REPORT SUMMARY SHEET

TITLE: 2023/24 MONTH 06 JOINT COMMITTEE REVENUE BUDGET MONITORING POSITION

Purpose

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 30 September (Month 06), against its approved 20230/24 Joint Committee Revenue Budget

Summary

The report provides Regional Cabinet to note the latest Joint Committee Revenue Budget Monitoring position.

Recommendations

It recommended that Cardiff Capital Region Regional Cabinet notes the actual expenditure, income, and projected full year out-turn position as at the 30 September 2023 (Month 06), against its approved 2023/24 Revenue Budget.

Contact Officer

Gareth Gates. Accountant.

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

4 DECEMBER 2023

2023/24 MONTH 06 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 30 September (Month 06), against its approved 20230/24 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 06, actual expenditure incurred and committed amounts to £1,086,130 representing just over 37% of the annual budget. The projected outturn position indicates that the budget will be underspent by £177,179 at year end. Table 1 summarises the position at Month 06 and a narrative summary is outlined below.

Table 1: Month 06 Joint Committee Revenue Budget Monitoring Position

	Budget 23/24 £	Month 6 Actual YTD £	Projected Year End £	Variance £
Staffing Costs	2,091,515	726,831	1,565,587	(525,928)
Total Employee Costs	**2,091,515**	**726,831**	**1,565,587**	**(525,928)**
Office Lease	44,606	19,827	44,606	0
Office Other	0	0	0	0
Total Premises Costs	**44,606**	**19,827**	**44,606**	**0**
Travelling & Subsistence Costs	6,500	10,245	20,490	13,990
Total Transport Costs	**6,500**	**10,245**	**20,490**	**13,990**
ICT Equipment	18,000	9,598	18,000	0
Office Equipment & furniture	2,600	2,029	2,600	0
Software Licenses & Mobiles	44,429	7,701	44,429	0
Meeting Room Hire & Refreshments	0	2,977	8,932	8,932
Events, Marketing & Branding	158,000	32,197	158,000	0
Media Management	0	0	0	0
Web Design / Social Media Management	0	0	0	0
Training & Development	43,600	14,182	43,600	0
Welsh Translation	10,000	2,642	10,000	0
General Expenses	10,273	1,279	10,273	0
Contingency Budget	30,000	0	65,000	35,000
Total Supplies & Services	**316,902**	**72,604**	**360,834**	**43,932**
5 Yr Gateway Review Support	30,000	14,111	73,361	43,361
Programme Development & Support	0	0	0	0
WAO Performance Audit Fee	15,000	18,061	21,515	6,515
Western Gateway Membership	10,000	5,000	10,000	0
Procurement Support	50,000	25,000	50,000	0
Joint Scrutiny	25,000	12,500	25,000	0
CJC Transition Expenditure (Specific Earmarked Reserve)	234,481	76,191	445,301	210,820
Drawdown from Specific Earmarked Reserve	(234,481)	(76,191)	(234,481)	0
SEW CJC Operational Budget (General Reserve)	255,123	0	0	(255,123)
Drawdown from General Reserve	(255,123)	0	0	255,123
Total External Support	**130,000**	**74,672**	**390,696**	**260,696**
HR People Services	30,993	15,497	30,993	0
Finance & Accountancy Support	115,000	57,500	115,000	0
Exchequer, Internal Audit & Insurance	4,867	2,434	4,867	0
Legal & Governance Support	122,985	61,493	122,985	0
ICT, Information & Governance	31,714	15,857	31,714	0
External Audit Fee	24,500	0	29,043	4,543
Contingency	3,583	29,171	29,171	25,588
Total Support Services (AB)	**333,642**	**181,950**	**363,773**	**30,131**
Total	**2,923,165**	**1,086,130**	**2,745,986**	**(177,179)**
Local Authority Partner Contributions	(1,278,963)	(475,211)	(1,201,442)	77,521
Wider Investment Fund Top Slice Contribution	(1,644,202)	(610,919)	(1,544,543)	99,659
Total Funding	**(2,923,165)**	**(1,086,130)**	**(2,745,986)**	**177,179**

Employee Related Budgets: (£525,928)

7. 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 which has increased by £69,586 since the position reported at Month 04 as a result of delays to recruitment.

8. There is the potential for there to be an increase in the underspend on employee costs in 2023/24 if the capitalisation of salary costs undertaken in 2022/23 is deemed appropriate by Audit Wales as part of its ongoing review of the 2022/23 Statement of Accounts and can therefore be repeated. This will be confirmed in future Budget Monitoring Reports.

Transport Related Expenditure: £13,990

9. 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 CCRCD 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: £43,932

10. There is an overspend of £8,932 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.

11. 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: £260,696

12. The main element of this overspend is £210,820 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 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.

13. As noted in Paragraph 5 above, subject to audit, there is £334,481 available to fund CJC transition costs in 2023/24, should this be required and approved.

Future reports will confirm the intention with regard to this, but it should be noted that if this were to be drawn down this would mitigate the overspend against the CJC Transition Budget to £110,820 and increase the total currently projected underspend on the Joint Committee Revenue budget to £277,179.

14. 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.

15. 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): £30,131

16. 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.

17. However, as set out previously, 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.

18. Additionally, there is an overspend of £4,543 anticipated against the budget for the Audit Wales fee for the Financial Accounts audit.

19. Finally, an overspend of £25,588 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.

20. 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 06 Summary

21. The forecast expenditure for 2023/24 is projected to underspend the total funding sources approved by Regional Cabinet by £177,179.

22. 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 the relevant governance board to consider and approve as deemed appropriate.

23. Further outturn positions will be reported to the relevant governance board at future meetings.

24. Invoices will be raised to each of the 10 Partner Authorities for their contributions to this Budget.

Reasons for Recommendations

25. To provide Regional Cabinet with an update of the monitoring position against its approved 2023/24 Joint Committee Revenue Budget, as at 30 September 2023 (Month 06).

Financial Implications

26. 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 the relevant governance board 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.

27. As a result of the projected underspends, as set out above, it is proposed that consideration 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

28. 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)

29. 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 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.

30. 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

31. 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 30 September 2023 (Month 06), against its approved 2023/24 Revenue Budget.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
4 December 2023

Appendix
Appendix 1: Well-being of Future Generations Assessment

Future Generations Assessment Evaluation
(includes Equalities and Sustainability Impact Assessments)

Appendix 1

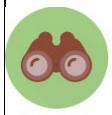
Name of the Officer completing the evaluation:	**Please give a brief description of the aims of the proposal**
Christopher Lee **Phone no:** 02920 72300 **E-mail:** christopher.lee@cardiff.gov.uk	To provide details of expenditure, income and projected full year outturn position against the approved 2022/23 Joint Committee revenue budget.
Proposal: 2022/23 Month 06 Joint Committee Revenue Budget Monitoring Position	**Date Future Generations Evaluation form completed:** 4 December 2023

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:	Future Monitoring Reports