



Executive Board Cover Sheet – 18 February 2019

Accountable Body Paper Number EB3.1

Security Level:	Confidential	Restricted	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive
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Meeting & Date:	Midlands Engine Executive Board 18 th February 2019		
Subject:	Governance		
Attachments:	None		
Author:	Accountable Body	Total no of sheets: (incl. cover sheet)	3

Papers are provided for:	Approval	Discussion <input checked="" type="checkbox"/>	Information
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Summary & Recommendation:
Summary This report sets out on behalf of the Accountable Body of the Midlands Engine: <ul style="list-style-type: none">• Financial summary• Staffing position• Midlands Engine Partnership Annual Performance Review 18-19
Recommendation To note summary and actions required, including: <ol style="list-style-type: none">1. The re-profiling of the remaining budget allocation.2. To continue to work with the Programme Director to monitor and follow up on LA/LEP contributions.3. To note outcome of the Midlands Engine Partnership Annual Performance Review 18-19

Financial Summary

The table provided in appendix 1, provides a forecast financial position to March 31st 2019.

The current forecast position for the end of the financial year is £1.489m budget. This is lower than the figure reported to the Operating Board in January due to a number of additional project commitments being added.

This forecast figure assumes that a significant proportion of the outstanding contributions from Local Authorities and LEP's are received, if they are not, the balance will be £1.069m.

The ESOL programme has been fully procured/contracts issued and is therefore fully committed. The Mental Health programme is expected to be fully committed by the end of this financial year.

As agreed at the last meeting, a letter has now been sent to all local authorities and LEP's who have outstanding contributions and at the time of writing this report, 3 have responded and are in the process of making payment. We will continue to work with the Programme Director to monitor progress and chase further over the next few weeks.

The budget presented is based upon the business case agreed in November 2017, however the levels of spend do not correlate with the budget allocations. We recognise that the programme has had to flex and change overtime, but the budget has not been adjusted to reflect this. It is recommended that the Programme Director works with the Accountable Body to re-profile the budget for the remaining allocation.

As it currently stands no funding beyond March has been confirmed. The Comprehensive Spending Review (CSR) may commit additional funds to the Midlands Engine, however there is a significant risk that the CSR will be delayed beyond current timescales. Contingency planning based upon the remaining allocation should be considered.

Staffing Position

The table below sets out the current position on recruitment of staff for the Midlands Engine Secretariat. Based upon the structures and budgets agreed previously, nine posts are currently filled.

Role	Current situation
Programme Director	In post
Communications and Marketing Director	Following the resignation of the previous post holder, the Programme Director has appointed a Consultant on a time limited basis to deliver specific project work
Interim Head of Communications	In post
Private Secretary to the Chair	Vacant
Senior Executive Officer	In post
Executive Officer x 2	Innovation Officer - currently vacant. Will be advertised. 2 nd role filled (Trade & Investment) for short term pending Internationalisation Strategy. Contract extended by further 6 months.
Communications and Marketing Officer	In post
Business Support Officer	In post

Exec Assistant to Senior Team	In post
Programme Development Manager	In post

Midlands Engine Partnership Annual Performance Review 2018-19

The Midlands Engine Partnership Annual Performance Review (APR) took place on 28 January 2019 with representatives from the Cities and Local Growth Unit (CLGU). This is a condition of core funding and is intended to review progress. The meeting was positive and beneficial. It focussed on 3 areas – Governance, Delivery and Strategy, recognising where the Midlands Engine Partnership have made progress and how it can continue to improve.

The Partnership has made good progress with the adoption of the assurance framework which is now starting to lead to improvements in transparency and accountability. Government is keen to see this progress continue, for example, through the publication of the Register of Interests. As the Partnership continues to develop, it will need to consider a range of issues on transparency, including managing Executive and Operations Boards membership to maintain a good array of skills and consider its diversity. The Accountable Body is also currently making some adjustments to ensure that the Midlands Engine’s work is supported in the most effective way. CLGU asked for an update on match funding, for which the Partnership have taken an action to confirm in writing the total amount of match funding to date, by the end of February.

Chris Henning

Corporate Director Development and Growth, Nottingham City Council

Appendix 1 – Midlands Engine Budget 01/02/2019

	Description	2017-18 Budget	2017-18 Actuals	2018-19 Budget	2018-19 Actual / committed spend	Total Budget	Total Actual / committed spend	Var
1	Central Programme costs							
	Staff costs	£146,214.00	£238,312.64	£584,857.00	£441,522.86	£731,071.00	£679,835.50	51,235.50
	Consultancy, research and analytical support costs	£150,000.00	£324,750.89	£93,928.00	£134,757.00	£243,928.00	£459,507.89	-215,579.89
	Accountable Body Costs	£100,000.00	£115,513.00	£100,000.00	£200,000.00	£200,000.00	£315,513.00	-115,513.00
	Total	£396,214.00	£678,576.53	£778,785.00	£776,279.86	£1,174,999.00	£1,454,856.39	-279,857.39
2	Marketing and Comms							
	Marketing Operations	£75,000.00	£340,705.50	£250,000.00	£507,925.00	£325,000.00	£848,630.50	-523,630.50
	Campaign	£100,000.00	£0.00	£400,000.00	£500,000.00	£500,000.00	£500,000.00	0.00
	Total	£175,000.00	£340,705.50	£650,000.00	£507,925.00	£825,000.00	£1,348,630.50	-523,630.50
3	Strategic Priority project development and initial delivery							
	Total	£155,000.00	£155,000.00	£2,345,000.00	£684,957.00	£2,500,000.00	£839,957.00	1,660,043.00
4	Regional Economic Observatory							
	Total	£0.00	£0.00	£250,000.00	£250,000.00	£250,000.00	£250,000.00	0.00
5	Government Programmes							
	Mental Health funding	£0.00	£0.00	£2,000,000.00	£2,000,000.00	£2,000,000.00	£2,000,000.00	£0.00
	ESOL			£1,000,000.00	£1,000,000.00	£1,000,000.00	£1,000,000.00	0.00
	Total	£0.00	£0.00	£2,000,000.00	£2,000,000.00	£2,000,000.00	£2,000,000.00	0.00
	TOTAL EXPENDITURE	£726,214.00	£1,174,282.03	£6,023,785.00	£4,219,161.86	£6,749,999.00	£5,893,443.89	856,555.11
	Income							
	Net Income B/f from 16/17	1,232,950.00	1,232,950.00		0.00	1,232,950.00	1,232,950.00	0.00
	Midlands Engine - DCLG	1,212,500.00	1,212,500.00	2,037,500.00	2,037,500.00	3,250,000.00	3,250,000.00	0.00
	LEP/LA contributions	620,000.00	340,000.00	620,000.00	560,000.00	1,240,000.00	900,000.00	-340,000.00
	S131 Grants			1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
	ESOL - DFE			1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
	Mental Health			1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
	TOTAL INCOME	3,065,450.00	2,785,450.00	4,657,500.00	4,597,500.00	7,722,950.00	7,382,950.00	-340,000.00
	Overall balance	2,339,236.00	1,611,167.97	-1,366,285.00	378,338.14	972,951.00	1,489,506.11	