



Agenda Item No: 2.1

Budget and Performance Report

To: Business Board

Meeting Date: 15 May 2023

Public report: Yes

Lead Member: Chair of the Business Board, Alex Plant

From: Finance Manager, Bruna Menegatti

Key decision: No

Recommendations: The Business Board is recommended to:

Note the financial draft unaudited position relating to the revenue and capital funding lines within the Business and Skills Directorate for the 2022/23 fiscal year.

1. Purpose

- 1.1 To provide an overview of the revenue and capital funding lines that are within the Business and Skills Directorate, to assist the Business Board and enable informed decision making regarding the expenditure of these funds.

2. Background

- 2.1 The Business Board has requested a summary of the revenue and capital funding lines available within the Business and Skills Directorate, to assist in ensuring financial decisions relating to the revenue and capital funding lines under their control are well informed, financially viable, and procedurally robust.
- 2.2 The actual spend reflects costs incurred to the end of March 2023, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the Medium-Term Financial Plan (MTFP).

3. 2022/23 Revenue Budget

- 3.1 A breakdown of the Business and Skills Directorate 'Business Revenue' income for the period to 31st March 2023, is set out in Table 1 below.

Table 1

Grant Income	22/23 Budget £k	Actuals £k	Variance £k	Forecast Outturn £k	Forecast Outturn Variance £k
Enterprise Zone receipts	-972	-878	94	-851	- 27
ERDF - Growth Service Grant	-2,918	-724	2,194	-2,918	2,194
ESF Growth Service Grant	-920	-576	344	-920	344
Growth Hub Grants	-246	-243	3	-246	3
LEP Core Funding	-375	0	375	-375	375
Total Grant Income	-5,431	-2,421	3,010	-5,309	2,889

- 3.2 Similar to the previous update, the ERDF and ESF programmes have been slower to start than was anticipated. This is reflected in both delayed grant claims (seen here) and expenditure as seen in the 'Growth Co Services' line in Table 2.
- 3.3 The current year's allocation for LEP Core Funding is still paused by DLUHC.

3.4 A breakdown of the Business and Skills Directorate's 'Business Revenue' expenditure for the year 2022/23 is shown in Table 2 below:

Table 2

'Business Revenue' Expenditure	22/23 Budget £k	YTD Actuals £k	YTD Variance £k	FY Forecast Outturn £k	FY Forecast Outturn Variance £k
Economic Rapid Response Fund	41	74	34	41	33
Growth Co Services	5,073	1,967	-3,106	1,600	367
Insight and Evaluation Programme	75	58	-17	75	-17
Local Growth Fund Costs	426	369	-57	426	-57
Marketing and Promotion of Services	90	-	-90	90	-90
P'boro Uni Quarter Masterplan	100	100	-	100	0
SPF Evidence Base and Pilot Fund	77	11	-65	77	-66
Total Revenue expenditure	5,881	2,580	-3,301	2,409	170

3.5 As presented at previous Business Board's report, the Growth Co underspend is due to the slow initiation of the ERDF funded workstream within the Growth Co. This has picked up in the last quarter, as reflected on the variance to outturn.

3.6 Marketing and Promotion costs, previously coded in here, have been included in the Communication budget.

3.7 No updated report on Energy is available at present.

4. 2022/23 Capital Budget

4.1 A breakdown of the Business and Skills Directorate 'Business Capital' expenditure for the year 2022/23 is shown below.

Table 3

'Business Revenue' Expenditure	Funding source	22/23 Budget £k	YTD Actuals £k	YTD Variance £k	FY Forecast Outturn £k	FY Forecast Outturn Variance £k
Barn4 specialist growing facilities	Recycle	400	400	0	400	0
Cambridge Biomedical MO Building	LGF	185	185	0	185	0
Cambridge City Centre	LGF	695	481	-214	695	-214
College of West Anglia - Net Zero	Recycle	274	0	-274	-	0
Expansion of Growth Co Inward Investment	Recycle	400	0	-400	400	-400
Fenland Hi-tech Futures	Recycle	400	393	-7	400	-7
IEG Student Space	Recycle	7	400	393	285	115
Illumina Accelerator	Recycle	1,700	600	-1,100	900	-300
Ramsey Produce Hub	LGF	302	0	-302	0	0
Start Codon (Equity)	Recycle	1,475	590	-885	500	90
The Growth Service Company	Mixed	5,135	369	-4,766	1,822	-1,453
Total Capital Expenditure		10,973	3,418	-7,555	5,587	-2,169

N.B. LGF stands for Local Growth Fund; Recycled funds are those given out by the Business Board as loans which have subsequently been repaid.

