



MEETING	GwE Joint Committee
DATE	21 May 2025
TITLE	GwE Final Accounts 2024/25 – Revenue Out-turn
PURPOSE	• To update Joint Committee Members on the final financial review of GwE' budget for the financial year 2024/25. • The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.
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1. DECISION

The Joint Committee is asked to:

- 1.1 **Consider and note the Revenue Income and Expenditure Account for 2024/25**, which is an overspend of £523,065, to be financed by a contribution from the authorities.
- 1.2 Approve financial transfers of £221,310 from the underspend fund, and £312,547 from the Newly Qualified Teachers (NQT) fund to reduce GwE overspend in 2024/25.
- 1.3 Approve the final financial position for 2024/25, which is the basis of the GwE statutory financial statements for the year. They will be produced, certified and published by the host authority's Finance Department within the statutory timeframe.

2. BACKGROUND

- 2.1 The GwE Joint Committee Revenue Income and Expenditure account for 2024/25 is in **Appendix 1**.
- 2.2 At the end of the 2024/25 financial year, following the full use of the underspend fund (£221,310) and the remaining balance in the newly qualified teachers fund (£312,547), totalling (£533,857), an overspend of £523,065 is reported by GwE for 2024/25.
- Based on the understanding that the net overspend of £523,065 is to be funded through further contributions from the authorities, the contributions are to be shared on an equal basis between the councils and amount to £523,065 as set out in **Appendix 1**
- 2.3 The final position for the year on the GwE service performance element in 2024/25 was a net underspend of (£857,548). However, the net costs of terminating GwE, including redundancy costs, termination costs of GwE office contracts and the receipt of a grant from the Welsh Government were £1,914,471. Therefore, a net position of £1,056,923 is reported.
- 2.4 In the end of January 2025 review, a forecasted overspend of £919,477 for the year was reported. The overspend has now been reduced to £523,065 following the use of the NQT Fund.
- 2.5 Section 3 below explains the reasons for the main variations.

3. FINANCIAL VARIANCES

3.1 **Employees and Redundancy Costs:**

Final Position: Overspend £961,609 January 2025: Overspend £1,104,407

This budget is significantly overspent due to the redundancy costs facing GwE. Following the receipt of a grant of £738,000 from the Welsh Government through the authorities, the net redundancy costs that GwE will need to fund is £1,779,471. An underspend on the core budget of (£817,862) helps to reduce the above overspend. This underspend stems from a combination of restructuring the senior team in August 2024, staff turnover, seconded staff and grant funding.

3.2 **Building and termination costs of GwE office contracts:**

Final Position: Overspend £120,897 January 2025: Overspend £89,534

The situation has worsened to that reported to the end of January, as a result of termination costs of the Bryn Eirias office contract which was previously unknown. Therefore, the overspend of £120,897 can be explained as a result of the costs of terminating GwE office contracts which totals £135,000.

3.3 **Transport:**

Final Position: Underspend (£19,167) January 2025: Underspend (£34,032)

This heading continues to underspend against the budget, but has reduced from what was reported up to the end of January. This is mainly due to an increase in the travel claims of staff employed by GwE, as well as the receipt of invoices for travel costs from agency staff and staff seconded by GwE.

3.4 **Supplies and Services:**

Final Position: Overspend £8,599 January 2025: Underspend (£19,122)

The situation is near neutral as GwE will not be making a £19,602 contribution to the information technology renewal fund. The situation has worsened by £27,721 to what was reported to the end of January, with this largely stemming from costs of GwE's role in leading projects across north Wales. In the past, these additional costs would have been funded through Welsh Government grants, but with GwE's funding now stemming from Authority contributions, these costs must be identified within the appropriate headings in the core budget.

4. **UNDERSPEND FUND**

4.1 The total fund at the start of the 2024/25 financial year was £221,310.

4.2 The Joint Committee are asked to approve the full use of the underspend fund this year.

5. **NEWLY QUALIFIED TEACHERS FUND**

5.1 The fund at the start of the 2024/25 financial year totalled £455,235.

5.2 £142,688 has been used during the year on newly qualified teachers. The Joint Committee is asked to approve that the remainder of the fund of £312,547 will be used to contribute to reducing the overspend reported this year.

APPENDICES

Appendix 1: Revenue Income and Expenditure Account 2024/25.

VIEW OF THE STATUTORY OFFICERS

Monitoring Officer:

Nothing to add from a propriety perspective

Statutory Finance Officer:

Author of the report