Cyd-Bwyllgor Corfforedig Gogledd Cymru
North Wales Corporate Joint Committee

NORTH WALES CORPORATE JOINT COMMITTEE

13 June 2025

TITLE: North Wales Corporate Joint Committee Out-turn Report and Annual Return 2024/25

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1. PURPOSE OF THE REPORT

1.1. The purpose of this report is to provide the Corporate Joint Committee (CJC) with the final out-turn position for 2024/25 and to obtain approval of the official Annual Return for 2024/25.

2. DECISION SOUGHT

2.1. To note and accept the CJC's annual expenditure and income for 2024/25 as submitted in Appendix 1.

2.2. To obtain the CJC's approval for the underspend in 2024/25 to be transferred to an earmarked reserve to fund future one-off costs.

2.3. To approve the CJC's Annual Return for 2024/25 (subject to External Audit), in line with the statutory deadline of 30 June 2025. It has been duly completed and certified by Cyngor Gwynedd's Head of Finance as the Statutory Financial Officer for the CJC (Appendix 2).

3. REASON FOR THE DECISION

3.1. To inform the CJC of its financial position for 2024/25 and to comply with the statutory requirements regarding completing the Annual Return.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. At its meeting on 26 January 2024, the CJC approved its budget for 2024/25.

4.2. The accounts and return will be subject to audit by Audit Wales, who have been appointed by the Auditor General for Wales. Should any amendments be necessary, then revised version will be presented to the CJC in due course.

4.3. After audit and following any required amendments, the Auditor General's representative will certify the return.

5. FINANCIAL IMPLICATIONS

5.1. 2024/25 Expenditure per Heading

5.1.1. Appendix 1 provides a detailed breakdown of the expenditure and income per heading against its annual budget for 2024/25 and these correspond to the figures in the Annual Return as shown in Appendix 2.

5.1.2. The final net out-turn position for 2024/25 was an underspend of £401,598 and this has increased from the £270,550 underspend that was forecasted in the end of December 2024 review. Approval is sought to transfer this underspend to the earmarked reserve. The CJC has already approved for £564,740 of this reserve to be used as part of the 2025/26 budget at its meeting on 17 January 2025.

Employees

5.1.3. The final underspend on this heading is £333,674.

5.1.4. The expenditure on the Transport sub-heading includes the secondment costs of the Implementation Programme Manager from Welsh Government and costs for the Strategic Communication and Engagement Lead (1 day a week). The expenditure on the CJC sub-heading includes costs for the interim Chief Executive (2 days a week) together with the support of the Personal Assistant (1 day a week).

5.1.5. The budgeted allowance cost of the lay members relates to Governance and Audit Committee meetings; these meetings will be held from 2025/26.

Travelling

5.1.6. The travel allowance and staff subsistence budget has not been used in 2024/25 which leaves an underspend of £6,000 for the year.

Supplies and services

5.1.7. There was a net underspend of £129,140 against the supplies and services heading for 2024/25.

5.1.8. There was an overspend in the miscellaneous supplies heading of £7,502 due to training and printing costs associated with the Regional Transport Plan.

5.1.9. Audit Wales' fees are showing as negative for 2024/25 as the fees accounted for in previous years were higher than the actual amounts. In addition, an Annual Return is required for 2024/25 rather than a full set of accounts due to the turnover not exceeding the £2.5m threshold.

5.1.10. The expenditure on the external consultants heading for the year was £222,231 and £180,517 of this expenditure was funded from the Welsh Government Transport Grant. The external consultants' expenditure for Strategic Planning is expected to commence in 2025/26.

5.1.11. There is an underspend of £46,763 on the insurance costs and this is due to an interim insurance policy being in place for 2024/25, with the full insurance policy commencing in April 2025.

Support Services

5.1.12. The final underspend on the support services heading is £7,230.

5.1.13. The overspend on the corporate support heading is mainly due to translation costs. The underspend on the legal heading will be used to fund part of the overspend on the legal and democratic costs from external consultants shown under set-up costs.

Set-up costs

5.1.14. The net overspend on the set-up costs heading is £195,753.

5.1.15. Due to the delay in the transfer of the Growth Deal functions to the CJC to 1 April 2025, the legal and democratic and external consultants costs associated with the transfer was £262,686 compared to the budget of £50,000.

5.1.16. The £125,886 expenditure on legal and democratic costs includes the costs for an external law firm as well as a legal consultant and a democratic consultant who were commissioned to provide specialised advice and support on the establishment of the CJC.

5.1.17. The £136,800 on external consultants relates to project management costs associated with the CJC implementation.

Income

5.1.18. The CJC was successful in its bid to Welsh Government for funding towards the Regional Transport Plan, and £125k was awarded in 2023/24 and a further £100k in 2024/25. £180,517 of this grant income is shown in 2024/25, with £80,517 of the grant income funding external consultant costs that were commissioned in 2023/24 but the work not completed until April 2024.

5.1.19. Following confirmation in the October 2024 Budget that the Investment Zone programme would continue UK wide, the CJC have been working on the Gateway documents. There is an annual allocation of £640k to fund revenue costs, and one third of this budget will be allocated to the CJC. The first claim will include the £83k costs incurred in 2024/25, and although both Wrexham and Flintshire County Councils have between them underwritten £50,000 of this expenditure, the CJC reserve will be used to fund this expenditure in 2024/25 and will be repaid once the grant income is approved from Government.

5.1.20. The interest on balances for 2024/25 was £57,723.

5.2. Constituent Authority Contributions

5.2.1. The levy on the constituent authorities for 2024/25 was approved by the CJC in its meeting on 26 January 2024.

5.3. Reserve

5.3.1. On 1 April 2024, there was £892k in the reserve and £98k of this reserve was approved to be used for the 2024/25 budget and £100k to fund the Investment Zone expenditure until the grant income from Government is approved. Due to the underspend in 2024/25, the reserve balance at 31 March 2025 has increased to £1,113k.

6. LEGAL IMPLICATIONS

6.1. As defined in the Accounts and Audit (Wales) Regulations 2014 (as amended), the Corporate Joint Committee, due to its turnover not exceeding £2.5m in 2024/25, is required to prepare an annual return and this must be prepared in accordance with proper practices as stipulated by legislation.

APPENDICES:

Appendix 1: North Wales Corporate Joint Committee 2024/25 Revenue Out-turn position

Appendix 2: Annual Return for the year ended 31 March 2025

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

No observations to add in relation to propriety.

ii. Statutory Finance Officer:

Report author.