

**GwE Joint Committee**  
**(Conwy, Denbighshire, Flintshire, Gwynedd,**  
**Anglesey and Wrexham Councils)**

**Performance Report**  
**2016/17**  
**(Out-turn)**

Finance Department  
Gwynedd Council  
[www.gwynedd.llyw.cymru](http://www.gwynedd.llyw.cymru)

## GwE JOINT COMMITTEE

### REVENUE INCOME AND EXPENDITURE ACCOUNT 2016/17

	Budget	Final	Over / (Under)
	£	Expenditure	Spend
	£	£	Net
			£
<b><u>Expenditure</u></b>			
Employees			
Salaries			
- Management, Brokerage, Standards and Administration	839,072	826,148	(12,924)
- System Leader	2,307,003	1,984,627	(322,376)
Training, advertising and other employee costs	33,322	20,956	(12,366)
Building			
Rent (includes services)	99,074	106,825	7,752
Travel			
Travel Costs	122,822	110,239	(12,583)
Supplies and Services			
Furniture, equipment, printing, postage, telephone, room hire etc	30,163	57,440	27,277
Information Technology	15,000	15,000	0
Audit Fees	7,617	7,617	0
Brokerage	276,270	137,333	(138,937)
Gwynedd Council Host Authority Support Service Costs			
Legal	5,206	5,206	0
Human Resources	8,926	8,926	0
Finance	38,604	38,604	0
Information Technology	42,697	42,697	0
Savings to be found	(131,180)		131,180
National Model Commitments	463,004	463,004	0
Use of the GwE Surplus Fund			
GCSE support programme	100,100	100,100	0
Contribution to Pension Requirements Fund	59,938	59,938	0
Specific Projects			
Education Improvement Grant : Commission the Authorities	3,907,324	3,907,324	0
Education Improvement Grant : Direct Schemes	1,005,959	980,894	(25,065)
Education Improvement Grant : Additional Specific Funding	647,500	647,500	0
Supporting Literacy and Numeracy and MFL	23,404	23,404	0
Literacy and Numeracy - WG	5,000	5,000	0
Pupil Deprivation Grant - Looked After Children	673,512	673,486	(26)
Schools Challenge Cymru (SCC)	2,126,136	2,113,607	(12,528)
New GCSEs, PISA and science literacy	1,112,579	1,067,684	(44,894)
Qualification Reform Support	50,000	37,002	(12,998)
Learning in Digital Wales (LiDW)	112,647	112,647	0
Physical Literacy Programme in Schools (PLPS)	181,383	181,383	0
Mentoring & Networking Support to New Head teachers	24,666	24,666	0
Dyfal Donc Courses	6,766	6,766	0
Modern Foreign Language (MFL) Schools Centres of Excellence	120,000	120,000	0
Pioneer Schools	1,928,253	1,635,364	(292,889)
Newly Qualified Teachers	76,211	76,211	0
Literacy and Numeracy Framework (Additional Learning Needs)	25,000	24,162	(838)
Northworts Headsprout Project	55,012	55,012	0
Quality Assurance Tender	31,591	31,591	0
NPQH	129,355	129,355	0
Special Events	4,870	4,870	0
Digital Citizenship	5,000	5,000	0
<b>Total Expenditure</b>	<b>16,569,804</b>	<b>15,847,589</b>	<b>(722,215)</b>

