

Performance & Resources Committee Meeting

Date of Meeting	Wednesday 31 March 2021
Paper Title	GCRB Running & Programme Costs 2020-21
Agenda Item	11
Paper Number	PRC4-E
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For Noting

1. Report Purpose

1.1. To update the Committee on the GCRB running and programme costs for 2020-21.

2. Recommendations

2.1. The Committee is asked to:

- **note** that the forecast position for GCRB Running Costs 2020-21 is similar to the original budget with a small overspend.
- **note** the forecast saving in GCRB Programme Costs 2020-21.

3. GCRB Running Costs

3.1. The table below provides a summary of income and expenditure for 2020-21. It compares expenditure for the financial year alongside the budget and latest forecast.

	Period ending 31 January 2021		Revised Forecast 2020-21		Original Budget 2020-21	
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Allocated from Regional Grant 2020-21	228		456		442	
Total		228		456		442
Expenditure						
Staffing	152		310		303	
Board Costs	48		92		90	
Audit	15		30		30	
Other	20		39		19	
Total		235		471		442
Surplus/(Deficit)		(7)		(15)		0

- 3.2.** The budget for 2020-21 consists of an amount set aside from the regional grant. This has increased as a result of the previous decision of GCRB to transfer funds from the programme budget to meet the additional cost of the Colleges Scotland subscription.
- 3.3.** After the first six months of the financial year there is a small variance to the original expenditure budget. Expenditure on salaries is now forecast to be slightly above the original budget. This is due to a small increase in National Insurance contributions and also the salary increase for the Executive Team being above the level estimated in May 2020.
- 3.4.** Other costs have increased by £20,000 as a result of the decision of the Board to meet the additional cost of the Colleges Scotland subscription for 2020-21.

4. GCRB Programme Costs

- 4.1.** The table below provides a summary of income and expenditure for 2020-21. The table compares expenditure for the financial year alongside the original budget and the latest forecast.

	Period ending 31 January 2021		Revised Forecast 2020-21		Original Budget 2020-21	
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Allocated from Regional Grant 2020-21	165		331		351	
SFC Strategic Funding 2020-21	101		201		200	
Total		266		532		551
Expenditure						
Action 4 Children	30		60		60	
Young Enterprise Scotland	101		201		200	
ESOL	48		96		96	
Curriculum Plans	0		25		25	
Child Poverty	0		50		70	
Mental Health	0		10		0	
Climate Change/Sustainability	0		30		100	
Total		179		472		551
Surplus/(Deficit)		87		60		0

- 4.2.** It is forecast that potential income will exceed expenditure by £60,000. The main reason for this is due to the recruitment process for the Environmental Sustainability Manager being deferred at the beginning of the Covid-19 pandemic.

5. Cash Flow/Balance Sheet

- 5.1.** The significant movement in February 2021, is that SFC have paid the Flexible Workforce Funds to GCRB for the financial year 2020-21. This is in addition to the funds already received for 2019-20.
- 5.2.** As highlighted in the report on the Flexible Workforce Development Fund (on this agenda) there is currently a significant backlog of training under these programmes.

5.3. The balance of Flexible Workforce Development Funds held by GCRB (March 2021) is £3.6m. These funds are paid to colleges when training courses commence.

6. Risk Analysis

6.1. There are no specific risks associated with this report. However, the report highlights certain financial risks e.g. in respect of the Flexible Workforce Development Fund.

7. Equalities Implications

7.1. There are no equalities implications as a direct result of this report.

8. Legal Implications

8.1. There are no specific legal implications associated with this report.

9. Resource Implications

9.1. The financial implications associated with the 2020-21 budget are set out in the report.

10. Strategic Plan Implications

10.1. GCRB running, and programme, costs fund appropriate staffing and operational capacity to enable a range of activity related directly to the achievement of regional strategic goals, including delivery of a regional governance system, the effective management of regional finances and resources, and the coordination of a coherent and high quality regional curriculum which meets economic and social needs.