

26 SEPTEMBER 2022

**2022/23 MONTH 5 JOINT COMMITTEE REVENUE BUDGET
MONITORING POSITION**

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

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 31 August 2022 (Month 5), against its approved 2022/23 Joint Committee Revenue Budget.

Background

2. At its meeting of the 31 January 2022, Regional Cabinet approved its 2022/23 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. General Reserves of £212,080 carried forward from previous years' underspends are also available to fund expenditure incurred in 2022/23. It is not currently anticipated that a drawdown from this fund will be required.
5. In addition, Earmarked Reserves were created at 2021/22 Year End for the following purposes:
 - £227,221 to fund CJC transition costs in 2022/23;
 - £30,000 towards the building up of a reserve to be used to fund expenditure which will be required in preparation for and during the next Gateway Review in 2025/26.
6. All reserves are subject to the completion of the Audit of the 2021/22 Accounts.

Issues

7. At Month 5, actual expenditure incurred and committed amounts to £879,090 representing just over 30% of the annual budget. The projected outturn position indicates that the budget will be underspent by £117,257 at year end. Table 1 summarises the position at Month 5 and a narrative summary is outlined below.

Table 1: Month 5 Joint Committee Revenue Budget Monitoring Position

	Budget 21/22 £	Month 5 Actual £	Projected Year End £	Variance £
Staffing Costs	2,174,211	684,686	2,054,405	(119,806)
Total Employee Costs	2,174,211	684,686	2,054,405	(119,806)
Office Lease	15,000	6,250	51,250	36,250
Office Other	5,000	1,308	5,000	0
Total Premises Costs	20,000	7,558	56,250	36,250
Travelling & Subsistence Costs	6,500	838	6,500	0
Total Transport Costs	6,500	838	6,500	0
ICT Equipment	13,000	639	13,000	0
Office Equipment & furniture	2,600	1,342	2,600	0
Software Licenses & Mobiles	31,310	7,983	31,310	0
Meeting Room Hire & Refreshments	15,000	11,302	15,000	0
Events, Marketing & Branding	10,000	2,665	10,000	0
Media Management	76,200	18,341	29,566	(46,634)
Web Design / Social Media Management	3,800	0	3,800	0
Training & Development	19,500	2,260	27,412	7,912
Welsh Translation	10,000	0	10,000	0
General Expenses	2,500	880	2,500	0
Contingency Budget	30,000	0	30,000	0
Total Supplies & Services	213,910	45,411	175,188	(38,722)
5 Yr Gateway Review Support	30,000	0	30,000	0
Programme Development & Support	25,000	15,312	25,000	0
WAO Performance Audit Fee	15,000	0	15,000	0
Western Gateway Membership	10,000	0	10,000	0
Procurement Support	10,000	0	10,000	0
Joint Scrutiny	25,000	0	25,000	0
CJC Expenditure	227,221	6,786	227,221	0
CJC Reserve Drawdown	(227,221)	(6,786)	(227,221)	0
Total External Support	115,000	15,312	115,000	0
HR People Services	16,185	10,702	17,162	977
Finance & Accountancy Support	125,000	52,083	125,000	0
Exchequer, Internal Audit & Insurance	2,857	1,189	4,857	2,000
Legal & Governance Support	121,060	50,442	121,060	0
ICT, Information & Governance	24,040	10,868	26,084	2,044
External Audit Fee	24,500	0	24,500	0
Contingency	20,000	0	20,000	0
Total Support Services (AB)	333,642	125,285	338,663	5,021

Total	2,863,263	879,090	2,746,006	(117,257)
Local Authority Partner Contributions	(1,218,061)	(243,612)	(1,218,061)	0
Wider Investment Fund Top Slice Contribution	(1,645,202)	(305,589)	(1,527,945)	117,257
Total Funding	(2,863,263)	(549,201)	(2,746,006)	117,257

Employee Related Budgets: (£119,806)

8. The Employee Related budget of £2,174,211, is based on an establishment of 25.8 FTEs with various anticipated start dates along with a contingency for additional staffing resources should they be required. An assessment of the resources currently expected to be required during 2022/23 is reflected by this underspend which includes a £150,000 contingency to allow the City Deal Director further flexibility to react to resource requirements which may become clear during the second half of year. This will continue to be reviewed and updated during the financial year.

