

BUSINESS BOARD	AGENDA ITEM No: 2.6
27 JANUARY 2020	PUBLIC REPORT

BUSINESS BOARD STRATEGIC FUNDS UPDATE

1.0 PURPOSE

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

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of the Business Board
Lead Officer:	Robert Emery, Section 73 Officer, Business Board
Forward Plan Ref:	Key Decision:
<p>The Business Board is recommended to:</p> <p>(a) Note the update and financial position relating to the revenue funding lines under the control of the Business Board.</p>	

2.0 BACKGROUND & OVERVIEW

- 2.1. The Business Board has requested a summary of the revenue funding lines available within the Business & Skills Directorate, to assist in ensuring financial decisions relating to the revenue funding lines under their control are well informed, financially viable, and procedurally robust.

3.0 BUSINESS & SKILLS FUNDING LINES – BUSINESS BOARD

- 3.1 A breakdown of the Business and Skills Directorate Revenue Expenditure for funding lines under direct control of the Business Board for the eight-month period to 30th November 2019, is set out in Table 1.1 below. The budget lines reported are those with a direct relationship to the Business Board.

Table 1.1 Business & Skills Revenue - Business Board						
Para Ref.	Revenue	Revised 19-20 Budget	Actuals to 30 Nov 2019	Budget Commitments	Forecast Outturn (Nov)	Forecast Outturn Variance
		£'000	£'000	£'000	£'000	£'000
3.3.1	CPCA LIS Implementation	£ 200.0	£ 67.3	£ 46.0	£ 150.0	-£ 50.0
	EU Exit Funding	£ 90.9	£ 82.7	£ 8.2	£ 90.9	£ -
3.3.2	Growth Company Development	£ 63.0	£ 20.7	£ 34.3	£ 55.0	-£ 8.0
	Growth Hub	£ 92.2	£ 35.6	£ 56.6	£ 92.2	£ -
3.3.1	LEP Capacity Funding	£ 400.0	£ 14.8	£ 110.0	£ 300.0	-£ 100.0
3.3.4	Trade and Investment Programme	£ 100.0	£ 7.7	£ 72.3	£ 80.0	-£ 20.0
	Total Business & Skills Expenditure (B-B)	£ 946.1	£ 228.8	£ 327.4	£ 768.0	-£ 178.0

- 3.2 The Forecast Outturn as set out in the table above shows a reduction in expected costs for the year of £178k compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known. The year to date costs may therefore be understated due to the delay between goods and services being provided by suppliers, and invoices being raised and paid. This also includes Service Level Agreements and other similar arrangements where invoices are received once a year.
- 3.3 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:
- 3.4 Local Industrial Strategy (LIS) Implementation and LEP Capacity Funding are both currently showing a potential underspend, but it is likely that new opportunities will arise in the coming months that may utilise the budget. Should there be any underspend, this will be applied to be carried into 2020/21 to further continue the LIS implementation and enhance the Growth Service.
- 3.5 Current expenditure indicates that there will be an underspend on the Growth Company Development compared to the initial forecast. However, should this occur, then the balance will be applied to be carried in the Growth Service budget for future years.
- 3.6 The delivery of the Trade & Investment Programme has been outsourced to Peterborough City Council, and the work is being undertaken. However, to date no invoices have been received and it is not clear whether the full amount forecast will be required. This is being discussed with PCC to establish more accurate figures. Any possible underspend will be applied to be carried into 2020/21 and used for the Growth Service.

4.0 BUSINESS & SKILLS FUNDING LINES – NON-BUSINESS BOARD

- 4.1 A breakdown of the Business and Skills Directorate Revenue Expenditure for funding lines not under direct control of the Business Board for the eight-month period to 30th November 2019, is set out in Table 1.2 below. This data is provided for information purposes only.

- 4.2. The Forecast Outturn as set out in the table above shows a reduction in expected costs for the year of £754.3k compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known. The year to date costs may therefore be understated due to the delay between goods and services being provided by suppliers, and invoices being raised and paid. This also includes Service Level Agreements and other similar arrangements where invoices are received once a year.
- 4.3 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:
- 4.3.1 AEB – ITP budget line will come under budget as the initial profile has been amended further to better clarity and understanding of provision. The underspend will be applied to be carried forward to 2020/21 as the expenditure is likely to take place during the academic year.
- 4.3.2 AEB programme costs will come under budget due to expenditure spread over a two-year period for areas such as research and market intelligence. The amount will be applied to be carried forward into 2020/21 to account for this.
- 4.3.3 Both the Energy Hub and the Rural Communities Energy Fund have experienced delays due to new governance arrangements. The forecast expenditure has dropped significantly but as this is a grant awarded by government the money will be carried forward into next year. There are also further delays due to both areas potentially being relocated to a different local authority which may occur towards the end of this financial year.
- 4.3.4 The £50k forecast underspend for the Market Town Strategy Implementation is due to timing delays with local district councils carrying out the feasibility studies. Any underspend will be applied to be carried into 2020/21 as it is required to continue the work.
- 4.4 University of Peterborough Taught Degree Awarding Powers budget line has now been completed and the final meetings were held in December to agree the outcomes. It is likely that that the project will be brought in under the original budget by at least £11.9k, however, the figures are not definite as invoices have not yet been received.
- 4.5 The £26.8k in the Work Readiness Programme is due to the reprofiling of the budget according to academic years.

5.0 LEGAL IMPLICATIONS

- 5.1. There are no direct legal implications

6.0 IMPLICATIONS FOR NATURE

6.1. There are no implications for nature

7.0 OTHER SIGNIFICANT IMPLICATIONS

7.1. There are no significant implications

8.0 APPENDICES

8.1. None

<u>Source Documents</u>	<u>Location</u>
None	N/a