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## NORTH WALES CORPORATE JOINT COMMITTEE

19 June 2026

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**TITLE:** 2025/26 Revenue and Capital Out-turn Position

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

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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, Growth Deal (including the Shared Prosperity Fund and Local Area Energy Plan), Investment Zone and Regional Skills Partnership's final out-turn position for 2025/26.

### 2. DECISIONS SOUGHT

- 2.1. To note and accept the CJC's out-turn position for 2025/26 (Appendix 1), including transferring £1,067,414 to the earmarked reserve to fund future budgets.
- 2.2. To note and accept the Growth Deal's out-turn position for 2025/26 (Appendix 2). Due to the underspend reported, this includes not using £60,990 of the earmarked reserve and using a reduced amount of £867,731 from the North Wales Growth Deal grant in order to show a neutral position for the year.
- 2.3. To note and accept the Growth Deal's reserves position (Appendix 3).
- 2.4. To note and accept the Growth Deal's capital end of year review as of 31 March 2026 (Appendix 4).
- 2.5. To note and accept the Investment Zone's out-turn position for 2025/26 (Appendix 5).
- 2.6. To note and accept the Regional Skills Partnership's out-turn position for 2025/26 (Appendix 6).

### 3. REASONS FOR THE DECISION

- 3.1. To inform the CJC and seek approval of the final position for 2025/26.

### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. On 1 April 2025, the North Wales Economic Ambition Board's role and functions were transferred to the CJC, which included staff, resources, financial liabilities and assets, including the Growth Deal and funding. The Regional Skills Partnership also transferred to the CJC on the same date.

- 4.2. The CJC is considered a “larger relevant body” pursuant to the Accounts and Audit (Wales) Regulations 2014 (as amended). This means that an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom will be produced in 2025/26 and presented in due course.

## 5. FINANCIAL IMPLICATIONS

### Corporate Joint Committee

- 5.1. Appendix 1 provides a detailed breakdown of the CJC’s expenditure and income per heading against its annual budget for 2025/26.
- 5.2. The final net out-turn position for 2025/26 was an underspend of £1,067,414 and this has increased from the £959,205 that was forecasted in the end of December 2025 review. The CJC grant funding received during the year was partly used to fund costs that had been previously budgeted, therefore contributed towards the underspend. Approval is sought to transfer this underspend to the earmarked reserve to fund expenditure in subsequent years as the activities of the CJC and its functions increase. The CJC has already approved for £624,590 of this reserve to be used as part of the 2026/27 budget at its meeting on 23 January 2026.

### Employees

- 5.3. The final underspend on this heading is £324,796.
- 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, Corporate Support and Operations, support from the Personal Assistant, the Strategic Communication and Engagement Lead, Funding Project Manager and the Procurement and Social Value Manager (2.-3 days a week), and the costs of staff on secondment to the CJC. The underspend of £399,852 is due to posts being filled during the financial year or expected to be filled in 2026/27. This underspend has been used to fund the external consultants overspend shown under set-up costs.
- 5.5. There is expenditure of £46,200 on the additional Monitoring Officer capacity heading as an interim Monitoring Officer was appointed to fulfil the role full time. The function was previously undertaken on a part time basis by the Head of Legal and Monitoring Officer at Cyngor Gwynedd.
- 5.6. The recruitment of a full-time Chief Executive and additional posts has led to expenditure being incurred on advertising, recruitment and training.
- 5.7. The Governance and Audit Committee meetings commenced in December 2025, therefore leading to an underspend in the lay members allowance heading.

### Travel

- 5.8. The travel allowance and staff subsistence costs are £1,402, which gives an underspend of £1,598 for 2025/26.

### Supplies and Services

- 5.9. There is a net underspend of £135,369 against the supplies and services heading.
- 5.10. The external consultants heading is showing a net underspend of £72,463. The overspend on the Transport sub-heading is funded by the Regional Transport Grant, which is shown in the income section. The budget for external consultants for Strategic Planning was £132,500, however, due to a delay in the agreements, it is expected that the work will be undertaken in 2026/27.
- 5.11. The other 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 Growth Deal 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.
- 5.12. The overspend of £16,256 in premises relates to the costs of additional office space and the repositioning of office furniture.

