 2017/18 is £79,392.
8. This variance is largely due to a continuation of underspends previously reported to Joint Committee in the December 2017 Budget and Month 7 Monitoring report. In particular underspends due to the recruitment delay and staff turnover with the Contract Team plus the lack of contingency and external advisors expenditure. Consequentially the projected budgeted drawdown from the Joint Committee Reserve Account of £64,410 was replaced by a contribution to the Reserve Account of £14,982. The balance of the reserve account as at 31st March 2018 now stands at £344,082. The options for the utilisation of an element of this reserve will be presented to CMB and the Joint Committee as part of the preparation of the 2019/20 budget report during the autumn of 2018.

Table 1: 2017/18 Summary Monitoring Position

	2017/18 Budget £	2017/18 Outturn £	2017/18 Variance £
Project Team	191,438	145,815	-45,623
Supplies & Services	23,980	14,121	-9,859
Committee & Support Services	8,210	5,633	-2,577
External Advisors	44,892	6,000	-38,892
Contingency	20,000	0	-20,000
Organics Contribution	-39,110	-26,550	12,560
Gross Expenditure	249,410	145,018	-104,392
Partner Contributions	-185,000	-160,000	25,000
Net Expenditure	64,410	-14,982	-79,392
Appropriations (from) / to Joint Committee Reserve A/c	-64,410	14,982	79,392
Balance of the Joint Committee Reserve A/c as at 31.03.2018		344,082	

FINANCIAL IMPLICATIONS

9. This report provides Joint Committee with confirmation of the 2017/18 outturn position that reflects a gross expenditure underspend of £104,392 before the planned rebates of Partner Contributions of £25,000. The balance of the Reserve Account at the end of 2017/18 is £344,082, which will be available to assist in funding non-recurring Prosiect Gwyrdd expenditure and / or offsetting Partner Contributions in future financial years.

10. This report is presented to the Joint Committee who are due to approve the unaudited Prosiect Gwyrdd Annual Return at the meeting on 12th June before the deadline of 30th June 2018.

11. Options for the utilisation of the balance of the Joint Committee Reserve Account carried forward into 2018/19 are to be considered as part of the budget setting process for 2019/20.

LEGAL IMPLICATIONS

12. All Local authority accounts are required to be made up to 31st 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.
13. 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.
14. 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

15. That the Joint Committee notes the outturn position for the financial year ended 31st March 2018.
16. 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 2017/18 audit.

Christine Salter
Treasurer to Prosiect Gwyrdd Joint Committee

12th June 2018

The following Appendix is attached:

Appendix A - The Prosiect Gwyrdd Joint Committee's Annual Return for financial year 2017/18.

Partnership of Councils



Page 4 of 4



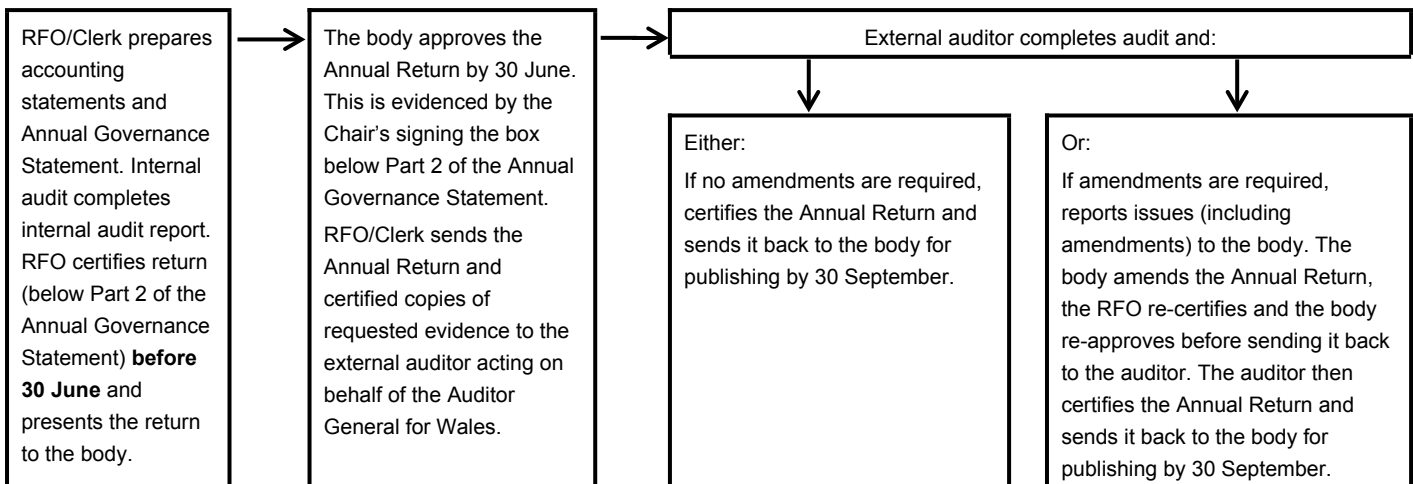
Supporting partner



Smaller local government bodies in Wales must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication **Governance and accountability for local councils in Wales – A Practitioners’ Guide** (the Practitioners’ Guide). The Practitioners’ Guide states that bodies may prepare their accounts in the form of an annual return prepared by the Wales Audit Office.

