



Gangmasters
Licensing Authority

GLA41/17 Finance & General Purposes Committee

02 April 2014

Board Paper Reference – GLA41/17 Finance and General Purposes Committee

1. Purpose of the Report

- 1.1 To provide feedback to the Board on the meeting of the Finance and General Purpose Committee held on 17 March 2014.

2. Recommendation

Agreement of Budget for 2014-15

- 2.1 Members of the F&GP Committee agreed at the meeting on 17 March 2014 that they recommend to the main board approval of the 2014/15 GLA Budget.

Strategic Plan 2014-17

- 2.2 F&GP approved the 2014-17 Strategic Plan; the Committee asks for this to be ratified at the Board on 2 April 2014 and then disseminated to stakeholders.

3. Reasons for Recommendation

Agreement of Budget for 2014-15

- 3.1 The Committee heard that due to increased funding of £425k which had been agreed by Defra, the GLA are now able to produce a balanced budget for 2014-15 of £4,268k. This additional funding was agreed following an intense period of negotiation and has enabled the GLA to deliver overall savings with no reduction in frontline services for 2014/15.
- 3.2 The GLA Executive team outlined the savings that had been identified in order to balance the budget and the risks associated with each one. F&GP members were satisfied that these risks were manageable.
- 3.3 It was noted that this budget did not cover the costs associated with the incremental pay buy-out but a separate business case would be prepared to cover this.

Strategic Plan 2014-17

- 3.4 Some minor changes had been made to the 2013-16 Strategic Plan in order to keep it current for 2014-17; the major changes to the Plan are around the 2014-17 delivery plan targets and the 2014-15 in-year targets which had previously been agreed with F&GP members out of committee.
- 3.5 Following an update on the Business Plan it was noted that the GLA had either met or exceeded its year to date targets or a baseline had been established which would inform the coming year's targets.

4. Summary of Key Points

- 4.1 The committee discussed the issues surrounding the budget for 2015-16 and it was agreed that this should be added as a standing item to the agenda for F&GP to ensure that the risks associated with the projected budget could be dealt with on an ongoing basis.
- 4.2 In order for legal costs to continue to be closely managed, the GLA is currently seeking agreement from Defra for the GLA to identify a pool of local solicitors which could be drawn upon when required. Local solicitors were more cost effective than the London based solicitors identified by TSol and they had also built up expertise in the GLA sector. It would therefore be beneficial for the GLA to continue to use their services.
- 4.3 The Committee heard that work is progressing on risk management. In due course, F&GP would be asked to set the level of risk appetite for the GLA on behalf of the Board. The Audit and Risk Committee would then monitor the risk.

5. Financial Implications and Budget Provision

Forecast Outturn for 2013-14

- 5.1 Committee members were informed that there is currently an underspend in this financial year of £100k which have mainly been due to circumstances outside of the GLA's control (IBM and Defra legal recharges which accounted for £70k and £85k respectively).
- 5.2 A full year's set of performance figures would be presented at the Board on 2 April 2014.
- 5.3 There is a need to establish via Central Finance whether the GLA are being charged more per head for IT than other organisations within the Defra family, this is still under investigation.
- 5.4 Additionally there is a need to establish whether there would be any assistance from Defra regarding the increase in employer pension contributions given that this increase will affect all organisations in 15/16 a central solution will be provided but as yet unresolved.

6. Organisational Risks

- 6.1 A potential risk around conflict of interest was identified when using local solicitors it was agreed that this should be added to the risk register and the team will carry out some further work on this.

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