



MEETING	GwE Joint Committee
DATE	22 May 2019
TITLE	GwE Final Accounts 2018/19 – Revenue Out-turn
PURPOSE	<ul style="list-style-type: none">• To update Joint Committee Members on the final financial review of GwE budget for the financial year 2018/19.• The report focuses on the significant financial variances, with Appendix A containing the full financial information.
RECOMMENDATION	To accept the report.
AUTHOR	GwE Managing Director and Gwynedd Council Head of Finance.

1.0 DECISION

- 1.1 Consider and note the Revenue Income and Expenditure Account for 2018/19 presented as Attachment A, as well as the information on the main differences between the budget and expenditure presented in the Out-turn report as per normal practice.

2. BACKGROUND

- 2.1 In the Joint Committee meeting on 20 February we estimated a somewhat neutral position for the year, with an underspend of (£1,618).
- 2.2 The final financial position was a net underspend of (£18,971), the main reasons for this variance is explained in the following part of this report.

3. FINANCIAL VARIANCES

3.1 **Employees:**

Final Position: Underspend (£95,902) (3rd Quarter: underspend (£85,608)).

Staff turnover, mainly a secondment of an Assistant Director from 1 June has led to a temporary underspend. This will finance, in the short term, savings to be found (see 3.6). Additional staff turnover to what was previously reported, has somewhat increased the underspend.

3.2 **Property:**

Final Position: Overspend £7,845 (3rd Quarter: no expected over/ (underspend)).

GwE has relocated one of its offices as of 1 September 2017, with the annual cost being higher. This was financed by setting an external income target, and use of GwE offices by specific projects. A shortfall against this target has led to an overspend in 2018/19.

3.3 **Travelling:**

Final Position: Underspend (£5,905) (3rd Quarter: underspend (£5,069)).

The trend in historic travelling expenses suggests that the actual annual cost is likely to be slightly below what has been established in the budget.

3.4 **Supplies and Services:**

Final Position: Overspend £44,060 (3rd Quarter: overspend £41,180).

This heading overspends yearly for a number of reasons. Specifically in 2018/19, difficulties in appointing a temporary translator, and an increase for this service on specific projects is increasing the use of external translators.

In the Base Budget 2019/20 report, the budget was increased by establishing an equivalent 'savings to be found' line, in order to highlight the issue as a long-term problem which needs to be financed.

3.5 **Brokerage:**

Final Position: Underspend (£22,817) (3rd Quarter: no expected over/ (underspend)).

Specific projects, including some financed by external grants, have been prioritised by the service, which has led to an underspend on this heading in 2018/19.

3.6 **Savings to be found:**

Final Position: Overspend £47,879 (3rd Quarter: overspend £47,879).

No change to what was reported previously. An overspend is expected as there is no permanent strategy identified to implement the savings target. Savings from staff turnover (see 3.1) is to be used to finance the savings to be found in the short term.

3.7 **Specific Projects:**

Final Position: Overspend £11,195 (3rd Quarter: no expected over/ (underspend)).

The service undertakes a number of specific projects that are funded through external sources, including grants. There is a significant amount available (£11,850,646 in 2018/19) with restricted conditions and tight spending deadlines. Some projects have overspent slightly.

4. UNDERSPEND FUND

4.1 At the beginning of the 2018/19 financial year, the fund totalled (£271,616).

4.2 The underspend of (£18,971) has increased the underspend fund to (£290,587) at the end of 2018/19.

4.3 The Base Budget 2019/20 includes savings to be found as follows:

Savings to be found - 2018/19	£37,617
Rent budget deficit	£11,220
Supplies and Services budget deficit	£41,180
Savings to be found - 2019/20	£116,468
Total	£206,485

4.4 A sufficient allocation of the fund will be needed to bridge an element of the savings target noted in 4.3, if GwE is unable to find the savings needed during 2019/20.

5.0 APPENDICES

Appendix A: Revenue Income and Expenditure Account 2018/19.

VIEW OF THE STATUTORY OFFICERS

Monitoring Officer:

Nothing to add from a propriety perspective.

Statutory Finance Officer:

Co-author of report.