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 both sections of the Annual Governance Statement.

PLEASE PRINT THIS DOCUMENT FOR SIGNATURE AND SEND IT TO YOUR AUDITOR

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.

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

Completion checklist

‘No’ answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
Accounts	Has the RFO certified the accounting statements and the body approved the Annual Return (as evidenced by the relevant signatures), no later than 30 June 2018?	<input type="checkbox"/>	<input type="checkbox"/>
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	<input type="checkbox"/>	<input type="checkbox"/>
	Do the papers to be sent to the external auditor include an explanation of significant variations, including a quantified analysis of the changes from last year to this year?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the bank reconciliation as at 31 March 2018 agree to line 9?	<input type="checkbox"/>	<input type="checkbox"/>
All sections	Have all red boxes been completed and explanations provided where needed?	<input type="checkbox"/>	<input type="checkbox"/>
Evidence	Has all the information requested by the external auditor been included?	<input type="checkbox"/>	<input type="checkbox"/>

Accounting statements 2017-18 for:

Name of body: Prosiect Gwyrdd

	Year ending		Notes and guidance for compilers				
	31 March 2017 (£)	31 March 2018 (£)	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.				
Statement of income and expenditure/receipts and payments							
1. Balances brought forward	303,834	327,749	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	160,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.				
3. (+) Total other receipts	32,665	27,258	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.				
4. (-) Staff costs	-113,706	-109,900	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 eg 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	-55,044	-62,241	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	327,749	342,866	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).				
Statement of balances							
8. (+) Debtors and stock balances	160,991	32,000	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.				
9. (+) Total cash and investments	172,855	314,182	All accounts: 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	-6,097	-3,316	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.				
11. (=) Balances carried forward	327,749	342,866	Total balances should equal line 7 above: Enter the total of (8+9-10).				
12. Total fixed assets and long-term assets	N/A	0	The original asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.				
13. Total borrowing	N/A	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
14. Trust funds disclosure note	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).

Annual Governance Statement (Part 1)

We acknowledge as the members of the Council/Board/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 2018, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref	
	Yes	No*			
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<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	
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<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	
<p>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 Council/Board/Committee to conduct its business or on its finances.</p>	<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	
<p>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.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has given all persons interested the opportunity to inspect and to ask questions about the body's accounts.	6, 23	
<p>5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<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	
<p>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.</p>	<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	
<p>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 Council/Board/Committee and, where appropriate, have included them on the accounting statements.</p>	<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	
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<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	
<p>9. Trust funds – in our capacity as trustee, we have:</p> <ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

* 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.

Annual Governance Statement (Part 2)

	Agreed?			'YES' means that the Council/Board/ Committee:
	Yes	No	N/A	
1. We have considered the adequacy of reserves held by the body in setting the budget for 2017-18 and 2018-19 and have appropriate plans in place for the use of these reserves.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has met the requirements of the Local Government Finance Act 1989 in setting the budget requirement and precept for the financial years.
2. When awarding grants under section 137 of the Local Government Act 1972, we have kept a separate account of such grants and considered whether or not the benefits arising from such payments are commensurate with the sums paid.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has kept and appropriate record of grants awarded and ensured that the expenditure is commensurate with the benefit to the community.
3. The council has no obligation or intention to pay a gratuity to employees.*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has ensured that where it has an arrangement to provide a gratuity to staff, it has ensured that there is a legal obligation to provide the gratuity.

* Please delete as appropriate.

Council/Board/Committee approval and certification

The Council/Board/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.

Certification by the RFO 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 2018.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference: Insert minute reference and date of meeting
RFO signature: signature required	Chair signature: signature required
Name: name required	Name: name required
Date: dd/mm/yyyy	Date: dd/mm/yyyy

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

Certification by the RFO 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 2018.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference: Insert minute reference and date of meeting
RFO signature: signature required	Chair signature: signature required
Name: name required	Name: name required
Date: dd/mm/yyyy	Date: 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 2018 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 2017-2018**

The Council'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 2018.

The internal audit has been carried out in accordance with Cardiff Council'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 Cardiff Council.

