

18 MAY 2020

2019/20 JOINT COMMITTEE REVENUE BUDGET FINAL OUTTURN POSITION

REPORT OF CARDIFF CAPITAL REGION CITY DEAL SECTION 151 OFFICER

AGENDA ITEM 4

Reason for this Report

1. To provide the Cardiff Capital Region Joint Cabinet (Regional Cabinet) with details of the final outturn position (subject to audit) against the Joint Committee Revenue Budget for the year ending 31 March 2020.

Background

2. At its meeting of the 18 February 2019, Regional Cabinet approved its 2019/20 Joint Committee Revenue Budget. This 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 were also available at 1 April 2019 to fund approved Regional Cabinet expenditure during 2019/20.

Issues

5. The 2019/20 out-turn position, detailed in Table 1 below shows a net underspend of £279,947 compared to the budget for the year set in February 2019.
6. The Monitoring reports considered by Regional Cabinet at its meetings throughout the financial year have noted that underspends would be realised

against the staffing budget for the year and accordingly, the budgeted contribution to the City Deal Office from the Wider Investment Fund Top-Slice would not be required in full.

7. The underspend during the year has resulted in a £279,947 reduction in the budgeted drawdown of Wider Investment Fund Top-Slice funding. Further, expenditure to be covered by the Earmarked Reserves of £85,495 brought forward to 2019/20 has been met from in year resources. These are deemed to be added to the General Reserve available at 31st March 2020 which will now stand at £208,993 and be carried forward to 2020/21 to fund future approved Regional Cabinet expenditure.

Table 1: Joint Committee Revenue Out-turn Position

	2019/20 Budget £	2019/20 Outturn £	2019/20 Variance £
<u>City Deal Office (CDO)</u>			
Employee Related	1,063,585	788,759	(274,826)
Premises Related	21,000	15,262	(5,738)
Transport Related	18,750	28,368	9,618
Supplies & Services	68,695	182,852	114,157
Joint Scrutiny	25,000	14,612	(10,388)
5 Year Gateway Review Support	72,810	68,645	(4,165)
Assurance Framework Support	25,000	18,058	(6,942)
WAO Performance Audit Fee	15,000	14,644	(356)
Contingency	68,576	24,601	(43,975)
Sub Total	1,378,416	1,155,801	(222,615)
<u>Accountable Body Support Services</u>			
HR People Services	20,685	16,510	(4,175)
Finance & Accountancy Support	138,296	112,619	(25,677)
Exchequer, Internal Audit & Insurance	3,566	3,100	(466)
Legal & Governance Support	80,000	79,996	(4)
ICT, Information & Governance	13,722	11,695	(2,028)
External Audit Fee	12,500	27,518	15,018
Procurement	15,000	0	(15,000)
Contingency	25,000	0	(25,000)
Sub Total	308,769	251,437	(57,332)
Gross Expenditure	1,687,185	1,407,238	(279,947)
<u>Funded by:-</u>			
Partner Contribution – Blaenau Gwent (4.6%)	(50,324)	(50,324)	0
Partner Contribution – Bridgend (9.5%)	(102,821)	(102,821)	0
Partner Contribution – Caerphilly (12.0%)	(130,371)	(130,371)	0
Partner Contribution – Cardiff (23.7%)	(258,450)	(258,450)	0
Partner Contribution – Merthyr Tydfil (3.9%)	(42,928)	(42,928)	0
Partner Contribution – Monmouthshire (6.1%)	(66,918)	(66,918)	0
Partner Contribution – Newport (9.8%)	(106,929)	(106,929)	0

Partner Contribution – RCT (15.8%)	(171,796)	(171,796)	0
Partner Contribution – Torfaen (6.1%)	(66,455)	(66,455)	0
Partner Contribution – Vale of Glam (8.5%)	(92,328)	(92,328)	0
WIF 'Top-Slice' Contribution	(597,865)	(317,918)	279,947
Gross Income	(1,687,185)	(1,407,238)	279,947
Net Position	0	0	0

City Deal Office: Underspend (£222,615)

8. City Deal Office expenditure for the year ending 31 March 2020 amounts to £1,155,801 representing just under 84% of the budget.

