



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	20 February 2019
<b>TITLE</b>	<b>Base Budget 2019/20</b>
<b>PURPOSE</b>	Present to the Joint Committee : <ul style="list-style-type: none"><li>• GwE Base Budget 2019/20 (Appendix 1)</li><li>• Authorities Financial Contributions (Appendix 2)</li></ul>
<b>RECOMMENDATION</b>	Adopt the base budget for 2019/20 as presented in Appendix 1.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance

## **1. Base Budget (“stand still”)**

1.1 GwE’s budget is continuing to develop and now reflects the National Model’s core business commitments and a significant number of projects funded by grants.

1.2 The financial impact of inflation/price increases has been estimated and included in the base budget (based on “stand still”), including salary increases and CPI increase.

## **2. Savings Target**

2.1 The attached budget reflects the decision of the North Wales Leadership Development Board on the 13 November 2018 to include a savings target which corresponds to a cash decrease of 1%, in the core contributions of the 6 constituent authorities, after adding inflation. This is equivalent to a 3.19% real terms cut when considering an increase in costs.

2.2 The budget includes a 'Savings to be found – 2019/20' line with the sum (£116,468) i.e. the 3.19% above.

2.3 With the above and the need for a permanent plan to Finance the 2018/19 'savings to be found', as well as the issue in 3.1 below, there is a need to find a cumulative total savings of £206,485 in 2019/20.

## **3. Supplies and Services**

3.1 This heading overspends yearly for a number of reasons, and therefore highlights that the budget is insufficient. The budget has been increased by establishing a 'savings to be found' line, in order to identify the issue as a long term problem which needs to be financed (included in line 2.3 above).

## **4. Regional Consortia School Improvement Grant**

4.1 The 2019/20 Local Authority settlement shows that there is no cut in cash terms to the Education Improvement Grant element of this grant. However, due to increased costs, there is a cut in real terms. Although no information has been received in relation to the rest of the grant, the budget has been set on the same basis as the Education Improvement Grant (ignoring the additional delegation received in the 2018/19 financial year).

4.2 section 4.1 above identifies a potential additional financial challenge to that identified in 2.3.

## **5. Underspend Fund**

5.1 The report 'GwE Budget 2018/19 – 3rd Quarter Review' (previous item on the agenda) estimates that there will be about £273,234 in the underspend fund on 31/03/2019.

5.2 An appropriate part of the fund will need to be earmarked to bridge any element of the savings target (para 2.3 above) that cannot be found in full by GwE during 2019/20.

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### **Appendix:**

Appendix 1 - GwE Base Budget for 2018/19

Appendix 2 – Local Authority Contributions 2018/19

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### **VIEWS OF STATUTORY OFFICERS**

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

No Comments from a propriety perspective.

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

Co-author of the report.