



Complete Agenda

**Bwrdd Uchelgais Economaidd
Gogledd Cymru**

**North Wales
Economic Ambition Board**

Meeting

NORTH WALES ECONOMIC AMBITION BOARD

Date and Time

1.00 pm, FRIDAY, 28TH OCTOBER, 2022

Location

Virtual Meeting - Zoom

Contact Point

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(DISTRIBUTED 20/10/22)

NORTH WALES ECONOMIC AMBITION BOARD

MEMBERSHIP OF THE JOINT COMMITTEE

Voting Members

Councillors

Jason McLellan	Denbighshire County Council
Llinos Medi Huws	Isle of Anglesey County Council
Mark Pritchard	Wrexham County Borough Council
Ian B. Roberts	Flintshire County Council
Charlie McCoubrey	Conwy County Borough Council

Advisers - Non-voting

Dafydd Evans	Grwp Llandrillo Menai
Maria Hinfelaar	Glyndwr University
Yana Williams	Coleg Cambria
Askar Sheibani	Business Delivery Board
Professor Edmund Burke	Bangor University

Chief Officers - Non-voting

Dylan Williams	Isle of Anglesey County Council
Iwan Davies	Conwy County Borough Council
Neal Cockerton	Flintshire County Council
Dafydd Gibbard	Gwynedd Council
Ian Bancroft	Wrexham County Borough Council
Graham Boase	Denbighshire County Council

Officers in Attendance

Dewi Morgan	Section 151 Officer
Iwan G. Evans	Monitoring Officer
Alwen Williams	Portfolio Director
Hedd Vaughan Evans	Operations Manager
Nia Medi Williams	Senior Executive Officer

A G E N D A

1. APOLOGIES

To receive any apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declarations of Personal Interest

3. URGENT BUSINESS

To note any items that are a matter of urgency in the view of the Chair for consideration.

4. MINUTES OF THE PREVIOUS MEETING

5 - 14

The Chair shall propose that the minutes of the meeting held on 30 September 2022 be signed as a true record.

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

15 - 83

Dewi A Morgan, Host Authority Statutory Finance Officer and Sian Pugh, Host Authority Group Accountant to present the report.

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

84 - 113

Hedd Vaughan-Evans, Head of Operations to present the report.

7. EXCLUSION OF PRESS AND PUBLIC

The Chairman shall propose that the press and public be excluded from the meeting during the discussions on the following items for the reasons noted:-

Item 8 – Due to the likely disclosure of exempt information as defined in Paragraph 14 of Schedule 12A of the Local Government Act 1972 Information relating to the financial or business affairs of any particular person (including the authority holding 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 reports 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 would be disclosed.

8. PORTFOLIO BUSINESS CASE 2022

Alwen Williams, Portfolio Director to present the report.

9. PARC BRYN CEGIN

David Mathews, Land and Property Programme Manager to present the report.

NORTH WALES ECONOMIC AMBITION BOARD 30/09/22

Present:

Voting Members - Councillors:- Ieuan Williams (Isle of Anglesey County Council), Charlie McCoubrey (Conwy County Borough Council), Mark Pritchard (Wrexham County Borough Council), Jason McLellan (Denbighshire Council) and Dyfrig Siencyn (Cyngor Gwynedd) (Chair).

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

Chief Officers - Dylan Williams (Isle of Anglesey County Council), Jane Richardson (Conwy County Borough Council), Neal Cockerton (Flintshire Council), Ian Bancroft (Wrexham County Borough Council), Graham Boase (Denbighshire Council) and Sioned Williams (Cyngor Gwynedd).

Officers in attendance - Sian Pugh (Group Accountant - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Operations Manager), Nia Medi Williams (Senior Operational Officer), Robyn Lovelock (Agri-food and Tourism Programme Manager), David Mathews (Land and Property Programme Manager), Stuart Whitfield (Digital Programme Manager), Graham Williams (Decarbonising Transport Project Manager), Margret Peters (Land and Property Project Manager) and Annes Sion (Democracy Team Leader - Host Authority).

Also in attendance - Wendy Boddington (Welsh Government), Gareth Ashman (UK Government) and Rhys Horan (Welsh Government)

1. APOLOGIES

Apologies were received from Cllr Ian Roberts (Flintshire County Council).

2. DECLARATION OF PERSONAL INTEREST

A declaration of personal interest was received from Alwen Williams for item 7 – Part-time Secondment of the Ambition Board's Portfolio Director as Interim CJC Chief Executive. It was a prejudicial interest and she left the meeting during the item.

3. URGENT BUSINESS

None to note.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the meeting held on 15 July 2022, as a true record.

5. ANNUAL GOVERNANCE STATEMENT

The report was presented by Hedd Vaughan-Evans (Operations Manager).

RESOLVED

To accept and approve the Annual Governance Statement.

REASONS FOR THE DECISION

The Accounts and Audit (Wales) (Amendment) Regulations 2018 set fixed requirements on public bodies that operate partnership management arrangements through formal joint committees.

Section 5 requires the Joint Committee to review and approve a statement of internal control. The Annual Governance Statement has been prepared to comply with this requirement. The document has been produced to offer a framework to the Ambition Board's operation.

DISCUSSION

The Accounts and Audit (Wales) (Amendment) Regulations 2018 set fixed requirements on public bodies that operate partnership management arrangements through formal joint committees. It was noted that the Board is required to review and approve a statement of internal control, which highlights robust and transparent arrangements based on good practice. It was explained that this had been confirmed by Internal Audit by Cyngor Gwynedd as the Accountable Body.

6. 2022/23 REVENUE AND CAPITAL BUDGET REVIEW - AUGUST 2022

The report was presented by Sian Pugh (Group Accountant - Host Authority).

DECISION

To note and accept the Ambition Board's revenue end of August 2022 review which includes claiming a reduced amount from the North Wales Growth Deal grant in order to leave a neutral position for the year.

The Ambition Board's reserves update was noted and accepted.

It was agreed on the Ambition Board's revised capital expenditure profile and project delivery plan.

REASONS FOR THE DECISION

It was noted that an underspend of £189,048 was forecast against the revenue budget in 2022/23. Any underspend at the end of the financial year may be transferred to reduce the amount claimed from the North Wales Growth Deal Grant.

A slippage on the capital programme across the whole portfolio was noted, with a lower number of business cases approved than was originally anticipated at this point.

DISCUSSION

The report was submitted noting that an end of August 2022 review was being submitted. It was explained that the report noted the actual revenue position until the end of August 2022 and estimated the position until the end of the financial year. It was

stated that the finance department estimated an underspend of £38k on the Programme Management Office, highlighting that this was mainly due to an underspend of £11k on employee expenditure, an underspend of £18k on the Regional Engagement Team contribution and £10k underspend on the ESF evaluation report heading. Attention was drawn to the overspend under the Support Services heading of £5k and it was explained that this was due to an overspend on a legal budget.

A net underspend of £10k was estimated on the Joint Committee heading, which included an underspend of £18k on External Legal Support, a £5k underspend on External Financial Fees and an overspend of £13k on the External Audit Fees. It was noted that audit fees were based on the Audit Wales' Audit Plan that had been submitted to the Board in July, but it included a fee for the performance audit work that had not been included in the budget. It was stated that the projects heading showed an underspend of £161k, highlighting that this was due to slippage in the capital programme

In terms of income sources for 2022/23, it was noted that they included partner contributions, ESF Grant, North Wales Growth Deal Grant and other specific grants. It was explained that this would then leave an estimated position of an underspend of £189k for 2022/23. As a result, rather than claiming the full amount of £750k from the Growth Deal Grant, it was suggested that a reduced amount of £563k was claimed, which would leave a neutral position for the Board for this year.

It was stated that the estimated general reserve balance at 31 March 2023 was £552k and it was added that the Board had already approved the use of this reserve to fund the Portfolio Management Office staff until March 2024. It was expected to use £100k from the projects fund in 2022/23, which would give an estimated end of year balance of £95k. It was noted that partner interest contributions of £265k for 2022/23 would be added to the interest fund and give an estimated balance of £964k at the end of March 2023. In addition, it was noted that interest on this reserve balance as well as interest on the capital grant would be added at the end of the financial year, and due to the capital grant balance of approximately £34m as well as the increase in interest rates over recent months, this was likely to be in the region of £500k to £600k for this year.

In terms of the capital review, it was noted that the budget had been approved in March 2022, and it was expected to run until 2028/29, but it was stated that the revised profile showed that one of the projects would be running until 2032/33. Although the Digital Signal centre project was continuing, it was explained that further expenditure was predicted in 2022/23, and there had been a slippage in the capital programme across the whole portfolio with a lower number of business cases approved than had been originally anticipated. It was noted there had been a slippage of £1.86m in 2021/22, and an anticipated slippage of £26.55m in 2022/23 and £32.46m in 2023/24. It was explained that the North Wales Growth Deal grant was used to fund the Capital Programme for the first three years, and that no external borrowing would be needed until 2024/25.

Observations arising from the discussion

- Gratitude was expressed for the report and an enquiry was made about overspend in the legal field. It was noted that the department had not managed to fill a post to support the Ambition Board and had now recruited an experienced locum to undertake the work since August. It was explained that the position would be reviewed early next year and that expenditure needed to be kept under review. It was added that funding was available to employ specialist lawyers who were needed as a result of contract sizes.
- A question was asked about the Interest Reserve - as there had been a slippage in projects, was there a need to charge the money now or was it better to revisit this as a result of interest costs? It was explained that the finance department had revisited the matter as part of drawing up the

budget last year and they would revisit again as they established next year's budget. It was stated that a discussion would be needed with an external company in terms of interest rates as the department was unaware of what could happen in future.

- In terms of the budget, it was noted that the table noted that the Growth Deal was £240m and that only £156m of it was funded by the Growth Deal Grant, while the further expenditure was funded through loans. It was emphasised that all schemes were funded by the grant but the grant would not be available annually when schemes were implemented and, therefore, the loans were for cash flow, which would be repaid through a grant.

7. NORTH WALES CORPORATE JOINT COMMITTEE (CJC)- PART-TIME SECONDMENT OF THE EAB PORTFOLIO DIRECTOR AS INTERIM CJC CHIEF EXECUTIVE

The report was presented by Neal Cockerton (Chief Executive, Flintshire County Council).

DECISION

The Ambition Board

- supported the CJC's request to release the Portfolio Director's time for two days per week until 31 March 2023 on a part-time secondment basis to undertake the Interim Chief Executive role.
- That all associated employment and associated costs were covered by the North Wales CJC.
- To delegate authority to the Portfolio Director in consultation with Chair and Vice-Chair of the EAB to agree on the re-allocation of responsibilities within the Portfolio Management Office (PMO) in order to ensure that the proposed interim arrangements supported the PMO priorities and responsibility to all the EAB partner organisations.

REASONS FOR THE DECISION

A request had been made by the North Wales Corporate Joint Committee to the Ambition Board to release part of their Portfolio Director's time to fulfil the CJC Chief Executive role, initially on a temporary basis until 31 March 2023.

DISCUSSION

The report was presented noting that it submitted a request to release part of the Portfolio Director's time to fulfil the CJC Chief Executive role, initially on a temporary basis until 31 March 2023. It was explained that there was a number of outstanding matters to resolve and an individual was required to lead the work until the end of the financial year.

It was explained there was a possibility for the Board to be part of the CJC in future, and the Chief Executive's assistance was needed to provide a focus for the CJC and to ensure that work was not duplicated between the CJC and the Ambition Board. It was stated that the Corporate Joint Committee would pay employment costs and associated costs for the secondment of the Portfolio Director, which would also potentially provide a development opportunity for those within the Portfolio Management Office.

Observations arising from the discussion

- The understanding of the need to move in this direction was noted but it

was emphasised that some Members of the Board would only have support until March 2023. It was enquired what was the plan to employ a Chief Executive for the Corporate Joint Committee after this period. It was stated that the interim Chief Executive would need to develop the role, along with expectations and arrangements during this period.

- It was asked what was the plan from March 2023 onwards. It was noted again that it was part of the interim Chief Executive's role to understand the role and to put a job advertising system in place.
- A number of questions were asked that were currently unanswerable and that this would provide a pragmatic answer for the situation, and it was highlighted that a six-month period would fly by.
- It was emphasised that it was clear that appointing a long-term Chief Executive would take time and, therefore, reports would be submitted regularly to provide updates to the Board.

8. REGIONAL ENERGY STRATEGY - ACTION PLAN

The report was presented by Rhys Horan, Strategic Lead (Welsh Government Energy Service).

DECISION

To approve the draft Action Plan.

To approve the proposed governance arrangements for overseeing delivery of the Regional Energy Strategy and Action Plan.

To approve the Action Plan to be considered by each Local Authority.

REASONS FOR THE DECISION

The North Wales Energy Strategy was endorsed by the Ambition Board and the Welsh Government's Minister for Climate Change in March 2021. It was stated that the development of the Action Plan was the next stage of the regional energy planning process and was directed at translating priorities into strategic actions and interventions.

DISCUSSION

The report was submitted and it was noted that this report was an important step forward in terms of Regional Energy. It was explained that the Regional Energy Strategy had been accepted by the Board last year and that they were submitting the Draft Action Plan today. It was emphasised that North Wales was leading the way in terms of work in this field.

It was noted that the strategy accepted last year highlighted the main priorities as did the Action Plan. It was explained that discussions held had highlighted the need to consider the industrial sector and, therefore, it had been included. It was stated that the Action Plan highlighted how it was possible to move the priorities within the strategy to specific actions.

It was explained that the Action Plan was part of the whole picture, emphasising that it conveyed energy targets that corresponded with national policies. Following this, it was emphasised that local schemes would be developed over the next few months before being submitted to local authorities. It was noted that the work of creating the document had been supervised by a task and finish group where clear support was seen from

stakeholders.

It was emphasised that the document highlighted who was qualified to move the plan forward, along with the timetable and the financial element. It was explained that a number of actions had already been funded or did not anticipate the need for additional funding.

In terms of Governance, it was stated that the Task and Finish Group had now delivered its task and it would be adapted to become a Project Group to supervise the work and to agree on arrangements to report on progress. It was noted that the Welsh Government had agreed to fund three new posts to support with the work and to assist with progress reporting.

It was highlighted that developing the energy system was a journey and that this plan was part of the journey.

Observations arising from the discussion

- In terms of the three new posts, an enquiry was made as to whether there would be financial requirements for the Board. It was noted that the three new posts would be funded by the Welsh Government, and it was emphasised that there was no financial commitment for the Board at present.
- It was agreed that this report would be submitted to the Business Delivery Board.
- It was stated that the current high-level Plan, which got things in order, was in place. It was noted that more operational plans would be shared in due course.

9. NORTH WALES GROWTH DEAL - HORIZON SCANNING

The report was presented by Alwen Williams, Portfolio Director and Hedd Vaughan-Evans, Operations Manager.

DECISION

To agree with the principles and proposed process as noted in the report as a basis to the process for identifying the preferred way forward when projects are withdrawn from the North Wales Growth Deal. It was agreed that the Board, following the withdrawal of any project from the Growth Deal, would receive a further report to recommend the parameters and scoring criteria for any horizon scanning exercise on a case by case basis.

REASONS FOR THE DECISION

The North Wales Growth Deal had a change management process in place to ensure potential changes to the scope of the Growth Deal and the projects were captured, assessed and, where relevant, considered by the Board. The report outlined the principles as well as the proposed process to identify the preferred way forward when projects were withdrawn from the North Wales Growth Deal.

DISCUSSION

The report was submitted noting that it outlined the principles for alternative projects when projects would be withdrawn from the North Wales Growth Deal. It was noted as follows:

1. Principle 1: Before considering new projects, the Board will initially consider

applications from existing projects for additional funding, on a case by case basis.

2. Principle 2: As part of the horizon scanning exercise, all options should be considered as part of the process to identify the preferred way forward.
3. Principle 3: The preferred way forward must deliver against the business case targets of the portfolio and seek to deliver a comparative level of benefits for the project that is withdrawn from the Growth Deal.
4. Principle 4: The preferred way forward must deliver against the relevant business case of the programme and get to grips as much as possible with the void left as the project is withdrawn from the Growth Deal.
5. Principle 5: Any new projects in the preferred way forward must be able to demonstrate the regional impact in the same way as existing projects.

It was stated that the principles were supported by a process and the three key stage process was highlighted. In terms of the first stage - Horizon Scanning - the need to agree on criteria, scoring and weighting was noted, highlighting the need to include targets for jobs, investment and delivery criteria. It was explained there would be a public call for projects and an initial hard gate assessment would be carried out by the Portfolio Director to remove any proposals that do not meet a required level of outcomes.

As the second stage - Longlisting and Shortlisting - it was noted there would be an assessment of the longlist against criteria to agree and identify a shortlist. Additional information would be requested from the projects in order to submit a short list assessment to the Ambition Board to identify the way forward.

