



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	08 March 2017
<b>TITLE</b>	<b>GwE Budget 2016/17 – Review for 31 January 2017</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"> <li>• Update members of the Joint Committee on the latest GwE financial budget review for the financial year 2016/17.</li> <li>• The report focuses on the significant financial variations, with Appendix 1 containing complete financial information.</li> </ul>
<b>RECOMMENDATION</b>	Accept the report.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance

## 1. CONCLUSION

- 1.1 The review for 31 January 2017 estimates a net underspend of (£54,688) against the budget at the end of the 2016/17 financial year.
- 1.2 The following section of the report includes an explanation of the main reasons for the underspend estimate and the difference compared with the previous review report (for September 2016) which estimated a net overspend of £57,009.

## 2. FINANCIAL VARIATIONS

### 2.1 **Employees – Management, Brokerage, Standards and Administration:** **January 2017: overspend £31,921. (September 2016: overspend £38,841).**

The main reason for the overspend is the decision to second an additional member to the data team without additional financial contribution from Authorities in the 2016/17 financial year. Authorities will provide an additional permanent financial contribution from 2017/18.

Additional staff turnover has led to a small decrease in the overspend since the previous review report.

### 2.2 **Employees – Challenge Advisers:** **January 2017: underspend (£133,789). (September 2016: underspend (£103,013)).**

GwE receive a contribution from some of the grants towards their Management/Administration costs. During the 2016/17 financial year, an element of the grant work was addressed within core resources.

Staff secondments to specific plans and some additional turnover have led to an increased underspend.

### 2.3 **Transport:** **January 2017: underspend (£10,000). (September 2016: underspend (£10,000)).**

Historical travel cost tendencies suggest that the true annual cost is likely to be slightly lower than what is established in the budget, it is anticipated that this will continue in 2016/17.

### 2.4 **Brokerage:** **January 2017: underspend (£74,000). (September 2016: no over or under spend).**

Specific plans, including those funded by external grants, have targeted the service's priorities that would normally be implemented from these resources. This means an underspend on the heading in 2016/17.

### 2.5 **Savings to be found:** **January 2017: overspend £131,180. (September 2016: overspend £131,180).**

Overspend as there is no permanent strategy for implementing the savings target as of yet.

Taking into account the net financial implications of the report for the remaining budget headings, in accordance with what was mentioned in the 24 February 2016 meeting when considering the 2016/17 budget, a part of the reserve fund is used for any slippage in the timetable for implementing the savings target.

*Joint Committee 24 February 2016*

*“3.2 An appropriate part of the fund will need to be earmarked for any element of the savings target (see 1.3) that cannot be found by GwE during 2017/18.”*

### **3. UNDERSPEND FUND**

- 3.1 The total of the fund at the start of the 2016/17 financial year was (£460,379), less use of the fund of £100,100 has been committed at the end of 2015/16 for a GCSE support programme, a net underspend estimate of (£54,688) is added, the anticipated total of the fund at the end of 2016/17 is (£414,967).

### **APPENDICES**

Appendix 1: GwE Budget 2016/17 – Review for 31 January 2017.

### **VIEWS OF STATUTORY OFFICERS**

#### **The Monitoring Officer:**

Nothing to add from a propriety perspective

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

Co-author of the report.