



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	11 November 2020
<b>TITLE</b>	<b>GwE Budget 2020/21 – 2nd Quarter Review</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"><li>• To update Joint Committee members on the latest financial review of GwE’s budget for the 2020/21 financial year.</li><li>• The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.</li></ul>
<b>RECCOMENDATION</b>	To accept the report.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance.

## **1. CONCLUSION**

- 1.1 The 2nd quarter review estimates a net underspend of (£31,502), mainly due to savings on travelling costs in the core budget.
- 1.2 However, the impact of Covid-19 can be seen to affect various individual headings, and the following section of this report explains the reasons behind the main variations.

## 2. FINANCIAL VARIANCES

### 2.1 **Employees:**

#### **Quarter 2: overspend £31,302** *Quarter 1 : neutral*

An overspend mainly due to the temporary contracts of 2 members of staff coming to an end, but without the budget to finance the redundancy costs. Even though both members of staff had temporary contracts, the redundancy costs arose from the fact that the individuals had continuous service carried forward from their previous employment, prior to being employed by GwE.

### 2.2 **Rent:**

#### **Quarter 2: overspend £58,080** *Quarter 1 : overspend £58,080*

The rent budget is dependent on external income and the use of GwE buildings by specific projects. As a result of the crisis, new ways of working have been adopted, with much more distance working, and meetings being held online through 'Teams' or 'Zoom'.

It is not anticipated that GwE rooms will be used during this financial year. In addition, no return date to the office has been set. Therefore, it is unlikely that any income under this heading can be attracted. The expected lack of income under this heading is equivalent to an overspend in 2020/21.

### 2.3 **Travel:**

#### **Quarter 2: underspend (£94,928)** *Quarter 1 : underspend (£59,929)*

It was reported in quarter 1 that with schools being closed due to the crisis, a saving was expected for the period from April to August. By now GwE officers have begun visiting schools again, but due to restrictions, the frequency of these visits have not returned to pre Covid-19 levels. As a result it is anticipated that travel costs will underspend more than what was reported in quarter 1.

### 2.4 **Supplies and Services:**

#### **Quarter 2: underspend (£25,956)** *Quarter 1 : neutral*

Underspend arising from a decrease in the need to purchase office, posting and printing supplies, among other things. Remote working has meant moving towards being paperless when possible. As an example Professional Learning is now held online, rather than in person, and as a result no physical resources are provided, only online resources.

### 2.3 **Regional Consortia School Improvement Grant (RCSIG)**

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**Quarter 2: neutral Quarter 1 : neutral**

As was reported in quarter 1, there was a general 3% (£957,939) cut to the RCSI, and a cut to specific projects (£1,263,019) as a result of their response to the Covid-19 crisis (with GwE's cut being £328,361 and cuts to authorities / schools being £1,892,597). However, given that some projects have been delayed, and with sound financial planning, a neutral position is expected in 2020/21.

**Analysis of full grant below:**

Delegated*	£27,468,198
Non-Delegated	£ 7,822,609
Total	<b><u>£35,290,807</u></b>
Grant	£32,804,527
Match Funding	£ 2,486,280
Total	<b><u>£35,290,807</u></b>

\* GwE Accounts do not include grants distributed directly to schools.

**3. UNDERSPEND FUND**

- 3.1 At the beginning of the 2020/21 financial year, the fund totalled £480,204.
- 3.2 The fund total at the end of 2020/21 is estimated at £511,706 having taken into account the underspend anticipated above.
- 3.3 Due to the financial challenge of the cut in grants, it may lead to increased demands on the core budget / underspend fund in 2020/21.

**APPENDICES**

Appendix 1: GwE Budget 2020/21 – 2nd Quarter Review.

**OPINION OF STATUTORY OFFICERS**

**Monitoring Officer:**

Nothing to add from a propriety perspective.

**Statutory Finance Officer:**

Co-author of report.