The final stage would involve approving and developing business cases. It was noted that a recommendation would be proposed to the Ambition Board prior to the commencement of creating a business case.

Observations arising from the discussion

- In terms of giving an opportunity to existing projects to receive more funding as a result of projects being withdrawn from the Growth Deal, an enquiry was made as to what would be the next steps for these plans? It was noted that the Board would consider these applications before proceeding to the horizon scanning exercise.
- The plan was welcomed and it was enquired how realistic it was to have new projects that would meet the specific requirements of the schemes. It was noted that the projects would possibly not be similar ones but rather a collection of smaller schemes.
- It was noted that specific projects were the decision of the Board but they needed to reach the targets noted in the Growth Deal.
- It was agreed for the report to be submitted to the Business Delivery Board.

10. CHANGE CONTROL: BODELWYDDAN KEY STRATEGIC SITE PROJECT

The report was presented by Hedd Vaughan-Evans (Operations Manager) and David Mathews (Land and Property Programme Manager).

DECISION

To agree to formally withdraw the Bodelwyddan Key Strategic Site project from the North Wales Growth Deal and notify the Welsh Government and UK Government of the decision.

It was agreed that the Board noted that funding provisionally allocated to the project was retained with the North Wales Growth Deal and that the decision on a replacement project or projects was a matter for the Ambition Board to determine.

The Portfolio Management Office was requested to bring forward a paper to a future meeting setting out the process for selecting a replacement project for the Board to consider.

REASONS FOR THE DECISION

The project Outline Planning Consent as originally scoped of 1,700 plus residential units, 26 ha of employment land, local centre, school, medical centre, hotel, extra care home, recreation and leisure uses lapsed in March 2021. Both private sector developers had withdrawn from the project before the permission lapsed.

It was explained that the project was one of six within the Land and Property programme and was estimated to deliver 26 ha of employment land, 1,715 new homes, primary school, local centre, recreation and leisure facilities, 576 jobs, £20m pa GVA and circa £185m capital investment.

Consequently, the Board was asked to remove the project from the North Wales Growth Deal.

DISCUSSION

The report was submitted noting that it was a request to formally withdraw the Bodelwyddan Key Strategic Site project from the North Wales Growth Deal. It was stated that this was a major scheme and it was highlighted that a number of changes had been undertaken following a Review of Denbighshire's Local Development Plan for 2023.

It was explained that household information had been updated for the 2023-33 period and the Employment Land Survey 2021 for the same period estimated that demand for new housing and employment land for the Bodelwyddan project had reduced to 400 homes from 1715 back in 2016. It was also added that planning permission had lapsed back in March 2021 and the developer had withdrawn. It was stated that the timeline to adopt the Local Delivery Plan, that had also been reviewed, had been extended and it was estimated that the new Plan would not be adopted until mid-2025. As a result, it was explained that the work would not commence until mid-2028 at the earliest.

It was explained that a discussion had been held by the Programme Board and that they recommended withdrawing it and earmarking the funding within the Growth Deal in order for the Portfolio Management Office to submit a paper to a future meeting outlining the process for selecting a replacement project for the Board to consider.

Observations arising from the discussion

- It was stated that it must be accepted that some schemes would not proceed and that the horizon scanning process needed to commence as soon as possible.

11. CHANGE CONTROL: MORLAIS

The report was presented by Hedd Vaughan-Evans (Operations Manager)

DECISION

The request to change was approved.

As it was a request to change, it was noted that Menter Môn would need to develop and submit a new outline business case for the Board to consider.

REASONS FOR THE DECISION

In May 2021, the Ambition Board approved an outline business case (OBC) for £9m funding towards the Morlais B development. Due to a combination of funding constraints, the OBC was withdrawn by Menter Môn in Autumn 2021. Following the withdrawal of the OBC, Menter Môn had prepared a change request seeking support from the Board to retain the £9m earmarked from the Growth Deal Low Carbon Energy Programme. This would enable Menter Môn to develop and submit a revised outline business case for a revised project called the Cydnerth Project. As per the North Wales Growth Deal's change control process, this proposal required approval from the Board

DISCUSSION

The report was submitted, noting that this proposal requested a project change. It was explained that this was the first OBC approved by the Board but it had been withdrawn due to a combination of WEFO funding constraints and state aid rules. It was noted that Menter Môn received funding from WEFO to be able to provide infrastructure on the land, but funding had not been secured to further extend the scheme. It was stated that Menter Môn had submitted an application to the Board for support to change and for the £9m to be earmarked by the programme in order to allow them to submit a revised OBC.

It was noted that the original OBC included £9m from the Growth Deal and £25m from WEFO to joint fund the Scheme but the project was now proceeding with WEFO funding only. It was explained that Menter Môn was requesting the Ambition Board's support to retain the £9m earmarked from the Growth Deal in order to remove the following barriers to the scheme, namely connection to the National Grid and to monitor sub-marine environmental impacts. It was stated that the name of the revised project was the Cydnerth Project.

The revised timetable was highlighted noting that they were eager to submit the OBC next Summer, and then construction and expenditure to commence in Summer 2024. In terms of benefits and outputs that they remained the same as the original project but that they were shared between the project funded by WEFO and the Cydnerth Project. It was noted that a letter of support had been received in principle from WEFO in September.

Observations arising from the discussion

- It was noted that it was a reasonable request - to continue to invest in the scheme.
- It was noted that the project had been a Business Support Board previously and happy to see the change.
- It was emphasised that there would be no commitment to fund today until the Business Plan was received by the Board in future.

12. EXCLUSION OF PRESS AND PUBLIC

It was agreed that the press and public should be excluded from the meeting during the

discussion on the following items due to the reasons noted in paragraph 14 of 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 was an acknowledged public interest in openness in relation to the use of public resources and related financial issues. However, it was acknowledged that there were occasions, in order to protect the financial and commercial interests that matters related to such information needed to be discussed without being publicised. The report dealt specifically with financial and business matters 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.

13. TRANSPORT & DECARBONISATION (HYDROGEN) PROJECT - NEXT STEPS

The report was presented by Graham Williams (Project Manager) and Hedd Vaughan-Evans (Head of Operations)

DECISION

The next steps for the project and the draft procurement principles were approved.

The Board delegated to the Portfolio Director, in consultation with the Chair and Vice-Chair, the authority to finalise the procurement specification and then to undertake the procurement activity on behalf of the Board.

Following the completion of the procurement process, it was noted that a recommendation would be made to the Board for approval.

REASONS FOR THE DECISION

The project was currently running in line with the preferred way forward that was endorsed by the Economic Ambition Board in April 2022.

The next step was to seek Ambition Board approval to move onto the next phase and procure a project sponsor.

DISCUSSION

The report was discussed.

The meeting commenced at 2.30 pm and concluded at 4.20 pm

CHAIRMAN



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

28/10/2022

Title: Final Accounts for the year ended 31 March 2022 and relevant audit.

Author: Dewi A Morgan, Host Authority Statutory Finance Officer

Sian Pugh, Host Authority Group Accountant

1. Purpose of the Report

1.1 This report presents the final statutory Statement of Accounts for the 2021/22 financial year, as well as the 'ISA 260' report by the Auditor General for Wales, detailing their main findings.

2. Decision Sought

2.1 The Board is asked to consider and approve the:-

- 'ISA 260' report by Audit Wales for the NWEAB
- NWEAB's final Statement of Accounts for 2021-22 (post-audit)

3. Reasons for the Decision

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

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

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

4. Background and Relevant Considerations

4.1 The NWEAB, for the first year in 2021/22, has produced a full annual Statement of Accounts rather than an annual return, which is used for smaller Joint Committees with a turnover of less than £2.5m.

4.2 The 2021/22 draft Statement of Accounts (subject to audit) was presented to the NWEAB on 15 July 2022, where they were scrutinised accordingly.

4.3 The final accounts presented here to the NWEAB on 28 October 2022 has been audited by Audit Wales, within this year's revised statutory deadline of 30 November 2022.

4.4 A report on the Revenue and Capital out-turn position for 2021/22 was presented to the Board on 29 April 2022. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external / governance purposes.

5. Legal Implications

5.1 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.

5.2 The Accounts and Audit (Wales) Regulations 2014 (as amended) require all Joint Committees to prepare year-end accounts. Where the annual income or expenditure are over £2.5m, the joint committee is deemed to be a "larger relevant body" and an

annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom must be prepared.

6. Appendices

NWEAB's Statement of Accounts for 2021/22.

Audit Wales report

STATUTORY OFFICERS' RESPONSE:

i. Monitoring Officer – Accountable Body:

There are no matters stemming from the report or the opinion of the Audit Wales which give rise to a need to comment specifically from a propriety perspective.

ii. Statutory Finance Officer – Accountable Body:

Author of this report.



Uchelgais Gogledd Cymru
Ambition North Wales

Statement of Accounts 2021/22 –
North Wales Economic Ambition Board Joint
Committee

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NARRATIVE REPORT

INTRODUCTION

The North Wales Economic Ambition Board's (NWEAB) Joint Committee was established on 1 February 2019 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. It covers the six local authority administrative areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The Joint Committee also includes the University of Bangor, Glyndwr University, Coleg Cambria and Grŵp Llandrillo Menai. In December 2020, the Joint Committee agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240million into the North Wales economy as part of the Deal. A Portfolio Management Office has been established to deliver the Growth Deal and the first project business case was approved in December 2021 and is now in delivery.

Cyngor Gwynedd has been appointed as host authority for the NWEAB.

For the first time in 2021/22, the NWEAB is deemed to be a larger joint committee, meaning a full annual Statement of Accounts rather than an annual return has been produced.

The NWEAB's accounts for the year 2021/22 are presented here on pages 7 to 33. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2021/22*.

The Statement of Accounts consist of:

- **Expenditure and Funding Analysis** – Whilst this is not a statutory statement, it shows how annual expenditure is used and funded in accordance with generally accepted accounting practices.
- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- **Movement in Reserves Statement** – This statement shows the movement in year on the different reserves held by the Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2022.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2021/22 for revenue and capital purposes.

These accounts have been prepared on a going concern basis and are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

NWEAB'S ambition

The NWEAB'S ambition is to build a more vibrant, sustainable and resilient economy for North Wales to:

- Focus on improving the region's economic, social and environmental well-being.
- See the region develop in a sustainable way, with opportunities for people to gain new skills for the future and develop rewarding careers, seeing businesses grow and communities prosper.
- Champion our language, culture and heritage, in line with the well-being goals for Wales.

North Wales Growth Deal

The Growth Deal aims to bring over £1 billion of investment to North Wales in order to generate over 4,000 new jobs and an increase in Gross Value Added (GVA) of £2.4 billion. The UK and Welsh governments have committed to jointly investing £240 million capital over a 15-year period, with the remainder leveraged from private and public sources. The desired outcomes of this investment are to be delivered through the delivery of a portfolio of five separate programmes which:

- build on our regional strengths in manufacturing and low carbon energy
- target digital innovation and infrastructure

- invest in key sites and premises for the developer market
- enable innovation to boost productivity
- support our key industries in tourism and agriculture to develop for the future

The five programmes are Low Carbon Energy, Agri-food and Tourism, Innovation in High-Value Manufacturing, Digital Connectivity, and Land and Property.

2021/22 Budget

The Joint Committee adopted its budget for 2021/22 at its meeting on 26 March 2021 and is available at: [Agenda for North Wales Economic Ambition Board on Friday, 26th March, 2021, 2.30 pm \(llyw.cymru\)](#)

The changes in response to the Covid-19 pandemic will also affect the medium term financial position of the Joint Committee. It has contributed to the slippage on some of the North Wales Growth Deal capital projects, and the Joint Committee like other councils in Wales has worked with Welsh Government to respond to the situation in the best way possible.

2021/22 Performance

The NWEAB reports quarterly on the progress against the North Wales Growth Deal, and the Annual Report is available at:

<https://democracy.gwynedd.llyw.cymru//ieListDocuments.aspx?CId=418&MId=4655&Ver=4>

2021/22 Financial Performance

- The Comprehensive Income and Expenditure Statement on page 8 shows that the Joint Committee's gross revenue expenditure on 'cost of services' level was £2,828k during 2021/22, with a net position of (£487k).
- The financial out-turn position for 2021/22 was reported to the Joint Committee at its meeting on 29 April 2022 and is available at: <https://democracy.gwynedd.llyw.cymru//ieListDocuments.aspx?CId=418&MId=4527&Ver=4>
- The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 8 and 9 detail the analysis in movements for the year.

TABLE I - Budget and Actual Comparison Summary (Net)

Table I provides a budgetary performance comparison at a summary level, which is detailed further in Table 2.

	Budget	Actual	Variance
	£'000	£'000	£'000
Expenditure on Operations	2,976	3,304	328
Financed by-			
Partners' Contributions	(1,318)	(1,318)	0
Grants, contributions and other income	(1,243)	(1,889)	(646)
Contribution from the General Fund	(415)	(415)	0
Net (Underspend)/Overspend	0	(318)	(318)

TABLE 2 –Transposition movement between ‘Budget and Actual Comparison Summary (Net)’ (Table I) to the Income and Expenditure format

	Performance Report (Out-turn)	Transposition Adjustment	Net Position to be funded by / (transferred to) the General Fund	Adjustments between Funding and Accounting Basis	Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000
Expenditure	3,304	(889)	2,415	413	2,828
Income	(3,622)	431	(3,191)	(124)	(3,315)
Net Cost of Services	(318)	(458)	(776)	289	(487)

Transposition Adjustment - Adjustments in the transposition column relate to the net contribution to and from reserves.

Material Items of Income and Expenditure

Related Items include :-

- £200k on pensions, being the annual remeasurement of the net defined benefit liabilities relating to pensions, in line with Gwynedd Pension Fund’s Actuary’s assessment (Note 14.2).
- £3,315k in grants and contributions and equivalent expenditure (Note 20).

Other Issues

- There are financial risks with the global economy and the Joint Committee has taken the circumstances into account in its financial plans, whilst maintaining a prudent level of reserves.
- Continued economic uncertainty following the termination of the UK’s membership of the European Union and this may effect some factors and financial decisions by the Joint Committee.
- The current Covid-19 crisis remains a financial challenge for the Joint Committee in the short and medium term.

Capital Expenditure in 2021/22

Capital expenditure for 2021/22 amounted to £124k. The following table gives an analysis of this expenditure and the way it was financed.

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

2020/21		2021/22
£'000		£'000
0	Projects	124
0		124
	FINANCED BY -	
0	Grants and Contributions	124
0		124

The £124k in above table is Revenue Expenditure Funded from Capital under Statute and has been charged to the Income and Expenditure Statement in the year. It has been spent on the Digital Signal Processing (DSP) Centre project by Bangor University and funded by the Growth Deal Grant.

Reserves

The Joint Committee has usable reserve of £1,531k. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 9.

Pension Fund

The Joint Committee has a net liability from its share of the assets and liabilities of the Gwynedd Pension Fund, which has been calculated in accordance with International Accounting Standard 19. The Balance Sheet contains an assessment by the Fund's Actuary, Hymans Robertson, of the Joint Committee's share of the Pension Fund liability. This net liability at 31 March 2022 was £942k. Refer to Note 24 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short-term and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The last valuation was at 31 March 2019, with the next based on 31 March 2022 for the 2022/23 accounts.

Governance

The NWEAB is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Further information is included within the Annual Governance Statement.

Accounting Policies

The accounting policies adopted on behalf of the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note 1 of the Accounts commencing on page 12.

Changes in Accounting Policies and to the Accounts

The Joint Committee's existing accounting policies have been amended to reflect only the changes required in accordance with proper accounting practices, following adjustments for the 2021/22 financial year to the Code of Practice on Local Authority Accounting in the United Kingdom.

Further Information

The Statement of Accounts is available on Cyngor Gwynedd's website www.gwynedd.llyw.cymru.

Further information relating to the accounts is available from:

Ffion Madog Evans
Senior Finance Manager
01286 679133

or

Sian Pugh
Group Accountant
01286 679134

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

This is part of the Council's policy of providing full information relating to the Council and the Joint Committees' affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website at the appropriate time.

NORTH WALES ECONOMIC AMBITION BOARD

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE JOINT COMMITTEE'S RESPONSIBILITIES

Cyngor Gwynedd as host authority bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs.

Cyngor Gwynedd is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

Councillor Dyfrifg Siencyn
NWEAB Joint Committee Chairman

28 October 2022

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the North Wales Economic Ambition Board's Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the North Wales Economic Ambition Board's Joint Committee at 31 March 2022 and the Joint Committee's income and expenditure for the year then ended.



