



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	15 September 2020
<b>TITLE</b>	<b>GwE Budget 2020/21 – 1st 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 2020/21 financial year.</li><li>• The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.</li></ul>
<b>RECCOMENDATION</b>	To accept the report.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance.

## **1. CONCLUSION**

- 1.1 The initial review estimates a semi-neutral position for the year, with a net underspend of (£1,849).
- 1.2 However, the impact of COVID-19 can be seen to affect individual headings, and the following section of this report explains the reasons behind the main variations.

## 2. FINANCIAL VARIANCES

### 2.1 Rent:

#### Quarter 1: overspend £58,080.

The rent budget is dependent on external income and the use of GwE buildings by specific projects as part of it. As a result of the crisis new ways of working have been adopted, with much more distance working, and meetings being held online through 'Teams' or 'Zoom'.

It is not anticipated that GwE rooms will have much use in this financial year. In addition, no return date to the office has been set. Therefore, it is difficult to predict if any Income under this heading can be attracted. This means a likely overspend on the heading in 2020/21, due to a lack of income.

### 2.2 Travel:

#### Quarter 1: underspend (£59,929).

As a result of the crisis, the region's schools have been closed for much of the year. With the schools opening from September, it is anticipated that officers' travel costs will return to their normal level for the remainder of the year. However, an initial underspend of around 5/12 of the budget is forecast for the period April - August 2020.

### 2.3 Regional Consortia School Improvement Grant (RCSIG)

#### Quarter 1: neutral.

It should be noted that Welsh Government have implemented a general 3% (£957,939) cut to the RCSIG, and a cut to specific projects (£1,263,019) as a result of their response to the Covid-19 crisis (with GwE's cut being £328,361 and cuts to authorities / schools being £1,892,597). However, given that some projects have been delayed, and with sound financial planning, a neutral position is expected in 2020/21.

#### Analysis of full grant below:

Delegated*	£27,468,198
Non-Delegated	<u>£ 7,634,359</u>
Total	<b><u>£35,102,557</u></b>
Grant	£32,616,277
Match Funding	<u>£ 2,486,280</u>
Total	<b><u>£35,102,557</u></b>

\* GwE Accounts do not include grants distributed directly to schools.

### **3. UNDERSPEND FUND**

- 3.1 At the beginning of the 2020/21 financial year, the fund totalled £480,204.
- 3.2 The fund total at the end of 2020/21 is estimated at £482,053 having taken into account the marginal underspend anticipated above.
- 3.3 Due to the financial challenge of the cut in grants, it may lead to increased demands on the core budget / underspend fund in 2020/21.

### **APPENDICES**

Appendix 1: GwE Budget 2020/21 – 1st Quarter Review.

### **OPINION OF STATUTORY OFFICERS**

#### **Monitoring Officer:**

Nothing to add from a propriety perspective.

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

Co-author of report.