



ECONOMIC WELL-BEING SUB-COMMITTEE

6 February 2026

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

AUTHOR: Dewi A. Morgan, Head of Finance (CJC's Statutory Finance Officer)
Sian Pugh, Assistant Head of Finance

1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to provide the Economic Well-being Sub-committee's (Growth Deal) projected full year out-turn income and expenditure against its annual budget.
- 1.2. In order to operate effectively, the Sub-committee needs to be aware of the projected expenditure position against the approved annual budget.
- 1.3. The review was presented to the Portfolio Board on 16 January 2026 and approved by the North Wales Corporate Joint Committee (CJC) in its meeting on 23 January 2026.

2. DECISIONS SOUGHT

- 2.1. To note the revenue end of December 2025 review, including the reserves position (Appendix 1 and 2).
- 2.2. To note and accept the Growth Deal's revised capital expenditure profile (Appendix 3).

3. REASONS FOR THE DECISION

- 3.1. 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.
- 3.2. 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.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. 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.
- 4.2. A further underspend is 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.

- 4.3. An updated capital profile of the Growth Deal has also been provided following a portfolio review by Ambition North Wales.
- 4.4. The out-turn report for 2025/26 will be presented to the Sub-committee on 12th June 2026.

5. FINANCIAL IMPLICATIONS

- 5.1. Appendix 1 provides a detailed analysis of the 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.
- 5.2. 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

- 5.3. 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.
- 5.4. 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.
- 5.5. 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.
- 5.6. 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.
- 5.7. 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.
- 5.8. The insurance heading is showing an overspend of £11,800 as the majority of the cost has been apportioned between the CJC and the Economic Well-being Sub-committee based on employee budget costs. 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

5.9. The estimated underspend on this heading is £44,230 due to the recruitment of Cyngor Gwynedd staff supporting the CJC to be taken place after the Service Level Agreement has been finalised.

Joint Committee

5.10. 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

5.11. 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.

5.12. 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

5.13. 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

5.14. 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.

5.15. 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

5.16. Appendix 2 shows the estimated reserves balances at 31 March 2026.

- 5.17. 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.
- 5.18. 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 31st 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.
- 5.19. 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.
- 5.20. 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

- 5.21. Appendix 3 shows the revised capital programme as at the end of December 2025.
- 5.22. 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.
- 5.23. 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.

6. CONSULTATIONS UNDERTAKEN

- 6.1. The report and its appendices were presented to the Portfolio Board on 16 January 2026 and were approved by the CJC on 23 January 2026.

7. LEGAL IMPLICATIONS

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

APPENDICES:

Appendix 1	2025/26 Economic Well-being Sub-committee's Revenue Budget – End of December 2025 Review
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Appendix 2 Economic Well-being Sub-committee's reserves position

Appendix 3 Economic Well-being Sub-committee's capital profile – End of December 2025 Review

STATUTORY OFFICERS RESPONSE:

i. **Monitoring Officer:**

No observations to add in relation to propriety.

ii. **Statutory Finance Officer:**

Report author.