Dewi Aeron Morgan CPFA
Head of Finance, Cyngor Gwynedd

20 October 2022

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21				2021/22		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 7) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 7) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
800	0	800	Programme Management Office	1,384	289	1,673
127	0	127	Accountable Body Support Services	141	0	141
42	0	42	Joint Committee	13	0	13
117	0	117	Projects	226	124	350
0	0	0	Grant Schemes	651	0	651
(1,320)	0	(1,320)	Income	(3,191)	(124)	(3,315)
(234)	0	(234)	Cost of Services	(776)	289	(487)
(7)	0	(7)	Financing and Investment Income and Expenditure	(16)	3	(13)
(241)	0	(241)	(Surplus)/ Deficit on Provision of Services	(792)	292	(500)
(498)			Opening Balance	(739)		
(241)			(Surplus)/ Deficit in Year	(792)		
(739)			Closing Balance	(1,531)		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing the Joint Committee service in accordance with generally accepted accounting practices.

2020/21			Note	2021/22		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
800	0	800	Programme Management Office	1,673	0	1,673
127	0	127	Accountable Body Support Services	141	0	141
42	0	42	Joint Committee	13	0	13
117	0	117	Projects	350	0	350
0	0	0	Grant Schemes	651	0	651
0	(1,320)	(1,320)	Income	0	(3,315)	(3,315)
1,086	(1,320)	(234)	Cost of Services	2,828	(3,315)	(487)
0	(7)	(7)	Financing and Investment Income and Expenditure	3	(16)	(13)
1,086	(1,327)	(241)	(Surplus) / Deficit on Provision of Services	2,831	(3,331)	(500)
		0	Remeasurement of the net pension defined benefit liability/(asset)	14.2		(200)
		0	Other Comprehensive Income and Expenditure			(200)
		(241)	Total Comprehensive Income and Expenditure			(700)

MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Joint Committee's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (via the Councils' contributions). The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

		Movement in Reserves Statement		
	Note	Total Usable Reserves	Unusable Reserves	Total Joint Committee's Reserves
		£'000	£'000	£'000
Balance 31 March 2020 carried forward		(498)	0	(498)
<u>Movement in reserves during 2020/21</u>				
(Surplus)/Deficit on provision of services		(241)	0	(241)
Other Comprehensive Income and Expenditure		0	0	0
Total Comprehensive Income and Expenditure		(241)	0	(241)
Adjustments between accounting basis and funding basis under regulations	8	0	0	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(241)	0	(241)
<i>(Increase)/Decrease in 2020/21</i>		(241)	0	(241)
Balance 31 March 2021 carried forward	9	(739)	0	(739)
IAS 19 Opening Balance		0	891	891
Opening Balance 1 April 2021		(739)	891	152
<u>Movement in reserves during 2021/22</u>				
(Surplus)/Deficit on provision of services		(500)	0	(500)
Other Comprehensive Income and Expenditure		0	(200)	(200)
Total Comprehensive Income and Expenditure		(500)	(200)	(700)
Adjustments between accounting basis and funding basis under regulations	8	(292)	292	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	9	(792)	92	(700)
<i>(Increase)/Decrease in 2021/22</i>		(792)	92	(700)
Balance 31 March 2022 carried forward		(1,531)	983	(548)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Joint Committee is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2021 £'000		Note	31 March 2022 £'000
509	Short-term Debtors	11	21,253
16,255	Cash and Cash Equivalents	12	16,768
16,764	Current Assets		38,021
(25)	Short-term Creditors	13	(428)
(16,000)	Capital and Revenue Grants Receipts in Advance	20	(29,000)
(16,025)	Current Liabilities		(29,428)
0	Pension Liability	24	(942)
0	Capital and revenue Grants Receipts in Advance	20	(7,103)
0	Long-term Liabilities		(8,045)
739	Net Assets		548
(739)	Usable Reserves	9	(1,531)
0	Unusable Reserves	14	983
(739)	Total Reserves		(548)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of grant income or from the recipients of services provided by the Joint Committee. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Committee's future service delivery.

2020/21 £'000		Note	2021/22 £'000
(241)	Net (Surplus) / Deficit on the Provision of Services		(500)
(15,505)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15a	(137)
(15,746)	Net cash flows from Operating Activities		(637)
0	Investing Activities	16	124
0	Financing Activities		0
(15,746)	Net (Increase)/Decrease in cash and cash equivalents		(513)
(509)	Cash and cash equivalents at the beginning of the reporting period	12	(16,255)
(16,255)	Cash and cash equivalents at the end of the reporting period	12	(16,768)

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. The Joint Committee is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2021/22*, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounts have been prepared on a going concern basis.

The nature of the Joint Committee's transactions is limited and only the relevant policies can be seen below.

I.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

I.3 Cash and Cash Equivalents

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts.

I.4 Employee Benefits

I.4.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which the employee renders service to the Joint Committee. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

I.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept redundancy voluntarily and are charged on an accruals basis to the service in the Comprehensive Income and Expenditure Statement at the earlier of when the Joint Committee can no longer withdraw the offer of those benefits or when the Joint Committee recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Joint Committee fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits

NOTE I – ACCOUNTING POLICIES (continued)

for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

1.4.3 Post-employment Benefits

Employees of the Joint Committee are members of one pension scheme:

- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Cyngor Gwynedd.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee and their previous employers.

1.4.4 The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Joint Committee's accounts in respect of this group of employees is determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projections of earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 2.75% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value as determined by the Fund's Actuary.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service for which the employees worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-distributed Costs.
- Net interest on the net defined benefit liability/(asset), i.e. the net interest expense for the Joint Committee – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

Remeasurements comprising:

- The return on Plan assets – excluding amounts included in net interest on the net defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

NOTE I – ACCOUNTING POLICIES (continued)

- Contributions paid to the Gwynedd Pension Fund – cash paid as employer’s contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Joint Committee of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local Councils (including Joint Committees) in Wales and England are required to produce their financial statements in accordance with IAS 19.

1.4.5 Discretionary Benefits

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.5 Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.6 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee’s financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.7 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Joint Committee has not satisfied.

NOTE I – ACCOUNTING POLICIES (continued)

Grants and contributions funding capital expenditure that have been credited to the Comprehensive Income and Expenditure Statement are not proper income charges due to the capital control regime requirements to finance capital expenditure as part of the Capital Financing Requirement. Therefore, the Joint Committee accounts for these amounts as follows:

- Where a capital grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant is recognised as a Capital Grant Receipt in Advance on the Balance Sheet. Once the condition has been met, the grant or contribution is transferred to the Comprehensive Income and Expenditure Statement.
- Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, and the expenditure to be financed from that grant or contribution has been incurred at the Balance Sheet date, the grant or contribution is transferred from the General Fund to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

1.8 Overheads and Support Services

Charges for services provided by the Central Support Departments within Cyngor Gwynedd are derived from a combination of pre-determined fixed charges, actual recorded staff time, transaction logging and pre-determined formulae.

1.9 Reserves

Specific reserves are created to set aside amounts for future spending schemes. This is done through transfers out of the General Fund Balance in the Movement in Reserves Statement.

Certain reserves, namely “unusable reserves”, are kept for the technical purpose of managing the accounting processes for non-current assets and employee benefits. These do not represent the usable resources of the Joint Committee.

1.10 Revenue Expenditure Funded from Capital Under Statute

Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as an asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund. This type of expenditure is valued at historical cost and written down over a year.

1.11 Value Added Tax

Only in a situation when VAT is irrecoverable will VAT be included or charged as ‘irrecoverable VAT’. Since the Joint Committee has not registered for VAT, the VAT is recovered through Cyngor Gwynedd’s VAT registration.

1.12 Debtors and Creditors

The Joint Committee's Accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

1.13 Long-Term Contracts

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

1.14 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangements. The activities undertaken by the Joint Committee in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Joint Committee as a joint operator recognises its share of assets, liabilities, revenue and expenses.

The NWEAB Joint Committee has been categorised as a Joint Operation, making use of the assets and resources of the operators rather than the establishment of a separate entity.

NOTE 2- CHANGE IN ACCOUNTING POLICY

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2021/22 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

NOTE 3- ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. This applies to the following new or amended standards within the 2022/23 Code:

Annual Improvements to IFRS 2018–2020. The annual IFRS improvement programme notes 4 changed standards:

- IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS.
- IAS 37 (Onerous contracts) – clarifies the intention of the standard.
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material.
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).

The Code requires implementation from 1 April 2022 and therefore there is no impact on the 2021/22 Statement of Accounts, and none of the new or amended standards within the 2022/23 Code are expected to have a material impact on the information provided in the financial statements.

NOTE 4 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Joint Committee has had to make judgements, estimates and assumptions relating to complex transactions, those involving uncertainty about future events and also the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on current proper practices, historical experience and other factors that include historical and current assumptions and projections, and actual future projections, professional assessment, current trends, and local factors that are considered to be relevant.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as actuarial valuation of pension fund assets and liabilities, earmarked reserves, provisions and contingent liability. However, because these issues cannot be determined with certainty, actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

NOTE 5 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following item in the Joint Committee’s Balance Sheet at 31 March 2022 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.</p> <p>Brexit and COVID-19 both initially had negative impacts on the UK economy and pension asset values, but the market appears to be recovering and stabilising. However, another serious outbreak of COVID-19 could have a detrimental impact on asset returns, as could an increase in interest rates to curb inflation increases as a result of the recovery.</p>	The effects on the net pension liability of changes in individual assumptions are set out in Note 24.

NOTE 6 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:-

- £200k on pensions, being the remeasurements of the net pension defined benefit liabilities relating to pensions, in line with Gwynedd Pension Fund’s Actuary’s assessment (Note 14.2).
- £3,315k in grants and contributions and equivalent expenditure (Note 20).

NOTE 7 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2021/22	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS			
	Adjustments for Capital Purposes (i) £'000	Net change for the Pensions Adjustments (ii) £'000	Other Differences (iii) £'000	Total Adjustments £'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Programme Management Office	0	248	41	289
Accountable Body Support Services	0	0	0	0
Joint Committee	0	0	0	0
Projects	124	0	0	124
Grant Schemes	0	0	0	0
Income	(124)	0	0	(124)
Cost of Services	0	248	41	289
Financing and Investment Income and Expenditure	0	3	0	3
(Surplus) / Deficit on Provision of Services	0	251	41	292

There was no transactions in 2020/21.

(i) Adjustments for Capital Purposes

- For **services**, this column adds in depreciation, impairment and revaluation gains and losses.

(ii) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* for pension-related expenditure and income:

- For **Services**, this represents the removal of the employer pension contributions made by the Joint Committee as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure**, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(iii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services**, this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and investment income and expenditure**, the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

NOTE 8 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future expenditure.

2021/22	Usable Reserve General Fund Balance	Movement in Unusable Reserves
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	£'000	£'000
Adjustments involving the Capital Adjustment Account		
Capital grants and contributions applied	124	(124)
Revenue expenditure funded from capital under statute	(124)	124
Adjustments primarily involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 24)	(413)	413
Employer's pensions contributions and direct payments to pensioners payable in the year	162	(162)
Adjustment primarily involving the Accumulated Absences Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(41)	41
Total Adjustments	(292)	292

There was no transactions in 2020/21.

NOTE 9 – TRANSFERS TO/FROM USABLE RESERVES

The note below sets out the amounts set aside from the General Fund in usable reserves to provide financing for future expenditure plans, with a net increase of £792k.

Usable Reserves

2021/22	Balance 31 March 2021	Transfers			Balance 31 March 2022
Note	£'000	between reserves	in	out	£'000
9.1 Earmarked Reserve	739	(5)	318	(415)	637
9.2 Projects Reserve	0	0	195	0	195
9.3 Interest Reserve	0	5	694	0	699
Total	739	0	1,207	(415)	1,531

9.1 Earmarked Reserve - to support future years' budgets and staffing structure.

9.2 Projects Reserve - to fund expenditure that supports the delivery of Regional Economic Framework priorities.

9.3 Interest Reserve - to fund the cost of borrowing in future years.

NOTE 10 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2020/21	2021/22
£'000	£'000
0 Net interest on the net pension defined benefit liability/(asset)	3
(7) Interest receivable and similar income	(16)
(7) Total	(13)

NOTE 11 – SHORT-TERM DEBTORS

	31 March 2021 £'000	31 March 2022 £'000
Trade Receivables	3	0
Prepayments	0	6
Other Receivable Amounts *	506	21,247
Total	509	21,253

* £20.4m of the North Wales Growth Deal Grant was due from Welsh Government at 31 March 2022.

NOTE 12 – CASH AND CASH EQUIVALENTS

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts. The figure shown in the table each year is the net cash sum held on behalf of the Joint Committee within the Cyngor Gwynedd amounts.

	31 March 2021 £'000	31 March 2022 £'000
Cash in Bank held by Host Authority	16,255	16,768
Cash and Cash Equivalents	16,255	16,768

NOTE 13 – SHORT-TERM CREDITORS

	31 March 2021 £'000	31 March 2022 £'000
Trade Payables	49	259
Other Payables	(24)	169
Total	25	428

NOTE 14 – UNUSABLE RESERVES

31 March 2021		31 March 2022
£'000		£'000
0	Capital Adjustment Account	0
0	Pensions Reserve	(942)
0	Accumulated Absences Account	(41)
0	Total Unusable Reserves	(983)

14.1 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation; impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Joint Committee as finance for the costs of acquisition, construction and enhancement.

Note 8 provides details of the source of all the transactions posted to the Account.

2020/21		2021/22
£'000		£'000
0	Balance 1 April	0
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>	
0	Revenue Expenditure funded from Capital under Statute	(124)
	<u>Capital financing applied in the year:</u>	
0	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	124
0	Balance 31 March	0

NOTE 14 – UNUSABLE RESERVES (continued)

14.2 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2020/21 £000	2021/22 £000
0 Balance 1 April	0
0 Transfer from Cyngor Gwynedd *	(891)
0 Re-measurements of the net pension defined benefit (liabilities) / assets	200
0 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(413)
0 Employer's pensions contributions and direct payments to pensioners payable in the year	162
0 Balance 31 March	(942)

*In 2020/21, the Pension Reserve for the NWEAB was included as part of Cyngor Gwynedd's accounts, and it was transferred to the NWEAB's accounts for 2021/22.

14.3 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise appear on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21 £000	2021/22 £000
0 Balance 1 April	0
0 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(41)
0 Balance 31 March	(41)

NOTE 15a – CASH FLOW STATEMENT: ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2020/21 £'000		2021/22 £'000
(15,998)	(Increase)/Decrease in Creditors	(20,465)
493	Increase/(Decrease) in Debtors	20,744
0	Pension Liability	(251)
0	Other non-cash items charged to net surplus/deficit on the provision of services	(165)
(15,505)		(137)

NOTE 15b – CASH FLOW STATEMENT – OPERATING ACTIVITIES

2020/21 £'000		2021/22 £'000
(7)	Interest received	(16)

NOTE 16 – CASH FLOW STATEMENT – INVESTING ACTIVITIES

2020/21 £'000		2021/22 £'000
0	Other payments for investing activities	124
0	Net cash flows from investing activities	124

NOTE 17 – EXPENDITURE AND INCOME ANALYSED BY NATURE

The Joint Committee's expenditure and income is analysed as follows:

2020/21		2021/22
£'000	<u>Expenditure / Income</u>	£'000
	Expenditure	
611	Employee benefits expenses	1,435
17	Premises	17
0	Transport	0
368	Supplies and Services	1,117
90	Third Party	135
0	Interest Payments	3
0	Depreciation, amortisation, impairment	124
1,086	Total Expenditure	2,831
	Income	
(640)	Partner Contributions	(1,318)
(7)	Interest and investment income	(16)
(680)	Grants and other contributions	(1,997)
(1,327)	Total Income	(3,331)
(241)	(Surplus) / Deficit on the Provision of Services	(500)

NOTE 18 – OFFICERS' REMUNERATION

18a. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Joint Committee to disclose the following information relating to employees appointed as Senior Officers, and whose salary is between £60,000 and £150,000. In compliance with the defined requirements, the pensionable pay, employer's pension contributions and other employer costs are included below (including termination benefits), but the employer's national insurance contributions are excluded. The remuneration paid to the Joint Committee's senior officers directly employed by Joint Committee is as follows:

2020/21			Chief Officers	2021/22		
Salary	Employer's Pension Contribution	Total		Salary	Employer's Pension Contribution	Total
£	£	£		£	£	£
103,179	21,049	124,228	Portfolio Director	107,899	22,011	129,910
58,624	11,959	70,583	Head of Operations	61,710	12,845	74,555

18b. In 2021/22 and 2020/21, no other employee received more than £60,000 remuneration for the year (excluding employer's pension and national insurance contributions).

NOTE 19 – EXTERNAL AUDIT COSTS

The Joint Committee has incurred the following costs relating to external audit.

