



Agenda Item No: 2.1

Budget and Performance Report

To:	Business Board
Meeting Date:	19 July 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Finance Manager, Vanessa Ainsworth
Key decision:	No
Recommendations:	<p>The Business Board is recommended to:</p> <ul style="list-style-type: none">a) Note the outturn financial position relating to the revenue and capital funding lines within the Business & Skills Directorate for the 20/21 financial year;b) Approve the format for the presentation of revenue, capital and income funding lines within the Business & Skills Directorate for the 21/22 financial year; andc) Recommend the Combined Authority Board approve the reprofiling of the Local Growth Fund Programme Costs Budget for 2021-22.

1. Purpose

- 1.1. To provide an update and overview of the revenue and capital funding lines that are within the Business & Skills Directorate to assist the Business Board to enable informed decision making regarding the expenditure of these funds.
- 1.2. Request approval for the reprofiling of the LGF budget to the Combined Authority Board.

2. Background

- 2.1 The Business Board has requested a summary of the revenue and capital funding lines available within the Business & 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 At the August 2020 Combined Authority (CA) Board Meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP) in relation to the COVID-19 pandemic, including balanced revenue and capital budgets for 2019/20. This report shows the actual expenditure to date and forecast outturn position against those budgets.
- 2.3 The outturn position reflects costs incurred to date as well as accrued expenditure as reported by our delivery partners.
- 2.4 The MTFP for 2021/22 was approved at the CA Board Meeting in January 2021. The June 2021 CA Board Meeting approved proposed carry forwards and capital slippage, updating the 2021-22 Budget. The figures shown in sections 6.1 (Table 5) and 7.1 (Table 6) are the approved January numbers and a revised MTFP will be presented at further meetings.
- 2.5 2020/21 Income Tables are presented in line with previous reports provided to the Business Board.
- 2.6 As requested at the Business Board meeting in March, a revised presentation of the financial data is included for 2021/22. The information includes the current budget lines (same format as previous years), an extract from the MTFP for both revenue and capital, summary figures for the recycled revenue and interest reserve funds, summary figures for the Enterprise Zones reserve fund and an overview of the current Equity Investments.

3. 2020/21 Revenue Budget

- 3.1 The Business Board is requested to note the outturn breakdown of the Business & Skills Directorate 'Business Revenue' income for the period to 31st March, as set out in Table 1 below.

Table 1. Business Board Revenue Income Budgets 2020/21

Business Board Revenue Funding Streams	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Outturn Variance £'000	Requested Carry Forward £'000
Enterprise Zone Receipts	(605.3)	-	(605.3)	(558.7)	46.6	-
Growth Hub Grants	(672.1)	-	(672.1)	(681.9)	(9.8)	-
LEP Core Funding	(500.0)	-	(500.0)	(500.0)	-	-
Recycled Growth Funds Interest	(124.0)	-	(124.0)	(146.8)	(22.8)	-
Peer Network Funding	(210.0)	-	(210.0)	(164.1)	45.9	-
Total Business Board Revenue Income	(2,111.4)	-	(2,111.4)	(2,051.5)	59.9	-

3.2 The outturn position as set out in the table above shows three variances above £10k:

- Enterprise Zone Receipts – the budget originally included 19-20 income which was updated to be shown in the prior year.
- Recycled Growth Funds Interest – additional interest was received during the year due to reprofiling of some loans.
- Peer Network Funding – this grant is claimed in arrears based on actual spend. The budget was for the total amount of the grant that it was possible to claim and the actual spend in the year, and therefore grant income was below the maximum.

3.3 The Business Board is requested to note the outturn breakdown of the Business & Skills Directorate 'Business Revenue' expenditure for the period to 31st March 2021, as set out in Table 2 below.

