
NORTH WALES ECONOMIC AMBITION BOARD 21/07/23

Present:

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

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

Chief Officers – Dylan Williams (Isle of Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Neal Cockerton (Flintshire County Council), Dafydd Gibbard (Cyngor Gwynedd), David Fitzsimon (Wrexham County Borough Council) and Graham Boase (Denbighshire County Council).

Officers in attendance -

Host Authority:- Dewi A. Morgan (Statutory Finance Officer), Sion Huws (Deputy Monitoring Officer), Sian Pugh (Assistant Head of Finance – Sustainability and Developments), Sara Jones (Assistant Accountant – Pensions and Treasury Management) and Eirian Roberts (Democratic Services Officer).

North Wales Ambition:- Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Head of Operations), Nia Medi Williams (Senior Operations Officer), David Mathews (Land and Property Programme Manager), Robyn Lovelock (Growth Deal Programme Manager) and Elgan Roberts (Energy Programme Manager).

Observers – Wendy Boddington (Welsh Government) and Gareth Ashman and John Hawkins (UK Government).

1. APOLOGIES

Apologies were received from:-

- Councillor Llinos Medi Huws (Isle of Anglesey County Council) with Councillor Gary Pritchard deputising;
- Councillor Ian Roberts (Flintshire County Council) with Councillor Paul Johnson deputising;
- Dafydd Evans (Grŵp Llandrillo Menai) with Paul Bevan deputising;
- Yana Williams (Coleg Cambria);
- Professor Edmund Burke (Bangor University) with Professor Paul Spencer deputising;
- Ian Bancroft (Wrexham County Borough Council) with David Fitzsimon deputising;
- Iwan Evans (Monitoring Officer) with Sion Huws (Deputy Monitoring Officer) deputising.

The Chairman welcomed the deputies to the meeting.

2. DECLARATION OF PERSONAL INTEREST

The following members declared a personal interest in item 8 – Growth Deal Funding: Project Replacement Process – Final Recommendations, for the reasons noted:-

- Councillor Mark Pritchard – Wrexham Port Project – because Wrexham County Borough Council was the applicant.
- Councillor Charlie McCoubrey – Kinmel Studio Project by Stage Fifty – because the land was owned by Conwy County Borough Council.
- Councillor Gary Pritchard – Kinmel Studio Project by Stage Fifty – because, until 30 June this year, he was employed with Rondo Media Company in Caernarfon, and Rondo partly owned Aria Studio in Llangefni.

It was not a prejudicial interest, and the members were advised that they could participate in full in the discussion and vote on the matter. Despite this, Councillor Mark Pritchard noted that he would rather not take part.

3. URGENT ITEMS

No urgent matters were raised.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting, held on 16 June 2023, as a true record.

5. NORTH WALES GROWTH DEAL – QUARTER 1 PERFORMANCE AND RISK REPORT

The report was submitted by Hedd Vaughan-Evans (Head of Operations) and the programme managers elaborated on the highlights of individual programmes.

RESOLVED

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

REASONS FOR THE DECISION

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

DISCUSSION

Elgan Roberts was congratulated for being appointed to succeed Henry Aron as Energy Programme Manager and he was wished well in his post. It was explained, as an internal promotion, that this will reduce some of the capacity within the programme for a period, but this will be managed over the next few months.

The officers were thanked for preparing the report, and it was noted that it was interesting to see progress in some of the fields.

Councillor Mark Pritchard enquired if he had the right to take part in the discussion and vote on the matter as there was a reference in the report to the Western Gateway Project, Wrexham, which was led by Wrexham County Borough Council. In response, it was

explained that although there was an interest, there was an exception in the Code which allowed leaders to take part fully in the discussion and vote on the matter.

The Chair added that there were not any decisions to be made on individual projects in this case anyway, as it was a progress report submitted to the Board.

