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| Report to Accountability Board | Forward Plan reference number: |
| Date of Accountability Board Meeting: | 17th November 2017 |
| Date of report: | 6th November 2017 |
| Title of report: | 2017/18 Revenue Budget Update |
| Report by: | Suzanne Bennett |
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1. Purpose of report

- 1.1 The purpose of this report is to update the Accountability Board (the Board) of the current year revenue budget forecast outturn position as at the end of October 2017.

2. Recommendations

- 2.1 Board is asked to:

2.1.1 **Note** the current forecast outturn position.

3. Background

- 3.1 Following the agreement to increase the budget with a withdrawal of £132,000 from reserves at the last Accountability Board meeting, the forecast for spending is currently in line with that revised budget.
- 3.2 However, there are a few uncertainties that may affect the forecast in the near future. Firstly, costs for the Strategic Economic Plan may take a different form. Following a recent decision to exit a consultancy contract, discussions are ongoing with partners as to how this work can be resourced. Once these discussions are complete the impact on the spending plans and forecast can be assessed. Any changes would be expected to be made within the agreed envelope of funding for the SEP and currently we are not expecting costs to increase.
- 3.3 Delays to the LGF Programme spend are having an impact on the external interest receipt, along with the recent announcement by the Bank of England that base rates will be increasing. The significant delay to the A13 Widening Scheme has had the largest effect (further detail is available at Agenda Item 11). However, there is still uncertainty as to whether the Department for Transport (DfT) will request for the unspent balance of £15.9m to be returned.
- 3.4 Currently a receipt of £200,000 for external interest is included in the forecast, an increase of £45,000 against original budgets, however this was calculated before the recent increase in base rate. If the funds are to be repaid to Government, it is forecast that the receipt would still increase to £375,000 due to the rate increase. If the funds aren't required to be repaid the receipt would increase further to £445,000.

Table 1 – 2017/18 Revenue Budget

| | Forecast Outturn - £000 | Current Budget - £000 | Variance - £000's | Variance - % |
|-------------------------------------|--|--------------------------------------|------------------------------|---------------------|
| Staff salaries and associated costs | 560 | 552 | 8 | 1.4% |
| Staff - non salaries | 32 | 32 | - | 0.0% |
| Recharges (incl'd Accountable Body) | 74 | 74 | - | 0.0% |
| Total staffing | 666 | 658 | 8 | 1.2% |
| Meetings and administration | 47 | 45 | 2 | 4.4% |
| Communications | 40 | 40 | - | 0.0% |
| Chairman's Allowance | 20 | 20 | - | 0.0% |
| Consultancy and Sector support | 2,063 | 2,029 | 34 | 1.7% |
| Total other expenditure | 2,170 | 2,134 | 36 | 1.7% |
| Total expenditure | 2,836 | 2,792 | 44 | 1.6% |
| Grant income | (2,184) | (2,184) | - | 0.0% |
| Other OLA contributions | (200) | (200) | - | 0.0% |
| External interest earned | (200) | (155) | (45) | 29.0% |
| Total income | (2,584) | (2,539) | (45) | 1.8% |
| Net expenditure | 252 | 253 | (1) | -0.4% |
| Contributions to/(from) reserves | (253) | (253) | - | 0.0% |
| Net over/(under)spend | (1) | - | (1) | 100% |

3.5 A proposed budget for 2018/19 will also be presented at December Accountability Board meeting.

Other Specific Grants

3.6 Currently it is forecast that all revenue grants will be spent in line with budgets set. Information on specific grants can be found at Appendix 1.

3.7 SELEP has been successful in a number of different grant applications since the last report:

- £23,000 additional Commercial Support Grant funding for North Kent Enterprise Zone;
- £80,000 as a joint commission with Coast to Capital LEP, to support the production of an Energy Strategy; and
- £5,000 in funding from the SFA to support training of Growth Hub colleagues on apprenticeships

3.8 Whilst we have had confirmation that SELEP has been successful in these bids, final grant offers have not been received and so these amounts have yet to be included in Appendix 1.

4. Financial Implications

4.1 The report is authored by the Accountable Body and the recommendations made are considered appropriate.

5. Legal Implications

5.1 None at present.

6. Staffing and other resource implications

6.1 None at present.

7. Equality and Diversity implications

7.1 None at present.

8. List of Appendices

8.1 Details of specific revenue grants for the financial year.

9. List of Background Papers

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

| Role | Date |
|----------------------------------|------------|
| Accountable Body sign off | |
| Lorna Norris | 07/11/2017 |
| On behalf of Margaret Lee | |

South East LEP – Revenue Grants

| Name of Grant | Core Funding £'000 | GPF Revenue £'000 | EZ Commercial Funding £'000 | Growth Hubs £'000 | TDE Funding £'000 | Co- ordinator Funding £'000 | Total £'000 |
|--|-----------------------------------|------------------------------|--|----------------------------------|------------------------------|--|------------------------|
| Brought forward (April 2017) | - | (2,725) | (27) | - | (26) | - | (2,778) |
| | | | | | | | |
| Additional receipts expected in year | (500) | - | - | (656) | - | (236) | (1,392) |
| Draw downs planned in year | 500 | 739 | 27 | 656 | 26 | 236 | 2,184 |
| | | | | | | | |
| Balance to carry forward (March 2018) | - | (1,986) | - | - | - | - | (1,986) |