

MID WALES CORPORATE JOINT COMMITTEE

Report Title: Report of the Section 151 Officer with regard to the Budget Requirement and Funding for 2023/24

Date of Meeting: 19 January 2023

Purpose of Report	To approve the Budget Requirement and funding in respect of the Mid Wales Corporate Joint Committee (“MWCJC”) for 2023/24
Report Author	Duncan Hall
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1. Introduction:

- 1.1 This report details the proposed Mid Wales Corporate Joint Committee (MWCJC) Budget Requirement for the financial year 2023/24.
- 1.2 Funding of the Budget Requirement including the proportions contributed from Powys and Ceredigion County Councils and from the Brecon Beacons National Park Authority is reserved to that of the MWCJC members.
- 1.3 Regulations 16 and 17 of the Mid Wales Corporate Joint Committee Regulations 2021 detail the process for calculating the Budget Requirement and the Funding of the Budget Requirement. This includes a requirement to carry out and agree the calculations by no later than 31st January. The regulations also provide for the ability to revise of the calculations during the course of the financial year in question, provided that they are formally agreed at a Mid Wales CJC meeting.

2. Background

- 2.1 It is important to remember that MWCJC, as an established body corporate, is a separate and distinct legal entity.
- 2.2 There are a number of key obstacles that are still at different stages of being addressed by UK and Welsh Governments in order for the MWCJC to be able to exercise its functions. These include, but are not limited to:
- i) The ability to reclaim VAT in the same manner as Local Authorities.
 - ii) To not be subject to Corporation Tax.
 - iii) To have the ability to borrow from the Public Works Loans Board and/or place surplus funds with HM Treasury.
 - iv) To have access to a Local Authority Pension Fund.
 - v) Appropriate presence to ensure legal entity distinction is paramount (e.g. logo, website, e-mail).
- 2.3 With regards to the Pension Fund item, following considerable pressure from WG and the fact Ceredigion County Council falls under the Dyfed Pension Fund (being outside of the MWCJC boundary), a decision was required to be communicated to WG that Powys Pension Fund would be the Pension Fund administering body.

3. Budget 2023/24

- 3.1 The Budget for 2023/24 is included within Appendix A. The budget proposed totals £175,000 consisting of £131,255 for the General Budget and £43,745 for the Strategic Planning Budget.
- 3.2 It is recommended that Powys and Ceredigion County Councils fund the General Budget equally. The basis for funding the MWCJC budget will be reviewed and agreed annually.

- 3.3 It is recommended that the Brecon Beacons National Park Authority fund 11.45% (per national park population projections – 2018 based – published May 2021) of the Strategic Planning Budget.
- 3.4 The 2023/24 Budget remains largely predicated on no significant expenditure being incurred. This is in part due to the key obstacles already referenced and in part due to the current maturity of the MWCJC. There are also key areas where further clarification is required before financial implications and timelines can be fully understood e.g. Regional Transport. In addition, at this stage no formal decision has been made regarding the Growing Mid Wales Joint Committee, which currently sits outside of the MWCJC.
- 3.5 Therefore, as a number of factors become clearer, there may need to be a formal revision of the 23/24 MWCJC budget during the course of the financial year.
- 3.6 Other Financial Matters:
- i) Surpluses that accrue in any year will be contained and ring-fenced (Strategic Planning and General Budgets identified separately) within the MWCJC reserve account and will be utilised for future expenditure.
 - ii) Work is ongoing to review and confirm actual chargeable costs incurred to date in 2022/23. These mainly related to staffing and support costs being incurred by Powys Council. It is likely that there will be some Budget underspend which would then be held in the MWCJC reserves at year end. A 2022/23 Outturn position will therefore be reported in due course.
 - iii) All costs incurred and charged to MWCJC (being a separate legal entity) will need to be appropriately evidenced. This is to ensure value for money relative to the level of activity, outputs and number of MWCJC meetings taking place.
 - iv) Audit Wales will also in due course formally need to certify the year end outturn position for 2022/23. When MWCJC expenditure falls under £2.5m in any given year, then this is via an annual return. It is worth noting that beyond this threshold a fuller Statement of Accounts would be required, which would be a step up in terms of resources required.

