



## NORTH WALES CORPORATE JOINT COMMITTEE

23 January 2026

**TITLE:** 2025/26 Revenue and Capital Position – End of December 2025 Review.

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### 1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to provide the North Wales Corporate Joint Committee (CJC) with details of the CJC, the Economic Well-being Sub-committee (Growth Deal) and the Regional Skills Partnership's (RSP) projected full year out-turn income and expenditure against their annual budget.
- 1.2. In order to operate effectively, the Joint Committee needs to be aware of the projected expenditure position against the approved annual budget.

### 2. DECISIONS SOUGHT

- 2.1. To note and accept the revenue end of December 2025 review for the CJC (Appendix 1).
- 2.2. To note and accept the revenue end of December 2025 review for the Economic Well-being Sub-committee (Growth Deal), including the reserves position (Appendix 2 and 3).
- 2.3. To note and accept the Growth Deal's revised capital expenditure profile (Appendix 4).
- 2.4. To note and accept the revenue end of December 2025 review for the RSP (Appendix 5).

### 3. REASONS FOR THE DECISION

- 3.1. An underspend of £959,205 is forecast against the CJC's revenue budget for 2025/26.
- 3.2. An underspend of £618,025 is forecast against the Economic Well-being Sub-committee's revenue budget for 2025/26. The final underspend at the end of the financial year will be used to reduce the amount claimed from the North Wales Growth Deal grant and the resources reserve, and approval will be sought when the out-turn report is presented to the CJC.
- 3.3. To note a slippage on the capital programme, with an estimated expenditure of £22.15m in 2025/26 compared to an approved budget of £29.61m for the year.
- 3.4. To note a neutral out-turn position for the RSP for 2025/26.

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

- 4.1. The CJC in its meeting on 17 January approved its 2025/26 budget whilst the North Wales Economic Ambition Board approved the Economic Well-being Sub-committee's 2025/26 revenue and capital budget in its meeting on 14 February 2025. Funding of £290,000 for the RSP was awarded by Welsh Government for 2025/26 in April 2025.
- 4.2. For the CJC, the net out-turn revenue position for the 2025/26 financial year was forecasted to be an underspend of £411,001 at the end of July 2025, but this has now increased to £959,205. This increase is mainly due to the success of the CJC securing grant funding for the Strategic Development Plan (£200,000) and CJC implementation (£200,000) since the previous review.
- 4.3. A further underspend is also forecasted for the Economic Well-being sub-committee, where £618,025 of underspend is now expected compared to £280,562 that was estimated in the July 2025 review. This is due to further underspends in employee expenditure and additional government roles, accountable body support services and the projects heading.
- 4.4. An updated capital profile of the Growth Deal has also been provided following a portfolio review by Ambition North Wales.
- 4.5. The out-turn report for 2025/26 will be presented to the CJC on 19<sup>th</sup> June 2026.

#### **5. FINANCIAL IMPLICATIONS**

##### **Corporate Joint Committee**

- 5.1. Appendix 1 provides a detailed breakdown of the CJC's expenditure projections per heading against its annual budget.
- 5.2. The net out-turn position at the end of the 2025/26 financial year is forecasted to be an underspend of £959,205. This is mainly due to underspends in employee expenditure, insurance, systems and support services, in addition to grants awarded by Welsh Government for the Regional Transport Plan, Strategic Development Plan and the CJC's implementation.

##### **Employees**

- 5.3. An underspend of £356,426 is projected against the employees heading for 2025/26.
- 5.4. The employee expenditure includes the Chief Executive (full time since June 2025, previously on secondment from the Growth Deal for 2 days a week), posts in Policy, Procurement and Operations, support from the Personal Assistant, the Strategic Communication and Engagement Lead and the Procurement and Social Value Manager (2-3 days a week), and the costs of staff on secondment to the CJC. The underspend in the employee expenditure heading is due to posts being filled later on in the current financial year or expected to be filled in 2026/27. This underspend will be used to fund part of the external consultants overspend shown under set-up costs.
- 5.5. The recruitment of a full-time Chief Executive and additional posts has led to expenditure being incurred on advertising, recruitment and training.

5.6. Governance and Audit Committee meetings did not commence until December 2025, therefore leading to an underspend in the lay members allowance heading.

#### Travel

5.7. The estimated cost of the essential travel allowance and staff subsistence costs until March 2026 is £1,200, which gives an underspend of £1,800 for 2025/26.

#### Supplies and Services

5.8. There is an estimated net underspend of £31,292 against the supplies and services heading.

5.9. The external consultants heading is showing an estimated overspend of £36,160 but the £135,000 expenditure on the Transport sub-heading is funded from the Regional Transport Grant, which is shown as income. The CJC was also successful in securing £200,000 of funding from Welsh Government for the Strategic Development Plan and therefore the external consultants costs of £100,000 is funded by this grant.

