



GOVERNANCE AND AUDIT SUB-COMMITTEE

13 January 2026

TITLE: 2024/25 Financial Out-turn, Final Accounts and Audit Reports of the North Wales Corporate Joint Committee and North Wales Economic Ambition Board

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to provide the Governance and Audit Sub-committee with contextual information on the financial position of the North Wales Corporate Joint Committee – including the Growth Deal – during the 2024/25 financial year.

2. DECISION SOUGHT

- 2.1. As requested at its December meeting, this report is presented for information only to provide the Governance and Audit Sub-committee with the financial context in which the North Wales Corporate Joint Committee is operating. Members are asked to consider the information contained in this report and its appendices and to seek further information from officers.

3. REASON FOR THE DECISION

- 3.1. The 2024/25 Statements of Account for both the CJC and the former North Wales Economic Ambition Board have been approved by the Corporate Joint Committee in November 2025 and have been subsequently certified by the Auditor General for Wales.
- 3.2. This report, therefore, does not provide members of the Governance and Audit Sub Committee with an opportunity to “re-open” the Statements of Account but rather provides information on the financial situation of the Corporate Joint Committee at the start of the current financial year.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. For the purposes of the 2024/25 Statements of Accounts pursuant to the Accounts and Audit (Wales) Regulations 2014, the NWEAB was considered a “larger relevant body” which meant that an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom was produced for 2024/25.
- 4.2. Conversely, since neither the income nor the expenditure of the CJC exceeded £2.5million during 2024/45 nor 2023/24, it was considered a “smaller relevant body” for the purposes of the Regulations, meaning that an annual return was produced.

- 4.3. The NWEAB's role and functions were transferred to the CJC on 1st April 2025, which included staff, resources, financial liabilities and assets, including the Growth Deal and funding, and will therefore be included within the CJC's Statement of Accounts from 2025/26, which will be accounts for a larger relevant body.

5. NORTH WALES ECONOMIC AMBITION BOARD 2024/25 OUT-TURN POSITION

- 5.1. The final net out-turn position for 2024/25 was an underspend of £385,605.

Portfolio Management Office

- 5.2. There was a £75,140 underspend on the Portfolio Management Office (PMO) and the main underspend was seen in the Employee Expenditure heading. This was mainly due to the actual pay inflation for 2024/25 being around 3% compared to the budgeted amount of 6%. Funding from the Shared Prosperity Fund was also extended to March 2025 therefore the underspend in the Shared Prosperity plans heading was used to fund the costs of three officers which had previously been budgeted as part of the core budget.
- 5.3. Part of the underspend on the Employee Expenditure heading was used to fund temporary consultancy staff to cover a Programme Manager role.

Accountable Body Support Services

- 5.4. The underspend on this heading was £41,730 which is the result of the reduced net expenditure on the Accountable Body (Host Authority) support services.

Joint Committee

- 5.5. The underspend on this heading was £48,935, due to an underspend on the External Legal Support, External Financial Fees, External Audit Fees and the Business Delivery Board.

Projects

- 5.6. The underspend on this heading was £65,034 mainly due to costs that were previously considered within the Project Business Case Development costs being capitalised. However, there was a high demand for external legal support for the projects during the year.

Grant Schemes

- 5.7. The expenditure under this heading mainly includes grant funded Local Area Energy and Shared Prosperity Fund projects and an extension was received on both projects until March 2025 therefore leading to a net overspend of £96,820 against the annual budget.
- 5.8. The overspend on the Local Area Energy project was funded by the surplus grant whilst the underspend on the Shared Prosperity plans was used to fund the overspend on the Shared Prosperity Fund employee costs as well as contribute towards the overhead costs of the Portfolio Management Office.

Transfers to Reserves

- 5.9. At the NWEAB meeting on 14 February 2025, a request from the PMO to transfer the interest received in 2024/25 and 2025/26 on the North Wales Growth Deal grant balances to a specific reserve to fund additional government requirements and project development costs from 2025/26 and the retention of PMO's capacity for an additional two years beyond March 2026 was approved. Interest received was £2,800,231 which was transferred to the resources reserve.