- 4.2 The Growth Service capital spend is behind forecast due to the late re-start of the Equity service line part of the programme. Following a slow start in 2021/22, the Equity service line was paused, and the delivery partner was changed. It has been relaunched in October 22. Slippage into next fiscal year is being captured in the MTFP process for a revised forecast to the end of the Growth Service contract.
- 4.3 Further share capital investment in Growth Co has been agreed in April 2023, therefore after the year end cut off. This will be reflected in 2023/24 accounts.
- 4.4 Illumina Accelerator underspend is due to lack of suitable candidate for the investment. The funds will be used in the next financial year.

4.7 Table 4 below gives an overview of the Market Towns capital budget lines, which is currently outside the Business Board control and are provided for information purposes.

Table 4

Market Towns Capital Expenditure	Funding source	22/23 Budget £k	Actuals £k	Variance £k	Forecast Outturn £k	Forecast Outturn Variance £k
Market Towns: Chatteris	CGS	596	277	-319	458	-181
Market Towns: Ely	CGS	735	296	-439	452	-156
Market Towns: Huntingdon	CGS	391	360	-31	391	-31
Market Towns: Littleport	CGS	0	0	0	-	0
Market Towns: March	CGS	2,068	151	-1,917	617	-466
Market Towns: Ramsey	CGS	1,000	328	-672	190	138
Market Towns: Soham	CGS	894	224	-670	420	-196
Market Towns: St Ives	CGS	433	338	-95	433	-95
Market Towns: St Neots	CGS	1,141	0	-1,141	0	0
Market Towns: Whittlesey	CGS	524	594	70	462	132
Market Towns: Wisbech	CGS	746	383	-363	713	-330
St Neots Masterplan	CGS	285	89	-196	285	-196
Total Market Towns Capital Expenditure		8,813	3,040	-5,773	4,421	-1,381

N.B. CGS stands for Capital Gainshare, which is the Combined Authority's un-ringfenced capital funding.

4.8 Post Covid-19 issues around contractors and increased material costs have impacted on project delivery across the Programme.

5. 2022-23 Budget and Capital Programme

5.1 The Business Board is asked to note the Business and Skills directorate's Capital Programme. Lines in the Business Board's remit are above the bold line.