5.10. The overspend of £13,432 in the Premises relates to the costs of additional office space.

5.11. Costs have also been incurred on bank fees and marketing, however there are estimated underspends in tools and equipment, miscellaneous supplies, engagement and meetings and audit fees.

5.12. The main underspends relate to insurance and systems. The actual insurance cost for 2025/26 is less than budgeted and most of the cost has been apportioned between the CJC and the Economic Well-being Sub-committee based on employee budget costs, therefore leading to an underspend for the CJC. The systems budget was included to cover the initial set-up costs as well as an annual fee for a Committee Management System; however, this is now expected to be implemented in 2026/27.

#### Support Services

5.13. There is an estimated underspend on this heading of £48,360 due to the recruitment of Cyngor Gwynedd staff supporting the CJC to be taken place after the Service Level Agreement has been finalised.

5.14. The underspend on the legal and democratic support headings will be used to fund part of the overspend on the legal and democratic costs from external consultants shown under set-up costs.

#### Set-Up Costs

5.15. The expenditure on legal and external consultants relates to the support on the implementation of the CJC, and support has continued beyond the initial contracted period as part of the CJC's transformation, therefore leading to an estimated overspend of £140,243 compared to the budget.

#### Income

5.16. The CJC was successful in its bid to Welsh Government for funding towards the Regional Transport Plan, the Strategic Development Plan and the support of the CJC's implementation,

with £200,000 awarded for all three headings in 2025/26. The CJC implementation grant and the remainder of the Regional Transport Plan and Strategic Development Plan grants will be used to fund expenditure that had previously been budgeted such as staffing and set up costs.

- 5.17. It is estimated that £60,000 of interest income will be received for 2025/26.
- 5.18. The levy on the constituent authorities for 2025/26 was approved by the CJC in its meeting on 17 January 2025.

#### Reserves

- 5.19. The earmarked reserve balance at 31 March 2025 was £1,112,671, and £564,740 of this reserve has been allocated to the 2025/26 budget to give a balance of £547,931. Any underspend at the end of the financial year will be transferred to the earmarked reserve, therefore the estimated balance at 31 March 2026 is £1,507,136. £624,590 of the reserve has been earmarked for the 2026/27 budget.

#### Investment Zone

- 5.20. The estimated expenditure on the Investment Zone is £132,980, which includes set up costs, translation from corporate services, and engagement and meetings. £25,000 has been awarded by Welsh Government for consultancy support, with £109,550 being funded from the CJC's earmarked reserve which will be repaid once the grant income has been approved by Government.

#### Economic Well-being Sub-committee

- 5.21. Appendix 2 provides a detailed analysis of the Economic Well-being Sub-committee's actual expenditure and income per heading up to the end of December 2025, together with a projected full year out-turn against its annual budget.
- 5.22. It is estimated that the net out-turn position at the end of the 2025/26 financial year will be an underspend of £618,025. This is mainly due to underspends in employee expenditure and additional government roles, accountable body support services and the projects heading. Ambition North Wales was also successful in its Shared Prosperity Fund application which has further contributed to the underspend in employee expenditure.

#### Portfolio Management Office

- 5.23. There is a £436,732 underspend on the Portfolio Management Office and the main underspend is shown on the employee expenditure and additional government roles heading.
- 5.24. Posts that were in the budget were filled during the financial year or are expected to be filled at the end of the financial year or at the beginning of 2026/27, leading to an underspend in employee expenditure. Funding received from the Local Area Energy Plan grant and the UK Shared Prosperity Fund for 2025/26 has also been used to fund the costs of two officers and a proportion of the costs for other staff. The support of three officers and the previous Portfolio Director to the CJC for one to three days a week has also led to an underspend in employee expenditure.

- 5.25. Part of this underspend has been used to fund the costs of a temporary external advisor to support the Energy Programme beyond the Local Area Energy Plan grant.
- 5.26. The recruitment of additional government roles has taken place during the financial year, therefore also contributing to the underspend. However, additional recruitment, including the recruitment of Portfolio Director, is expected to lead to an overspend in advertising and assessment of candidates costs.
- 5.27. The portfolio and programme development heading is showing an overspend due to work undertaken on portfolio business cases reviews and carbon and emissions support. The underspend shown under the project business case development heading will be used to fund this overspend.
- 5.28. The insurance heading is showing an overspend of £11,800 due to what was explained in 5.12. Whilst the systems budget was included to fund the costs of the Committee Management System (which is now not expected to be implemented until 2026/27), expenditure has been incurred on a platform and the development of a project management system.

#### Accountable Body Support Services

- 5.29. The estimated underspend on this heading is £44,230 with the explanation the same as that noted in 5.13.

#### Joint Committee

- 5.30. The Joint Committee heading shows a net overspend of £9,204 with the forecasted underspend in external financial fees and the Business Delivery Board offsetting the increase in external legal support costs.

