
NORTH WALES ECONOMIC AMBITION BOARD 28/01/22

Present:

Voting Members - Councillors:- Llinos Medi Huws (Isle of Anglesey County Council), Mark Pritchard (Wrexham County Borough Council), Charlie McCoubrey (Conwy County Borough Council), Ian Roberts (Flintshire Council), Hugh Evans (Denbighshire Council) and Dyfrig Siencyn (Gwynedd Council).

Advisors – Prof. Iwan Davies (Bangor University), Dr Maria Hinfelaar (Glyndŵr University), Dafydd Evans (Grŵp Llandrillo Menai) and Askar Sheibani (Business Delivery Board).

Chief Officers - Graham Boase (Denbighshire Council), Neal Cockerton (Flintshire Council), Richard Weigh (Wrexham County Borough Council), Sioned Williams (Gwynedd Council) and Dylan Williams (Isle of Anglesey County Council).

Officers in attendance - Dewi Morgan (Statutory Finance Officer - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Operations Manager), Sheryl Le Bon Jones (Senior Operational Officer), Jane Richardson (Chair of the Executive Group), Stuart Whitfield (Digital Programme Manager), Sian Pugh (Group Accountant - Corporate and Projects) and Annes Sion (Democracy Team Leader).

1. APOLOGIES

Apologies were received from Ian Bancroft (Wrexham County Borough Council), Annwen Morgan (Isle of Anglesey County Council) and Dafydd Gibbard (Gwynedd Council).

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

3. URGENT BUSINESS

None to note.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the Minutes of the meeting held on 10 December 2021, as a true record.

5. QUARTER 3 FINANCIAL REVIEW

The report was submitted by Dewi Morgan (Statutory Finance Officer) and Sian Pugh (Group Accountant - Corporate and Projects).

RESOLVED

To receive and note the NWEAB Joint-Committee's third quarter revenue and capital review for 2021/22. To receive the Joint-Committee's approval to transfer any underspend in 2021/22 to the earmarked reserve that will be available for future years.

REASONS FOR THE DECISION

A forecast underspend of £297,140 against the revenue budget in 2021/22 was noted. It was noted that any underspend at the end of the financial year may be transferred to the earmarked reserve. It was noted that there was a further slight slippage on the capital programme as a result of a delay with the final business case on one of the projects

DISCUSSION

The report was submitted, and the Joint-Committee was thanked for their welcome to the new Head of Finance at Gwynedd Council. It was noted that the purpose of the report was to report on the budget for quarter 3 noting the actual expenditure against the budget.

It was noted that the Finance Department estimated an underspend of £197k on the Portfolio Management Office. It was noted that this had increased by £69k since the last quarter, mainly because the expenditure on the Employee Expenditure heading and the Transport Procurement and External Support heading was estimated to be lower. It was noted that an underspend of £18k remained under the Joint-Committee heading.

In terms of projects, it was noted that this expenditure must be considered in the context of the decarbonisation grant of £500k and the community renewal fund of £80k shown under the equivalent income budget and approved during the year. It was highlighted that the underspend on the business case development, external legal support and assurance headings was also increasing as a result of slippage on the capital programme. It was explained that the Finance Department was revisiting the borrowing costs calculated back in October 2020 and would report back on this at the next meeting.

It was explained that income sources for 2021/22 included partner contributions, ESF Grant, North Wales Growth Deal Grant, Decarbonisation Grant, Community Renewal Fund and the reserve fund. It was noted that the department estimated an underspend of £297k for 2021/22 and that there would be £620k in the reserve fund by the end of the financial year.

In terms of the capital review, it was noted that there had been two changes since the last review, namely minor amendments in the Digital Signal Processing Centre project to agree the Final Business Case approved in December as well as a slippage anticipated on the Morlais project. It was noted that there was a slippage of £16.81 million in 2021/22, £41.39 million in 2022/23 and £18.93 million in 2023/24. It was explained that the North Wales Growth Deal grant would be used to fund the Capital Programme for the first two years and that no external borrowing would be needed until 2023/24.

During the discussion, the following matters were raised:-

- In response to a question regarding project interest costs, it was noted that the Finance Department had prepared a forecast in 2020 for grant income and capital expenditure in order to identify the borrowing costs. By now, the situation had changed and the expenditure profile had been changed in addition to the capital income profile. It was noted that a further report would be presented in March.

6. NORTH WALES GROWTH DEAL - QUARTER 3 PERFORMANCE REPORT

The report was submitted by Hedd Vaughan-Evans

DECISION

To note the Quarter 3 Performance Report and updated Portfolio Risk Register. To approve the submission of the Quarter 3 Performance Report to Welsh Government and UK Government as well as the local authority scrutiny committees.

REASONS FOR THE DECISION

In December 2020, the NWEAB and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal. Regular reporting on progress against the North Wales Growth Deal is one of the requirements of the Final Deal Agreement.

DISCUSSION

The report was submitted, noting that reporting on progress over the last quarter against the Growth Deal was one of the requirements of the Final Deal Agreement. It was explained that, following the Board's consideration, the reports would be shared with Welsh Government, UK Government as well as the local authority scrutiny committees.

The quarter highlights were explained, noting that the Growth Deal's first Full Business Case had been approved back in December, namely the Digital Signal Processing Centre with Bangor University. It was noted that two other projects had completed their Gateway 2 assurance reviews successfully, namely the Former North Wales Hospital, Denbigh project and the Llysfasi Net Zero Farm.

It was noted that an update on the 2021 Portfolio Business Case had been submitted to both Governments as part of the annual award of funding process. It was outlined that the new 'Ambition North Wales' brand had been launched together with the new website. It was noted that recruitment activities had been completed also, with the last three posts in the team filled from January 2022.

Members were guided through the projects, giving an update on the work that had been carried out over the last quarter. It was noted that the risk register had been updated in full with a number of adaptations recorded in the document which included amended risk descriptions, scoring and amended mitigation measures. Attention was drawn to three residual risks which had changed, the first - capacity risk, had reduced now that the PMO's recruitment activities had been completed, the second - public sector investment, and third - expenditure objectives. It was explained that the second and third had increased as a result of a number of project change requests being considered.

Observations arising from the discussion

- It was noted that phosphate was having an impact on a number of specific projects in Flint and Wrexham and it was asked what impact this would have on other projects. It was emphasised that a number of projects were under threat, and it was noted that it needed to be identified as a risk for the portfolio and a further discussion would be needed at the next meeting.
- It was also noted that there was a need to look at flood risks, as there were implications for all projects, and as a result there was a need to map out all the projects.
- Thanks were given for the good work undertaken by Bangor University pushing the

Digital Signal Processing Centre forward.

The meeting commenced at 1:30pm and concluded at 3pm

CHAIRMAN