Table 2. Business Board Revenue Expenditure Budgets 2020/21

Business Board Revenue Expenditure	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Outturn Variance £'000	Requested Carry Forward £'000
EU Exit Funding	267.6	(12.0)	255.6	267.6	12.0	-
EZ Funded Growth Company Contribution	230.0	(230.0)	-	-	-	-
Growth Co Services	-	501.7	501.7	-	(501.7)	501.7
Growth Hub	517.0	(96.2)	420.8	519.6	98.8	-
Integrated Insight Evaluation Programme	189.0	-	189.0	181.5	(7.5)	7.5
LGF Programme Costs	400.0	-	400.0	558.8	158.8	(158.8)
LIS Implementation	176.3	(50.0)	126.3	126.3	-	-
Market Towns Strategy Implementation	222.9	-	222.9	201.8	(21.1)	20.9
Marketing & Promotion of Services	95.0	(40.0)	55.0	47.2	(7.8)	7.8
Peer Networks	210.0	-	210.0	163.4	(46.6)	-
St Neots Masterplan	254.1	-	254.1	117.7	(136.4)	136.4
Strengthening LEP's	188.0	-	188.0	188.0	-	-
Trade and Investment Programme	100.0	-	100.0	67.5	(32.5)	32.5
Total Skills Revenue Expenditure	2,849.9	73.5	2,923.4	2,439.3	(484.1)	548.0

3.4 The outturn position set out in the table above, shows a reduction in expected costs for the year of £17.6k compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known.

3.5 The changes to the budget shown in the third column in table 2 are all virements from individual service lines to create the new Growth Co Services budget as per the revised Growth Co business plan approved by the Business Board and Combined Authority Board at their 16th March 2021 meeting. The balance of £73.5k is due to budgets from the Skills committee portfolio also being vired into the Growth Co Services line.

Variances over £10k between the revenue outturn position and the annual budget are set out below:

- a. EU Exit Funding and Growth Hub budgets – The variances on these budgets are due to costs which should have been on the “Growth Co Services” line being incorrectly coded. These will be rectified in the 21-22 budget and will net out roughly 20% of the underspend on that line.
- b. Growth Co Services – this budget line was created at the end of the year as explained above. These payments were delayed due to contracts/SLA’s not being completed before year end thus the corresponding payments will now fall into 2021-22.
- c. LGF - As per previous reports, the LGF Programme costs ran over budget due to changes in staffing levels, increased legal costs, additional appraisal costs for the COVID-19 Grant Scheme and other additional monitoring and appraisal processes. This budget is discussed further in item 7 of this paper.
- d. Marketing & Promotion of Services – The £7.5k underspend relates to marketing campaigns that had begun but not yet completed, and these sums will be paid out in the first three months of the new financial year.
- e. Peer Networks – the budget was matched to the total value of the grant offer. As this was not fully taken up in year there will be a matching underspend on the grant and underachievement of grant income creating a net-nil impact.
- f. St. Neots Masterplan – as per previous reports, the original project this was supporting has been withdrawn and alternative interventions have now been agreed. As such this budget will now support the revised capital project during 2021/22.
- g. Trade & Investment Programme – as reported at the Business Board meeting in March 2021, this programme achieved a cost saving against a budget line. This has been utilised for an alternative project, with the costs expected to be invoiced in June 2021.

3.6 A breakdown of the Business and Skills Directorate Revenue Income and Expenditure for funding lines under direct control of the Skills Committee for the period to 31st March, is set out in the Budget & Performance Report presented to the Skills Committee on 14th June.

4. 2020/21 Income & Expenditure Overview

4.1 As requested at a previous Business Board meeting, the table below shows the source of income matched to the actual expenditure for revenue budgets in 2020/21.