2020/21 £'000	2021/22 £'000
2 Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	11
2 Net Fees	11

NOTE 20 – GRANT INCOME

20a. The Joint Committee credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2020/21		2021/22	
	£'000	£'000	£'000	£'000
Grants and Contributions Credited to Services				
Welsh Government				
European Social Fund Priority 5	561		808	
Decarbonisation Grant	67		500	
North Wales Regional Economic Framework Grant	0		195	
North Wales Growth Deal Grant	0		124	
Other	52		15	
		680		1,642
Other Grants and Contributions				
Partners' Contributions				
Conwy County Borough Council	90		168	
Denbighshire County Council	90		154	
Flintshire County Council	90		194	
Cyngor Gwynedd	90		172	
Isle of Anglesey County Council	90		137	
Wrexham County Borough Council	90		181	
Bangor University	25		118	
Wrexham Glyndwr University	25		59	
Coleg Cambria	25		60	
Grŵp Llandrillo Menai	25		75	
		640		1,318
Community Renewal Fund				
Denbighshire County Council	0		34	
Cyngor Gwynedd	0		34	
Isle of Anglesey County Council	0		34	
Wrexham County Borough Council	0		34	
		0		136
Cyngor Gwynedd (North Wales Growth Deal Grant)		0		219
Total Grants and Contributions Credited to Services		1,320		3,315

The North Wales growth Deal Grant is funded 50% by Welsh Government and 50% by UK Government.

NOTE 20 – GRANT INCOME (continued)

20b. The Joint Committee has received grants, contributions or donations that have yet to be recognised as income as they have conditions attached that could require the monies to be returned to the giver. The balance at the year-end are as follows:

	31 March 2021 £'000	31 March 2022 £'000
Grants and Contributions Received in Advance		
Capital Grants		
<u>Short Term</u>		
North Wales Growth Deal	16,000	29,000
<u>Long Term</u>		
North Wales Growth Deal	0	7,103
Total	<u>16,000</u>	<u>36,103</u>

NOTE 21 – RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee. To conform to the requirements, this is done by Members and Senior Officers completing a personal declaration, as defined in the CIPFA Code of Practice.

Function of the Joint Committee

The North Wales Economic Ambition Board's (NWEAB) Joint Committee was established on 1 February 2019 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. It covers the six local authority administrative areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The Joint Committee also includes the University of Bangor, Glyndwr University, Coleg Cambria and Grŵp Llandrillo Menai. In December 2020, the Joint Committee agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240million into the North Wales economy as part of the Deal. A Portfolio Management Office has been established to deliver the Growth Deal and the first project business case was approved in December 2021 and is now in delivery. Welsh Government has effective control over the general operations of the Joint Committee, and is responsible for providing the statutory framework and provides the majority of its funding in the form of grants. Grants received from Welsh Government are set out in the subjective analysis in Note 17 which analyses expenditure and income by nature. The position as at 31 March is detailed in Note 20.

Summarised below are the payments and income between the Joint Committee, the Local Authorities and Further and Higher Education Establishments for the 2021/22 financial year. Cyngor Gwynedd has been appointed as host authority for the NWEAB.

	Payments made	Income Received	Amounts owed to the NWEAB	Amounts owed by the NWEAB
	£'000	£'000	£'000	£'000
Conwy County Borough Council	32	(168)	(6)	0
Denbighshire County Council	38	(178)	(10)	0
Flintshire County Council	0	(194)	0	0
Cyngor Gwynedd	220	(442)	0	0
Isle of Anglesey County Council	0	(137)	(34)	0
Wrexham County Borough Council	0	(181)	(34)	0
Bangor University	0	(118)	0	124
Wrexham Glyndwr University	0	(59)	0	0
Coleg Cambria	0	(25)	(35)	0
Grŵp Llandrillo Menai	0	(75)	0	0

Board Members, Advisers and Officers

Members and advisers of the Joint Committee have influence over the Joint Committee's financial and operating policies.

All Board Members, Advisers and Senior Officers of the Joint Committee have completed declaration forms to declare their interest or relationship in companies, voluntary, charitable or public bodies that have dealings with the Joint Committee. There are no further declarations required than those included in the table above.

NOTE 22 – CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

31 March	31 March
2021	2022
£'000	£'000
0 Capital Adjustment Account (Note 14.1)	0
0 Capital Financing Requirement	0

The movement in the year is explained as follows:

2020/21	2021/22
£'000	£'000
0 Capital Financing Requirement 1 April	0
0 Funded from capital under statute	124
0 Government Grants and other contributions	(124)
0 Capital Financing Requirement 31 March	0

NOTE 23 – EXIT PACKAGES

There were no exit packages during 2021/22 or 2020/21.

NOTE 24 – PENSION COSTS

As part of the terms and conditions of employment of its officers and other employees, the Joint Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments. These need to be disclosed at the time that employees earn their future entitlement.

NWEAB participates in two post-employment schemes:

- a) **The Local Government Pension Scheme** administered locally by Cyngor Gwynedd. This is a funded defined benefit scheme based on final salary for service up to 31 March 2014 and based on a career average salary from 1 April 2014. The Joint Committee and the employees pay contributions into the fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Cyngor Gwynedd. Policy is determined in accordance with the Local Government Pensions Scheme Regulations. In the past the investment managers of the fund have been appointed by the Gwynedd Pension Fund Committee. As the investments are transferred to the Wales Pension Partnership (WPP) the managers will be appointed by the partnership.

NOTE 24 – PENSION COSTS (continued)

The principal risks to the Joint Committee from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the General Fund.

Transactions Relating to Post-employment Benefits

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against Council Tax (via the Councils' contributions) is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Joint General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Period ended 31 March 2022		
	Assets	Liabilities	Net (liability) /asset
	£'000	£'000	£'000
Fair Value of Plan Assets	883	0	883
Present Value of Funded Liabilities	0	(1,774)	(1,774)
Present Value of Unfunded Liabilities	0	0	0
Opening Position at 1 April	883	(1,774)	(891)
Service Cost			
Current Service Cost*	0	(410)	(410)
Past Service Costs (including curtailments)	0	0	0
Total Service Cost	0	(410)	(410)
Net interest			
Interest Income on Plan Assets	20	0	20
Interest Cost on Defined Benefit Obligation	0	(23)	(23)
Total Net Interest	20	(23)	(3)
Total Defined Benefit Cost Recognised in Profit/(Loss)	20	(433)	(413)
Cash flows			
Participants' contributions	60	(60)	0
Employer contributions	159	0	159
Estimated contributions in respect of unfunded benefits	0	0	0
Estimated benefits paid	0	0	0
Estimated unfunded benefits paid	0	0	0
Expected Closing Position	1,122	(2,267)	(1,145)
Remeasurements			
Change in demographic assumptions	0	15	15
Change in financial assumptions	0	202	202
Other experience	0	(84)	(84)
Return on Assets excluding amounts included in net interest	70	0	70
Total remeasurements recognised in Other Comprehensive Income (OCI)	70	133	203
Fair Value of Plan Assets	1,192	0	1,192
Present Value of Funded Liabilities	0	(2,134)	(2,134)
Present Value of Unfunded Liabilities	0	0	0
Closing Position at 31 March	1,192	(2,134)	(942)

* The current service cost includes an allowance for administrative expenses of 0.5% of payroll.

NOTE 24 – PENSION COSTS (continued)

The Major Categories of Plan Assets as a Percentage of Total Plan Assets

The actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS19. This analysis distinguishes between the nature and risk of those assets, and to further break them down between those with a quoted price in an active market, and those that are not quoted. The asset split for Cyngor Gwynedd is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2021. The split is shown in the table below. The actuary estimates the bid value of the Fund's assets as at 31 March 2022 to be £2.734bn based on information provided by the Administering Authority and allowing for index returns where necessary. Only a portion of the Fund is relevant to the NWEAB.

Fair Value of Employer Assets

The asset values below are at bid value as required under IAS 19.

Asset Category	At 31 March 2022			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£'000	£'000	£'000	%
Equity Securities				
Consumer	0	0	0	0
Manufacturing	0	0	0	0
Energy and Utilities	0	0	0	0
Financial Institutions	0	0	0	0
Health and Care	0	0	0	0
Information Technology	0	0	0	0
Other	0	0	0	0
Private Equity				
All	0	67	67	6
Debt Securities				
Other	0	0	0	0
Real Estate				
UK Property	0	102	102	9
Overseas Property	0	0	0	0
Investment Funds and Unit Trusts				
Equities	0	758	758	63
Infrastructure	0	23	23	2
Other	0	238	238	20
Cash and Cash Equivalents				
All	4	0	4	0
Total	4	1,188	1,192	100

NOTE 24 – PENSION COSTS (continued)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on fund-specific projections called VitaCurves with long-term improvement assumed to have already peaked and converging to 1.5% per annum.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. Estimates for the Gwynedd Pension Fund were based on the latest full valuation of the scheme as at 31 March 2019. The significant assumptions used by the actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:

	31 March 2022
Financial Assumptions	% p.a.
Pensions Increase Rate	3.15
Salary Increase Rate	3.45
Inflation Rate	3.15
Discount Rate	2.75
Long-term expected rate of return on all categories of assets	2.75
Take-up option to convert annual pension into retirement lump sum	
for pre-April 2008 service	50
for post-April 2008 service	75
Mortality assumptions	Years
Longevity at 65 for current pensioners	
Men	21.3
Women	23.7
Longevity at 65 for future pensioners	
Men	22.4
Women	25.7

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme liabilities as at 31 March 2022 on varying bases. The approach taken is consistent with that adopted to derive the IAS 19 figures provided in this note.

To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Joint Committee of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

NOTE 24 – PENSION COSTS (continued)

The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31 March 2019, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

Impact on the Defined Benefit Obligation in the Scheme		
Change in assumption	Approximate increase to Defined Benefit Obligation	Approximate monetary amount
	31 March 2022	31 March 2022
	%	£'000
0.1% decrease in real discount rate	3	55
1 year increase in member life expectancy	4	85
0.1% increase in the salary increase rate	1	27
0.1% increase in the pension increase rate	1	55

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Impact on the Joint Committee's Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. Cyngor Gwynedd has agreed a strategy with the fund's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis.

The contributions paid by the Joint Committee are set by the Fund Actuary at each triennial valuation (the most recent being as at 31 March 2019), or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2022 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Joint Committee, please refer to the 2019 actuarial report dated 31 March 2020.

Information about the Defined Benefit Obligation

	Liability Split	
	31 March 2022	
	£'000	%
Active Members	2,116	99.2
Deferred Members	18	0.8
Pensioner Members	0	0.0
Total	2,134	100.0

The above figures are for funded obligations only and do not include unfunded pensioner liabilities. The durations are effective at the previous formal valuation as at 31 March 2019. The weighted average duration of the defined benefit obligation for scheme members is 30 years, 2021/22.

Impact in Future Years

The total contribution expected to be made to the Local Government Pensions Scheme by the Joint Committee in the year to 31 March 2023 is £159k.

As the Actuary's report is based on estimates and due to timing issues, an adjustment of £2,666 has been made in 2021/22, to bring the deficit in the Scheme based on the Actuarial figures in line with the liability related to the defined benefit pension schemes in the Balance Sheet. This variance has been treated as Actuarial Gains and Losses

NOTE 24 – PENSION COSTS (continued)

on Pension Assets and Liabilities and therefore has been included in the Liability related to the defined benefit Pension Schemes in the Balance Sheet.

NOTE 25 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the Head of Finance on 20 October 2022. Events taking place after this date are not reflected in the financial statements or related notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact. The accounts have been updated since issue on 30 June 2022 to incorporate auditor recommendations.

2021-2022 Annual Governance Statement

Introduction

Ambition North Wales

The Ambition North Wales partnership was established in 2012 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. The partnership covers the six local authority administrative areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The partnership also includes the University of Bangor, Glyndwr University, Coleg Cambria and Grŵp Llandrillo Menai. In December 2020, the partnership agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240million into the North Wales economy as part of the Deal. A Portfolio Management Office has been established to deliver the Growth Deal and the first project business case was approved in December 2021 and is now in delivery.

Our Ambition

Our ambition is to build a more vibrant, sustainable and resilient economy for North Wales. We want to:

- Focus on improving the region's economic, social and environmental well-being.
- See the region develop in a sustainable way, with opportunities for people to gain new skills for the future and develop rewarding careers, seeing businesses grow and communities prosper.
- Champion our language, culture and heritage, in line with the well-being goals for Wales.

Purpose

The Economic Ambition Board was established by local authority partners as a joint committee in 2019 and is the decision-making body for the North Wales Growth Deal, as well as leading on regional economic collaboration.

Having secured the Growth Deal in December 2020, the partners entered into 'Governance Agreement 2'. This agreement, which is a legally binding document, defines the role and function of the Economic Ambition Board and its use of delegated powers. It also outlines the decision-making structures and democratic accountability.

The Growth Deal's governance arrangements enable decisions to be made in an open and transparent way for the benefit of the whole of the region. While the Economic Ambition Board acts as the decision-making body for the Growth Deal, there are strong links both formal and informal to the Welsh and UK Governments as funders of the Deal.

The Economic Ambition Board has adopted a delivery model based on a best practice approach to portfolio, programme and project management. This approach is an integrated way of meeting an organisation's ambition, driving better decisions and increasing the likelihood of successful outcomes.

North Wales Growth Deal

The Growth Deal aims to bring over £1 billion of investment to North Wales in order to generate over 4,000 new jobs and an increase in GVA of £2.4 billion. The UK and Welsh governments have committed to jointly investing £240 million capital over a 15-year period, with the remainder leveraged from private and public sources. The desired outcomes of this investment are to be delivered through the delivery of a portfolio of five separate programmes which:

- build on our regional strengths in manufacturing and low carbon energy
- target digital innovation and infrastructure to better connect the region
- invest in key sites and premises for the developer market
- enable innovation to boost productivity
- support our key industries in tourism and agriculture to develop for the future.

The five programmes are Low Carbon Energy, Agri-food and Tourism, Innovation in High-Value Manufacturing, Digital Connectivity, and Land and Property.

Governance Framework

Ambition North Wales has an established governance framework based on best practice. Governance Agreement 2 defines the functions, powers and accountability structures for the Board and the North Wales Growth Deal. The North Wales Growth Deal has an adopted portfolio, programme and project management structure and have developed a project management framework to underpin the delivery of the North Wales Growth Deal.

The Governance Framework comprises of the systems, processes, cultures and values by which the Board is directed and controlled and also the way it accounts to, engages with and leads the Region. It enables the Board to monitor the achievement of its strategic objectives and to consider whether those objectives are/have led to the delivery of appropriate, relevant, value for money projects.

The system of internal control is a significant part of that framework and is designed to manage risk to an appropriate level. It aims to identify and prioritise the risks to the achievement of Ambition North Wales' policies, aims and objectives. It evaluates the likelihood and impact of identified risks being realised and to manage individual risks appropriately.

Ambition North Wales has adopted and implemented a code of Corporate Governance based on the Framework 'Delivering Good Governance in Local Government' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE).

The governance framework described above has been in place at Ambition North Wales for the year ending 31 March 2022 and remains applicable up to the date of the approval of the Statement of Accounts.

This section sets out how Ambition North Wales delivers against the seven fundamental principles of corporate governance as set out by CIPFA/SOLACE:

1. Integrity and Values

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

- The expectations of the Portfolio Management Office, Board Members and the Accountable Body are set out within Governance Agreement 2. The Agreement sets out the procedure for meetings, decision making structures, democratic accountability, delegations' policy, scrutiny arrangements and includes the Code of Conduct.

- A conflict of interest policy is in place covering the Growth Deal, specifically for the portfolio, programme and project boards. Declarations of interest is a standing item on the agenda of the Economic Ambition Board, Portfolio Board and all Programme and Project Boards.
- Internal and External audit arrangements are in place.
- All reports to the Economic Ambition Board include legal/finance statutory comments prior.
- The Monitoring Officer ensures compliance on all decisions undertaken by the Economic Ambition Board.
- Scrutiny arrangements are in place with all 6 local authorities.

2. Openness and engagement

Ensuring openness and comprehensive stakeholder engagement.

- The Economic Ambition Board meetings are public meetings with the publication of agendas, papers and minutes on the Accountable Body's website.
- The decision-making process is outlined within Governance Agreement 2. Reports are discussed by the Portfolio Board before submission to the Economic Ambition Board. Where appropriate consultation takes place with Programme and Project Boards, Governments and key stakeholders.
- The scrutiny arrangements allow participation from the members of all six local authorities.
- The Portfolio Management Office promotes Ambition North Wales and encourages engagement with the wider community of North Wales as outlined with the Communications Strategy.

3. Making a difference

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

- Ambition North Wales have a clear vision in place to support the work of the Board; "To build a more vibrant, sustainable and resilient economy in North Wales."
- Ambition North Wales have a Climate Change Statement and Methodology.
- A benefits realisation framework has been developed to support the delivery of the Growth Deal.
- The Portfolio Management Office presents quarterly and annual progress reports to both Governments and the Economic Ambition Board.

4. Making sure we achieve what we set out to do

Determining the interventions necessary to optimise the achievement of the intended outcomes.

- The Economic Ambition Board have appointed a Portfolio Management Office to ensure the delivery of the Growth Deal.
- Senior Responsible Officers have been appointed to each Programme and Project.
- All Programmes are supported by detailed business cases.
- All Projects will be required to submit detailed business cases.

