



<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	25 November 2016
<b>TITLE</b>	<b>2016/17 GwE Budget – 30 September 2016 review.</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"><li>• To update members of the Joint Committee on the most recent financial review of GwE’s budget for the 2016/17 financial year.</li><li>• The report focuses on significant financial variations, with Annex 1 providing financial information in full.</li></ul>
<b>RECOMMENDATION</b>	To accept the report.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council’s Head of Finance.

## **1. CONCLUSION**

1.1 The 30 September 2016 review estimates a net overspend of £57,009 against the budget. The net overspend may be attributed to the delay in establishing a permanent strategy for implementing the savings target that was set in the 2016/17 budget.

1.2 The subsequent section of this report explains the reasons for the main variations.

## 2. FINANCIAL VARIATIONS

### 2.1 **Staffing - Management, Brokerage, Standards and Administration:** **September: overspend (£38,841).**

The main reason for the overspend is the decision to appoint an additional officer to the data team on secondment basis without financial contribution from the Authorities in the 2016/17 financial year. The Authorities will provide continuous additional financial contributions from 2017/18.

### 2.2 **Staffing – Challenge Advisers:** **September: underspend (£103,013).**

GwE receives grant contributions towards Management/Administration costs. During the 2016/17 financial year, elements of the work relating to grants will be funded from core resources.

### 2.3 **Travel costs:** **September: underspend (£10,000).**

Historical trends in travel costs suggest that the annual actual cost is likely to be slightly lower than the cost established in the budget. This is expected to continue in 2016/17.

### 2.4 **Savings to be applied:** **September: £131,180 overspend.**

Overspend is due to the current lack of a permanent strategy for meeting the savings target.

Taking the net financial implications of the review for the remaining budget headlines into consideration, and in line with the discussions held in the meeting on 24 February 2016 whilst considering the 2016/17 budget, part of the surplus fund will be used for any delays in the timescale for meeting the savings targets.

*24 February 2016 Joint Committee*

*“3.2 A specific part of the reserve fund will need to be earmarked for any elements of the savings targets that GwE will be unable to apply in 2016/17”*

## 3. SURPLUS FUND

3.1 The total surplus fund at the beginning of the 2016/17 financial year was (£460,379), less the £100,100 of fund dedicated at the end of 2015/16 to the GCSE support programme, less the net forecasted overspend of £57,009, giving an estimated fund total for the end of 2016/17 of (£303,270).

**ANNEXES**

Annex 1: GwE 2016/17 Budget – 30 September 2016 review.

**OPINION OF THE STATUTORY OFFICERS**

**Monitoring Officer:**

No observations in relation to propriety.

**Statutory Finance Officer:**

Co-author of the report.