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## **NORTH WALES CORPORATE JOINT COMMITTEE**

**23 January 2026**

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**TITLE:** 2026/27 Budget, Levy on Constituent Authorities and Partner Contributions

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### **1. PURPOSE OF THE REPORT**

- 1.1. The purpose of this report is to provide the proposed North Wales Corporate Joint Committee (CJC) and Growth Deal budget for 2026/27.

### **2. DECISION SOUGHT**

#### **North Wales Corporate Joint Committee**

- 2.1. To approve the budget for 2026/27 as presented in Appendix 1.
- 2.2. To approve the levy on the constituent authorities as noted in Appendix 1.

#### **Growth Deal**

- 2.3. To approve the Growth Deal's revenue budget for 2026/27 as presented in Appendix 2.
- 2.4. To approve the funding contributions to include the partner contributions, local authorities' supplementary contributions and partner interest contributions.
- 2.5. To approve the Growth Deal's capital budget for 2026/27 as presented in Appendix 3.

### **3. REASON FOR THE DECISION**

- 3.1. It is a statutory requirement for the CJC to approve its budget at a meeting of the CJC by 31 January annually.
- 3.2. The Growth Deal also requires an annual budget to be approved in order to operate effectively within the funding available.

### **4. BACKGROUND AND RELEVANT CONSIDERATIONS**

- 4.1. Regulations 16 and 17 of The North Wales Corporate Joint Committee Regulations set out the details of the process to be used to agree and fund the costs. Again for 2026/27, it is

recommended that the CJC's budget is funded by means of a levy apportioned between the constituent authorities based on the population relevant to the field of work.

- 4.2. The Delivery and Funding Agreement sets out the funding arrangements for the Growth Deal. As per the Agreement, the budget for 2026/27 shall consist of the annual contributions from partner authorities, supplementary contributions from local authorities and contributions to finance the cost of borrowing of projects.

## 5. FINANCIAL IMPLICATIONS

### North Wales Corporate Joint Committee

- 5.1. The CJC budget for 2026/27 is shown in Appendix 1 and has been split to four headings which are Strategic Planning, Transport, Investment Zone and corporate functions. This allows the constituent authorities' contributions to be levied separately for 'Planning' and 'Other' functions.
- 5.2. The total expenditure budget for 2026/27 is £2,159,770, with £200,000 funded from the Investment Zone allocation, £100,000 from the Welsh Government Regional Transport Plan Grant, £200,000 from the Welsh Government CJC Grant, £20,000 interest income, £624,590 from the reserve (which will leave around £0.8m in the reserve at 31 March 2027) and £1,015,180 from the levy on constituent authorities.
- 5.3. The budget has overall increased due to additional resources and services required to facilitate the work of the CJC going forwards. The increase is mainly shown within employees, supplies and services and support services lines, with additional budget lines added such as training, advertising and recruitments costs, premises, marketing and bank costs. The projects line (in the supplies and services heading) relates to expenditure that will be funded by the Welsh Government CJC grant – this will be further analysed when further information is available.
- 5.4. In order to further support governance arrangements across the CJC (including the Investment Zone and Growth Deal), 1 FTE Monitoring Officer and 0.6 FTE Section 151 Officer are required. The Monitoring Officer and Section 151 Officer costs under the support services heading are based on 0.35 FTE and 0.18 FTE respectively (which are then split between CJC and Growth Deal). In order to increase capacity to meet these requirements, an additional £129,790 has been budgeted, with £81,110 to the CJC, £16,230 to the Investment Zone and £32,450 to the Growth Deal.
- 5.5. The net expenditure budget is summarised below:
- Strategic Planning (6 Leaders and Chair of the Park - simple majority, quorum = 5)
  - Other Functions of the CJC including Transport (6 Leaders - simple majority, quorum = 5).

| Strategic Planning | Transport | Corporate Joint Committee | Budget Total |
|--------------------|-----------|---------------------------|--------------|
| £                  | £         | £                         | £            |
| 388,170            | 179,130   | 447,880                   | 1,015,180    |

5.6. In accordance with the legislation, the CJC's general budget and the Transport budget will be funded by the six North Wales authorities, while the Eryri National Park Authority will also contribute towards the Strategic Planning budget (where they will have a vote). The levy for each constituent authority has been divided based on the population figures and the total net budget.