	Spend	Specific Grant	Reserve	CPCA Single Pot	Notes
EU Exit Funding	267.6	(267.6)			BEIS Grant in 19/20 & 20/21
Growth Hub	519.6	(519.6)			BEIS Grant in 20/21
Integrated Insight Evaluation Programme	181.5			(181.5)	
LGF Programme Costs	558.8		(558.8)		LGF Top Slice Reserve
LIS Implementation	126.3			(126.3)	
Market Towns Strategy Implementation	201.8			(201.8)	
Marketing & Promotion of Services	47.2			(47.2)	
Peer Networks	163.4	(163.4)			BEIS Grant in 20/21
St Neots Masterplan	117.7			(117.7)	
Strengthening LEP's	188.0	(188.0)			BEIS Grant in 19/20
Trade and Investment Programme	67.5			(67.5)	
Totals	2,439.3	(1,138.6)	(558.8)	(741.9)	-

4.2 The Combined Authority receives £750k p.a. (£500k LEP Core funding grant and £250k EZ receipts) as the Business Board's accountable body. This funding is included within the CPCA's single pot allocated via the MTFP. While it appears the CPCA make a 'profit' from this table, it does not include corporate costs, such as Business Board Member remuneration and secretariat support (Chief Officer, S73 Officer, legal services, democratic services, etc).

5. 2020/21 Capital Budget

5.1 The Business Board is requested to note the outturn breakdown for the Business & Skills 'Business Capital' income for the period to 31st March, as set out in Table 3 below.

Table 3. Business Board Capital Income Budgets 2020/21

	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Outturn Variance £'000	Requested Carry Forward £'000
Business Board Capital Funding Streams						
Local Growth Fund	(35,737.6)	-	(35,737.6)	(35,737.6)	-	-
Getting Building Fund	(7,300.0)	-	(7,300.0)	(7,300.0)	-	-
Recycled Growth Funds Capital	(169.1)	-	(169.1)	(175.6)	(6.5)	-
Total Business Board Capital Income	(43,206.7)	-	(43,206.7)	(43,213.2)	(6.5)	-

5.2 The Forecast Outturn as set out in the table above shows only an immaterial variation from the expected income which is due to a small amount of additional capital from reprofiled loan repayments.

5.3 A breakdown for the Business & Skills Directorate 'Business Capital' expenditure for the period to 31st March 2021, is set out in Table 4 below.

Table 4. Business Board Capital Expenditure Budgets 2020/21

	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Outturn Variance £'000	Requested Carry Forward £'000
Business Board Capital Programmes						
COVID-19 Micro Grants	500.0	-	500.0	490.1	(9.9)	-
LGF Projects	66,668.5	-	66,668.5	55,703.5	(10,965.0)	10,965.0
Market Town Master Plan Implementation	500.0	(500.0)	-	-	-	-
Peterborough University - Phase 2	7,300.0	-	7,300.0	-	(7,300.0)	7,300.0
St Neots Masterplan	386.0	(386.0)	-	-	-	-
Total Skills Capital Expenditure	75,354.5	(886.0)	74,468.5	56,193.6	(18,274.9)	18,265.0

5.4 The Forecast Outturn, as set out in Table 5, shows a decrease in expected costs for the year of £18.3m compared to the budget. 'Actual' figures are based on payments made and accrued expenditure.

5.5 Material variances between the capital outturn position and the annual budget are set out below:

- a. LGF – several projects have received approval to continue spend into early 2021/22 as per the flexibilities afforded within the programme. This is reported in more detail in item 2.2 of this meeting.
- b. Market Town Masterplans have been approved at recent CA Board meetings with some more being presented in June. Whilst these plans are currently active, capital expenditure has been reprofiled across the individual projects into 2021/22.
- c. Peterborough University Phase 2 – The spend on this project is incurred when the Shareholders agreement is signed and the shares are subscribed for. This was originally profiled for March 2021 but was delayed. The Shareholders agreement has now been signed.
- d. As referred to in 3.5 f, the St. Neots Masterplan has undergone changes, and the first set of projects in a revised capital programme have been approved by the CA Board for delivery in 2021/22.

5.6 A breakdown of the Business and Skills Directorate Capital Income and Expenditure for funding lines under direct control of the Skills Committee for the period to 31st March, is set out in the Budget & Performance Report presented to the Skills Committee on 14th June.

6. 2021/22 Revenue Budget

6.1 A breakdown of the Business & Skills Directorate 'Business Revenue' expenditure for the period to 31st March 2022, is set out in Table 5 below.