- All business cases are developed in line with the Better Business Case guidance.

5. Valuing our people; engaging, leading and supporting

Developing capacity and the capability of leadership and individuals.

- Ambition North Wales ensures that the Portfolio Management Office officers have the correct skills and knowledge to fulfil their roles effectively. To ensure this the Portfolio Management Office provides a comprehensive induction for all new officers as well as providing job related training.
- The governance structure includes a Business Delivery Board. The Business Delivery Board Chair is an advisor to the Economic Ambition Board.
- Governance Agreement 2 sets out clearly the roles and responsibilities of members, advisers and officers.
- Regular Portfolio Board and Economic Ambition Board meetings.

6. Managing risks, performance and finance

Managing risks and performance through robust internal control and strong public financial management.

- A Risk Management Plan is in place, with quarterly Performance and Risk Reports presented to the Portfolio Board and the Economic Ambition Board.
- The Portfolio, Programmes and Projects complete Risk Profile Assessments in advance of any assurance activity.
- The Portfolio Business Case is updated and approved on an annual basis.
- The Accountable Body's Section 151 Officer presents quarterly Financial Reports to the Portfolio Board and the Economic Ambition Board.
- The Annual Budget is set jointly by the Host Authority Finance Team and the Portfolio Management Office. The Annual Budget is agreed by the Portfolio Board and NWEAB. Robust financial management processes are in place.
- Ambition North Wales is subject to internal audits by the accountable body and external audits by Audit Wales.
- Annual Audit reports are submitted by the Accountable Body to the Economic Ambition Board.

7. Good transparency and accountability

Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

- The Portfolio Management Office has developed an Integrated Assurance and Approval Plan, Monitoring and Evaluation Plan and Portfolio Business Plan.

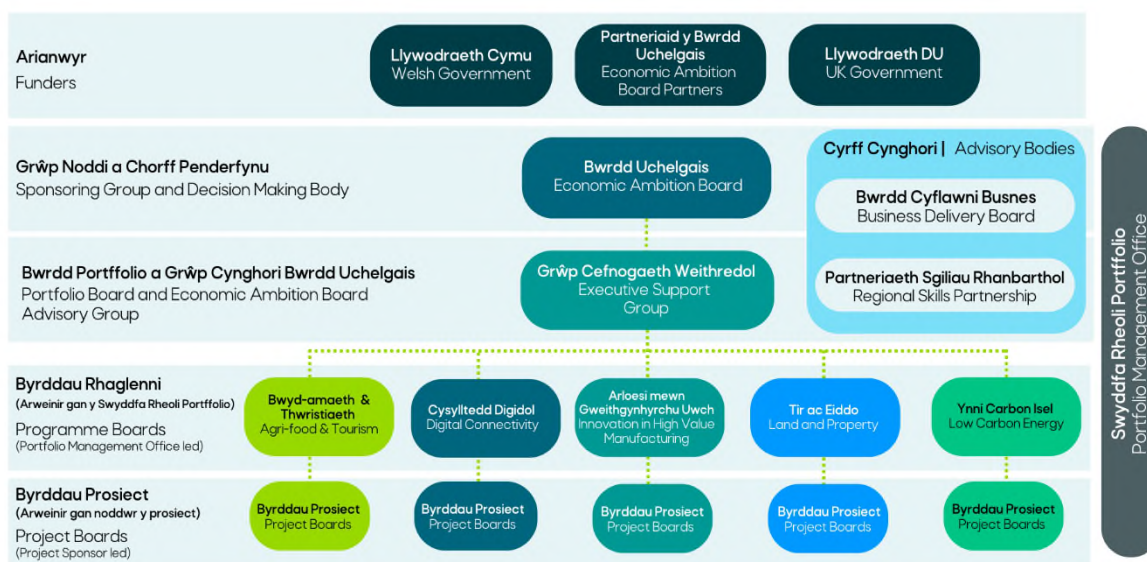
- The Economic Ambition Board meeting papers are published on the Host Authority website as well as Ambition North Wales’ website. This includes quarterly performance and risk reports.
- Ambition North Wales have an annual Portfolio and Programme Project Assessment Review (PAR) focussing on the delivery of the Growth Deal.
- Quarterly meetings with Welsh Government and UK Government.
- Projects have assurance reviews throughout the life of the projects.
- Implementation of Internal Audit and Audit Wales recommendations.
- The Economic Ambition Board have adopted the Code of Corporate Governance based on CIPFA framework.

Growth Deal Governance

The Economic Ambition Board has developed a Project Management Framework that sets out how an Ambition North Wales project is to be directed, managed, defined and communicated.

The Framework provides a best-practice approach that will help achieve co-ordination across the organisation’s projects by adopting a single method so they are executed in the same manner, thus providing consistency, continuity and clarity in the approach, communication and products created. This Framework is aligned with HM Government project guidance with methods tailored to meet Ambition North Wales’ requirements.

The diagram below provides a visual overview of the framework:



All Ambition North Wales projects’ business cases are developed in line with the 'Better Business Cases' guidance and the Five Case model developed by Welsh Government and HM Treasury as well as HM Treasury's Green Book guide. All business cases are subject to independent Gateway Reviews by Welsh

Government Integrated Assurance Hub, at all key decision points, in line with Cabinet Office Gateway Process. Sponsor procurement arrangements are scrutinised as part of this process.

Ambition North Wales has a Conflict of Interest policy, which sets out the guidelines and procedures for identifying, monitoring and controlling cases, whether they are real or potential. In line with the policy, the process mandates every individual to declare their interests in a pro forma register, and evidence of this was seen. A description, together with the details of any contact attached to the programs with which it relates, is recorded, and the pro forma is signed and kept on the portfolio office records. Elected members and advisers were subject to these arrangements in respect of conflict of interests through their code of conduct or the equivalent arrangements in Governance Agreement (GA) 1 and 2.

The funding agreement between Ambition North Wales and the main project sponsors encompasses conflicts of interest as well as the need to procure in a transparent, competitive and sustainable manner.

Assurance

The Portfolio Management Office worked with the Welsh Government Assurance Hub to develop an Integrated Assurance and Approval Plan (IAAP) that sets out the assurance activities that will be undertaken at portfolio, programme and project level for the North Wales Growth Deal.

As part of the IAAP, assurance activities will take place across all levels of the Growth Deal – portfolio, programme and project. The North Wales Growth Deal will utilise the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate.

The North Wales Growth Deal IAAP covers the portfolio, programmes and projects.

The portfolio, five programmes and all projects within the North Wales Growth Deal will be required to complete Risk Profile Assessments (RPA) in advance of any assurance activity taking place.

It has been agreed with the Welsh Government Integrated Assurance Hub that there will be an annual Portfolio and Programme Project Assessment Review (PAR) focusing on the delivery of the Growth Deal.

At project level while the exact nature and timing of reviews will be agreed between the Portfolio Management Office, the Welsh Government Integrated Assurance Hub and the Project SRO, the following principles are to be applied:

- Project assurance reviews will take place throughout the life of the project at pre-agreed stages, including before key decision points. The level of assurance may vary per project, but would include a minimum of two external Gateway reviews per project, including a Gateway 2 review and a benefits realisation review. The rationale for the proposed approach is set out below:

- Project Gateway 1 (SOC) – Only required for new projects or those currently at concept stage due to the approved Programme Business Case. All other projects to produce combined SOC/OBC for Gateway 2.
 - Project Gateway 2 (OBC) – Required for all projects within the Growth Deal.
 - Project Gateway 3 (FBC) – Decision on whether Gateway 3 is required on a project by project basis. Agreed between Portfolio Management Office and Welsh Government Integrated Assurance Hub taking into account recommendations from Gateway 2.
 - Project Gateway 4 (Implementation) – Portfolio Management Office decision on whether Gateway 3 is required on a project by project basis.
 - Project Gateway 5 (Benefits Realisation) – Required for all projects within Growth Deal.
- Project Assessment Review (PAR) – may be used in place of Gateway 1-5 where the Portfolio Management Office in consultation with the Welsh Government Assurance Hub consider it a more appropriate review mechanism.
 - Consequential Assurance Reviews may be required following a Gateway Review where a project receives an Amber/Red or Red delivery confidence assessment, or when issues or concerns are raised in between the traditional Gates 1-5.

The table below provides a high-level summary of the most recent Gateway Reviews undertaken for the North Wales Growth Deal:

Summary of recent North Wales Growth Deal Gateway Reviews

	Type of Review	Date	Delivery Confidence Assessment
Portfolio and Programme Reviews			
North Wales Growth Deal	Portfolio and Programme PAR	August 2021	AMBER/GREEN
Project Reviews			
Glynllifon Rural Economy Hub	Gateway 2	April 2021	AMBER
Digital Signal Processing Centre	Gateway 2	May 2021	AMBER/GREEN
Enterprise Engineering and Optics Centre	Gateway 2	July 2021	AMBER/GREEN
Former North Wales Hospital, Denbigh	Gateway 2	October 2021	AMBER
Llysfasi Net Zero Farm	Gateway 2	November 2021	AMBER/GREEN
Last Few %	Gateway 2	February 2022	AMBER/RED
	Gateway 2 AAP	June 2022	AMBER

Audit

Internal and External Audit Arrangements

Gwynedd Council as Accountable Body shall be responsible for providing internal audit services to the Economic Ambition Board and audit reports in relation to the Board shall be considered in accordance with its usual rules and practices. Internal Audit will undertake their work in accordance as far as is practicable with the Public Sector Internal Audit Standards and the Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards. For the avoidance of doubt an annual internal audit report shall be submitted by the Accountable Body Audit Manager to the Economic Ambition Board.

External Audit services are provided through Audit Wales who will review and comment the financial aspects of Corporate Governance which include the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

2021 Internal Audit Report

The purpose of the audit was to ensure that the Board's governance arrangements were appropriate. To achieve this, the audit encompassed reviewing the Board's due diligence arrangements for scrutinising business cases and any potential beneficiaries, ensuring there is no conflict of interest, in response to UK Government Minister for Wales' concerns about weaknesses already identified in an unrelated project.

Audit Level of Assurance

The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

Risk Management

The Economic Ambition Board has adopted a Risk and Issues Framework for the delivery of the North Wales Growth Deal. The Framework sets out how risks and issues will be managed at the appropriate level across the portfolio with clear escalation processes in place.

The Portfolio's approach to risk management is outlined in the Growth Deal Risk and Issues Management Strategy and User Guide. This document defines and articulates the risk management principles, concepts, structures, processes, tools and associated roles and responsibilities implemented to ensure that risks to Programme objectives are effectively managed.

The key principles and concepts outlined in this strategy are drawn from OGC Management of Risk literature. These principles and concepts have been appropriately tailored to the requirements of the North Wales Growth Deal.

The Risk and Issues Management Strategy is owned by the Portfolio Management Office and stored in their document management system. Each project will be required to set out their risk management strategy as part of the project business cases.

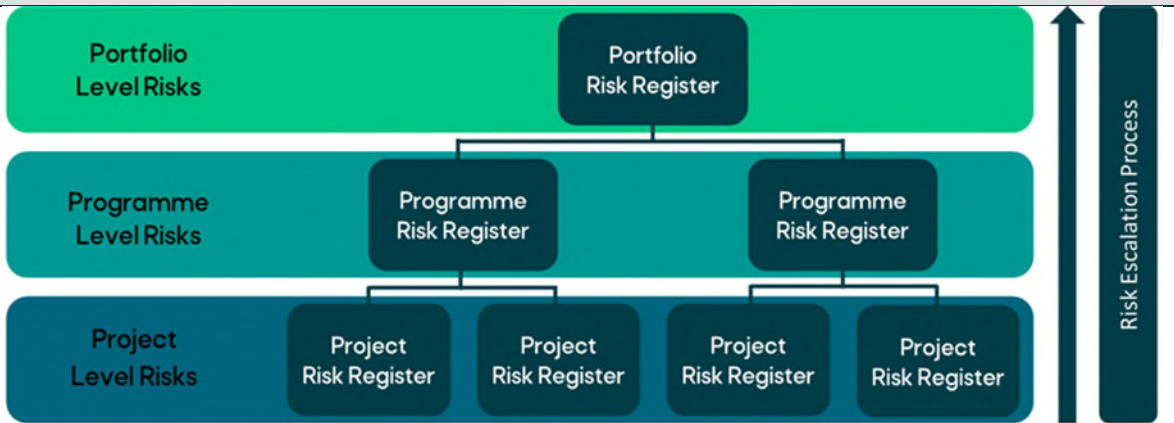
The Strategy sets out the three levels of risk associated with the delivery of the Growth Deal with a clear escalation process in place between the three levels.

Portfolio Level Risks – A portfolio risk is an uncertain event or condition that, if it occurs has an effect on one or more of the strategic goals of the Growth Deal portfolio.

Programme Level Risk – A programme risk is an uncertain event or condition that, if it occurs, has an effect on at least one programme benefit.

Project Level Risks – A project risk is an uncertain event or condition that, if it occurs, has an effect on at least one project objective.

Figure 1.1 Risk Escalation Process



Source: Ambition North Wales

Summary and Conclusion

The governance and assurance arrangements in place are robust, transparent and based on best practice. As the Growth Deal matures and enters the delivery phase it is important that the arrangements and processes are continuously reviewed and adapted to maintain best fit with the relevant phase of the deal. It will become increasingly important to ensure flexibility and agility within the agreed processes to meet the challenges of securing private sector investment and the delivery of the deal in a challenging economic climate.

Alwen Williams

ALWEN WILLIAMS
PORTFOLIO DIRECTOR

DATE: 30/09/2022

D. Bryn

COUNCILLOR DYFRIG SIENCYN
CHAIR OF THE NORTH WALES ECONOMIC
AMBITION BOARD

DATE: 30/09/2022

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of the North Wales Economic Ambition Board Joint Committee

Opinion on financial statements

I have audited the financial statements of the North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

North Wales Economic Ambition Board Joint Committee's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of the North Wales Economic Ambition Board Joint Committee as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the North Wales Economic Ambition Board Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the North Wales Economic Ambition Board Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Economic Ambition Board Joint Committee's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override.
- Obtaining an understanding of the North Wales Economic Ambition Board Joint Committee's framework of authority as well as other legal and regulatory frameworks that North Wales Economic Ambition Board Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the North Wales Economic Ambition Board Joint Committee.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the North Wales Economic Ambition Board Joint Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the North Wales Economic Ambition Board Joint Committee's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the North Wales Economic Ambition Board Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
November 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Glossary

Actuarial Gains and Losses – For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Asset – Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Joint Committee and to the services it provides for a period of more than one year.

Balances (or Reserves) – These represent accumulated funds available to the Joint Committee. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

Capital Adjustment Account – A reserve set aside from revenue resources or capital receipts to fund capital expenditure or the repayment of external loans and certain other capital financing transactions.

Capital Expenditure – Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

Capital Financing – Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CIPFA (Chartered Institute of Public Finance and Accounting) – The professional institute for accountants working in the public sector.

Creditors – Amounts owed by the Joint Committee for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

Current Service Cost – The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

Debtors – Amount owed to the Joint Committee for work done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Scheme – A pension or other retirement benefit scheme other than a defined contribution scheme.

Defined Contribution Scheme – A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to the employee Service in the current and prior periods.

Depreciation – A measure of the cost of the economic benefits of the tangible fixed assets consumed during the period.

Fair Value – The price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

General Fund – This is the main revenue fund of the Joint Committee and it includes the net cost of all services financed by partners' contributions and Government grants.

International Financial Reporting Standards (IFRS) – A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Liability – Amounts due to individuals or organisations which will have to be paid at some time in the future.

Related Parties – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Audit of Accounts Report – North Wales Economic Ambition Board Joint Committee

Audit year: 2021-22

Date issued: October 2022

Document reference: 3211A2022

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 This is the first year the North Wales Economic Ambition Board Joint Committee (Joint Committee) has prepared full financial statements. We summarise the main findings from our audit of those statements in this report.
- 2 We have already discussed these issues with the Head of Finance at Gwynedd Council and his team as the host Authority.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £57,000 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader, and we have set a lower materiality level for these, as follows:
 - Related Party Disclosures £10,000
 - Senior Officer Remuneration £1,000
- 6 We have nearly completed this year's audit, but at the time of drafting this report, the following areas of work are still outstanding:
 - resolving outstanding audit queries on the financial systems; and
 - some other minor areas of the accounts.
- 7 Should any issues arise in these areas, we will provide a verbal update at the Joint Committee.
- 8 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. We have previously notified you of a potential threat to auditor independence and objectivity arising with the Audit Manager who is an acquaintance of a member of the Joint Committee's Executive Group and confirm that the planned safeguards set out in our Audit Plan have operated as intended.

