NORTH WALES CORPORATE JOINT COMMITTEE

25 September 2026

TITLE: 2026/27 Revenue and Capital Position – End of July 2026 Review

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1. PURPOSE OF THE REPORT

1.1. This report intends to provide the North Wales Corporate Joint Committee (CJC) with details of the CJC (Planning, Transport and Corporate), Growth Deal (including the Shared Prosperity Fund and Local Area Energy Plan), Investment Zone and the Regional Skills Partnership's (RSP) projected full year out-turn 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 July 2026 review for the CJC (Appendix 1), including a maximum of £39,874 to be transferred from the reserve (in addition to the £624,590 that was approved in the 2026/27 budget) to leave a neutral position (with the final figure to be confirmed when the 2026/27 out-turn report is presented).

2.2. To note and accept the revenue and capital end of July 2026 review for the Growth Deal (Appendix 2), including the reserves position (Appendix 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 July 2026 review for the Investment Zone (Appendix 5), including the use of the interest on Investment Zone balances to leave a neutral position for 2026/27.

2.5. To note and accept the revenue end of July 2026 review for the RSP (Appendix 6).

2.6. To approve the virements for the CJC, Growth Deal and Investment Zone budgets noted in Appendix 7.

3. REASONS FOR THE DECISION

3.1. To note a forecasted overspend of £39,874 against the CJC's revenue budget for 2026/27.

3.2. To note a forecasted underspend of £288,174 against the Growth Deal's budget for 2026/27.

3.3. To note a slippage on the capital programme, with an estimated expenditure of £51.26m in 2026/27 compared to an approved budget of £67.07m for the year.

3.4. To note a neutral out-turn position for the Investment Zone for 2026/27, with interest on Investment Zone balances of £227,589 used to fund the difference between the forecasted expenditure and the CJC's allocated £200,000 to support the programme's administration. The use of interest is a temporary arrangement as interest receivable on balances will decrease as the cash outflows of the Investment Zone grant increases.

3.5. To note a neutral out-turn position for the RSP for 2026/27.

3.6. To approve virements to the budgets in line with the CJC's Financial Procedure Rules.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. The CJC in its meeting on 23 January 2026 approved the 2026/27 budget for the CJC, Growth Deal and Investment Zone. Funding of £290,000 for the RSP was awarded by Welsh Government for 2026/27 in March 2026.

4.2. The budgets will continue to be monitored and reviewed through the 2026/27 financial year, and the third quarter review will be presented to the CJC in January 2027.

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. It is estimated that the net out-turn position at the end of the 2026/27 financial year will be an overspend of £39,874. The main overspend is shown on the external consultants heading, with legal services, programme management and business advisory support received.

Employees

5.3. The employees heading is forecasting a net underspend of £149,825. There is an underspend of £94,645 on employee expenditure which consists of around £143,200 underspend on Planning, almost £16,460 overspend on Transport, £4,610 overspend on the CJC and £27,485 spend on the Local Growth Fund (LGF). The Planning employee budget includes a Senior Planning Officer (currently on secondment from Flintshire County Council) and two Planning Officers; it is expected that one Planning Officer post will be filled in the last quarter of the financial year and the other post filled in 2027/28. The employee expenditure on Transport is showing an overspend due to two Transport Officers being recruited during the year to support the Regional Transport Plan (RTP). These posts will be funded by the RTP grant. The CJC employee expenditure is showing a small overspend due to additional resources required to support the CJC. In order to support the transition of the LGF to the CJC, a sum of £200,000 in capacity funding has been allocated to the CJC for 2026/27; this will be used to fund the £27,485 on employee expenditure.

5.4. There is a forecasted £64,220 of underspend against the Additional Monitoring Officer and Section 151 Officer Capacity heading. 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 was identified to be required in the 2026/27 budget. The Monitoring Officer and Section 151 Officer costs under the support services budget 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 was budgeted, with £81,110 to the CJC, £16,230 to the Investment Zone and £32,450 to the Growth Deal. During 2025/26, an interim Monitoring Officer was appointed to fulfil the role full time, therefore the costs relating to the role are included within Legal (including Monitoring Officer) External Consultants heading. The estimated expenditure on the Additional Monitoring Officer and Section 151 Officer Capacity heading therefore only relates to the Section 151 Officer Capacity.

External Consultants

5.5. The external consultants heading is showing a forecasted overspend of £516,625.

5.6. The Legal (including Monitoring Officer) expenditure includes the interim Monitoring Officer, interim Deputy Monitoring Officer and a contracted lawyer, and the estimated overspend is £236,225. The total budget for legal support for 2026/27 is £130,280 (£47,330 Additional Monitoring Officer Capacity, £69,560 within Support Services and £13,390 within Set-up costs) therefore the true forecasted overspend on legal services is £105,945.

