

27 MARCH 2023

**2022/23 MONTH 10 JOINT COMMITTEE REVENUE BUDGET
MONITORING POSITION**

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

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 31 January (Month 10), 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 £193,745 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 operational budget (£103,540) approved for 2022/23.
5. In addition, Specific 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.

Issues

6. At Month 10, actual expenditure incurred and committed amounts to £2,001,813 representing just under 70% of the annual budget. The projected outturn position indicates that the budget will be underspent by £500,768 at year end. This is an increase to the projected underspend reported at Month 7 and reflects the strategy approved by Regional Cabinet at that time i.e., that the underspend will be needed to fund future CJC costs. Table 1 summarises the position at Month 10 and a narrative summary is outlined below.

Table 1: Month 10 Joint Committee Revenue Budget Monitoring Position

	Budget 22/23 £	Month 10 Actual £	Projected Year End £	Variance £
Staffing Costs	2,174,211	1,422,509	1,724,814	(449,397)
Total Employee Costs	2,174,211	1,422,509	1,724,814	(449,397)
Office Lease	15,000	28,073	51,250	36,250
Office Other	5,000	4,559	3,631	(1,369)
Total Premises Costs	20,000	32,632	54,881	34,881
Travelling & Subsistence Costs	6,500	4,157	5,033	(1,467)
Total Transport Costs	6,500	4,157	5,033	(1,467)
ICT Equipment	13,000	2,905	7,431	(5,569)
Office Equipment & furniture	2,600	5,768	9,046	6,446
Software Licenses & Mobiles	31,310	16,176	24,979	(6,331)
Meeting Room Hire & Refreshments	15,000	11,731	11,281	(3,719)
Events, Marketing & Branding	10,000	6,573	6,558	(3,442)
Media Management	76,200	54,030	59,202	(16,998)
Web Design / Social Media Management	3,800	0	0	(3,800)
Training & Development	19,500	17,025	15,465	(4,035)
Welsh Translation	10,000	2,080	5,500	(4,500)
General Expenses	2,500	757	1,283	(1,217)
Contingency Budget	30,000	0	0	(30,000)
Total Supplies & Services	213,910	117,046	140,747	(73,163)
5 Yr Gateway Review Support	30,000	0	30,000	0
Programme Development & Support	25,000	44,269	22,408	(2,592)
WAO Performance Audit Fee	15,000	0	21,515	6,515
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	9,084	184,403	(42,818)
CJC Operational Budget	0	103,540	103,540	103,540
Drawdown from General Reserve (CJC Costs 22/23)	0	0	(103,540)	(103,540)
CJC Reserve Drawdown	(227,221)	0	(184,403)	42,818
Total External Support	115,000	156,893	118,923	3,923
HR People Services	16,185	15,930	13,275	(2,910)
Finance & Accountancy Support	125,000	104,167	125,000	0
Exchequer, Internal Audit & Insurance	2,857	2,378	4,857	2,000
Legal & Governance Support	121,060	100,883	121,060	0

	Budget 22/23 £	Month 10 Actual £	Projected Year End £	Variance £
ICT, Information & Governance	24,040	20,719	24,862	822
External Audit Fee	24,500	24,500	29,043	4,543
Contingency	20,000	0	0	(20,000)
Total Support Services (AB)	333,642	268,577	318,097	(15,545)
Total	2,863,263	2,001,813	2,362,495	(500,768)

Local Authority Partner Contributions	(1,218,061)	(597,744)	(717,293)	500,768
Wider Investment Fund Top Slice Contribution	(1,645,202)	(1,371,002)	(1,645,202)	0
Total Funding	(2,863,263)	(1,968,746)	(2,362,495)	500,768

Employee Related Budgets: (£449,397)

7. 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 has increased by £163,267 from that previously reported at Month 7 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: £34,881

8. 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. It should be noted that the overspend includes some one-off costs that arose as a result of the transition arrangements in the current year, which are not expected to be incurred in future years.

Transport Related Expenditure: (£1,467)

9. 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 underspent.

Supplies & Services: (£73,163)

10. There is a projected underspend of £20,798 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 third party. Also, the contingency budget of £30,000 previously committed can now be released while a number of other budget heads are slightly underspent.

External Support: £3,923

11. The fee for the Performance Audit work carried out by Audit Wales has increased to £6,515 over the approved budget, while Programme Development & Support costs are projected to be £2,592 under budget.
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 review and may result in reduced costs to the City Deals. These changes have been captured as part of the 2023/24 budget setting process.

Support Services (Accountable Body Support): (£15,545)

13. It is anticipated that HR support costs will be £2,910 underspent against 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 £822 as a result of increased anticipated headcount by year end and subsequent support and account provision charges.
16. The fee for the Financial Audit work carried out by Audit Wales has increased to £4,543 over the approved budget.
17. For prudence, the contingency budget of £30,000, had been projected to be fully committed as part of the Out-turn positions previously reported. However, it is now clear that the contingency budget is unlikely to be drawdown and therefore at Month 10, the commitment has been removed.
18. 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 10 Summary

19. The forecast expenditure for 2022/23 is projected to underspend the total funding sources approved by Regional Cabinet by £500,768.
20. As set-out in the 2023/24 Budget Strategy Report it is intended that any underspend which crystallises in 2022/23 will be used to supplement existing General and Specific Earmarked Reserves and utilised to fund future Corporate Joint Committee commitments. The 2022/23 Out-turn Report will set out the final position in this regard, along with options for Regional Cabinet to consider and approve as deemed appropriate.
21. A final outturn position will be reported to Regional Cabinet at a future meeting.

22. Invoices were raised to each of the 10 Partner Authorities in Quarter 4 of 2022/23 for their contributions to this Budget.

Reasons for Recommendations

23. To provide Regional Cabinet with an update of the monitoring position against its approved 2022/23 Joint Committee Revenue Budget, as at 31 January 2023 (Month 10).

Financial Implications

24. 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.
25. 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 support future expenditure.

Legal Implications

26. 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)

27. 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.

28. 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

29. 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

30. 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 January 2023 (Month 10), against its approved 2022/23 Revenue Budget.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
27 March 2023

Appendix
Appendix 1 Well-being of Future Generations Assessment

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

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 10 Joint Committee Revenue Budget Monitoring Position</p>	<p>Date Future Generations Evaluation form completed: 27 March 2023</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</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?

- 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