

**Pwyllgor** CYDBWYLLGOR PROSIECT GWYRDD

**Rhif Cyfarfod:**

**Dyddiad ac amser** DYDD MAWRTH, 1 RHAGFYR 2020, 10.00 AM

**Lleoliad** CYFARFOD O BELL

**Aelodaeth** Cynghorydd Michael Michael, Cyngor Caerdydd (Cadeirydd)  
 Cynghorydd Chris Weaver, Cyngor Caerdydd  
 Cynghorydd Nigel George, Cyngor Bwrdeistref Sirol Caerffili  
 Councillor Colin Gordon, Cyngor Bwrdeistref Sirol Caerffili  
 Cynghorydd Phil Murphy, Cyngor Sir Fynwy  
 Councillor Jane Pratt, Cyngor Sir Fynwy  
 Councillor Roger Jeavons, Cyngor Dinas Casnewydd  
 Cynghorydd Ray Truman, Cyngor Dinas Casnewydd  
 Councillor Peter G King, Cyngor Bro Morgannwg  
 Councillor Eddie Williams, Cyngor Bro Morgannwg

## AGENDA

No	Item
1	<b>Ymddiheuriadau am Absenoldeb</b>  Derbyn ymddiheuriadau am absenoldeb.
2	<b>Datgan Buddiannau</b>  I'w wneud ar ddechrau'r eitem ar yr agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.
3	<b>Cofnodion</b> ( <i>Tudalennau 3 - 8</i> )  Cymeradwyo cofnodion y cyfarfod blaenorol fel cofnod cywir.
4	<b>Materion yn Codi</b>
5	<b>Adroddiad Diweddar</b> ( <i>Tudalennau 9 - 12</i> )  Matt Wakelam

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No	Item
6	<b>2020/21 Rhagamcaniad Rhagamcaniad Mis 7 Sefyllfa Monitro a Chyllideb 2021/22 (Tudalennau 13 - 18)</b>  Marc Falconer
7	<b>Materion Brys (os o gwbl)</b>
8	<b>Dyddiad arfaethedig y cyfarfod nesaf</b>

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Partnership of Councils



Supporting partner



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

**PROSIECT GWYRDD JOINT COMMITTEE MEETING**

19 May 2020, 11.00 am

**LOCATION: Remote Meeting****Present:****Elected Members:****Councillor Chris Weaver, Cardiff 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 Peter G King, Vale of Glamorgan Council****Councillor Eddie Williams, Vale of Glamorgan Council****Officers:****Andrew Williamson, Cardiff Council****Sian Humphries, Cardiff Council****Matthew Wakelam, Cardiff Council****Marc Falconer, Cardiff Council****Andrea Redmond, Cardiff Council****Gary Jones, Cardiff Council****Julie Baker, Cardiff Council****Anna Rees, Cardiff Council****Robert Hartshorn, Caerphilly County Borough Council****Laura Carter, Monmouthshire County Council****Sylvia Gonzalez-Lopez, Newport City Council**