Business Board Revenue Expenditure	January Approved 21-22 Budget £'000	Requested Carry Forward (TBC) £'000	June Budget (TBC) £'000	Actuals to 31st May 21 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Business Growth Service	2,630.0	501.7	3,131.7	-	3,131.7	-
Economic Rapid Response	150.0	-	150.0	20.5	150.0	-
Enterprise Zone Investment	50.0	-	50.0	-	50.0	-
Insight & Evaluation Programme	75.0	7.5	82.5	-	82.5	-
Local Growth Fund Costs	530.0	(158.8)	371.2	-	371.2	-
Market Towns & Cities Strategies	100.0	20.9	120.9	2.1	28.1	92.8
Marketing & Promotion of Services	90.0	7.8	97.8	10.2	94.1	3.7
Shared Prosperity Fund Evidence Base & Pilot Fund	100.0	-	100.0	-	100.0	-
St . Neots Masterplan	83.0	136.4	219.4	-	219.4	-
Trade & Investment Programme	-	32.5	32.5	-	32.5	-
Visitor Economy & R&R Grants	-	7.6	7.6	7.3	7.3	0.3
Total Skills Revenue Expenditure	3,808.0	555.6	4,363.6	40.2	4,266.8	96.8

- 6.2 The table shows the CA Board approved budget as of January 2021. The requested carry forward figures were approved by the CA Board on 30th June. Any other budget amendments agreed at CA Board meetings will also be included in the June Adjust column which will be presented at future Business Board meetings. These figures will include new grants/budgets and any changes to budget lines as they arise.
- 6.3 Variances between the forecast revenue outturn position and the annual budget are set out below; as carry forwards were only confirmed at the end of June there is an ongoing review and updated forecasts will be provided at the next meeting.
- a. Market Towns & Cities Strategies does not yet have a full budget forecast as it is being developed in line with requirements to suit CRF projects and the current Market Town Masterplans. It is envisaged a number of projects will be developed within the next few months allowing for an accurate forecast to be presented.
- 6.4 As requested at a previous Business Board meeting, the approved MTFP has been included to enable the Business Board to understand the current and future approved expenditure. This extract includes all budgets within the Business & Skills Directorate, so therefore covers both Skills Committee and Business Board budgets. This table does not include the requested carry forwards approved at CA Board which are detailed above but these will be included in the next Business Board report.

	2021/22 Budget and MTFP			
	2021/22	2022/23	2023/24	2024/25
	£000's	£000's	£000's	£000's
Business & Skills				
AEB Devolution Programme	10,449	10,449	10,449	10,449
AEB Innovation Fund - Revenue	500	500	500	500
AEB Programme Costs	367	367	367	367
Business Rebound & Growth Service	2,630	3,639	2,785	-
Careers and Enterprise Company (CEC)	50	50	25	-
Economic Rapid Response	150	150	200	200
Enterprise Zone Investment	50	-	-	
Growth Hub	-	-	123	246
Health and Care Sector Work Academy	232	-	-	
High Value Courses	88	-	-	-
Insight & Evaluation Programme	75	75	75	75
Local Growth Fund Costs	530	429	-	-
Market Towns & Cities Strategies	100	-	-	-
Marketing and Promotion of Services	90	90	90	90
Sector Based Work Academies	86	-	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	100	-	-	-
Skills Advisory Panel (SAP) (DfE)	75	-	-	
Skills Rapid Response	100	100	150	150
St Neots Masterplan	83	-	-	
Total Business & Skills Approved Budgets	15,755	15,848	14,763	12,077
Total Business & Skills Subject to Approval	-	-	-	-
Total Business & Skills Revenue Expenditure	15,755	15,848	14,763	12,077
Net Revenue Cost Subject to Approval	-	-	-	-

7. 2021/22 Capital Budget

7.1 A breakdown of the Business & Skills Directorate 'Business Capital' expenditure for the period to 31st March 2022, is set out in Table 6 below.

