

<b>Business Board</b>		Agenda Item
<b>4 March 2024</b>		<b>3.1</b>
Title:	Budget and Performance Report	
Report of:	Bruna Menegatti, Finance Manager	
Lead Member:	Chair of the Business Board, Al Kinsley	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	No vote required.	

### Recommendations:

A	Note the financial position of the Business Division for the financial year 23/24 to January 2024.
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### Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
	Increased connectivity
	Enabling resilient communities
x	Achieving best value and high performance
<i>Delete as appropriate and include short explanation. Link to relevant sections in business plans.</i>	

## 1. Purpose

1.1	To provide an update of the financial position for 2023/24 and to provide analysis against the 2023/24 budgets, up to the period ending January 2024.
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## 2. Background

2.1	At the last meeting, the Board was provided with an analysis of the 2023/24 performance against budget to September 2023. This report provides an update covering up to January 2024.
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### 3. Revenue Income and Expenditure

- 3.1 A breakdown of the Economy and Growth Directorate Business Grant income for the period to 31<sup>st</sup> January 2024 is set out in Table 1 below.

**Table 1**

Business Grant Income	23/24 Actual YTD £k	23/24 Budget FY £k	23/24 Actual Variance £k	23/24 FO FY £k	23/24 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Deferral £k
Enterprise Zone Receipts	-983	- 913	70	- 965	-52	-	-
ERDF - Growth Co Grant	-23	- 2,646	-2,623	- 1,846	800	-	-
ESF - Growth Service Grant	- 443	- 1,432	-989	- 1,432	-	-	-
Growth Hub (BEIS)	-246	- 246	-	- 246	-	-	-
LEP Core Funding	-	- 375	-375	- 375	-	-	-
Rural Share Prosperity Fund	- 804	- 804	-	- 804	-	-	-
SPF	- 2,396	- 2,396	-	- 2,396	-	-	-
<b>Total Business Grant Income</b>	<b>-4,895</b>	<b>-8,812</b>	<b>-3,917</b>	<b>-8,064</b>	<b>748</b>	<b>-</b>	<b>-</b>

- 3.2 Income increased by £1.5m, due to the inclusion of the Enterprise Zone receipt (£1m) and the increase of £0.3m on the ESF programme and £0.2m on Growth Hub. Despite the large variance to date ESF and ERDF are expected to meet forecast.

- 3.3 A breakdown of the Economy and Growth Directorate Business Revenue Expenditure for the period to 31<sup>st</sup> January 2024 is set out in Table 2 below.

**Table 2**

Business Revenue Expenditure	Ex-	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Deferral £k
Business Growth Fund	1	112	111		156	156	-	-	-
CRF Start & Grow Project	175	0	-175		0	175	175	-	-
Economic Rapid Response Fund	12	0	-12		0	12	12	-	-
Growth Co Services	2,688	4,776	2,088		4,776	3,000	-1,776	-1776	-
Growth Hub	5	22	17		41	41	-	-	-
Insight and Evaluation Programme	143	63	-80		75	75	-	-	-
Inward Investment	1	0	-1		30	30	-	30	-
Local Growth Fund Costs	198	161	-37		242	242	-	-	-
Marketing and Promotion of Services	0	31	31		38	38	-	-	-
UK Shared Prosperity Fund	326	1,684	1,358		1,680	642	-1,038	-1,054	1,038
<b>Total Business Revenue Expenditure</b>		<b>3,549</b>	<b>6,849</b>	<b>3,300</b>	<b>7,038</b>	<b>4,411</b>	<b>-2,627</b>	<b>-2,800</b>	<b>1,038</b>

- 3.4 Expenditure to date is £3.3m lower than budget to date.  
The main variances are:
- Growth Co Services (£2.1m). As the programme is now finished, the expectation is that limited cost will still come in before the end of the year.
  - UK Share Prosperity Funds (£1.4m). This is due to a slow start in the programme delivery. The expectation is that only £0.6m of the £1.7m will be spent this year; with the remainder taken up in next financial year.

- 3.5 At present the expectation is that the UK Share Prosperity Funds programme will spend 38% of the total budget for the year. If the expectation will be realised, DHUL will be providing at front 20% of the year 3 money, with the remainder being paid retrospectively when proof of spent will be provided.

## 4. Capital Budget

- 4.1 A breakdown of the Economy and Growth Directorate Business Capital Expenditure for the period to 30 November 2023 is set out in Table 3 below.

