



MEETING	GwE Joint Committee
DATE	24 February 2016
TITLE	2015/16 GwE Budget – Autumn term 2015 review (projected expenditure based on the position at the end of the period to 31/12/2015)
PURPOSE	<ul style="list-style-type: none">• Update members of the Joint Committee on the latest financial review of the GwE budget for the 2015/16 financial year• The focus of the report is significant variances. Comprehensive financial information is included in Appendix 1
RECOMMENDATION	To accept the report
AUTHOR	GwE Managing Director and Cyngor Gwynedd Head of Finance

1. CONCLUSION

1.1 The 2015 autumn term review estimates an underspend of (£17,157) in 2015/16, which compares with the (£29,903) estimated net underspend in the summer 2015 review. The main reason to account for this is an increase in expenditure under the supplies and services heading, net of turnover in Challenge Adviser posts.

1.2 The details by heading can be seen in the appendix, and the following part of the report explains the reasons for the main variances.

2. FINANCIAL VARIANCES

2.1 **Workforce – Management, Brokerage, Standards and Administration:** **Autumn: overspend of £436 (summer: no over or underspend)**

GwE receives a contribution from some of the grants towards the cost of management/administration. The Management/Administration Unit absorbed an element of the additional work within their usual resources. This led to releasing savings of £25,732 to contribute to the additional costs of supplies and information technology equipment/software for the additional staff employed through the grants, as these costs are not within grant conditions.

2.2 **Workforce – Challenge Advisers:** **Autumn: underspend (£33,211) (summer: no over or underspend)**

A PRU Challenge Adviser was not appointed; therefore, the budget has decreased £29,474 with a corresponding decrease in Authorities' contribution. The underspend arises from staff turnover.

2.3 **Workforce – Training, advertisement and other employee costs:** **Autumn: overspend of £4,271 (summer: no over or underspend)**

The need to re-advertise some posts and advertise a number of temporary posts has led to an overspend.

2.4 **Buildings:** **Autumn: underspend (£21,984) (summer: underspend (£21,497))**

In establishing the 2015/16 budget, the 'Buildings Rent' budget was increased so as to reflect the cost of a whole year in the new GwE offices in Old Colwyn and Caernarfon. The date of occupying the new premises was pushed forward, which has led to a one-off underspend in 2015/16. There was also an additional one-off cost of £78,827 incurred through moving to the new offices and making them fit for purpose. This is financed mainly by a one-off additional contribution by the Authorities.

2.5 **Travel:** **Autumn: underspend (£10,265) (summer: underspend (£8,407))**

It was reported in the summer term review that the actual annual travel cost is likely to be lower than what was established in the 2015/16 budget. The latest forecast suggests that savings will be a little more than previously anticipated.

2.6 **Supplies and Services:** **Autumn: overspend of £39,768 (summer: no over or underspend)**

The total overspend on this heading is estimated to be £65,500; although, transferring finance of £25,732 from the staffing heading (see 2.1) reduced this overspend to £39,768.

Additional staff appointed to work in the short term on specific grants have increased the need for information technology resources, which has led to an overspend of approximately £35,000. This expenditure is not eligible to be financed from the grants.

A one-off necessary investment of £19,620 for an online system for data collection (SMS).

There is an overspend of approximately £10,000 on general materials and printing, including an element associated with the grants for which it is not possible to re-claim the cost.

3. UNDERSPEND FUND

- 3.1 The total in the fund at the beginning of the 2015/16 financial year was (£266,829); less £12,500 for developing the GwE website and adding the estimated underspend of (£17,157), the anticipated total in the fund at the end of 2015/16 will be (£271,486).

4. APPENDIX

- 4.1 2015/16 GwE Budget – autumn term 2015 review

OPINION OF THE STATUTORY OFFICERS

Monitoring Officer:

Comments will be presented orally at the meeting.

Statutory Finance Officer:

Joint author of the report.