



9 OCTOBER 2023

**2023/24 MONTH 04 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 July (Month 04), against its approved 2023/24 Joint Committee Revenue Budget.

Background

2. At its meeting of the 30 January 2023, Regional Cabinet approved its 2023/24 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. Subject to audit, a General Reserve of £270,306 has been carried forward from previous years' underspends and is also available to fund expenditure incurred in 2023/24. For example, Regional Cabinet have approved that a drawdown from this fund will be used to fund the CJC operational budget (£255,123) approved for 2023/24.
5. In addition, and again, subject to audit, Specific Earmarked Reserves were created at 2022/23 Year End for the following purposes:
 - £334,481 to fund CJC transition costs in 2023/24;
 - £45,778 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 04, actual expenditure incurred and committed amounts to £732,378 representing just over 25% of the annual budget. The projected outturn position indicates that the budget will be underspent by £162,051 at year end. Table 1 summarises the position at Month 04 and a narrative summary is outlined below.

Table 1: Month 04 Joint Committee Revenue Budget Monitoring Position

	Budget 23/24 £	Month 04 Actual YTD £	Projected Year End £	Variance £
Staffing Costs	2,091,515	518,037	1,635,173	(456,342)
Total Employee Costs	2,091,515	518,037	1,635,173	(456,342)
Office Lease	44,606	14,909	44,606	0
Total Premises Costs	44,606	14,909	44,606	0
Travelling & Subsistence Costs	6,500	9,151	27,452	20,952
Total Transport Costs	6,500	9,151	27,452	20,952
ICT Equipment	18,000	8,024	18,000	0
Office Equipment & furniture	2,600	739	2,600	0
Software Licenses & Mobiles	44,429	5,372	44,429	0
Meeting Room Hire & Refreshments	0	2,662	7,986	7,986
Events, Marketing & Branding	158,000	15,874	158,000	0
Training & Development	43,600	16,640	43,600	0
Welsh Translation	10,000	1,270	10,000	0
General Expenses	10,273	237	10,273	0
Contingency Budget	30,000	0	65,000	35,000
Total Supplies & Services	316,902	50,816	359,888	42,986
5 Year Gateway Review Support	30,000	14,111	73,361	43,361
Audit Wales Performance Audit Fee	15,000	18,061	21,515	6,515
Western Gateway Membership	10,000	0	10,000	0
Procurement Support	50,000	0	50,000	0
Joint Scrutiny	25,000	0	25,000	0
CJC Transition (Specific Earmarked Reserve)	234,481	57,327	384,481	150,000
Drawdown from Specific Earmarked Reserve	(234,481)	(57,327)	(234,481)	0
SEW CJC Operational Budget (General Reserve)	255,123	255,090	255,090	(33)
Drawdown from General Reserve	(255,123)	(255,090)	(255,090)	33
Total External Support	130,000	32,172	329,876	199,876
HR People Services	30,993	14,044	30,993	0
Finance & Accountancy Support	115,000	28,750	115,000	0
Exchequer, Internal Audit & Insurance	4,867	1,217	4,867	0
Legal & Governance Support	122,985	30,746	122,985	0
ICT, Information & Governance	31,714	6,601	31,714	0
External Audit Fee	24,500	0	29,043	4,543
Contingency	3,583	25,935	29,518	25,935
Total Support Services (AB)	333,642	107,293	364,120	30,478
Total	2,923,165	732,378	2,761,114	(162,051)

Local Authority Partner Contributions	(1,278,963)	(320,435)	(1,208,062)	70,901
Wider Investment Fund Top Slice Contribution	(1,644,202)	(411,943)	(1,553,053)	91,149
Total Funding	(2,923,165)	(732,378)	(2,761,114)	162,051

Employee Related Budgets: (£456,342)

- The Employee Related budget of £2,091,515, is based on an establishment of 33.8 FTEs with various anticipated start dates along with a contingency for additional staffing resources should they be required. The projections are net of recharge income received for employee time undertaken on Wider Investment Fund (WIF) Projects, support provided to the CJC and the Shared Prosperity Fund. An assessment of the resources currently expected to be required during 2023/24 is reflected by this underspend.