	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 are kept through Cardiff Councils main accounting ledger, SAP.</p> <ul style="list-style-type: none"> Income- Expenditure Statement of balances CMB Meeting Minutes Highlight Report v1.0 Statement of income and expenditure/receipts and payments.
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 are 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 were sighted.</p> <ul style="list-style-type: none"> Statement of balances Transaction List Invoices Partner Contribution invoices
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 and risks are considered on the highlight reports presented at Contract Management Board meetings.</p> <ul style="list-style-type: none"> Project Green Website CMB & Project Group Meeting Minutes Cardiff Council Risk Register <p>Prosiect Gwyrdd's inherent risks are also</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**	
					mitigated via the Cardiff Council's Corporate Risk Register, which is subject to review twice a year.
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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"> SAP - Income- Expenditure Statement of balances CMB Meeting Minutes CMB01-18 Highlight Report v1.0
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Income during each year is projected from the 5 joint council authorities based on correct invoices and VAT appropriately accounted for.</p> <ul style="list-style-type: none"> Contribution summary Invoices Income-Expenditure and Balance Sheet
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Analysis did not identify any Imprest accounts.</p> <p>Income - Expenditure and Balance Sheet</p>
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Through Cardiff Council main accounting ledger, SAP and internal Payroll process including DigiGov.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<p>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.</p> <p>A suitable qualified person undertakes the bank reconciliations.</p>
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 are prepared from figures based in SAP on the correct accounting basis.
11. Trust funds (including charitable trusts). The Council/Board/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 Council/Board/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 confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2016-17 and 2017-18. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:

Signature of person who carried out the internal audit:

Date:

Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. For guidance, please read the Practitioners' Guide (**Governance and accountability for local councils: A Practitioners' Guide (Wales)**) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. The Wales Audit Office Good Practice Exchange (www.audit.wales/good-practice/finance/community-council-money) provides further information on the accounts and audit process along with guidance on governance matters.
3. 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.
4. **There are now 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.**
5. 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.
6. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2017) equals the balance brought forward in the current year (line 1 of 2018). Explain any differences between the 2017 figures on this annual return and the amounts recorded in last year's annual return.
7. 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.
8. 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 reconciliation is available in the Practitioners' Guide*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. 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.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. 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.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **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.
14. **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.**



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

PROSIECT GWYRDD JOINT COMMITTEE

REF: 01-18

DATE: 12/06/18

Viridor Contractor Change Proposal

REPORT OF: SENIOR RESPONSIBLE OFFICER

AGENDA ITEM: 8

Appendices A, B, C and D(1&2) are exempt from publications as they contain information pursuant to paragraphs 14 and 21 of schedule 12A Local Government Act 1972.

PURPOSE OF REPORT

1. This report is to inform and seek authorisation from the Joint Committee for the Partnership to enter into the necessary documentation in relation to the contractor change regarding the increased capacity at the Trident Park Energy Recovery Facility.

BACKGROUND

2. In July 2016, Viridor submitted a scoping request to Cardiff Council in relation to a potential planning application to increase the capacity of the Trident Park ERF from 350,000 tonnes per annum to 425,000 tonnes per annum. Subsequent to this, an application to vary the planning permission and to remove the Section 106 agreement limiting the source of wastes to the South East Wales Region was submitted by Viridor in September 2016. Alongside the planning application, an application was made to NRW to vary the Environmental Permit to increase the capacity also.
3. In spring 2017 Viridor's applications were successful and variation to the Planning Permission and Environmental Permit were granted.
4. Since notification to the Partnership of Viridor's intentions to increase the planned capacity, several discussions and correspondence have been held with Viridor to understand the contractual implications of the revised capacity at the Facility and to reach a commercial agreement regarding the potential additional third party tonnage.
5. From discussions with Viridor, it is understood that no physical modification of the facility will be required to process up to 75,000 additional tonnes per annum. The additional capacity will be achieved by higher than planned utilisation of the facility and by the virtue that waste currently received is of a lower calorific value than anticipated in the contract, thus requiring additional waste to be processed to generate the

assumed power from the facility. Viridor anticipate that the tonnage processed will vary year on year and some years may be below the original capacity of 349,966 tonnes, being dependent on the facility's availability and the future calorific value of the waste.

