



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	21 February 2018
<b>TITLE</b>	<b>GwE Budget 2017/18 – 3<sup>rd</sup> Quarter Review</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"><li>• To update Joint Committee members on the latest financial review of GwE's budget for the 2017/18 financial year.</li><li>• The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.</li></ul>
<b>RECOMMENDATION</b>	To accept the report.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance.

## **1. CONCLUSION**

- 1.1 We reported in the Quarter 2 review an estimated net overspend of £14,761 against the budget, with the main reason involving the office relocation in the Flintshire/Wrexham area.
- 1.2 By now we expect a net underspend of (£40,345), with the subsequent part of the report explaining the reasons accounting for the main variances.

## 2. FINANCIAL VARIANCES

### 2.1 **Employees – Management, Brokerage, Standards and Administration:** **Quarter 3: underspend (£46,618). (Quarter 2: underspend (£7,263)).**

We reported in Quarter 2 that staff turnover and the period when the Managing Director was in an interim and part-time position (April and May 2017) have resulted in a relatively small one-off underspend.

By now, further staff turnover, including the impact of the September 2017 restructure, has increased the underspend.

### 2.2 **Employees – System Leaders, Supporting Improvement Advisers:** **Quarter 3: underspend (£17,971). (Quarter 2: no over or under spend).**

We expect an underspend on this heading because of staff turnover, including the impact of the September 2017 restructure

### 2.3 **Property - Rent:** **Quarter 3: overspend £29,750. (Quarter 2: overspend £29,750).**

No change to what was reported in Quarter 2. GwE has relocated its Flintshire/Wrexham area office as of 1st September, with the annual cost being higher than the cost of the previous office (7-month impact for this year, which has been included above). There is a need to identify permanent funding for the whole year cost increase.

### 2.4 **Transport – Travelling Expenses:** **Quarter 3: underspend (£5,506). (Quarter 2: underspend (£7,727)).**

No significant change to what was reported in Quarter 2. The trend in historic travelling expenses suggests that the actual annual cost is likely to be slightly below what has been established in the budget.

### 3. UNDERSPEND FUND

3.1 At the beginning of the 2017/18 financial year, the fund totalled (£738,572).

3.2 GwE's business plan incorporates details of the use of £399,750 during 2017/18.

<b>Business Plan Priority</b>	
Standards	£140,500
Curriculum and Assessment	£62,500
Leadership	£102,750
Wellbeing	£13,000
Teaching	£36,000
Office relocation	£45,000

3.3 The estimated total of the fund at the end of 2017/18 is £379,167, having taken into account the estimated underspend (see 1.2) and the use in year (see 3.2).

### **APPEDICES**

Appendix 1: GwE Budget 2017/18 – 3<sup>rd</sup> Quarter Review 2017/18.

### **VIEW OF THE STATUTORY OFFICERS**

#### **Monitoring Officer:**

Nothing to add from a propriety perspective

#### **Statutory Finance Officer:**

Co-author of report.