Transport Related Expenditure: (£20,952)

- The annual budget for travel and subsistence costs has been reduced in recent years as a result of the impact of the pandemic on increasingly agile working practices. As CCRC activity continues to expand and with the partial return to pre-pandemic working practices there has been an increase in travelling costs. An analysis will be undertaken to ascertain if any of the costs incurred to date in 2023/24 can be recharged to projects funded outside of the Joint Committee Revenue Budget and, if necessary, amendments will be made to the 2024/25 budget to reflect the pattern of travelling now being undertaken.

Supplies & Services: £42,986

- There is an overspend of £7,986 as a result of the assumptions (at the time the budget was set) that meeting hire and refreshments costs would be significantly reduced as a result of the move to the Sparc building. This has proved not to be the case, although as with transport related expenditure, it will be investigated if some or all of these charges can be allocated to externally funded projects.
- The projected outturn against the contingency budget of £30,000 has been increased to £65,000 to allow for further unforeseen costs to be covered in year.

External Support: £199,876

- The main element of this overspend is £150,000 against the CJC Transition Expenditure budget of £234,481. The reason for this is that the transition is complex and dynamic and additional requirements (and potentially costs) are being identified as the transition gains momentum, meaning that it would be prudent to add a contingency to this budget to cover such eventualities. This is projected to be covered by the underspends reported against the employees budget above.
- Further work on the 2023/24 CJC transition budgets will be undertaken over the autumn period and a detailed report will be brought back for consideration at the CJC's next meeting.

13. Additionally, an overspend of £43,361 is anticipated against the 5 Year Gateway Review Support budget. The projected costs reflect the increase in the number of projects, which have been approved and in delivery since the completion of the first Gateway Review and now fall within the scope of the next review. Discussions are ongoing to understand the work (and costs) that will be required over the next two financial years and how these are to be funded.
14. There is also an overspend of £6,515 against the approved budget of £15,000 for the fee charged by Audit Wales for its performance audit work.

Support Services (Accountable Body Support): £30,478

15. Most of the charges in this section of the budget are governed by Service Level Agreements (SLAs) between the City Deal Office and Cardiff Council as the Accountable Body and are mainly expected to be charged in line with the budgets.
16. However, as set out in a separate report being considered by Regional Cabinet at this meeting, there is an anticipated saving against the Legal & Governance Support SLA which will be used towards the funding of an Interim Deputy Monitoring Officer for the Cardiff Capital Region City Deal Joint Committee .
17. Additionally, there is an overspend of £4,543 anticipated against the budget for Audit Wales's fee for the Financial Accounts audit.
18. Finally, an overspend of £25,935 is projected to be incurred against the contingency budget set aside for technical advice. This relates to the costs borne as a result of using external advisors to review the 2022/23 Statement of Accounts prior to their submission Audit. This directly relates to a recommendation made by Audit Wales as part of the previous year's audit of the CCR's accounts.
19. The SLAs are subject to ongoing review as to the actual level of activity in the coming months and could result in changes to the recharges made.

Month 04 Summary

20. The forecast expenditure for 2023/24 is projected to underspend the total funding sources approved by Regional Cabinet by £162,051.
21. As in previous years it is intended that any underspend which crystallises in 2023/24 will be used to supplement existing General and Specific Earmarked Reserves and utilised to fund future Corporate Joint Committee commitments. Future reports will set out updates in this regard, along with options for Regional Cabinet to consider and approve as deemed appropriate.
22. Further outturns position will be reported to Regional Cabinet at future meetings.
23. Invoices will be raised to each of the 10 Partner Authorities for their contributions to this Budget.

Reasons for Recommendations

24. To provide Regional Cabinet with an update of the monitoring position against its approved 2023/24 Joint Committee Revenue Budget, as at 31 July 2023 (Month 04).

Financial Implications

25. 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.
26. 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. One area which warrants further consideration relates to potential costs associated with the next Gateway Review, as outlined above.

Legal Implications

27. 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)

28. In considering this matter 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 religion or 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.

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 as an appendix to this report.

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 July 2023 (Month 04), against its approved 2023/24 Revenue Budget.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
9 October 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 04 Joint Committee Revenue Budget Monitoring Position</p>	<p>Date Future Generations Evaluation form completed: 09 October 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: Final Outturn Report