



Skills & Employment Committee	Agenda Item
15 January 2024	11

Title:	Budget and Performance Report
Report of:	Bruna Menegatti, Finance Manager
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills & Employment Committee
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	No vote required.

Recommendations:	
A	Note the financial position of the Skills Division for the financial year 23/24 to end of November 2023.

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
x	Achieving best value and high performance

1. Purpose	
1.1	To provide an update of the financial position for 2023/24 and to provide analysis against the budgets, up to the period ending November 2023.

2. Background	
2.1	At the last meeting, the Committee was provided with an analysis of the 2023/24 performance against budget to September 2023. This report provides an update covering up to November 2023.

3. Revenue Income and Expenditure	
3.1	<u>SUMMARY</u> Forecast income is set to match the budget for the year on all areas except Bootcamp Wave 3 and Wave 4, due to known enrolment issues. The challenges with Bootcamp Wave 3 and Wave 4 are also affecting expenditures – otherwise we are on track to meet budget. No further programmes have been added to the portfolio from the last report.

3.2 The income received in the year is £14.6m (Table 1: line 8, column 23/24 Actual YTD). This actual is 93% of the total forecast outturn (FO) of £15.6m (Table 1: line 8, column 23/24 FO FY). The remainder of the income will be received after we have provided DfE with evidence of the spend

Main variances from the previous forecast outturn reported in November 2023:

- Further decrease of the income from Bootcamp wave 4 (Table 1: £0.3m – line 3, column 23/24 variance FY), due to low enrolment and revised schedules for the completion of the milestones.
- Inclusion of the UK SPF Skills programme (Table 1: £0.3m - line 7, column 23/24 variance FY), that will start in January 2024.

The variance between budget and forecast outturn of £ 2.2m (Table 1: line 8, column 23/24 variance FY) is made up by:

- Bootcamp Wave 4 (Table 1: £0.6m – line 3, column 23/24 deferral) is slipped to next financial year when the milestones will be completed.
- Bootcamp wave 4 (£1.1m), due to low uptake. This income will not be received this financial year from DfE.
- Multiply £0.4m and AEB level 3 courses £0.1m due to previous year's underspends carried forward. This has reduced the income received in this financial year.

3.3 **Table 1 Skills Grant Income**

Skills Grant Income for the period to 30 November 2023	23/24 Actual YTD £k	23/24 Budget FY £k	23/24 Variance Act to Bud £k	23/24 FO FY £k	23/24 Variance FY £k	23/24 Deferral £k
1. Adult Education Budget	-12,708	-11,973	735	-12,026	53	-
2. AEB Level 3 Courses	-	-954	-954	-816	-138	-
3. Bootcamp Wave 4	-1,092	-2,878	-1,786	-1,187	-1,691	-577
4. Careers and Enterprise Company (CEC)	-181	-313	-132	-313	-	-
5. Digital Skills Bootcamp	9	-	-9	-	-	-
6. Multiply	-631	-1,395	-764	-980	-415	-
7. UK SPF Skills	-	-280	-280	-280	-	-
Total Skills Grant Income	-14,603	-17,793	-3,190	-15,602	-2,191	-577

3.4 **Expenditure headline**

Actual to date is £1.5m lower than budget to date (Table 2: line 16 – column 23/24 variance YTD). All large variances, but the £0.2m on AEB Innovation Funds – Revenue were previously reported.

Forecast outturn shows an underspend to budget for the year of £2.8m (Table 2: line 16). The variances are due to Bootcamp Wave 3 and Wave 4, caused by enrolment issues and changes in delivery plans previously reported.

The variance from previous forecast outturn reported in November, of £0.6m (Table 2: line 16 – column 23/24 variance FY), is due to the revised delivery schedule of the Bootcamp Wave 4 programme.

The variance between budget and forecast outturn of £ 2.9m is made up by:

- Bootcamp Wave 4 (£0.6m – line 3, column 23/24 slippage, table 2) is slipped to next financial year when the milestones will be completed.
- AEB Innovation fund (£0.1m – line 3, column 23/24 slippage, table 2) is slipped to next financial year as no match fundings have not been disbursed to date.
- The remainder (£2.2m) mainly on Bootcamp Wave 3 and Wave 4 will not be spent.

3.5 Expenditure table

Details of the Skills Expenses for the period to 30 November is shown in Table 2 below:

Table 2

Skills 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 Variance FY £k	23/24 Slippage £k
1. AEB Devolution Programme	8,109	8,138	-29	11,081	11,081	-	-
2. AEB Free Courses for Jobs	226	829	-603	2402	2,402	-	-
3. AEB Innovation Fund – Revenue	57	260	-203	779	642	-137	137
4. AEB Programme Costs	143	360	-217	367	367	-	-
5. AEB Provider Capacity Building	0	23	-23	68	68	-	-
6. AEB Strategic Partnership Development	1	36	-35	108	108	-	-
7. Bootcamp Wave 4	375	672	-297	2878	1,187	-594	577
8. Careers and Enterprise Company (CEC)	58	168	-110	266	266	-	-
9. Changing Futures	0	0	0	60	60	-	-
10. Delivering Health and Wellbeing Strategy Skills	0	0	0	500	500	-	-
11. FE Cold Spots (rev)	0	113	-113	225	225	-	-
12. Multiply	820	517	303	1,565	1,565	-	-
13. Skills Advisory Panel (SAP) (DfE)	0	37	-37	55	55	-	-
14. Skills Bootcamp Wave 3	251	378	-127	2001	929	-	-
15. UK SPF Skills	0	0	0	278	278	-	-
Total Skills Revenue Expenditure	10,040	11,531	-1,491	22,633	19,733	-731	714

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4. Implications

Financial Implications

4.1 There are no additional financial implications other than those included in the main body of the report.

Legal Implications

6.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

Public Health Implications

7.1 N/A

Environmental & Climate Change Implications

8.1 N/A

Other Significant Implications

9.1 N/A

Background Papers

10.1 None