Premises Costs: £36,250

9. There will be an overspend against the premises costs budget as a result of the decision taken by Regional Cabinet at it's meeting of 27 June 2022 to relocate its core Headquarters and Registered Office to the sbarc|spark building at the Cardiff University Innovation Campus.

Transport Related Expenditure: On Target

10. The annual budget for travel and subsistence costs was reduced for 2022/23 as a result of the impact of the pandemic on agile working practices. It is anticipated that this reduced budget will be on target.

Supplies & Services: (£38,722)

11. While most budgets are expected to be on target there is a projected underspend of £46,634 against the approved Media Management budget which reflects a temporary post that has been created to provide this service 'in-house' rather than via a 3rd party and an overspend of £7,912 against the Training & Development budget as a result of the procurement of staff skills development for the City Deal Office team.

External Support: On Target

12. This section includes a commitment of £30,000 to increase the Earmarked Reserve for future Gateway Review work referred to in Paragraph 5. Recent correspondence with UK Government has confirmed that the process for the second Gateway Review will be funded in a different way from the first and may result in reduced costs to the City Deals. Further updates will be provided to Regional Cabinet in future reports as the impact of this becomes clearer.

Support Services (Accountable Body Support): £5,021

13. It is anticipated that HR support costs will be £977 above the approved budget on the basis of anticipated activity.
14. The level of Internal Audit support has been increased as a reflection of increased activity and will result in an overspend against this budget of £2,000.
15. ICT costs are expected to be above budget by £2,044 as a result of increased anticipated headcount by year end and subsequent support and account provision charges.

Month 05 Summary

16. The forecast expenditure for 2022/23 is projected to underspend the total funding sources approved by Regional Cabinet by £117,257.
17. Any general underspend will be used to reduce the amount required to be drawn down from the Wider Investment Fund Top-Slice.
18. Further monitoring reports will be reported back to Regional Cabinet at future meetings.
19. Invoices will be raised to each of the 10 Partner Authorities in Quarter 4 of 2022/23 for their contributions to this Budget.

Reasons for Recommendations

20. To provide Regional Cabinet with an update of the monitoring position against its approved 2022/23 Joint Committee Revenue Budget, as at 31 August 2022 (Month 5).

Financial Implications

21. As stated in the main body of the report, there is an underspend projected for year-end against the approved Joint Committee Revenue Budget. 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, as set out above, it is proposed that there will be a reduction in the required drawdown from the Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget.

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 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.

Equality Act 2010

26. 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

27. It is recommended that Cardiff Capital Region Regional Cabinet:

- (1) notes the actual expenditure, income and projected full year out-turn position as at the 31 August 2022 (Month 5), against its approved 2022/23 Revenue Budget.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
26 September 2022

Appendix

Appendix 1 Well-being of Future Generations Assessment

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

Item 4 Appendix 1






<p>Name of the Officer completing the evaluation:</p> <p>Christopher Lee</p> <p>Phone no: 02920 72300 E-mail: christopher.lee@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To provide details of expenditure, income and projected full year outturn position against the approved 2022/23 Joint Committee revenue budget.</p>
<p>Proposal: 2022/23 Month 5 Joint Committee Revenue Budget Monitoring Position</p>	<p>Date Future Generations Evaluation form completed: 26 September 2022</p>

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?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The report sets out progress against agreed revenue budgets and the way in which resources are being used to deliver outcomes and targets.</p>	<p>Set out in report</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>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.</p>	
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Not directly applicable</p>	

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 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 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?

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:	Future Monitoring Reports
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