No	Item	Action
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No	Item																							
16	<p><b>Apologies for Absence</b> Apologies were received from Councillors Michael, George and Truman</p>																							
17	<p><b>Declarations of Interest</b> None received.</p>																							
18	<p><b>Minutes</b> The minutes of the previous meeting were agreed as a correct record.</p>																							
19	<p><b>Matter Arising from the Minutes</b> To remove Councillor Gordon from the attendee list of previous meeting.</p>																							
20	<p><b>Prosiect Gwyrdd Update Report for Joint Committee</b> Members were advised that in March this year Viridor's parent company, Pennon Group, announced that it has agreed the sale of Viridor to KKR an infrastructure investment fund. The transaction is expected to complete in the summer of this year.</p> <p>During 2019/20 a total of 170,071.63 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract and was all processed at the Trident Park ERF being 45% of the facility's total input. This was against a projected profile of 168,680 tonnes.</p> <p>Quantity of Contract Waste Delivered by Each Partner Authority in 2019/20</p> <table border="1"> <thead> <tr> <th>Authority</th> <th>2019/20 Tonnage</th> </tr> </thead> <tbody> <tr> <td>Cardiff</td> <td>77,873</td> </tr> <tr> <td>Caerphilly</td> <td>31,642</td> </tr> <tr> <td>Monmouthshire</td> <td>17,310</td> </tr> <tr> <td>Newport</td> <td>27,111</td> </tr> <tr> <td>Vale of Glamorgan</td> <td>16,316</td> </tr> <tr> <td><b>Total Prosiect Gwyrdd</b></td> <td><b>170,072</b></td> </tr> </tbody> </table> <p>From the Prosiect Gwyrdd Contract Waste delivered 26,872 tonnes of Incinerator Bottom Ash was recycled, 1,166 tonnes of the Air Pollution Control Residue was recycled, 3,364 tonnes of ferrous metals was recycled and a further 455 tonnes of other metals were recycled. During the year 16.24 tonnes of contract waste was sent to landfill and 776 tonnes of Air Pollution Control Residue was landfilled.</p> <p>In 2019/20 Viridor achieved all of the five Key Targets:</p> <table border="1"> <thead> <tr> <th>Key Target</th> <th>Target Percentage</th> <th>Actual Percentage</th> </tr> </thead> <tbody> <tr> <td>The Contractor's Guaranteed Unprocessed Landfill Target Percentage</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>The Contractor's Guaranteed Maximum Percentage of Contract Waste to Landfill</td> <td>2.1%</td> <td>0.47%</td> </tr> </tbody> </table>	Authority	2019/20 Tonnage	Cardiff	77,873	Caerphilly	31,642	Monmouthshire	17,310	Newport	27,111	Vale of Glamorgan	16,316	<b>Total Prosiect Gwyrdd</b>	<b>170,072</b>	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%	0.47%
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	<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 to Natural Resources Wales confirmed with an annual figure of 0.78 which is in excess of the 0.65 requirement and 0.02 higher than last year. This classifies Trident Park as a recovery facility.</p> <p>The Incinerator Bottom Ash is currently being recycled by Days Aggregates at their facility in Avonmouth. A proportion of the incinerator bottom ash continues to be transported by rail.</p> <p>The Air Pollution Control Residue is currently either being recycled by O.C.O. Technology Ltd at their facility in Avonmouth or landfilled by Grundon (Waste) Ltd at their Gloucestershire facility.</p> <p>With reference to the Community and Community Benefit Fund, Members were advised that during 2019/20 the Prosiect Gwyrdd Community Benefits Fund Panel met three times where a total of £43,846.93 was awarded between twenty-seven community initiatives based with the Prosiect Gwyrdd Partnership Local Authority areas.