	Budget	Final	Over / (Under)
	£	Expenditure	Spend
	£	£	Net
			£
<b>Total Expenditure (from page 1)</b>	<b>16,569,804</b>	<b>15,847,589</b>	<b>(722,215)</b>
<b>Income</b>			
Core Service Contributions			
- Anglesey Council (10.12%)	(414,698)	(414,698)	0
- Gwynedd Council (17.77%)	(728,215)	(728,215)	0
- Conwy Council (15.40%)	(631,089)	(631,089)	0
- Denbighshire Council (15.18%)	(621,918)	(621,918)	0
- Flintshire Council (22.67%)	(928,674)	(928,674)	0
- Wrexham Council (18.86%)	(772,570)	(772,570)	0
Income from Secondments	(99,137)	(99,137)	0
General Fees	(21,236)	(21,236)	0
Miscellaneous Income	0	(1,883)	(1,883)
Use of the GwE Surplus Fund	(100,100)	(100,100)	0
Prosiectau Penodol			
Education Improvement Grant : Commission the Authorities	(3,907,324)	(3,907,324)	0
Education Improvement Grant : Direct Schemes	(1,005,959)	(980,894)	25,065
Education Improvement Grant : Additional Specific Funding	(647,500)	(647,500)	0
Supporting Literacy and Numeracy and MFL	(23,404)	(23,404)	0
Literacy and Numeracy - WG	(5,000)	(5,000)	0
Pupil Deprivation Grant - Looked After Children	(673,512)	(673,486)	26
Schools Challenge Cymru (SCC)	(2,126,136)	(2,113,607)	12,528
New GCSEs, PISA and science literacy	(1,112,579)	(1,067,684)	44,894
Qualification Reform Support	(50,000)	(37,002)	12,998
Learning in Digital Wales (LiDW)	(112,647)	(112,647)	0
Physical Literacy Programme in Schools (PLPS)	(181,383)	(181,383)	0
Mentoring & Networking Support to New Head teachers	(24,666)	(24,666)	0
Dyfal Donc Courses	(6,766)	(6,766)	0
Modern Foreign Language (MFL) Schools Centres of Excellence	(120,000)	(120,000)	0
Pioneer Schools	(1,928,253)	(1,635,364)	292,889
Newly Qualified Teachers	(76,211)	(76,211)	0
Literacy and Numeracy Framework (Additional Learning Needs)	(25,000)	(24,162)	838
Northworts Headsprout Project	(55,012)	(55,012)	0
Quality Assurance Tender	(31,591)	(71,932)	(40,341)
NPQH	(129,355)	(129,355)	0
Special Events	(4,870)	(4,870)	0
Digital Citizenship	(5,000)	(5,000)	0
Interest on Balances	0	(3,094)	(3,094)
<b>Total Income</b>	<b>(16,569,804)</b>	<b>(16,225,882)</b>	<b>343,922</b>
<b>Total Income over Expenditure</b>	<b>0</b>	<b>(378,293)</b>	<b>(378,293)</b>
<b>Memorandum -</b>			
<b>The GwE Surplus Fund</b>			
	<b>Fund balance as at 1 April 2016</b>		<b>(460,379)</b>
	Add - Underspend 2016/17		(378,293)
	Less - Use of the Fund		100,100
	<b>Fund balance as at 31 March 2017</b>		<b>(738,572)</b>
<b>Information Technology Renewal Fund</b>			
	<b>Fund balance as at 1 April 2016</b>		<b>(45,000)</b>
	Add - Contribution 2016/17		(15,000)
	<b>Fund balance as at 31 March 2017</b>		<b>(60,000)</b>
<b>Pension Requirement Fund</b>			
	<b>Fund balance as at 1 April 2016</b>		<b>(36,157)</b>
	Add - Contribution 2016/17		(59,938)
	<b>Fund balance as at 31 March 2017</b>		<b>(96,095)</b>

## 1. FINANCIAL VARIANCES

### 1.1 **Employees – Management, Brokerage, Standards and Administration:**

**Final: actual underspend (£12,924): (January 2017: projected overspend £31,921).**

The main reason for the overspend reported in January was because of a decision to second an additional member to the data team without additional financial contribution from authorities in the 2016/17 financial year. Authorities will provide an additional permanent financial contribution from 2017/18.

Also, GwE receive a contribution from some of the grants towards their relevant Management/Administration costs. During the 2016/17 financial year, an element of this management/administration work was addressed from within core resources.

Further, difficulties have been experienced in appointing a temporary translator (to cover maternity leave). External translators have been used, but their costs are included under a different heading (see paragraph 1.6 below).

