



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	26 May 2021
<b>TITLE</b>	<b>GwE Final Accounts 2020/21 – Revenue Out-turn</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"><li>• To update Joint Committee Members on the final financial review of GwE' budget for the financial year 2020/21.</li><li>• The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.</li></ul>
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance.

## 1. DECISION

- 1.1 **Consider and note the Revenue Income and Expenditure Account for 2020/21 presented as Appendix 1**, as well as the information on the main differences between the budget and expenditure presented in the “Out-turn” report as per normal practice.
- 1.2 The Joint Committee is asked to approve the final financial position of 2020/21 to enable the host authority's Finance Department to proceed with the production, certification and publication of GwE's statutory financial statements for the year, before the statutory date of 31 May.
- 1.3 The Joint Committee is asked to approve the transfer of the 2020/21 underspend of (£83,326) to GwE reserves.

## 2. BACKGROUND

- 2.1 A final net underspend position of (£83,326) is reported against the budget, mainly due to a one off underspend on the Travel Costs budget.
- 2.2 There was a movement of (£40,821) to what was reported in quarter 3, which was an estimated underspend of (£42,505), with the following section of the report explaining the reasons for the main variances.

## 3. FINANCIAL VARIANCES

### 3.1 Employees:

**Final Position: Overspend £2,261 Quarter 3: Overspend £18,455.**

The overspend is mainly attributable to redundancy costs for 2 members of staff who were on temporary contracts but had service carried forward from their previous employment. The overspend has decreased due to savings on staffing costs, including staff secondments.

### 3.2 Rent:

**Final Position: Overspend £43,278 Quarter 3: Overspend £58,080.**

The final position is an overspend due to a lack of rental income for the use of GwE buildings due to the Covid-19 emergency. GwE is dependent on income from schools, authorities and internal use for projects funded through grants. Since the income is not external, it is not possible to claim for loss of income from the Welsh Government's hardship fund. The overspend has decreased due to a higher than expected saving on servicing the buildings including electricity costs and repairs and maintenance.

### 3.3 Transport:

**Final Position: Underspend (£120,718) Quarter 3: Underspend (£120,145).**

No substantive change to the 3<sup>rd</sup> quarter review, which was an underspend due to the lack of travelling during the lockdowns. By now school visits have resumed, and therefore a similar underspend is not expected in the next financial year.

### 3.4 **Specific Projects:**

#### **Final Position: Neutral Quarter 3 : Neutral.**

During February and March grant variation letters were received from Welsh Government noting that the spending period for the “Regional Consortia School Improvement Grant” and “Pupil Development Grant” for the financial year 20/21 would be extended to 31 August 2021. This was decided following concerns that the Authorities and Schools would not make the best use of the grants if needed to be spent by 31 March 2021, and expected significant underspend. The extension means that we are reporting a neutral position for the grants in the 20/21 financial year, with the plan to spend any funding carried over to 21/22 by 31 August 2021. There is no expectation that grant schemes for the financial year 21/22 will be affected.

## **4. UNDERSPEND FUND**

4.1 At the beginning of the 2020/21 financial year, the fund (GwE ‘general balances’) totalled (£480,204)

4.2 The net underspend of (£83,326) to be transferred, will increase the underspend fund to (£563,530) at the end of 2020/21.

## **APPENDICES**

Appendix 1: Revenue Income and Expenditure Account 2020/21.

## **VIEW OF THE STATUTORY OFFICERS**

### **Monitoring Officer:**

Nothing to add from a propriety perspective

### **Statutory Finance Officer:**

Co-author of report.