</p> <p>The Breakdown of 2019/20 Prosiect Gwyrdd and Viridor Community Fund Awards were as follows:</p> <table border="1" data-bbox="336 1402 1433 1709"> <thead> <tr> <th data-bbox="336 1402 887 1476">Authority</th> <th data-bbox="903 1402 1206 1476">Number of Projects</th> <th data-bbox="1222 1402 1433 1476">Total Value</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 1480 887 1518">Caerphilly County Council</td> <td data-bbox="903 1480 1206 1518">2</td> <td data-bbox="1222 1480 1433 1518">£2,250.00</td> </tr> <tr> <td data-bbox="336 1523 887 1561">Cardiff Council</td> <td data-bbox="903 1523 1206 1561">11</td> <td data-bbox="1222 1523 1433 1561">£17,354.31</td> </tr> <tr> <td data-bbox="336 1565 887 1603">Monmouthshire County Council</td> <td data-bbox="903 1565 1206 1603">2</td> <td data-bbox="1222 1565 1433 1603">£4,692.77</td> </tr> <tr> <td data-bbox="336 1608 887 1646">Newport City Council</td> <td data-bbox="903 1608 1206 1646">7</td> <td data-bbox="1222 1608 1433 1646">£10,986.93</td> </tr> <tr> <td data-bbox="336 1650 887 1688">Vale of Glamorgan Council</td> <td data-bbox="903 1650 1206 1688">4</td> <td data-bbox="1222 1650 1433 1688">£7,764.00</td> </tr> <tr> <td data-bbox="336 1693 887 1709">Projects working across all areas</td> <td data-bbox="903 1693 1206 1709">1</td> <td data-bbox="1222 1693 1433 1709">£798.92</td> </tr> </tbody> </table> <p>Members were also provided with a Breakdown of 2019/20 Prosiect Gwyrdd and Viridor Community Fund Awards, per Local Authority.</p> <p>Details of the funding criteria and how to apply can be found at: <a href="https://viridor.co.uk/our-operations/energy/energy-recovery-facilities/cardiff-erf/community">https://viridor.co.uk/our-operations/energy/energy-recovery-facilities/cardiff-erf/community</a></p> <p>During 2019/20 the number of groups visiting Trident Park was 76, with a total of 1,134 visitors.</p>			Authority	Number of Projects	Total Value	Caerphilly County Council	2	£2,250.00	Cardiff Council	11	£17,354.31	Monmouthshire County Council	2	£4,692.77	Newport City Council	7	£10,986.93	Vale of Glamorgan Council	4	£7,764.00	Projects working across all areas	1	£798.92
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	<b>RESOLVED: to note the report.</b>																																																									
21	<p><b>Prosiect Gwyrdd 2019/20 Outturn and Annual Financial Return</b></p> <p>Members were advised that this report presents the draft, unaudited Financial Annual Return for the year ended 31st March 2020 prior to the statutory deadline of 31<sup>st</sup> May 2020. 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.</p> <p>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.</p> <p>Table 1 below provides a comparison of the 2019/20 outturn with the budget. This highlights a gross expenditure outturn of £142,485, a decrease of £101,175 compared to the original 19/20 gross expenditure budget of £243,660. After including the Partner Contribution rebate of £50,000 (£10,000 per partner) the net underspend for 2019/20 is £51,175.</p> <p style="text-align: center;"><b><u>Table 1: 2019/20 Summary Monitoring Position</u></b></p> <table border="1" data-bbox="459 1178 1458 2074"> <thead> <tr> <th data-bbox="459 1178 1007 1368"></th> <th data-bbox="1007 1178 1182 1368">2019/20 Budget £</th> <th data-bbox="1182 1178 1358 1368">2019/20 0 Outturn £</th> <th data-bbox="1358 1178 1458 1368">2019/20 0 Variance £</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 1368 1007 1406"></td> <td data-bbox="1007 1368 1182 1406"></td> <td data-bbox="1182 1368 1358 1406"></td> <td data-bbox="1358 1368 1458 1406"></td> </tr> <tr> <td data-bbox="459 1406 1007 1444">Project Team</td> <td data-bbox="1007 1406 1182 1444">182,178</td> <td data-bbox="1182 1406 1358 1444">153,433</td> <td data-bbox="1358 1406 1458 1444">-28,745</td> </tr> <tr> <td data-bbox="459 1444 1007 1482">Supplies &amp; Services</td> <td data-bbox="1007 1444 1182 1482">23,470</td> <td data-bbox="1182 1444 1358 1482">11,030</td> <td data-bbox="1358 1444 1458 1482">-12,440</td> </tr> <tr> <td data-bbox="459 1482 1007 1520">Committee &amp; Support Services</td> <td data-bbox="1007 1482 1182 1520">8,760</td> <td data-bbox="1182 1482 1358 1520">8,165</td> <td data-bbox="1358 1482 1458 1520">-595</td> </tr> <tr> <td data-bbox="459 1520 1007 1559">External Advisors</td> <td data-bbox="1007 1520 1182 1559">50,120</td> <td data-bbox="1182 1520 1358 