Employee Related Budgets: (£274,826)

9. The Employee Related budget of £1,063,585, was based on 15 Full Time Equivalents and was partially filled. As indicated during the year, there have been delays in fully implementing the new staffing structure of the City Deal Office, resulting in an underspend against this budget heading, However short-term support for services has been procured to mitigate the impact, some of which are shown as increased costs against the supplies and services budget.

Premises Related Budgets: (£5,738)

10. The premises related budget included a contingency of £5,000 which was in place to cover potential office re-modelling costs at the Tredomen office and was not required.

Supplies & Services: £114,157

11. Additional costs of £83,162 were incurred on costs relating to External Communications and Media support while in-house employee related resources were in the process of being put in place.
12. Further costs of £30,828 were incurred in the setting up of more targeted media publicity and marketing work.

Contingency Budget: (£43,975)

13. Costs amounting to £24,601 were funded from the contingency budget of £68,576 towards Programme Development and Procurement Support, with the balance shown as an underspend

All other City Deal Office Budgets: (£12,233)

14. A total underspend of £12,233 was realised against the other City Deal Office budgets at year-end.

Accountable Body Support & Related Services: Underspend (£57,332)

15. Accountable Body expenditure for the year ending 31 March 2020 amounted to £251,437 representing just over 81% of the budget.
16. The underspend was mainly as a result of temporary staffing changes within the team providing Finance and Accountancy Support (£25,677).
17. In addition to this, no costs were incurred against either the Procurement support costs budget (£15,000) or the contingency budget (£25,000).

Reasons for Recommendations

18. To inform Regional Cabinet of the final outturn position against its Joint Committee Revenue Budget for the year ending 31 March 2020.

Financial Implications

19. As stated in the main body of the report, there is a surplus position in 2019/20 compared to the budget approved for that year.
20. This underspend has reduced the planned Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget during the year and, as stated above, negated the need to drawdown the Earmarked Reserves brought into 2019/20 which will now be added to the General Reserve.
21. The report sets out the General Reserve held as at 31 March 2020. Reserves support financial resilience including contingencies for unexpected events or emergencies or to meet specific, known or predicted future expenditure. Reserves need to be maintained in accordance with the CIPFA Code of Practice on Local Authority Accounting and agreed accounting policies in accordance with relevant codes of practice for each reserve established, the purpose, usage and basis of transactions should be clearly identified. Approval of any expenditure that is to be met from specific Earmarked Reserves is delegated to the Joint Committee s151 Officer. Approval of any expenditure that is to be met from the General Reserve is delegated to the Joint Committee S151 Officer in consultation with the Joint Committee Chair

Legal Implications

22. The Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal (JWA) provides that the Regional Cabinet's terms of reference include monitoring performance. One of the purposes of this report is to facilitate such monitoring by providing details of the final out-turn position against the Joint Committee Revenue Budget for the year ending 31st March 2020.
23. As this report simply sets the final outturn position for Joint Cabinet to note, there are no other legal implications for this report.

Well-being of Future Generations

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 CCRC) 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 Joint Cabinet:
- a) notes the final out-turn position against the approved Joint Committee Revenue Budget for the year ending 31 March 2020.

Christopher Lee
Section 151 Officer, Cardiff Capital Region City Deal
18 May 2020

Appendix 1 Well-being of Future Generations Assessment

Future Generations Assessment Evaluation

Name of the Officer completing the evaluation: Gareth Gates Phone no: 02920 872275 E-mail: Gareth.gates@cardiff.gov.uk	Please give a brief description of the aims of the proposal To provide details of the full year out-turn position against the approved 2019/20 Joint Committee Revenue Budget.
Proposal: 2019/20 Joint Committee Revenue Budget Final Out-turn	Date Future Generations Evaluation form completed: 11 May 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 the final out-turn position against agreed revenue budgets and the way in which resources have been 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.	

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 healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Not direct applicable.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Not directly applicable.	
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.	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?

- 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 reporting mechanism in the following Financial Year.

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 1 2020/21
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