



<b>Skills &amp; Employment Committee</b>	Agenda Item
<b>4 March 2024</b>	<b>9</b>

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 January 2024
---	---

**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 up to the period ending January 2024
-----	---

**2. Summary**

2.1	<b>Income:</b> We've now received income to date of £14.8m which is 98% of our expected full year income outturn. This means that we are now £2.8m below budgeted income for the year. This is largely due to known issues with Boot Camp enrolment.
2.2	<b>Expenditure:</b> Actual to date is £1.7m lower than budget to date. The variance between budget and forecast outturn for the full year is £4.1m. Challenges with Bootcamp Wave 3 and Wave 4 enrolment are the major reasons for the variance.

### 3. Income

- 3.1 We've now received income to date of £14.8m which is 98% of our expected full year income outturn. On Bootcamp Wave 4, we have received £0.2m more than will be used to deliver the programme. DfE has agreed to role this over to Bootcamp Wave 5.
- 3.2 At the January Skills Committee we expected income at the end of March 24, to reach £15.6m. The variance this quarter is due to further reduction in Bootcamp Wave 4 activities (£0.6m).
- 3.3 This means that we are now £2.8m below budgeted income for the year because of the following reasons
- Bootcamp Wave 4 (£0.3m – Table 1, line 3, column 23/24 deferral) is slipped to next financial year when the milestones will be completed.
  - Bootcamp wave 4 (£2m), 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.

3.4 **Table 1 Skills Grant Income**

Skills Grant Income for the period to 31 <sup>st</sup> January 2024	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	- 12,055	-11,973	82	-12,026	53	-
2. AEB Level 3 Courses	- 652	- 954	-302	- 816	- 138	-
3. Bootcamp Wave 4	- 1,092	- 2,878	- 1,786	- 587	- 2,291	- 294
4. Careers and Enterprise Company (CEC)	- 24	- 313	- 289	- 313	-	-
5. Digital Skills Bootcamp	9	-	- 9	9	- 9	-
6. Multiply	- 980	- 1,395	- 415	- 980	- 415	-
7. UK SPF Skills	-	- 280	- 280	- 280	-	-
<b>8. Total Skills Grant Income</b>	<b>- 14,795</b>	<b>-17,793</b>	<b>- 2,998</b>	<b>- 14,993</b>	<b>- 2,800</b>	<b>- 294</b>

### 4. Expenditure

- 4.1 Actual to date is £1.7m lower than budget to date (Table 2, line 16 – column 23/24 variance YTD).
- 4.2 Major variances to date are:
- £0.5m AEB Free Courses for Job. This is due to slow uptake of the programme at the beginning of the year, and it is expected to catch up by the end.
  - £0.5m AEB Innovation Funds. This is due to delay in starting some of the activities included in this line.
  - £0.5m Bootcamp Wave 3 and 4. This is due to known enrolment challenges.
- 4.3 The variance between budget and forecast outturn of £ 4.7m (Table 2 - line 16) is made up by:
- Bootcamp Wave 4 (£0.3m – Table 2 - line 3, column 23/24 slippage) is slipped to next financial year when the milestones will be completed.
  - AEB Innovation fund (£0.7m – Table 2 - line 3, column 23/24 slippage, table 2) is slipped to next financial year due to replanning of the activities included in this line.
  - The remainder (£3.7m) on Bootcamp Wave 3 and Wave 4 will not be spent.
- 4.4 Expenditure table  
Details of the Skills Expenses for the period to the 31<sup>st</sup> January is set up in Table 2 below:

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	10,030	10,105	-75	11,081	11,081	-	-
2 AEB Free Courses for Jobs	573	1,064	-492	2,402	2,402	-	-
3 AEB Innovation Fund – Revenue	57	520	-463	779	118	-662	662
4 AEB Programme Costs	315	360	-45	367	367	-	-
5 AEB Provider Capacity Building	27	45	-18	68	68	-	-
6 AEB Strategic Partnership Development	56	72	-16	108	108	-	-
7 Bootcamp Wave 4	639	785	-147	2,878	588	-2,291	294
8 Careers and Enterprise Company (CEC)	203	203	-	266	266	-	-
9 Changing Futures	-	-	-	60	60	-	-
10 Delivering Health and Wellbeing Strategy Skills	-	-	-	500	500	-	-
11 FE Cold Spots (rev)	-	169	-169	225	225	-	-
12 Multiply	1,093	979	114	1,565	1,565	-	-
13 Skills Advisory Panel (SAP) (DfE)	-	46	-46	55	55	-	-
14 Skills Bootcamp Wave 3	279	615	-336	2,001	279	-1,722	-
15 UK SPF Skills	33	-	33	278	278	-	-
16 <u>Total Skills Revenue Expenditure</u>	<b>13,305</b>	<b>14,963</b>	<b>1,660</b>	<b>22,633</b>	<b>17,960</b>	<b>-4,675</b>	<b>956</b>

## 5. Implications

### Financial Implications

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

### Legal Implications

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

### Public Health Implications

5.3 N/A

### Environmental & Climate Change Implications

5.4 N/A

### Other Significant Implications

5.5 N/A

### Background Papers

5.6 None