



REPORT TO GROWING MID WALES BOARD

5th February 2025

TITLE:	Proposed 2025/26 revenue budget for Growing Mid Wales Board
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1. Purpose of the Report

1.1. To consider the 2025/26 revenue budget for delivery of the Mid Wales Growth Deal.

2. Decision(s) Sought

2.1. To approve the Annual Budget for 2025/26 as set out in Appendix 1.

3. Background and Relevant Considerations

3.1. The Board operates under the Inter-Authority Agreement (IAA3) between Powys and Ceredigion Councils, with the Finance (Accountable Body function) falling under Ceredigion County Council.

3.2. Funding for the Portfolio Management Office to continue administration and delivery of the Growth Deal will be sourced by top slicing the UK and Welsh Government Growth Deal contributions and from contributions from both Councils.

3.3. As per the Grant Award Letter for the Growth Deal capital funding will be released on an annual basis for delivering the Deal. To date £4m was received during 2023/24. A request has been submitted to Welsh Government and to the UK Government to reprofile the remainder of the £110m funding – it is anticipated that a response to the request will be received before year end. The request for 2024/25 should result in a payment of circa £11.5m depending on how exactly WG profile their element. The investment interest earned relating to this and subsequent grant payments will, on a net basis (e.g. after allowing for top slice costs), be set aside and allocated to the Growing Mid Wales accounts.

3.4. The capital funding allows the region to top slice the funding to support the costs of administering the Growth Deal. The amount of top slice agreed is 4% and is consistent with other funding programmes from Government (e.g. UKSPF). The top slice does not have to be a fixed %age each year and can vary from one year to the next - subject to it not exceeding 4% in totality over the life of the Growth

Deal.

3.5. The budgets considered in this paper are the revenue budgets and therefore do not include the capital spend on the projects. Details of the capital budgets will be presented to Board as part of the process for approving funding to projects as they each reach the release of funding stage. The latest profile presented to the Welsh City & Growth Deals Implementation Board in December 2024 showed:

Year	Projected GMW Capital Expenditure £'000
2024/25	354
2025/26	6,144
2026/27	21,409
2027/28	24,026
2028/29	12,461
2029/30	2,668
2030/31	1,740
2031/32	1,510
2032/33	1,024
2033/34	222
TOTAL	71,558

It will be critical to see delivery progress that is broadly aligned to this profile if Growth Deal capital funding payments are to continue to be released in full by WG on an annual basis.

4. 2024/25 Revenue Budget update and proposed budget for 2025/26

4.1. The forecast outturn for 2024/25 is outlined in Appendix 1. It is anticipated that spend will be £600,000 compared to the budget of £642,343. It is therefore assumed that the top slice funding required will reduce to £375,000 compared to the budgeted figure of £417,343.

4.2. A proposed revenue budget for 2025/26 for the GMW Board totalling £869,000 is outlined in Appendix 1 to this report.

4.3. The proposed budget includes funding for posts in the Portfolio Management Office (PoMO) and the Portfolio SRO, which was referenced in agenda item 5 from the Board Meeting held on 12 December 2024. The proposed 25/26 Budget reflects the outcome of the review of resources and capacity requirements as the Growth deal moves into delivery phase. The proposed PoMO budget for 25/26 would provide for 8.8 FTEs as compared with 5.8 FTEs in the 24/25 Approved Budget. A formal HR staff consultation process has commenced, therefore any amendments would need to be reflected in the Budget as an in year consideration.

4.4. The proposed 2025/26 Budget assumes topslice funding of £669,000 which is a c5.8% top slice based on the anticipated Year 3 Growth Deal Funding of £11.5m from both governments during 25/26 - this is subject to annual performance and approval from governments. It is anticipated that by the end 2025/26 £27m of Growth Deal Funding will have been received with £1.173m being used to fund the revenue budget – being c4.3% of the funding over the three years.

4.5. The £100,000 funding is proposed to continue each from both Powys and Ceredigion County Councils.

4.6. There is a £103k balance in the Financing Equalisation reserve, which is the net investment income earned up to 31/03/24. This current purpose of this reserve is to smooth out cashflow variations over the life of the Mid Wales Growth Deal.

5. Recommendations for Approval

5.1. The GMW Board approves the Annual Budget for 2025/26 of £869,000 as outlined in Appendix 1, which includes a £100,000 contribution each from both Ceredigion County Council and Powys County Council.

6. Legal Implications

6.1. The recommendation is supported from a legal point of view to ensure compliance with the Local Government and Finance Act 1972.

7. Human Resources Implications

7.1. There are no HR implications arising from this report.

8. Financial Implications

8.1. As outlined in the report.

9. Appendices – Appendix 1 Revenue Budget 2025/26 and forecast outturn for 2024/25.