Impact of COVID-19 on this year's audit

- 9 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• We received the draft accounts on 30 June 2022 as planned.• We expect your audit report to be signed in November.
Electronic signatures	Given ongoing remote working, we will use electronic signatures for the approval and certification of this year’s accounts.
Audit evidence	<p>The audit of the financial statements was undertaken remotely again this year by:</p> <ul style="list-style-type: none">• holding Microsoft Teams meetings with officers throughout the audit to discuss progress and emerging issues; and• utilising our remote access to enable the audit team to access the Joint Committee and the hosting Authority’s financial records and systems.

Proposed audit opinion

- 10 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

14 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

15 We identified some minor narrative and presentational amendments required to the draft financial statements that have now been addressed by management. The only other correction that should be drawn to your attention is set out with an explanation in **Appendix 3**.

Other significant issues arising from the audit

16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no significant issues arising in these areas this year.

Appendix 1

Final Letter of Representation

Letterhead

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

[Date]

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects North Wales Economic Ambition Board Joint Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements.

Representations by the Joint Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by North Wales Economic Ambition Board Joint Committee on 28 October 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Dewi Aeron Morgan
Head of Finance, Gwynedd Council

Date:

Signed by:

Councillor Dyfrig Siencyn
Chair of North Wales Economic
Ambition Board

Date:

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of the North Wales Economic Ambition Board Joint Committee

Opinion on financial statements

I have audited the financial statements of the North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

North Wales Economic Ambition Board Joint Committee's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of the North Wales Economic Ambition Board Joint Committee as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the North Wales Economic Ambition Board Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the North Wales Economic Ambition Board Joint Committee and its environment obtained in the course of the audit, I have not

identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Economic Ambition Board Joint Committee's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override.
- Obtaining an understanding of the North Wales Economic Ambition Board Joint Committee's framework of authority as well as other legal and regulatory frameworks that North Wales Economic Ambition Board Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the North Wales Economic Ambition Board Joint Committee.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the North Wales Economic Ambition Board Joint Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the North Wales Economic Ambition Board Joint Committee's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the North Wales Economic Ambition Board Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
November 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Presentational amendment. The corrections had no other impact on the financial statements.	Note 14.2 Pensions Reserve The balance brought forward at 1 April 2022 did not agree to the closing balance at 31 March 2022. An additional line was included in the note to show the £891,000 as an adjustment to the opening balance with a corresponding footnote clarifying that this was a transfer in from Gwynedd Council's pension reserve for North Wales Economic Ambition Board's share.	To improve the understandability of the reader.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
28 OCTOBER 2022

TITLE: North Wales Growth Deal – Quarter 2 Performance and Risk Report
AUTHOR: Hedd Vaughan-Evans, Head of Operations

1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Quarter 2 (July - September) Growth Deal report and updated Portfolio Risk Register.
- 1.2. Quarterly reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following consideration by the North Wales Economic Ambition Board, the reports will be shared with Welsh Government, UK Government and the local authority scrutiny committees.

2. DECISION SOUGHT

- 2.1. That the Board consider and note the Quarter 2 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 2 Performance Report to Welsh Government and UK Government, as well as the local authority scrutiny committees.

3. REASONS FOR THE DECISION

- 3.1. As stated in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. In December 2020, the Economic Ambition Board and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
- 4.2. Regular reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement.
- 4.3. This report includes two appendices:
 - North Wales Growth Deal – Quarter 2 Performance Report
 - Portfolio Risk Register – September 2022
- 4.4. North Wales Growth Deal – Quarter 2 Performance Report
 - 4.4.1. The Quarter 2 performance report provides an overview of progress on the Growth Deal programmes and projects.

- 4.4.2. This quarter saw the approval of another outline business case with the Ambition North Wales led Connecting the Last Few % project in the Digital Programme securing approval to move to the next phase.
- 4.4.3. The Quarter 2 update is showing projects reporting against the revised portfolio delivery profile approved by the Board in September 2022. Three projects are currently reporting as Red due to either risks to the project scope, or significant delays to project timescales:
- Low Carbon Energy Centre of Excellence – project under review due to change request for capital and revenue projections. The Portfolio Management Office is working with the project sponsor to explore options to accelerate delivery.
 - Glynllifon Rural Economy Hub – planning permission to be secured and potential funding gap due to escalating capital build costs.
 - Llysfasi Net Zero Farm – project under review due to challenges addressing Gateway 2 review feedback.
- 4.4.4. The Bodelwyddan, Key Strategic Site project which was reporting red in the quarter 1 report has been withdrawn from the Growth Deal. The funding provisionally allocated to this project will be retained within the Growth Deal and Ambition North Wales will now consider how best to use this funding to deliver maximum benefits for the region.

4.5. Portfolio Risk Register – October 2022

- 4.5.1. The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board (Executive Officers Group) and the North Wales Economic Ambition Board on a quarterly basis.
- 4.5.2. The risk register has been fully updated with a number of changes recorded in the documents, including revised risk descriptions, revised scoring and mitigating actions, and the commentary has been updated for all risks.
- 4.5.3. While the risk profile has remained stable over the past quarter, there are some significant risks to the delivery of the Growth Deal and the realisation of the benefits. Affordability remains the biggest risk facing the portfolio with inflation, supply chain issues and construction cost increases the main factors driving this increase. The risk around delay has increased as a result to delays to the project development timetable.
- 4.5.4. Two risks have been closed (Economic Recovery and EU-UK Trade and Co-Operation Agreement) and replaced with a new risk on 'Economic Context' to reflect the current economic climate we are operating in.

5. **FINANCIAL IMPLICATIONS**

- 5.1. There are no financial implications arising directly from approving the decision sought in this report.
- 5.2. The revised delivery and expenditure profile approved by the Board in September is included in the quarterly report.

6. LEGAL IMPLICATIONS

- 6.1. There are no direct legal implications arising from the report.
- 6.2. Regular reporting on Growth Deal performance is part of the agreed governance framework and a key requirement of the Final Deal agreement.

APPENDICES:

- | | |
|-------------------|--|
| Appendix 1 | North Wales Growth Deal – Quarter 2 Performance Report |
| Appendix 2 | Portfolio Risk Register – September 2022 |

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

“It is one of the key tasks of the Economic Ambition Board to monitor progress and risks. The Board needs to consider the register and satisfy itself that it constitutes an accurate reflection of the risk status and that mitigation actions are being addressed.”

ii. Statutory Finance Officer (the Host Authority’s Section 151 Officer):

“This report is a requirement to be able to continue to claim the Government grant instalments, and I am satisfied that its contents is a fair reflection of the Ambition North Wales’s performance over the last quarter. I will continue to assist the Portfolio Management Office in managing the relevant risks.”

North Wales Growth Deal

2022-23 Quarter 2
(July to September 2022)
Performance Report

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During this quarter we saw some significant developments in the delivery of the Growth Deal.

Firstly, the approval of the Outline Business Case for **Last Few % project**, within our Digital Connectivity programme. This is an important project within the Growth Deal, seeking to **address a connectivity challenge** across the region where a number of households and communities aren't able to access superfast broadband. As we now move into the procurement phase, we will be engaging with the market to **seek innovative solutions** to this problem, with the aim of delivering superfast broadband connectivity to all inhabited premises in the short term, with gigabit upgrade capability built in as far as possible.

Over the summer, the team have been working hard to **update our Portfolio Business Case** for the Economic Ambition Board's consideration in October. This forms part of our annual update prior to submission to Welsh and UK Governments and provides an opportunity to review delivery profiles and take stock of the progress made during the last 12 months.

The pace of delivery has been slower than anticipated, with the PMO dealing with some major challenges, including projects being reviewed, delays to business case development and the current affordability challenge impacting on all capital programmes as costs rise.

As the Growth Deal is a portfolio of projects to be delivered over a 15-year period it was always to be expected that some changes would be required.

In September, the Economic Ambition Board made the decision to **withdraw the Bodelwyddan Key Strategic Site project** from the Land and Property programme. This decision was made following extensive discussions with Denbighshire County Council and is due to the significant changes in the expected size of the project and the timescales for delivery. However, it is important to note that the funding provisionally allocated to the project is **retained within the Growth Deal** and for North Wales.

This presents an **exciting opportunity** to consider how best to use the funding to deliver the maximum benefits to North Wales.



Alwen Williams

Alwen Williams, Portfolio Director



Themes	RAG Status	Commentary
Portfolio Business Case	Green	The Portfolio Business Case 2022 update will be presented to the Board in October for approval prior to submission to Welsh Government and UK Government.
Delivery Pipeline	Yellow	The delivery pipeline has been reviewed and updated as part of the 2022 Portfolio Business Case and was approved by the Board in September. Project are now reporting against this revised timetable.
Governance	Green	The Portfolio, Programme and Project Management Framework is now well established with the Portfolio Board and five Programme Boards operating effectively. A Conflicts of Interest procedure is in place across all Boards.
Assurance	Green	The third annual Growth Deal assurance review (Programme Assurance Review) has been completed with the report delivering an 'Amber' confidence rating for the portfolio.
Resource and Capacity	Green	The Portfolio Management Office is currently fully resourced, however there is a need to review resources as move into the delivery phase of the Growth Deal.
Finance	Yellow	First claim for the Digital Signal Processing Centre project has been paid, this included expenditure in 21/22 as well as 22/23 at a total of £590,748. The remaining expenditure in this financial year to date relates to the drawdown against the 1.5% allocation for Portfolio Management Office costs.
Investment	Red	Securing the public and private sector investment required to deliver the Growth Deal remains a significant risk across the portfolio and an investment strategy is being developed to support the team to meet the investment targets.
Risk	Red	While the risk profile has remained stable over the past quarter, there are some significant risks to the delivery of the Growth Deal and the realisation of the benefits. Affordability remains the biggest risk facing the portfolio with inflation, supply chain issues and construction cost increases the main factors driving this increase.
Benefits Monitoring & Evaluation	Green	Both the Benefits Realisation Strategy and Portfolio Monitoring and Evaluation Plans were reviewed as part of the 2022 Portfolio Business Case update, with changes including updated logic models (reflecting agreed benefits framework terminology), the drafting of programme benefit plans and clearer links to project benefit plans.
Communication and Engagement	Green	During this quarter, we officially launched the first Growth Deal project, the DSP Centre , with an in-person event at Bangor University. The First Minister of Wales and the Parliamentary Under-Secretary of Wales attended the events, as well as stakeholders from across the globe. We also celebrated businesses within the region as we sponsored the North Wales start-up award at the Wales Start-up awards in Depot, Cardiff.

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
Deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of the UK, unlock the potential of priority sectors and sites and underpin a flourishing innovation ecosystem.	380	£158m	£41.7m

RAG Status	Programme Manager Commentary
Page 91	<ul style="list-style-type: none"> The first DSP project claim has now been paid by Ambition North Wales to Bangor University. The first of two Business Justification Cases (for year 2 expenditure) is now due to be submitted for approval in Quarter 3. The first project benefits have now been reported to the Programme Board (4 direct jobs created with 50% in research, development and innovation) Last Few % project Outline Business Case was approved by the Ambition Board this quarter. Later than expected availability of Welsh Government’s Broadband Public Review premises data has delayed the procurement plan which is now due to get underway in Quarter 3. Procurement of consultancy support for the Connected Campus and Connected Key Sites and Corridors projects was unsuccessful in Quarter 2, limiting progress on the Strategic Outline Business Case delivery however initial drafts have been produced by the Portfolio Management Office for further development once support in place, now expected November 2022. Wider work continues with partners across the region including Welsh Government funded Local Broadband Fund project, engagement with Home Office and Secretary of State for Wales’ Office, SNPA and mobile operators on tackling regional barriers to the UK Shared Rural Network project (4G coverage) and coordination of regional interest in in ‘marketing agreements’ to promote use of public sector assets to support deployment of mobile networks.



Mark Pritchard
Lead Member



Sioned Williams
Senior Responsible Owner



Stuart Whitfield
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)
---	--	--

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Digital Signal Processing Centre Bangor University	Delivery	<ul style="list-style-type: none"> • Delivery of final Year 1 items • Claim and full payment of Year 1 expenditure • First benefits reported (4 direct jobs created with 50% in research, development and innovation) 	<ul style="list-style-type: none"> • Submission of first Business Justification Case for Year 2 expenditure • Gateway 4 Review 		<ul style="list-style-type: none"> • Progress is on track with no identified barriers
Connecting the last few % Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> • Portfolio Board and Business Delivery Group review of Outline Business Case • Ambition Board review and Outline Business Case approval • Preparation of early market engagement • Outcome of Welsh Government Public Review (PR) of broadband coverage • Commercial specification complete • Delegated approval of procurement approach 	<ul style="list-style-type: none"> • Early Market Engagement completed • Lotting strategy and specification agreed • Contract documentation finalised • Procurement plan finalised 		<ul style="list-style-type: none"> • Outcome of Welsh Government Public Review has delayed market engagement and drafting of procurement plan and specification. Information is now received but cannot proceed to market engagement until made public by Welsh Government
Connected Key Sites and Corridors Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> • Progress work on Strategic Outline Case • Interim deputy SRO appointed • Initial drafting of Strategic Outline Case by Portfolio Management Office 	<ul style="list-style-type: none"> • Recruitment of consultancy support • Drafting and approval of Strategic Outline Case 		<ul style="list-style-type: none"> • Unsuccessful in procuring consultancy support in Q2 (now scheduled for Nov 22)
Connected Campuses Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> • Progress work on Strategic Outline Case • Initial drafting of Strategic Outline Case by Portfolio Management Office 	<ul style="list-style-type: none"> • Recruitment of consultancy support • Drafting and approval of Strategic Outline Case 		<ul style="list-style-type: none"> • Unsuccessful in procuring consultancy support in Quarter 2 (now scheduled for November 22)

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4. Low Carbon Energy Programme Performance

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To unlock the economic benefits of transformational low carbon energy projects and position North Wales as a leading UK location for low carbon energy generation, innovation and supply chain investment.	980	£530m	£668.5m

RAG Status	Programme Manager Commentary
Page 93	<ul style="list-style-type: none"> • Smart Local Energy: Continued development of the Outline Business Case with a focus on considering the detailed options for the proposed fund. The need to appoint a new fund specialist creates a small risk of delay. • Transport Decarbonisation (Hydrogen Hub): Early market engagement exercise has been delivered and the Ambition Board has approved the next step of procuring a partner to develop a business case and deliver a hydrogen hub. • Egni: Bangor University submitted a proposal for delivering project in two phases. Phase 1 would consist of a potential new building on the M-SParc site. Phase 2 would consist of the majority of the equipment spend as well as the major building work on the Deiniol Science and Innovation Campus (DSIC). Portfolio Board instructed the Portfolio Management Office to work with Bangor University to develop the proposals in more detail. • Morlais: Menter Môn's change request has been approved by the Ambition Board. This will result in a new business case being developed by Menter Môn. • Trawsfynydd: Project continues to develop with Cwmni Egin delivering an early market engagement process and developing a bid for UK Government's Future Nuclear Enabling Fund. • Regional Energy Strategy Action Plan approved by the Ambition Board and procurement of contractor for the Local Area Energy Plans underway.



Cllr Llinos Medi
Lead Member



Dylan Williams
Senior Responsible Owner



Henry Aron
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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4. Low Carbon Energy Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Cydnerth (Morlais) Menter Môn	Developing the Outline Business Case	<ul style="list-style-type: none"> The Ambition Board approved Menter Môn's change request for what the £9m allocated to the project will fund. This new project is called the Cydnerth Project WEFO-funded capital works on the Morlais infrastructure project continuing to plan and schedule. Magallanes, one of the tidal developers at Morlais, secured a contract for difference for the power generated from their berth in the Morlais zone. This will enable the first phase of development at Morlais and the opportunity to deliver local jobs and supply chain opportunities. 	<ul style="list-style-type: none"> Development of a new Outline business Case and delivery of workshops. 		<ul style="list-style-type: none"> Project on track with no major risks or issues following Ambition Board approval of Menter Môn's change request
Hydrogen Hub & Transport Decarbonisation Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> Delivery of the Prior Information Notice process. This proved to be an effective early market testing exercise, with responses from key players in the hydrogen sector confirming an interest in partnering with Ambition North Wales to deliver a hydrogen hub. Ambition Board approval for delivering a procurement process to bring on board a partner. Consultants appointed to support the development and delivery of the procurement process. 	<ul style="list-style-type: none"> Develop the procurement specification. Launch the procurement process to bring on board a partner. 		<ul style="list-style-type: none"> Options for procuring a partner are being assessed. Amber rating reflects the risk that the procurement process could be longer than planned.