Table 6. Business Board Capital Expenditure Budgets 2021/22

Business Board Capital Expenditure	January Approved 21-22 Budget £'000	Requested Carry Forward (TBC) £'000	June Budget (TBC) £'000	Actuals to 31st May 21 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Business Growth Service (Grants)	3,000.0	-	3,000.0	-	3,000.0	-
LGF Projects	-	10,965.0	10,965.0	92.0	10,965.0	-
GBF - UoP Phase 2	14,600.0	-	14,600.0	-	14,600.0	-
Illumina Accelerator	1,000.0	-	1,000.0	-	1,000.0	-
Market Towns: Chatteris	228.0	-	228.0	-	228.0	-
Market Towns: Ely	656.0	-	656.0	-	656.0	-
Market Towns: Huntingdon	578.0	-	578.0	-	578.0	-
Market Towns: Littleport	-	-	-	-	-	-
Market Towns: March	1,000.0	-	1,000.0	-	1,000.0	-
Market Towns: Ramsey	1,000.0	-	1,000.0	-	1,000.0	-
Market Towns: Soham	600.0	-	600.0	-	600.0	-
Market Towns: St. Ives	620.0	-	620.0	-	620.0	-
Market Towns: St. Neots	1,000.0	-	1,000.0	-	1,000.0	-
Market Towns: Whittlesey	1,000.0	-	1,000.0	-	1,000.0	-
Market Towns: Wisbech	701.0	-	701.0	-	701.0	-
Grand Total	25,983.0	10,965.0	36,948.0	92.0	36,948.0	-

- 7.2 The table shows the CA Board approved budget as of January 2021. The requested carry forward was approved by the CA Board on 30th June. These figures include new grants/budgets and any changes to budget lines.
- 7.3 There are a number of elements to draw the Business Board's attention to:
- Business Growth Service Grants will be awarded across the year as required. The service delivery provider has been concentrating on the initial tranche of grants awarded late last financial year and once these are complete, they will begin working on the other grant profiles.
 - The remaining LGF Projects are on course to complete their spend by August as per the revised grant agreements.
 - The investment for the Getting Building Fund – The Shareholders agreement was signed in June, but the Business Board paper deadlines mean that the spend is not shown in the current figures – this line will be shown as fully spent in the next report.
 - Market Town Masterplans have been split into individual projects with current approved budgets shown and forecast outturn to match. There are several Subject to Approval budgets spread across these projects and these will be presented to the CA Board for approval as they are brought forward by the individual towns. The updated budgets will be presented at future Business Board meetings as they are approved by the CA Board.
- 7.4 As requested at a previous Business Board meeting, the approved MTFP has been included to enable the Business Board to understand the current and future approved expenditure. This table does not include the requested carry forwards approved at the CA Board in June 2021 as detailed above, they will be presented in the next Business Board report.

	2021/22 Budget and MTFP			
	2021/22	2022/23	2023/24	2024/25
	£,000	£,000	£,000	£,000
Business Rebound & Growth Service - Capital Grant and Equity Fund				
Approved Project Costs	3,000	3,000	3,000	-
Getting Building Fund - University of Peterborough Phase 2				
Subject to Approval	14,600	-	-	-
Illumina Accelerator				
Approved Project Costs	1,000	1,000	-	-
Market Town Master Plan Implementation				
Approved Project Costs	-	-	-	-
Subject to Approval	4,500	-	-	-
Total Approved Business and Skills Capital Projects	4,000	4,000	3,000	-
Total Business and Skills Project Costs Subject to Approval	19,100	-	-	-
Total Business and Skills Capital Projects	23,100	4,000	3,000	-

8. Business Board Summary Funding Overview

8.1 The Business Board is asked to approve the presentation of the strategic funds available to it as presented within this section. A summary of the Business Board 'Recycled Capital & Revenue' funds for the next ten years, is set out in Table 7 below.

