



MEETING	GwE Joint Committee
DATE	26 February 2019
TITLE	GwE Budget 2019/20 – 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 2019/20 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 Quarter 3 review estimates a net overspend of £27,634 against the budget (likely acceptable, semi-neutral position in the context of total gross expenditure of over £14m), mainly due to the savings identified by the service during the year.
- 1.2 No significant change to the nett position estimated in Quarter 2 i.e. an estimated overspend of £36,503.
- 1.3 The subsequent part of the report explains the reasons to account for the main variances.

2. FINANCIAL VARIANCES

2.1 Employees:

Quarter 3: overspend £39,249 Quarter 2: overspend £45,442.

An overspend of £39,249 following the Joint Committee's decision to amend the budget to remove the role of one GwE Assistant Director as well as to deduct 1.4 full-time equivalents of Supporting Improvement Advisers (see 'Efficiency Savings Target' report to the Joint Committee 11/09/19).

The reduction in Supporting Improvement Advisers was implemented from the 1st September 2019, and therefore a one-off overspend is expected in 2019-20.

2.2 Travel:

Quarter 3: underspend (£9,017) Quarter 2: underspend (£7,697).

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 that established in the budget.

2.3 Savings to be found

Quarter 3: Neutral Quarter 2: Neutral.

In Quarter 1 we reported on an expected overspend, as the Joint Committee had not decided on a permanent strategy to implement the savings target. The strategy has now been approved (see 'Efficiency Savings Target' report to the Joint Committee 11/09/19).

As implemented in the autumn, it was not possible to fully realise the saving in 2019/20, which leads to the overspend in 2.1.

2.4 **Regional Consortia School Improvement Grant (RCSIG)**

Quarter 3: Neutral Quarter 2: Neutral.

The RCSIG includes a specific heading for Assistant Director Secondment for one year. As the secondment came to an end on 31 August 2019, and Welsh Government conditions note that funding is specifically for this purpose, it is expected that the remaining balance is reclaimed.

Analysis of full grant below:

Delegated*	£26,064,004
Non-delegated	£ 7,977,648
Total	<u>£34,041,652</u>
Grant	£31,555,372
Match Funding	£ 2,486,280
Total	<u>£34,041,652</u>

* GwE accounts do not include grants distributed directly to schools.

3. UNDERSPEND FUND

3.1 At the beginning of the 2019/20 financial year, the fund totalled £278,201.

3.2 The fund total (GwE 'general balances') at the end of 2019/20 is estimated at £250,567, having taken into account the net overspend anticipated above.

APPENDICES

Appendix 1: GwE Budget 2019/20 – 3rd Quarter Review

OPINION OF STATUTORY OFFICERS

Monitoring Officer:

Nothing to add from a proprietary perspective.

Statutory Finance Officer:

Co-author of report.