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4. Low Carbon Energy Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Low Carbon Energy Centre of Excellence (Egni) Bangor University	<i>Project under review</i>	<ul style="list-style-type: none"> Bangor University submitted a proposal for delivering project in two phases. Phase 1 would consist of a potential new building on the M-SParc site. Phase 2 would consist of the majority of the equipment spend as well as the major building work on the DSIC. Portfolio Board instructed the Portfolio Management Office to work with Bangor University to develop the proposals 	<ul style="list-style-type: none"> Develop the Outline Business Case for Phase 1. Confirmation of Bangor University Capital Programme and associated detail regarding Phase 2. 		<ul style="list-style-type: none"> Rating remains red due to repeated project delays and impact of capital funding change request upon Programme Spending Objectives. Rating to be reviewed following confirmation of Phase 2
Smart Local Energy Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> Completion of market engagement questionnaire with over 50 responses received. Workshop held with Programme & Project Board on the 17th August to discuss fund options. Draft Fund Strategy received from Hatch. Draft reports received for CRF-funded smart local energy system feasibility studies. 	<ul style="list-style-type: none"> Project and Programme Board approval of the Fund Strategy. Appoint consultant to support with the continued development of the outline business case. Portfolio Management Office review of the draft outline business case. 		<ul style="list-style-type: none"> Amber rating due to the possible delay caused by unforeseen need to appoint a new fund specialist consultant
Trawsfynydd Cwmni Eginio	Business case process expected to commence in 2022/23	<ul style="list-style-type: none"> Early market engagement exercise completed with 19 parties registering an interest in engaging with the project. Completion. Cwmni Eginio expressed an interest in the UK Government's Future Nuclear Enabling Fund. 	<ul style="list-style-type: none"> Complete Memorandum of Understanding with Nuclear Decommissioning Authority and Magnox to help underpin future joint working and land aspects. Submit Future Nuclear Enabling Fund application by the 21st October deadline. Deliver ecology phase 1 assessment. Begin developing the social value strategy 		<ul style="list-style-type: none"> Uncertainty regarding project delivery timeline and potential for further delays

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5. Land and Property Programme Performance

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development. To deliver improvements that stimulate investment in sites and premises in the Port of Holyhead and the wider region. Enables other programmes by ensuring the right land and property infrastructure is available.	2280	£1.29bn	£355.4m

RAG Status	Programme Manager Commentary
Page 96	<ul style="list-style-type: none"> Mott Macdonald are undertaking surveys for site investigation and biodiversity on the Western Gateway site on behalf of Welsh Government as part of the programme of work committed to, pending the decision on the A483 junction upgrades by the Minister. Warren Hall, Broughton – The Local Development Plan Examination report is now expected in the Autumn followed by its the adoption. The Ministers decision on the Road Review Panel Recommendation is expected in Quarter 3 2022/23. Former North Wales Hospital, Denbigh – Ambition North Wales, Denbighshire County Council and Jones Bros are investigating compliant procurement routes to use the Phase 1 funding. Holyhead Gateway - Subsidy Support advice has been obtained, recommending that grant aid is the most compliant route for intervention funding. This is the subject of ongoing discussions with Stena. Stena’s purchase of the former Orthios plant is to be used in conjunction with the commercial use of the port.



Cllr Jason McLellan
Lead Member



Andrew Farrow
Senior Responsible Owner



David Mathews
Programme Manager

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5. Land and Property Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Western Gateway, Wrexham Wrexham County Borough Council	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> The Road Review Panel have made their recommendation to the Minister with regards the A483 junctions' upgrades. Wrexham Council have commissioned a Feasibility Study to assess how the Phosphate Reduction Strategy will be delivered using the Western Gateway as an example of a greenfield development site. Mott Macdonald have commenced site surveys (site investigation and biodiversity). 	<ul style="list-style-type: none"> Complete the Memorandum of Understanding with the Council. The Ministers decision on the A483 Junctions upgrades is due in the Autumn of 2022. Phosphate Feasibility Study to report. to the Council on the delivery of reduction and mitigation measures for new development sites. Adoption of Wrexham's Local Development Plan is scheduled for late 2022. 		<ul style="list-style-type: none"> A483 junction upgrades Road Review Panel decision is vital for this project and the ministerial decision is expected in the Autumn of 2022. Phosphate Reduction and Mitigation Strategy to outline mitigation and reduction measures that could be applied on the project site.
Warren Hall, Broughton Wales Government / Welsh Government / Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> The Road Review Panel have made their recommendation to the Minister with regards this site. 	<ul style="list-style-type: none"> The Ministers decision on the Warren Hall site Road Review is due in the Autumn of 2022. Adoption of the Flintshire Local Development Plan is scheduled for this Autumn 2022. 		<ul style="list-style-type: none"> Local Development Plan Adoption is now anticipated in the Autumn of 2022. Road Review Panel decision due in Autumn of 2022.
<i>Project Withdrawn (Key Strategic Site Bodelwyddan)</i>	<i>The Bodelwyddan Key Strategic site project has been withdrawn. A replacement project has yet to be identified.</i>				
Former North Wales Hospital, Denbighshire Jones Bros (Ruthin) Limited / Denbighshire County Council	Developing the Outline Business Case	<ul style="list-style-type: none"> Denbighshire County Council have submitted a Levelling Up fund Application to address the development viability gap. Discussions on procurement with the Council are ongoing. 	<ul style="list-style-type: none"> Confirmation of the Levelling Up Fund Application approval. Confirm compliant procurement route to deliver Phase 1 works. Refine and revise draft outline business case incorporating the Phased Development Scenario and procurement route. 		<ul style="list-style-type: none"> Project risk reflects dependency on new funding from Levelling Up Fund. Procurement route for Phase 1 works using public funds to be confirmed.

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5. Land and Property Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Parc Bryn Cegin, Bangor Welsh Government / North Wales Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> The Joint Venture discussions with Welsh Government. have been proceeding. 	<ul style="list-style-type: none"> A report to the Portfolio and Economic Ambition Board to recommend approval of the Joint Venture Agreement 		<ul style="list-style-type: none"> Potential occupier demand. Willing landowner and development partner. Planning Policy compliant proposed use.
Holyhead Gateway Stena Line Ports Limited	Developing the Outline Business Case	<ul style="list-style-type: none"> Subsidy Support advice has been obtained and shared with Stena Line.. Stena's purchase of the former Orthios plant is planned to be used in conjunction with the use of the of the port. 	<ul style="list-style-type: none"> Stena Line to disclose their plans for the Orthios site. Agreement is reached in principal with Stena Line as to the use of funding in the port expansion project. The breakwater refurbishment funding is approved and a funding mechanism agreed by Welsh Government and Stena Line. Completion of an Outline Business Case for the delivery of the port capacity enhancement works. 		<ul style="list-style-type: none"> Harbour Revision Order still to be consented. Uncertainty with cost of works for port expansion and breakwater refurbishment.

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6. Agri-food and Tourism Programme Performance

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To build a more sustainable, vibrant and resilient foundation economy in the region, optimising opportunities for employment and prosperity through our environment and landscape.	380	£281m	£41.3m

RAG Status	Programme Manager Commentary
	<ul style="list-style-type: none"> Grŵp Llandrillo Menai have appointed a Project Manager for the Tourism Talent Network project. The Project team have engaged with stakeholders through partnership meetings as well as the Economic Case workshop. The team is now working with the Portfolio Management Office to develop their Strategic Outline Case (SOC) and preparing for the Gateway 1 Review in November 2022. Grŵp Llandrillo Menai have submitted their pre planning application and are also managing the cost increases for the Glynllifon Rural Economy Hub project, which includes an optioneering approach to the project scope.

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Cllr Charlie McCoubrey
Lead Member



Jane Richardson
Senior Responsible Owner



Robyn Lovelock
Programme Manager

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6. Agri-food and Tourism Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Glynllifon Rural Economy Hub Grŵp Llandrillo Menai	Developing the Full Business Case	<ul style="list-style-type: none"> Ongoing work with consultants on design developing scenario- based costings to fit funding envelope. Pre-planning application submitted. Strategic case reviewed by the Project team to be updated for the Full Business Case. Integration of emissions and biodiversity methodology to Full Business Case stage. 	<ul style="list-style-type: none"> Proceed through pre-planning and full planning application processes. Agree funding gap mitigation. Draft the Full Business Case. 		<ul style="list-style-type: none"> Funding gap identified against approved Outline Business Case. Escalating capital build costs. Planning permission to be secured.
Llysoesi Net Zero Farm Cwm Cwmbria	<i>Project under review</i>	<ul style="list-style-type: none"> Internal review of Gateway 2 Review recommendations completed Stakeholder discussions regarding a forward plan from Gateway 2 Review completed 	<ul style="list-style-type: none"> Confirm next steps for project. 		Project remains under review.
Tourism Talent Network Grŵp Llandrillo Menai	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> Progress business case development through the Strategic Case stakeholder workshop. Working with consultants to develop business case. Gateway 1 review booked and planning underway. Project Manager appointed for Tourism Academy. Partnership meetings with private sector 'spokes'. 	<ul style="list-style-type: none"> Agree a Memorandum of Understanding between Ambition North Wales and Grŵp Llandrillo Menai. Finalise Strategic Outline Case (SOC) for Programme Board approval in late October 22 and Gateway 1 Review in late November. Plan Commercial, Financial and Management Case workshops. 		<ul style="list-style-type: none"> Business case development timeline is slightly delayed but accelerated management plan in place and timelines agreed with stakeholders.

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7. Innovation in High Value Manufacturing Programme Performance

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To consolidate North Wales position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy.	180	£114m	£39.5m

RAG Status	Programme Manager Commentary
Page 101	<ul style="list-style-type: none"> Glyndŵr University are preparing the Full Business Case for the Enterprise Engineering Optics Centre for consideration in September 2023. Bangor University have been working with the Portfolio Management Office to resolve changes to the project matched funding element of the Centre for Environmental Biotechnology project. Both projects working to integrate the Ambition North Wales social value considerations and emissions and biodiversity approach into their business case processes.



Cllr Dyfrig Siencyn
Lead Member



Paul Bevan
Senior Responsible Owner



Robyn Lovelock
Programme Manager

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7. Innovation in High Value Manufacturing Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Enterprise Engineering and Optics Centre Wrexham Glyndŵr University	Developing the Full Business Case	<ul style="list-style-type: none"> • Social value approach drafted. • Work programme developed for Full Business Case approval. • On-going integration of emissions and biodiversity methodology. 	<ul style="list-style-type: none"> • Ongoing work on design developing scenario- based costings to fit funding envelope. • Drafting procurement documentation. • Development of Full Business Case for Economic Ambition Board consideration in September 2023.. 		<ul style="list-style-type: none"> • Match fund position clarified. • Ongoing cost pressures. • Full Business Case development being managed robustly.
Centre for Environmental Biotechnology Bangor University	Developing the Outline Business Case	<ul style="list-style-type: none"> • Approval in principle of change request for capital and revenue projections, shifting project matched funding focus from Deiniol Centre to Mona Industrial site. Workshop on the Management case Gateway 2 Review booked for December. 	<ul style="list-style-type: none"> • Submit detailed change request to Programme Board. • Preparation for Gateway 2 Review in December Development of Outline Business Case for Ambition Board consideration in December 2022 		<ul style="list-style-type: none"> • Outstanding change request for capital and revenue projections. • Started Outline Business Case development .

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8. Project Progress Tracker

Project	Consenting Stage				Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
	Pre-application stage	Outline planning / Consent	Full planning / Consent	Conditions discharged	Determine the Project context	Preparing the Strategic Outline Case	Preparing the Outline Business Case	Approval of the Outline Business Case	Preparing the Full Business Case	Approval of the Full Business Case	Project implementation and monitoring	Project Evaluation
Digital Signal Processing Centre	No planning required				✓	✓	✓	✓	✓	✓	⌚	
Connected Key Sites and Corridors	Consenting requirements TBC				✓	⌚						
Connected Campuses	Consenting requirements TBC				✓	⌚						
Last Few %	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Cydnorth (Morlais)	✓	✓	✓	✓	✓	✓	⌚					
Trawsfynydd Power Station	Consenting requirements TBC				✓	⌚						
Low Carbon Energy Centre of Excellence	Project under review											
Smart Local Energy	Consenting requirements TBC				✓	✓	⌚					
Hydrogen Hub & Transport Decarbonisation	Consenting requirements TBC				✓	✓	⌚					
Holyhead Gateway	Harbour Revision Order Submitted & Marine License granted				✓	✓	⌚					
Former North Wales Hospital	✓	✓	⌚		✓	✓	⌚					
Key Strategic Site, Bodelwyddan	Project withdrawn											
Western Gateway, Wrexham	LDP adoption to be completed				✓	⌚						
Warren Hall, Broughton	LDP adoption to be completed				⌚							
Parc Bryn Cegin, Bangor	⌚				⌚							
Glynllifon Rural Economy Hub	⌚				✓	✓	✓	✓	⌚			
Llysfasi Net Zero Farm	Project under review											
Tourism Talent Network	Consenting requirements TBC				✓	⌚						
Centre for Environmental Biotechnology	No planning required				✓	✓	⌚					
Enterprise Engineering and Optics	✓	✓	✓		✓	✓	✓	✓	⌚			

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9. Growth Deal Project Delivery Pipeline – Portfolio Business Case 2022



*Delivery profile as per 2022 Portfolio Business Case. Where an Outline Business Case or Full Business Case has been approved figures have been updated with the latest information.

		Portfolio Business Case 2020 Targets			Approved Project Business Case Targets				Difference		
		GVA (£M)	Jobs Created (net)	(£M) Total Investment*	OBC/ FBC**	GVA (£M)	Jobs Created (net)	(£M) Total Investment*	GVA (£M)	Jobs Created	(£M) Total Investment*
Digital	Digital Signal Processing Centre (DSP)	50	80	7.3	FBC	12	33	3.0	-38	- 47	- 4.3
	Connecting the last few %	35	150	4.0	OBC	15	130	4.0	-20	-20	0
	Connected Key Sites and Corridors	45	120	9.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Connected Campuses	35	0	21	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Low Carbon Energy	Cydnerth (Morlais)	50	100	36	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Hydrogen Hub and Transport Decarbonisation	60	90	28.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low Carbon Energy Centre of Excellence (Egni)	20	20	97.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Smart Local Energy	120	180	106.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Trawsfynydd	230	510	400	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land and Property	Western Gateway, Wrexham	220	360	43.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Warren Hall, Broughton	235	440	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	<i>Project Withdrawn*** (Key Strategic Site, Bodelwyddan)</i>										
	Former North Wales Hospital, Denbigh	20	50	74	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Parc Bryn Cegin, Bangor	30	50	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Holyhead Gateway	545	930	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Agri-food and Tourism	Glynllifon Rural Economy Hub	25	40	13	OBC	45	96	13	+20	+56	0
	Llysfasi Net Zero Farm	215	310	15.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Tourism Talent Network	20	0	12.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	45	70	29.9	OBC	33	61	14.7	-12	-9	-15.2
	Centre for Environmental Biotechnology	60	90	9.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Growth Deal Portfolio Total		2,185	3,830	1,146	OBC 1 FBC	90	190	30.7	-50	-20	-19.5

* Total investment shown here includes 1.5% Portfolio Management Office costs

** OBC – Outline Business Case, FBC – Full Business Case

*** Targets for removed project still included as part of the total targets for the Growth Deal.

Programme	Project	Project Sponsor	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m	Total £m
Digital	Digital Signal Processing Centre	Bangor University	0.12	1.70	0.70	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
	Connecting the Last Few %	Economic Ambition	0.00	0.00	1.46	1.47	1.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
	Connected Key Sites and Corridors	Economic Ambition	0.00	0.00	1.00	3.83	4.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
	Connected Campuses	Economic Ambition	0.00	0.00	0.00	0.29	3.88	5.83	5.83	4.85	0.00	0.00	0.00	0.00	20.68
Low Carbon Energy	Cydnerth (Morlais)	Menter Môn	0.00	0.00	0.00	3.33	4.44	1.10	0.00	0.00	0.00	0.00	0.00	0.00	8.87
	Hydrogen Hub & Transport	Economic Ambition	0.00	0.00	0.00	0.00	5.61	5.62	0.00	0.00	0.00	0.00	0.00	0.00	11.23
	Low Carbon Energy Centre of Excellence	Bangor University	0.00	0.00	0.00	5.91	9.85	4.92	0.00	0.00	0.00	0.00	0.00	0.00	20.68
	Smart Local Energy	Economic Ambition	0.00	0.00	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.47	2.47	24.63
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00	1.97	2.96	4.92	9.85	0.00	0.00	0.00	0.00	0.00	19.70
Land and Property	Western Gateway, Wrexham	Economic Ambition Board	0.00	0.00	0.00	7.19	1.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.96
	Warren Hall, Broughton	Economic Ambition	0.00	0.00	0.00	0.00	14.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.77
	<i>Project Withdrawn** (Key Strategic Site, Bodelwyddan)</i>														
	Former North Wales Hospital, Denbigh	Economic Ambition	0.00	0.00	1.97	1.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
	Parc Bryn Cegin, Bangor	Economic Ambition	0.00	0.00	1.48	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
	Holyhead Gateway	Stenaline	0.00	0.00	9.85	17.24	7.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
Agrifood and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	7.20	2.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.85
	Llysfasi Net Zero Farm	Coleg Cambria	0.00	0.00	0.00	5.00	4.00	0.40	0.45	0.00	0.00	0.00	0.00	0.00	9.85
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
Innovation in High Value Manufacturing	Enterprise Engineering and Optics	Glyndwr University	0.00	0.00	2.12	3.91	6.65	0.17	0.00	0.00	0.00	0.00	0.00	0.00	9.85
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	1.25	1.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Portfolio Management Office Costs (1.5%)															3.60
Total															240.00

* 2021/22 profile is actual expenditure. Remaining profile is as forecast in the 2022 Portfolio Business Case.