**Table 3**

Business Revenue Expenditure	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Deferral £k
Business Rebound & Growth Service - Capital Grant and Equity Fund	-	-	-	1,750	1,750	-	-	-
College of West Anglia - Net Zero	-	803	803	1,124	1,124	-	-	-
ERDF	52	-	-52	-	52	-52	-102	-
Expansion of Growth Co Inward Investment	400	-	-400	400	400	-	-	-
Growth Works Additional Equity Fund (cap)	3,043	7,616	4,573	7,616	4,000	3,616	-500	-
Illumina Accelerator	-	800	800	800	800	-	-	-
Ramsey Food Hub	-	302	302	302	302	-	-	-
Rural England Fund	-	625	625	804	804	-	-	-
Start Codon (Equity)	-	590	590	885	885	-	-	-
UK SPF Core (cap)	154	0	-154	716	500	216	-200	216
<b>Total Business Revenue Expenditure</b>	<b>3,649</b>	<b>10,736</b>	<b>7,087</b>	<b>14,397</b>	<b>10,617</b>	<b>3,780</b>	<b>-802</b>	<b>216</b>

- 4.2 The expenditure to date of £3.6m is £7.1m below the budget to date.  
As the Growth Co contract with GEG has now ended, the expectation is that the Growth Works Additional Equity Funds programme will end spend in the year at £4m, £3.6m lower than budgeted.

- 4.3 The forecast change from previously reported is £0.8m. This is to account for lower unbudgeted ERDF costs (£0.1m), reduction in Growth Works Additional Equity Funds (£0.5m) and UKSPF Capital (£0.2m). The latter will be used in the next financial year.

## 5. 2023-24 Budget and Capital Programme

5.1	<u>Economy and Growth</u>	23/24 £'k	24/25 £'k	25/26 £'k	Total approved to spend £'k	23/24 £'k	24/25 £'k	25/26 £'k	Total project budget £'k
	College of West Anglia - Net Zero	876			876				876
	IEG Student Space	260	99		359				359
	Rural England Fund						2,411		2,411

## 6. Recycle fund

6.1	<b>Recycled Capital</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>	<b>Later Years</b>
	<b>Opening balance</b>	<b>-13,306</b>	<b>-5,152</b>	<b>-3,024</b>	<b>-3,208</b>	<b>-3,392</b>	<b>-3,576</b>	<b>-3,760</b>
	<i>Forecast Expenditure</i>	<i>10,399</i>	<i>2,650</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Forecast Income</i>	<i>-2,245</i>	<i>-522</i>	<i>-184</i>	<i>-184</i>	<i>-184</i>	<i>-184</i>	<i>-2,024</i>
	<b>Closing Balance</b>	<b>-5,152</b>	<b>-3,024</b>	<b>-3,208</b>	<b>-3,392</b>	<b>-3,576</b>	<b>-3,760</b>	<b>-5,784</b>
	<b>Recycled Revenue</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>	<b>Later Years</b>
	<b>Opening balance</b>	<b>-318</b>	<b>-212</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-64</b>	<b>-122</b>
	<i>Forecast Expenditure</i>	<i>260</i>	<i>300</i>	<i>73</i>	<i>68</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Forecast Income</i>	<i>-154</i>	<i>-89</i>	<i>-73</i>	<i>-68</i>	<i>-63</i>	<i>-58</i>	<i>-321</i>
	<b>Closing Balance</b>	<b>-212</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-64</b>	<b>-122</b>	<b>-443</b>
	<b>Combined</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>	<b>Later Years</b>
	<b>Opening balance</b>	<b>-13,624</b>	<b>-5,364</b>	<b>-3,025</b>	<b>-3,209</b>	<b>-3,393</b>	<b>-3,640</b>	<b>-3,882</b>
	<i>Forecast Expenditure</i>	<i>10,659</i>	<i>2,950</i>	<i>73</i>	<i>68</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Forecast Income</i>	<i>-2,399</i>	<i>-611</i>	<i>-257</i>	<i>-252</i>	<i>-247</i>	<i>-242</i>	<i>-2,345</i>
	<b>Closing Balance</b>	<b>-5,364</b>	<b>-3,025</b>	<b>-3,209</b>	<b>-3,393</b>	<b>-3,640</b>	<b>-3,882</b>	<b>-6,227</b>

## 7. Enterprise Zone

7.1	<b>Forecast EZ income and expenditure</b>	<b>2023/24 £k</b>	<b>2024/25 £k</b>	<b>2025/26 £k</b>	<b>2026/27 £k</b>	<b>2027/28 £k</b>
	Total Income	-£928	-£965	-£965	-£965	-£965
	Total Expenditure	£863	£928	£1,155	£700	£176
	Annual (surplus) deficit	-£65	-£37	£190	-£265	-£789
	<b>Cumulative Balance</b>	<b>-£197</b>	<b>-£234</b>	<b>-£44</b>	<b>-£309</b>	<b>-£1,098</b>

N.B. Rates figures shown are for the previous fiscal year

## 8. Appendices

8.1	No appendices
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## 9. Implications

### Financial Implications

9.1	There are no financial implications other than those included in the main body of the report.
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### Legal Implications

9.2	The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
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### Public Health Implications

9.3	N/A
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Environmental & Climate Change Implications	
9.4	N/A
Other Significant Implications	
9.5	N/A
Background Papers	
9.6	None