
NORTH WALES ECONOMIC AMBITION BOARD 28/10/22

Present:

Voting Members - Councillors:- Jason McLellan (Denbighshire Council), Carwyn Elias Jones (Isle of Anglesey County Council), Mark Pritchard (Wrexham County Borough Council), Ian Roberts (Flintshire Council), Charlie McCoubrey (Conwy County Borough Council) and Dyfrig Siencyn (Cyngor Gwynedd) (Chair).

Advisors – Dafydd Evans (Grŵp Llandrillo Menai), Dr Maria Hinfelaar (Glyndŵr University), Askar Sheibani (Business Delivery Board) and Professor Paul Spencer (Bangor University).

Chief Officers - Iwan Davies (Conwy County Borough Council), Andrew Farrow (Flintshire Council), Richard Weigh (Wrexham County Borough Council) and Graham Boase (Denbighshire Council).

Officers in attendance - Dewi Morgan (Statutory Finance Officer - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Alwen Williams (Portfolio Director), Nia Medi Williams (Senior Operational Officer), Stuart Whitfield (Digital Programme Manager), Henry Aron (Energy Programme Manager), Robyn Lovelock (Growth Deal Programme Manager), David Matthews (Land and Property Programme Manager), Sian Pugh (Group Accountant - Corporate and Projects - Host Authority) and Eirian Roberts (Democracy Services Officer - Host Authority).

Also present - Yvonne Thomas (Wales Audit)

Observers - Gareth Ashman and Dewi Williams (Welsh Government) (until item 7 only)

1. APOLOGIES

Apologies were received from Councillor Llinos Medi Huws (Isle of Anglesey County Council), Dylan Williams (Isle of Anglesey County Council), Neal Cockerton (Flintshire Council), Dafydd Gibbard (Cyngor Gwynedd), Ian Bancroft (Wrexham County Borough Council), Hedd Vaughan Evans (Operations Manager), Wendy Boddington (Welsh Government) and Jane Richardson (Chair of the Executive Officers Group).

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

3. URGENT ITEMS

None to note.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting, held on 30 September 2022, as a true record.

5. FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 AND RELEVANT AUDIT

The report was submitted by Dewi Morgan (Statutory Finance Officer) and Yvonne Thomas (Audit Wales).

RESOLVED to approve the:

- **'ISA260' report by Audit Wales in respect of NWEAB**
- **NWEAB's final Statement of Accounts for 2021/22 (post-audit)**

REASONS FOR THE DECISION

The final version (post-audit) of the Statement of Accounts for 2021/22 was presented. The main amendments since the pre-audit version were outlined in section 16 of the report and Appendix 3 of the Audit Wales 'ISA260'.

The Chair of the Board, together with the Head of Finance, had been asked to certify the Letter of Representation, electronically (Appendix 1 to Audit Wales' report) after the NWEAB had approved the above.

After receiving the Letter of Representation duly certified by the Chairman and the Head of Finance, the Auditor General for Wales (Adrian Crompton) would issue the certificate on the accounts.

DISCUSSION

Details were provided about the background and relevant considerations and the consultations held.

The Statutory Finance Officer noted:-

- That paragraph 10 of the Wales Audit report noted that they intended to issue an unqualified audit opinion on the accounts this year, once the NWEAB would give the Letter of Representation to Audit Wales based on what was noted in Appendix 1 to the report.
- That Appendix 3 to the auditors' report drew attention to one correction made to the accounts during the audit, and that that was a technical issue only involving pensions.

The Statutory Finance Officer further noted that he wished to thank Yvonne Thomas and the team at Audit Wales for their work on the audit, and to Sian Pugh (Group Accountant - Corporate and Projects) and the team in the Finance Department at Cyngor Gwynedd for their work preparing the Statement of Accounts.

Yvonne Thomas (Audit Wales) was welcomed to the meeting and was invited to speak:-

Yvonne Thomas noted that she was pleased to say that Audit Wales was of the opinion that the accounts were an accurate and fair picture of the NWEAB's financial situation for the financial year. She drew attention to a few points in the report, namely:-

- That auditors could never provide complete assurance that the accounts had been accurately stated. Instead, a relevance level had been specified in an attempt to identify and rectify audit misstatements that could otherwise lead to misleading the user of the accounts, and for this year's audit, a relevance level of £57,000 had been specified.
- That the audit had not been completed at the time of drafting the report, but that it could now be confirmed that the audit had been completed and that no further issues had been raised.

