Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

20 SEPTEMBER 2021

2021/22 MONTH 05 JOINT COMMITTEE REVENUE BUDGET MONITORING POSITION

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

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 2021 (Month 05), against its approved 2021/22 Joint Committee Revenue Budget.

Background

2. At its meeting of the 15 March 2021, Regional Cabinet approved its 2021/22 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 the Final Audited Accounts, General Reserves of £212,080 carried forward from previous years' underspends are also available to fund expenditure incurred in 2021/22, although it is not currently expected for drawdown from such reserves to be necessary in this financial year.

Issues

5. At Month 05 actual expenditure and commitments incurred are £448,052 which represents just over 20% of the annual budget, with the projected outturn position indicating that the budget will be underspent by £307,292 at year end. Table 1 summarises the position at Month 05 and a narrative summary is outlined below.

Table 1: Month 05 Joint Committee Revenue Budget Monitoring Position

	Budget 21/22 £	Month 5 Actual £	Projected Year End £	Variance £
Staffing Costs	1,568,736	324,190	1,251,885	(316,851)
Total Employee Costs	**1,568,736**	**324,190**	**1,251,885**	**(316,851)**
Office Lease	15,000	6,250	15,000	0
Office Other	5,000	186	5,000	0
Total Premises Costs	**20,000**	**6,436**	**20,000**	**0**
Travelling & Subsistence Costs	20,100	122	5,000	(15,100)
Total Transport Costs	**20,100**	**122**	**5,000**	**(15,100)**
ICT Equipment	13,500	4,875	13,500	0
Office Equipment & furniture	2,500	0	2,500	0
Software Licenses & Mobiles	32,510	2,124	32,510	0
Meeting Room Hire & Refreshments	15,000	4,418	15,000	0
Events, Marketing & Branding	10,000	2,650	10,000	0
Media Management	60,000	33,757	78,345	18,345
Web Design / Social Media Management	1,000	0	1,000	0
Training & Development	13,500	0	13,500	0
Welsh Translation	5,000	4,270	10,248	5,248
General Expenses	2,500	269	2,500	0
Contingency Budget	30,000	0	30,000	0
Total Supplies & Services	**185,510**	**52,362**	**209,103**	**23,593**
5 Yr Gateway Review Support	30,000	0	30,000	0
Programme Development & Support	25,000	0	25,000	0
WAO Performance Audit Fee	15,000	14,819	14,819	(181)
Procurement Support	10,000	10,000	10,000	0
Joint Scrutiny	25,000	0	25,000	0
Total External Support	**105,000**	**24,819**	**104,819**	**(181)**
HR People Services	16,185	0	22,865	6,680
Finance & Accountancy Support	125,000	15,622	125,000	0
Exchequer, Internal Audit & Insurance	2,857	0	4,857	2,000
Legal & Governance Support	121,060	0	121,060	0
ICT, Information & Governance	24,040	0	19,607	(4,433)
External Audit Fee	12,500	24,500	24,500	12,000
Contingency	20,000	0	5,000	(15,000)
Total Support Services (AB)	**321,642**	**40,122**	**322,889**	**1,247**
Total	**2,220,988**	**448,052**	**1,913,696**	**(307,292)**

Local Authority Partner Contributions	(1,160,058)	(232,012)	(1,160,058)	0
Wider Investment Fund Top Slice Contribution	(1,060,930)	(150,728)	(753,638)	307,292
Total Funding	**(2,220,988)**	**(382,739)**	**(1,913,696)**	**307,292**

Employee Related Budgets: (£316,851)

6. The Employee Related budget of £1,568,736, is based on 28 FTEs with various anticipated start dates and remains in the process of being filled with some posts still remaining vacant. The outturn projection above reflects the level of resources expected to be in place by year end, along with a contingency sum of £70,000 to allow the Director of the City Deal the flexibility to react to short-term resourcing requirements, including costs which may be incurred in relation to next steps in developing the transition of CCR into a Corporate Joint Committee.