6. Discussions with Viridor focused on recognising that this is a Contractor Change and maintaining the proportionality principle upon which the contract is predicated. It was agreed that proportionality be maintained primarily in terms of NNDR payments and the Partnerships share of any future Qualifying Change in Law event.
7. Details of the final proposal regarding the contractor change are provided in exempt Appendix A. A Deed of Variation reflecting the above is being drafted and the initial draft Payment Mechanism is included in exempt Appendix B.
8. To facilitate the change it is proposed that Cardiff Council as the Host Authority will enter into a Deed of Variation to the Contract capturing the amendments required to the Payment Mechanism to reflect the change. In addition minor updates will be made to the Payment Mechanism to capture previously agreed low value changes authorised by the contract Manager. Details of the low value changes are provided in exempt Appendix C.
9. To enable the changes to be reflected at a PG Partnership level, it is proposed that each Partner Authority will enter into a Deed of Variation to the JWA2 capturing the amendments to the JWA2 Payment Mechanism (Schedule 11 of the JWA2) to reflect the change referred to in paragraph 8 above. A copy of the draft JWA2 Deed of Variation and amended Schedule 11 are provided in exempt Appendix D(1&2).

Governance

10. In accordance with the JWA2 decision making delegations (Para 6.1 of the JWA2) a joint committee decision is being sought to authorise entry into the necessary documentation.
11. In line with the Welsh Government funding criteria, Viridor's proposals have been discussed with WG's Transactor. He has confirmed that from a WG perspective they are comfortable that the pro rata principle is maintained, and although it requires an annual calculation, it follows a logical process, the values are not material in terms of the overall contract value, and recommends we reach agreement with Viridor quickly and close this matter.
12. Full review of the documentation associated with the change is required by WG as a term of the funding criteria.

Financial Implications

13. The report outlines a positive position for the Partnership in that it has been able to secure a gain share arrangement if Viridor treats additional tonnage above the current capacity of 350,000 tonnes. The extent of any gain share will be dependent on the additional tonnage over 350,000 so it will not be predictable in advance and there is the potential that it could be zero. For that reason, a retrospective reconciliation after

the end of the contract year when information on actual tonnages treated is available is proposed.

14. The position with regard to other elements of the PG contract that relate to facility capacity, in particular the NNDR payment and the QCIL calculation now reflect the maintenance of the pro-rata principle. Expenditure attributable to Prosiect Gwyrdd will therefore reflect the PG share of the Trident Park capacity and in the case of NNDR offer the potential for reduced retrospective expenditure if annual tonnage treated is more than 350,000 tonnes. In the case of QCIL an annual calculation will be required to determine the extent of any rebate due to Prosiect Gwyrdd if annual tonnages treated are more than 350,000 tonnes.
15. The opportunity has also been taken to consolidate into the amended Payment Mechanism a number of minor, low value changes previously agreed by the Contract Manager. These are mainly to clarify drafting in the Payment Mechanism and have no financial implications. The JWA2 has been updated to include the potential gain shares arising from the additional tonnage which will be allocated between Partners using the agreed Cost Sharing Ratio.

Legal Implications

16. As set out in the report, the Contractor has requested a contractor change pursuant to the Project Gwyrdd (PG) contract. The details of the changes are set out in the report.
17. To implement these changes it is proposed that a Deed of Variation will be entered into by Cardiff on behalf of the partnership in respect of the PG contract. As set out in the report, it is understood the payment mechanism in the contract has been updated to reflect the changes. As a consequence of the proposed change to the payment mechanism of the contract, it is proposed to update the payment mechanism in the Joint Working Agreement 2 (JWA2) and for a Deed of Variation to be entered into by each partner.
18. The procurement regulations set out provisions where a modification can be made to a contract without a new procurement. Based upon instructions, the changes are not considered substantial and are permitted under the procurement regulations.
19. The JWA2 sets out the working arrangements between each Partner Authority and established the terms of reference for decision making in respect of PG. Any decision made by the Joint Committee shall be binding on all of the Partner Authorities.
20. With regards to the other updates to the payment mechanism, it is understood that for completeness these have been included in the updated payment mechanism. It is understood that these are low value changes and as a result have been agreed by the contract manager in accordance with the terms of the JWA2.
21. As set out in the report, the recommendations are subject to Welsh Government approval.

Recommendations

1. That the Joint Committee consider if final proposal regarding the Contractor change is acceptable;
2. Subject to recommendation 1 above, 4 below and Welsh Government approval the Joint Committee authorise Cardiff Council to enter into a Deed of Variation in respect of the PG contract (as detailed in the report).
3. Subject to recommendation 1 above, 4 below and Welsh Government approval, the Joint Committee to authorise the partner authorities to enter into the Deed of Variation regarding the JWA2 (as detailed in the report)
4. The Joint Committee to authorise the Contract Management Team in consultation with the Senior Responsible Officer to make any amendments to the documentation in recommendations 2 and 3 in order to:
 - a. complete/update those areas to correct any typographical or formatting errors;
 - b. reflect advice received.

Provided it does not materially alter the substance of the drafts set out in the report.

Tara King
Senior Responsible Officer, Prosiect Gwyrdd
12 June 2018

By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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