1559">0</td> <td data-bbox="1358 1520 1458 1559">-50,120</td> </tr> <tr> <td data-bbox="459 1559 1007 1597">Contingency</td> <td data-bbox="1007 1559 1182 1597">20,000</td> <td data-bbox="1182 1559 1358 1597">0</td> <td data-bbox="1358 1559 1458 1597">-20,000</td> </tr> <tr> <td data-bbox="459 1597 1007 1635">Organics Contribution</td> <td data-bbox="1007 1597 1182 1635">-40,868</td> <td data-bbox="1182 1597 1358 1635">-30,143</td> <td data-bbox="1358 1597 1458 1635">10,725</td> </tr> <tr> <td data-bbox="459 1635 1007 1753"><b>Gross Expenditure</b></td> <td data-bbox="1007 1635 1182 1753"><b>243,660</b></td> <td data-bbox="1182 1635 1358 1753"><b>142,485</b></td> <td data-bbox="1358 1635 1458 1753"><b>101,175</b></td> </tr> <tr> <td data-bbox="459 1753 1007 1792"></td> <td data-bbox="1007 1753 1182 1792"></td> <td data-bbox="1182 1753 1358 1792"></td> <td data-bbox="1358 1753 1458 1792"></td> </tr> <tr> <td data-bbox="459 1792 1007 1830">Partner Contributions</td> <td data-bbox="1007 1792 1182 1830"><b>-185,000</b></td> <td data-bbox="1182 1792 1358 1830"><b>-135,000</b></td> <td data-bbox="1358 1792 1458 1830"><b>50,000</b></td> </tr> <tr> <td data-bbox="459 1830 1007 1868"><b>Net Expenditure</b></td> <td data-bbox="1007 1830 1182 1868"><b>58,660</b></td> <td data-bbox="1182 1830 1358 1868"><b>7,485</b></td> <td data-bbox="1358 1830 1458 1868"><b>-51,175</b></td> </tr> <tr> <td data-bbox="459 1868 1007 1957"><b>Appropriations (from) / to Joint Committee Reserve A/c</b></td> <td data-bbox="1007 1868 1182 1957"><b>-58,660</b></td> <td data-bbox="1182 1868 1358 1957"><b>-7,485</b></td> <td data-bbox="1358 1868 1458 1957"><b>51,175</b></td> </tr> <tr> <td data-bbox="459 1957 1007 2074"><b>Projected Balance of the Joint Committee Reserve A/c as at 31.03.2020</b></td> <td data-bbox="1007 1957 1182 2074"></td> <td data-bbox="1182 1957 1358 2074"><b>323,863</b></td> <td data-bbox="1358 1957 1458 2074"></td> </tr> </tbody> </table>			2019/20 Budget £	2019/20 0 Outturn £	2019/20 0 Variance £					Project Team	182,178	153,433	-28,745	Supplies & Services	23,470	11,030	-12,440	Committee & Support Services	8,760	8,165	-595	External Advisors	50,120	0	-50,120	Contingency	20,000	0	-20,000	Organics Contribution	-40,868	-30,143	10,725	<b>Gross Expenditure</b>	<b>243,660</b>	<b>142,485</b>	<b>101,175</b>					Partner Contributions	<b>-185,000</b>	<b>-135,000</b>	<b>50,000</b>	<b>Net Expenditure</b>	<b>58,660</b>	<b>7,485</b>	<b>-51,175</b>	<b>Appropriations (from) / to Joint Committee Reserve A/c</b>	<b>-58,660</b>	<b>-7,485</b>	<b>51,175</b>	<b>Projected Balance of the Joint Committee Reserve A/c as at 31.03.2020</b>		<b>323,863</b>	
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No	Item	Action
	<p>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 £58,660 was reduced to £7,485. The balance of the reserve account as at 31<sup>st</sup> March 2020 now stands at £323,863 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 2021/22 budget report as has been the case in previous years.</p> <p>The project team reported an underspend of £28,745, with the variance reflecting recruitment delays highlighted above with a number of Agency staff having been recruited on a temporary basis to partly cover the Project Administrator post during this financial year. This post has now been filled and the Project Team had a full complement of staff heading into 2020/21.</p> <p>The other significant variances identified in Table 1 are the External Advisors and Contingency provisions with the underspends reflecting that there has been no requirement to use these budgets in the 2019/20 financial year.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> <li>I. To note the outturn position for the financial year ended 31<sup>st</sup> March 2020.</li> <li>II. To approve the Annual Return, and consequently authorise the Chairman to sign the Annual Return on behalf of the Joint Committee, and its subsequent submission to WAO to commence the 2019/20 audit.</li> </ol>	
22	<b>Date of next meeting - TBC</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: 02-20**

