

Performance and Resources Committee Meeting

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| Date of Meeting | Thursday 7 June 2018 |
| Paper Title | GCRB Running Costs - 2017-18 |
| Agenda Item | 9 (c) |
| Paper Number | PRC5-G |
| 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 costs for 2017-18.

2. Recommendations

- 2.1. The Committee is asked to **note** the running costs for 2017-18.

3. Report

- 3.1. Transactions are processed by City of Glasgow College on behalf of GCRB.

4. Income and Expenditure for 2017-18

- 4.1. The table overleaf provides a summary of income and expenditure for 2017-18. The table compares expenditure for the first 9 months of the financial year alongside the original budget (agreed in May 2017) and the revised forecast for the full year.
- 4.2. The budgeted income for 2017-18 consisted of grant income from the Scottish Funding Council (£55,000) and an amount (£381,000) set aside from the overall regional grant allocation (circa £80m). The actual amount of grant drawn down matches the level of expenditure in order that GCRB does not generate a surplus or deficit.
- 4.3. The following explanations are provided in respect of the key variances:
- The budgeted staff costs of GCRB are based upon the structure of an Executive Director, Finance & Resources Director and Executive Assistant effective from 1 August 2017. The lower level of salaries (compared to the budget) has resulted in a saving.
 - The original budget assumed that the GCRB staffing structure would be effective from 1 August 2017. However, recruitment to the post of Finance and Resources Director was completed in January 2018. This has minimal impact on the overall position but results in a reduction in expenditure on staff costs and an increase in expenditure on non-staff costs.

- Board expenses in the first nine months of the year are lower than the budget (and previous years). The main reason for this was the reduced number of days claimed by the Interim Chair of the Board.
- Audit costs are slightly higher than budget due to some additional internal audit costs (re 2016-17) being invoiced after the year end closedown.

5. Summary

| | Expenditure 9 months ending 30 April 2018 | | Original Budget 2017-18 | | Revised Forecast 2017-18 | |
|---------------------------------------|---|------------|-------------------------|------------|--------------------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | | |
| Brought Forward from 2016-17 | 0 | | 0 | | 0 | |
| SFC Grant for 2017-18 | 58 | | 55 | | 58 | |
| Allocated from Regional Grant 2017-18 | 255 | | 381 | | 362 | |
| Total | | 313 | | 436 | | 420 |
| Expenditure | | | | | | |
| Staffing | 157 | | 291 | | 229 | |
| Board Costs | 38 | | 70 | | 55 | |
| Audit | 25 | | 28 | | 32 | |
| Other | 93 | | 47 | | 104 | |
| Total | | 313 | | 436 | | 420 |
| Funds Carried Forward to 2018-19 | | 0 | | 0 | | 0 |

6. Risk Analysis

6.1. There are no risks associated with this report.

7. Legal Implications

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

8. Resource Implications

8.1. The financial implications associated with the 2017-18 budget are set out in the report.

9. Strategic Plan Implications

9.1. GCRB running 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.