It was noted that it was not believed that the Western Gateway Project, Wrexham would go ahead as the Government's funding had been withdrawn, and it was recommended that the project should be revoked as soon as possible, so the North Wales Ambition officers were not wasting their time. In response, it was noted that:

- Following concern expressed in the last Board meeting regarding this project, North Wales Ambition officers had met with Wrexham Council officers, and it was understood that Wrexham Council was working on a plan exploring how this project can be moved forward.
- Once the plan was available, it will be reviewed by the North Wales Ambition officers, and if they believed that there was no viable way forward, then a report would have to be presented to the Board with a recommendation on the way forward, as with any other project in a similar situation.
- The project's sponsor can decide to withdraw or make a request to change, and again this would have to be something that the Board considers.
- It was not believed that we are in this situation at the moment, as Wrexham Council's officers were currently working on a plan.

Another member emphasised that the Western Gateway Project, Wrexham should not be given up, and that the Welsh Government and the Minister should be aware that their decision to withdraw the funding could endanger a very important project within the Growth Deal. It was enquired whether the Welsh Government were aware of the risk and if so, it was noted that it was important that the Board knew that the decision on the roads review had been made despite these types of risks. In response, it was noted that North Wales Ambition officers had held informal briefing meetings with their contacts in the Welsh Government and UK Government regarding the situation in general in terms of the Growth Deal, but it was understood that the engagement with the Welsh Government on the details of this specific project was mainly happening through Wrexham Council, as it was them that led on the project.

Wrexham Council's chief officer noted:-

- That the Council was currently in discussions with the Welsh Government, and that they were also looking at the current roads network's capacity to see if it was possible to provide for the Western Gateway development.
- That the Welsh Government had stated that they, as part of the decision on the roads review, would look at an alternative sustainable option for that part of Wrexham, and the discussions regarding this continued.
- Although the roads review had created challenges in terms of capacity, it was believed that it would be premature to revoke the project currently.

It was noted that the Business Delivery Board were trying their best to attract large international investors to North Wales and that there was a lot of potential for the private sector to be involved in this. In response, it was noted that:

- The work with the Savills company, that the Business Delivery Board was also involved with, had highlighted early on that there were major investors looking for viable projects and were looking towards North Wales, not only some of the larger investors that were already in the region, but also some higher funded investors that

were eager to support the levelling-up agenda and invest in areas with socio-economic needs, and that we should be taking advantage of them.

- On a regional level, if the collaboration could be harnessed to break through to some of these investors and funds, much more funding could be brought to North Wales, in addition to the investment coming through the Growth Deal.
- There was a huge opportunity in terms of investors, and one of the points often made by investors is how good the collaboration is in North Wales.

It was enquired what was the work timeline with Savills. In response, it was noted that:

- The work will be undertaken over the summer and it was hoped to host an event in early August to bring Savills to the North to give them an overview of the opportunities here.
- The work will be led by Nick Bennett, who was from the North, and understood the region very well, as well as understanding politics and the investment field.
- It was expected that the company will report back on the work's outcome by the end of the summer.

The Operations Manager and his team were thanked for the work.

6. NWEAB'S STATEMENT OF ACCOUNTS FOR 2022-23

The report was submitted by Dewi A. Morgan (Statutory Finance Officer). It was noted that:-

- The Board, for the second year, had prepared a full set of statement of accounts, instead of the official form used in previous years, because North Wales Ambition was a "larger relevant body" in accordance with the requirements of the Accounts and Audit (Wales) Regulations as their annual income or spending was over £2.5m.
- The annual Statement of Accounts had been prepared in accordance with the Code of Practice on Local Authority Accounting.
- The Ambition Board had received the information in a much more useful way when the Ambition Board's Revenue and Capital Out-turn Position for 2022/23 had been presented on 5 May, and the decision made during this meeting was noted.
- The figures that appeared in table 1, page 3 of the report were consistent with the contents of the revenue out-turn report, and that what was seen in much of the document were technical matters relating to accounting conventions. Also, in the same manner, figures appeared that reflected the capital spending.
- The pensions figures were different this year. It was noted that the Ambition Board had a pension liability of £942,000 on 31 March 2022, but on 31 March 2023, the assets value was higher than the liabilities value with a net asset position of £572,000. It was explained that the reason for this was that the actuary's valuation used UK corporate bonds, and because these have yielded high, it had led to high accounting discount rates, which made the pension liability values substantially less. It was further explained that the pension calculating standards did not allow assets to be shown for a defined benefit pension scheme, therefore the asset's value had been adjusted to £0 on the balance sheet. Further instructions were expected on this from Audit Wales and CIPFA, and if any change to the handling was needed following these instructions, they would be revised by the final Statement of Accounts.
- The Statutory Finance Officer had signed the minutes on 7 July and had certified that he was of the opinion that the Statement of Accounts had been prepared in accordance with the appropriate practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting. It was noted that the Statutory Finance Officer believed that the Statement presented an accurate and fair picture of the

