

Performance & Resources Committee Meeting

Date of Meeting	Wednesday 29 September 2021
Paper Title	GCRB Running & Programme Costs 2020-21
Agenda Item	12
Paper Number	PRC1-F
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For Noting

1. Executive Summary

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

2. Recommendations

2.1. The Committee is invited to:

- **note** that the position for 2020-21 shows a modest surplus. This has been carried forward and resulted in a reduction in the GCRB allocation for 2021-22 (as per the agreed budget).

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 revised forecast.

	Period ending 31 July 2021		Original Budget 2020-21	
	£'000	£'000	£'000	£'000
Income				
Allocated from Regional Grant 2020-21	482		442	
Total		482		442
Expenditure				
Staffing	315		303	
Board Costs	97		90	
Audit	33		30	
Other	34		19	
Total		479		442
Surplus/(Deficit)		3		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. The above table does not include the pension cost arising from the actuarial evaluation of the Strathclyde Pension Fund. This additional cost is £86,000 for the year ending 31 July 2021.

3.4. The principal variances during the financial year are as follows:

- Other costs include an additional £20,000 as a result of the decision of the Board to meet the extra cost of the Colleges Scotland subscription for 2020-21.
- Expenditure on salaries is 4% above the original budget. This is due to; a small increase in National Insurance contributions, the salary increase for the Executive Team being above the level estimated in May 2020 and an element of back-dated pay.
- Board costs are above the original budget due to additional expenditure on legal services, board evaluation and board member recruitment.

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 July 2021		Original Budget 2020-21	
	£'000	£'000	£'000	£'000
Income				
Allocated from Regional Grant 2020-21	307		351	
SFC Strategic Funding – YES	201		0	
SFC Strategic Funding – Building Better Futures	98		200	
Total		606		551
Expenditure				
Action 4 Children	72		60	
Young Enterprise Scotland (YES)	201		200	
ESOL	96		96	
Curriculum Plans	0		25	
Building Better Futures (Child Poverty)	148		70	
Mental Health	0		0	
Climate Change/Sustainability	21		100	
Total		538		551
Surplus/(Deficit)		68		0

5. Cash Flow/Balance Sheet

- 5.1. The significant movement in 2020-21 is due to the fact that SFC have paid the Flexible Workforce Funds to GCRB for the financial year 2020-21. This is in addition to the funds previously 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. The balance of Flexible Workforce Development Funds held by GCRB (at 31 July 2021) is £2.8m. These funds are paid to colleges when training courses commence.

6. Risk and Compliance 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.
- 6.2. There are no legal, or compliance, implications identified in this report.

7. Financial and Resource Analysis

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

8. Equalities Implications

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

9. Learner Implications

9.1. 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.