

14 SEPTEMBER 2020

**2020/21 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 2020 (Month 04), against its approved 2020/21 Joint Committee Revenue Budget.

Background

2. At its meeting of the 19th December 2020, Regional Cabinet approved its 2020/21 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. Subject to the Final Audited Accounts, General Reserves of £212,080 carried forward from previous years' underspends are also available to fund expenditure incurred in 2020/21, although it is not currently expected for drawdown from such reserves to be necessary in this financial year.

Issues

5. At Month 04 actual expenditure incurred is £413,788 which represents just under 25% of the annual budget, with the projected outturn position indicating that the budget will be underspent by £167,426 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 Actual	Projected Year End	Variance
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	£	£	£	£
<u>City Deal Office (CDO)</u>				
Employee Related	1,069,822	284,365	978,872	(90,950)
Premises Related	21,000	5,384	21,000	0
Transport Related	15,000	2,419	7,500	(7,500)
Supplies & Services	68,695	37,686	113,299	44,604
Joint Scrutiny	25,000	0	25,000	0
5 Year Gateway Review Support	93,214	13,911	93,214	0
WAO Performance Audit Fee	15,000	0	15,000	0
Contingency	80,618	6,429	36,014	(44,604)
Sub Total	1,388,349	350,194	1,289,899	(98,450)
<u>Accountable Body Support Services</u>				
HR People Services	12,467	5,887	12,467	0
Finance & Accountancy Support	138,294	22,544	102,656	(35,638)
Exchequer, Internal Audit & Insurance	2,857	953	2,857	0
Legal & Governance Support	80,000	26,667	80,000	0
ICT, Information & Governance	17,626	5,876	17,626	0
External Audit Fee	12,500	0	12,500	0
Procurement	5,000	1,667	5,000	0
Contingency	33,338	0	0	(33,338)
Sub Total	302,082	63,594	233,106	(68,976)
Gross Expenditure	1,690,431	413,788	1,523,005	(167,426)
<u>Funded by:-</u>				
Partner Contribution – Blaenau Gwent (4.6%)	(50,822)	0	(50,822)	0
Partner Contribution – Bridgend (9.5%)	(104,958)	0	(104,958)	0
Partner Contribution – Caerphilly (12.0%)	(132,578)	0	(132,578)	0
Partner Contribution – Cardiff (23.7%)	(261,842)	0	(261,842)	0
Partner Contribution – Merthyr Tydfil (3.9%)	(43,088)	0	(43,088)	0
Partner Contribution – Monmouthshire (6.1%)	(67,394)	0	(67,394)	0
Partner Contribution – Newport (9.8%)	(108,272)	0	(108,272)	0
Partner Contribution – RCT (15.8%)	(174,561)	0	(174,561)	0
Partner Contribution – Torfaen (6.1%)	(67,394)	0	(67,394)	0
Partner Contribution – Vale of Glam (8.5%)	(93,909)	0	(93,909)	0
WIF 'Top-Slice' Contribution	(151,166)	0	(151,166)	0
WIF Reserve Contribution	(434,448)	0	(267,022)	167,426
Gross Income	(1,690,431)	0	(1,523,005)	167,426
Net Position	0	413,788	0	0

City Deal Office: (£98,450)

6. The projected out-turn position assumes that there will be an underspend against the approved budget of £98,450 at the financial year end. The position against the key CDO budget heads is summarised below.

Employee Related Budgets: (£90,950)

7. The Employee Related budget of £1,069,822, is based on 16 FTEs and remains in the process of being formally filled with some posts still remaining vacant. The

outturn projection above reflects the current level of resources in place along with a contingency sum of £80,000 to allow the Director of the City Deal the flexibility to react to short term resourcing requirements.

Transport Related Expenditure: (£7,500)

8. As a result of the current pandemic, there will be a reduction of costs in this area.

Supplies & Services: £44,604, offset by Contingency: (£44,604)

9. Whilst most budget heads are shown as on target, there are currently unbudgeted commitments of £32,704 for ongoing PR & Media work and £11,900 for ICT system improvements which will be funded from the approved Contingency Budget of £80,618. Ongoing unbudgeted costs will be dealt with in setting the 2021/22 Budget.

All other City Deal Office Budgets: On Target

10. As at Month 04 all other City Deal Office budgets are projected to be on target at year-end.

Accountable Body Support & Related Services: (£68,976)

11. At Month 04, actual costs amounting to £63,594 were incurred in relation to the Accountable Body Support and Related Services budget.
12. The City Deal Office is currently reviewing the Service Level Agreements in place for all aspects of its support from the Accountable Body for both the current and future financial years. In order to be able to accommodate any agreed changes, the majority of budgets are projected to be on target at year end.
13. It is, however, noted that due to changes in the resourcing of the Accountable Body's Finance and Accountancy Team there is projected to be an underspend against this budget of £35,638
14. Further, the budget contains a contingency of £33,338 against which no commitments currently exist and is considered unlikely to be required.
15. An update will be given to Regional Cabinet in regard to the discussions around the ongoing support of the Accountable Body when these are concluded.

Month 04 Summary

16. Forecast expenditure for 2020/21 is projected to underspend the total funding sources approved by Regional Cabinet by £167,426.
17. Any underspend will be used to reduce the amount required to be drawn down from the Wider Investment Fund Top-Slice, or be carried forward as a Joint Committee General Reserve as has been the case in previous years.

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.
19. It is anticipated that invoices will be raised to each of the 10 Partner Authorities in Quarter 4 of 2020/21 for their contributions to this Budget.

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 31st July 2020 (Month 04).

Financial Implications

21. As stated in the main body of the report, there is an underspend projected for year-end against both the CDO and AB Budgets. 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.
22. As a result of the projected underspends further consideration will 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

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. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
 - a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;
 - b) public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils 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: a. age; b. gender reassignment; c. sex; d. race – including ethnic or national origin, colour or nationality; e. disability; f. pregnancy and maternity; g. marriage and civil partnership; h. sexual orientation; i. religion or belief – including lack of belief, and;
 - c) the Well-being of Future Generations (Wales) Act 2015. 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 CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the 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.

25. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. 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 at Appendix 1.

RECOMMENDATION

26. It is recommended that Cardiff Capital region Regional Cabinet:

- a) 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
14 September 2020

Appendix

Appendix 1 Well-being of Future Generations Assessment

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact)






Name of the Officer completing the evaluation: Chris Lee Phone no: 02920 72300 E-mail: christopher.lee@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 2020/21 Joint Committee revenue budget.
Proposal: 2020/21 Month 10 Joint Committee Revenue Budget Monitoring Position	Date Future Generations Evaluation form completed: 07 September 2020

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 People's physical and mental wellbeing is maximized and health impacts are understood	Not directly applicable	
A Wales of cohesive communities	Not directly 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?
Communities are attractive, viable, safe and well connected		
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	Not directly applicable	
<p>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</p>	Not directly applicable	
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	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 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 Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working.</p>	
 <p>Involvement Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	
 <p>Prevention 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 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	As above	
Race	As above	As above	
Religion or Belief	As above	As above	
Sex	As above	As above	
Sexual Orientation	As above	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?

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| <ul style="list-style-type: none"> • 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 |
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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?

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