

31 JULY 2023

2022/23 JOINT COMMITTEE REVENUE BUDGET FINAL OUTTURN POSITION

REPORT OF CARDIFF CAPITAL REGION ACCOUNTABLE BODY SECTION 151 OFFICER

AGENDA ITEM: 4

Reason for this Report

1. To provide the Cardiff Capital Region Joint Committee (Regional Cabinet) with details of the final outturn position (subject to audit) against its approved 2022/23 Joint Committee Revenue Budget.

Background

2. At its meeting of the 31 January 2022, Regional Cabinet approved the 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 were also available to fund expenditure incurred in 2022/23.

Issues

5. The 2022/23 draft out-turn position, subject to audit, detailed in Table 1 below shows a net underspend of £558,079 compared to the budget for the year. The General Reserve balance of £212,080 carried into 2022/23 has been required to be part drawn down by an amount of £103,540 to fund the CJC Operational Budget. This is as set out in the Month 10 Joint Committee Revenue Budget Monitoring Position report approved by Regional Cabinet on 27 March 2023.
6. It is proposed, however, that this shall be supplemented by further contributions from the 2022/23 underspend and therefore £270,307 is proposed to be carried forward as a General Reserve into 2023/24 to act both as a contingency and to fund planned CJC Expenditure. A summary of proposed General and Earmarked Reserves is included at Table 2.

Table 1: 2022/23 Joint Committee Revenue Budget Outturn Position

	Budget 22/23 £	Outturn Actual £	Variance £
Staffing Costs	2,174,211	1,578,047	(596,164)
Total Employee Costs	2,174,211	1,578,047	(596,164)
Office Lease	15,000	31,055	16,055
Office Other	5,000	3,631	(1,369)
Total Premises Costs	20,000	34,686	14,686
Travelling & Subsistence Costs	6,500	4,856	(1,644)
Total Transport Costs	6,500	4,856	(1,644)
ICT Equipment	13,000	7,624	(5,376)
Office Equipment & furniture	2,600	9,046	6,446
Software Licenses & Mobiles	31,310	23,082	(8,228)
Meeting Room Hire & Refreshments	15,000	25,243	10,243
Events, Marketing & Branding	10,000	41,873	31,873
Media Management	76,200	33,812	(42,388)
Web Design / Social Media Management	3,800	0	(3,800)
Training & Development	19,500	15,163	(4,337)
Welsh Translation	10,000	6,101	(3,899)
General Expenses	2,500	1,027	(1,473)
Contingency Budget	30,000	0	(30,000)
Total Supplies & Services	213,910	162,972	(50,939)
5 Yr Gateway Review Support	30,000	30,000	0
Programme Development & Support	25,000	3,497	(21,503)
WAO Performance Audit Fee	15,000	21,515	6,515
Western Gateway Membership	10,000	10,000	0
Procurement Support	10,000	0	(10,000)
Joint Scrutiny	25,000	25,000	0
CJC Operational Budget	0	103,540	103,540
CJC Expenditure	227,221	165,226	(61,995)
Drawdown from General Reserve (CJC Costs 22/23)	0	(103,540)	(103,540)
CJC Expenditure Earmarked Reserve	0	100,000	100,000
CJC Reserve Drawdown	(227,221)	(165,226)	61,995
Total External Support	115,000	190,013	75,013
HR People Services	16,185	16,417	232
Finance & Accountancy Support	125,000	125,000	0
Exchequer, Internal Audit & Insurance	2,857	4,857	2,000
Legal & Governance Support	121,060	121,060	0
ICT, Information & Governance	24,040	24,998	958
External Audit Fee	24,500	42,043	17,543
Contingency	20,000	235	(19,765)
Total Support Services (AB)	333,642	334,610	968
Total Expenditure	2,863,263	2,305,184	(558,079)

	Budget 22/23 £	Outturn Actual £	Variance £
Local Authority Partner Contributions	(1,218,061)	(883,758)	334,303
Wider Investment Fund Top Slice Contribution	(1,645,202)	(1,421,425)	223,776
Total Funding	(2,863,263)	(2,305,184)	558,079

7. The Budget Monitoring reports considered by Regional Cabinet at its meetings throughout the financial year have noted that underspends would be realised against the approved budget, and accordingly, the budgeted contribution to the City Deal Office from the Wider Investment Fund Top-Slice would not be required in full. This has proved to be the case and it also proposed that part of the budgeted Local Authority Partnership contributions should be carried forward in General and Specific Earmarked Reserves to fund future CJC planned expenditure.
8. The underspend during the year has resulted in a £223,776 reduction in the budgeted drawdown of Wider Investment Fund Top-Slice funding and a reduction of £334,303 in the budgeted drawdown of Local Authority Partner Contributions.

