

1. FINANCIAL VARIANCES

1.1 Employees – Management, Brokerage, Standards and Administration: Underspend (£191,000):

Following a permanent adjustment to the budget in order to fund the posts of Head of Standards, Head of Support and Brokerage, and two posts associated with the transfer of the Consortium Office's administrative work to GwE (in line with the 'National Model' requirements'), there will be a one-off underspend this year due to no full 12 month costs for these posts in the 2014/15 accounts. In addition, the time of managerial and administrative staff to work on additional schemes is funded through specific projects.

No substantial change to what was reported in the third quarter review.

1.2 Employees – Challenge Advisers: Underspend (£17,000):

The final position is a one-off underspend this year as some GwE employees are not at top scale, and following secondments to work on specific projects.

No substantial change to what was reported in the third quarter review.

1.3 Employees – Redundancy Costs: Overspend £132,000:

One-off cost as a result of the transfer of the Consortium Office's work to GwE (in line with National Model requirements) with an assessment identifying the need for fewer posts.

No change to what was reported in the third quarter review.

1.4 Employees – Training, advertisement and other employee costs: Overspend £9,000:

Advertisement costs are higher than normal, including the advertisement of two new posts (Head of Brokerage and Support and Head of Standards).

No substantial change to what was reported in the third quarter review.

1.5 Buildings: Underspend (£9,000):

Current rent agreement cost is less than the budget set in the project business case when GwE was established. As previously agreed, the service will be relocating from its current offices at Caernarfon and Conwy early in the next financial year, therefore no permanent saving is expected.

Less underspend than reported in the third quarter review i.e. underspend of (£20,000), due to higher room hire costs than expected. The new offices comprise of meeting rooms, which will reduce hire costs in future.

1.6 Transport: Underspend (£81,000):

The final position supports what was anticipated when analysing the travelling expenses trend over the year. It has already been noted that the actual annual cost would be likely to be lower than that set out in the final business case.

The intention is to divert the permanent saving to other headings, noting that substantially higher National Insurance costs will be incurred in 2016/17. Any permanent adjustment will need to be agreed as part of the 2015/16 budget setting report.

No substantial change to what was reported in the third quarter review.

1.7 Supplies and Services: Overspend £24,000:

It appears that, under this heading, the budget in the business plan is inadequate and will need attention when setting the budget for 2015/16.

Increase in what was reported in the third quarter review i.e. overspend of £16,000. Secondments/use of external advisers means that there has been an increase in the number of part-time employees, resulting in an increased demand for Information Technology equipment.

1.8 Brokerage: Overspend £15,000: £15,000:

The final position is an overspend against the brokerage budget. The heading includes one-off costs of establishing new programmes which have been delivered free of charge over the year. Programmes have started to increase capacity within the system.

In the third quarter review, neither an over nor under spend was expected, however the cost of establishing new programmes was slightly higher than expected.

1.9 Costs of Host Authority Support Services: Overspend £16,000:

The Information Technology support cost is higher than the budget set in the business case. This is due to support for three offices (rather than one), and also an increased number of posts (including additional grant funded posts). This heading will need to be addressed when setting the budget for 2015/16.

No substantial change to what was reported in the third quarter review.

1.10 School Effectiveness Grant: Overspend £73,000:

Following the anticipated underspend in management, administration and rent costs, it was possible to increase the investment for working with teachers and classroom assistants in specific secondary schools to help them plan for, and to implement the Literacy and Numeracy Framework.

Less than anticipated in the third quarter review, i.e. overspend of £107,000, mainly through increased targeting of the area through other specific projects.

1.11 Catch Up Courses: Overspend £12,000:

The overspend is due to schools being offered a discounted rate over the year.

The third quarter review did not anticipate neither an over nor under spend, however the costs associated with the courses were higher than expected.

2. THE UNDERSPEND FUND

2.1 At the beginning of the 2014/15 financial year, the fund totalled £762,000. GwE's Joint Committee has already decided to commit £680,000 of 2013/14's underspend to plans. Ultimately, £545,000 of the commitment was spent during the 2014/15 financial year, with the remainder being committed as expenditure in 2015/16.

2.2 Therefore, £81,000 of the underspend fund will be available in 2015/16, together with the 2014/15 underspend of £51,000, which means that a total of £132,000 will be available at the beginning of the 2015/16 financial year. This is intended for commissioning purposes in order to fulfil the business plan, national model, and schools' requirements in 2015/16 and beyond.