5.7. The Programme Management costs include support on the transformation of the CJC and also the preparation for the LGF, and the forecasted expenditure on this heading is £254,400. The CJC was awarded a £200,000 grant for 2026/27 to support its implementation and £115,000 of the grant will be used for Programme Management costs. £64,400 of the LGF transition funding will also be used on this heading to support its preparation work.

5.8. The Business Advisors heading consists of support from Ambition North Wales's Non- Executive Advisors. Budget has been allocated within the Growth Deal, however, support has also been provided during the financial year to the CJC and the Investment Zone.

Supplies and Services

5.9. The forecasted overspend on the supplies and services heading is £435,864. The external consultants within this heading relate specifically to services and is showing an overspend of £394,350 with £155,000 of the overspend attributable to Planning (due to the ability of external consultants bringing forward work on the Strategic Development Plan and providing the required team support) and £204,350 relating to Transport (in order to further support the RTP, including consultancy support with local authorities, policies and the commitments register). The majority of the £155,000 Planning overspend will be funded by the underspend in employee expenditure and the £204,350 Transport overspend will be funded by the RTP grant.

5.10. The remaining £108,110 of the £200,000 LGF transition funding is shown on the Local Growth Fund heading until further information is available on the expenditure. In the 2026/27 budget, £141,500 of the £200,000 CJC grant was allocated to projects. It has now expected that most of the £141,500 will be used to fund corporate planning work (shown as £35,000 in the virement column in Appendix 7 on the external consultants heading) and programme management costs. The forecasted spend on this heading is therefore £50,000.

5.11. The marketing and events headings are showing an overspend due to attendance in events such as UKREiiF and the Eisteddfod. However, there is a forecasted underspend on systems due to Mod Gov expecting to be implemented in 2027/28.

Support Services

5.12. The support services heading is showing a forecasted underspend of £101,090. This is due to legal services now being provided by staff within the legal external consultants heading and the recruitment of Cyngor Gwynedd staff providing finance and democratic support to be taken place after the Service Level Agreement has been finalised.

Set-up Costs

5.13. There are no costs forecasted against the set-up costs heading therefore leading to an underspend of £71,890. This is due to the CJC being now within its transformation stage and therefore the associated support costs are shown within the external consultants heading.

Income

5.14. The income expected for 2026/27 includes the £200,000 CJC implementation grant and £200,000 LGF transition funding. The budget includes the RTP revenue grant from Welsh Government of £100,000, however, a capital allocation of £370,000 will also be received in 2026/27 in order to support the RTP's programme management and monitoring (which will be used to fund additional Transport Officers posts and their associated costs, external consultants and legal and support services). It is estimated that £40,000 of interest income will be received for the financial year. The levy on the constituent authorities for 2026/27 was approved by the CJC in its meeting on 23 January 2026.

Reserves

5.15. The reserves balance at 31 March 2026 was £1,636,007, and £624,590 of the reserve has been allocated to the 2026/27 budget to give a balance of £1,011,417. In order to leave a neutral position for 2026/27, a transfer of an additional £39,874 is required from the reserve, therefore the estimated balance at 31 March 2027 is £971,543. It is expected that this will be required for future budgets, with the CJC resourcing requirements increasing and grants such as the CJC implementation grant not expected or confirmed.

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

5.16. Appendix 2 provides a detailed analysis of the Growth Deal's (including Shared Prosperity Fund and Local Area Energy Plan) actual expenditure and income per heading up to the end of July 2026, together with a projected full year out-turn against its annual budget.

5.17. It is estimated that the net out-turn position at the end of the 2026/27 financial year will be an underspend of £288,174. This is mainly due to underspends in employee expenditure, additional government roles, accountable body support services and external legal, finance and procurement support. An underspend at the end of the financial year will be used to fund future budgets and reduce any increases in future partner contributions.

Portfolio Management Office

5.18. There's a £680,896 underspend on the Portfolio Management Office (PMO) and the main underspend is shown on the employee expenditure and additional government roles heading.

5.19. The underspend on the employee expenditure heading is £586,668 and this is due to some staff costs that were included within the core budget were subsequently funded by other sources. Around £348,000 of the underspend is due to staff that are now funded by Ambition North Wales's Growth Deal projects, around £16,000 relates to staff working a proportion of their time on the CJC and nearly £38,000 relates to staff working on the Regional Skills Partnership. Funding was awarded for the Local Area Energy Plan for 2026/27, and confirmation was received that the 2025/26 funding for the Shared Prosperity Fund can be claimed up to early 2026/27. These grants were therefore used to fund staff costs, which together contribute to around £121,000 of the underspend. Vacant posts during the year also led to a further underspend of over £60,000 in employee expenditure.

5.20. The Additional Government Roles is showing a forecasted underspend of £93,540 due to a proportion of Ambition North Wales's Non-Executive Advisors' time supporting the CJC and Investment Zone and the expected work to be undertaken by the external Commercial Manager is likely to be more on an ad hoc basis this financial year.

