
NORTH WALES CORPORATE JOINT COMMITTEE

13 June 2025

TITLE: NWEAB's Revenue and Capital out-turn position for 2024/25

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1. PURPOSE OF THE REPORT

- 1.1. This report intends to provide the North Wales Corporate Joint Committee (CJC) with the final position of the North Wales Economic Ambition Board (NWEAB) for both revenue and capital in 2024/25.

2. DECISIONS SOUGHT

- 2.1. To note and accept the NWEAB's out-turn report for 2024/25 (Appendix 1), which includes using £714,395 from the North Wales Growth Deal grant to show a neutral position for the year.
- 2.2. To note and accept the NWEAB's reserves position (Appendix 2).
- 2.3. To note and accept the NWEAB's capital end of year review as of 31 March 2025 (Appendix 3).

3. REASONS FOR THE DECISION

- 3.1. To inform the CJC of the NWEAB's financial position for both revenue and capital in 2024/25.
- 3.2. The NWEAB's role and functions were transferred to the CJC on 1st April 2025, which included staff, resources, financial liabilities and assets, including the Growth Deal and funding.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The NWEAB 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 2024/25 and presented to the CJC in due course.

5. FINANCIAL IMPLICATIONS

Revenue

- 5.1. Appendix 1 provides a detailed analysis of the actual expenditure and income per heading against its 2024/25 budget.
- 5.2. The final net out-turn position for 2024/25 was an underspend of £385,605, and this has increased from the £205,405 underspend that was forecasted in the end of December 2024 review mainly due to a reduction in expenditure on several of the budget headings. In order to leave a neutral position for the year, the CJC will be asked to approve for a reduced amount of £714,395 (compared to the original budget of £1,100,000) of the Growth Deal grant to be used to fund the revenue expenditure in 2024/25.

Portfolio Management Office

- 5.3. There's a £75,140 underspend on the Portfolio Management Office (PMO) 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 was also extended to March 2025 therefore the underspend in the Shared Prosperity plans heading was 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 was used to fund temporary consultancy staff to cover a Programme Manager role.

Accountable Body Support Services

- 5.5. The final underspend on this heading is £41,730 which is the result of the reduced net expenditure on the Accountable Body (Host Authority) support services.

Joint Committee

- 5.6. The final underspend on this heading is £48,935, which is due to an underspend on the External Legal Support, External Financial Fees, External Audit Fees and the Business Delivery Board.

Projects

- 5.7. The final underspend on this heading is £65,034 and this is mainly due to costs that were previously considered within the Project Business Case Development costs being capitalised. However, there was a high demand for external legal support for the projects during the year.

Grant Schemes

- 5.8. The expenditure under this heading mainly includes grant funded Local Area Energy and Shared Prosperity Fund projects and an extension was received on both projects until March 2025 therefore leading to a net overspend of £96,820 against the annual budget.
- 5.9. The overspend on the Local Area Energy project is funded by the surplus grant shown in the income section whilst the underspend on the Shared Prosperity plans was 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.

Transfers to Reserves

- 5.10. At the NWEAB 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 transfers to reserves section shows the interest received of £2,800,231 transferred to this reserve (resources reserve).

Funding Contributions

- 5.11. The main income streams for 2024/25 include partner contributions, the revenue allocation for the North Wales Growth Deal grant, Welsh Government energy grant, UK Shared Prosperity Fund, the CJC's contribution for staff secondment and the earmarked reserve.
- 5.12. The original North Wales Growth Deal grant allocation was £1,100,000, but due to the net underspend position of £385,605 for 2024/25, a reduced amount of £714,395 is needed in order to leave a neutral position for the year. 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 NWEAB to fund its revenue expenditure.

NWEAB Reserves

- 5.13. Appendix 2 shows the movement in reserves during the year and the balances at 31 March 2025.
- 5.14. The total earmarked reserve balance at 31 March 2025 was £210,977. The NWEAB at its meeting on 14 February 2025 approved the use of £60,990 of this reserve as part of the 2025/26 budget.
- 5.15. The projects reserve balance at 31 March 2025 was £29,167. In the December 2024 review, it was noted that the reserve would be used to finance the Smart Local Energy project costs included within the Project Business Case Development heading. These costs have been subsequently capitalised but as the Full Business Case is yet to be approved, these costs have been met from the projects reserve. The costs for the year were £123,133.
- 5.16. The interest reserve balance at 31 March 2025 was £4,733,483.
- 5.17. The resources reserve balance at 31 March 2025 was £2,800,231 due to the transfer of the interest received in 2024/25 on the North Wales Growth Deal grant balance.

Capital

- 5.18. Appendix 3 shows the NWEAB's capital programme end of year review for 2024/25.
- 5.19. There is a net reduction of £13.3m in the expenditure in 2024/25 and this is due to slippage on four projects (Digital Signal Processing Centre, Smart Local Energy, Holyhead Gateway and Former North Wales Hospital) and the withdrawal of the Deeside Anaerobic Digestion Plant project. However, the commencement of the Centre of Environmental Biotechnology,

Enterprise Engineering & Optics Centre and the Tourism Talent Network projects during the year has brought forward some their profiled spend.

- 5.20. The 2.15% budget for revenue funding in 2024/25 has also reduced to £0.71m to reflect the final revenue out-turn position.

6. CONSULTATIONS UNDERTAKEN

- 6.1. The appendices of this report were presented to the Portfolio Board on 2 May 2025 and the Economic Well-being Sub-committee on 16 May 2025.

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.

APPENDICES:

Appendix 1	North Wales Economic Ambition Board’s Revenue out-turn position 2024/25
Appendix 2	North Wales Economic Ambition Board’s Reserves
Appendix 3	North Wales Economic Ambition Board’s Capital position 2024/25

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

No observations to add in relation to propriety.

ii. Statutory Finance Officer:

Report author.