

19 DECEMBER 2019

**2019/20 MONTH 08 JOINT COMMITTEE REVENUE BUDGET
MONITORING POSITION**

**REPORT OF ACCOUNTABLE BODY SECTION 151 OFFICER,
CARDIFF CAPITAL REGION CITY DEAL**

AGENDA ITEM 4

Reason for this Report

1. To provide the Cardiff Capital Region Joint Committee (Regional Cabinet) with details of actual expenditure, income and the projected full year outturn position as at the 30th November 2019 (Month 08), against its approved 2019/20 Joint Committee Revenue Budget.

Background

2. At its meeting of the 18th February 2019, Regional Cabinet approved its 2019/20 Joint Committee Revenue Budget. The budget supports the City Deal Office (CDO) and the Accountable Body (AB) support arrangements for the work of the Regional Cabinet.
3. The budget is funded from local authority Revenue Contributions and the Wider Investment Fund 'Top-Slice'.
4. Earmarked Reserves of £85,495 and a General Reserve of £123,498 are also available to fund future approved Regional Cabinet expenditure.

Issues

5. At Month 08 actual expenditure incurred is £427,560 which represents just over 25% of the annual budget, with the projected outturn position indicating an underspend of £286,498 at year end. Table 1 summarises the position at Month 08 and a narrative summary is outlined below.

Table 1: Month 08 Joint Committee Revenue Budget Monitoring Position

	Budget	Mth 08 Actual	Projected Year End	Variance
	£	£	£	£
<u>City Deal Office (CDO)</u>				
Employee Related	1,063,585	265,518	823,472	(240,113)
Premises Related	21,000	8,908	16,000	(5,000)
Transport Related	18,750	4,834	18,750	0
Supplies & Services	68,695	29,045	135,065	66,370
Joint Scrutiny	25,000	0	25,000	0
5 Year Gateway Review Support	72,810	0	72,810	0
Assurance Framework Support	25,000	7,299	25,000	0
WAO Performance Audit Fee	15,000	0	15,000	0
Contingency	68,576	0	21,000	(47,576)
Sub Total	1,378,416	315,604	1,152,097	(226,319)
<u>Accountable Body Support Services</u>				
HR People Services	20,685	13,741	18,563	(2,122)
Finance & Accountancy Support	138,296	48,362	114,580	(23,716)
Exchequer, Internal Audit & Insurance	3,566	1,550	3,100	(466)
Legal & Governance Support	80,000	40,000	73,410	(6,590)
ICT, Information & Governance	13,722	5,801	11,437	(2,285)
External Audit Fee	12,500	0	12,500	0
Procurement	15,000	2,500	5,000	(10,000)
Contingency	25,000	0	10,000	(15,000)
Sub Total	308,769	111,956	248,590	(60,179)
Gross Expenditure	1,687,185	427,560	1,400,687	(286,498)
<u>Funded by:-</u>				
Partner Contribution – Blaenau Gwent (4.6%)	(50,324)	0	(50,324)	0
Partner Contribution – Bridgend (9.5%)	(102,821)	0	(102,821)	0
Partner Contribution – Caerphilly (12.0%)	(130,371)	0	(130,371)	0
Partner Contribution – Cardiff (23.7%)	(258,452)	0	(258,452)	0
Partner Contribution – Merthyr Tydfil (3.9%)	(42,928)	0	(42,928)	0
Partner Contribution – Monmouthshire (6.1%)	(66,918)	0	(66,918)	0
Partner Contribution – Newport (9.8%)	(106,929)	0	(106,929)	0
Partner Contribution – RCT (15.8%)	(171,796)	0	(171,796)	0
Partner Contribution – Torfaen (6.1%)	(66,455)	0	(66,455)	0
Partner Contribution – Vale of Glam (8.5%)	(92,328)	0	(2,328)	0
WIF 'Top-Slice' Contribution	(597,865)	0	(371,546)	226,319
Gross Income	(1,687,185)	0	(1,460,866)	0
Net Position	0	427,560	(60,179)	(60,179)

City Deal Office: Underspend (£226,319)

6. The Month 04 Monitoring Position approved by Regional Cabinet at its meeting of 12th September 2019 assumed that the City Deal Office Budget would be fully spent over the course of the financial year. It did so while noting that significant underspends were likely against the staffing budget for the year which were to be retained in order to allow the City Deal Director the flexibility to secure short term resources to meet staffing gaps in the interim.
7. Resources have since been put in place which cover part of the approved staffing structure and it is now anticipated that these underspends will be realised. Accordingly, the budgeted contribution to the City Deal Office from the Wider Investment Fund Top-Slice will not be required in full.

Employee Related Budgets: (£240,113)

8. The Employee Related budget of £1,063,585, is based on 15 FTEs and has been partly filled.
9. In determining the forecast of expenditure at Month 04, assumptions were made in respect to when the new structure would be in place. As stated above, it is now expected that an underspend will be realised in this financial year.

Premises Related Budgets: (£5,000)

10. The premises related budgets include a contingency of £5,000 which was in place to cover potential office re-modelling costs at the Tredomen office and is no longer required.

Supplies & Services: £66,370

11. A net overspend of £66,370 is being incurred on costs relating to External Communications and Media support while in-house employee related resources have been in the process of being put in place.

