



BUSINESS BOARD	AGENDA ITEM No: 2.1
26 MAY 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, Chair of the Business Board
Lead Officer:	Vanessa Ainsworth, Finance Manager
Forward Plan Ref: N/A	Key Decision: No
The Business Board is recommended to: Note the update and financial position relating to the revenue funding lines under the control of the Business Board.	

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 twelve-month period to 31st March 2020, is set out in Table 1.1 below. The budget lines reported are those with a direct relationship to the Business Board.

Para Ref.	Revenue	Revised 19-20 Budget £'000	Actual Outturn as at 31 Mar 2020 £'000	Outturn Variance £'000
3.3.1	CPCA LIS Implementation	£ 200.0	£ 218.7	£ 18.7
3.3.2	EU Exit Funding	£ 90.9	£ 141.2	£ 50.3
3.3.3	Growth Company Development	£ 63.0	£ 62.3	-£ 0.7
3.3.4	Growth Hub	£ 92.2	£ 235.7	£ 143.5
3.3.5	LEP Capacity Funding	£ 320.0	£ 132.0	-£ 188.0
3.3.6	Trade and Investment Programme	£ 100.0	£ 49.8	-£ 50.2
	Total Business & Skills Expenditure (B-B)	£ 866.1	£ 839.7	-£ 26.4

- 3.2 The actual outturn in the table above are provisional, based on incurred expenditure adjusted for pre-payments and accruals, as our accounts have yet to be audited. The outturn variance shows a reduction in expected costs for the year of £26.4k compared to the budget.
- 3.3 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:
- 3.3.1 CPCA LIS Implementation has exceeded budget by £18.7k due to costs forecast for next year arriving earlier than predicted. This will result in the budget for 2020/21 being reduced by this amount
- 3.3.2 EU Exit Funding has exceeded budget by £50.3k due to the invoicing schedule for the delivery partner. However, the grant funding has been received for this therefore there is no resultant no cashflow issue, and the 2020/21 budget will be reduced accordingly.
- 3.3.3. The Growth Hub budget did not include salaries as these were accounted for separately within previous MTFP's, however, amended accounting practices during the year have meant these are now reflected within the budget line. The full budget for this programme from BEIS is £246k and there has been a £7k accrual for services that ensure this budget is fully spent.
- 3.3.4 LEP Capacity Funding has underspent by £188k due to planned costs for Business Board Members and associated Business Board expenditure now being funded by LGF. Additionally, the forecast expenditure for the OxCam Arc did not occur, thereby increasing the underspend. As these changes occurred late in the FY there was no opportunity to spend the funding on alternative initiatives. This programme is funded by a ringfenced grant which has been received and so the underspend will be applied to be carried forward into 2020/21.
- 3.3.5 There are a wide range of activities currently in discussion, particularly relating to COVID-19 and the LEP capabilities to provide services to the CPCA constituent Councils. The carry forward of this funding will ensure that there will be funds available to carry out many of these programmes once they have been finalised and approved by the Business Board.

3.3.6 The delivery of the Trade & Investment Programme was outsourced to Peterborough City Council, with costs less than forecast, and the underspend of £50.2k will be applied to be carried into 2020/21. £25k of this underspend has been committed for work to be carried out in the first three months of the FY, with further additional programmes scheduled, particularly in light of COVID-19 to encourage and develop trade in the region.

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 twelve-month period to 31st March 2020, is set out in Table 1.2 below. This data is provided for information purposes only.

Para Ref.	Revenue	Revised 19-20	Actual	Outturn
		Budget	Outturn as at	Variance
		£'000	31 Mar 2020	£'000
	AEB Devolution programme - Grant	£ 5,576.3	£ 5,576.3	-£ 0.0
	AEB Devolution programme - ITP	£ 1,282.3	£ 608.9	-£ 673.4
	AEB Programme Costs	£ 115.4	£ 412.6	£ 297.2
	Energy Hub	£ 615.4	£ 492.4	-£ 123.0
	Health and Social Care Work Academy	£ 1,500.0	£ 432.2	-£ 1,067.8
	Market Town Strategy Implementation	£ 200.0	£ 152.1	-£ 47.9
	Rural Communities Energy Fund	£ 1,052.5	£ -	-£ 1,052.5
	Skills Advisory Panel (SAP)	£ 75.0	£ 55.0	-£ 20.0
	Skills Brokerage	£ 344.2	£ 260.8	-£ 83.4
	Skills Strategy Programme Delivery	£ 150.0	£ 148.0	-£ 2.0
	St Neots Masterplan Revenue	£ 171.9	£ 84.8	-£ 87.1
	University of Peterborough	£ 235.0	£ 230.8	-£ 4.2
	University of Peterborough (Taught Degree Awarding Powers)	£ 201.9	£ 182.9	-£ 19.0
	Work Readiness Programme (Hamptons)	£ 110.0	£ 109.6	-£ 0.4
	Total Business & Skills Expenditure (Non B-B)	£ 11,629.9	£ 8,746.4	-£ 2,883.5

4.2 The outturn variance, as set out in the table above, shows a reduction in expenditure for the year of £2,883.5k compared to the budget.

4.3 Variances between the predicted revenue outturn position and the annual budget for the budget headings are detailed to the Skills Committee, and where possible, underspends will be applied to be carried forward to the 2020/21 FY.

5.0 FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications beyond those set out in the report.

6.0 LEGAL IMPLICATIONS

6.1 There are no direct legal implications

7.0 IMPLICATIONS FOR NATURE

7.1 There are no implications for nature

8.0 OTHER SIGNIFICANT IMPLICATIONS

8.1 There are no significant implications

9.0 APPENDICES

9.1 There are no appendices

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