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MEETING	GwE Joint Committee
DATE	19 February 2025
TITLE	GwE Budget 2024/25 Review to end of January 2025
PURPOSE	• To update Joint Committee members on the latest financial review of GwE's budget for the 2024/25 financial year. • The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.
RECOMMENDATION	To accept the report.
AUTHOR	Dewi Morgan, the Host Authority Head of Finance.

1. CONCLUSION

- 1.1 Based on expenditure and income up to the end of January 2025 and following receipt of the latest information on the relevant redundancy costs (including the cost of pension release), it is anticipated that the overspend will be £919,477, based on the maximum redundancy costs. This figure is following the full use of the historic underspend fund of £221,310.
- 1.2 The following section of this report explains the reasons behind the main variations expected.

2. FINANCIAL VARIANCES

2.1 Employees:

January 2025: overspend £1,104,407

The GwE budget for the current year, is based on staff numbers in February 2024. A saving has been realised following the departure of some GwE staff, staff on secondment, in addition to a receipt of grants. This report has also incorporated the decision of the Joint Committee on 1 August 2024 to restructure the Senior Management Team.

Following receipt of the latest information, this financial review includes an estimate of a maximum redundancy cost of approximately £1.7m for staff who will not transfer to the authorities. A Welsh Government contribution of £738k (£123k per authority) is expected towards the cost.

2.2 Rent:

January 2025: overpsend £89,534

It was previously reported the likelihood of an overspend on this heading this year as a result of renting a larger space in the Caernarfon office. In addition to this, the cost of terminating office leases needs to be considered and that has increased the overspend for this year.

2.3 Transport:

January 2025: underspend (£34,032)

Historically, the headline here has been underspending, and based on the April to January trend of this year, we anticipate a situation of underspending continuing. This is mainly due to the new ways of working virtually developed in recent years.

3. UNDERSPEND FUND

3.1 At the beginning of the 2024/25 financial year, the fund totalled £221,310.

3.2 As explained in part 1.1 above, it is the intention to make full use of the underspend fund to reduce the overspend for 2024/25 to £919,477.

APPENDICES

Appendix 1: GwE Budget 2024/25 – Review up to the end of January 2025.

OPINION OF STATUTORY OFFICERS

Monitoring Officer:

Nothing to add from a propriety perspective.

Statutory Finance Officer:

Author of the report.