



Skills & Employment Committee	Agenda Item
5 June 2023	11

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

Recommendations:

A	Note the year financial position against budget.
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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

1. Purpose

1.1	To provide an update of the financial position for 2022/23 and to provide analysis against the 2022/23 budgets, up to the period ending March 2023
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2. Background

2.1	At the last meeting, the Committee was provided with an analysis of the 2022/23 Skills outturn to the end of December, against the approved annual budget. This report will provide an update to the end of March
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3. Revenue Income & Expenditure

3.1 A breakdown of the Business and Skills Directorate 'Skills Revenue' income for the period to 31 March 2023 is set out in Table 1 below. The Business & Skills Directorate 'Skills Revenue' expenditure is set out in Table 2 below.

Table 1

Skills Grant Income	22/23 Budget £k	Actuals £k	Variance £k	Forecast Outturn £k	Forecast Outturn Variance £k
Adult Education Budget	-11,989	-12,453	-464	-11,989	-464
AEB Level 3	-955	-802	153	-955	153
Career Enterprise Company Funding	-200	-324	-124	-224	-100
Digital Skills Bootcamp	-1,686	-449	1,237	-330	-119
Skills Advisory Panel Grant	-75	-55	20	-75	20
Skills Bootcamp Wave 3	-4,892	-1,225	3,667	-1,926	701
Total Skills Grant Income	-19,797	-15,308	4,489	-15,499	191

3.2 The income received in the year is £4,489k lower than budgeted. The bulk of this variance relates to Skills Bootcamp Wave 3.

3.3 Key variances between actual and the associated annual budget are set out below:

1. Skills Bootcamp Wave 3 accounts for £3,667k of the variance. This reflects the reduction in learners taking part to the programme and the postponement of the commencement deadline by DfE which has allowed the courses to be completed in the next financial year.
2. Digital Skills Bootcamp accounts for £1,237k of the variance. This reflects the challenge of the Training Providers to fund suitable employer to provide learner with suitable job interviews opportunities.

3.4 A breakdown of the Business & Skills Directorate 'Skills Revenue' expenditure for the financial year 2022/23.

Table 2

Skills Revenue Budget	22/23 Budget £k	Actuals £k	Variance £k	Forecast Outturn £k	Forecast Outturn Variance £k
AEB Devolution Programme	10,449	10,965	516	9,917	1,048
AEB Free Courses for Jobs	955	484	-471	507	-23
AEB Innovation Fund - Revenue	629	350	-279	350	0
AEB Programme Costs	367	572	205	367	205
AEB Provider Capacity Building	156	88	-68	88	0
AEB Strategic Partnership Development	196	88	-108	88	0
Careers and Enterprise Company (CEC)	224	240	16	224	16
Changing Futures	60	0	-60	60	-60
Digital Skills Bootcamp	1,785	458	-1,327	297	161
Economic Rapid Response Fund	41	74	33	41	33
FE Cold Spots (rev)	225	0	-225	225	-225
Health and Care Sector Work Academy	2,467	540	-1,927	904	-364
Multiply	1,209	1,082	-127	1,039	43
Skills Advisory Panel (SAP) (DfE)	95	77	-18	40	37
Skills Bootcamp Wave 3	3,640	600	-3,040	176	424
Skills Bootcamp Wave 3 PM costs	274	118	-156	274	-156
Skills Rapid Response Fund	27	-10	-37	27	-37
Total Skills Revenue Budget	22,799	15,726	-7,073	14,624	1,102

3.5	The Actuals for the year 2022/23 as set out in the table above shows an underspend against full year budget of £7,073k. 'Actual' figures are based on payments made and accrued expenditure where known.
3.6	<p>Key variances between the revenue expenditure and the budget are set out below:</p> <ol style="list-style-type: none"> 1. Skills Bootcamp Wave 3 (£3,040k). This is due to the slower than anticipated learner and employer recruitment. This and the changes in the programme timescale from DfE, which allows the starting of the courses by March 23, when previously this was the end date, have caused the reduction of the spend for the year. 2. Health Care Sector Work Academy (£1,927k). This is due to the programme starting in earnest only in the Autumn and challenge in learners' and employers' recruitments. 3. Digital Skills Bootcamp (£1,327k). This programme also encountered challenges in learners' and employers' recruitments. .

4. Appendices

4.1	Appendix 1 – Performance Dashboard.
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5. Implications

Financial Implications

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

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

7.1	N/A
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Environmental & Climate Change Implications

8.1	N/A
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Other Significant Implications

9.1	N/A
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Background Papers

10.1	None
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