



GOVERNANCE AND AUDIT SUB-COMMITTEE

15 October 2026

TITLE: Medium Term Financial Strategy and Plan 2026/27-2029/30

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to present a draft Medium-Term Financial Strategy (MTFS) and a related Medium Term Financial Plan (MTFP) to the Governance and Audit Sub-Committee for consideration.
- 1.2. The Strategy and Plan was presented for approval to the North Wales Corporate Joint Committee at its meeting on 25 September 2026:
[Covering Report](#)
[Appendix 1 – Medium-Term Financial Strategy](#)
[Appendix 2 – Medium-Term Financial Plan](#)
- 1.3 A revised version is submitted to the Governance and Audit Sub-Committee incorporating the CBC's comments and guidance. The final version will be submitted to the CJC on 20 November 2026.

2. DECISION SOUGHT

- 2.1. Review the contents of the draft Medium-Term Financial Strategy and draft Medium-Term Financial Plan and offer comments thereon before the documents are presented to the Corporate Joint Committee on 20 November 2026.

3. REASON FOR THE DECISION

- 3.1. The Medium-Term Financial Strategy sets out the high-level Strategic Principles of the North Wales Corporate Joint Committee under the following headings:
 - Sustainable choices
 - Resilient funding and balance sheet
 - Deliverable portfolio and corporate resources
 - Transparent governance and partnership
- 3.2 The strategy sets out how the CJC will make sustainable financial choices, manage uncertainty and maintain the capacity to deliver its statutory responsibilities and agreed regional programmes over the current MTFP period. It sets the strategic framework, risk appetite, decision rules and governance expectations within which the MTFP is prepared, challenged, approved and monitored. The strategy will be reviewed annually and rolled forward in accordance and alignment with the financial plan.

- 3.2. The Medium-Term Financial Plan (MTFP) sets out the financial outlook for the 3-year period commencing on 1 April 2027.
- 3.3. These estimates are based on the latest available forecasts about the change in income the CJC will receive over the period (mainly through levy and Government Grant), and the additional spending requirements over the same period.
- 3.4. The Corporate Joint Committee's adoption of the Medium-Term Financial Plan will allow the CJC to consider the work needed to create detailed plans to address the funding requirements for 2027/28 – 2029/30. Following the adoption of a MTFP, the draft budget for 2027/2028 will be presented to the Governance and Audit Sub-Committee on 15 December 2026 and then to the North Wales Corporate Joint Committee on 29 January 2027, as required by statute.
- 3.5. At its meeting on 19 June 2026, the Corporate Joint Committee requested further reports to provide further information regarding:
- The CJC's staff over the past three years and the plans in moving forward,
 - providing an analysis of the underspend and the use of reserves over the next few years together with the required percentage of reserves.
 - Any financial obligations of delaying the levy for 2027-28
- 3.6. The information contained in the appendices provides the following information on the second and third points shown above:
- No underspend is envisaged on CJC activities for the 2026/27 financial year, as shown in the budget review report which is a separate item on the meeting agenda. In this context, "CJC activities" do not include the Growth Deal, Investment Zone or the Regional Skills Partnership which are subject to separate funding arrangements.
 - Using all of the CJC's reserves (apart from 5% of the gross budget to be held as general reserve) would not be sufficient to allow a freeze on the levy increase, let alone delaying the levy for 2027-28.
 - Delaying the levy for 2027-28 would mean a funding gap of over £1m which would lead to the CJC being unable to fulfil its statutory duties.
- 3.7. The report to the CJC contained the table below showing the staffing costs of the Corporate Joint Committee (corporate, transport and planning) financed through the levy or specific grants since 2023/24:

	2023/24	2024/25	2025/26	2026/27 (estimated)
Employee Costs	£92,514	£100,566	£368,228	£771,075

4. DECISION OF THE CORPORATE JOINT COMMITTEE

- 4.1. Four options were presented to the Corporate Joint Committee, asking members to give officers guidance on which of the options below they would prefer.

Option 1 - Keep the levy the same as 2026/27 and use the reserves to balance the budget

- 4.2. This option is to freeze the levy in 2027/28 at the same rate as 2026/27 and to use reserves to fill the funding gaps, after keeping 5% of 2027/28 gross revenue expenditure as a General Reserve. This would require £1,148,650 of reserves, which the CJC does not have. This proposal is therefore not feasible as there would be a funding deficit of £308,799.
- 4.3. Since freezing the levy is not feasible, it follows that not charging a levy at all in 2027/28 is not possible either.

Option 2 - Increase the levy and not using reserves

- 4.4. With this option, the CJC would retain the reserves it expects to have in place at the end of 2026/27 and make no further use of them. Although this means that reserves would be available to balance the budget in future years, this cannot be justified in that all the constituent authorities would face an 113% increase in their levy for 2027/28.

Option 3 - Increase the levy and use a proportion of the reserves available

- 4.5. This option involves using 50% of the available reserves at the start of each financial year for 2027/28, 2028/29 and 2029/30. This would provide a balance of being able to use some of the reserves in each of three financial years in order to dampen the levy increases. With this option, the levy would need to increase by approximately 71% in 2027/28, but with lower increases of approximately 10% in the following two years.

Option 4 - Use all the available reserves (£839,850) in 2027/28

- 4.6. This option involves using all the available reserves to set the 2027/28 budget, keeping the levy increases at approximately 30%. The effect of this is that there would not be reserves available to balance the budgets in 2028/29 and 2029/30, leading to levy increases of over 60% for the 6 constituent councils in 2028/29 but with a smaller increase in 2029/30.
- 4.7. **The decision of the Corporate Joint Committee was to ask officers to provide a hybrid option using 80% of the estimated usable reserves available as at 31 March 2027 as a basis, which would mean presenting an option that falls between option 3 and option 4 to Members at the next meeting of the CJC.**
- 4.8.1 Part 7.2 of the Medium-Term Financial Plan (Appendix 2) reflects this option and the financial implications of that. As can be seen, it would mean an increase in levy on the constituent authorities of 42% in 2027/28 compared to 2026/27.

APPENDICES:

Appendix 1: Draft Medium Term Financial Strategy 2026/27 – 2029/30

Appendix 2: Draft Medium Term Financial Plan 2026/27 – 2029/30

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

I note the draft Medium-Term Financial Strategy and Medium-Term Financial Plan and the role of the Governance and Audit Sub-Committee in reviewing the CJC's financial arrangements. I am content for the Sub-Committee to consider the documents and provide its comments to the Corporate Joint Committee.

ii. Statutory Finance Officer:

Report author.