5.7. The levy on the constituent authorities is noted below:

- Strategic Planning (Unanimity, quorum = 7)
- Other Functions (Unanimity, quorum = 6)

|                                 | <b>Strategic<br/>Planning</b> | <b>Other functions</b> | <b>Total Levy</b>  |
|---------------------------------|-------------------------------|------------------------|--------------------|
|                                 | <b>£</b>                      | <b>£</b>               | <b>£</b>           |
| Conwy County Borough Council    | (61,450)                      | (103,330)              | (164,780)          |
| Denbighshire County Council     | (54,690)                      | (88,350)               | (143,040)          |
| Flintshire County Council       | (86,790)                      | (140,200)              | (226,990)          |
| Cyngor Gwynedd                  | (56,130)                      | (108,660)              | (164,790)          |
| Isle of Anglesey County Council | (38,480)                      | (62,130)               | (100,610)          |
| Wrexham County Borough Council  | (76,970)                      | (124,340)              | (201,310)          |
| Eryri National Park Authority   | (13,660)                      |                        | (13,660)           |
| <b>Total Levy</b>               | <b>(388,170)</b>              | <b>(627,010)</b>       | <b>(1,015,180)</b> |

5.8. The levy has increased by £112,700 for 2026/27 due to inflation (3.5%) and the additional costs of increasing the capacity of the Monitoring Officer and the Section 151 Officer for the CJC (£81,110).

5.9. Final approval by the UK and Welsh Governments of the Flintshire and Wrexham Investment Zone was announced in the 2025 Budget. Over the ten-year duration of the Investment Zone, a total of £6.4m is available to support the programme's administration. From this allocation, £200,000 per annum is allocated to the CJC to undertake its statutory role as the accountable body. Legal support will be required in 2026/27, and therefore budget has been allocated to the relevant lines, with the remaining budget allocated to set-up costs. Budget headings such as support services for the Investment Zone will need to be reviewed when further information on the requirements becomes available.

## **Growth Deal**

### Revenue Budget

5.10. Appendix 2 sets out the proposed Growth Deal revenue budget per expenditure heading and the corresponding funding streams for the year.

5.11. The total expenditure budget for 2026/27 is £2,946,070, with £469,900 funded by partner contributions, £240,000 by local authorities' supplementary contributions, £154,090 by partner interest contributions, £660,000 from the 2.15% of the North Wales Growth Deal grant allocated to fund revenue expenditure, £435,350 from the top-slice of the projects' allocation

of the North Wales Growth Deal grant to fund posts specific to these projects and £986,730 from the resources reserve.

- 5.12. In its meeting in February 2025, the North Wales Economic Ambition Board approved the transfer of the interest received on the Growth Deal grant balances in 2024/25 and 2025/26 to a specific reserve to fund the additional government roles, the retention of the Portfolio Management Office capacity for an additional two years as well as project development costs. The use of this reserve in 2026/27 will leave an estimated balance of around £2.9m at 31 March 2027.

- 5.13. The contributions from partners are summarised below:

|                                 | Partner<br>Contributions | Local<br>Authorities'<br>Supplementary<br>Contributions | Partner Interest<br>Contributions | Total<br>Contributions |
|---------------------------------|--------------------------|---------------------------------------------------------|-----------------------------------|------------------------|
|                                 | £                        | £                                                       | £                                 | £                      |
| Conwy County Borough Council    | (58,730)                 | (40,000)                                                | (18,140)                          | (116,870)              |
| Denbighshire County Council     | (58,730)                 | (40,000)                                                | (6,070)                           | (104,800)              |
| Flintshire County Council       | (58,730)                 | (40,000)                                                | (9,140)                           | (107,870)              |
| Cyngor Gwynedd                  | (58,730)                 | (40,000)                                                | (6,780)                           | (105,510)              |
| Isle of Anglesey County Council | (58,730)                 | (40,000)                                                | (28,370)                          | (127,100)              |
| Wrexham County Borough Council  | (58,730)                 | (40,000)                                                | (18,970)                          | (117,700)              |
| Bangor University               | (29,380)                 |                                                         | (23,270)                          | (52,650)               |
| Wrexham University              | (29,380)                 |                                                         | (24,250)                          | (53,630)               |
| Coleg Cambria                   | (29,380)                 |                                                         |                                   | (29,380)               |
| Grŵp Llandrillo Menai           | (29,380)                 |                                                         | (19,100)                          | (48,480)               |
| <b>Total Contributions</b>      | <b>(469,900)</b>         | <b>(240,000)</b>                                        | <b>(154,090)</b>                  | <b>(863,990)</b>       |

- 5.14. Partner contributions will remain the same as 2025/26 due to the reduction of the employer pension contribution rate from 2026/27 offsetting the out-turn adjustment for 2025/26 and the estimated salary inflation for 2026/27.
- 5.15. The supplementary contributions were approved as part of the Delivery and Funding Agreement and are provided by each Council on an ongoing basis to partly fund the annual budget of the Growth Deal.
- 5.16. In 2020, Arlingclose (independent treasury advisory company) were commissioned to model the cost of borrowing and the corresponding annual partner contributions required to meet this cost, and contributions were included in the 2021/22 budget onwards. Although a lot of the variables that can affect these costs remain uncertain, these revised contributions for 2026/27 are based on the most up to date information available and level of contributions required for the remaining years will be reviewed again as more information becomes available during the year.
- 5.17. Changes in projects in the capital profile have led to an overall increase in the estimated cost of borrowing compared to the previous calculation undertaken for the 2025/26 budget and have also altered partners' share of the borrowing cost, which is reflected in the partner interest contributions levels. Some partners also lead their own Growth Deal projects, and the

associated cost of borrowing has therefore been added to their interest contributions. Despite these changes, the interest contributions remain within the thresholds approved in the Delivery and Funding Agreement.