Employee Related Budgets: (£596,164)

9. 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. Actual resources put in place during 2022/23 are reflected by this underspend which has increased by £146,767 from that previously reported at Month 10. This is the result of vacancy savings due to delays to recruitment and a further decision made to maximise Capital resources by charging staff time to Capital funded projects where appropriate.

Premises Costs: £14,686

10. 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: (£1,644)

11. 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 slightly underspent.

Supplies & Services: (£50,939)

12. There is a projected net underspend of £14,316 against the approved Media Management budgets 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 has not been required during the year. There is an offsetting overspend of £10,243 on meeting room hire and refreshment costs which is mostly offset by minor savings on other budget heads.

External Support: £75,013

13. The fee for the Performance Audit work carried out by Audit Wales has increased to £6,515 over the approved budget. Programme Development and Support costs are projected to be £21,503 under budget as the main elements of expenditure here have been charged to the Capital budgets of the projects to maximise the use of Capital resources. Similarly for Procurement Support costs which were budgeted at £10,000.
14. This section includes a commitment of £30,000 to increase the Earmarked Reserve for future Gateway Review work along with a further specific Earmarked Reserve of £100,000 to fund future CJC expenditure as set out in Table 2 below.

Support Services (Accountable Body Support): £968

15. The level of Internal Audit support has been increased as a reflection of increased activity and has resulted in an overspend against this budget of £2,000.
16. The fee for the Financial Audit work carried out by Audit Wales has increased to £17,543 over the approved budget.
17. Offsetting these variances, the Contingency budget of £20,000 has been largely underspent.

Capitalisation of Costs

18. As referred to above, a Capitalisation Policy has been drafted by the City Deal Office and reviewed and agreed by the Accountable Body with the purpose of identifying appropriate costs to be funded from the HMT Capital Grant.
19. This, subject to audit and the finalisation of the accounts, has contributed £84,483 savings to the Joint Committee Revenue Budget and the proposed use of the total underspend is as set out below.

General and Earmarked Reserves Position

20. Table 2 below sets out the General and Earmarked Reserves brought into 2022/23, their utilisation during the year and the proposed contributions to be made to them from the in-year underspend.

Table 2: General and Earmarked Reserves Proposed Outturn Position

Reserve	2022/23	2022/23	2022/23	2022/23	2022/23	Estimated	
	Brought Forward	2022/23 Drawdowns	Contributions : Underspend	Contributions: Funded In-Year	Carried Forward	23/24 CJC Requirement	Balance
	£	£	£	£	£	£	£
General Reserve	212,080	-103,540	161,817	0	270,357	-255,123	15,234
Earmarked Reserve: CJC Expenditure	227,221	-165,226	172,486	100,000	334,481	-234,481	100,000
Earmarked Reserve: Gateway Review	30,000	-14,222	0	30,000	45,778	0	45,778
	469,301	-282,988	334,303	130,000	650,616	-489,604	161,012

Reasons for Recommendations

21. To inform Regional Cabinet of the final outturn position against its Joint Committee Revenue Budget for the year ending 31 March 2023.
22. To seek approval from Regional Cabinet to the transfer of the 2022/23 Joint Committee Revenue Budget underspend to General and Specific Earmarked Reserves to be carried forward to fund future expenditure and as set out in Table 2.
23. To inform Regional Cabinet of the proposed capitalisation policy and treatment (subject to audit) on the 2022/23 accounts.

Financial Implications

24. The financial implications are detailed within the body of the report.
25. The underspend position of £558,079 in 2022/23 compared to the budget approved for that year is proposed to be utilised as follows:
 - **Local Authority Partner Contributions:**
 - o CJC Earmarked Reserve £172,486
 - o General Reserve £161,817
 - o Total **£334,303**
 - **Wider Investment Fund :**
 - o Reduction in Top Slice Contribution required, thereby protecting revenue resources for future use. **£223,776**
 - **Total** **£558,079**

Legal Implications

26. 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 31 March 2022.

27. 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 Act 2015 (Wales)

28. 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.

29. 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

30. 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

31. It is recommended that Cardiff Capital Region Regional Cabinet:
- (1) notes the final outturn position (subject to audit) against the approved Joint Committee Revenue Budget for the year ending 31 March 2023;
 - (2) approves the proposed treatment of the 2022/23 Joint Committee Revenue Budget underspend as set out above;
 - (3) notes the impact of the proposed capitalisation policy and treatment (subject to audit) on the 2022/23 accounts.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
31 July 2023

Appendices

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 872300 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 Joint Committee Revenue Budget Final Outturn Position</p>	<p>Date Future Generations Evaluation form completed: 31 July 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 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?

- | |
|--|
| <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:	Ongoing Monitoring Reports
---	----------------------------