- That the report referred to the impact of Covid on this year's audit in terms of the audit timetable and approach, and given continued remote working, it was intended to use electronic signatures to approve and certify this year's accounts.
- In terms of significant issues arising from the Audit, that it was a pleasure to report that only minor narrative and presentational errors arose from the audit, and the fact that so few issues had arisen was a positive message and reflected well on the arrangements in place to prepare the accounts.
- That she wished to thank Sian Pugh (Group Accountant - Corporate and Projects) and the team for their support to complete the audit.
- That the one correction made to the accounts was a presentational improvement only, and did not have any other effect on the financial statements.

The Chair noted that the report was positive which confirmed that we had an effective team within the Finance Department at Cyngor Gwynedd.

6. NORTH WALES GROWTH DEAL – QUARTER 2 PERFORMANCE AND RISK REPORT

Alwen Williams (Portfolio Director) presented an overview of the report highlights, and the Programme Managers provided details on the programme updates, as follows:-

- Low Carbon Energy - Henry Aron (Energy Programme Manager);
- Digital - Stuart Whitfield (Digital Programme Manager);
- Land and Property - David Matthews (Land and Property Programme Manager);
- Agri-Food and Tourism and Innovation in High Value Manufacturing - Robyn Lovelock (Growth Deal Programme Manager).

Alwen Williams (Portfolio Director) then presented a table tracking the work of delivering projects and Henry Aron (Energy Programme Manager) presented an overview of the main risks.

DECISION

- 1. To note the Quarter 2 Performance Report and updated Portfolio Risk Register.**
- 2. To approve the submission of the Quarter 2 Performance Report to Welsh Government and UK Government as well as the local authority scrutiny committees.**

REASONS FOR THE DECISION

Quarterly reporting on progress against the North Wales Growth Deal is one of the requirements of the Final Deal Agreement. Following the NWEAB's consideration, the reports would be shared with Welsh Government, UK Government as well as the local authority scrutiny committees.

DISCUSSION

Details were provided about the background and relevant considerations and the consultations held.

With reference to the Parc Bryn Cegin, Bangor Joint Venture Agreement (Land and Property Programme), clarification was sought about the comment made during the presentation that the negotiations had reached the stage where the financial risks to the Board had been capped. In response, the Programme Manager noted that while it could not be confirmed that there is no cost increase, the Board would not spend above the amount it had allocated for the project, and if the cost was less than the amount allocated,

then the Board would have the right to redeem the funds for a different project within the Growth Deal.

With reference to the Enterprise Engineering and Optics Centre (Innovation in High Value Manufacturing Programme), clarification was sought about the observation made during the presentation that there is an estimated 30-40% increase in the costs of setting up the centre. In response, the Programme Manager noted that there were two funding gaps, one within the Agri-Food and Tourism Programme and the other within the Innovation in High Value Manufacturing Programme. In terms of the cost funding gap of the Glynllifon Rural Economy Hub project, it was noted that the team at Grŵp Llandrillo Menai were currently looking at three options, namely:-

- Reduce the scope of the project
- Try to secure additional funding for the project
- Withdraw the project.

Regarding the cost funding gap of setting up the Enterprise Engineering and Optics Centre, it was noted that the team at Glyndŵr University were also developing options. It was not yet clear exactly what those options would be, but they had been asked to carry out an exercise similar to that of Grŵp Llandrillo Menai, looking at changing the scope of the project and considering any other possible mitigations for managing the gap. They noted that they were also looking at changes to the timing of the project.

Glyndŵr University's representative noted that it was inevitable that there would be significant delays to the Enterprise Engineering and Optics Centre project, but wished to keep an open mind as to the possibility of presenting the full business case to the Board for consideration somewhere between the originally envisaged date of March 2023, and the date currently being stated, which is September 2023.

The Chair noted that that would be welcome news.

In response to a question regarding the timing of projects in general, the Portfolio Director noted that every opportunity to bring decisions to the Board's attention sooner would be welcomed, which meant avoiding unnecessary cost increases in the current climate. In terms of the specific project in question, it was believed to be within Glyndŵr University's control to bring the business case forward, and it was confirmed that the Portfolio Management Office, the Growth Deal Programme Manager and the team would do everything to facilitate that if the business case was ready for approval.