5.21. The Additional Monitoring Officer and Section 151 Officer Capacity is showing an underspend of £25,690 due to reasons noted in 5.4. The estimated underspend on the Additional Section 151 Officer Capacity is £6,760.

5.22. There is an overspend of £20,000 on the Portfolio and Programme Development heading due to work on supporting low carbon energy.

Accountable Body Support Services

5.23. The estimated underspend on this heading is £92,690 with the explanation the same as that noted in 5.12.

Joint Committee

5.24. The Joint Committee heading shows an overspend of £83,970. The External Legal Support consists of the interim Monitoring Officer and the interim Deputy Monitoring Officer. The total budget for legal support (including the Monitoring Officer) for 2026/27 is £69,970 (£18,930 Additional Monitoring Officer Capacity and £50,740 within Support Services) therefore the true forecasted overspend is £14,300.

Projects

5.25. The expected net overspend on this heading is £387,428.

5.26. 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 employees' costs within the heading were initially included within the PMO's core budget therefore leading to under/overspends in the respective headings. The expenditure on these headings is funded by the projects' Growth Deal allocation and this is shown in the income section.

5.27. There are underspends in external legal, finance and procurement, however, these are partly offset by an overspend of £75,000 in project business case development which relates to support on the Innovation and Growth Fund and the Property Fund Business Cases.

Grant Schemes

5.28. The expenditure under this heading includes grant funded Local Area Energy Plan and Shared Prosperity Fund project. The corresponding grants for the £202,170 expenditure are shown in the income section therefore leaving a true neutral position on this heading.

Funding Contributions

5.29. The main income streams for 2026/27 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 and the resources reserve.

5.30. The forecasted use of the Growth Deal grant for projects is £420,908 compared to the budget of £435,350. This is due to posts on the Growth Deal projects being vacant or filled during the financial year.

Reserves

5.31. Appendix 3 shows the estimated reserves balance at 31 March 2027.

5.32. The total earmarked reserve balance at 31 March 2026 was £210,977, with no movements expected this year.

5.33. The projects reserve balance at 31 March 2026 was £152,300 and there is likely to be no movements on this reserve either this year.

5.34. The interest reserve is ringfenced to fund the cost of borrowing in future years. Its estimated balance at 31 March 2027 is £5,218,378 and this includes the partner interest contributions of £154,090. In 2024/25 and 2025/26, interest received on the Growth Deal grant was transferred to the resources reserve; the interest received on the grant balance will revert to the interest reserve at the end of this financial year.

5.35. 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. £986,730 of this reserve has been allocated to the 2026/27 budget to give an estimated balance of £3,369,888 at 31 March 2027.

Capital

5.36. Appendix 4 shows the revised capital programme as at the end of July 2026.

5.37. There is a net reduction of £15.81m in the anticipated expenditure for 2026/27 and this is due to slippage on projects. However, the introduction of the Business Gateway project in the capital profile and the brought forward expenditure on the Reserve List projects have reduced the slippage.

Investment Zone

5.38. Appendix 5 provides a detailed breakdown of the Investment Zone's revenue expenditure projections per heading against its annual 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 and £220,000 each to Flintshire County Council and Wrexham County Borough Council.

5.39. The budget for 2026/27 shows the CJC's spend of its allocation of the grant on the Investment Zone Set-Up costs, Legal (includes Monitoring Officer) Support Services and Additional Monitoring Officer and Section 151 Officer Capacity headings. Since the budget were approved, further information has become available on the forecasted spend and the additional resources required. A neutral out-turn position is forecasted for 2026/27.

Employees

5.40. The employees heading is showing a forecasted overspend of £69,161. The employee expenditure includes the Chief Executive, Programme Manager, Operations staff and Regional Skills Partnership staff's time on the Investment Zone. The Additional Monitoring Officer and Section 151 Officer Capacity is showing a forecasted underspend of £12,850 due to reasons noted in 5.4.

External Consultants

5.41. The external consultants heading is forecasting an overspend of £127,253 arising from business advisory, legal and programme management support.

Supplies and Services

5.42. The supplies and services heading is showing an overspend of £146,600 due to expenditure on marketing and communications, events and consultancy support on project assurance and subsidy control.

Support Services

5.43. The support services heading is forecasting an underspend of £28,200. The underspend in legal support (with the reason noted in 5.12), is offset by £5,940 of finance services support (including the Section 151 Officer).

Set-up Costs

5.44. There are no costs forecasted against the set-up costs heading due to the Investment Zone being in its second year of delivery therefore the associated support costs are shown within the external consultants heading.

Income

5.45. The Investment Zone's expenditure for 2024/25 was £83,067 and this was initially funded by the CJC reserve. £20,662 was repaid to the reserve in 2025/26 and therefore the remaining £62,405 is to be repaid in 2026/27.