### Support Services

- 5.13. The final underspend on this heading is £79,923 as the Service Level Agreement between the CJC and Cyngor Gwynedd is yet to be finalised.
- 5.14. The overspend on the corporate services heading is due to the demand on translation services.
- 5.15. The underspend on the legal and democratic support headings is used to fund the overspend on the legal and democratic costs from external consultants shown under set-up costs.

### Set-Up Costs

- 5.16. The expenditure on legal and democratic 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 overspend of £148,491 compared to the budget.

### Income

- 5.17. 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.
- 5.18. £74,219 of interest income was received for 2025/26.
- 5.19. The levy on the constituent authorities for 2025/26 was approved by the CJC in its meeting on 17 January 2025.

### Reserves

- 5.20. The earmarked reserve balance at 31 March 2025 was £1,112,671, and £564,740 of this reserve was allocated to the 2025/26 budget to give a balance of £547,931.

- 5.21. In 2024/25, £83,067 of the CJC's reserve was used to fund the Investment Zone's expenditure whilst awaiting for Government's approval of the Investment Zone grant. The grant was received in 2025/26 and £20,662 has been repaid to the CJC's reserve, with the remaining balance to be repaid during 2026/27.
- 5.22. The transfer of the £1,067,414 underspend to the earmarked reserve gives a balance of £1,636,007 at 31 March 2026. £624,590 of the reserve has been earmarked for the 2026/27 budget, as well as a portion allocated towards supporting the Strategic Development Plan in future years.

### **Growth Deal (including Shared Prosperity Fund and Local Area Energy Plan)**

- 5.23. Appendix 2 provides a detailed analysis of the actual expenditure and income per heading against the 2025/26 budget.
- 5.24. The final net out-turn position for 2025/26 was an underspend of £543,259, and this has decreased from the £618,025 underspend that was forecasted in the end of December 2025 review. The budget and the December 2025 review included £412,085 of the resources reserve; however, as shown in Appendix 2, £79,162 has been used and this has funded the additional government roles. The reduction in the use of the resources reserve has offset further underspends in various budget headings.
- 5.25. In order to leave a neutral position for the year, the CJC will be asked not to use £60,990 of the earmarked reserve and to approve for a reduced amount of £867,731 (compared to the original budget of £1,350,000) of the Growth Deal grant to be used to fund the revenue expenditure in 2025/26.

### Portfolio Management Office

- 5.26. There is a £761,218 underspend on the Portfolio Management Office (PMO) and the main underspend is shown on the employee expenditure and additional government roles heading.
- 5.27. The underspend on the employee expenditure heading is £655,371 and this is due to some staff costs that were included within the core budget were subsequently funded by other sources.
- 5.28. Almost £90,000 of the underspend is due to staff working a proportion of their time on the CJC, around £39,000 relates to staff working on the Regional Skills Partnership and around £156,400 relates to staff that were funded by Ambition North Wales's Growth Deal projects.
- 5.29. The Shared Prosperity Fund and the Local Area Energy Plan grants received were also used to fund staff costs, which together contribute nearly £153,300 of the underspend.
- 5.30. Vacant posts during the year also led to a further underspend of around £254,500 in employee expenditure. 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.
- 5.31. The additional government roles were filled during the year therefore leading to an underspend of £127,158.

- 5.32. Additional recruitment, including the recruitment of Portfolio Director, led to an overspend in advertising and assessment of candidates' costs by £20,932.
- 5.33. There was an overspend of £11,610 on supplies and services due to upgrades in equipment and equipment for new staff.
- 5.34. The insurance heading is showing an overspend of £11,800 due to reasons noted in 5.11. Whilst the systems budget was included to fund the costs of the Committee Management System (which is expected to be implemented in 2026/27), expenditure has been incurred on a platform and the development of a project management system.

