
ECONOMIC WELL-BEING SUB-COMMITTEE

3 October 2025

TITLE: 2025/26 Revenue Position – End of July 2025 Review.

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1. PURPOSE OF THE REPORT

- 1.1. This report intends to provide the Economic Well-being Sub-committee its projected full year out-turn against its annual budget.
- 1.2. In order to operate effectively, the Sub-committee needs to be aware of the projected expenditure position against the approved annual budget.
- 1.3. The review was presented and approved by the North Wales Corporate Joint Committee (CJC) in its meeting on 19 September 2025.

2. DECISIONS SOUGHT

- 2.1. To note the revenue end of July 2025 review, including the virement in the budget relating to grant income and expenditure (Appendix 1).
- 2.2. To note the reserves position (Appendix 2).

3. REASONS FOR THE DECISION

- 3.1. To note a forecasted underspend of £280,562 against the revenue budget for 2025/26.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The North Wales Economic Ambition Board approved the Economic Well-being Sub-committee's 2025/26 revenue and capital budget in its meeting on 14 February 2025.
- 4.2. The budget will continue to be monitored and reviewed throughout the 2025/26 financial year, and the third quarter review will be presented to the Sub-committee in February 2026.
- 4.3. The Growth Deal capital programme is currently under review following the projects reserve list, with the Portfolio Business Case to be approved in December, therefore an updated capital profile will be presented with the third quarter review.

5. FINANCIAL IMPLICATIONS

- 5.1. Appendix 1 provides a detailed analysis of the Economic Well-being Sub-committee's actual expenditure and income per heading up to the end of July 2025, together with a projected full year out-turn against its annual budget.
- 5.2. It is estimated that the net out-turn position at the end of the 2025/26 financial year will be an underspend of £280,562. This is mainly due to underspends in employee expenditure, additional government roles and accountable body support services. Ambition North Wales was also successful in its Shared Prosperity Fund application which has further contributed to the underspend in employee expenditure.

Portfolio Management Office

- 5.3. There's a £229,801 underspend on the Portfolio Management Office (PMO) and the main underspend is shown on the employee expenditure and additional government roles heading.
- 5.4. Funding received from the Local Area Energy Planning grant and the UK Shared Prosperity Fund for 2025/26 has been used to fund the costs of two officers and a proportion of the costs for other staff. The secondment of three officers and the previous Portfolio Director to the CJC for one/ two days a week has also led to an underspend in employee expenditure.
- 5.5. Part of this underspend has been used to fund the costs of a temporary External Advisor to support the Energy Programme beyond the Local Area Energy Planning grant. Also included within External Advisor costs is the CJC's Implementation Programme Manager costs associated with supporting the Growth Deal.
- 5.6. The recruitment of additional roles that are included within the budget such as projects staff and government roles has taken place during the financial year, therefore also contributing to the underspend. However, additional recruitment, including the recruitment of Portfolio Director, is expected to lead to an overspend in advertising and assessment of candidates' costs.
- 5.7. The insurance heading is showing an overspend of £11,800 as the majority of the cost has been apportioned between the CJC and the Economic Well-being Sub-committee based on employee budget costs.

Accountable Body Support Services

- 5.8. The estimated underspend on this heading is £26,190 due to the recruitment of Cyngor Gwynedd staff supporting the CJC taking place during the financial year. This recruitment will take place after the Service Level Agreement has been finalised.

Joint Committee

- 5.9. The Joint Committee heading shows a net underspend of £2,553 due to the forecasted underspend in audit fees offsetting the increase in external legal support costs.

Projects

- 5.10. The expected net overspend on this heading is £6,689. There is an overspend in external legal support costs on numerous projects in the capital programme, however there is an expected underspend on assurance costs.

Grant Schemes

- 5.11. The expenditure under this heading includes grant funded Local Area Energy and Shared Prosperity Fund projects where funding has been received until March 2026.
- 5.12. Income awarded of £621,320 from these grants has been included in the Virements column, with the budgeted expenditure shown against the relevant line in the grant schemes heading.

Funding Contributions

- 5.13. The main income streams for 2025/26 include partner contributions, the North Wales Growth Deal grant (revenue allocation and the funding of project staff costs), Welsh Government energy grant, UK Shared Prosperity Fund, the earmarked reserve and the resources reserve.
- 5.14. The forecasted use of the Growth Deal grant for projects staff is £205,382 compared to the budget of £116,675. This is due to the grant funding 50% of the costs of staff that were previously 100% funded by the Welsh Government energy grant in previous years, as well as an increase in the number of staff expected to be recruited for energy and digital projects.

Reserves

- 5.15. Appendix 2 shows the estimated reserves balances at 31 March 2026.
- 5.16. The total earmarked reserve balance at 31 March 2025 was £210,977, and £60,990 of this reserve has been allocated to the 2025/26 budget to give an estimated balance of £149,987 at 31 March 2026.
- 5.17. The projects reserve balance at 31 March 2025 was £29,167. In 2024/25, costs of £123,133 relating to the Clean Local Energy Project were met from the projects reserve as the Full Business Case was yet to be approved by 31st March 2025. The Full Business Case has subsequently been approved therefore £123,133 of the Growth Deal grant will be transferred to the projects reserve.
- 5.18. The interest reserve is ringfenced to fund the cost of borrowing in future years. Its estimated balance at 31 March 2026 is £4,841,863 and this includes the partner interest contributions of £108,380 that will be received during the year.
- 5.19. 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. £412,085 of this reserve has been allocated to the 2025/26 budget to give an estimated balance of £2,388,146 at 31 March 2026. The interest received on the Growth Deal grant in 2025/26 will also be transferred to the resources reserve at the end of the financial year.

6. CONSULTATIONS UNDERTAKEN

- 6.1. The appendices of this report were presented to the Portfolio Board on 12 September 2025 and were approved by the CJC on 19 September 2025.

7. LEGAL IMPLICATIONS

- 7.1. Senior Officers of Ambition North Wales as well as the Monitoring Officer have contributed to this review.

APPENDICES:

Appendix 1 2025/26 Economic Well-being Sub-committee's Revenue Budget – End of July 2025 Review

Appendix 2 Economic Well-being Sub-committee's reserves position

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

No observations to add in relation to propriety.

ii. Statutory Finance Officer:

Report author.