5.46. In order to leave a neutral position for the Investment Zone, interest from the Investment Zone grant balances of £227,589 will be used, in addition to the £200,000 grant allocation. The use of interest is a temporary arrangement as the cash outflows from distributing the Investment Zone grant will reduce the interest income.

Regional Skills Partnership

5.47. Appendix 6 provides an analysis of the RSP's actual expenditure and income per heading up to the end of July 2026, with a projected full year out-turn against its annual budget.

5.48. The projected out-turn is a neutral position, with the expenditure of £383,470 funded by Welsh Government grant of £290,000, secondment costs recharge plus a reserve of £10,000 to cover the costs of a RSP event.

Virement

5.49. Following the financial review and in line with the scheme of virement in the CJC's Financial Procedure Rules, the virements below are recommended to the CJC, Planning, Transport, Growth Deal and Investment Zone budgets for 2026/27, with further detail shown in Appendix 7.

5.50. Corporate Joint Committee

- **Legal:** £47,300 Employees: Additional Monitoring Officer and Section 151 Officer Capacity, £47,600 Support Services: Legal (includes Monitoring Officer) and £13,390 Set-up costs: Legal to External Consultants: Legal (including Monitoring Officer) (therefore total of £108,320 vired).

- **Local Growth Fund:** £200,000 Income: Welsh Government - Local Growth Fund Grant, £27,490 Employees: Employee expenditure (Pay, N.I. & Superannuation), External Consultants: Programme Management £64,400 and £108,110 Supplies and Services: Local Growth Fund.

- **Set-up costs:** £58,500 Set-up costs: External Consultants to External Consultants: Programme Management

- **Implementation Grant:** £35,000 Supplies and Services: External Consultants and £56,500 External Consultants: Programme Management from £91,500 Supplies and Services: Projects

5.51. Strategic Planning

- **Employees:** £143,200 Employee Expenditure (Pay, N.I. & Superannuation) to Supplies and Services: External Consultants

- **Legal**: £10,980 Support Services: Legal (includes Monitoring Officer) to External Consultants: Legal (including Monitoring Officer)

5.52. Transport

- **Legal**: £10,980 Support Services: Legal (includes Monitoring Officer) to External Consultants: Legal (including Monitoring Officer)

- **Regional Transport Grant:** £370,000 Income: Welsh Government – Regional Transport Plan Grant, £54,600 Employees: Employee expenditure (Pay, N.I. & Superannuation), £1,050 Supplies and Services: Tools and equipment, £10,000 Supplies and Services: Marketing and £304,350 Supplies and Services: External Consultants.

5.53. **Growth Deal**

- **Employees:** £405,910 Employee Expenditure (Pay, N.I. & Superannuation) to Project Delivery – Employees.

- **Legal**: £18,930 Additional Monitoring Officer and Section 151 Officer Capacity and £50,740 Legal (includes Monitoring Officer) Accountable Body Support Services to Joint Committee External Legal Support (therefore total of £69,670 vired).

- **Grants:** Income of £176,000 Welsh Government Local Energy Area Plan grant and £26,170 UK Shared Prosperity Fund with the corresponding expenditure within Grant Schemes.

5.54. **Investment Zone**

- **Legal:** £9,470 Employees: Additional Monitoring Officer and Section 151 Officer Capacity, £34,140 Support Services: Legal (includes Monitoring Officer) to External Consultants: Legal (including Monitoring Officer) (therefore total of £43,610 vired).

- **Set-up costs:** £7,030 Employees: Employee expenditure (Pay, N.I. & Superannuation), £73,600 External Consultants: Programme Management, £69,000 Supplies and services: External Consultants from £149,630 Set-up Costs: External Consultants.

6. CONSULTATIONS UNDERTAKEN

6.1. The Growth Deal appendices were presented to the Portfolio Board on 11 September 2026.

7. LEGAL IMPLICATIONS

7.1. Senior Officers of Ambition North Wales have contributed to this review.

APPENDICES:

Appendix 1 2026/27 CJC's Revenue Budget – End of July 2026 Review

Appendix 2 2026/27 Growth Deal's Revenue Budget – End of July 2026 Review

Appendix 3 Growth Deal's Reserves Position

Appendix 4 Growth Deal's Capital Profile – End of July 2026 Review

Appendix 5 2026/27 Investment Zone's Revenue Budget – End of July 2026 Review

Appendix 6 2026/27 Regional Skills Partnership's Budget – End of July 2026 Review

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

Subject to the Statutory Finance Officer being satisfied that the proposed movements are permissible under those arrangements and under any applicable grant or external funding conditions, I am satisfied that the recommendations are within the CJC's powers and raise no specific legal or governance concerns.

ii. Statutory Finance Officer:

Report author.