

## Performance and Resources Committee

Date of Meeting	Wednesday 11 December 2024
Paper Title	GCRB Costs – 2024-25
Agenda Item	10
Paper Number	PRC2-F
Responsible Officer	Jim Godfrey, Finance & Resources Director
Status	Disclosable
Action	For Noting

### 1. Executive Summary

- 1.1.** This report compares actual income, and expenditure, for the academic year against the GCRB budget for 2024-25.

### 2. Recommendations

- 2.1.** The Committee is asked to
- **note** the forecast outturn compared with budget for 2024-25.
  - **approve** that £20,000 is vired from the 'Other' budget to meet the initial cost of obtaining external advice to facilitate the cost of 'Transition'

### 3. GCRB Running Costs 2024-25

3.1. The table below provides a summary of income and expenditure for the year ending 31 July 2025.

	4 months ending 30 November 2024		Revised Forecast 2024-25		Original Budget 2024-25	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Allocated from Regional Grant	158		475		475	
Brought forward funding	0		0		33	
<b>Total</b>		<b>158</b>		<b>475</b>		<b>508</b>
<b>Expenditure</b>						
Staffing	82		245		335	
Board Costs	31		93		93	
Audit	16		42		47	
Transition	2		20		0	
Other	8		13		33	
<b>Total</b>		<b>139</b>		<b>413</b>		<b>508</b>
Surplus/(Deficit)		<b>19</b>		<b>62</b>		<b>0</b>

3.2. The key points to note:

- The cost of staffing is lower than the original budget due to the post of Executive Director being vacant from 5 August 2024. The post of Interim Chief Officer, from 1 November 2024 until 31 March 2025, is 0.4FTE and therefore there is a significant saving compared to the original budget.
- The audit costs are lower than budget due to the reduced internal audit activity agreed by the Audit and Assurance Committee.
- Other costs are lower than budget due to communications, and staff development, being less than forecast. However, additional costs are anticipated in respect of the 'Transition'. It is proposed that £20,000 is vired from the budget for other costs to meet the initial cost of advice in respect of the transition.
- Additional future costs, in respect of the transition, are likely and an appropriate budget for such costs may be required in the future.

#### 4. GCRB Programme Costs 2024-25

4.1. The cost of delivering the programme is detailed in the table below:

	4 months ending 30 November 2024		Revised Forecast 2024-25		Original Budget 2024-25	
	£'000	£'000			£'000	£'000
<b>Income</b>						
Allocated from Regional Grant	72		216		216	
Brought forward funding	0		5		5	
<b>Total</b>		<b>72</b>		<b>221</b>		<b>221</b>
<b>Expenditure</b>						
Action for Children	35		105		105	
Young Enterprise Scotland	0		12		15	
ESOL	32		96		96	
Mental Health	0		5		5	
<b>Total</b>		<b>67</b>		<b>218</b>		<b>221</b>
Surplus/(Deficit)		<b>5</b>		<b>3</b>		<b>0</b>

4.2. The following comments are provided in respect of the Programme of Action budget:

##### Expenditure

- **Action for Children** – the project is progressing well, and the service provision is supported by additional external funding (in addition to our regional contribution). The project has now entered its final year of external funding (from the Robertson Trust).
- **Young Enterprise Scotland** – the core project was funded directly by the Scottish Government. Unfortunately, this government funding has not been made available to Young Enterprise Scotland in 2024-25. As such the core project has now ended. GCRB provided additional funding, for supplementary activity. Given that the core project has ended, Young Enterprise Scotland are not in a position to deliver supplementary activity.
- **ESOL** – funding continues to be provided by GCRB, as in previous years.
- **Mental Health** – no costs have been incurred so far and there are no specific plans in place.

## **5. Future Balances**

- 5.1.** The balance held by GCRB at 1 August 2024, was £175,000.
- 5.2.** As can be seen in section 3.1. above, the latest forecast suggests an operating surplus of £65,000. If the operating surplus is added to the balance brought forward, it would result in a closing balance of £240,000.
- 5.3.** The original budget, and latest forecast, are based upon GCRB being a going concern for the financial year ending 31 July 2025.
- 5.4.** If decisions are taken, which result in the closure of GCRB, then the going concern principle will not apply. In such a scenario, the available balance might be used to meet the costs of closure e.g. cost of meeting liability on the Strathclyde Pension and severance costs relating to employees of the team.

## **6. Risk and Compliance Analysis**

- 6.1.** There are no specific risks, or legal implications, associated with this report. However, the allocation of funding, to meet the GCRB running enables the delivery of the board's objectives and ambitions.
- 6.2.** The delivery of the regional programme of action addresses key elements of the strategic plan and mitigates some of the regional risks, such as:
  - GCRB is unable to deliver against its regional environment and sustainability strategy.
  - GCRB's programme of action investment fails to deliver intended outcomes, impact and benefits.
- 6.3.** The budget and forecast are prepared based on GCRB being fully operational, and a going concern, during the year to 31 July 2025. The budget, and forecast, will be revised if/when the status of GCRB changes.
- 6.4.** There are no legal, or compliance, implications identified in this report.

## **7. Financial and Resource Analysis**

- 7.1.** The financial implications associated with the year 2024-25 are set out in the body of the report.

## **8. Equalities Implications**

- 8.1.** The regional programme of action provides support to learners who are at risk of exclusion.

## **9. Learner Implications**

- 9.1.** The resources utilised for the purpose of GCRB, and the regional programme of action, contribute to the achievement of the agreed learner outcomes in 2024-25.