** Targets for removed project still included as part of the total targets for the Growth Deal.



Programme	Project	Project Sponsor	Profile 22/23 (£m)	Actual YTD (£m)	Variance (£m)	Rationale	
Digital	Digital Signal Processing Centre	Bangor University	1.70	0.47	-1.23	First claim processed in June 2022. Next claim expected in October, 2022-23 expenditure expected to be in line with profile.	
	Connecting the Last Few %	North Wales Economic Ambition Board	0.00	0.00	0.00		
	Connected Key Sites and Corridors	North Wales Economic Ambition Board	0.00	0.00	0.00		
	Connected Campuses	North Wales Economic Ambition Board	0.00	0.00	0.00		
Low Carbon Energy	Cydnherth (Morlais)	Menter Môn	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.	
	Hydrogen Hub & Transport Decarbonisation	North Wales Economic Ambition Board	0.00	0.00	0.00		
	Low Carbon Energy Centre of Excellence	Bangor University	0.00	0.00	0.00		
	Smart Local Energy	North Wales Economic Ambition Board	0.00	0.00	0.00		
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00		
Land and Property	Western Gateway, Wrexham	North Wales Economic Ambition Board	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.	
	Warren Hall, Broughton	North Wales Economic Ambition Board	0.00	0.00	0.00		
	<i>Project Withdrawn*** (Key Strategic Site, Bodelwyddan)</i>						
	Former North Wales Hospital, Denbigh	North Wales Economic Ambition Board	0.00	0.00	0.00		
	Parc Bryn Cegin, Bangor	North Wales Economic Ambition Board	0.00	0.00	0.00		
	Holyhead Gateway	Stenaline	0.00	0.00	0.00		
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.	
	Llysfasi Net Zero Farm	Coleg Cambria	0.00	0.00	0.00		
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00		
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Glyndwr University	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.	
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	0.00		
Portfolio Management Office Costs (1.5%)			0.56	0.13	-0.43	Expected expenditure reduced from £750k as part of mid-year budget review	
Total			2.26	0.60	-1.66	See above	

* Variance is the difference between the planned profile (Portfolio Business Case 2021) and the Actual Year to Date (YTD) expenditure. YTD figures up to end of December 2021.

Programme	Project	Sponsor	Summary
Digital	Digital Signal Processing Centre (DSP)	Bangor University	The project will allow the DSP Centre to expand its presence and remit, integrating fully with the National Strategy Project (NSP) and enable the scaling of key assets including a 5G testbed, research capacity and state-of-the-art equipment.
	Connecting the last few %	Economic Ambition Board	This project targets universal superfast coverage across North Wales, which have yet to be served by other means and cannot obtain speeds of at least 30Mbps (download).
	Connected Key Sites and Corridors	Economic Ambition Board	This project aims to enhance the reliability and quality of mobile services on the main roads and rail routes in North Wales, enabling full-fibre services to key commercial sites across the region. Focussing on developing fibreoptic networks, which are essential for delivering 4G, 5G and gigabit capable broadband.
	Connected Campuses	Economic Ambition Board	The project will accelerate the development of a range of digital connectivity options with a current focus at 18 key regional economic sites.
Low Carbon Energy	Cydnerth (Morlais)	Menter Môn	Investing in infrastructure to connect to the National Grid network and monitor marine environmental effects. This will enable an increase in the deployment of turbines by tidal developers and the generation of renewable energy.
	Hydrogen Hub and Transport Decarbonisation	Economic Ambition Board	Support delivery of a demonstrator project involving the production of green hydrogen from low carbon energy sources and its use within regional transport networks.
	Low Carbon Energy Centre of Excellence (Egni)	Bangor University	Investing in the development of facilities at Bangor University and Menai Science Park, enhancing the North Wales and UK capabilities for innovation in low carbon energy and related areas, helping to create the conditions for new inward investment and business growth in the low carbon energy supply chain in North Wales.
	Smart Local Energy	Economic Ambition Board	To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.
	Trawsfynydd	Cwmni Eginio	The site is uniquely placed for a 'First of A Kind' deployment of a Small Modular Reactor (SMR) or Advanced Modular Reactor (AMR). Alongside the public and private sector, the Growth Deal will contribute funding towards enabling infrastructure for this development.

Programme	Project	Sponsor	Summary
Land and Property	Western Gateway, Wrexham	Economic Ambition Board	Delivery of primary services to enable the site to be brought to the market for sale and development.
	Warren Hall, Broughton	Economic Ambition Board	Delivery of primary services to enable the 65-hectare mixed use site to be bought to the market for sale and then development by the private sector.
	<i>Project Withdrawn (Key Strategic Site, Bodelwyddan)</i>	<i>The Bodelwyddan Key Strategic site project has been withdrawn. A replacement project has yet to be identified.</i>	
	Parc Bryn Cegin, Bangor	Economic Ambition Board	Provide industrial floor space to meet known demand for units.
	Former North Wales Hospital, Denbigh	Economic Ambition Board	The Growth Deal funding will assist in the delivery of a cleared and remediated site with primary services to bring forward a mixed-use commercial and residential development
	Holyhead Gateway	Stena Line	Future proof the Holyhead Port by providing new deep-water heavy loading and cruise facilities, improved vehicular access, guaranteeing the future of the breakwater and providing for the demands of regional energy projects.
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	The vision is to create a distinctive, world-class Rural Economy Hub at Glynllifon, offering a range of facilities and services to strengthen and enhance the regional economy, specifically through growing the food and drink sector.
	Llysfasi Net Zero Farm	Coleg Cambria	The Llysfasi Net Zero Farm aims to lead North Wales to a resilient future where carbon neutral land management is at the centre of a developing renewable energy sector supporting a sustainable, thriving and healthy community covering the rural/urban mix of the region.
	Tourism Talent Network	Grŵp Llandrillo Menai	Future-proofing the pipeline of skills provision and increase commercial benefits from one of the most established sectors in the region. The talent network will stimulate public-private collaboration to coordinate action on skills and product development to transform and accelerate the growth of the tourism and hospitality sector in the region.
Innovation in High Value Manufacturing	Centre for Environmental Biotechnology (CEB)	Bangor University	The Centre for Engineering Biotechnology will be a world-leading centre in the discovery and characterisation of novel extremophilic enzymes of industrial relevance. The Centre for Engineering Biotechnology will provide a strong foundation for attracting world-leading researchers, significant public and commercial research funding, and inward investment to Wales.
	Enterprise Engineering & Optics Centre	Glyndwr University	The Enterprise Engineering & Optics Centre will provide facilities targeted to boost high-level skills development for the region and enable Small and medium-sized enterprises (SME's) and large businesses to work in partnership with Wrexham Glyndwr University on commercially driven research and development in optics, composites and hydrogen fuel cells.

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R001	21/10/2020	Programme and Project Delivery	Capacity	Portfolio Director	If sufficient resources are not in place at portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal					NWEAB approval for fixed term contract extensions to March 2024. Full PMO Team in place	In place	PMO							
										Additional procurement and legal technical capacity to be secured for projects as required	Legal support in place	PMO							
						3	4	12	↔	PMO to utilise external technical support when necessary	Reviewed monthly	PMO	3	3	9	↔	Open		03.10.22
										PMO supporting partners to ensure capacity for delivery and support recruitment activity	Reviewed monthly	PMO, Project Sponsors							
										Resourcing options being considered to manage the impact of part-time secondment of Portfolio Director to the Corporate Joint Committee	Oct 2022	PMO							
R002	21/10/2020	Programme and Project Delivery	Delay	Portfolio Management Office	If there are delays to project delivery, there is a risk this could have an impact on the realisation of benefits or could result in projects not progressing.					Monthly highlight reports to Programme Board with escalation routes to NWEAB	Monthly	PMO							
										Programme and project RAID logs in place to record risks and manage issues	Monthly	PMO, Project Sponsor							
						5	5	25	▲	Project business cases and implementation plans to clearly set out risks to project delivery and mitigations	N/A	Project Sponsor	5	4	20	▲	Open		03.10.22
										Quarterly reports to the NWEAB and Portfolio Board	Quarterly	Project Sponsor							
										Project timetables reviewed as part of Portfolio business Case Update	Sep 2022	In place							
R003	21/10/2020	Financial	Affordability	Portfolio Management Office	If projects increase in cost, there is a risk they may not go ahead or project scope may need to be scaled down					Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs.	N/A	PMO, Project Sponsor							
										Robust performance, risk and financial reporting arrangements will be established for all projects	Monthly	PMO							
						5	5	25	↔	Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor.	N/A	PMO	5	4	20	↔	Open		03.10.22
										Ongoing discussions with UK/WG on mitigation strategy for managing the risk of increasing costs	Monthly	PMO							
										Project replacement process approved by the NWEAB. This includes the option of supporting existing projects with affordability issues	In place	PMO							
R004	21/10/2020	Programme and Project Delivery	Economic Recovery	Portfolio Director	If regional economic recovery is limited, there could be a risk to the delivery of the Growth Deal portfolio and the viability of certain projects.					Regional collaboration on economic recovery co-ordinated by the Portfolio Director and the Executive Officers Group.	N/A	PMO, SROs							
										Project Business Cases will consider the implications of COVID-19	N/A	PMO, SROs, NWEAB							
						4	4	16	↔	Regional Economic Framework published and sets the strategic priorities for the North Wales economy. Implementation phase to progress in 2022	N/A	Portfolio Director	4	3	12	↔	Closed		03.10.22
R005	21/10/2020	Programme and Project Delivery	EU-UK Trade and Cooperation Agreement	Portfolio Director	If the new UK-EU trading relationship impacts on certain sectors of the economy there is a risk that the viability of certain Growth Deal projects may change.					Project Business Cases will consider the implications of the new UK-EU trading relationship.	N/A	PMO, Project SROs							
										Where the new UK-EU trading relationship could have a clear impact upon the viability / need for a project, the project will be subject to full review ahead of business case development	N/A	PMO, Project SROs	2	3	6	↔	Closed		03.10.22
R006	21/10/2020	Environmental	Climate Change and Biodiversity	Portfolio Director	If projects do not take account of carbon emissions or biodiversity loss within project level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss					Position statement on Climate Change and Biodiversity adopted by the NWEAB.	N/A	NWEAB							
										Project business cases to demonstrate delivery against the adopted NWEAB position.	N/A	PMO, Project SROs							
						4	3	12	↔	Draft methodology on how to take account of carbon emissions and biodiversity loss within project business cases will be launched during autumn 2022	November 2022	PMO	3	3	9	↔	Open		03.10.22
R007	21/10/2020	Financial	Private Sector Investment	Portfolio Management Office	If the private sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.					Continued engagement with Project Sponsors and private sector partners	N/A	PMO, Project SROs							
										Development of robust project business cases and contractual agreements for Growth Deal funding	N/A	PMO, Project SROs, NWEAB, PMO							
						4	4	16	↔	Agreed process for consideration of new projects if required	N/A	PMO	4	4	16	↔	Open		03.10.22
										Following PAR recommendation, an investment strategy has been developed	In place	PMO							

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R008	21/10/2020	Financial	Public Sector Investment	Portfolio Management Office	If the public sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	4	16	↔	All NWEAB partners have signed up to the Growth Deal and Governance Agreement 2. Development of robust project business cases and contractual agreements for Growth Deal funding Agreed process for consideration of new projects or changes to public sector investment projections	Complete N/A N/A	NWEAB PMO, Project SROs NWEAB, PMO	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R009	21/10/2020	Regulatory	Planning and Statutory Consents	Portfolio Management Office	If projects do not receive the necessary statutory consents and planning approval, there is a risk that projects will not be delivered and the benefits would not be realised.	4	5	20	↔	Project business cases will set out the consenting requirements for each project and the risks to project delivery Continued engagement with project sponsors to understand consenting process and risks with support provided where appropriate Local authority phosphates strategies in place as part of Local Plan adoption. PMO to deliver review of project consenting progress	N/A N/A April 2022 April 2022	PMO, Project SROs PMO Local Authorities PMO	3	5	15	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R010	21/10/2020	Reputational and Social Impact	Spending Objectives	Portfolio Director	If projects fail to deliver against the portfolio spending objectives, there is a risk that the Growth Deal may not meet its targets in relation to job creation, GVA and investment.	5	4	20	↔	Robust business cases will be developed for each programme and project in line with 5 Case Business Model and will need to set out contribution to portfolio spending objective targets Project review and change control process in place. Agreed process for consideration of new projects or changes to public sector investment projections Following 2021 PAR recommendation, investment strategy has been developed	N/A N/A N/A In place	PMO, Project SROs PMO NWEAB, PMO PMO	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R013	21/10/2020	Reputational and Social Impact	Political Change	Portfolio Director	If stakeholders are not managed effectively, there is a risk that political change could impact support for the portfolio, programme and projects.	4	4	16	▲	Frequent engagement with UK, Welsh Government and local government politicians and officials. GA2 and Final Deal agreement to confirm commitments of all parties. New members to be briefed on the Growth Deal Portfolio following the change in leadership Engagement with new UK Government Ministers following	N/A Complete October 2022 Oct-Dec 2022	NWEAB, PMO NWEAB In place	3	4	12	▲	Open	Risk reviewed. Increased gross and residual risk score following change in UK Government leadership and ministers in September 2022	03.10.22
R014	22/10/2020	Financial	Fraud	Portfolio Director	If appropriate processes are not put in place and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds	4	4	16	↔	Projects to have robust financial monitoring processes in place PMO to review claims submitted before passing them onto accountable body for payment Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2 Conflict of Interest Register maintained for all programmes, projects and advisory groups.	N/A N/A Complete N/A	PMO PMO Monitoring Officer PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R015	22/10/2020	Reputational and Social Impact	Benefits Realisation	Portfolio Management Office	If project benefits are not realised, there is a risk that the overall Growth Deal could fail to deliver the benefits set out within business case.	4	4	16	↔	Each programme and project will be responsible for benefits management through a Benefits Realisation Plan. Monthly highlight reports to Programme Board to monitor benefits realisation Procurement Principles to be adopted with focus on community benefits and social value Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases	N/A Monthly Complete N/A	PMO, Programme and Project SROs PMO PMO PMO	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R016	22/10/2020	Programme and Project Delivery	Assurance	Operations Manager	If agreed assurance processes are not followed, there is a risk that project approval could be impacted and could result in suspension/postponement of government grant payments.	3	5	15	↔	Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal. Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP) PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP	Complete Quarterly N/A	PMO PMO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R017	22/10/2020	Financial	Financial Management	s151 Officer	If appropriate financial arrangements are not put in place, there could be a risk to the delivery of the deal, draw-down of the funding grant and allocation of funds.	3	4	12	↔	NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances Robust monthly performance, risk and financial reporting arrangements will be established for all projects Robust financial claims process established for the drawdown of funding	N/A N/A Monthly N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	3	6	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R018	01/10/2020	Financial	Revenue Funding	Portfolio Management Office and Project Sponsors	If sufficient revenue funding is not in place to support the activities of the NWEAB and delivery of the Growth Deal, then project delivery and achievement of spending objectives and benefits may be impacted	3	4	12	↔	NWEAB has approved extension of fixed term contracts to March 2024. Longer term solutions continue to be investigated Partners and project sponsors responsible for sourcing revenue funding to support non-NWEAB led projects PMO working to identify additional funding opportunities for NWEAB led projects PMO exploring the potential capitalisation of project salary costs.	N/A N/A N/A N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R019	01/10/2020	Programme and Project Delivery	Supply Chain & Skills Capacity	Portfolio Management Office	If the regional supply chain does not have the capacity to deliver projects, then projects delivery could be impacted and regional benefits could be lower.	4	4	16	↔	Project business cases and implementation plans to clearly set out risks to project delivery and mitigations, including supply chain risks. RSP working with PMO to identify regional supply chain / skills challenges and identify mitigations Additional funding secured for skills activity Projects to conduct early market engagement where appropriate	N/A N/A In place N/A	PMO PMO PMO Project Sponsors	3	4	12	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	03.10.22
R020	03/10/2022	Programme and Project Delivery	Economic Context	Portfolio Management Office	If there are significant changes to the UK economy (e.g. cost of living crisis and the energy security crisis), then the strategic and economic cases for programmes and projects may be adversely impacted	3	5	15	↔	Project business cases and implementation plans to clearly set out the case for projects and the risks to project delivery, including the impact of recent economic developments	N/A	PMO, Project Sponsors	2	5	10	↔	Open	New risk proposed following recent economic developments concerning cost of living, inflation, energy costs and energy security	03.10.23