	Approved Budget				Total approved to spend	Subject to Approval				Total project budgets
	22/23	23/24	24/25	25/26		22/23	23/24	24/25	25/26	
Business and Skills	£k	£k	£k	£k	£k	£k	£k	£k	£k	£K
Barn4 specialist growing facilities	400	-	-	-	400	-	-	-	-	400
Cambridge Biomedical MO Building	185	-	-	-	185	-	-	-	-	185
Cambridge City Centre College of West Anglia - Net Zero	695	-	-	-	695	-	-	-	-	695
Expansion of Growth Co Inward Investment	274	850	876	-	2,000	-	-	-	-	2,000
Fenland Hi-tech Futures	400	-	-	-	400	-	-	-	-	400
Growth Works Additional Equity Fund	400	-	-	-	400	-	-	-	-	400
IEG Student Space	-	2,850	-	-	2,850	-	-	-	-	2,850
Illumina Accelerator	7	30	260	99	397	-	-	-	-	397
Ramsey Food Hub	1,700	-	-	-	1,700	-	-	-	-	1,700
South Fen Business Park	302	709	147	-	1,159	-	-	-	-	1,159
Start Codon (Equity)	-	-	-	-	-	-	-	-	-	-
The Growth Service Company	1,475	-	-	-	1,475	-	-	-	-	1,475
University of Peterborough Phase 3	5,135	3,000	-	-	8,135	-	-	-	-	8,135
	-	-	-	-	-	-	-	-	-	-
FE Cold Spots (capital)	-	-	-	-	-	-	2,400	2,175	-	4,575
Retrofit: LAD phase 2 capital	16,634	-	-	-	16,634	-	-	-	-	16,634
Retrofit: LAD phase 3 capital	29,842	-	-	-	29,842	-	-	-	-	29,842
Retrofit: Home Upgrade Grant capital	10,824	-	-	-	10,824	-	-	-	-	10,824
Market Towns: Chatteris	596	-	-	-	596	-	-	-	-	596
Market Towns: Ely	735	-	-	-	735	-	-	-	-	735
Market Towns: Huntingdon	391	-	-	-	391	422	-	-	-	813
Market Towns: Littleport	-	-	-	-	-	1,000	-	-	-	1,000
Market Towns: March	2,068	-	-	-	2,068	-	-	-	-	2,068
Market Towns: Ramsey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Soham	894	-	-	-	894	-	-	-	-	894
Market Towns: St Ives	433	-	-	-	433	380	-	-	-	813
Market Towns: St Neots	1,141	1,959	-	-	3,100	-	-	-	-	3,100
Market Towns: Whittlesey	524	-	-	-	524	-	195	-	-	719
Market Towns: Wisbech	746	-	-	-	746	-	-	-	-	746
Market Towns and Villages	-	-	-	-	-	1,250	1,250	-	-	2,500
St Neots Masterplan	285	-	-	-	285	-	-	-	-	285
Total Business and Skills	77,067	9,398	4,608	3,424	94,499	3,052	3,845	2,175	0	103,571

6. Business Board Summary Funding Overview

6.1 A summary of the Business Board 'Recycled Capital and Revenue' funds is set out in Table 7 below:

Table 7

The values below are in thousands.

Recycled Capital	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Later Years
Opening balance	-11,054	-5,960	-2,601	-1,987	-2,072	-2,256	-2,440	-2,624
Forecast Expenditure	10,531	3,881	1,136	99	0	0	0	0
Forecast Income	-5,438	-522	-522	-184	-184	-184	-184	-2,024
Closing Balance	-5,960	-2,601	-1,987	-2,072	-2,256	-2,440	-2,624	-4,648

Recycled Revenue	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Later Years
Opening balance	-90	-345	-461	-551	-624	-691	-754	-812
Forecast Expenditure	0	0	0	0	0	0	0	0
Forecast Income	-255	-117	-89	-73	-68	-63	-58	-321
Closing Balance	-345	-461	-551	-624	-691	-754	-812	-1,133

Combined	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Later Years
Opening balance	-11,144	-6,305	-3,063	-2,538	-2,695	-2,947	-3,194	-3,436
Forecast Expenditure	10,531	3,881	1,136	99	0	0	0	0
Forecast Income	-5,692	-638	-611	-257	-252	-247	-242	-2,345
Closing Balance	-6,305	-3,063	-2,538	-2,695	-2,947	-3,194	-3,436	-5,781

6.2 No changes have been made to the table above from the previous report.

Table 8

Forecast EZ income and expenditure	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k	2026/27 £k	2027/28 £k
Total Income	-£851	-£913	-£913	-£913	-£913	-£913
Total Expenditure	£691	£833	£415	£415	£415	£415
Annual (surplus) deficit	-£160	-£80	-£498	-£498	-£498	-£498
Cumulative Balance	-£255	-£753	-£1,251	-£1,749	-£2,248	-£2,746

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

Significant Implications

7. Financial Implications

7.1 There are no significant financial implications.

8. Legal Implications

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

9. Public Health implications

9.1 There are no significant public health implications.

10. Environmental and Climate Change Implications

10.1 There are no significant environmental and climate change implications.

11. Other Significant Implications

11.1 There are no other significant implications.

12. Background Papers

12.1 None