

Item: 10
Title: Finance update

Gweithredu / Action required	For information
Amseru / Timing	Routine
Argymhelliad / Recommendation	It is recommended that the Board note the finance update and the proposed new reporting format for 2025/26
Risg / Risk	Reputational and financial risk
Cyllid / Finance	N/A
Amcan Cynllun Corfforaethol / Corporate Plan Objective	To grow and improve as an organisation
Ecwiti, Amrywiaeth a Chynhwysiant / Equity, Diversity & Inclusion	The financial reporting format should be accessible to all to allow for greater understanding of Llais financial reports. Consideration has been given to this.
Cyfathrebu / Communications	Please tick one of the following boxes if this activity will have an impact on: Internal: our people <input checked="" type="checkbox"/> External: our customers/partners/stakeholders <input type="checkbox"/> External: our organisation's reputation <input checked="" type="checkbox"/>
Cymeradwyaeth / Approval/Clearance	Strategic Director of Operations & Corporate Services
Trafodaethau/ Penderfyniadau Blaenorol / Previous discussions/decisions	Routine reporting to Board
Awdur/ Cyflwyno / Author/presenting	Director of Finance/Strategic Director of Operations & Corporate Services
Dyddiad / Date	12 May 2025
Cefndir / Background	

This paper provides an update on Llais' full year financial position for 2024/25 and outlines progress on the 2025/26 budget planning, including engagement with budget holders.

Llais' Financial Plan for 2024/25 set out the financial resources required to deliver its Annual Plan, with the objective of ensuring that expenditure did not exceed the income received from the Welsh Government. The Audit and Risk Assurance Committee last reviewed and scrutinised the 2024/25 finance report on 5 March 2025.

A draft of the 2024/25 Annual Report and Accounts will be presented to the Audit and Risk Assurance Committee on 4 June 2025 for initial review and consideration. The external audit is scheduled to start on the 14 July and the final version of the Annual Report and Accounts will be presented to Board on the 22 October for formal approval.

2025/26 Welsh Government budget allocation

In March 2025, the Board considered a paper detailing Llais' 2025/26 Financial Plan. This document provided a comprehensive overview of forecast income and expenditure, key financial risks, and the resources required to support delivery of the Annual Plan.

The plan was based on the budget approved by Senedd Cymru in February 2025. Welsh Government officials have since confirmed to the Executive Team that the Senedd-approved budget can serve as Llais' initial resource allocation for 2025/26.

A formal allocation letter will be issued following submission of Llais' draft 2024/25 Financial Statements (week commencing 21 May), after which the 2025/26 Grant in Aid requirements will be finalised.

The Board approved the 2025/26 budget plan at its March 2025 meeting.

Manylion / Detail

2024/25 Financial performance

The finance team is working to an internal deadline of 23 May to submit the draft 2024/25 Remuneration Report and Financial Statements to the

Executive Team for initial review.

Appendix A provides the draft financial outturn for 2024/25, However, it should be noted that this is still being developed by the finance team and is subject to audit by Audit Wales.

As the Appendix demonstrates, Llais will report that all baseline funding provided by the Welsh Government in 2024/25 was fully utilised.

A significant contributing factor was the launch of the Voluntary Early Release Scheme (VERS), for which Welsh Government provided an additional £500,000 (of which £218,000 was utilised).

Although all Voluntary Early Release Scheme applications were received and approved during 2024/25, exit payments totalling £390,000 were made in April 2025. These costs, along with the associated disclosure notes, will be reflected in the 2024/25 Annual Report and Accounts.

2024/25 Cash management

In line with the governance framework, the Welsh Government requires that:

“Cash grant-in-aid must not be drawn down in advance of need. Any unspent funds must not exceed 4% monthly and 2% at year-end of the total annual grant-in-aid.”

In 2024/25, Llais received £8,123,000 in Grant in Aid, which included £350,000 to address prior-year debts. At the end of March 2025, the organisation's bank balance was £93,000, well within the 2% year-end threshold.

2025/26 Finance update

The Finance Team has worked with budget holders to introduce a new internal reporting framework, aimed at strengthening budgetary control across the organisation. Budget holders are now required to phase their budgets in alignment with the operational plan, which will facilitate earlier identification of variances and support timely decision-making.