### 1.2 **Employees – Challenge Advisers:**

**Final: actual underspend (£322,376): (January 2017: projected underspend (£133,789)).**

As noted above, GwE receive a contribution from some of the grants towards their Management/Administration costs. During the 2016/17 financial year, an element of this management/administration work was addressed from within core resources.

Staff secondments & contributions of core staff time to new grant funded plans and projects have led to an increased underspend. Due to timescales & priorities, on a one off basis, this work was undertaken within existing resources, producing a significant one-off underspend.

### 1.3 **Employees – Training, advertising and other employee costs:**

**Final: actual underspend (£12,366): (January 2017: no over or under spend was forecast).**

There has been a reduction in costs for advertising posts, due our new communication channels & the success of these, e.g. website, weekly bulletin, social media.

### 1.4 **Building:**

**Final: actual overspend £7,752: (January 2017: no over or under spend was forecast).**

The main reason for the overspend is due to the cost of meeting & training rooms for various activities for larger events, where we do not have the capacity within our own offices. Another reason is the current lack of meeting & training facilities in the Wrexham / Flintshire hub; as a result we are required to hire external facilities for all meetings held there.

- 1.5 **Transport:**  
**Final: actual underspend (£12,583): (January 2017: projected underspend (£10,000)).**  
Historical travel cost trends show that the true annual cost is slightly lower than that estimated in the budget. This pattern has continued during 2016/17.
- 1.6 **Furniture, equipment, printing, postage, telephone, room hire etc:**  
**Final: actual overspend £27,277: (January 2017: no over or under spend was forecast).**  
Due to difficulties in appointing a temporary translator (to cover maternity leave), external translators have been used. Their costs have been included here and have therefore contributed towards an overspend on this heading.  
Grants have funded some additional temporary staff, which has led to increasing the need to spend on ICT resources. These additional ICT costs were not eligible to be funded from the grants.
- 1.7 **Brokerage:**  
**Final: actual underspend (£138,937): (January 2017: projected underspend (£74,000)).**  
Specific plans, including those funded by external grants, have been prioritised by the service, which means an underspend on this heading in 2016/17.
- 1.8 **Savings to be found:**  
**Final: actual overspend £131,180. (January 2017: projected overspend £131,180).**  
There is still no permanent strategy for implementing the savings target yet, therefore there is “overspend” as projected.  
Taking into account the net financial implications of the report for the remaining budget headings, in accordance with what was mentioned in the 24 February 2016 meeting when considering the 2016/17 budget, a part of the reserve fund is used for any slippage in the timetable for implementing the savings target.  
*Joint Committee 24 February 2016*  
*“3.2 An appropriate part of the fund will need to be earmarked for any element of the savings target (see 1.3) that cannot be found by GwE during 2017/18.”*
- 1.9 **Specific projects: actual underspend (£389,239) - No net effect:**  
The service is involved in a number of specific projects which are funded from external sources, including grants. There is significant funding available (£12,252,167 in 2016/17) with tight conditions and a limited spending time frame.

**Comments from GwE managers and the Regional Networks to explain reasons behind the grant underspend:**

**Education Improvement Grant: underspend (£25,065)**

The actual costs of some of the activities funded from the EIG were less than estimated due to historical patterns.

**GCSE: underspend (£44,894)**

The majority of this underspend is due to a knock on effect of 2014/15 & 2015/16 funding that was carried forward & the expenditure was unable to be spent within the timeframe.

**Pioneer Schools Network: underspend (£292,889)**

Four schools decided to withdraw from the programme due to unexpected changes in circumstances leading to lack of capacity to commit in full to the programme.

Various activities / projects within the plan were not completed.

**2 Financial Reserves**

- 2.1 General Reserves stood at £460,379 at the beginning of the 2016/17 financial year, with £100,100 being committed at outset towards a GCSE support programme. The overall net underspend of £378,293 during 2016/17 brings the reserves up to £738,572 at the end of 2016/17.