North Wales Ambition Board Joint Committee's financial position on 31 March 2023 and the Joint Committee's income and expenditure for the year ended at that time.

- The statements would go on to be reviewed by Audit Wales, the Ambition Board's external auditors, and the final accounts, together with the auditors' report, would be presented to the Board during the autumn.

RESOLVED to accept and note NWEAB's Statement of Accounts (subject to audit) for 2022/23.

REASONS FOR THE DECISION

There was no statutory requirement for the Board to approve the draft Statement of Accounts of the Joint Committee, but the submission of the draft statement for information was considered good practice to follow.

The Board will need to approve the final version following receipt of the Audit Wales report, but the submission of the draft now was an opportunity for Board members to consider the content and question financial officers about the content. This was an opportunity for the members to equip themselves with relevant information to consider relevant risks, and other matters that will be subject to audit, in their context.

DISCUSSION

The Statutory Finance Officer and his team were thanked for the work.

7. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that the press and public should be excluded from the meeting during the discussion on the following item due to the likely disclosure of exempt information as defined in paragraph 14, Schedule 12A of the Local Government Act 1972 – information about the financial or business transactions of any specific person (including the authority that retains that information).

There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is acknowledged, however, that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed without being publicised. The report deals with financial and business matters as well as related discussions. Publication of such commercially sensitive information could adversely affect the interests of the applicants and undermine the confidence of others to share sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome. For these reasons, the matter was closed for the public interest.

8. GROWTH DEAL FUNDING: PROJECT REPLACEMENT PROCESS – FINAL RECOMMENDATIONS

The report was submitted by Hedd Vaughan-Evans (Head of Operations).

RESOLVED

- 1. To support the recommendation for the following projects to receive an invitation to join the Growth Deal's portfolio, subject to the project financier's agreement to the conditions noted in Attachment A to the report:**

- **Responsible Adventure Project by Zip World – conditional allocation of £6.2m**
 - **Kinmel Studio Project by Stage Fifty – conditional allocation of £6.8m**
 - **Holyhead Hydrogen Hub Project by Menter Môn – conditional allocation of £3.8m**
 - **Deeside Waste to Fuel Project by The Circular Economy Ltd – conditional allocation of £6.4m**
 - **Wrexham Port Project by Wrexham County Borough Council – conditional allocation of £4.79m.**
2. **To delegate the authority to the Portfolio Director and the Monitoring Officer to confirm the terms with the project sponsor and commit to the Memorandum of Understanding (MOU) with each project sponsor confirming the requirements and the expectations relating to the Growth Deal's Finance.**
 3. **To note that inviting a project to join the Growth Deal is not a decision to invest in the project. In accordance with the usual process to access funding, it will be required for all projects to produce a business case to be considered by the Board.**
 4. **To allocate an additional £350,000 of the Growth Deal's funding to support the Portfolio Management Office, by increasing the general contribution of the Growth Deal from 2% to 2.15%.**
 5. **To note the recommendations of the initial reserve list as noted in Attachment D to the report and make a request to the Portfolio Director to submit a paper confirming the recommendations in a future meeting.**

REASONS FOR THE DECISION

A decision needs to be made following completion of the new projects process.

DISCUSSION

The report was discussed.

The meeting commenced at 10.00 am and concluded at 11.30 am

CHAIR