Grŵp Llandrillo Menai's representative noted, while accepting that it was possible to continue to put the business plans together, that it was difficult to justify the energy and expense of doing so if the financial package was not in place. He added that he was pleased with the work that had taken place over the past few weeks, specifically with the Growth Deal Programme Manager and the team in terms of trying to come up with options, but would like to think that a paper could be brought soon to the Board, as that in turn would lead increasing momentum to move on to the next steps.

In reference to the risk register, it was noted:-

- That it was understood why two of the risks, namely Economic Recovery and the EU / UK Implementation and Trade Agreement, had been closed. Risks were inevitable, but it was possible to be confident that the Board had the capacity and skillset to manage those risks and move the plans forward.
- That the risks were not actually eliminated, but instead replaced by larger risks unfortunately.

7. EXCLUSION OF PRESS AND PUBLIC

RESOLVED to exclude the press and public from the meeting during the discussion on the following items for the reasons stated:-

Item 8 - due to the likely disclosure of exempt information as defined in paragraph 14, Schedule 12A of the Local Government Act 1972 - information about the financial or business transactions of any specific person (including the authority that retains that information).

There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is also acknowledged that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed without being publicised. The report deals specifically with financial and business matter and related discussions. Publication of such commercially sensitive information could adversely affect the interests of the bodies and the Councils and undermine the confidence of other Growth Deal participants in sharing sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome.

Item 9 - As information contained in the report is confidential as defined in section 100A(3) of the Local Government Act 1972 on the basis that it was provided by a Government Department on terms which forbid its public disclosure.

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information will be disclosed.

8. PORTFOLIO BUSINESS CASE 2022

The report was submitted by Alwen Williams (Portfolio Director).

DECISION

- 1. To approve the 2022 update of the Portfolio Business Case and its submission to Welsh Government and UK Government as part of the annual award of funding process.**
- 2. To note that while the Bodelwyddan Key Strategic Site has been withdrawn from the Growth Deal, the targets associated with this project are still captured within the business case and will remain until a decision is made on a replacement project(s).**
- 3. To note that the Lllyfasi Net Zero Farm project has been withdrawn from the Growth Deal by Coleg Cambria and that the Business Case will be updated to reflect this before being submitted to Welsh and UK Governments. Also, that the (Egni) project remains under review and that the latest information for the project is included in the business case pending completion of the review and a decision by the Board.**
- 4. To request that the Portfolio Director submit all required documentation and change request form to Welsh and UK Government as part of the annual award of funding process and delegate to the Portfolio Director, in consultation with the Chair and the Vice Chair of the North Wales Economic Ambition Board, the Monitoring Officer and the S151 Officer, authority to negotiate with Welsh Government and UK Government on the timing of the award of funding and to make any minor amendments as requested by either government.**
- 5. To note the recommendations of the Portfolio Assurance Review (PAR) and request that the Portfolio Director develop an action plan to address the recommendations.**

REASONS FOR THE DECISION

It is a requirement of the Final Deal Agreement that the Portfolio Business Case is updated on an annual basis and submitted to Welsh Government and UK Government as part of the annual award of funding process.

DISCUSSION

Details were provided about the background and relevant considerations and the consultations held.

The report was discussed.

9. PARC BRYN CEGIN PROJECT

The report was presented by David Matthews (Land and Property Programme Manager).

DECISION

- 1. To agree to enter into a Joint Venture Agreement with Welsh Government for the delivery of advanced employment units on Plot C3 Parc Bryn Cegin as shown on the estate plan attached in Appendix A to the report circulated to Board members.**
- 2. To delegate authority to the Portfolio Director in consultation with the Monitoring Officer to finally agree the terms and complete the Joint Venture Agreement in accordance with the report.**

REASONS FOR THE DECISION

At its meeting on 15 July 2022 the Board requested a further report on the Joint Venture Agreement. The report offered an update on the discussions, requested confirmation of the proposal to delegate authority to finally agree the terms and complete the agreement in accordance with the report.

DISCUSSION

Details were provided about the background and relevant considerations and the consultations held.

The report was discussed.

The meeting commenced at 2.00 pm and concluded at 3.30 pm

CHAIR