#### Accountable Body Support Services

- 5.35. The final underspend on this heading is £82,056 as the Service Level Agreement between the CJC and Cyngor Gwynedd is yet to be finalised. Financial and legal support were also apportioned to the Investment Zone during the year, therefore contributing to the underspend for the Growth Deal.

#### Joint Committee

- 5.36. The Joint Committee heading shows an underspend of £27,456, with an underspend in external legal support, external financial fees as well as the Business Delivery Board.

#### Projects

- 5.37. The final overspend on this heading is £58,704. There is an overspend in external legal support costs on numerous projects in the capital programme, however there is an underspend on project business case development costs, external finance support, external procurement support and assurance costs.
- 5.38. The project delivery and project delivery - employees headings relate to expenditure on Growth Deal projects led by Ambition North Wales that are currently in delivery and are considered as revenue expenditure. The expenditure on these headings is funded by the projects' Growth Deal allocation, and this is shown in the Income section.

#### Grant Schemes

- 5.39. The expenditure under this heading includes grant funded Local Area Energy Plan and Shared Prosperity Fund projects and there was an underspend of £31,989. Confirmation was received during the financial year that the funding for the Shared Prosperity Fund can be claimed up to September 2026 and therefore the underspend of £31,986 will be spent and claimed in 2026/27.

#### Transfers to Reserves

- 5.40. The transfers to reserves section includes £108,380 of partner interest contributions and £24,679 of access to funding charges on Growth Deal projects, which will be transferred to the interest reserve to fund the cost of borrowing in future years.

- 5.41. At the North Wales Economic Ambition Board 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. The interest received on balances was £1,833,295 and £1,635,549 of this balance will be transferred to this reserve (resources reserve) whilst the remaining £197,746 will be transferred to the interest reserve.

#### Funding Contributions

- 5.42. 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.
- 5.43. The use of the Growth Deal grant for projects is £239,795 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.
- 5.44. Due to the final net out-turn position for 2025/26 being an underspend of £543,259, and in order to leave a neutral position for the year, it is proposed that the earmarked reserve of £60,990 is not used (therefore available to use for future years' budgets) and the North Wales Growth Deal grant allocation is reduced by £482,269 from £1,350,000 to £867,731. Although the North Wales Growth Deal grant is a capital grant, the same flexibility as local authorities have been used in the way that they manage their capital funding, with Cyngor Gwynedd allocating the Growth Deal grant against its capital projects and releasing the equivalent value of revenue funding to the Growth Deal to fund its revenue expenditure.

#### Reserves

- 5.45. Appendix 3 shows the movement in reserves during the year and the balances at 31 March 2026.
- 5.46. The total earmarked reserve balance at 31 March 2026 was £210,977.
- 5.47. 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 March 2025. The Full Business Case has subsequently been approved therefore £123,133 of the Growth Deal grant has been transferred to the reserve.
- 5.48. The interest reserve is ringfenced to fund the cost of borrowing in future years. Its balance at 31 March 2026 is £5,064,288 and this includes the partner interest contributions of £108,380, access to funding charges of £24,679 and £197,746 of interest income on the reserve balance.
- 5.49. £412,085 of the resources reserve was allocated to the 2025/26 budget but only £79,162 was used and this was to fund the additional government roles. The underspend on employee expenditure and project development costs and the appointment of the additional government roles during the year led to less funding required from the reserve.

- 5.50. Interest of £1,635,549 on the Growth Deal grant and the resources reserve balance was received and therefore the balance of the reserve as at 31 March 2026 was £4,356,618. The CJC at its meeting on 23 January 2026 approved the use of £986,730 of this reserve as part of the 2026/27 budget.