**DATE: 01.12.20**

**PROSIECT GWYRDD UPDATE REPORT FOR JOINT COMMITTEE**

**REPORT OF: SENIOR RESPONSIBLE OFFICER**

**AGENDA ITEM: 5**

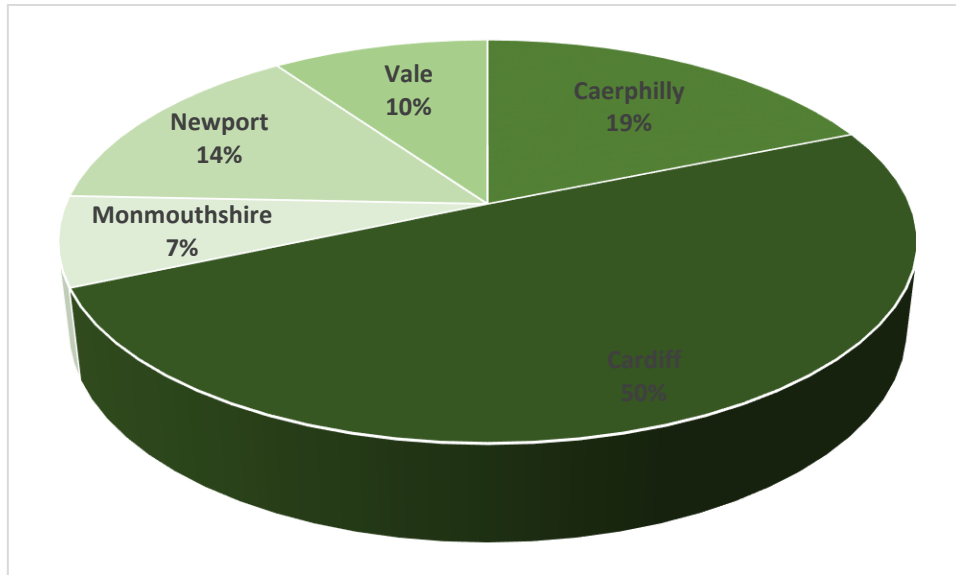
**Background**

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. As reported at the May meeting, Pennon Group's anticipated sale of Viridor to KKR was concluded in July this year.
3. During July the PG Partner authorities delivered their one millionth tonne of waste to the facility. Some of this was delivered under an interim contract which was in place prior to waste being delivered under the PG Contract. July also marked the two millionth tonne of waste being processed at Trident Park ERF.
4. The annual maintenance outage for Trident Park was carried out during September and October. During this period a proportion of the Partnership's waste was diverted for treatment at Viridor's Ardley and Avonmouth Energy Recovery Facilities in line with the contract. All works were completed as per the outage schedule and both lines at the facility were returned to service.
5. On 4th September Extinction Rebellion set up a protest outside of Trident Park ERF preventing access to the facility for the delivery of Contract Waste. As a result of this the Contingency Plan was put into action and Contract Waste was diverted to two Contingency Delivery Points, within Cardiff. The waste from the contingency delivery points was transferred to either Trident Park or Ardley ERF. Following the disruption to deliveries on the 4<sup>th</sup> September there was no further protestor action or interruption to deliveries.

