

2.1 Income

There is an additional £600k in anticipated income from the budget approved by the MCA on the 25 March 2019. The following table provides a breakdown of the sources of income.

	Budget	Outturn	Variance
Income Stream	£'000	£'000	£'000
EZ Business Rates	(£3,023)	(£3,038)	(£15)
Traded Income - AMP	(£1,428)	(£1,630)	(£202)
Transport Hub Subscriptions	(£1,000)	(£1,204)	£0
LEP Grants	(£500)	(£725)	(£225)
Investment Income - Treasury	(£195)	(£345)	(£150)
Investment Income - Property Portfolio	(£155)	(£163)	(£8)
Deficit/(Surplus)	(£6,506)	(£7,105)	(£600)

2.1.1 EZ Rates

The EZ business rates growth for the year is based on the estimates provided by each authority to Government prior to the start of the financial year capped at £1m in Chesterfield's case.

LEP Grants

£200k has been awarded by government towards the LEP review of the SCRMCA. In addition, a 1% top slice (£25k) of the £2.5m Access Fund has been agreed as a contribution to revenue towards the programme management costs.

2.1.2 Investment Income – Treasury

Treasury investment income comprises interest receivable from cash invested in accordance with the MCA Group's treasury management strategy. The MCA/LEP takes a low-risk approach in terms of its investment strategy in order to provide a secure source of income to the authority. The actual investment income forecast in 2019/20 exceeds budget by £150k, due to larger than anticipated cash balances being invested for longer as a result of not being drawn down to cover LGF scheme defrayals.

2.1.3 Traded Income – AMP

The second largest source of income comes from the tenants who occupy workspace at the AMP Technology Centre. Occupancy levels in 2019/20 are exceeding budgeted levels, thus yielding an expected income surplus of £202k (14%).

2.2 Expenditure

The main costs of running the MCA/LEP include staffing, accommodation, business support, international marketing and the commissioning of specific pieces of work as part of implementing the Strategic Economic Plan (SEP), Local Industrial Strategy (LIS) and Shared Prosperity Fund (SPF). At the end of Q2, a saving of £223k is anticipated. The table below provides a breakdown of these costs.

	Revised	Outturn	Variance
Expenditure	£'000	£'000	£'000
Staffing	£2,519	£2,186	(£333)
SEP, LIS and SPF Development	£1,160	£1,160	£0
AMP	£1,022	£1,022	£0
Business Support, Supplies & Services	£975	£973	(£2)
Trade and Investment	£601	£601	£0
Other Property Costs	£229	£341	£112
	£6,506	£6,283	(£223)

2.2.1 Staffing

Since the start of the financial year, the SCRMCAs has taken the opportunity to manage vacancies that have arisen as officers have left the organisation and not been replaced. On the assumption that the current vacancy management policy is maintained the estimated staffing costs are forecast to reduce to £2.2m net of recharges, a net saving of £333k or 13%.

2.2.2 SEP, LIS and SPF Development

The £1.16m budget has been subdivided as follows:

	Budget
SEP, LIS and SPF Development	£'000
SEP/LIS development	£190
Business Growth programme	£180
Research & Evaluation programme	£100
Transport strategy implementation	£190
Infrastructure plan implementation	£100
Skills	£50
Corporate communications	£160
Governance and organisational development	£190
	£1,160

2.2.3 Trade & Investment

The £601k budget has been subdivided as follows:

	Budget
Trade and Investment	£'000
MIPIM 2020	£155
Trade missions – China and India	£131
Other Trade and Investment	£197
Corporate Marketing	£118
	£601

2.2.4 Other Property Costs

These represent a combination of the share of the Broad Street West premises costs apportioned to the LEP and property costs associated with the investment property portfolio.

The forecast overspend has arisen due to:

- The tenant vacating Midland Road bus depot, and the SCRMCAs, as a consequence, becoming liable for premises costs, the principal one being Business Rates of £80k
- A reduction in recharges to revenue programmes

2.2.5 Business Support, Supplies & Services

The forecast underspend is due to savings in business support charges as a result of the SCRMCAs employing body status and moving services such as HR, Payroll, Legal etc. in house.