Funding Contributions

- 5.10. The main income streams for 2024/25 included partner contributions, the revenue allocation for the North Wales Growth Deal grant, Welsh Government energy grant, UK Shared Prosperity Fund, the CJC's contribution for staff secondment and the earmarked reserve.
- 5.11. The original North Wales Growth Deal grant allocation was £1,100,000, but due to the net underspend position of £385,605 for 2024/25, a reduced amount of £714,395 was needed in order to leave a neutral position for the year.

NWEAB Reserves

- 5.12. The total earmarked reserve balance at 31 March 2025 was £210,977. The NWEAB at its meeting on 14 February 2025 approved the use of £60,990 of this reserve as part of the 2025/26 budget.
- 5.13. The projects reserve balance at 31 March 2025 was £29,167. In the December 2024 review, it was noted that the reserve would be used to finance the Smart Local Energy project costs included within the Project Business Case Development heading. These costs have been subsequently capitalised but since the Full Business Case was yet to be approved, these costs have been met from the projects reserve. The costs for the year were £123,133.
- 5.14. The interest reserve balance at 31 March 2025 was £4,733,483.
- 5.15. The resources reserve balance at 31 March 2025 was £2,800,231 due to the transfer of the interest received in 2024/25 on the North Wales Growth Deal grant balance.

Capital

- 5.16. The total Capital expenditure for the year up to 31 March 2025 was £15.31m.
- 5.17. There was a net reduction of £13.3m in the expenditure in 2024/25 and this was due to slippage on four projects (Digital Signal Processing Centre, Smart Local Energy, Holyhead Gateway and Former North Wales Hospital) and the withdrawal of the Deeside Anaerobic Digestion Plant project. However, the commencement of the Centre of Environmental Biotechnology, Enterprise Engineering & Optics Centre and the Tourism Talent Network projects during the year brought forward some their profiled spend.
- 5.18. The 2.15% budget for revenue funding in 2024/25 was also reduced to £0.71m to reflect the final revenue out-turn position.

6. CORPORATE JOINT COMMITTEE 2024/25 OUT-TURN POSITION

- 6.1. The final net out-turn position for 2024/25 was an underspend of £401,598. The CJC approved the transfer of this underspend to the earmarked reserve. The CJC had already approved for £564,740 of this reserve to be used as part of the 2025/26 budget at its meeting on 17 January 2025.

Employees

- 6.2. The final underspend on this heading was £333,674.
- 6.3. The expenditure on the Transport sub-heading included the secondment costs of the Implementation Programme Manager from Welsh Government and costs for the Strategic Communication and Engagement Lead (1 day a week). The expenditure on the CJC sub-heading includes costs for the interim Chief Executive (2 days a week) together with the support of the Personal Assistant (1 day a week).
- 6.4. The budgeted allowance cost of the lay members relates to Governance and Audit Committee meetings; these meetings will be held from 2025/26.

Travelling

- 6.5. The travel allowance and staff subsistence budget had not been used in 2024/25 which leaves an underspend of £6,000 for the year.

Supplies and services

- 6.6. There was a net underspend of £129,140 against the supplies and services heading for 2024/25.
- 6.7. There was an overspend in the miscellaneous supplies heading of £7,502 due to training and printing costs associated with the Regional Transport Plan.
- 6.8. Audit Wales' fees showed as negative for 2024/25 as the fees accounted for in previous years were higher than the actual amounts. In addition, an Annual Return was required for 2024/25 rather than a full set of accounts due to the turnover not exceeding the £2.5m threshold.
- 6.9. The expenditure on the external consultants heading for the year was £222,231 and £180,517 of this expenditure was funded from the Welsh Government Transport Grant. The external consultants' expenditure for Strategic Planning is expected to commence in 2025/26.
- 6.10. There is an underspend of £46,763 on the insurance costs and this is due to an interim insurance policy being in place for 2024/25, with the full insurance policy commencing in April 2025.

Support Services

- 6.11. The final underspend on the support services heading is £7,230.
- 6.12. The overspend on the corporate support heading was mainly due to translation costs. The underspend on the legal heading will be used to fund part of the overspend on the legal costs from external consultants shown under set-up costs.