#### Projects

- 5.31. The expected net underspend on this heading is £60,794 There is an overspend in external legal support costs on numerous projects in the capital programme, however there is an expected underspend on project business case development costs, external finance support, procurement support and assurance costs.
- 5.32. The project delivery heading relates to expenditure on Growth Deal projects lead by Ambition North Wales that are currently in delivery and are considered as revenue expenditure.

#### Grant Schemes

- 5.33. The expenditure under this heading includes grant funded Local Area Energy and Shared Prosperity Fund projects. The Local Area Energy Plan funding has been received until March 2026, whereas confirmation has recently been received that the funding for the Shared Prosperity Fund can be claimed up to September 2026. Following a reprofile of the Shared Prosperity Fund budget, it is expected that the expenditure up to 31 March 2026 will be £426,451, with the remaining £17,799 to be spent and claimed in 2026/27.

#### Funding Contributions

- 5.34. The main income streams for 2025/26 include partner contributions, the North Wales Growth Deal grant (revenue allocation and the funding of project staff costs and project delivery costs),

Welsh Government energy grant, UK Shared Prosperity Fund, the earmarked reserve and the resources reserve.

5.35. The forecasted use of the Growth Deal grant for projects is £262,148 compared to the budget of £116,675. This is due to the grant funding 50% of the costs of staff that were previously 100% funded by the Welsh Government energy grant in previous years, an increase in the number of staff recruited for digital projects and expenditure incurred on Ambition North Wales's Growth Deal projects that are currently in delivery.

#### Reserves

5.36. Appendix 3 shows the estimated reserves balances at 31 March 2026.

5.37. The total earmarked reserve balance at 31 March 2025 was £210,977, and £60,990 of this reserve has been allocated to the 2025/26 budget to give an estimated balance of £149,987 at 31 March 2026.

5.38. The projects reserve balance at 31 March 2025 was £29,167. In 2024/25, costs of £123,133 relating to the Clean Local Energy Project were met from the projects reserve as the Full Business Case was yet to be approved by 31<sup>st</sup> March 2025. The Full Business Case has subsequently been approved therefore £123,133 of the Growth Deal grant will be transferred to the projects reserve.

5.39. The interest reserve is ringfenced to fund the cost of borrowing in future years. Its estimated balance at 31 March 2026 is £5,006,863 and this includes the partner interest contributions of £108,380 and an estimate of £165,000 of interest income on the reserve balance.

5.40. The resources reserve is used to fund the additional government requirements and project development costs, as well as to retain the Portfolio Management Office's capacity. £412,085 of this reserve has been allocated to the 2025/26 budget and interest of £1.5m on the Growth Deal grant balance is expected to give an estimated balance of £3,888,146 at 31 March 2026.

#### Capital

5.41. Appendix 4 shows the revised capital programme as at the end of December 2025.

5.42. There is a net reduction of £7.46m in the anticipated expenditure for 2025/26 and this is due to slippage on projects. However, the expenditure on the Cydnerth, Centre of Environmental Biotechnology and Glynllifon Rural Economy Hub projects has been brought forward therefore has reduced the slippage.

5.43. A portfolio review was conducted by Ambition North Wales, which lead to some Growth Deal projects being removed and a Reserve List established during the financial year. Some projects that were on the Reserve List have secured funding following the approval of their business cases and therefore expenditure is expected to increase in 2026/27 compared to the 2025/26 capital profile budget that was approved in February 2025. Society 5.0 is a new project following the Reserve List process, and it is expected that expenditure will be incurred in 2025/26.

## **Regional Skills Partnership**

- 5.44. Appendix 5 provides an analysis of the RSP's actual expenditure and income per heading up to the end of December 2025, with a projected full year out-turn against its annual budget.
- 5.45. The projected out-turn is a neutral position, with the expenditure of £302,000 funded by Welsh Government grant of £290,000 plus a reserve of £12,000 for work that commenced in 2024/25 but not completed until May 2025.

## **6. CONSULTATIONS UNDERTAKEN**

- 6.1. The Economic Well-being Sub-Committee appendices of this report were presented to the Portfolio Board on 16 January 2026.

## **7. LEGAL IMPLICATIONS**

- 7.1. Senior Officers of Ambition North Wales as well as the Monitoring Officer have contributed to this review.

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## **APPENDICES:**

<b>Appendix 1</b>	2025/26 CJC's Revenue Budget – End of December 2025 Review
<b>Appendix 2</b>	2025/26 Economic Well-being Sub-committee's Revenue Budget – End of December 2025 Review
<b>Appendix 3</b>	Economic Well-being Sub-committee's reserves position
<b>Appendix 4</b>	2025/26 Growth Deal Capital Budget – End of December 2025 Review
<b>Appendix 5</b>	2025/26 RSP's Revenue Budget – End of December 2025 Review

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## **STATUTORY OFFICERS RESPONSE:**

### **i. Monitoring Officer:**

No observations to add in relation to propriety.

### **ii. Statutory Finance Officer:**

Report author.