

APPENDIX

Heart of the South West Joint Committee Budget and Cost Sharing Agreement

BUDGET STATEMENT

Costs

At the time the Joint Committee was established it was estimated that its operating and support **costs** for 2018/19 (and to cover the remainder of 2017/18) would be £89,000 - excluding in-kind officer support. This estimate comprised:

1. £25,000 for work the Joint Committee would wish to commission to support the delivery of its work programme
2. £24,000 for the Brexit Resilience and Opportunities Group Secretariat
3. £40,000 for the Administering Authority to undertake its duties.

Budget

At the time the Committee was established, the **budget** to meet the predicted costs of £89,000 comprised:

1. An estimated (in November 2017) carry forward of £42,000 from the devolution budget (formed from initial contributions from all of the HotSW partners in October 2015.)
2. Funding contributions of £47,000 from the constituent authorities as follows
 - County Councils - £10,500 each (22.3%)
 - Unitary Councils - £4,000 each (8.5%)
 - District Councils and National Parks £1,400 each (2.9%)

The current budget position is as follows:

18/19 Budget = <u>£113,838</u> (an increase of <u>£24,838</u> over the original <u>£89,000</u> estimate)	18/19 Expenditure - <u>£TBC</u> (estimated)
<ol style="list-style-type: none"> 1. £66,838 - devolution budget carry forward (as against the estimate of <u>£42,000</u>) – transferred from PCC to SCC 2. £47,000 - funding contributions from the constituent authorities (to be collected) 	<ol style="list-style-type: none"> 1 £40,000 max to cover administrative authority costs including: direct meeting costs (including refreshments); staffing costs directly relating to HotSW meetings; JC communications and marketing; micro-site development 2 £20,000 max for Brexit Resilience Opportunities Group (BROG) for: <ul style="list-style-type: none"> • 1 day per week officer support on a seconded basis for the BROG secretariat and associated workstreams until March 2019 • Budget flexibility to commission specific pieces of research authorised by BROG to assist and inform the Joint Committee’s Work Programme • Meeting costs for focus groups and events with businesses to promote the opportunities to be offered by the LEP and the Productivity

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	Strategy Delivery Plan
	3 £TBC Procurement of support for MP/Ministerial engagement
	4 £4,000 (est) - Housing Summit costs estimate £9,500 (est) – Housing consultancy support ** Subject to confirmation

DRAFT COST SHARING AGREEMENT

As part of the new Joint Committee working arrangements, the following clause was agreed in relation to the costs of operation of the Joint Committee. This clause was in the Inter-Authority Agreement.

4.0 JC Finance

4.1 The JC's budgetary arrangements shall be detailed in a budget and cost sharing agreement to be agreed by all the Constituent Authorities annually on the recommendation of the JC and in advance of the financial year. The only exception to this will be in the JC's first year of operation when the JC shall recommend a budget and cost sharing agreement to the Constituent Authorities for approval at the first opportunity following its establishment.

4.2 The budget and cost sharing agreement shall cover:

- (j) The responsibilities of the Constituent Authorities for providing funding for the JC
- (k) The anticipated level of expenditure for the JC for the year ahead
- (l) The cost sharing mechanism to be applied to the Constituent Authorities
- (m) Details of how the budget will be set and agreed each year
- (n) Who is to be responsible for maintaining financial records on behalf of the JC (the 'accountable body');
- (o) What financial records are to be maintained;
- (p) What financial reports are to be made, to whom and when;
- (q) What arrangements and responsibilities are to be made for:
 - auditing accounts;
 - insurance including ensuring all partners have sufficient cover;
- (r) How any financial assets held by the JC on behalf of the Constituent Authorities will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA.

How is the budget set and agreed each year?

In the February preceding each financial year, in consultation with the Somerset County Council Finance Advisory Team, the SCC Strategic Manager - Partnership Governance on behalf of the PMO will detail a budget plan for the JC income and expenditure. This will establish estimated amounts for that financial year and the timing of those financial transactions. This will be submitted by the administering authority to the Joint Committee for recommendation to the Constituent Authorities (CA) for approval.

Each CA will pay their agreed contribution to the Administering Authority (AA) in a timely manner on receipt of invoice details.

Who is to be responsible for maintaining financial records on behalf of the JC?

SCC Finance Advisory Team – Ian Tier, Finance Manager.

What financial records are to be maintained?

Financial records, i.e. orders for supplies and services, payments made, invoices raised and receipts, will be kept electronically on the SCC financial system. This incorporates purchase orders, invoice scans, cashiers receipts and sales invoices.

What financial reports are to be made, to whom and when?

SCC Finance Advisory will present a quarterly income and expenditure report to the SCC Strategic Manager – Partnership Governance. This will be reported to the CEx Advisory Group for information. An income and expenditure report will be presented to the JC for information on at least an annual basis.

What arrangements and responsibilities are to be made for?

Auditing Accounts: The AA's accounts and audit arrangements will apply to JC business.

Insurance:

Each CA will ensure that it has sufficient insurance cover in place to provide protection for their members and officers participating in the work of the JC and in their capacity as officers or members of that authority. The AA will ensure that it has sufficient insurance cover in place to cover the AA role.

How any financial assets held by the JC on behalf of the CA will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA?

Itemised records of contributions made by each of the CAs will be kept over the life of the JC. In the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA having given the required notice, financial assets will be returned to the CA or CAs on a proportionate basis.

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16.5.18