



ERW Financial Outturn 2021-22

**ERW Joint Committee
29 April 2022**

ERW S151 Officer

1. Introduction

This report presents the Joint Committee with the ERW financial outturn at 31 March 2022, the final year for ERW. As it was required by the Joint Committee immediately following the year end, it may be revised over the coming weeks. It is not envisaged that any changes will be material.

2. ERW Budget 2021-22

The ERW budget for 2021-22 was approved by the Joint Committee on 30 March 2021 for the five month period April to August 2021, with Powys County Council being part of ERW for this period.

Following the departure of Powys County Council at the end of August 2021, it was anticipated that ERW would cease at that point, however, delays in the creation of the new Partneriaeth structure resulted in ERW continuing until the end of 2021-22, being an alliance of Carmarthenshire County Council, Pembrokeshire County Council and Swansea Council for the seven month period September 2021 to March 2022.

As the Joint Committee did not meet post August 2021, an amended budget was not formally approved, however, the 5/12th's approved on 30 March 2021 was effectively increased to a full year budget and additional grant funding was also received during the year. The anticipated contributions from ERW reserves and the EWC unused funding carried forward to balance the budget for 2021-22 were not required.

It has been noted that grant dependency has risks but these were accepted by the Joint Committee.

Service Level Agreements (SLA's)

For 2021-22, the agreed SLA's were as follows:

SLA's	Budgeted Cost
Committee Services (Carmarthenshire)	£5,000
Scrutiny (Swansea)	£5,000
Finance (Pembrokeshire)	£40,000
Internal Audit (Pembrokeshire)	£25,000
Human Resources (Pembrokeshire)	£20,000
Information Technology (Pembrokeshire)	£24,000
Procurement (Pembrokeshire)	£20,000
Total Budgeted SLA's	£139,000

Local Authority Contributions

For 2021-22, the agreed Local Authority contributions were as follows:

Local Authority	2021-22 Contribution £
Powys (5/12 th 's)	34,139
Pembrokeshire	79,898
Carmarthenshire	123,998
Swansea	150,785
Total	388,820

All contributions have been paid.

ERW Outturn 2021-22			
Expenditure	Original Budget 5 Months £'000	Amended Budget Full Year £'000	Outturn £'000
Staffing Costs			
Salaries, Secondments & Specialists	1,162	2,789	2,588
Travel, Subsistence, Training & Development	3	7	1
IT Hardware & Mobiles	1	2	2
	1,166	2,798	2,591
Development and Running Costs			
Rent and Accommodation	36	36	36
General Office Expenses	5	12	8
Stationary, Telephone & Photocopying	3	3	1
Translation	14	34	21
Software & Marketing	27	27	25
Service Level Agreements	58	139	139
External Audit	14	14	15
Legal Expenses	10	10	10
Business Plan Objectives	202	1,314	1,241
	369	1,589	1,496
Total Expenditure	1,535	4,387	4,087
Income	Original Budget 5 Months £'000	Amended Budget Full Year £'000	Outturn £'000
LA Contributions	182	389	389
Reserve (Unused contributions from 2020-21)	77	0	0
EWC (Unused funding carried forward)	114	0	0
EWC Funding	0	0	297
Grant Funding RCSIG	1,162	3,943	3,743
PDG Co-ordinator	0	55	55
Total Income	1,535	4,387	4,484
Net Expenditure/ (Income)	0	0	(397)
Appropriation to Reserve	0	0	397

- The salaries, secondments and specialists includes the cost of the Head of Human Resources/HR Lead seconded to ERW.
- £397k will be appropriated to reserve, some of which may be returned to Welsh Government due to the underspend.

3. Risks

It is anticipated that the costs of any redundancies from the cessation of ERW will be met from ERW reserve or EWC balances, however, should there be insufficient balances, the costs would have to be funded by Local Authorities in accordance with the ERW Joint Agreement.

Should there be any ERW reserve or EWC balances remaining at the cessation of ERW, these will have to be distributed in accordance with the ERW Joint Agreement.

There may be unforeseen costs involved in the cessation of ERW, e.g. any Welsh Government clawback of grant funding, which will not be known until the Statement of Accounts for 2021-22 have been compiled and audited by Audit Wales.

It is anticipated that a working balance and reserves for Partneriaeth will be created following the cessation of ERW, utilising any ERW reserve or EWC balances. If there are no balances following the cessation of ERW, consideration would have to be given how to fund a Partneriaeth working balance or reserve, e.g. Specific contribution from each Local Authority.

Continued reliance on grant funding was a risk for ERW and will remain a risk for Partneriaeth.

4. Recommendation

- The Joint Committee approve the ERW financial outturn for 2021-22.
- The Joint Committee authorise the ERW S151 Officer to make revisions the ERW financial outturn for 2021-22, prior to completion of the Statement of Accounts for 2021-22.