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Recycled Capital												
Opening balance	-9,188,924	-10,848,755	-10,491,484	-8,921,412	-2,953,800	-191,900	0	0	0	0	-25,479	-209,479
Forecast Expenditure	1,340,170	382,271	1,747,452	6,914,182	3,950,000	750,000	554,664	184,000	184,000	158,521	0	0
Forecast Income	-3,000,000	-25,000	-177,380	-946,570	-1,188,100	-558,100	-554,664	-184,000	-184,000	-184,000	-184,000	-2,024,000
Closing Balance	-10,848,755	-10,491,484	-8,921,412	-2,953,800	-191,900	0	0	0	0	-25,479	-209,479	-2,233,479
Recycled Revenue												
Opening balance	0	0	-3,300	-159,947	0	0	0	0	0	0	-62,951	-120,645
Forecast Expenditure	0	0	0	605,493	240,219	120,350	90,568	72,678	67,757	0	0	0
Forecast Income	0	-3,300	-156,646	-445,547	-240,219	-120,350	-90,568	-72,678	-67,757	-62,951	-57,694	-321,371
Closing Balance	0	-3,300	-159,947	0	0	0	0	0	0	-62,951	-120,645	-442,016
Combined												
Opening balance	-9,188,924	-10,848,755	-10,494,785	-9,081,359	-2,953,800	-191,900	0	0	0	0	-88,430	-330,124
Forecast Expenditure	1,340,170	382,271	1,747,452	7,519,675	4,190,219	870,350	645,233	256,678	251,757	158,521	0	0
Forecast Income	-3,000,000	-28,300	-334,026	-1,392,117	-1,428,319	-678,450	-645,233	-256,678	-251,757	-246,951	-241,694	-2,345,371
Closing Balance	-10,848,755	-10,494,785	-9,081,359	-2,953,800	-191,900	0	0	0	0	-88,430	-330,124	-2,675,495

8.2 This table was provided to the Extraordinary Business Board meeting in June, where a proposal was approved for the University of Peterborough Phase 3 Levelling Up Fund (LUF) bid. The award was subject to a successful LUF bid to Government; should the bid fail the associated expenditure will be removed from the forecast

8.3 The sale of the iMet building has not been included in this table as the value and timing are still uncertain. The sale has been estimated to net £2m and could potentially be received this financial year.

8.4 A summary of the Business Board 'Enterprise Zones' Reserve Fund for the next ten years, is set out in Table 8 below. The table includes 3 items below the "total expenditure" line, these are the subject of other papers at this meeting so are not yet approved and have

been included here so the Business Board can see their impact on the overall reserve position without replicating the table in each report.

Table 8. Business Board Enterprise Zones Reserve Fund Summary

	2019/20	2020/21	2021/22	2022/23	2023/24	202/25	2025/26	2026/27	2027/28	Totals
TOTAL CPCA EZ NDR INCOME	£235,792	£548,649	£860,673	£972,176	£1,008,968	£1,008,968	£1,008,968	£1,008,968	£1,008,968	£2,617,290
Total Expenditure	-£279,354	-£363,290	-£690,477	-£691,786	-£832,786	-£414,786	-£414,786	-£414,786	-£414,786	-£4,237,483
High Performance Computing Study & Roadmap			-£46,000							
Business Board Effectiveness Review			-£35,000							
Business Board Annual Report			-£15,000							
Annual surplus (deficit)	£0	£185,358	£74,196	£280,390	£176,182	£594,182	£594,182	£594,182	£594,182	£3,092,855
CUMULATIVE BALANCE	£0	£185,358	£259,555	£539,945	£716,127	£1,310,309	£1,904,491	£2,498,673	£3,092,855	£1,472,661

8.5 Income for the Enterprise Zones is for a 25-year period through to 2041/42 and should be viewed as long term. The Business Board is currently entering into the third year of revenue of this programme with payments being made by local councils one year in arrears.

8.6 Work is ongoing with the local councils regarding the potential growth and occupancy of the zones. To this end, income is based upon their view up to 23/24, with income being flatlined at this rate for a further five years. No income is forecast past this date due to the inaccuracy of data it would provide. It is anticipated that income will rise in this period, but the councils are currently not forecasting this far into the future.

