



Appendix 1

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| SKILLS COMMITTEE | AGENDA ITEM No: 3.3 |
| 06 JULY 2020 | PUBLIC REPORT |

BUDGET AND PERFORMANCE REPORT

1.0 PURPOSE

1.1. This report provides budget and performance reporting to the Skills Committee.

| <u>DECISION REQUIRED</u> | |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Lead Member: | Councillor John Holdich |
| Lead Officer: | John T. Hill, Director, Business & Skills |
| Forward Plan Ref: n/a | Key Decision: No |
| The Skills Committee is recommended to: (a) Note the May budget and performance monitoring update; | Voting arrangements Simple Majority of all Members |

2.0 BACKGROUND

2.1. Budget and performance reporting should be seen in the round.

2.2. At the June 2020 Combined Authority Board Meeting, the Board approved an updated Medium Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2020/21. This report shows the actual expenditure to date and forecast outturn position against those budgets.

2.3. The outturn forecast reflects costs incurred to date, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the revised MTFP.

3.0 BUDGET

Revenue Budget

3.1 A breakdown of the Business & Skills Directorate 'Revenue' expenditure for the period to 31st May 2020, is set out in the table below.

| Skills Revenue 2020/21 | | | | | | | |
|------------------------------------------|----------------|--------------------|----------------------|--|--------------------------|------------------------|---------------------------|
| Skills Revenue Programmes | MTFP | Budget Adjustments | Revised 20/21 Budget | | Actuals to 31st May 2020 | Forecast Outturn (May) | Forecast Outturn Variance |
| | £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| AEB Devolution - Grants | 11286.0 | 336.7 | 11622.7 | | 1345.5 | 9622.7 | 2000.0 |
| AEB Devolution - ITP's | 0.0 | 0.0 | 0.0 | | 338.4 | 2000.0 | -2000.0 |
| AEB Innovation Fund | 0.0 | 336.7 | 336.7 | | 0.0 | 336.7 | 0.0 |
| AEB Programme Costs | 564.1 | -163.6 | 400.5 | | 25.8 | 400.5 | 0.0 |
| Careers & Enterprise Company | 80.5 | 0.0 | 80.5 | | -9.4 | 80.5 | 0.0 |
| Health & Social Care Work Academy | 1100.0 | 1067.8 | 2167.8 | | 0.0 | 2167.8 | 0.0 |
| Skills Advisory Panel | 75.0 | 39.0 | 114.0 | | 0.0 | 114.0 | 0.0 |
| Skills Brokerage | 75.0 | 9.0 | 84.0 | | 0.0 | 84.0 | 0.0 |
| Skills Brokerage - Subject to Approval | 23.0 | 0.0 | 23.0 | | 0.0 | 23.0 | 0.0 |
| Skills Strategy Programme Delivery | 125.0 | -4.5 | 120.5 | | 2.5 | 120.5 | 0.0 |
| University of Peterborough | 0.0 | 4.2 | 4.2 | | 3.4 | 4.2 | 0.0 |
| University of Peterborough - Legal Costs | 0.0 | 0.0 | 0.0 | | 14.0 | 150.0 | -150.0 |
| Work Readiness Programme (Hamptons) | 0.0 | 52.8 | 52.8 | | 0.0 | 52.8 | 0.0 |
| Total Skills Revenue | 13328.6 | 1678.1 | 15006.7 | | 1720.2 | 15156.7 | -150.0 |

3.2 The Forecast Outturn as set out in the table above shows an increase in expected costs for the year of £150k compared to the budget. The details are outlined in 3.3.b and 3.3.c below. '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.

3.3 The budget adjustments identified above are due to a combination of the following:

- (a) The AEB topslice budget was reduced reflecting a revised structure of the team, approved by the Skills Committee in April.
- (b) The AEB innovation fund was created with half the 19-20 underspend on the AEB programme as presented to the Skills Committee in April.
- (c) The Work Readiness Programme adjustment reflects the report presented to the Skills Committee in April.
- (b) The remaining 6 adjustments are due to carried forward underspends (or deducted overspend) from 2019-20 budgets as approved by the June CPCA Board

3.4 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:

- (a) AEB Devolution Grants and ITP's are split for reporting purposes but not split within the MTFP. If both figures are taken together, there is no variance to the MTFP.
- (b) University of Peterborough Legal Costs – These costs were identified late in 2019/20 and have been partially met by other budgets within Business & Skills. There has been an allocation within the Corporate budget to meet these costs but this will be the subject of an internal transfer. The costs are shown here for clarity.

Capital Budget

3.4 A breakdown of the Business & Skills Directorate 'Capital' expenditure for the period to 31st May 2020, is set out in the table below.

| Skills Capital 2020/21 | | | | | | | |
|--------------------------------------------|----------------|--------------------|----------------------|--|--------------------------|------------------------|---------------------------|
| Skills Capital Programmes | MTFP | Budget Adjustments | Revised 20/21 Budget | | Actuals to 31st May 2020 | Forecast Outturn (May) | Forecast Outturn Variance |
| | £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| University of Peterborough - Business Case | 11150 | 1150 | 12300 | | 112.3 | 12300.0 | 0.0 |
| Total Skills Capital | 11150.0 | 1150.0 | 12300.0 | | 112.3 | 12300.0 | 0.0 |

3.5 The University of Peterborough project is proceeding as planned and is the subject of a separate paper presented to this Committee.

4.0 PERFORMANCE REPORTING

- 4.1 The Cambridgeshire and Peterborough Devolution Deal is about delivering better economic outcomes for the people of Cambridgeshire and Peterborough and commits us to specific results. The Combined Authority needs to monitor how well it is doing that.
- 4.2 Appendix 1 shows the Skills Performance Dashboard, with an update on delivery against the following growth outcomes at the heart of the Devolution Deal (of which outcomes are embodied in the business cases which the Board and Committee consider):
 - Prosperity (measured by Gross Value Added (GVA))
 - Housing
 - Jobs
- 4.3 These metrics are updated to align with the Board Performance Reports

- 4.4 Appendix 1 also shows the current RAG status for Skills' projects, as at the end of May 2020.
- 4.5 Since the last meeting in April, the three Red rated projects have been upgraded to Amber due to improvements whilst working within the COVID-19 outbreak. The status of the projects is at the end of May, as the June highlight reports have not yet been updated.

5.0 FINANCIAL IMPLICATIONS

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

6.0 LEGAL IMPLICATIONS

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

7.0 SIGNIFICANT IMPLICATIONS

- 7.1 There are no implications for nature.

8.0 APPENDICES

- 8.1. Appendix 1 – Performance Dashboard.

| <u>Background Papers</u> | <u>Location</u> |
|---------------------------------|------------------------|
| None | N/A |