



28 NOVEMBER 2022

**2022/23 MONTH 7 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 October 2022 (Month 7), 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 currently anticipated that a drawdown from this fund will be used to fund the CJC costs incurred during the year of £103,540.
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 7, actual expenditure incurred and committed amounts to £1,313,767 representing just over 45% of the annual budget. The projected outturn position indicates that the budget will be underspent by £283,748 at year end. This is an increase to the underspend reported at Month 5, mainly due to further reductions in projected employee costs. Table 1 summarises the position at Month 7 and a narrative summary is outlined below.

Table 1: Month 7 Joint Committee Revenue Budget Monitoring Position

| | Budget 21/22 £ | Month 7 Actual £ | Projected Year End £ | Variance £ |
|---|----------------------|------------------------|----------------------------|------------------|
| Staffing Costs | 2,174,211 | 1,043,048 | 1,888,081 | (286,130) |
| Total Employee Costs | 2,174,211 | 1,043,048 | 1,888,081 | (286,130) |
| Office Lease | 15,000 | 16,146 | 51,250 | 36,250 |
| Office Other | 5,000 | 3,160 | 5,000 | 0 |
| Total Premises Costs | 20,000 | 19,306 | 56,250 | 36,250 |
| Travelling & Subsistence Costs | 6,500 | 2,303 | 6,500 | 0 |
| Total Transport Costs | 6,500 | 2,303 | 6,500 | 0 |
| ICT Equipment | 13,000 | 3,072 | 13,000 | 0 |
| Office Equipment & furniture | 2,600 | 1,632 | 2,600 | 0 |
| Software Licenses & Mobiles | 31,310 | 11,145 | 31,310 | 0 |
| Meeting Room Hire & Refreshments | 15,000 | 12,770 | 15,000 | 0 |
| Events, Marketing & Branding | 10,000 | 2,665 | 10,000 | 0 |
| Media Management | 76,200 | 22,160 | 29,566 | (46,634) |
| Web Design / Social Media Management | 3,800 | 0 | 3,800 | 0 |
| Training & Development | 19,500 | 29,672 | 27,412 | 7,912 |
| Welsh Translation | 10,000 | 2,080 | 10,000 | 0 |
| General Expenses | 2,500 | 757 | 2,500 | 0 |
| Contingency Budget | 30,000 | 0 | 30,000 | 0 |
| Total Supplies & Services | 213,910 | 85,954 | 175,188 | (38,722) |
| 5 Yr Gateway Review Support | 30,000 | 0 | 30,000 | 0 |
| Programme Development & Support | 25,000 | 14,864 | 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 | 126,549 | 330,761 | 103,540 |
| Drawdown from General Reserve (CJC Costs 22/23) | 0 | (103,540) | (103,540) | (103,540) |
| CJC Reserve Drawdown | (227,221) | 0 | (227,221) | 0 |
| Total External Support | 115,000 | 37,873 | 115,000 | 0 |
| HR People Services | 16,185 | 10,702 | 17,538 | 1,353 |
| 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 | 25,541 | 1,501 |

| | Budget 21/22 £ | Month 7 Actual £ | Projected Year End £ | Variance £ |
|------------------------------------|----------------------|------------------------|----------------------------|------------------|
| External Audit Fee | 24,500 | 0 | 24,500 | 0 |
| Contingency | 20,000 | 0 | 20,000 | 0 |
| Total Support Services (AB) | 333,642 | 125,285 | 338,496 | 4,854 |
| | | | | |
| Total | 2,863,263 | 1,313,767 | 2,579,515 | (283,748) |

| | | | | |
|--|--------------------|--------------------|--------------------|----------------|
| Local Authority Partner Contributions | (1,218,061) | (710,536) | (1,218,061) | 0 |
| Wider Investment Fund Top Slice Contribution | (1,645,202) | (794,182) | (1,361,454) | 283,748 |
| Total Funding | (2,863,263) | (1,504,717) | (2,579,515) | 283,748 |

Employee Related Budgets: (£286,130)

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 £100,000 contingency to allow the City Deal Director further flexibility to react to resource requirements which may become clear during the remainder of the year. This underspend has increased by £166,324 from that previously reported at Month 5 and reflects vacancy savings due to delays to recruitment and a reduction in the contingency set aside. 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 its 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): £4,854

13. It is anticipated that HR support costs will be £1,353 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 £1,501 as a result of increased anticipated headcount by year end and subsequent support and account provision charges.
16. Whilst remaining support activities are currently anticipated to be on target, this will be subject to ongoing review as to the actual level of activity in the coming months and could result in some increases to recharges such as within Accountancy.

Month 07 Summary

17. The forecast expenditure for 2022/23 is projected to underspend the total funding sources approved by Regional Cabinet by £283,748.
18. Consideration will need to be given to the treatment of any general underspend at year end in respect of reserves required to cover future expenditure.
19. Further monitoring reports will be reported back to Regional Cabinet at future meetings.
20. 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

21. To provide Regional Cabinet with an update of the monitoring position against its approved 2022/23 Joint Committee Revenue Budget, as at 31 October 2022 (Month 7).

Financial Implications

22. 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.

23. As a result of the projected underspends, as set out above, it is proposed consideration will be given to the treatment of any general underspend at year end in respect of reserves required to cover future expenditure.

Legal Implications

24. 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)

25. 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.

26. 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 as an appendix to this report.

Equality Act 2010

27. 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

28. 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 October 2022 (Month 7), against its approved 2022/23 Revenue Budget.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
28 November 2022

Appendix

Appendix 1 Well-being of Future Generations Assessment

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

| | |
|---|---|
| Name of the Officer completing the evaluation: Christopher 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 2022/23 Joint Committee revenue budget. |
| Proposal: 2022/23 Month 7 Joint Committee Revenue Budget Monitoring Position | Date Future Generations Evaluation form completed: 28 November 2022 |

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 | |

| 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</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?

- | |
|--|
| <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 |
|--|

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 |
|---|---------------------------|