Transport Related Expenditure: (£15,100)

7. As a result of continuing pandemic, there will be a reduction of costs in this area as travel to and from meetings and events is curtailed.

Supplies & Services: £23,593

8. Whilst most budget heads are shown as on target, overspends of £18,345 for ongoing Public Relations & Media work and £5,248 for Welsh Translation Costs are projected to be incurred and reflect the level of ongoing activity.

External Support: (£181)

9. This section includes an annual allocation of £30,000 towards the next 5 Year Gateway Review which will be carried forward as an Earmarked Reserve to be drawn down against future costs. All other budgets are projected to be fully spent at year end except for a small saving against the Audit Wales Performance Audit cost.

Support Services (Accountable Body Support): £1,247

10. It is anticipated that HR support costs will be in excess of the budget set by £6,680 due to role evaluation and recruitment costs incurred in appointing senior roles to the structure during the first quarter of the financial year.

11. The level of Internal Audit support has been increased as a reflection of increased activity and this will result in an overspend against this budget of £2,000.

12. ICT costs will below budget by £4,433 as a result of delayed recruitment.

13. The External Audit Fee budget will incur an overspend of £12,000. It had been anticipated that costs would reduce from those charged in the earlier years of the City Deal, but this has not been the case.

14. An amount of £15,000 has been decommitted from the contingency budget to mitigate the net effect of the above.

<u>Month 05 Summary</u>

15. Forecast expenditure for 2021/22 is projected to underspend the total funding sources approved by Regional Cabinet by £307,292.

16. Any underspend will be used to reduce the amount required to be drawn down from the Wider Investment Fund Top-Slice or be utilised to support match funding and development costs of the Corporate Joint Committee, where eligible and approved to do so.

17. The budget will continue to be monitored and reviewed through the rest of the financial year and reported back to Regional Cabinet at appropriate intervals.

18. It is anticipated that invoices will be raised to each of the 10 Partner Authorities in Quarter 4 of 2021/22 for their contributions to this Budget.

Reasons for Recommendations

19. To provide Regional Cabinet with an update of the monitoring position against its approved 2020/21 Joint Committee Revenue Budget, as at 31 August 2021 (Month 05).

Financial Implications

20. As stated in the main body of the report, there is an underspend projected for year-end against both the CDO and AB Budgets. 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.

21. As a result of the projected underspends further consideration will need to be made regarding the Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget and the General Reserve held.

Legal Implications

22. 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)

23. 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.

24. 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

25. 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

26. 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 31st August 2021 (Month 05), against its approved 2021/22 Revenue Budget.

Christopher Lee
Section 151 Officer, CCR Regional Cabinet
20 September 2021

Appendix
Appendix 1 Well–being of Future Generations Assessment

Future Generations Assessment Evaluation

Item 4 Appendix 1

(includes Equalities and Sustainability Impact Assessments)

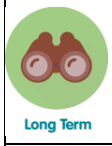
Name of the Officer completing the evaluation: Christopher Lee **Phone no:** 02920 72300 **E-mail:** christopher.lee@cardiff.gov.uk	**Please give a brief description of the aims of the proposal** To provide details of expenditure, income and projected full year outturn position against the approved 2021/22 Joint Committee revenue budget.
Proposal: 2021/22 Month 5 Joint Committee Revenue Budget Monitoring Position	**Date Future Generations Evaluation form completed:** 20 September 2021

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?
 Balancing short term need with long term and planning for the future	The report sets out short-term interventions and balances these against the long-term delivery of major programmes.	
Working together with other partners to deliver objectives	A cornerstone of our process is the strength of partnership working.	
Involving those with an interest and seeking their views	Communications and engagement remain a feature of our work.	
Putting resources into preventing problems occurring or getting worse	Demonstrated in the report through detailed funding allocations and investment cases	
Considering impact on all wellbeing goals together and on other bodies	City Deal seeks to make a contribution on place and to improving the life chances of people in the region.	

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:	Outturn