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<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	20 March 2024
<b>TITLE</b>	<b>Base Budget 2024/25</b>
<b>PURPOSE</b>	Present to the Joint Committee : <ul style="list-style-type: none"><li>• GwE Basic Budget 2024/25 (Appendix 1)</li><li>• Authorities Financial Contributions (Appendix 2)</li></ul>
<b>RECOMMENDATION</b>	Adopt the base budget for 2024/25 as presented in Appendix 1.
<b>AUTHOR</b>	Gwynedd Council's Head of Finance

## **1. Base Budget ("stand still" and 10% Savings Target)**

- 1.1 The budget has been adjusted to reflect the decision by the Welsh Government to change the method of distributing the Education grants in 2024/25 (see 2.1).
- 1.2 A 10% savings target from the authorities has been included in the base budget ("stand still" and 10% savings target).
- 1.3 The authorities' financial contributions are shown in Appendix 2.

## 2. Welsh Government Grants funding method 2024/25

- 2.1 There has been a recent decision to amalgamate the main Education grants under one heading, the Local Authority Education Grant (LAEG), with a view to simplifying the process, and having consistent distribution basis across Wales. From 2024/25 onwards the grant will be paid to the councils / schools directly, and not to the regional consortia, with the requirements and risks of the grant now the responsibility of the individual Councils.
- 2.2 To ensure that schools and authorities across north Wales continue to be offered equivalent levels of support and service, there will be a move towards a commissioning arrangement, whereby North Wales authorities will purchase the current service (such as Professional Learning and Curriculum Development support) from GwE, and this being over and above the core service GwE provides.
- 2.3 Each individual Council has assessed and decided on the level of work to be commissioned, and that will have an impact on the level of service that will be provided to each authority. It also means that there are some headings that are no longer under the responsibility of GwE e.g. the Looked After Children (LAC) element within the Pupil Development Grant (PDG).

See table below for grant reduction / commissioning income:

	2023/24	2024/25	Variation
A - Curriculum & Assessment Support	2,235,318	1,080,618	-1,154,700
B - Professional Learning & Leadership	2,245,928	2,543,461	297,533
C - Modern Foreign Languages	176,006		-176,006
D - Other teaching & learning PL (Literacy & Numeracy; Digital)	239,308		-239,308
E - Coding & Digital Skills	66,981		-66,981
G - Remote Instruction of Language & Literacy	145,000		-145,000
I - Education Improvement Grant / Standards Grant Safonau	1,081,638	835,102	-246,536
<b>Total</b>	<b>6,190,179</b>	<b>4,459,181</b>	<b>-1,730,998</b>

2.4 The process Wales Government has followed has resulted in a reduction in grant allocation to North Wales compared to the previous basis. This has reduced the financial resource available to contribute to the consortia.

2.6 These adjustments, together with the cut identified in 3.1, result in a reduction in GwE's gross expenditure, which stood at £17.4m in 2023/24, to £8.46m in 2024/25, and the new budget is shown in Appendix 1.

### **3. Savings Target**

3.1 The attached budget reflects a decision by the Authorities to reduce their contribution to the core service by 10%, and therefore to implement a cut in 2024/25 of £392k, as well as not to add inflation in full.

3.2 Taking into account inflation estimates on all GwE expenditure for 2024/25, and as Education grants are not inflated annually, this means a cut in real terms of an additional £345k to the core funding cut above, totalling £737k.

3.3 The cut has been considered in establishing the 2024/25 budget, by reviewing staffing levels, and other expenditure headings. The balanced budget presented in Appendix 1, is funded from core contributions and commissioning income from the Authorities.

#### **4. General Fund**

- 4.1 The report 'GwE Budget 2023/24 - 3rd Quarter Review' (a previous item on the agenda) estimates that there will be about £239,101 in the general fund on 31/03/2024, equivalent to 1.4% of current GwE turnover in 2023/24.

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#### **Appendices:**

Appendix 1 - GwE Basic Budget for 2024/25

Appendix 2 - Local Authority Contributions 2024/25

#### **VIEWS OF STATUTORY OFFICERS**

##### **The Monitoring Officer:**

Nothing to add from a proprietary perspective

##### **The Statutory Finance Officer:**

Author of the report