- During April to September 2020 a total of 93,999 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract, with all of the residual waste being treated at Trident Park.
- Proportion of Contract Waste Delivered April – September 2020 by Partner Authority:



- From the waste delivered 16,866 tonnes of the Incinerator Bottom Ash was recycled, 508 tonnes of the Air Pollution Control Residue was recycled, 1,804 tonnes of metals was recycled.
- In April to September 2020 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%	0.34%
The Contractor's Guaranteed IBA Recycling Target Percentage	100.0%	100.0%
The Contractor's Guaranteed BMW Diversion Target Percentage	100.0%	100.0%
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- 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.
- The Incinerator Bottom Ash is currently being recycled by Days Aggregates at their facility in Avonmouth.

12. The Air Pollution Control Residue is currently either being recycled by O.C.O. Technology Ltd previous called Carbon8 Aggregates at their facility in Avonmouth or landfilled by Grundon (Waste) Ltd at their Gloucestershire facility.
13. Further to the June 2019 Joint Committee presentation on the proposed Cardiff Heat Network, we understand discussions between Cardiff and Viridor have progressed. We are in the progress of managing any change this may present in line with the established contract processes.

### **Community and Community Benefit Fund**

14. During 2020 to date the Prosiect Gwyrdd Community Benefits Fund Panel has met three times, where a total of £14,882 was awarded between eight community initiatives based with the Prosiect Gwyrdd Partnership Local Authority areas, the panel will be meeting once more this financial year. A breakdown of the projects supported this year to date, is detailed in the table below.

### **15. Breakdown of 2020/21 Prosiect Gwyrdd and Viridor Community Fund Awards**

<b>Organisation</b>	<b>Region</b>	<b>Contribution</b>
<b>April 2020</b>		
Cardiff Central Youth Club – gymnastics equipment	Cardiff	£2,904.00
Fairwater Social Juniors FC	Cardiff	£1,075.69
Newport Litter Pickers - equipment	Newport	£841.80
Pentwyn - Llanederyn Litter Pickers	Cardiff	£954.45
Berllan Deg PTA – equipment for new school activities	Cardiff	£2,295.62
<b>September 2020</b>		
Cardiff Rivers Group – cleaning equipment and training	Cardiff	£1,210.00
Ministry of Life – audio equipment	Cardiff	£2,700.00
VOG Brass Band – stands and instrument	Vale of Glamorgan	£2,900.00

16. 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>

### **Financial Implications**

17. 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**

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

## Recommendations

19. To note the content of this report.

**Matt Wakelam**  
**Senior Responsible Officer, Prosiect Gwyrdd**  
01 December 2020





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

**PROSIECT GWYRDD JOINT COMMITTEE**

**REF: 02-20**

**DATE: 01/12/2020**

**2020/21 MONTH 7 MONITORING POSITION AND PROJECTED OUTTURN:  
2021/22 BUDGET**

**REPORT OF: TREASURER TO THE PROSIECT GWYRDD JOINT COMMITTEE  
AGENDA ITEM: 6**

**PURPOSE OF REPORT**

1. To provide Joint Committee with an update of the financial monitoring position and projected outturn for the Prosiect Gwyrdd Budget based on the Month 7 position for the 2020/21 financial year.
2. For Joint Committee to consider the proposed 2021-22 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 2021-22.
3. To provide the partner Councils with early indicative estimates for the period from 2022-23 onwards.

**BACKGROUND**

4. The Joint Committee's budget approval process is set-out in the Joint Working Agreement 2 (JWA2). In addition, the JWA2 also provides that the budget is reviewed on a regular basis during the financial year and where appropriate, action taken to ensure sufficient resources are available to the project in order to deliver the agreed outcomes.
5. The Prosiect Gwyrdd Joint Committee approved the original 2020/21 Budget at its meeting on the 26<sup>th</sup> November 2019, which recommended the 2020/21 Revenue budget to the partner councils for consideration as part of their respective annual budget setting processes.