### Capital Budget

- 5.18. The capital budget reflects the most recent expenditure profile for each project within the Growth Deal over the period 2021/22 to 2034/25, as well as the 2.15% top-slice to fund the revenue budget over the same period. It's based on the latest projects' timescale, and it will be reviewed during the year as the business cases are approved.
- 5.19. Following a portfolio review by Ambition North Wales, some Growth Deal projects were removed in 2025/26 and a Reserve List was established. This led to changes in the capital profile, where new projects that were on the Reserve List secured funding following the approval of their business cases, and some projects that were previously in the capital profile were moved to the Reserve List.
- 5.20. Although the £240m capital expenditure will be funded by the Growth Deal grant, the timing of the grant receipt will mean that borrowing will be required in the short term. The cost of borrowing will be funded by partners and project sponsors, and partners have already been contributing an annual sum towards these costs which has been set aside in a specific reserve.
- 5.21. The Portfolio Management Office will be working to agree a revised drawdown funding profile of the Growth Deal grant with Welsh Government and UK Government.
- 5.22. With capital projects, there is always a risk of overspending, and controls will be put in place to limit overspending costs on specific projects. For regional projects, the Portfolio Management Office will be responsible for controlling expenditure and ensuring that sufficient contingency budgets are included in the project business cases. Overspend would be a matter for the project sponsor to deal with in relation to their own projects.
- 5.23. Regular budget monitoring reports of the CJC and Growth Deal will be presented to Ambition North Wales staff during the year. A further detailed review will also be undertaken at the end of July 2026 and December 2026 and presented to CJC and appropriate sub-committee meetings, with any issues highlighted and appropriate steps taken.

## **6. IMPACT ASSESSMENT**

- 6.1. The Corporate Joint Committee is subject to duties under the Equality Act 2010 and the Well-being of Future Generations (Wales) Act 2015.
- 6.2. In accordance with the legal duties under the Equality Act 2010, when making decisions, the Corporate Joint Committee must give due attention to the need (1) to eliminate unlawful discrimination (2) advance equality of opportunity and (3) encourage good relations based on the protected characteristics. As setting a budget falls within the decisions which can be considered strategically, there is a duty to give due attention to operating in a way which is designed to minimise inequalities which stem from socio-economic disadvantage. As the Corporate Joint Committee is still in its early years, it is not considered that any specific impacts stem from the decisions submitted.

- 6.3. The Well-being of Future Generations (Wales) Act 2015 involves improving the social, economic, environmental and cultural well-being of Wales. The act places a well-being duty on public bodies which is aimed at delivering the seven well-being goals, namely a prosperous, resilient, healthier, more equal Wales with cohesive communities and a vibrant culture with a thriving Welsh language and which is globally responsible. Given the context, the recommendations are in accordance with these duties.

## **7. LEGAL IMPLICATIONS**

- 7.1. Regulations 16 and 17 of The North Wales Corporate Joint Committee Regulations 2021 set out the details of the process to be used to agree and fund the costs. These regulations place specific requirements regarding the calculation and approval of the budget requirement (Regulation 16) and then, as a second step, agreeing the levy contributions of the constituent authorities (Regulation 17). According to statute, the Corporate Joint Committee must adopt the Budget by 31 January 2026. If the Corporate Joint Committee fails to agree on the contributions, Welsh Ministers have statutory powers to instruct the distribution of contributions.
- 7.2. It is noted in the decisions sought that there are specific requirements regarding quorum and voting in relation to these decisions. Therefore, it must be ensured that voting is arranged in a way which reflects on the one hand the specific voting rights involved with setting the budget and on the other hand the need for unanimity on the decisions on the levy, again while separating both elements.
- 7.3. Senior Officers of Ambition North Wales as well as the Monitoring Officer have contributed to this budget.

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## **APPENDICES:**

- Appendix 1:** North Wales Corporate Joint Committee's 2026/27 Revenue Budget
- Appendix 2:** Growth Deal's 2026/27 Revenue Budget
- Appendix 3:** Growth Deal's 2026/27 Capital Budget

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## **STATUTORY OFFICERS RESPONSE:**

**i. Monitoring Officer:**

The report summarises the technical requirements involved with these decisions together with the statutory duties involved with establishing the budget and levy.

**ii. Statutory Finance Officer:**

Report author.