This engagement has led to changes in the originally approved budget. Appendix B outlines the movements in budget allocations both at the regional level and across All-Wales activities. A comprehensive financial

performance update will be presented at the next Board meeting.

Budgetary delegation

Budget delegation letters have been issued to all budget holders. These letters confirm allocated budgets and clarify fiduciary responsibilities and accountabilities.

Contingency budget

As of 30 April 2025, Llais employed:

- 101 staff members (excluding Board and Audit & Risk Assurance Committee members), with 18 vacancies
- 90 Full-Time Equivalents (FTE)

The Voluntary Early Release Scheme exercise has resulted in a £277,000 forecast underspend in staffing costs compared to the Board-approved budget. This amount has been released to the contingency budget, with £16,000 already allocated to operational plan delivery.

The Executive Team is currently reviewing the remaining contingency funds to ensure these are used to support a targeted and effective programme of work in 2025/26.

Medium-term financial planning

Any proposals for new permanent posts or longer-term contractual commitments must be offset by recurrent savings, to avoid the risk of over-committing resources beyond the available budget.

A medium-term financial plan covering 2026/27 and 2027/28 will be developed, incorporating current-year cost projections. The Board will be engaged to agree the planning assumptions underpinning this work.

Recommendations

The Board is asked to note the contents of this report.

Appendix A

Draft financial outturn for 2024/25

2024/25 Draft expenditure to date	Total	National / All Wales costs	North Wales	Gwent	West Wales	Cardiff & VOG	Powys	Neath Port Talbot & Swansea	Cwm Taf Morgannwg
Fixed costs	3,086,666	54,387	530,921	364,998	475,006	434,905	425,266	426,158	375,025
Variable costs	185,562	1,492	45,967	35,187	25,079	23,478	20,120	21,232	13,007
Complaints Advocacy Service	1,443,491	-	353,084	209,595	182,955	155,854	136,236	195,715	210,053
People, Wellbeing & OD	264,092	264,092	-	-	-	-	-	-	-
Organisational Strat. & Engage	726,531	726,531	-	-	-	-	-	-	-
Main Board	639,274	639,274	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-
Governance & Finance	997,716	997,716	-	-	-	-	-	-	-
ICT	653,620	653,620	-	-	-	-	-	-	-
Office moves (incl. dilapidations)	78,805	78,805	-	-	-	-	-	-	-
	8,075,756	3,415,917	929,972	609,779	683,041	614,237	581,621	643,105	598,085

2024/25 Reforecast budget at March 2025	Total	National / All Wales costs	North Wales	Gwent	West Wales	Cardiff & VOG	Powys	Neath Port Talbot & Swansea	Cwm Taf Morgannwg
Fixed costs	2,758,397	55,953	427,401	341,740	410,658	408,636	356,687	387,181	370,141
Variable costs	206,429	3,852	47,096	38,840	27,932	24,375	20,732	24,432	19,170
Complaints Advocacy Service	1,436,202	-	354,699	198,760	184,212	157,307	135,288	196,152	209,784
People, Wellbeing & OD	243,354	243,354	-	-	-	-	-	-	-
Organisational Strategy & Eng:	739,874	739,874	-	-	-	-	-	-	-
Main Board	639,391	639,391	-	-	-	-	-	-	-
Contingency	132,970	132,970	-	-	-	-	-	-	-
Governance & Finance	998,836	998,836	-	-	-	-	-	-	-
ICT	673,400	673,400	-	-	-	-	-	-	-
Office moves (WG funding - excl. dilapidations)	46,036	46,036	-	-	-	-	-	-	-
	7,874,889	3,533,666	829,196	579,340	622,802	590,318	512,707	607,765	599,095