## 2020/21 MONITORING

6. Table 1 below provides an update on the Joint Committee's Month 7 financial position for the 2020/21 financial year. In summary the current position shows a projected gross expenditure outturn of £192,064 which represents a decrease of £58,445 over the original 2020/21 gross expenditure budget of £250,509.

**TABLE 1: 2020/21 Summary Monitoring Position**

	2020/21 Budget £	2020/21 Projected Outturn £	2020/21 Variance £
Project Team	185,332	167,401	(17,931)
Supplies & Services	18,050	17,850	(200)
Committee & Support Services	9,700	10,000	300
Organics Contribution	(40,103)	(36,688)	3,415
<b>Expenditure funded by Partner Contributions</b>	<b>172,979</b>	<b>158,564</b>	<b>(14,415)</b>
External Advisors	57,530	23,500	(34,030)
Contingency	20,000	10,000	(10,000)
<b>Expenditure funded by Reserve Account</b>	<b>77,530</b>	<b>33,500</b>	<b>(44,030)</b>
Gross Expenditure	<b>250,509</b>	<b>192,064</b>	<b>(58,445)</b>
Partner Contributions	<b>(185,000)</b>	<b>(135,000)</b>	<b>50,000</b>
Net Expenditure	<b>65,509</b>	<b>57,064</b>	<b>(8,445)</b>
Appropriations (from) / to Joint Committee Reserve A/c	<b>(65,509)</b>	<b>(57,064)</b>	<b>8,445</b>
Projected Balance of the Joint Committee Reserve A/c as at 31.03.2021		<b>266,799</b>	

7. The Project Team is currently reporting an underspend of £17,931. This variance is a consequence of the Budget being based on top of the pay scale costings and full employee on-costs. The 2020/21 Budget was prepared before the results of the tri-annual Pension Fund review were available with the subsequent decrease in the Employers contribution rate for Cardiff Council with effect from 1<sup>st</sup> April 2020.
8. The underspend of £34,030 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. The actual spend to date on advisors is nil and there are no current commitments to engage advisors in this financial year.

9. The other significant expenditure variance identified in Table 1 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 there are no current commitments to use the contingency budget in this financial year.
10. Based on the projected Reserve Account position at Month 7 a £10,000 rebate per partner is proposed for 2020/21. 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 2021 is £266,799 and this resource will be available to continue the principle of funding non-recurring Prosiect Gwyrdd expenditure in future financial years.

## 2021-22 BUDGET

11. A reasonable balance in the Reserve Account will be necessary to ensure that the Joint Committee has the financial flexibility to respond to unforeseen events without the need to ask Partner Councils to increase their in-year partner contributions. Against this background it is proposed that Partner contributions will continue to primarily fund the recurring regular expenditure of the Joint Committee, with the Reserve Account funding any ad-hoc non-recurring expenditure, specifically External Advisors and the contingency provision. Any in-year additional resource requirements such as an upturn in external advisor activity would be funded from further drawdowns from the Joint Committee Reserve Account. The projected balance for this account for the end of 2021-22 financial year assuming a full drawdown of the budgeted funding is £203,441.
12. Table 2 below provides a summary of the proposed Budget for 2021-22 as well as a comparison with the current 2020-21 budget. A pay award of 2% from 1<sup>st</sup> April 2021 has been assumed for uplifting employee costs with an indexation assumption of 2% being applied to the other non-employee budget headings.

