



MEETING	GwE Joint Committee
DATE	20 February 2019
TITLE	GwE Budget 2018/19 – 3rd Quarter Review
PURPOSE	<ul style="list-style-type: none">• To update Joint Committee members on the latest financial review of GwE's budget for the 2018/19 financial year.• The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.
RECOMMENDATION	To accept the report.
AUTHOR	GwE Managing Director and Gwynedd Council Head of Finance.

1. CONCLUSION

- 1.1 The main conclusion of the Quarter 3 review is that there is an expectation that GwE will remain within the core and specific grant funding available in 2018/19.
- 1.2 In the Joint Committee meeting on 28th November we estimated a somewhat neutral position for the year, with an underspend of (£994).
- 1.3 Since then, there is no significant change to the nett position, with the latest estimate being an underspend of (£1,618).The subsequent part of the report explaining the reasons accounting for the main variances.

1.4 We intend to submit an implementation plan to the Joint Committee, to resolve the financial deficit identified in section 2.3 and 2.4.

2. FINANCIAL VARIANCES

2.1 **Employees - Management, Brokerage, Standards and Administration:** **Quarter 3: underspend (£85,608). Quarter 2: underspend (£78,750).**

Staff turnover, mainly a secondment of an Assistant Director from the 1st of June has led to a temporary underspend. This will finance, in the short term, savings to be found (see 2.4). Additional staff turnover to what was reported in quarter 2, mainly with difficulties appointing a temporary finance officer, has increased the underspend a little.

2.2 **Transport - Travelling Expenses:** **Quarter 3: underspend (£5,069). Quarter 2: underspend (£5,682).**

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. It is anticipated that this is the case in 2018/19.

2.3 **Supplies and Services:** **Quarter 3: overspend £41,180. Quarter 2: overspend £35,559.**

This heading overspends yearly for a number of reasons. This is expected to continue in 2018/19. Specifically in 2018/19, difficulties in appointing a temporary translator, and an increase for this service on specific projects, is increasing the use of external translators. There is a slight increase in the overspend across several headings.

2.4 **Savings to be found** **Quarter 3: overspend £47,879. Quarter 2: overspend £47,879.**

No change to what was reported in Quarter 2. An overspend is expected as there is no permanent strategy identified to implement the savings target. Savings from staff turnover (see 2.1) is to be used to finance the savings to be found in the short term.

2.5 **Regional Consortia School Improvement Grant**

Quarter 3: Neutral. Quarter 2: Neutral.

No change to what was reported in Quarter 2. In 2018/19 all grants received by GwE, other than the Pupil Development Grant, has been amalgamated into one comprehensive grant. The budget has been adjusted to reflect these changes. No over/under spend is expected.

A breakdown of the total grant can be seen below (offer letter dated 12 March 2018):

Delegated*	£25,908,641
Non-delegated	<u>£ 9,198,005</u>
Total	<u>£35,106,646</u>
Grant	£32,620,366
Match Funding	<u>£ 2,486,280</u>
Subtotal	<u>£35,106,646</u>

Additional Delegation (offer letter dated 28 January 2019):

Delegated – Professional Learning*	£ 2,011,729
Several Headings – Raising Standards	<u>£ 1,088,843</u>
Subtotal	<u>£ 3,100,572</u>
Total – Final 2018/19	<u>£38,207,218</u>

* The GwE accounts does not include grants distributed directly to schools.

3. **UNDERSPEND FUND**

3.1 After using £466,956 in 2017/18, the total fund at the beginning of the 2018/19 financial year was £271,616, and for the time being due to future funding uncertainties, this has not been committed to be spent this year or in 2019/20.

APPENDICES

Appendix 1: GwE Budget 2018/19 – 3rd Quarter Review 2018/19.

VIEW OF THE STATUTORY OFFICERS

Monitoring Officer:

No Comments from a propriety perspective.

Statutory Finance Officer:

Co-author of report.