



## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

20/09/2024

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**Title:** 2024/25 Revenue and Capital Budget – End of August 2024 Review.

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### 1. Purpose of the Report

- 1.1 This report intends to provide the North Wales Economic Ambition Board (NWEAB) with details of the actual revenue expenditure and income up to the end of August 2024, as well as projected full year out-turn against its annual budget. It also shows the revised proposed capital programme as at the end of August 2024.
- 1.2 In order to operate effectively, the Joint Committee needs to be aware of its projected expenditure position against its approved annual budget.

### 2. Decision Sought

The Board is asked to:-

- 2.1 Note and accept the NWEAB's revenue end of August 2024 review (Appendix 1).
  - 2.2 Note and accept the NWEAB's reserves update (Appendix 2).
  - 2.3 Agree the NWEAB's revised capital expenditure profile (Appendix 3).
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### **3. Reasons for the Decision**

- 3.1 To note a forecasted underspend of £5,966 against the revenue budget in 2024/25.
- 3.2 To note a further slippage on the capital programme, with an estimated expenditure of £14.28m in 2024/25 compared to an approved budget of £24.67m for the year.

### **4. Background and Relevant Considerations**

- 4.1 The NWEAB in its meeting on 15 March 2024 approved its 2024/25 revenue and capital budget.
- 4.2 The budget will continue to be monitored and reviewed throughout the 2024/25 financial year, and the third quarter review will be presented to the Portfolio Board and the NWEAB in January 2025.

### **Revenue**

#### **5. Expenditure and income in 2024/25**

- 5.1 Appendix 1 provides a detailed analysis of the actual expenditure and income up to the end of August 2024, together with projected full year out-turn against its annual budget.
- 5.2 The net out-turn position at the end of the 2024/25 financial year is forecasted to be an underspend of £5,966.

### **Portfolio Management Office**

- 5.3 The net overspend of £9,368 forecasted for the Portfolio Management Office is mainly due to the overspend on supplies and services. The overspend is due to IT system costs and this budget heading will need to be reviewed for future years.

### **Accountable Body Support Services**

- 5.4 The net underspend of £20,000 on Cyngor Gwynedd's finance services support will be used to fund the external financial support overspend on the Projects heading.

### Joint Committee

5.5 The expenditure under the Joint Committee heading is expected to be within the budget for 2024/25.

### Projects

5.6 The Projects heading shows a net overspend of £70,000 and this is mainly due to external legal support costs on numerous projects in the capital programme.

### Grant schemes

5.7 The expenditure under this heading mainly includes grant funded Local Area Energy and Shared Prosperity Fund projects. An extension until March 2025 has been recently received on the Local Area Energy grant, therefore although it's showing as an overspend, it will be funded by the surplus grant shown in the income section.

### Funding Contributions

5.8 The main income streams for 2024/25 include partner contributions, the revenue allocation of the North Wales Growth Deal (NWGD) grant, Welsh Government Energy grant, The North Wales Corporate Joint Committee (staff secondment), UK Shared Prosperity Fund and the earmarked reserve.

### NWEAB Reserves

5.9 Appendix 2 shows the estimated reserve balances at 31 March 2025.

5.10 The total general earmarked reserve balance at 31 March 2024 was £277,927, and £66,950 of this reserve has been allocated in the 2024/25 budget to give an estimated balance of £210,977 at 31 March 2025.

5.11 The estimated projects reserve balance at 31 March 2025 is £152,300.

5.12 The interest reserve is ringfenced to fund the cost of borrowing in future years. Its estimated balance at 31 March 2025 is £7,233,483 and this includes an estimated £2.5m of interest on balances that will be received during the year.

## **Capital**

- 5.13 Appendix 3 shows the revised proposed capital programme as at the end of August 2024.
- 5.14 There is a net reduction of £10.39m in the anticipated expenditure for 2024/25 and this is due to slippage on four projects (Smart Local Energy, Deeside Waste to Fuel, Holyhead Gateway and Former North Wales Hospital). The expenditure on the Centre of Environmental Biotechnology and the Tourism Talent Network (TTN) projects have been brought forward to 2024/25 to correspond to the capital profile in the full business case and business justification case.
- 5.15 There has also been two years delay on the profiled expenditure for the Kinmel Studios (from 2026/27 to 2028/29) and the Glynllifon Rural Economy Hub (from 2025/26 to 2027/28) projects.
- 5.16 Based on this revised expenditure profile, the growth deal grant of £56.9m that has already been received is sufficient to finance the capital programme until the end of 2025/26. Ambition North Wales did not receive a growth deal grant payment in 2023/24, and are currently waiting on confirmation from Government on the revised grant funding profile for the remaining years.

## **6. Consultations Undertaken**

- 6.1 The appendices of this report were presented to the Portfolio Board on 6 September 2024.

## **7. Appendices**

Appendix 1 – 2024/25 North Wales Economic Ambition Board’s Revenue Budget – End of August 2024 Review

Appendix 2 – NWEAB’s reserves position.

Appendix 3 – 2024/25 North Wales Economic Ambition Board’s Capital Budget – End of August 2024 Review

**STATUTORY OFFICERS' RESPONSE:**

**i. Monitoring Officer – Accountable Body:**

No observations to add in relation to propriety.

**ii. Statutory Finance Officer – Accountable Body:**

Author of this report.