**TABLE 2: Summary Budget Position 2021-22**

	<b>2020-21 Original Budget £</b>	<b>2021-22 Proposed Budget £</b>
Expenditure		
Contract Management Team	185,332	182,607
Supplies & Services	18,050	18,450
Support Services	9,700	10,200
Cardiff & Vale Organics Contribution	(40,103)	(40,429)
Expenditure – funded by Partner contributions	<b>172,979</b>	<b>170,828</b>
External Advisors	57,530	57,530
Contingency	20,000	20,000
Expenditure – funded by Reserve Account	<b>77,530</b>	<b>77,530</b>
Gross Expenditure	<b>250,509</b>	<b>248,358</b>
Partner Contributions	<b>(185,000)</b>	<b>(185,000)</b>
Appropriations from Joint Committee Reserve A/c	<b>(65,509)</b>	<b>(63,358)</b>
Projected Balance of the Joint Committee Reserve A/c as at 31.03.2022		<b>203,441</b>

13. 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.
14. The projected drawdown from the Reserve account is £63,358 to leave a projected balance on the account of £203,441 as at 31<sup>st</sup> March 2022.

## POST 2021/22 INDICATIVE BUDGET PROJECTIONS

15. Table 3 below provides a summary of indicative Joint Committee budgets and partner contributions for the financial years 2022-23 to 2024-25 which have also been indexed by inflation assumptions of 2% for both pay awards and 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.



16. 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.

**TABLE 3: Summary 2022-23 to 2024-25 Indicative Resource Requirements**

Financial Year	Indicative Gross Expenditure Budget	Contributions per Partner	Reserve A/c funding	Projected Reserve A/c balance
	£	£	£	
2022-23	253,000	37,800	64,000	139,000
2023-24	259,000	38,600	66,000	73,000
2024-25	264,000	39,400	67,000	6,000

## FINANCIAL IMPLICATIONS

17. This report provides Joint Committee with an update on the 2020/21 projected out-turn position at Month 7 with a gross expenditure underspend of £58,445 being projected. The projected balance of the Reserve Account at the end of 2020/21 is £266,799 which will be available to assist in funding non-recurring Prosiect Gwyrdd expenditure in future financial years.
18. The budget requirement of £248,358 for 2021-22 will be funded from partner contributions of £185,000 with the remaining funding of £63,358 being funded from a drawdown from the Reserve account. The closing projected Reserve Account balance of £203,441 assumes full drawdown in line with budget requirements for 2021/22 which will be monitored and updated accordingly with its implications for future years funding.
19. Indicative budgets have also been prepared for financial years 2022-23 to 2024-25 to inform Partner Councils in considering Prosiect Gwyrdd Joint Committee funding requirements in setting their Medium Term Financial Forecasts. These assume a continuation of the funding policy with the Reserve Account funding ad-hoc, non-recurring expenditure. The Reserve Account drawdown is dependent on sufficient resources being available to fund relevant expenditure. If Reserve Account resources are not sufficient then any shortfall will need to be made up either by partners contributing to the Reserve account and / or by increasing partner contributions. The expectation is that the balance of the Reserve Account can be managed to avoid any in year increases in Partner contributions.

## LEGAL IMPLICATIONS

20. These legal implications deal with the implications for the PG Contract/Joint working agreement. The Joint Working Agreement 2 (JWA2) in respect of the PG contract makes provision in respect of monitoring of costs, approving annual budgets (for recommendation to each Partner Council for approval) and council contributions. As part of the annual budget the JWA2 also allows Joint Committee to confirm the contingency to be included in the annual budget. The annual budget is the amount reasonably required to administer the contract.
21. It should be noted that the figures set out in this report are the best estimates at this time and as with any complex contract there is always a risk that the costs may exceed estimates as the contract progresses.

## RECOMMENDATIONS

- a. That the Joint Committee notes the 2020/21 projected outturn forecast including the projected year-end balance for the Joint Committee Reserve Account.
- b. That the Joint Committee recommends the 2021-22 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 2021-22.
- c. The Joint Committee asks the Partnering Councils to note the indicative budgets, and associated partner contributions, outlined for the financial years 2022-23 to 2024-25.

**Christopher Lee**  
**Section 151 Officer – Cardiff Council**  
**Treasurer to the Prosiect Gwyrdd Joint Committee**

1<sup>st</sup> December 2020