



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

14 February 2025

TITLE: 2024/25 Revenue and Capital Budget – End of December 2024 Review

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1. PURPOSE OF THE REPORT

- 1.1. This report intends to provide the North Wales Economic Ambition Board (NWEAB) with details of the actual revenue expenditure and income up to the end of December 2024, as well as projected full year out-turn against its annual budget. It also shows the revised proposed capital programme as at the end of December 2024.
- 1.2. In order to operate effectively, the Joint Committee needs to be aware of its projected expenditure position against its approved annual budget.

2. DECISION SOUGHT

- 2.1. That the Board notes and accepts the NWEAB's revenue end of December 2024 review (Appendix 1).
- 2.2. That the Board notes and accepts the NWEAB's reserves update (Appendix 2).
- 2.3. That the Board agrees the NWEAB's revised capital expenditure profile (Appendix 3).

3. REASONS FOR THE DECISION

- 3.1. To note a forecasted underspend of £205,405 against the revenue budget in 2024/25. The final underspend at the end of the financial year will be used to reduce the amount claimed from the North Wales Growth Deal (NWGD) grant.
- 3.2. To note a further slippage on the capital programme, with an estimated expenditure of £12.51m in 2024/25 compared to an approved budget of £24.67m for the year.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The NWEAB in its meeting on 15 March 2024 approved its 2024/25 revenue and capital budget.
- 4.2. The net out-turn revenue position for the 2024/25 financial year was forecasted to be an underspend of £5,966 at the end of August 2024, but this has now increased to £205,405. This increase is mainly due to the actual pay award being less than the budgeted amount, as well as the extension to March 2025 and an underspend on the schemes budget within the Shared Prosperity Fund, allowing for expenditure previously funded from the core budget to be funded from the grant.
- 4.3. The out-turn report for 2024/25 will be presented to the NWEAB on 9 May 2025.

5. FINANCIAL IMPLICATIONS

Revenue

- 5.1. Appendix 1 provides a detailed analysis of the actual expenditure and income up to the end of December 2024, together with projected full year out-turn against its annual budget.
- 5.2. The net out-turn position at the end of the 2024/25 financial year is forecasted to be an underspend of £205,405.

Portfolio Management Office

- 5.3. There's a £43,201 underspend on the Portfolio Management Office and the main underspend is shown on the Employee Expenditure heading. This is mainly due to the actual pay inflation for 2024/25 being around 3% compared to the budgeted amount of 6%. Funding from the Shared Prosperity Fund has also been extended to March 2025 therefore the underspend in the Shared Prosperity plans heading has been used to fund the costs of three officers which had previously been budgeted as part of the core budget.
- 5.4. Part of the underspend on the Employee Expenditure heading has been used to fund temporary consultancy staff to cover a Programme Manager role until the post has been filled.



Accountable Body Support Services

- 5.5. An underspend of £17,250 on the Accountable Body Support Services heading is forecasted and this will be used to fund the external support expenditure shown under projects.

Joint Committee

- 5.6. There is an underspend of £34,500 on the Joint Committee heading with no expenditure likely on the external legal support and Business Delivery Board headings this financial year.

Projects

- 5.7. The Projects heading shows a net overspend of £181,524 and this is mainly due to project business case development and external legal support costs on numerous projects in the capital programme.
- 5.8. £218,735 of the project business case development heading's estimated final position relates to the Smart Local Energy project and £152,300 of the expenditure will be funded from the projects reserve.

Grant Schemes

- 5.9. The expenditure under this heading mainly includes grant funded Local Area Energy and Shared Prosperity Fund projects and an extension until March 2025 has been received on both projects.
- 5.10. The overspend on the Local Area Energy Project will be funded by the surplus grant as shown in the income section.
- 5.11. The underspend of £91,753 on the Shared Prosperity Plans will be used to fund the overspend on the Shared Prosperity Fund employee costs as well as contribute towards the overhead costs of the Portfolio Management Office.

Funding Contributions

- 5.12. The main income streams for 2024/25 include partner contributions, the revenue allocation of the NWGD grant, Welsh Government Energy grant, The North Wales Corporate Joint Committee (staff secondment), UK Shared Prosperity Fund, the projects reserve and the earmarked reserve.

- 5.13. As a surplus is estimated for this year, it is suggested that a reduced amount of the NWGD is used (with the exact figure to be finalised at year end) and transferred to the 2025/26 budget which would then leave a neutral position for the Board for 2024/25.

NWEAB Reserves

- 5.14. Appendix 2 shows the estimated reserve balances at 31 March 2025.
- 5.15. The total general earmarked reserve balance at 31 March 2024 was £277,927, and £66,950 of this reserve has been allocated in the 2024/25 budget to give an estimated balance of £210,977 at 31 March 2025.
- 5.16. The projects reserve balance of £152,300 will be used to finance the Smart Local Energy project costs included under the project business case development heading, leaving a balance of zero at 31 March 2025.
- 5.17. The interest reserve's estimated balance at 31 March 2025 is £7,233,483 and this includes an estimated £2.5m of interest on balances that will be received during the year.

Capital

- 5.18. Appendix 3 shows the revised proposed capital programme as at the end of December 2024.
- 5.19. There is a net reduction of £12.16m in the anticipated expenditure for 2024/25 and this is due to slippage on three projects (Smart Local Energy, Holyhead Gateway and Former North Wales Hospital) and the withdrawal of the Deeside Anaerobic Digestion Plant project. The expenditure on the Centre of Environmental Biotechnology and the Tourism Talent Network projects have been brought forward to 2024/25 to correspond to the capital profile in the full business case and business justification case.
- 5.20. Based on this revised expenditure profile, the NWGD grant of £56.9m that has already been received is sufficient to finance the capital programme until the end of 2025/26. We are currently waiting on confirmation from Government on the revised grant funding profile for the remaining years.

5.21. £84,684 capital expenditure is also expected to be incurred by the end of the financial year relating to mobile network survey equipment. This will be funded by the Shared Prosperity Fund and is therefore not included in Appendix 3.

6. CONSULTATIONS UNDERTAKEN

6.1. The appendices of this report were presented to the Portfolio Board on 24 January 2025.

7. LEGAL IMPLICATIONS

7.1. The Head of Operations as well as the Monitoring Officer have contributed to this review.

APPENDICES:

Appendix 1	2024/25 North Wales Economic Ambition Board's Revenue Budget – End of December 2024 Review
Appendix 2	NWEAB's reserves position
Appendix 3	2024/25 North Wales Economic Ambition Board's Capital Budget – End of December 2024 Review

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

No observations to add in relation to propriety.

ii. Statutory Finance Officer (the Host Authority's Section 151 Officer):

Author of this report