Contingency Budget: (£47,576)

12. Costs amounting to £21,000 are being funded from the contingency budget of £68,576. These relate to unbudgeted costs for initiatives such as Energy Mission and the British American Project, while there are currently no other commitments against the remainder of the budget.

All other City Deal Office Budgets: On Target

13. All other City Deal Office budgets are projected to be on target at year-end.

Accountable Body Support & Related Services: Underspend (£60,179)

14. At Month 08, actual costs amounting to £111,956 have been incurred in relation to the Accountable Body Support and Related Services budget.
15. Service Level Agreements (SLAs) are in place for all aspects of the Accountable Body's support to the City Deal Office and Regional Cabinet. Costs incurred to date against these have been reviewed at the end of Quarter 2 and these indicate that a number of the approved budgets will be underspent at the financial year end. As approved by Regional Cabinet at its meeting of 10th June 2019, this underspend will be carried forward as a 'General Reserve' to assist with budget management in future years.
16. The underspends reported are mainly as a result of temporary staffing changes within the teams providing Finance & Accountancy and Legal & Governance support.
17. In addition to this, Procurement support costs are now projected to be significantly under budget and the contingency budget held can be largely released.

Month 08 Summary

18. Forecast expenditure for 2019/20 indicates an underspend against approved budgets of £286,498 which, if realised, will result in a reduction in the required drawdown of Wider Investment Fund Top-Slice funding of £226,319 and an increase of £60,179 to the Regional Cabinet General Reserve. These will then be available to fund future approved Regional Cabinet expenditure.
19. Further drawdowns against Accountable Body SLAs and contributions from Partner Authorities will be actioned and the budget will continue to be monitored and reviewed through the rest of the financial year and reported back to Regional Cabinet at appropriate intervals.

Reasons for Recommendations

20. To provide Regional Cabinet with an update of the monitoring position against its approved 2019/20 Joint Committee Revenue Budget, as at 30 November 2019 (Month 08).

Financial Implications

21. As stated in the main body of the report, there is an underspend projected at year end.
22. This underspend has an impact on the Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget and the General and Earmarked Reserves held, as set out above.

Legal Implications

23. This is a revenue budget monitoring report for noting and based on the information contained in this report, does not raise any direct legal issues.

Well-being of Future Generations Act 2015 (Wales)

24. The Well-being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) must set and published well-being objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national well-being goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the 'well-being duty' and in so doing assist to achieve the national well-being goals.
25. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
- look to the long term;
 - focus on prevention by understanding the root causes of problems;
 - deliver an integrated approach to achieving the 7 national well-being goals;
 - work in collaboration with others to find shared sustainable solutions;
 - involve people from all sections of the community in the decisions which affect them.
26. Regional Cabinet must be satisfied that the proposed decision accords with the principles above
27. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an appendix to this report (Wellbeing of Future Generations Assessment) for member's consideration
28. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

29. In considering this matter regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATION

30. It is recommended that Cardiff Capital region Regional Cabinet notes the actual expenditure, income and projected full year out-turn position as at 30 November 2019 (Month 08) against its approved 2019/20 Revenue Budget.

Christopher Lee
Section 151 Officer, CCR Regional Cabinet
19 December 2019

Appendix

Appendix 1 Future Generations Assessment Evaluation

Future Generations Assessment Evaluation

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To provide details of expenditure, income and projected full year outturn position against the approved 2019/20 Joint Committee revenue budget.
Proposal: 2019/20 Month 08 Joint Committee Revenue Budget Monitoring Position	Date Future Generations Evaluation form completed: 06 Dec 2019

- 1. Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report sets out progress against agreed revenue budgets and the way in which resources are being used to deliver outcomes and targets.	Set out in report
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Not directly relevant however financial support and investments will have regard to these principles and will be set out on a business-case by business-case basis.	
A healthier Wales	Not direct applicable	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
People’s physical and mental wellbeing is maximized and health impacts are understood		
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Not directly applicable	A greater contribution will be made to this by the data capability, sectoral analysis and place assessments.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Not directly applicable	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Not directly applicable	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	City Deal is about delivering as far as possible across 10 LAs and a population of £1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people’s lives. Some of the specific interventions around skills and housing – will seek to make a more direct contribution to equity of access and equal opportunity for all.	

2. How has your proposal embedded and prioritized the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Demonstrated in the report through detailed funding allocations and investment cases</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is an overview of financial performance. The protected characteristic assessments related to specific proposals will need to be drawn out in the relevant business cases and proposal documents.	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		
Sex	As above		
Sexual Orientation	As above		
Welsh Language	As above	Not at this time but the situation will be kept under review.	

4. Safeguarding & Corporate Parenting. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not directly relevant –however, building the future economy should have a profoundly positive impact on ability to safeguard the future of our residents		
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care		

5. What evidence and data has informed the development of your proposal?

- Evidence and input contributed by theme leads
- Outcomes of assessments such as audit reports
- The Draft Annual Governance Statement
- Delivery against targets set out in individual business cases/ approved project documentation
- Financial data and recording

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The areas requiring attention and focus are set out and follow-up actions will be assessed and monitored ongoing through the quarterly reporting mechanism. .

7. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	Quarter 3
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