Set-up costs

- 6.13. The net overspend on the set-up costs heading is £195,753.
- 6.14. Due to the delay in the transfer of the Growth Deal functions to the CJC to 1 April 2025, the legal and external consultant costs associated with the transfer was £262,686 compared to the budget of £50,000.
- 6.15. The £125,886 expenditure on legal and democratic costs includes the costs for an external law firm as well as a legal consultant and a democratic consultant who were commissioned to provide specialised advice and support on the establishment of the CJC.
- 6.16. The £136,800 on external consultants relates to project management costs associated with the CJC implementation.

Income

- 6.17. CJC was successful in its bid to Welsh Government for funding towards the Regional Transport Plan, and £125k was awarded in 2023/24 and a further £100k in 2024/25. £180,517 of this grant income is shown in 2024/25, with £80,517 of the grant income funding external consultant costs that were commissioned in 2023/24 but the work not completed until April 2024.
- 6.18. Confirmation was received in the October 2024 Budget that the Investment Zone programme would continue UK wide. There is an annual allocation of £640k to fund revenue costs, and one third of this budget will be allocated to the CJC. The first claim will include the £83k costs incurred in 2024/25, and although both Wrexham and Flintshire County Councils have between them underwritten £50,000 of this expenditure, the CJC reserve will be used to fund this expenditure in 2024/25 and will be repaid once the grant income is approved from Government.
- 6.19. The interest on balances for 2024/25 was £57,723.

Constituent Authority Contributions

- 6.20. The levy on the constituent authorities for 2024/25 was approved by the CJC in its meeting on 26 January 2024.

Reserve

- 6.21. On 1 April 2024, there was £892k in the reserve and £98k of this reserve was approved to be used for the 2024/25 budget and £100k to fund the Investment Zone expenditure until the grant income from Government is approved. Due to the underspend in 2024/25, the reserve balance at 31 March 2025 has increased to £1.113m.

7. STATEMENT OF ACCOUNTS

- 7.1. The draft (pre-audit) Statement of Accounts for the North Wales Economic Ambition Board were signed by the Responsible Finance Officer (Section 151 Officer) on 27 June 2025 and considered by the Corporate Joint Committee on 18 July 2025.
- 7.2. The pre-audit Annual Return for the Year Ended 31 March 2025 for the Corporate Joint Committee was signed by the Responsible Finance Officer (Section 151 Officer) on 4 June 2025 and considered by the Corporate Joint Committee on 13 June 2025.
- 7.3. Following the audit of the accounts by Audit Wales, the auditor's report together with the final account of the North Wales Economic Ambition Board and the final return for the Corporate Joint Committee were approved by the CJC on 28 November 2025.
- 7.4. Audit Wales provided an unqualified opinion on the accounts of both NWEAB and NWCJC.

8. FINANCIAL IMPLICATIONS

- 8.1. The report sets out the financial position of the NWEAB and NWCJC during the 2024/25 financial year, as requested by the Governance and Audit Sub Committee at its meeting on 9 December 2025. There are no financial implications arising from the decision sought.

9. LEGAL IMPLICATIONS

- 9.1. The Statements of Accounts and Annual Return included in the appendices, together with the reports by Audit Wales have already been considered and approved by the Corporate Joint Committee on 28 November and the accounts have been certified by the Auditor General for Wales. These items are therefore presented to the Governance and Audit Sub Committee for information only.

APPENDICES:

Appendix 1: Statement of Accounts for the North Wales Economic Ambition Board 2024/25

Appendix 2: Audit of Accounts Report – North Wales Economic Ambition Board Joint Committee

Appendix 3: North Wales Corporate Joint Committee Annual Return 2024/25

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

The report is before Members to provide the contextual position on the financial position of the North Wales Corporate Joint Committee (including the Growth Deal) for the financial year 2024/25. The report is presented for information only to explain the financial context in which the North Wales Corporate Joint Committee is operating to support the sub-committee's understanding and legislative function.

ii. **Statutory Finance Officer:**

Report author.