- v) The MWCJC does not have any liabilities outstanding in respect of any earlier financial year as a result it is not currently recommended that an amount is approved to be held for this purpose.

4. Integrated Impact Assessment:

- 4.1 There is no requirement for an Integrated Impact Assessment for this report as the setting up of the CJC is underpinned by legislation and this report is to establish financial arrangements in accordance with legislation.

5. Workforce Impacts:

- 5.1 Currently any employment within the MWCJC will be undertaken by constituent authorities and recharged back to the MWCJC taking due account of any associated taxation issues.

6. Legal Impacts:

- 6.1 Part 5 of the Local Government and Elections (Wales) Act 2021 provides for the establishment, through regulations, of CJsCs and compliance will be had with this and other legislative obligations in the establishment of CJsCs. In particular the Mid Wales Corporate Joint Committee Regulations came into force on 1st April 2021 and set out that the CJC should be established and the timeframes for the discharging of specific functions.

7. Risk Management Impacts:

- 7.1 Failure to set a balanced budget would render the MWCJC in breach of its obligations exposing itself to legal challenge. In addition, suitable arrangements must be put in place to ensure that the constituent authorities and the national park authority are able to fulfil their legal obligations in establishing the MWCJC.

8. Consultation:

- 8.1 There is no requirement for public consultation in respect of this report.

9. Reasons for Proposed Decision:

- 9.1 To ensure the financial budget is set for the MWCJC in line with relevant legislative requirements applicable to CJsCs.

10. Recommendations

10.1 It is recommended that Ceredigion and Powys Council MWCJC Members approve the following with regard to the General Budget:

- (a) To approve the General Expenditure Budget for the MWCJC for 2023/24 of £131,255 as outlined in Appendix A.
- (b) To approve a zero amount budgeted to be held as a reserve to meet expenditure which will be incurred in respect of future years from the General Expenditure Budget for the MWCJC for 2023/24.
- (c) To approve if by the end of 2023/24 there is an underspend against the General Budget that the underspend will be held in an earmarked reserve specifically ring fenced for future years General Budget expenditure
- (d) To approve a zero amount to meet liabilities outstanding in respect of any earlier financial year from the General Expenditure Budget for the MWCJC for 2023/24.
- (e) To approve a levy chargeable against Powys and Ceredigion County Councils of £65,628 each in respect of the General Expenditure Budget for the MWCJC for 2023/24.

10.2 It is recommended that all MWCJC Members approve the following with regard to the Strategic Planning Budget:

- (f) To approve the Strategic Planning Expenditure Budget for the MWCJC for 2023/24 of £43,745 as outlined in Appendix A.
- (g) To approve a zero amount budgeted to be held as a reserve to meet expenditure which will be incurred in respect of future years

from the Strategic Planning Expenditure Budget for the MWCJC for 2023/24.

- (h) To approve if by the end of 2023/24 there is an underspend against the Strategic Planning Budget that the underspend will be held in an earmarked reserve specifically ring fenced for future years Strategic Planning expenditure.
- (i) To approve a zero amount to meet liabilities outstanding in respect of any earlier financial year in respect of the Strategic Planning Expenditure Budget for the MWCJC for 2023/24.
- (j) To approve a levy chargeable against Powys and Ceredigion County Councils of £19,369 each and a levy of £5,008 chargeable against the Brecon Beacons National Park Authority in respect of the Strategic Planning Expenditure Budget for the MWCJC for 2023/24.

10.3 It is recommended that all MWCJC Members confirms and acknowledges that Powys Pension Fund is designated as the administering Pension Fund authority for the MWCJC.