8.7 Expenditure is based upon the contribution to DfT for the A14 (in the region of £100k), an annual flat fee contribution of £250k to the Business Board's running costs, three years of contribution to the Growth Service, 25% of Business Board members remuneration & expenses and the cost of the staffing resource referred to in item 11 of this paper.

8.8 75% of Business Board remuneration is funded from the LGF Top-Slice budget for 2021/22 and 2022/23. This funding will cease at the end of March 2023 however, as the LEP review has not yet reported back, the future needs and costs of the Business Board are unknown. Once the LEP review has been published the future costs and funding will be brought back to the Business Board.

8.9 Table 9 below, provides an overview of the Business Board Equity Investments. The 'Value at 31.03.2021' is the share of the value of the company attributable to the funds invested by the Business Board.

Table 9. Business Board Equity Investments

Project Name	Year of Investment	Original Investment	Value at 31.03.2021	Variance to Investment
Ascendal	2021	£ 965,000	£ 689,426	-£ 275,574
CAM Promoter Body	2021	£ 995,000	£ 346,500	-£ 648,500
Growth Co	2021	£ 5,407,000	£ 3,426,000	-£ 1,981,000
Meditech Accelerator	2016/17	£ 500,000	£ 75,307	-£ 424,693
Smart Manufacturing Association	2021	£ 715,000	£ 669,582	-£ 45,418
Start Codon	2020/21	£ 1,116,680	£ 300,700	-£ 815,980
UoP Phase 1	2021	£ 12,500,000	£ 12,500,000	£ -
Totals		£ 22,198,680	£ 18,007,515	-£ 4,191,165

8.10 These funds should be viewed as long-term equity investments and not considered available for use in the short term. The value of the investments is updated annually at year end and will therefore only be brought back to the Business Board for presentation by exception in the twelve-month period.

8.11 These figures are based on information supplied by the companies as of 31st March 2021 and are subject to market fluctuations.

9. Local Growth Fund Programme Costs/Top-Slice

9.1 The Local Growth Fund (LGF) Programme has been in existence since the 2015/16 financial year and the award over the six years was for £146.7m in total. As per agreement with BEIS, we have been able to top-slice the fund to cover the costs of administering the programme. The total amount top-sliced was £3.9m and this not only covers the 6 years the programme actively ran (15/16 – 20/21), but also the two years (21/22 & 22/23) following to allow for monitoring and reporting.

9.2 In early 20/21 it became apparent that plans were not in place to utilise the entirety of the topslice so a review of the support costs to be funded by the topslice was undertaken with the LGF Programme Manager.

9.3 The overspend of £158.8k in 20/21 will result in a negative carry forward for 21/22, thereby causing a reduction in the budget for 21/22. To meet the needs identified in the Programme Manager's review the Business Board are invited to recommend the Combined Authority Board approved the revised profile of LGF topslice spend increasing the budget to £560k in 2021-22 with the balance (£558k) in 2022-23.

9.4 This revised profile will fully utilise the balance of the LGF Top Slice Reserve Fund, of £1,118,385 as at the start of 2021-22.

9.5 As the budget has not been approved costs have not been committed to, but the increased budget will allow for costs including staffing and associated expenses, 75% of Business Board member remuneration and expenses, Advanced Manufacturing Strategy, evaluation and monitoring, legal advice, case studies and learnings and the end of programme report.

Significant Implications

10. Financial Implications

10.1 There are no financial implications other than those included in the main body of the report, the table below presents a summary of the proposed decisions on the MTFP.

Financial change summary (£'000)			2021-22	2022-23	2023-24	2024-25
Current MTFP	Local Growth Funds Costs	Approved	371	429	-	-
		STA	-	-	-	-
Change Requested						
Change Requested	Local Growth Funds Costs	Approved	189	129	-	-
		STA	-	-	-	-
Revised MTFP						
Revised MTFP	Local Growth Funds Costs	Approved	560	558	-	-
		STA	-	-	-	-

11. Legal Implications

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

12. Other Significant Implications

- 12.1 There are no significant implications

13. Background Papers

- 13.1 [Budget and Performance Report – Skills Committee \(14th June 2021\)](#)