



Skills & Employment Committee		Agenda Item
6 November 2023		10
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 September 2023
B	Review and comment on the current Skills and Employment budgets within the Combined Authority's Medium-Term Financial Plan and Capital Programme.

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 2023/24 budgets, up to the period ending September 2023

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

3. Revenue Income and Expenditure

3.1 A breakdown of the Economy and Growth Directorate Skills Grant income for the period to 31 July 2023 is set out in Table 1 below.

Table 1

Skills Grant Income	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
Adult Education Budget	-12,690	-	12,690	-11,973	-12,026	-53	624	-
AEB Level 3 Courses	-	-	-	-954	-816	138	0	-
Bootcamp Wave 4 Careers and Enterprise Company (CEC)	-1,092	-	1,092	-2,878	-1,519	1,359	1,359	-1,359
Digital Skills Bootcamp	9	-	-	-	-	-	-	-
Multiply	-349	-	349	-1,395	-980	415	170	-
Total Skills Grant Income	-14,289	-	14,289	-17,513	-15,654	1,859	2,153	-1,359

3.2 The income received in the year is £14m. The variance compared to budget to date is due to timing difference.

3.3 The forecast outturn predicts that we'll receive £1.8m less income than budgeted for, key variances are:

1. Skill Bootcamp Wave 4 (£1.4m), the forecast has been revised to reflect the timing in which the courses will be taking place. The variance is slipped to next financial year when the programme will be completed.
2. Multiply (£0.4m), this reflects the underspend for 22/23, which will be deducted from the 23/24 funding allocation by DfE.
3. AEB Level 3 Course (Free Courses for Jobs) (£0.1m), this reflects the underspend for 22/23, which will be deducted by DfE in this academic year's allocation.

3.4 A breakdown of the Economy and Growth Directorate Skills Revenue Expenditure for the period to 31 July 2023 is set out 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 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Slippage £k
AEB Devolution Programme	6,664	6,172	492	11,081	11,081	-	-	-
AEB Free Courses for Jobs	33	594	-560	2,402	2,402	-	-	-
AEB Innovation Fund - Revenue	-	260	-260	779	779	-	-	-
AEB Programme Costs	51	260	-205	367	367	-	-	-
AEB Provider Capacity Building	-	23	-23	68	68	-	-	-
AEB Strategic Partnership Development	1	36	-35	108	108	-	-	-
Bootcamp Wave 4 Careers and Enterprise Company (CEC)	136	628	-492	2,878	1,781	-1,098	-1,098	1,098
Changing Futures	106	134	-27	266	266	-	28	-
Delivering Health and Wellbeing Strategy Skills	-	-	-	60	60	-	-	-
FE Cold Spots (rev)	-	113	-113	225	225	-	-	-
Multiply	578	517	62	1,565	1,565	-	-	-
Skills Advisory Panel (SAP) (DfE)	-	28	-28	55	55	-	-	-
Skills Bootcamp Wave 3	134	284	-150	2,001	929	-1,072	-	-
UK SPF Skills	0	0	0	278	278	-	278	-
Total Skills Revenue Expenditure	7,703	9,049	-1,339	22,633	20,464	-2,170	-291	1,098

3.5	<p>Expenditure to date is £1.4m lower than budget to date.</p> <p>Free Courses for Jobs is £0.6m behind profile however, as stated in the earlier performance report, it's anticipated that this will accelerate and all funds will be spend by the end of the academic year.</p> <p>Bootcamp wave 4 (£0.5m) has also had slow start in this financial year. The speed of delivery will increase in the following months, with spend continuing into the next financial year.</p> <p>Delays due to capacity issues effect AEB Innovation Funds (£0.2m), AEB Programme management costs (£0.2m), FE cold Spots (£0.1m) also contrite to the variance, together with the reduction of costs on Bootcamp Wave 3 (£0.1m) due to low enrolment.</p> <p>The apparent year-to-date overspend on the AEB Devolution Programme (£0.5m) is a timing difference due to the payment profile of the grant providers not matching the budget, as such the forecast position at year-end is still matching the overall budget.</p>
3.6	The full year budget has increased by £0.8m to include the Delivering Health and Wellbeing Strategy Skills (funded by Treasury Management Income - £0.5m) and UK SPF – Skills (£0.3m, funded by DLUHC’s Shared Prosperity Fund)
3.7	<p>Forecast outturn shows an underspend to budget for the year of £2.2m.</p> <p>The variance is due to the finalisation of the enrolment numbers for Bootcamp Wave 3 and resulting underspend, and the profiling of the costs for Bootcamp Wave 4 shifting more expenditure into 24-25 to reflect the deliverable training schedule.</p>

4. Appendices

4.1	Appendix 1 – Current budget and MTFP
-----	--------------------------------------

5. Implications

Financial Implications	
4.1	There are no 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