### Capital

- 5.51. Appendix 4 shows the Growth Deal's capital programme end of year review for 2025/26.
- 5.52. The total expenditure up to 31 March 2026 is £30.64m.
- 5.53. There is a net reduction of £14.28m in the expenditure for 2025/26 and this is due to slippage on projects. However, the expenditure on the Cydnerth project was brought forward with the total expenditure of £8.87m shown under 2025/26 rather than between two financial years as was originally profiled in the budget therefore reducing the slippage.
- 5.54. The expenditure in Appendix 4 also includes the project delivery costs shown in Appendix 2 – these relate to the Clean Energy Fund, 4G+, LPWAN and Advanced Wireless projects.
- 5.55. The 2.15% budget for revenue funding in 2025/26 has also reduced to £0.87m to reflect the final revenue out-turn position.

### **Investment Zone**

- 5.56. Final approval by the UK and Welsh Governments of the Flintshire and Wrexham Investment Zone was announced in the 2025 Budget and 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 and £220,000 each to Flintshire County Council and Wrexham County Borough Council. The 2025/26 funding was received in March 2026.
- 5.57. Appendix 5 provides an analysis of the Investment Zone's actual expenditure and income, with a neutral out-turn position for 2025/26.
- 5.58. The CJC's expenditure on the Investment Zone consists of £51,839 on employees (the Chief Executive, Regional Skills Manager and Skills and Employability Portal Project Manager's time), £457 on supplies and services, £29,644 on support services (translation and financial and legal support) and £131,834 on external consultants. The CJC was also awarded £25,000 during the year from Welsh Government for consultancy support.
- 5.59. The Investment Zone grant used as at 31 March 2026 is £430,220. This consists of £200,000 of the CJC's annual allocation and £230,220 of Flintshire County Council and Wrexham County Borough Council's expenditure.
- 5.60. The Investment Zone's expenditure for 2024/25 was £83,067 and this was initially funded by the CJC reserve. £20,662 has been repaid to the reserve from the remainder of the CJC's annual grant allocation and the interest received on the grant balance in 2025/26. The remaining £62,405 will be repaid from interest received in 2026/27.

## **Regional Skills Partnership**

- 5.61. Appendix 6 provides an analysis of the Regional Skills Partnership's actual expenditure and income against its 2025/26 budget.
- 5.62. The out-turn is a neutral position, with the expenditure of £290,000 funded by Welsh Government grant.
- 5.63. There was £346,422 in the skills reserve at 31 March 2026 to fund commitments in the skills field in subsequent years.

## **6. CONSULTATIONS UNDERTAKEN**

- 6.1. The Growth Deal appendices of this report were presented to the Portfolio Board on 24 April 2026 and were also presented, along with the Investment Zone and Regional Skills Partnership appendices, to the Economic Well-being Sub-committee on 15 May 2026.

## **7. LEGAL IMPLICATIONS**

- 7.1. Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.
- 7.2. The Accounts and Audit (Wales) Regulations require all Joint Committees to prepare year-end accounts. Where the annual income or expenditure are over £2.5m, the joint committee is deemed to be a "larger relevant body" and an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom must be prepared.

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### **APPENDICES:**

<b>Appendix 1</b>	CJC's out-turn position 2025/26
<b>Appendix 2</b>	Growth Deal's revenue out-turn position 2025/26
<b>Appendix 3</b>	Growth Deal's reserves position
<b>Appendix 4</b>	Growth Deal's capital position
<b>Appendix 5</b>	Investment Zone's out-turn position 2025/26
<b>Appendix 6</b>	Regional Skills Partnership's out-turn position 2025/26

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## **STATUTORY OFFICERS RESPONSE:**

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

The legal implications are set out in the Report. The recommendations are within the CJC's functions and relate to proper financial stewardship, year-end accounting and reserve management.

Members should be satisfied that the proposed treatment of reserves and grant funding is transparent, properly recorded and consistent with the CJC's approved budgetary framework. Any items deferred into 2026/27 should continue to be monitored through the CJC's normal financial, audit and performance reporting arrangements.

Subject to the Statutory Finance Officer's confirmation of the financial position, there are no further legal or governance issues arising from the recommendations.

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

Report author.