2024/25 Variance between actual YTD and Reforecast	Total	National / All Wales costs	North Wales	Gwent	West Wales	Cardiff & VOG	Powys	Neath Port Talbot & Swansea	Cwm Taf Morgannwg
Fixed costs	(328,269)	1,566	(103,520)	(23,258)	(64,348)	(26,269)	(88,579)	(38,977)	(4,884)
Variable costs	20,867	2,360	1,129	3,653	2,853	897	612	3,200	6,163
Complaints Advocacy Service	(7,289)	-	1,615	(10,835)	1,257	1,453	(948)	437	(269)
People, Wellbeing & OD	(20,738)	(20,738)	-	-	-	-	-	-	-
Organisational Strategy & Eng:	13,343	13,343	-	-	-	-	-	-	-
Main Board	117	117	-	-	-	-	-	-	-
Contingency	132,970	132,970	-	-	-	-	-	-	-
Governance & Finance	1,120	1,120	-	-	-	-	-	-	-
ICT	19,780	19,780	-	-	-	-	-	-	-
Office moves (incl. dilapidations)	(32,769)	(32,769)	-	-	-	-	-	-	-
	(200,867)	117,749	(100,776)	(30,439)	(60,239)	(23,919)	(68,914)	(35,340)	1,010

Appendix B

2025/26 Reforecast at April 2025 - analysed by department.

2025/26 Board approved budget	Total	National / All Wales costs	North Wales	Gwent	West Wales	Cardiff & VOG	Powys	Neath Port Talbot & Swansea	Cwm Taf Morgannwg
Salaries	6,260,552	1,949,112	821,432	585,089	592,883	573,870	518,251	597,777	822,559
Other staff costs	156,470	112,000	17,000	5,500	5,000	2,700	9,000	2,000	4,100
Accommodation costs	387,061	94,518	72,893	78,843	28,562	-	42,233	39,944	30,069
IT costs	916,054	903,233	2,236	1,640	2,348	1,541	1,457	1,670	1,929
Professional Fees	173,922	173,922	-	-	-	-	-	-	-
Variable costs	400,941	276,100	23,343	14,355	12,559	14,444	22,510	22,620	15,010
Contingency	-	-	-	-	-	-	-	-	-
	8,295,000	3,508,884	936,904	685,427	724,944	592,355	593,451	580,198	673,667

Full Time Equivalents	107.40	26.00	15.20	11.24	11.81	11.48	9.56	10.31	11.80
-----------------------	--------	-------	-------	-------	-------	-------	------	-------	-------

2025/26 Reforecast at April 2025	Total	National / All Wales costs	North Wales	Gwent	West Wales	Cardiff & VOG	Powys	Neath Port Talbot & Swansea	Cwm Taf Morgannwg
Salaries	5,983,441	1,933,818	741,129	535,306	592,883	533,048	471,932	564,756	810,789
Other staff costs	170,300	124,000	17,000	5,500	6,000	2,700	9,000	2,000	4,100
Accommodation costs	381,874	83,783	68,968	72,020	28,562	34,694	42,233	39,944	31,670
IT costs	928,413	915,592	2,236	1,640	2,348	1,541	1,457	1,670	1,929
Professional Fees	295,922	295,922	-	-	-	-	-	-	-
Variable costs	273,176	151,850	23,888	14,541	11,159	12,100	25,455	17,703	16,500
Contingency	261,874	261,874	-	-	-	-	-	-	-
	8,295,000	3,746,839	853,201	629,007	640,732	584,083	550,077	626,073	664,988

Full Time Equivalents	107.40	26.00	15.20	11.24	11.81	11.48	9.56	10.31	11.80
-----------------------	--------	-------	-------	-------	-------	-------	------	-------	-------

2025/26 Variance of reforecast at April 2025	Total	National / All Wales costs	North Wales	Gwent	West Wales	Cardiff & VOG	Powys	Neath Port Talbot & Swansea	Cwm Taf Morgannwg
Salaries	277,111	15,294	80,303	49,783	(0)	40,622	46,319	33,021	11,770
Other staff costs	(13,830)	(12,000)	-	-	(1,000)	-	-	-	-
Accommodation costs	5,187	30,735	3,925	6,823	(0)	(34,694)	(0)	0	(1,601)
IT costs	(12,359)	(12,359)	-	-	-	-	-	-	-
Professional Fees	(122,000)	(122,000)	-	-	-	-	-	-	-
Variable costs	127,765	124,250	(525)	(186)	1,400	2,344	(2,945)	4,917	(1,490)
Contingency	(261,874)	(261,874)	-	-	-	-	-	-	-
	0	(237,955)	83,703	56,420	399	8,272	43,374	37,938	8,679

Full Time Equivalents	107.40	107.40	-	-	-	-	-	-	-
-----------------------	--------	--------	---	---	---	---	---	---	---