



12 SEPTEMBER 2019 MEETING

2019/20 MONTH 04 JOINT COMMITTEE REVENUE BUDGET MONITORING POSITION

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

AGENDA ITEM 5

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 31st July 2019 (Month 04), 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 expenditure incurred in 2019/20.

Issues

5. The City Deal's Investment and Intervention Framework was approved and launched in June 2019 and the City Deal Office's staffing structure has been re-designed to support the requirements of projects as they pass through the framework and come to fruition.
6. At Month 04 actual expenditure incurred is £306,710 which represents just over 18% of the annual budget, with the projected outturn position indicating

that the budget will be fully spent at year end. Table 1 summarises the position at Month 04 and a narrative summary is outlined below.

Table 1: Month 04 Joint Committee Revenue Budget Monitoring Position

	Budget	Mth 04	Projected	Variance
	£	Actual	Year End	£
		£	£	
<u>City Deal Office (CDO)</u>				
Employee Related	1,063,585	165,622	1,018,885	-44,700
Premises Related	21,000	5,764	21,000	0
Transport Related	18,750	2,339	18,750	0
Supplies & Services	68,695	38,387	113,395	44,700
Joint Scrutiny	25,000	0	25,000	0
5 Year Gateway Review Support	72,810	0	72,810	0
Assurance Framework Support	25,000	6,627	25,000	0
WAO Performance Audit Fee	15,000	0	15,000	0
Contingency	68,576	0	68,576	0
Sub Total	1,378,416	218,739	1,378,416	0
<u>Accountable Body Support Services</u>				
HR People Services	20,685	8,948	20,685	0
Finance & Accountancy Support	138,296	46,067	138,296	0
Exchequer, Internal Audit & Insurance	3,566	1,033	3,566	0
Legal & Governance Support	80,000	26,667	80,000	0
ICT, Information & Governance	13,722	3,977	13,722	0
External Audit Fee	12,500	0	12,500	0
Procurement	15,000	1,667	15,000	0
Contingency	25,000	-388	25,000	0
Sub Total	308,769	87,971	308,769	0
Gross Expenditure	1,687,185	306,710	1,687,185	0
<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	(597,865)	0
Gross Income	(1,687,185)	0	(1,687,185)	0
Net Position	0	306,710	0	0

City Deal Office: On Target with Commitments to be Confirmed

6. The projected out-turn position assumes that the budget will be fully spent over the course of the financial year. While expenditure to date is lower than could be expected for this position to be taken, it must be noted that the new staffing structure is in the process of being put in place and as a result of this, along with Regional Cabinet's recent approval and launch of the Investment & Intervention Framework, it can be expected for expenditure to accelerate exponentially over the course of the remainder of the financial year. The position against the key CDO budget heads is summarised below.

Employee Related Budgets: (£44,700)

7. The Employee Related budget of £1,063,585, is based on 15 FTEs and is currently in the process of being filled from the 'top down' in order for appropriate appointments to be made by the relevant officers.
8. In determining the forecast of expenditure, assumptions have been made in respect to when the new structure will be in place. This indicates an underspend of circa £273,000, however, some of this underspend is retained to allow the City Deal Director the flexibility to secure short term resources to meet staffing gaps in the interim.
9. The City Deal Director is currently considering a number of proposals to utilise the budget available in order to meet CDO objectives. This may entail virements between budget headings and future reports will outline these and seek Regional Cabinet's approval when these are clarified.
10. Given the above, an underspend of £44,700 is currently reported, reflecting the fact that while the Marketing and Communications Lead post contained within the approved structure is vacant, an external supplier continues to be used to provide such services. This underspend offsets an overspend reported against Supplies & Services.

Supplies & Services: +£44,700

11. As stated above, costs relating to Communications and Media support are currently being incurred and these costs will be covered by the budget set aside for the currently vacant post included within the employee related budgets.

All other City Deal Office Budgets: On Target

12. As at Month 04, for the reasons set out above, all other City Deal Office budgets are projected to be on target at year-end.

Accountable Body Support & Related Services: On Target but including Contingency of £25,000

13. At Month 04, actual costs amounting to £87,971 were incurred in relation to the Accountable Body Support and Related Services budget.
14. Service Level Agreements 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 1 and these indicate that the agreed budget will be fully required for the financial year.
15. The budget contains a contingency of £25,000 against which no commitments currently exist. Given the early stage in the financial year and to allow the flexibility to react to any unforeseen overspends this is currently shown as committed.

Month 04 Summary

16. Forecast expenditure for 2019/20 will be met from within the total funding sources approved by Regional Cabinet.
17. Should an underspend materialise as a result of the factors identified in this report, this will be carried forward as Joint Committee General Reserve as was approved for the 2018/19 underspend by Regional Cabinet at its meeting of 10th June 2019.
18. 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

33. To provide Regional Cabinet with an update of the monitoring position against its approved 2019/20 Joint Committee Revenue Budget, as at 31st July 2019 (Month 04).

Financial Implications

34. As stated in the main body of the report, there are currently sums expected to be spent by year end for which there are not yet specific commitments. Future reports to Regional Cabinet will provide updates on the proposed expenditure and provide the opportunity to approve any plans for the reallocation of any budget not being used for its original purpose.
35. As a result of the potential underspends which may be able to be confirmed later in the financial year, further consideration would need to be made regarding the Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget and the General and Earmarked Reserves held.

Legal Implications

36. 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.

Wellbeing of Future Generations Act 2015 (Wales)

37. 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.
38. 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.
39. Regional Cabinet must be satisfied that the proposed decision accords with the principles above
40. 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
41. *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

42. 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

43. It is recommended that Cardiff Capital region Regional Cabinet notes the actual expenditure, income and projected full year out-turn position as at the 31st July 2019 (Month 04), against its approved 2019/20 Revenue Budget.

Christopher Lee
Section 151 Officer, CCR Regional Cabinet
12 September 2019

Appendix

Appendix 1 Future Generations Assessment Evaluation

Future Generations Assessment Evaluation

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 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 04 Joint Committee Revenue Budget Monitoring Position	Date Future Generations Evaluation form completed: 03 Sep 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 2
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